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**for the year ended 31 March 2010
(Report No. 2)**

GOVERNMENT OF MIZORAM

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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, II, III, IV and V of this Report deals with the findings of performance audit, audit of transactions and integrated audit in various Departments including the Public Works Department, Revenue Receipts, audit of Government Companies, Statutory Corporations of the State Government for the year 2009-2010.*
 3. *The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 2009-10 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 2009-10 have also been included wherever necessary.*
 4. *The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.*
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OVERVIEW

OVERVIEW

This Report contains 16 Audit Paragraphs (excluding three general paragraphs) and two Performance Reviews and one Integrated Audit. According to the existing arrangements, copies of the draft audit paragraphs, draft performance reviews and draft Integrated Audit were sent to the concerned Secretary to the State Government by the Accountant General (Audit) with a request to furnish replies within six weeks. The Secretaries were also reminded for replies. Besides, a discussion was also arranged with the Chief Secretary to the State Government on the issues raised in the draft audit paragraphs, draft performance reviews etc., for effective inclusion of the views/comments of the Government in the Audit Report. Despite such efforts, replies were not received in respect of four audit paragraphs from the concerned Principal Secretaries/Secretaries to the State Government.

1. Performance Review

Border Area Development Programme

The Border Area Development Programme was initially started during the seventh Five-Year Plan with the main objectives of balanced development of border areas and also to meet the development needs of the people living in remote and inaccessible areas situated near the international borders. The programme was revamped in the Eighth Five Plan and further extended to those States having an international border with Bangladesh. During the ninth-Five-Year Plan, the programme has been further extended to the states, which have an international border with Myanmar. The main objective of the Border Area Development Programme of speedy development of border area was not achieved to the desired extent due to inherent deficiency in planning and implementation of the programme. Diversion of substantial funds towards ineligible works/schemes and delays in release of funds adversely impacted the coverage of a number of critical sectors of the programme. Disproportionate allocation of funds to the border blocks deprived the border villages of an equitable share of the development programmes. Schemes were approved without giving priority for completion of on-going works/schemes on time with specific time schedule for completion which resulted in non completion of works/schemes. Delay in completion of works/schemes resulted in large scale cost over-runs. Quality of infrastructure created remain unverified with reference to technical estimates and designs due to non maintenance of the MBs. Besides, non-maintenance of assets is bound to prove detrimental to the life span of the assets already created under the programme. Monitoring, internal control/internal audit systems was inadequate leading to major irregularities and improprieties in drawal and utilisation of available funds.

(Paragraph 1.1)

Public Distribution System

Public Distribution System (PDS) is one of the most important functions of the State Government which helps in providing food security to a large number of consumers. The performance of PDS in the State with reference to the provision of PDS (Control) order, 2001 revealed that the State Government had made no efforts to evolve a well defined criteria for identifying BPL and AAY beneficiaries. The excessive issue of Family Ration Cards with inflated population has an adverse impact on the distribution of foodgrain to the PDS beneficiaries in the State. Effective distribution of timely allotted foodgrain to all consumers in the State at prescribed quantity and rates were not achieved due to misappropriation of a major portion of the foodgrain at the field level. There was inadequate/improper maintenance of godowns causing substantial storage losses of foodgrain. The PDS consumers were overburdened owing to higher selling price of foodgrain than the price approved by the Government. The Department failed to claim reimbursement of transportation charges claims under Hill Transport Subsidy Scheme. Monitoring was lax leading to improper documentation at every level and absence of mandatory inspection by departmental authorities. Due to absence of systemic quality test mechanism, quality of foodgrain distributed under PDS remained questionable. The Internal Control Mechanism was either dysfunctional or had little effect in exercising control.

(Paragraph 1.2)

2. Audit of Transactions

Wasteful/Temporary Misappropriation/Avoidable/Diversion/Idle Expenditure

Public Works Department

Public Works Department incurred an unauthorised and wasteful expenditure of ₹ 71.09 lakh towards construction of Indoor Stadium at Capital Complex, Khatla without administrative approval and expenditure sanction of the project and even before the allocation of site.

(Paragraph 2.1)

Industries Department

Failure to comply with the basic principles of financial discipline on the part of Drawing and Disbursing Officer of Geology and Mining Wing under the Directorate of Industries facilitated temporary misappropriation/non-accountal of funds of ₹ 16.91 lakh.

(Paragraph 2.2)

Public Works Department

Grant of interest free mobilisation advance by Public Works Department in violation of codal provisions led to undue financial advantage to the contractors resulting in corresponding loss of ₹ 59.50 lakh towards interest.

(Paragraph 2.3)

District Councils Affairs Department

Violating prescribed procedures of CPWD Works Manual and financial rules, the Chakma Autonomous District Council unauthorisedly disbursed an Advance of ₹ 3.61 crore to a contractor, resulting in undue financial benefit to the contractor together with loss of interest.

(Paragraph 2.4)

Social Welfare Department

Social Welfare Department unauthorisedly granted old age pension of ₹ 40.47 lakh to ineligible beneficiaries during 2007-10.

(Paragraph 2.5)

Rural Development Department

Contrary to the decision of Departmental Screening Committee, the State Institute of Rural Development proceeded with construction of a Computer Laboratory Building by diverting Central assistance of ₹ 15 lakh meant for construction of Extension Training Centre.

(Paragraph 2.7)

Land Revenue and Settlement Department

Before the actual commencement of the execution of survey works, the Land Revenue and Settlement Department drew and disbursed an amount of ₹ 79.97 lakh by preparing false bills.

(Paragraph 2.9)

Animal Husbandry and Veterinary Department

Non-utilisation of Modern Slaughter House by the Animal Husbandry and Veterinary Department rendered the expenditure of ₹ 3.49 crore infructuous for over two years.

(Paragraph 2.10)

3. Integrated Audit

The objective of providing higher education, (both in general and technical disciplines) by the Higher and Technical Education Department was not achieved fully due to significant deficiencies in planning as it was not on actual need based assessment for the State. There were serious weaknesses in financial management as evident from cases of excess/disproportionate expenditure over AICTE norms, non maintenance of essential records for disbursement of stipends/book grants, non submission of utilisation certificates, and non-reconciliation of accounts with treasury, splitting up of sanction orders, misappropriation of Government money and mismanagement/non-deposit/unauthorised appropriation of student fees which was indicative of the fact that there was either little or no role exercised by the Department to enforce effective internal controls over Government expenditure. As against the available intake capacity in the degree colleges, the number of students enrolled during 2005-10 was ranging from 53 to 64 *per cent* only. Due to non availability of well equipped and modern techniques of teaching, a sizeable number of students pursued higher education outside the State during 2007-10. Moreover, post-matric scholarship was irregularly sanctioned to a large number of students studying in more than one college in the same academic year 2009-10. Monitoring and evaluation of various programmes/schemes implemented in the State had neither been carried out by the Department nor by the Government.

(Paragraph 3.1)

4. Revenue Receipts

The total revenue receipts of the Government of Mizoram in 2009-10 were ₹ 2,963.51 crore as against ₹ 2,653.13 crore during 2008-09. The revenue raised by the State from tax receipts during 2009-10 was ₹ 107.58 crore and from non-tax receipts was ₹ 126.51 crore. State's share of divisible Union taxes and grants-in-aid from the Government of India were ₹ 394.53 crore and ₹ 2,334.89 crore, respectively. Thus, the revenue raised by the State Government was 7.90 *per cent* of the total revenue receipts.

(Paragraph 4.1)

Transaction Audit Industries Department

There was a loss of revenue of ₹ 1.15 crore due to non-realisation of royalty at the prescribed rate by the Industries Department.

(Paragraph 4.2)

Non-realisation of royalty by the Industries Department at the prescribed rate from user agencies and permit holders led to loss of revenue of ₹ 6.79 crore.

(Paragraph 4.3)

Non-levy of royalty by the Industries Department on the drivers illegally transporting mined minerals led to loss of revenue of ₹ 52.36 lakh.

(Paragraph 4.4)

Environment and Forest Department

There was loss of revenue of ₹ 39 lakh due to settlement of broomstick *mahals* by direct negotiation and below royalty rate by the Environment and Forest Department.

(Paragraph 4.5)

5. Government Commercial and Trading Activities

5.1 Government Companies

Audit of Government companies is governed by Section 619 of the Companies Act, 1956. The accounts of the State Government companies are audited by Statutory Auditors appointed by Comptroller and Auditor General (C&AG) of India. These accounts are also subject to supplementary audit conducted by C&AG. As on 31 March 2010, the State of Mizoram had five working PSUs, which employed 274 employees. These PSUs registered a turnover of ₹ 1.45 crore for 2009-10 as per the latest finalised accounts. This turnover was equal to 0.03 *per cent* of State GDP indicating insignificant place in the State economy. The PSUs incurred a loss of ₹ 3.59 crore and had accumulated losses of ₹ 43.45 crore as per their latest finalised accounts.

Investment in PSUs

As on 31 March 2010, the investment (capital and long term loans) in five PSUs was ₹ 93.31 crore. It grew by 36.56 *per cent* from ₹ 68.33 crore in 2004-05. Financing sector accounted for nearly 54.71 *per cent* of total investment in 2009-10. The Government contributed ₹ 3.47 crore towards equity, loans and grants during 2009-10.

Performance of PSUs

All five state PSUs were incurring losses continuously during the period between 2004-05 and 2009-10. Zoram Industrial Development Corporation Limited incurred heavy losses in all the years ranging between ₹ 1.76 crore in 2004-05 and ₹ 1.38 crore in 2009-10.

The losses of PSUs are mainly attributable to deficiencies in financial management, planning, implementation of project, running their operations and monitoring. A review of three latest Audit Reports of C&AG shows that the State PSUs incurred losses to the tune of ₹ 9.72 crore

which were controllable. There is tremendous scope to improve the functioning of PSUs and reduce losses. The PSUs can discharge their role efficiently if they are financially self reliant. There is a need for professionalism and accountability in functioning of PSUs.

Arrears in accounts

Five working PSUs had arrear of 27 accounts as of September 2010. Arrears need to be cleared by setting targets for PSUs and outsourcing the work relating to preparation of account, if necessary.

Audit of Transactions

Power and Electricity Department

Deficient execution of the Serlui 'B' Hydro Project by the Power and Electricity Department resulted in time and cost overrun of 34 months and ₹.91.17 crore respectively.

(Paragraph 5.2)

Industries Department

Setting up of Call and Training Centre by the Industries Department without safeguarding its financial interest resulting in closure of the Call and Training Centre and infructuous expenditure of ₹ one crore.

(Paragraph 5.3)

CHAPTER – I

PERFORMANCE REVIEWS

CHAPTER – I

PERFORMANCE REVIEW

RURAL DEVELOPMENT DEPARTMENT

1.1 BORDER AREA DEVELOPMENT PROGRAMME

Highlights

The Border Area Development Programme initially started during the seventh Five-Year Plan with the main objectives of balanced development of border areas and also to meet the development needs of the people living in remote and inaccessible areas situated near the international borders. The programme was revamped in the Eighth Five-Year Plan and further extended to those States having an international border with Bangladesh. During the ninth Five-Year Plan, the programme has been further extended to the States, which have an international border with Myanmar. A performance audit of the programme brought out the following significant findings:

The Department neither formulated a perspective plan nor any border block level plans on the basis of baseline surveys.

(Paragraph 1.1.7)

The Department drew an amount of ₹ 30.93 crore from Government accounts and parked it in Civil Deposits for periods ranging from two to twelve months.

(Paragraph 1.1.8.2)

In violation of the prescribed Financial Rules, the Department drew an amount of ₹ 46.76 crore during 2005-10 presenting false bills before actual commencement of approved works.

(Paragraph 1.1.8.4)

The Department incurred an expenditure of ₹ 6.79 crore towards execution of 134 ineligible works/schemes in 16 border Blocks.

(Paragraph 1.1.9.2)

The BDOs under eight border blocks executed 34 works/schemes during 2005-10 with cost over-run of ₹ 2.08 crore.

(Paragraph 1.1.9.3(i))

1.1.1 Introduction

Development of Border Areas is a part of the comprehensive approach to Border Management. The Border Area Development Programme (BADP) initially started during the VII Five Year Plan (1992) and was extended during the VIII Five Year Plan to those States having an international border with Bangladesh. It was further extended during the IX Five Year Plan (1997) to the States, which have an international border with Myanmar. The main objective of the BADP is to meet the special development needs of the people living in remote and inaccessible areas situated near international borders.

The BADP is in operation in Mizoram, in the border blocks along the Indo-Bangladesh international border (318 kms with a population of 1.40¹ lakh) since 1993-94. From 1997-98, the programme was extended to the border blocks along the Indo-Myanmar international border (404 kms with a population of 2.69¹ lakh).

1.1.2 Organisational Set-up

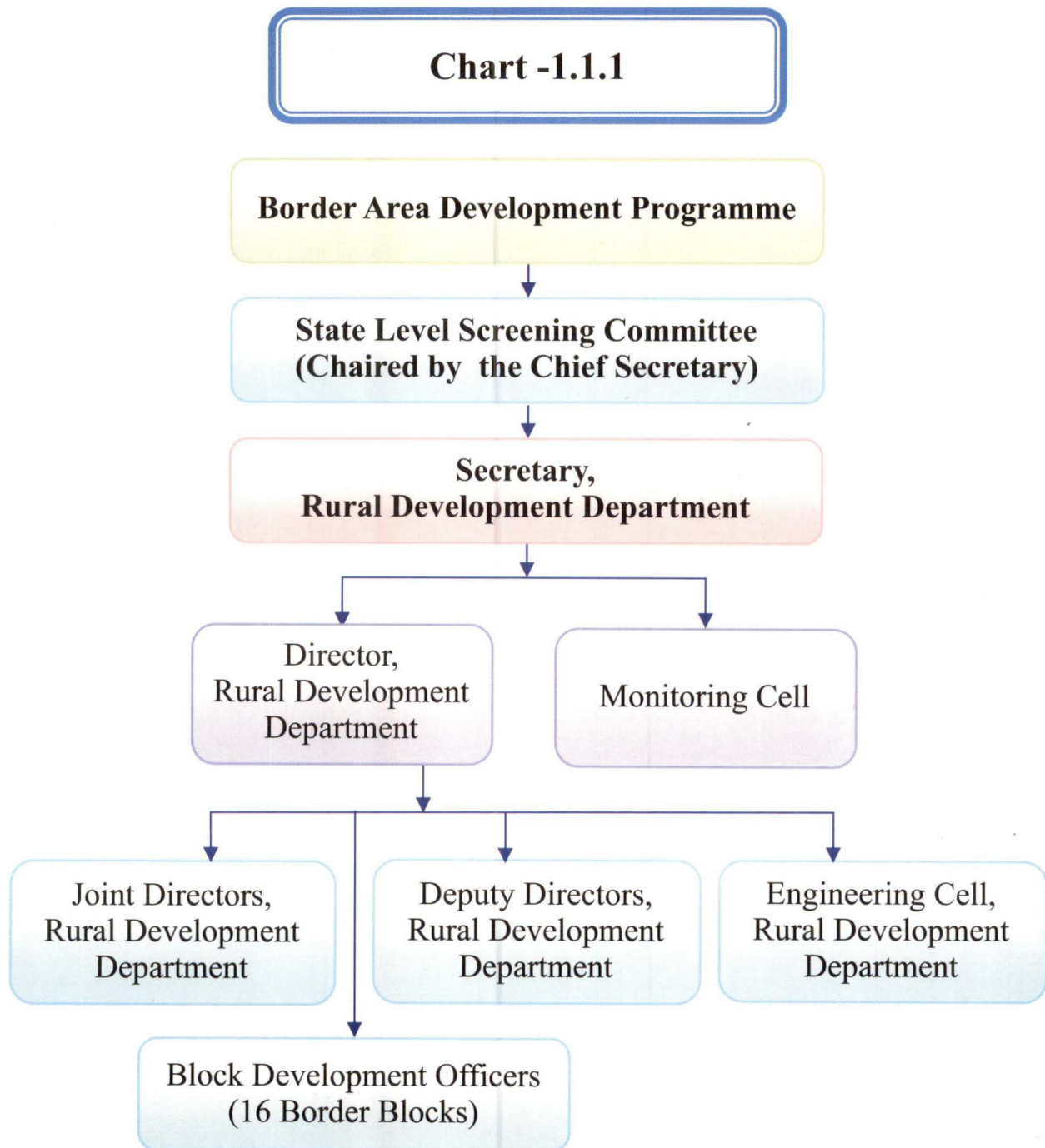
A State Level Screening Committee (SLSC) chaired by the Chief Secretary is responsible for finalisation of the schemes and assess the progress of schemes under the programme. The Rural Development Department is the Nodal Department responsible for implementation of the programme in the State. The Secretary, Rural Development Department (RDD), Government of Mizoram, is the administrative head of the implementing Department of the programme. The implementation of the programme is managed by the Director, Rural Development Department (RDD). The Director is assisted by Joint Directors, Deputy Directors and technical officers of Engineering Cell of the Directorate. At the district level, the concerned Deputy Commissioners of six² districts, having 16³ Rural Development (R.D.) Blocks along the international borders are responsible for the overall implementation of the programme and execution of the schemes through the respective Block Development Officers. The implementation of the programme is monitored by a separate monitoring cell attached with the Principal Secretary, Rural Development Department, Government of Mizoram. The Information and Public Relation Department, Mizoram is also involved in partial implementation of the programme.

¹ As on 1 February 2008 based on Statistical Handbook, 2008, Mizoram.

² Districts - 1. Lunglei, 2. Lawngtlai, 3. Saiha, 4. Mamit, 5. Champhai and 6. Serchhip.

³ R.D. Blocks - Indo-Myanmar border - (1. Ngopa, 2. Khawzawl, 3. Champhai, 4. Khawbung, 5. Lungdar 'E', 6. Hnathial, 7. Sangau, 8. Tuipang, 9. Saiha, 10. Lawngtlai, 11. Bungtlang 'S'), Indo-Bangladesh border - (12. Chawngte, 13. Lungsen, 14. Bughmun, 15. 'W' Phaileng and 16. Zawlnuam).

The organisational structure of the planning process and implementing functionaries of Border Area Development Programme is shown in the Chart below:



1.1.3 Scope of Performance Audit

An audit review on the implementation of the programme in the State during 2005-10 was carried out through a test check (June to August 2010) of records of the Administrative Department of Rural Development, Directorate of RDD, three Deputy Commissioners (Lunglei, Champhai

and Mamit districts) out of six districts in border areas, eight⁴ Rural Development (R.D.) Blocks out of sixteen R.D. Blocks, Monitoring Cell under R.D. Department and Directorate of Information and Public Relations.

1.1.4 Audit Objectives

The objective of the performance audit of BADP was to assess whether:

- Long term perspective plan was prepared keeping in view the overall balanced development of the region;
- Allocation of funds was commensurate with the size and population of the blocks;
- Adequate emphasis was laid by the Government in preparation of schemes for employment generation, production oriented activities, schemes providing critical inputs in social sectors;
- The individual schemes were executed in accordance with the prescribed guidelines in an economic, efficient and effective manner;
- The scheme interventions have resulted in development of high quality infrastructure; and
- Monitoring and internal control mechanism was adequate and effective.

1.1.5 Audit criteria

The following audit criteria were used to arrive at audit conclusions:

- Programme guidelines issued by Government of India (GoI);
- Block Level Annual Plans and schemes approved by the State Level Screening Committee (SLSC);
- Minutes of the SLSC's meetings;
- Government of India's (GoI) approval of the schemes, allocation and release of Special Central Assistance (SCA);
- Physical and Financial progress reports; and
- General Financial Rules.

⁴ R.D. Blocks - Indo-Myanmar border - (1. Ngopa, 2. Khawzawl, 3. Champhai, 4. Khawbung). Indo-Bangladesh border - (5. Lungsen, 6. Bungle, 7. Hnathial and 8. Zawlnuam).

1.1.6 Audit Methodology

The performance audit commenced with an entry conference (April 2010) with the Secretary, R.D. Department and the Director, RDD, in which audit objectives, criteria, scope of audit were discussed. The Department was also requested to share their perception on their priorities as well as areas of concern in the functioning of the Department, etc. Selection of units was done on random sampling basis. The audit findings were discussed in an exit conference held (October 2010) with the Joint Secretary of the Administrative Department, Director R.D. Department and other officers of the Department/Government and the replies of the Department have been suitably incorporated in the review at the appropriate places.

Audit findings

The important points noticed in the course of audit are discussed in the succeeding paragraphs.

1.1.7 Planning

Border Management in the changed context has to be seen as serving the best interests of the Nation and the border areas should have a high standard of living to serve as a demographic buffer. In order to achieve a comprehensive development of the border areas, the Department was to prepare Comprehensive District Plan with inputs from border area plans (village/block level plan). A border area plan is to be prepared based on baseline surveys in remote border villages in order to assess the gaps in basic physical and social infrastructure and needs of the border population. Further, planning and implementation of the programme should be on participatory basis by Village Councils, Autonomous Councils and with convergence of all Centrally Sponsored Schemes (CSS) with BADP funds for filling critical gaps in infrastructure.

Audit, however, noticed that neither Comprehensive District Plans encompassing the border area plans (villages/block level plans) were prepared nor any baseline survey was conducted. There was no attempt at converging the Centrally Sponsored Schemes/Flagship Schemes of Government of India and State schemes with Border Area Development Programme (BADP). The Annual Action Plans, which were approved by the State Level Screening Committee (SLSC) were merely consolidation of the respective Block Level Annual Plans rather than a well orchestrated Comprehensive District Plan based on a meaningful need assessment after conducting baseline surveys. It was further noticed that Mara and Lai Autonomous District Councils were not given any role or importance in formulation as well as execution of works within their respective districts. As a result the schemes formulated for the districts failed to engage the significant stakeholders in identifying the needs of the people.

In view of the objective of overall balanced development of the region, a long term Perspective Plan for each border block is required to be prepared by the State Government. However, it was noticed that the preparation of Perspective Plan by the State Government was in finalisation stage as of March 2010. Thus, during the period (2005-10) covered under review, the schemes under BADP were implemented devoid of a Perspective Plan framework, which was conspicuously indicative of a deficient planning process.

Further, the villages located near the international border of Bangladesh and Myanmar within 0-10 kms, 0-15 kms and 0-20 kms were not identified for preparation of Annual Action Plans for 2009-10, as emphasized in the BADP Guidelines - February 2009, which obviated the very purpose of prioritising these villages.

Thus, the main objective of Border Area Development Programme, to meet the special development needs of the people living in remote and inaccessible areas situated near the international borders, was not fully achieved due to poor planning and implementation of programme.

The State Government in its reply (October 2010) stated that preparation of a long term perspective plan for each border block was not required under the Guideline. The reply is not acceptable as all the Guidelines clearly emphasized the preparation of a long term perspective plan for each border block for speedy development of border areas.

1.1.8 Financial Management

1.1.8.1 Allocation of funds, budget and expenditure

The BADP funds are provided to the States as Special Central Assistance (SCA) for execution of approved schemes on a 100 *per cent* grant basis and allocated amongst the beneficiary States on the basis of length of international border, population of border blocks and area of the blocks.

The position of allocation and release of Central Assistance, budget and expenditure by the State Government during 2005-10 are shown in table-1.1.1:

Table - 1.1.1

(₹ in crore)

Year	Allocation by the GoI (Normal and Additional fund)	Released by the GoI (including revaluated fund)	Budget Estimate/ Revised Estimate	Expenditure	(+) Excess (-) Savings
2005-06	16.26	16.95	16.49	16.38	(-) 0.11
2006-07	13.02	13.02	12.84	12.45	(-) 0.39
2007-08	30.46	25.12	19.38	22.31	(+) 2.93
2008-09	25.35	30.56	30.25	30.25	---
Sub-Total	85.09	85.65	78.96	81.39	---
2009-10	24.95	24.95	41.80	22.01	(-) 19.79
Sub-Total	24.95	24.95	41.80	22.01	----
Grand Total	110.04	110.60	120.76	103.40	----

Source: Departmental records.

The above table shows that against the total fund of ₹ 85.65 crore released by the GoI during 2005-09, the State Government granted a budgetary provision of ₹ 78.96 crore only during period (2005-09) with a short provision of ₹ 6.69 crore while the provision for the year 2009-10 was ₹ 41.80 crore against the GoI release of ₹ 24.95 crore, which resulted in excess of provision in the tune of ₹ 16.85 crore. Earmarking budgetary provision in short/excess of the fund received from the GoI indicates that the State Government failed to prepare a realistic budget for the programme. As a result, the Department could not fully utilise the funds earmarked specially during 2009-10.

While accepting the facts, the Government stated (December 2010) that during 2009-10 excess provision was reflected in the revised estimate due to additional allocation made by the Planning and Programme Implementation Department, which was not based on actual release from the GoI.

1.1.8.2 Drawal of funds without immediate requirement

Central Government Account (Receipts & Payments Rules), 1983 which is followed by the State Government, provides that no money should be drawn from the Government Treasury, unless it is required for immediate disbursement. Contrary to the codal provisions, R.D. Department drew the following funds during March 2006 and March 2009 and parked the amount in Civil Deposit, as shown in the following table:

Table – 1.1.2

(₹ in crore)

Year	Amount	Month of deposit	Amount withdrawn from Civil Deposit	Period of withdrawal	Total month of retention
2005-06	5.98	March 2006	5.98	July 2006 to March 2007	3-12 months
2008-09	24.95	March 2009	24.95	June 2009 to Sept. 2009	2-5 months
Total	30.93	----	30.93	----	----

Source: Departmental records.

It can be seen for the above table that an amount of ₹ 30.93 crore was drawn during 2005-06 and 2008-09 to avoid the lapse of budget grant and parked in Civil Deposit, for periods ranging from two to twelve months.

The parking of funds in Civil Deposits not only added to delays in execution and flow of funds for the purpose for which it was provided, but also entailed the risk of diversion of funds.

While accepting the facts, the Government stated (October 2010) that this was done to avoid mandatory process of revalidation and re-sanction of funds by the GoI. The reply is not acceptable as the first instalment (₹ 20.07 crore) out of the allocated fund (₹ 24.95 crore) for the year 2008-09 was released by the GoI in October 2008 and as such the grants could have been drawn prior to the end of the financial year for timely implementation of the Schemes during 2008-09. However, the Department drew and retained (March 2009) the fund in Civil Deposit and finally withdrawn the same during June to September 2009 for utilisation under the programme.

1.1.8.3 Drawal of funds in Abstract Bills and delay in submission of Detailed Bills

Central Treasury Rules, Vol.-I, which is followed by the State Government, provides that funds for contingent charges may be drawn from the Treasury by presenting Abstract Bill, subject to the presentation of Detailed Contingent Bill (DC Bill) to the Controlling Officer for countersignature and transmission to the Accountant General within one month from the date of drawal of Abstract Contingent Bills (AC Bills). Contrary to the codal provisions, the Director, R.D. Department drew the following funds of ₹ 55.64 lakh during March 2006 and March 2009 through AC Bills to avoid the lapse of budget grant and delayed the submission of DC Bills ranging from three to eleven months to the Controlling Officer for onward transmission to the Accountant General. The details are given in the following table:

Table - 1.1.3

(₹ in crore)

Year	Details of drawal of AC Bills		Details of submission of DC Bills		
	Amount	Month	Amount	Month	Delay (in month)
2005-06	6.76	March 2006	6.76	July 2006	3 months
2006-07	4.64	March 2007	4.64	August 2007 to March 2008	4-11 months
2007-08	19.29	March 2008	19.29	October 2008	6 months
2008-09	24.95	March 2009	24.95	November 2009	7 months
Total	55.64	----	55.64	----	----

Source: Departmental records.

While admitting the facts, the Government stated (October 2010) that due to delay in procedural checking of the bills by the Technical Cell of the Directorate, the submission of DCC bills were delayed.

1.1.8.4 Withdrawal of funds from Government accounts presenting false bills

Central Government Account (Receipts and Payments Rules), 1983 provides that no money should be drawn from the Government Treasury, unless it is required for immediate disbursement. Further, as per prescribed financial procedures, when a fund is drawn from the Government accounts against the name of certain persons/suppliers the same fund should be disbursed only to such persons/suppliers.

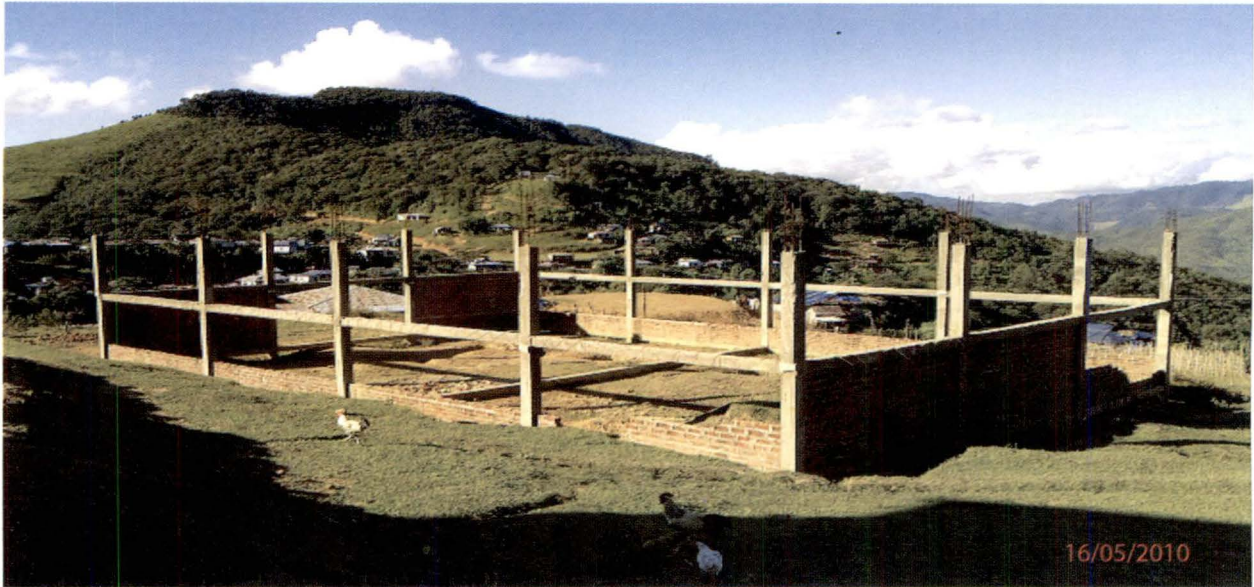
Scrutiny of the records of the Drawing and Disbursing Officer (DDO) of Directorate of RDD revealed that in violation of the prescribed financial procedures, the DDO during 2005-10 irregularly obtained bills for ₹ 46.76⁵ crore from the 16 border BDOs showing departmental execution of works of the sanctioned schemes under BADP during 2005-10 and encashed the fund from Government Treasury before actual execution of works to avoid the lapse of budget grants. Though the final bills of ₹ 46.76 crore contained wage component for deployment of a number of labourers and also material component from different suppliers, the amount was neither disbursed to any labourer nor to any supplier. However, the entire funds of ₹ 46.76 crore was unauthorisedly disbursed to work supervisors⁶ for execution of works under their respective jurisdiction.

Further, scrutiny of the bills for ₹ 22.01 crore (out of ₹ 46.76 crore) revealed that though bills for ₹ 22.01 crore was encashed from the Government treasury during 2009-10, showing

⁵ ₹ 46.76 crore = 2005-06 : ₹ 9.62 crore (+) 2006-07 : ₹ 7.80 crore (+) 2007-08 : ₹ 2.03 crore (+) 2008-09 : ₹ 5.30 crore (+) 2009-10 : ₹ 22.01 crore.

⁶ Private individuals appointed for execution of works/schemes under the programme.

completion of approved works pertaining to 2009-10 by the 16 border BDOs, the works were actually commenced during first quarter of financial year of 2010-11 and remained in progress as of July 2010. Thus, the entire funds of ₹ 22.01 crore was drawn by presenting false bills before execution of the works. The photographs of two ongoing works during 2010-11 are depicted below:



Constn. of Community Hall at Khankawn under Khawbung Block



Constn. of Higher Secondary School hostel at Ngopa

While admitting the facts of withdrawal of funds from the Government Accounts presenting false bills, the Government stated (October 2010) that the Department was compelled to draw the money from treasury, as no work can be executed by the executing agency in the absence of funds. The reply is not acceptable as the Department could have drawn the money in

Abstract Contingent (AC) Bills, if they required the fund in advance without adopting the irregular practices of drawal of funds by presenting false bills.

1.1.8.5 Abnormal delay in release of funds to implementing RD Blocks

The Central Government released the allocated funds to the State in two installments during 2005-10. The 1st installment comprising 90 *per cent* of the allocated funds is released to the State after receipt of Utilisation Certificates (UCs) for the amount released for previous years. The 2nd installment of the remaining 10 *per cent* of the allocation is released only after receipt of UCs to the extent of not less than 50 *per cent* of the amount released in the first instalment. According to the BADP Guidelines, the BADP funds should be released by the States to the implementing agencies within 15 days after receipt of the same from the GoI. The Director, RDD was responsible for drawal of allocated funds under BADP from the Government Treasury and disbursement of the same to the BDOs of 16 implementing R.D. Blocks.

Scrutiny of the records of DDO of the Directorate of R.D. Department revealed that an amount of ₹ 103.40 crore was drawn and disbursed to the BDOs during 2005-10. Audit however, noticed that only ₹ 23.40 crore (constituting 23 *per cent*) out of ₹ 103.40 crore was released to the implementing border Blocks during the concerned financial years and remaining funds of ₹ 80 crore being 77 *per cent* was released in the subsequent financial years as detailed in the following table:

Table - 1.1.4

(₹ in crore)

Year	Total available fund	Fund released within the year		Fund released in next year	
		Month	Amount (percentage)	Month	Amount (percentage)
2005-06	16.38	January to March 2006	12.38 (76)	April to Dec.2006	4.00 (24)
2006-07	12.45	April 2006 to Feb. 2007	8.32 (67)	April to Dec. 2007	4.13 (33)
2007-08	22.31	August 2007 to March 2008	1.94 (9)	April 2008 to Jan. 2009	20.37 (91)
2008-09	30.25	January to March 2009	0.76 (3)	April to Nov. w2009	29.49 (97)
2009-10	22.01	---	---	April to July 2010	22.01 (100)
Total	103.40	----	23.40 (23)	----	80.00 (77)

Source: Departmental records.

The above table shows that during 2005-10 funds ranging from three to seventy-six *per cent* were released during concerned financial years. The remaining funds ranging from 24 to 100 *per cent* were released during next financial years. Thus, the abnormal delay in release of funds to the implementing agencies not only indicates poor financial management, but also delayed the implementation of the schemes under the programme.

The Government while admitting the facts of abnormal delay in release of funds to the implementing, RD Blocks stated (October 2010) that the delay occurred due to administrative procedures like preparation of plan and estimates, obtaining administrative approval and expenditure sanction from the Government. The reply is not acceptable as the delay could have been avoided had the Department finalised the plan and estimates at the beginning of the concerned financial year.

1.1.8.6 Submission of Utilisation Certificates

As already spelt out in paragraph 1.1.8.5, during 2005-10, the Director, RDD released only three to seventy-six *per cent* of the fund to the implementing agencies, while remaining fund ranging from 24 to 100 *per cent* were released during the next financial years. It was, however, noticed in audit that the Department had submitted the Utilisation Certificates (UCs) to the GoI before the actual utilisation of the funds during 2005-10. The year-wise details of submission of UCs are shown in the following table:

Table - 1.1.5

(₹ in crore)

Year	Fund released by the GoI	Details of UCs submitted to the GoI		
		Amount	Month of submission	Pending UCs
2005-06	16.95	16.26	April 2006	0.69
2006-07	13.02	13.02	May 2007	----
2007-08	25.12	20.86	May 2008	4.26
2008-09	30.56	25.35	May 2009	5.21
2009-10	24.95	24.94	May 2010	0.01
Total	110.60	100.43	----	10.17

Source: Departmental records.

It may be seen from the above table that the UCs were submitted to GoI in the months between April and May every year during 2005-10, though the funds were released between April to January of next financial years as shown in table-1.1.4. The reasons for non-submission of UCs for ₹ 10.17 crore was not on record.

While accepting the facts, State Government stated (October 2010) that the UCs were submitted as the drawal of funds from the Government Treasury was treated as expenditure though a certain amount of fund was retained under Civil Deposit. The fact, however, remains that UCs were submitted to the GoI before its actual utilisation, which was irregular.

1.1.8.7 Retention of funds in Savings Bank Accounts

The BADP Guidelines provides that parking of BADP funds at any level is strictly prohibited. It was, however, noticed in audit that in contradiction of the provision of the Guidelines, the Director, R.D. Department unauthorisedly retained the BADP funds temporarily by operating Savings Bank Accounts with the State Bank of India from October 2001 to July 2010 and earned an interest of ₹ 39.99 lakh during 2005-06 to 2009-10. However, no details could be furnished to audit in respect of interest earned from October 2001 to 2004-05. Out of ₹ 39.99 lakh, the Department remitted (May 2010) ₹ 18.03 lakh in the Government accounts leaving a balance of ₹ 21.96 lakh as of July 2010 in savings account.

Thus, the SLSC/State Government needs to take effective steps for utilisation of the retained funds for execution of developmental schemes under BADP and also needs to take action for discontinuance of unauthorised parking of BADP funds in bank accounts.

The State Government stated (October 2010) that it was not possible for them to furnish the details of interest accrued prior to 2005-06 under BADP as funds for some other schemes were also operated through this Bank Account. The Government also intimated (October 2010) that the Department would process for utilisation of the retained amount of interest in savings bank account for execution of the developmental schemes under BADP.

1.1.8.8 Disproportionate allocation of funds to the border blocks

The funds for execution of schemes under BADP were allocated by the GoI to the State on the basis of (i) length of international border, (ii) population of border blocks, and (iii) area of border blocks. Each criteria was to be given equal weightage. The border block was the spatial unit for the programme and all the schemes were to be implemented within the border blocks only.

The total population (February 2008) in the 16 border blocks was 4.09 lakh (2.69 lakh in 11 blocks under Indo-Myanmar border and 1.40 lakh in five blocks under Indo-Bangladesh border).

Out of ₹ 103.40 crore spent during 2005-10, the Director, R.D. Department allocated ₹ 103.02⁷ crore (₹ 15.82 crore to 13⁸ Blocks during 2005-06 and ₹ 87.20 crore to 16 Blocks during 2006-07 to 2009-10) for implementation of the schemes in the Border Blocks. The year-wise allocation of BADP funds to the border blocks during 2005-10 are shown in the following table:

⁷ Details allocation of remaining fund of ₹ 0.38 crore (₹ 103.40 crore - ₹ 103.02 crore) was not on record

⁸ There were only 13 Border Blocks during 2005-06, which were increased to 16 Border Blocks from 2006-07.

Table - 1.1.6

(₹ in crore)

Sl. No.	Name of Block	Population as on February 2008 (in lakh)	Fund Allocated during 2006-07 to 2009-10						Allocation required as per population (2006-07 to 2009-10)	Allocation	
			2005-06	2006-07	2007-08	2008-09	2009-10	Total		(+) Excess (-) Less	Percentage (+) Excess (-) Less
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
A. Indo-Myanmar Border											
1.	Ngopa	0.21	1.26	1.00	1.20	4.03	1.72	7.95	4.48	+ 3.47	+ 78
2.	Khawzawl	0.30	2.79	0.80	1.60	1.70	1.70	5.80	6.40	- 0.60	- 09
3.	Champhai	0.44		1.25	1.55	1.86	1.88	6.54	9.38	- 2.84	- 30
4.	Khawbung	0.22	1.27	0.72	1.20	1.65	1.65	5.22	4.69	+ 0.53	+ 11
5.	E. Lungdar	0.17	1.09	0.59	1.03	1.00	1.20	3.82	3.62	+ 0.20	+ 05
6.	Hnathial	0.29	1.32	0.92	1.50	1.86	1.80	6.08	6.18	- 0.10	- 02
7.	Sangau	0.19	0.89	0.59	0.97	0.95	0.95	3.46	4.05	-0.59	- 15
8.	Tuipang	0.07	1.22	0.70	1.31	1.50	1.50	5.01	1.49	+ 3.52	+ 236
9.	Saiha	0.41		0.72	1.18	4.19	1.40	7.49	8.74	- 1.25	- 14
10.	Lawngtlai	0.38		0.74	1.24	1.50	1.34	4.82	8.10	- 3.28	- 41
11.	Bungtlang 'S'	0.01	1.13	0.70	1.22	1.25	1.30	4.47	0.21	+ 4.26	+ 2029
Sub Total (A)		2.69	10.97	8.73	14.00	21.49	16.44	60.66	57.35		
B. Indo-Bangladesh Border											
12.	Chawgte	0.10	1.00	0.70	1.25	1.65	1.60	5.20	2.13	+ 3.07	+ 144
13.	Lungsen	0.40	1.00	0.74	1.26	1.60	1.60	5.20	8.53	- 3.33	- 39
14.	Bunghmun	0.18	1.00	0.74	1.26	1.60	1.60	5.20	3.84	+1.36	+ 35
15.	'W' Phaileng	0.22	1.15	0.74	1.35	1.50	1.50	5.09	4.69	+0.40	+ 09
16.	Zawlnuam	0.50	0.70	0.95	1.37	1.70	1.83	5.85	10.66	- 4.81	- 45
Sub Total (B)		1.40	4.85	3.87	6.49	8.05	8.13	26.54	29.85		
G Total (A + B)		4.09	15.82	12.60	20.49	29.54	24.57	87.20	87.20		

Source: Departmental records and Statistical Hand Book, 2008, Government of Mizoram.

Audit analysed allocation of funds on the basis of population criteria (which is one of the important criteria, out of the three criteria mentioned above) of the 16 border blocks, which were under operation from 2006-07 onwards against 13 blocks in 2005-06. Audit analysis disclosed that the fund of ₹ 87.20 crore was disproportionately allocated to the 16 blocks during 2006-10 without giving equal weightage of population criteria.

There were eight blocks which received excess allocation in the range from ₹ 0.20 crore to ₹ 4.26 crore (constituting five to 2029 per cent) and eight blocks which received less allocation in the range from (-) ₹ 0.10 crore to (-) ₹ 4.81 crore (constituting two to forty-five per cent) as compared to required allocation of fund as per population criteria. Thus, due to disproportionate allocation of fund, the border population was deprived of an equitable accrual of benefits out of the programme.

In their reply (October 2010) the Government tried to justify with a general comment that nine blocks which received excess allocation of funds are all relatively backward, having a greater degree of infrastructural gap and due to inadequate funds received under BADP, the need of all sectors cannot be met at once. The reply of the Government, however, contradicts the provisions

of the Guidelines, which emphasized allocation of funds to the border block with giving equal weightage of each criteria of length of international border, population of border blocks and area of border blocks.

1.1.9 Programme implementation

1.1.9.1 Block wise physical targets and achievement of works/schemes

As per year wise works/schemes approved by the SLSC and progress reports submitted to the GoI, the block wise physical targets and achievement during 2005-10 were as shown in the following table:

Table - 1.1.7

(Figures in number)

Sl. No	Name of Block	Physical Target:-						Physical Achievement:-						Shortfall (+) Excess (-) Less
		2005 -06	2006 -07	2007 -08	2008 -09	2009 -10	Total	2005 -06	2006 -07	2007 -08	2008 -09	2009 -10	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
1.	Ngopa	39	22	21	36	33	151	39	23	22	39	34	157	(+) 6
2.	Khawzawl	81	34	40	38	33	226	81	38	38	39	33	229	(+) 3
3.	Champhai	---	37	29	33	40	139	---	38	29	35	39	141	(+) 2
4.	Khawbung	50	20	25	32	37	164	50	24	25	34	37	170	(+) 6
5.	Lungdar 'E'	38	15	21	30	31	135	38	15	21	33	31	138	(+) 3
6.	Hnathial	49	32	42	42	13	178	49	32	42	46	13	182	(+) 4
7.	Bunghmun	41	17	24	30	23	135	41	15	24	35	23	138	(+) 3
8.	Lungsen	32	28	28	38	26	152	32	27	28	45	27	159	(+) 7
9.	Tuipang	38	22	35	43	25	163	38	24	35	46	25	168	(+) 5
10.	Saiha	---	17	37	46	15	115	---	17	37	47	14	115	---
11.	Sangau	35	26	19	24	24	128	34	25	19	25	23	126	(-) 2
12.	Lawngtlai	25	52	32	21	21	151	25	38	32	22	18	135	(-) 16
13.	Bungtlang 'S'	---	28	22	24	17	91	---	27	22	26	15	90	(-) 1
14.	Chawngte	27	22	35	27	42	153	27	11	35	29	14	116	(-) 37
15.	'W' Phaileng	33	32	34	35	29	163	32	30	34	40	29	165	(+) 2
16.	Zawlnuam	29	33	36	40	34	172	27	30	36	42	33	168	(-) 4
	Total	517	437	480	539	443	2416	513	414	479	583	408	2397	(-) 19

Source: Departmental records.

As indicated in the above table, the Department attained physical achievement of 2,397 works/schemes against the targeted/approved 2,416 works/schemes during 2005-10 with a shortfall of 19 works/schemes.

However, though the State Government claimed achievement of 408 schemes/works during 2009-10 against the physical target of 443 schemes/works, the actual achievement during the year was 'NIL' as the entire fund of ₹ 22.01 crore drawn for implementation of the scheme during 2009-10 was released to the executing RD Blocks from April 2010 onwards of next financial year for its actual implementation during 2010-11 as mentioned in

Paragraph – 1.1.8.5. The fact of which was also accepted (October 2010) by the Government. This raises a serious doubt on the authenticity of the completion of schemes indicated by the Department.

1.1.9.2 Execution of ineligible works/schemes

The guidelines emphasize that creation of tangible assets should be given priority under BADP. The smaller schemes, which are of direct benefit to specific villages/individuals, need to be addressed by the State Government under their own development initiatives. The GoI, thus, categorically disallowed work such as – construction of building for offices and residence for officials (except for officials engaged in education and health sectors) etc. under BADP.

Scrutiny of the records of the Director, RDD and border blocks revealed that during 2005-10, the Department incurred an expenditure of ₹ 6.79 crore towards execution of 134 ineligible works/schemes in 16 border blocks. The details of block wise and year wise ineligible works/schemes undertaken with expenditure incurred thereon by 16 border blocks during 2005-10 are shown in the **Appendix - 1.1.1**.

It can be seen from the **Appendix - 1.1.1** that all the ineligible 134 works/schemes undertaken were mainly pertaining to construction of building for offices of Block Development Officers (BDOs), Sub-Divisional Officers (Civil) (SDO-C), residential accommodation of BDOs and SDOs-C and their staffs and construction building for Rest Houses under Deputy Commissioners/RD Departments and their maintenance etc. Had the SLSC disallowed all these 134 ineligible works/schemes under BADP a substantial amount of ₹ 6.79 crore could have been utilised for undertaking developmental activities for the direct benefit of the border villages/population.

The Government in their reply stated (October 2010) stated that all items of works under the scheme were executed after obtaining approval of the GoI before operation of the revised Guidelines, 2008. The fact, however, remains that construction/renovation of administrative buildings, except the houses for teaching staff and paramedics, are not allowed in the BADP guidelines, and the amount of ₹ 6.79 crore spent on ineligible works/schemes could have been utilised for undertaking developmental activities for the direct benefit of the border villages/population.

1.1.9.3 Delay in Execution of works/schemes

The BADP Guidelines provide that State Government would closely monitor the implementation of the works/schemes being undertaken under BADP so as to ensure quality and timely completion of the works.

- (i) Scrutiny of the records of eight⁹ test checked border BDOs revealed that during 2005-06 to 2009-10 altogether 77 on-going works/schemes were shown to be completed within the approved outlay/estimated cost of ₹ 7.75 crore, whereas the same eight BDOs completed another 34 on-going works/schemes during 2005-06 to 2009-10 at a cost of ₹ 5.40 crore against the original approved outlay/estimated cost of ₹ 3.32 crore with spilled over of works/schemes from two to six years, resulting in cost over-run of ₹ 2.08 crore. The details are shown in **Appendix - 1.1.2**.
- (ii) Scrutiny of the records of same eight test checked border BDOs revealed that during 2005-06 to 2009-10 execution of 170 on-going works/schemes were carried out by the concerned eight BDOs with an approved outlay of ₹ 27.33 crore, but entire 170 works remained incomplete at the end of 2009-10 after incurring an expenditure of ₹ 12.45 crore (details are shown in **Appendix - 1.1.3**), a consolidated position of which is shown in the table below:

Table - 1.1.8

(₹ in lakh)

Sl. No.	No. of works	Year of commencement	Approved outlay	Expenditure upto 2009-10
1.	1	1998-1999	15.00	11.00
2.	2	1999-2000	85.00	74.00
3.	2	2002-2003	29.00	22.00
4.	3	2003-2004	105.00	30.50
5.	10	2004-2005	216.00	159.00
Sub Total (A)	18	1998-2005	450.00	296.50
6.	51	2005-2006	443.00	270.50
7.	21	2006-2007	293.00	155.00
8.	10	2007-2008	162.00	91.00
Sub Total (B)	82	2005-2008	898.00	516.50
9.	15	2008-2009	263.00	86.50
10.	55	2009-2010	1122.50	346.00
Sub Total (C)	70	2008-2010	1385.50	432.50
Total (B + C)	152	2005-2010	2283.50	949.00
Grand Total	170	1998-2010	2733.50	1245.50

Source: Departmental records.

It would be seen from table-1.1.8 that 18 works/schemes taken up during 1998-99 to 2004-05 with an approved outlay of ₹ 4.50 crore could not be completed by the end of 2009-10. This indicates that the SLSC had not given priority for completion of on-going works on time with specific time schedule for completion and 18 works/schemes commenced

⁹ Eight BDOs - 1. Ngopa, 2. Khawzawl, 3. Champhai, 4. Khawbung, 5. Lungen, 6. Bungle, 7. Hnathial and 8. Zawnuam.

between 1998-99 to 2004-05 either remain abandoned or not fit for further continuance after incurring an expenditure of ₹ 2.96 crore.

In respect of the remaining 152 works/schemes taken up during 2005-10, execution of 82 works/schemes were commenced during 2005-06 to 2007-08 with an approved outlay of ₹ 8.98 crore. However, these remained incomplete at the end of three to five years after incurring expenditure of ₹ 5.16 crore. Non-completion of on-going works on time also entailed the possibility for further cost over-run. From the facts mentioned above, it is imperative that due cognisance was not paid by the SLSC for incomplete and on-going works while formulating the Annual Action Plans.

While accepting the facts, the Government in their reply (October 2010) assured that the SLSC would keep tab on all the incomplete and ongoing works and due regard would be paid for their completion.

1.1.9.4 Disproportionate sectoral execution of works/schemes

BADP Guidelines provides that schemes which address problems such as inadequacies relating to provision of essential needs, strengthening of social infrastructure, filling up of critical gaps in the road networks, security related works etc. may be taken up under BADP. The guidelines also provide sectoral schemes for (i) Education, (ii) Health, (iii) Agriculture and Allied Sector, (iv) Infrastructure, (v) Social Sector, and (vi) Security. In the BADP Guidelines, 2005, it was also emphasized on the State Government that no single sector gets a disproportionately large share of the total allocation.

Audit observed that during 2005-10, the 16 border blocks incurred disproportionate expenditure on execution of works/schemes under above mentioned six sectors.

The details of sectoral expenditure are shown in table below:

Table - 1.1.9

(₹ in crore)

Year	Sectoral Expenditures on:						Total
	Education	Health	Agril. & Allied sector	Infrastruc-ture	Social	Security	
2005-06	0.36	0.21	0.17	13.25	1.83	Nil	15.82
2006-07	1.31	0.08	0.16	8.71	2.34	Nil	12.60
2007-08	3.04	0.51	0.67	11.49	3.99	0.75	20.45
2008-09	4.33	0.66	3.97	8.36	6.14	1.11	24.57
2009-10	4.25	1.51	1.71	12.56	4.22	0.32	24.57
Total	13.29	2.97	6.68	54.37	18.52	2.18	98.01
(percentage)	(14)	(3)	(7)	(55)	(19)	(2)	

Source: Departmental records.

It may be seen from the above table that the expenditure under Infrastructure sector alone constitutes 55 per cent of the total expenditure, whereas expenditure under Social and Education sectors were 19 and 14 per cent respectively. The expenditure under Security, Health and Agricultural sectors remain the lowest constituting two to seven per cent of the total expenditure. This was a clear indication of the fact that the State Government had accorded more importance to a few sectors like infrastructure development while assigning low priority to other crucial sectors like Health, Security and Agriculture and allied sector.

The State Government stated (October 2010) that nowhere in the guidelines it is mentioned that all sectors get an equal share from the total allocation. Further, the Government also stated that due to inadequate funds received under BADP, the need of all sectors cannot be met at once. The reply was not acceptable as Guidelines, 2005 clearly specified that the State Government should ensure that no single sector gets a disproportionately large share of the total allocation.

1.1.9.5 Distribution of TV/DTH Sets to ineligible districts

As a part of Specific Area Scheme with Cluster Approach under BADP the GoI released (January 2007), a Special Central Assistance of ₹ one crore to the State for installation of Tele-Visions (TVs) with DTH facilities in tiny hamlets in the areas close to borders. The State Government accordingly accorded (November 2007) expenditure sanction of ₹ one crore for purchase of TVs, DTH/Disc TV and UPS at following rates:

Table - 1.1.10

Sl. No.	Name of materials	Quantity	Rate per unit	Amount (₹ in lakh)
1.	Philips Colour TV	448 Nos.	13,990	62.68
2.	UPS	447 Nos.	5,200	23.24
3.	DTH/Disc TV	447 Nos.	3,150	14.08
Total				100.00

Source: Departmental records.

On scrutiny of the records of the Director, Information and Public Relation Department, Mizoram it was noticed that all the above items were purchased (November 2007) by the Department at ₹ one crore and distributed to all the eight districts in the State, including Aizawl and Kolasib districts which do not have any international border and ineligible for the implementation of any programme element of the BADP. The details of district-wise distributions are as shown in following table:

Table - 1.1.11

Sl. No.	Name of district	Number of sets distributed		
		TV	Disc TV	UPS
1.	Aizawl	54	53	53
2.	Kolasib	42	42	42
Sub Total		96	95	95
3.	Mamit	63	63	63
4.	Lunglei	78	78	78
5.	Champhai	64	64	64
6.	Serchhip	39	39	39
7.	Saiha	49	49	49
8.	Lawngtlai	59	59	59
Sub Total		352	352	352
Grand Total		448	447	447

Source: Departmental records.

It can be seen from the above table that the Department unauthorisedly diverted and distributed TV sets with DTH facilities to non entitled districts (Aizawl and Kolasib), the financial implication of which was ₹ 21.36 lakh¹⁰ while depriving the people living in tiny hamlets in the areas close to international borders.

The Government in their reply (October 2010) stated that as a follow up action of the 20th Peace Accord Day Anniversary observation in 2007, the Ministry of Home Affairs released the grant under BADP for distribution of TV set as a commemoration/reward for upholding peace in the State. As such these were distributed covering all Assembly Constituencies in the State. The fact, however, remains that due to distribution of TV sets to non-entitled districts, the people living in tiny hamlets in the areas close to international borders were deprived of getting the benefit.

1.1.10. Execution of works

1.1.10.1 Execution of works through supervisors as contractors

The BADP guidelines provide that the schemes under the programme can be executed by any of the following agencies:

- (i) State Government,
- (ii) Central Government,
- (iii) Central Para Military Forces located in the State,
- (iv) Voluntary agencies, and
- (v) Panchayati Raj Institutions/District Councils/Traditional Councils.

¹⁰ TV - 96 numbers @ ₹ 13,990 = ₹ 13.43 lakh
D/TV - 95 numbers @ ₹ 3150 = ₹ 2.99 lakh
UPS - 95 numbers @ ₹ 5200 = ₹ 4.94 lakh
Total = ₹ 21.36 lakh

Except the executing agencies, no private contractor or work supervisor are allowed to execute the schemes under BADP. Scrutiny of the records of the Director, RDD and test check of eight BDO's revealed that during 2005-10, all the works/schemes were executed by engagement of private contractors as work supervisors. Only a few item of works, such as construction of Community Halls and Playgrounds were executed by Village Level Committee headed by concerned BDOs. The contractors (as work supervisors) were duly appointed by the Director, RDD in contravention of the GoI's guidelines. Further scrutiny revealed that the said work supervisors were randomly selected by the Department without calling for competitive quotations. Moreover, work orders were issued to the work supervisors without obtaining any Security Deposits as Performance Guarantee, violating the prescribed principle and procedures laid down in CPWD Works Manual, which is followed in the State.

Thus, the Department extended undue benefits to some selected private individuals of their own choice by offering work orders for execution of schemes under the programme in contravention of the prescribed procedures.

The Government while accepting the facts stated (October 2010) that the works under the programme were entrusted to work supervisors, as a supplement to the limited personnel resources with a view to speed up the progress of execution of works. The fact, however, remains that in contravention of the prescribed procedures private individuals were appointed as contractors/works supervisors for execution of the works, which is irregular.

1.1.10.2 Release of funds to the work supervisors without measurement of works

As provided in the CPWD Work Manual, which is followed in the State the Measurement Book (MB) is the basis of all accounts of quantities or material received. The MB is an indispensable accounts record required to be maintained meticulously and accurately by the technical officers in-charge of the works.

Scrutiny of the records of the Director, RDD and eight test checked BDOs revealed that in violation of above codal provisions all the payments related to approved works under the programme during 2005-10 were released to the work supervisors (appointed as executing agency) by the concerned BDOs without measuring the accounts of the works in MBs.

On completion of the works, the final payments were released to the work supervisors by the BDOs after conducting site inspection without further measuring the works in MBs.

Thus, in absence of recorded accounts of the works in the MBs, the actual completion of works as per detailed estimates during 2005-10 could not be verified in audit. Also, the execution of works/schemes through unregistered contractors as work supervisors entailed the chances of substandard quality works.

The Government while accepting the facts stated (October 2010) that since MBs have already been submitted at the time of preparing of bills, separate MBs are not prepared at the works site. The fact, however, remain that the MBs were prepared by the Department before the actual execution of works and no measurement on the accounts of the works were recorded in the MBs at the time of release of payment to the works supervisors by the BDOs.

1.1.10.3 Execution of special projects

For implementation of two Special Schemes under BADP, the GoI released (March 2007) the following funds to the State:

Table - 1.1.12

(₹ in crore)

Sl. No.	Name of the Schemes	Amount released by the GoI
1.	Construction of road from Pangkhua to Kolodyne (Saishichhuah) River	2.73
2.	Development of Sports Complex at Ngopa	2.28
Total		5.01

Source: Departmental records.

Test check of the records of the Director, RDD revealed that the entire released amount by the GoI was drawn by the DDO of the Directorate of RDD by presenting fictitious bills showing departmental execution of works, before the actual commencement of the works as discussed below:

- (i) ₹ 2.69 crore was drawn in March 2009 showing construction of road from Pangkhua to Kolodyne (Saisihchhuah) River by the Engineering Cell of the RDD by engagement of JCB, Excavator, D-Dozer and labourers with purchase of materials during February-March 2009. Also an amount of ₹ 3.88 lakh was drawn in March 2008 for carrying out survey.
- (ii) ₹ 2.28 crore was drawn in July 2008 showing departmental execution of construction of Sports Complex at Ngopa during April-June 2008 (with purchase of materials worth ₹ 1.43 crore, engagement of D-Dozer for an amount of ₹ 68.90 lakh, and engagement of labourer for ₹ 16.33 lakh).

The fact, however, is that the execution of works, were actually carried out at a later date as discussed below:

(i) Construction of road from Pangkhua to Kolodyne (Saisihchhuah) River:

The administratively approved (February 2009) value of the project was ₹ 11.34 crore, which was further revised (August 2009) to ₹ 13.83 crore for the construction of a road of 15.50 km length, of which ₹ 2.69 crore was released (February 2009) by the Government as first and initial phase for carrying out survey, formation cutting, RCC culvert and Retaining Walls. The remaining works of the construction of side drains, minor bridge and pavement works are to be completed in second and third phase at the balance cost of ₹ 11.14 crore.

The first phase of works at ₹ 2.69 crore was completed during June 2009 to May 2010 by engagement of 14 private individuals appointed as supervisors by the Department.

Thus, in violation of the prescribed financial rules the Department drew the public money in advance of requirement by presenting false bills to the Government Treasury and later on execution of works was carried out by engaging private unregistered contractors as supervisors without observing the prescribed codal provisions.

The Government has accepted (October 2010) the fact of drawal of funds in violation of the prescribed financial rules.

(ii) Development of Sports Complex at Ngopa.

The execution of works was to be carried out by a Block Level Committee headed by the Sub-Divisional Officer (Civil), Ngopa and BDO, Ngopa as Member Secretary. An amount of ₹ 2.28 crore was drawn on the basis of a detailed technical estimate prepared for earth work (₹ 1.58 crore, for retaining wall ₹ 27.87 lakh and for under drain ₹ 41.55 lakh) and was released to the BDO, Ngopa between May 2008 and October 2008 for implementation of the project. However, the execution of works started in May 2008 remained incomplete (July 2010) after spending an amount of ₹ 1.73 crore. The unspent balance of ₹ 54.82 lakh could not be utilised after lapse of more than two years, which resulted in delay of completion of the project under the programme. The photographs of incomplete Ngopa Sports Complex are depicted below:



Sports complex at Ngopa (with volleyball court)

The State Government in the reply (October 2010) attributed the reasons for delay as leveling of playground required soil compaction and settlement which take considerable time.

1.1.11 Non maintenance of assets

The BADP Guidelines (2005) provides that up to 15 *per cent* of the total allocation could be used for maintenance of assets already created under the programme after lapse of a period of three years from the date of its completion.

During 2005-10, the Department spent a central assistance of ₹ 103.40 crore for execution of schemes/works under BADP in the State. Out of this 15 *per cent* i.e. ₹ 15.51 crore should have been available for maintenance of assets already created as per the norms of assistance. Scrutiny of the approved schemes of the programme during last five years by the SLSC revealed that no fund was allocated for maintenance of assets as the State Government failed to avail the maintenance grant for the assets already created.

While accepting the facts the Government stated (October 2010) that due to non receipt of proposals from the grass root level no expenditure was incurred for maintenance of assets.

1.1.12 Internal Control/Internal Audit system

Internal Control/Internal Audit is an important management tool of a Department to examine and evaluate the level of compliance with Departmental/Financial rules and procedures. The Department, however, did not have an Internal Audit Wing of its own. The State Government, however, posted one Deputy Director (Accounts) in the Department to oversee the Internal Control system. It was, however, observed that though the Internal Control system exists in the Department, the same has not gathered momentum in terms of financial management of the programme. The Department drew huge amount of programme funds without immediate requirement from the

Government accounts, most of which were on the basis of presentation of false bills. This indicates that Department does not have any effective internal control mechanism resultantly have adverse impact on the implementation of the programme.

The Government has accepted (October 2010) the facts of non existence of proper internal control mechanism in the Department.

1.1.13 Monitoring and Review

The BADP Guidelines provide that the State Government would closely monitor the works/schemes being undertaken under the BADP. They must carry out inspections from time to time so as to ensure quality and timely completion of the works.

As per information furnished by the eight test checked BDOs, the State level functionaries have carried out only seven inspections during 2005-10 of the works/schemes undertaken in eight border blocks. As a result, the works/schemes under the programme mostly remained unmonitored by way of regular inspection. The actual position of inspections carried out in these blocks by the State level authorities during last five years are shown in following table:

Table - 1.1.13

Sl. No.	Name of block	No. of inspection carried out by State level officers during:					Total
		2005-06	2006-07	2007-08	2008-09	2009-10	
1.	Khawzawl	---	---	---	---	---	Nil
2.	Champhai	---	---	---	---	---	Nil
3.	Khawbung	01	01	01	01	01	05
4.	Hnathial	---	---	---	---	---	Nil
5.	Bunghmun	---	---	---	---	---	Nil
6.	Lungsen	---	---	---	01	---	01
7.	Ngopa	---	---	---	01	---	01
8.	Zawlnuam	---	---	---	---	---	Nil
Total		01	01	01	03	01	07

Source: Departmental records.

During 2005-10, the Monitoring Cell under BADP, utilised an amount of ₹ 1.56 crore out of BADP funds towards monitoring of the programme. Thus, despite spending substantial amount of funds, the monitoring of the works/programmes remained weak and ineffective.

While admitting the facts of weak and ineffective monitoring system of the Department, the Government stated (October 2010) that the Department is trying to evolve an effective monitoring and evaluation mechanism to assess the condition of works executed by the executing agencies.

1.1.14 Conclusion

The main objective of the Border Area Development Programme of speedy development of border area was not achieved to the desired extent due to inherent deficiency in planning and implementation of the programme. The Annual Approved lists of works/schemes were not based on an integrated approach, baseline survey and strategic perspective plans. Coordination among the implementing agencies was fragile both at planning and implementation stages. There was little or no involvement of the significant stake holders *viz.* Deputy Commissioner of the districts and authorities of the Autonomous District Councils in the planning process. Consequently, formulation of programme to meet the special development needs of the people living in remote and tiny hamlets in the areas close to international borders remained largely unrealised.

Diversion of substantial funds towards ineligible works/schemes and delays in release of funds adversely impacted the coverage of a number of critical sectors of the programme. Disproportionate allocation of funds to the border blocks deprived the border villages of an equitable share of the development programmes. Drawal of funds without immediate requirement, and drawing funds presenting fictitious bills to the Government Treasury and parking of funds in Bank and Civil Deposits further entailed risk of diversion and misappropriation of Government money.

Schemes were approved without giving priority for completion of on-going works/schemes on time with specific time schedule for completion which resulted in non completion of works/schemes commenced between 1998-99 to 2007-08. Delay in completion of works/schemes resulted in large scale cost over-runs. Execution of works/schemes through unregistered contractors as work supervisors entailed the chances of substandard quality works. Release of payments to the work supervisors without measurement of completed works in contravention of the established codal provisions left huge room for fraudulent and unfair practices by the program managers. Quality of infrastructure created remain unverified with reference to technical estimates and designs due to non record of measurement of the works executed in the MBs. Besides non-maintenance of assets arising out of the failure to avail 15 *per cent* allocation is bound to prove detrimental to the life span of the assets already created under the programme. Effectiveness of the execution of works/schemes in terms of quality and quantity remained doubtful with most of such works being left unmonitored by higher level authorities.

Monitoring, internal control/internal audit systems was inadequate leading to major irregularities and improprieties in drawal and utilisation of available funds.

1.1.15 Recommendations

- The State Government should strengthen planning process and give more focus on the speedy development of Border areas.
- Financial management should be strengthened effectively and to ensure optimal utilisation of funds with an equitable allocation on the sectoral initiatives in the border Blocks and villages.
- Execution of ineligible works/schemes must be discontinued.
- Drawal of funds presenting false bills and parking of funds in Bank and Civil Deposits should be discouraged to avoid risk of diversion and misappropriation.
- No payment should be released without measuring the quantity of work done to circumvent the risk of fraudulent claims and payments.
- Execution of works by private individuals/unregistered contractors as work supervisors should be discontinued and the works/schemes should be executed either departmentally or through Village Councils as emphasized in the guidelines of the programme.
- Monitoring and implementation mechanism; internal control/internal audit system should be strengthened to ensure effective and timely implementation of the programme in an effective and time bound manner.

FOOD, CIVIL SUPPLIES AND CONSUMER AFFAIRS DEPARTMENT

1.2 PUBLIC DISTRIBUTION SYSTEM

Highlights

The Public Distribution System evolved as a system of management of scarcity and for distribution of foodgrain at affordable prices to the consumers through Fair Price Shops. To ensure food security to the economically weaker section of the society, Targeted Public Distribution System (TPDS) was introduced in June 1997 with focus on the poor. Under the TPDS, special cards were issued to families of Below Poverty Line (BPL) and foodgrain were provided to them at a specially subsidised price. A performance audit of the Public Distribution System in the State revealed shortcomings in identification of beneficiaries. Effective distribution of allotted foodgrain and its access to all consumers in the State were not achieved due to misappropriation of a major portion of the foodgrain by field level officials, which led to huge shortage of stores meant for distribution to the consumers at prescribed rates. Instances of shortage of foodgrain and cash at godown level as well as short remittances of sale proceeds by officials of the godowns were noticed. Monitoring of the programme was ineffective.

Significant audit findings are given below:

The revision of the list of BPL and AAY families by the Department was not based on any clear set of manifested criteria as required under Public Distribution System (Control) Order, 2001.

(Paragraph 1.2.7)

Reimbursement of ₹ 44.67 crore pertaining to the period 2002-10 remained un-recouped as of October 2010 from the Government of India under Hill State Transport Subsidy Scheme.

(Paragraph 1.2.8.3)

During 2007-10 the Department issued significantly higher number of Family Ration Cards as compared to the projected population/households. The excessive ration cards ranged from 66,746 to 1,23,570. The excess population covered ranged from 1,07,708 to 3,70,414.

(Paragraph 1.2.9)

Shortage of stores (₹ 1.86 crore) and cash (₹ 0.32 crore) detected at the time of handing/ taking over charges of stores remained unrecovered till October 2010.

(Paragraph 1.2.12.2)

During 2005-10, 11 centres (Aizawl : three centres and Champhai : eight centres) sold rice and sugar for a total amount of ₹ 25.94 crore to Fair Price Shops against which only ₹ 25.31 crore was remitted to the Government Accounts resulting in short remittance of ₹ 0.63 crore.

(Paragraph 1.2.12.3)

The Department incurred doubtful expenditure of ₹ 1.82 crore during 2005-07 towards reconstruction of 58 supply godowns and improvement of 17 godown approach roads.

(Paragraph 1.2.14.1)

1.2.1 Introduction

The Public Distribution System (PDS) till 1992 was a general entitlement scheme for all consumers without any specific target. A Revamped Public Distribution System (RPDS) was launched in June 1992 and the Targeted Public Distribution System (TPDS) was introduced in June 1997 with focus on the poor PDS beneficiaries. Under the TPDS special cards were issued to families of Below Poverty Line (BPL) and foodgrain were provided to them at a specially subsidised price. In order to make TPDS more focused and targeted towards the poorest segments of the BPL population, the Antyodaya Anna Yojana (AAY) was launched in December, 2000 for poorest of the poor families. The Central Government, through Food Corporation of India (FCI) has assumed the responsibility for procurement, storage, transportation and bulk allocation of foodgrain for the State of Mizoram, a deficit State in terms of foodgrain. The responsibility for identification of families below the poverty line, issue of ration cards and the operational responsibilities of lifting and distribution of foodgrain besides supervision and control of the functioning of FPSs rest with the State Government.

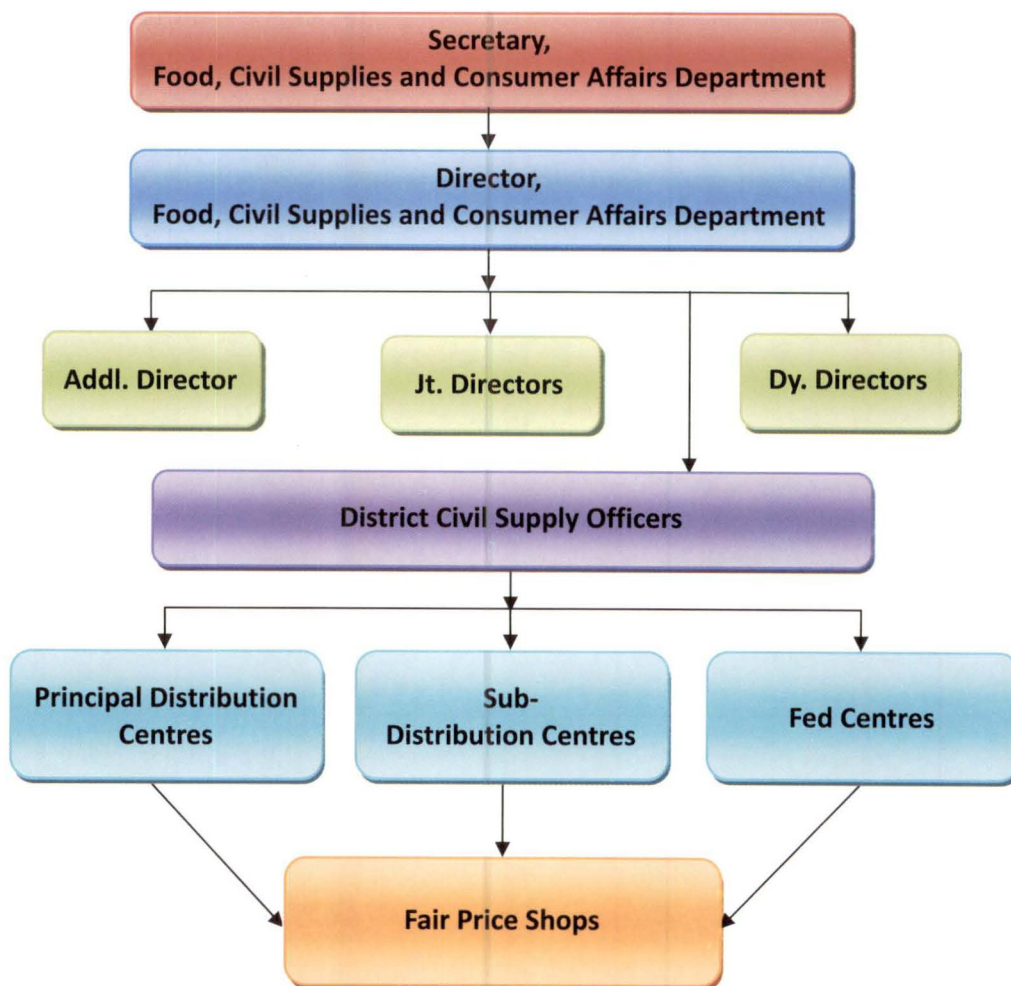
1.2.2 Organisational set up

The Secretary to the Food, Civil Supplies and Consumer Affairs (FCS&CA), Government of Mizoram, is the administrative head of the Department. The Director, FCS&CA Department is responsible for implementation of the Scheme including formulation of policy in respect of procurement, storage and distribution of foodgrain. He is assisted by Addl. Director, Joint Directors and Deputy Directors. At the district level, against eight

districts, nine¹ District Civil Supplies Officers (DCSOs) including two DCSOs in Aizawl district are responsible for administration, management of godowns and efficient handling of movement of foodgrain including proper accounting through nine Principal Distribution Centres (PDC), 18 Sub-Distribution Centres (SDC) and 96 Fed Centres (FC). There are 1,239 Fair Price Shops (FPSs) which procure foodgrain from PDCs, SDCs and FCs and distribute them to the consumers.

The organogram of the Department is given below:

Chart-1.2.1



1.2.3 Scope of audit

The operation of the PDS in the State during 2005-10 was reviewed through a test check (June to October 2010) of the records of the Administrative Department, Directorate, three (out of nine) DCSO offices, four out of nine PDCs,

¹ Name of District Civil Supplies Offices: (1) Aizawl (East), (2) Aizawl (West), (3) Kolasib, (4) Mamit, (5) Lawngtlai, (6) Lunglei, (7) Saiha, (8) Champhai and (9) Serchhip.

three out of 18 SDCs, 26 out of 96 FCs and 55 out of 456 FPSs under three DCOSs (Aizawl East, West and Champhai) against 1,239 FPSs in the State.

1.2.4 Audit objectives

The objective of the performance audit was to assess the implementation of the Public Distribution System and ascertain:

- The efficacy of the system for identification of different category of beneficiaries;
- Whether ration cards were issued properly to the targeted population;
- Effectiveness of allocation and distribution of foodgrain by Government to ensure that all people have access to foodgrain in time and at prescribed quantity and rates;
- Whether the infrastructure development schemes were implemented effectively;
- Convergence with other foodgrain based welfare schemes; and
- Adequacy and effectiveness of the internal control mechanism and monitoring system adopted.

1.2.5 Audit criteria

Audit objectives have been benchmarked against following criteria:

- Central guidelines relating to identification of beneficiaries;
- Provisions of the PDS (Control) Order, 2001;
- Supply Manual (Revised), 2008;
- Scale of issue and issue price of foodgrain prescribed by the GoI;
- Orders/instructions of State Government for issue of ration cards, weeding out bogus ration cards and units, scale of rates, monitoring over the functioning of FPSs;
- Government norms for payment of transportation/incidental charges of foodgrain; and
- Prescribed monitoring and control mechanism.

1.2.6 Audit methodology

Performance Audit commenced with an entry conference held in June 2010 with the Secretary-cum-Director of the Food, Civil Supplies and Consumer Affairs Department in which the audit methodology, scope, objectives and criteria were discussed. Selection of district and blocks for examination of the records apart from the Directorate was done through Simple Random Sampling method. The audit methodology also covered field visit by the audit

party along with departmental officials for physical verification of different centres in the test checked DCSO Offices and interaction with the targeted beneficiaries through questionnaires duly authenticated by the departmental officials. Photographic evidence was also taken into account to substantiate audit observations. The audit findings were discussed in an exit conference held with the Secretary-cum-Director of the Food, Civil Supplies and Consumer Affairs Department in December 2010 and replies of the Government/Department have been incorporated suitably in the review at the appropriate places.

Audit findings

The important points noticed in the course of audit are discussed in the succeeding paragraphs.

1.2.7 Identification of beneficiaries

The Public Distribution System (Control) Order, 2001 issued by the Government of India (GoI) envisaged that State Governments should formulate suitable guidelines for the purpose of identification of families living below the poverty line including the Antyodaya families, as per the estimate adopted by the Central Government for distribution of foodgrain at subsidised rates. The exercise of identification of BPL and Antyodaya families, wherever it had not been done, was to be completed within three months of the issue of PDS (Control) Order and the list was to be reviewed every year for the purpose of exclusion of ineligible families and inclusion of eligible families. The GoI, in 2009, fixed 68000 as the number of eligible BPL families in the State.

Audit, however, noticed that the State Government neither formulated any guidelines for identification of beneficiaries nor made efforts for reviewing the list of eligible PDS beneficiaries in a meaningful manner. The State Government adopted BPL list (containing 90,000 households) of Rural Development (RD) and Local Administration (LA) Department prepared on the basis of socio-economic survey for distribution of foodgrain under PDS scheme. Audit further noticed that the Department without properly identifying the BPL and Antyodaya families, based on a clear set of manifested criteria/Guidelines as required by PDS (Control) Order, 2001, continuously implemented the scheme in the State. The list containing 90,000 BPL families was revised periodically with the help of Village Councils and community based organisations restricting the number of eligible BPL families to 68000 as fixed by the GoI. However, the basis of such revision and inclusion of beneficiaries in the list carried out annually was devoid of any clear set of manifested criteria as required by PDS (Control) Order, 2001.

While accepting the facts, the Government stated (December 2010) that the preparation of BPL and AAY list based on the records of RD and LA Department was done on approval accorded by the Cabinet. The reply of the Government was not tenable, as preparation of list of beneficiaries was not based on any clear set of manifested criteria for identification of beneficiaries and no annual review of list of beneficiaries for the purpose of exclusion of ineligible families and inclusion of eligible families was carried out, as required by PDS (Control) Order, 2001.

1.2.8 Financial management

1.2.8.1 Financial outlay and expenditure

Year-wise budget provision and expenditure thereagainst during 2005-10 for procurement and transportation of foodgrain from FCI godowns to supply distribution centres in the State are shown below:

Table - 1.2.1

(₹ in crore)

Year	Budget granted	Expenditure	(+)Excess (-) Savings
2005-06	69.60	69.59	(-) 0.01
2006-07	88.56	88.56	- NIL -
2007-08	165.07	130.29	(-) 34.78
2008-09	213.12	211.70	(-) 1.42
2009-10	240.59	207.69	(-) 32.90

Source: Finance and Appropriation Accounts.

1.2.8.2 Excess payment of transportation charges

The retailers of FPSs under PDS, transport the allocated foodgrain from the different centres/godowns to their respective FPSs, for which transportation charges, at the approved rates based on distances was to be reimbursed to them by the concerned DCSOs.

Scrutiny of the bills on transportation charges reimbursed to retailers of 42 FPSs (Champhai: 23 and Aizawl: 19) for the period from 2006-10 revealed that during the period 2006-10, the 42 retailers actually lifted 1,749.67 MT of allotted rice from centres to their respective FPSs. As per prevailing approved rates applicable for reimbursement of transport charges (based on distances from centre to location of different FPSs), the 42 retailers were entitled to reimbursement of transport charges of ₹ 25.98 lakh only. It was, however, noticed that the three DCSOs (Aizawl - East, Aizawl - West and Champai) reimbursed a total amount of ₹ 54.47 lakh to the 42 retailers showing transportation of 3,474.14 MT of rice under 42 bills during the period which resulted in an excess payment of transportation charges of ₹ 28.49 lakh.

The detailed position of retailer-wise excess payment of transportation charges is shown in **Appendix - 1.2.1**.

On this being pointed out by Audit, the DCSOs (Champhai, Aizawl East and West districts) accepted (August and October 2010) the facts of excess payment of ₹ 28.49 lakh to the 42 retailers. The Government also accepted the facts and stated (December 2010) that necessary action would be taken for effecting recovery. However, no recovery has been made as of January 2011.

1.2.8.3 Non recovery of Hill Transport Subsidy

The Central Government's "Hill State Transport Subsidy" (HSTS) Scheme was announced in October 1990, under which the expenditure incurred by the State Government on transportation of foodgrain from the base depot of Food Corporation of India (FCI) to different Principal Distribution Centres (PDCs) in Mizoram is reimbursable by the Government of India, Ministry of Consumer Affairs, Department of Food and Public Distribution. As per prescribed procedures of the scheme, the Food, Civil Supplies and Consumer Affairs (FCS&CA) Department was required to submit reimbursement claims of transport subsidy to the FCI on monthly basis supported by full details of the Bank from which cheques have been drawn. However, as the Department was not an authorised cheque drawing Department, the FCI, North East (NE), Guwahati Zone granted (March 2000) relaxation towards acceptance of Treasury voucher numbers, in lieu of cheque numbers, as proof of payment. Again, as per fresh guidelines issued (February 2005) by the FCI, the Department was allowed to submit the reimbursement claims with full details of party wise payments including cheque numbers and name of the bank along with copies of acknowledgement of receipt of stock from authorised officials of the recipient Centres/PDCs. Subsequently, the FCI permitted (July 2008) the Department to submit the reimbursement claims with copies of fully vouched contingent bills of the Treasury.

Scrutiny of the records of the Department revealed that an amount of ₹ 44.67 crore being the transportation charges of rice and wheat pertaining to the period from 2002-10 consisting of 580² bills remained un-reimbursed as of October 2010 from the FCI due to delay in submission of claims and return of claims by the FCI due to non fulfillment of prescribed criteria. The details of outstanding claims are shown in **Appendix - 1.2.2**. The Department however, resubmitted (May 2010) all the outstanding claims of ₹ 44.67 crore to the FCI pertaining to the period 2002-10, the reimbursement of which is still awaited (January 2011).

It was further noticed that out of ₹ 44.67 crore, the claim of transportation charges of ₹ 6.23 crore relating to the relaxation period of 2002-03 to January 2005 was also not reimbursed by the FCI due to submission of claims after expiry of relaxation period.

² Rice – 534 bills (456094.5 MT) and amount claimed ₹ 43.16 crore, and
Wheat – 46 bills (11899.10 MT) and amount claimed ₹ 1.51 crore.

The Government while accepting the fact stated (December 2010) that the timely submission of re-imburement claims to FCI after adopting necessary procedures would be followed in future. It further added that the Department had not received any information from FCI regarding granting of relaxation period. The reply is not acceptable as the letter regarding grant of exemption was sent to the FCS&CA Department by the FCI, NE, Guwahati Zone in March 2000.

1.2.9 Issue of Ration Cards

The actual sale of foodgrain and other essential commodities to the consumers in the State are being made to the holders of Family Ration Card (FRC) issued to them by the respective DCSOs of the Department. Audit analysis of the Projected population with number of households of the State *vis-à-vis* FRCs issued disclosed that during 2007-10³, the Department issued significantly higher number of FRCs as compared to the projected population/households. The number of excess cards ranged between 66,746 to 1,23,570 and the excess population ranged between 1,07,708 to 3,70,414. The details are given in the table below:

Table - 1.2.2

Year	Projected Population	Numbers of Households	Position of ration cards issued		Excess Ration Cards issued	
			No. of ration cards	Rationing population	No. of Ration Cards (Col. 4- 3)	No. of population (Col. 5 – 2)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2007-08	1022372	187633	311203	1130080	123570	107708
2008-09	1022372 ⁴	187633 ⁴	305997	1552009	118364	529637
2009-10	1126067	249092	315838	1496481	66746	370414

Source: Departmental records; Statistical Hand Book, 2008 and Economic Survey, 2009-10, Government of Mizoram

The issue of excess FRCs with inflated rationing population implies that the district level officers of the Department have issued FRCs without actually conducting physical verification of the family members of the card holders.

This excessive issue of FRCs with inflated rationing population is bound to have an adverse impact on the distribution of foodgrain to the PDS beneficiaries. Moreover, excess procurement of foodgrain made on the basis of the rationing population over and above the actual/projected population leaves adequate scope for misappropriation of PDS items.

³ Analysis for the year 2005-07 could not be done due to non-availability of projected population /households.

⁴ Projected population /Households during the year 2008-09 are not available, hence the figure for the year 2007-08 have been adopted for 2008-09.

The Government stated (December 2010) that the information would be intimated after collecting the same from the concerned districts. However, further information from the Government was awaited (February 2011).

1.2.10 Allocation and Lifting

The Central Government, through FCI has assumed the responsibility for procurement, storage, transportation and bulk allocation of foodgrain to the State Government. The operational responsibility including allocation and distribution within the State rests with the State Government. Yearly allocation of foodgrain from the central pool in respect of BPL and AAY families is made by the GoI on the basis of population of the State *vis-à-vis* earmarked BPL families by the Centre and for distribution through FPSs. The GoI also allocated rice under Open Market Sale Scheme (OMSS) on Economic Cost as per request of the State Government to maintain a minimum buffer stock for meeting the unforeseen exigencies.

The position of rice, wheat, sugar and kerosene allotted by the GOI, off-take by FCI from the central pool and actually lifted by the Department during 2005-10 are shown in **Appendix - 1.2.3**.

A consolidated position of allocation of foodgrain/Kerosene Oil by the GoI, its off-take by FCI from Central Pool and lifting of the same by the Department during 2005-10 are given in following table:

Table - 1.2.3

(In MT)

Period	Category	Allotted by GoI	Off take by FCI/IOC from Central Pool		Lifted by the Department through notified lifters
			Actual off take	Short off take	
2005-10	Rice	630381.30	587135.00	43246.30	587135.00
2005-10	Wheat	3506.00	3506.00	NIL	3506.00
2005-10	Sugar	40956.60	35030.97	5925.63	35030.97
2005-10	Kerosene Oil	39840.00	39840.00	NIL	39840.00

Source: Departmental records.

It may be seen from the above table that there was a short off take of allocated quantity of rice and sugar by the FCI to the tune of 43246.30 and MT 5925.63 MT respectively during 2005-10.

1.2.11 Distribution of essential commodities

Foodgrain from Central Pool released by FCI at the rail heads/godowns (base depots) to the Principal Distribution Centres (PDCs)/Sub-distribution Centres (SDCs) and from PDCs/SDCs to the Fed Centres (FCs) were transported by the Department carriage contractors/departmental vehicles.

Scrutiny of the records pertaining to the Champhai and Kawlkulh PDCs and their corresponding FCs, revealed the following irregularities:

1.2.11.1 Undelivered consignments

Audit noticed that a total quantity of 1677.41 Quintals of rice despatched during July 2008 to February 2010 through the carriage contractors by Champhai and Kawlkulh PDCs were not received by the concerned FCs. The details are given in the following table:

Table - 1.2.4

Name of Consignor	Name of Fed Centres (Consignee)	Date of Despatch	Quantity Despatched (in Quintals)
Champhai PDC	Farkawn	05-07-2008	160.83
	Farkawn	07-07-2008	54.08
	Farkawn	26-11-2008	47.69
	Kelkang	17-04-2008	152.13
	Kelkang	17-04-2008	177.37
	Kelkang	18-04-2008	177.67
	Kelkang	24-04-2008	165.13
	Kelkang	28-04-2008	177.00
	Khuangleng	28-04-2008	173.87
Sub Total			1285.77
Kawlkulh PDC	Hliappui	17-02-2006	148.79
	Hliappui	18-02-2006	83.58
	Hliappui	17-02-2010	159.27
Sub Total			391.64
Grand Total			1677.41

Source: Departmental records

The DCSO Champhai stated (August 2010) that the entire quantity of 1285.77 Quintals of rice despatched from Champhai PDC was received by the Farkawn, Kelkang and Khuangleng Fed Centres but the receipt of the rice was not accounted for by the concerned storekeepers. Further, in case of 159.27 Quintals of rice despatched in February 2010 from Kawlkulh PDC, the DCSO stated (August 2010) that the concerned incharge of the Fed Centres had not accounted for the receipt of rice due to huge transit loss. It was, however, noted that quantity of transit loss, if any, was neither worked out nor was any recovery effected from the concerned carriage contractors till August 2010. In respect of two consignments of rice of 232.37 Quintals (Qtls) despatched from Kawlkulh PDC on February 2006, it was stated by the DCSO - Champhai that the cost of missing consignment was already recovered from the concerned official. However, no details in support of such claim showing amounts recovered and its remittance to Government account could be produced (January 2011) to audit.

The fact, however, remains that non accountal of 1,445.04 Qtls (1,285.77 Qtls + 159.27 Qtls) of rice by the FCs may led to misappropriation/loss of Government revenue to the extent of ₹ 13.44 lakh (1445.04 Qtls @ ₹ 930 per Qtls).

1.2.12 Physical verification

Physical verification of stock in all the Centres to ascertain actual position of stock held by the Centre is an important feature for proper management of PDS in the State. Section 5.1 of Supply Manual provides that the physical verification of stock shall be conducted simultaneously at least once in a year preferably during December or January as the stores held at various godowns under the Department are perishable in nature. The physical verification shall be conducted by the concerned Area Inspector or any other responsible Officer of the Department authorised by the concerned DCSO. However, scrutiny of the records and information furnished (September 2010) by the Department revealed that no such physical verification was conducted during the period covered under performance audit in six districts except once during 2008 covering 16 centres in Saiha district and six centres in Lunglei district.

While accepting the audit findings, the Government stated (December 2010) that the Department would take all necessary steps to carry out regular physical verification of store and cash at prescribed intervals in future.

As a consequence of the failure to conduct mandatory physical verification at prescribed intervals, the occurrence of short accountal of foodgrain at godowns level remain undetected as spelt out below.

1.2.12.1 Short accountal of foodgrain at godowns

Test check of the records (August-September 2010) pertaining to the 31⁵ godowns under Aizawl and Champhai districts, revealed that all the incharges of the 31 godowns did not maintain basic accounts and records⁶ of the godowns.

A cross verification of the records made available by the incharges of godowns along with the compiled accounts maintained by the concerned DCSOs of the districts indicated that there was a difference in stock of rice and sugar exhibited by the incharges as book balances at the end of March 2010 as compared to the actual closing stock worked out with reference to the actual receipts (including opening stock) and issue of stock during 2005-10.

⁵ 1. Aizawl district : PDC - 2, SDC - 01, FC - 07 }
2. Champhai district : PDC - 2, SDC - 02, FC - 17 } Total = 31 godowns

⁶ Commodity wise Receipt Registers, Stock Registers, Sale Registers, Damaged/Storage loss Registers and Cash Books.

The godown-wise details of the difference of stock (rice and sugar) noticed in audit are shown in **Appendix - 1.2.4 and 1.2.5** and its compiled position is shown in the table below:

Table - 1.2.5

(Figures in MT)

Name of District	Position related to no. of godowns	Actual accounts of receipt and issue of stock during 2005-10			Book balance of stock (31 March 2010)	Short accountal of stock	Cost of short stock (₹ in lakh)
		Stock available	Stock issued	Closing stock (31 March 2010)			
A. Rice							
Champhai	21	170562.56	161380.14	9182.42	4525.07	4657.35	433.13
Aizawl 'E'	06	28621.15	25640.48	2980.67	325.91	2654.76	246.89
Aizawl 'W'	04	196689.71	193865.36	2824.35	1232.21	1592.14	148.07
Total	31	395873.42	380885.98	14987.44	6083.19	8904.25	828.09
B. Sugar							
Champhai	15	7360.77	7212.06	148.71	26.57	122.14	16.42
Aizawl 'E'	03	827.80	444.63	383.17	178.07	205.10	27.56
Aizawl 'W'	03	21265.81	21019.50	246.31	180.37	65.94	8.86
Total	21	29454.38	28676.19	778.19	385.01	393.18	52.84

Source: Departmental records

The above table shows that against the actual balance of stock of rice (31 godowns) and Sugar (21 godowns), the concerned incharges of the godowns exhibited book balances with a shortage of 8,904.25 MT of rice and 393.18 MT of sugar at the end of transactions of five years (2005-10). The cost of short accountal of rice was ₹ 8.28 crore (@ ₹ 9,300 per tonne) and sugar was ₹ 0.53 crore (@ ₹ 13,440 per tonne).

While accepting the facts of non maintenance of records the DCSO, Aizawl East stated (July 2010) that efforts would be made for reconstruction of the records. The DCSO Champhai stated (October 2010) that the non maintenance of records came to his notice for the first time and accordingly he had issued instructions for proper maintenance of records. The concerned DCSOs have however, not furnished any reasons for non accountal of huge stock by the incharges of the godowns. The Government also agreed (December 2010) with the instances of non-accountal of stock by incharges of godowns in some centres, but stated that the quantities/ amount of shortages of foodgrain raised by audit appeared to be on the higher side and requires re-checking of the actual position. The fact, however, remains that the figures mentioned in the table above were collected from the district offices which were duly authenticated by the officials of the concerned districts. Further reply was awaited (January 2011).

1.2.12.2 Shortage of stores and cash

During the period covered under performance audit, it was noticed (August-September 2010) that the in-charge of the PDCs/SDCs/FCs were transferred frequently from one centre to another. The Department, however, failed to furnish detailed position of transfer and posting in respect of in-charges of the centres during 2005-10 along with copies of all the charge reports (Certificate of transfer of charges) except for the period from June 2009 to September 2010. The reason for non production of charge reports to audit was also not furnished (January 2011).

A detailed analysis of the charge reports produced to audit revealed shortage of 20902.82 Qtls of rice worth ₹ 194.40 lakh as well as cash shortage of ₹ 32.02 lakh. Details of centre-wise shortages recorded in the charge reports are given in following table:

Table - 1.2.6

Sl. No.	Name Of Centre	Date of taking over charges	Details of shortage found at the time of taking over charges			Present Status (as of October 2010)
			Rice		Cash (₹ in lakh)	
			Shortage quantity (in Qtl.)	Value (₹ in lakh)		
1.	Vathuampui FC	30.06.09	1567.00	14.57	16.58	Pending with the Directorate
2.	Kawlbem FC	22.10.09	7822.98	72.75	- NIL -	Not on records of the Directorate
3.	Borapansury FC	01.11.09	385.70	3.59	- NIL -	Pending with the Directorate
4.	Kanhmun FC	17.02.10	500.00	4.65	- NIL -	Pending with the Directorate
5.	Chhipphir FC	26.04.10	1676.95	15.60	- NIL -	₹ eight lakh was only recovered
6.	Reiek FC	19.05.10	412.95	3.84	- NIL -	Pending with the Directorate
7.	Vahai FC	22.06.10	281.00	2.61	- NIL -	Pending with the Directorate
8.	Tuipang SDC	22.06.10	2547.00	23.69	15.44	Pending with the Directorate
9.	Ngopa SDC	23.09.10	5709.23	53.10	- NIL -	Pending with the Directorate
TOTAL			20902.81	194.40	32.02	----

Source: Departmental records.

It may be seen from the above table that out of total shortage of 20902.82 Qtls of rice valued at ₹ 1.94 crore, only ₹ eight lakh was recovered by the Department and no further action was initiated for recovery of the balance amount of ₹ 1.86 crore lakh as of January 2011. Recovery of the cash shortage of ₹ 0.32 crore was also not effected as of October 2010.

Further, scrutiny of the records in respect of the Sub Inspector involved in misappropriation of 5709.23 Qtls of rice of Ngopa Sub-Distribution Centre (SDC) disclosed that the Sub-Inspector was initially involved in another misappropriation of huge quantity of rice valued at ₹ 19.92 lakh while he was incharge of N.E. Khawdungsei FC during March 1994 to June 2000. The Department instead of taking any disciplinary/punitive action (except recovery of ₹ five lakh in March 2010) against the official for substantive loss of Government revenue transferred him to Ngopa SDC in June 2009. During his short tenure at Ngopa Centre from June 2009 to September 2010, the official again misappropriated a huge stock of rice valued at ₹ 53.10 lakh. Thus, transferring of officials involved in misappropriation of huge quantity of foodstock is ample indicator of the gross inaction on the part of the departmental authorities against such glaring instances of misappropriation.

While accepting the facts, the Government stated (December 2010) that instead of suspending the delinquent officials the Department continued their deployment in order to recover liabilities in lump sum to avoid loss of Government money.

1.2.12.3 Short remittance of sales proceeds

Scrutiny of the records pertaining to sale of foodgrain, Sales proceeds realised and remitted to Government accounts by 11 centres (Champhai: eight centres, Aizawl: three centres) maintained by the concerned incharges of the centres and district offices revealed that during 2005-10, the concerned 11 centres sold rice (APL, BPL and AAY) and sugar (except for free distribution) for a total amount of ₹ 25.94 crore against which they remitted only an amount of ₹ 25.31 crore resulting in short remittance of ₹ 0.63 crore. The balance amount of ₹ 0.63 crore is required to be remitted to the Government accounts immediately by the centre incharges. The Department did not fix any responsibility for these types of lapses. Details of centre wise position are shown in **Appendix - 1.2.6**.

The Government stated (December 2010) that they would reconcile the position with the concerned district offices. However, further information from the Government was awaited (February 2011).

1.2.12.4 Outstanding liabilities against the departmental official

As provided in the Supply Manual (Revised), 2008 of the FCS&CA Department, every godown incharge is required to submit monthly compiled statement of stock and cash accounts with necessary supporting documents. When monthly compiled statement of stock and cash accounts are received from the godown incharges, the same should be checked carefully and necessary entries made in the relevant registers at the district level offices of DCSOs. The DCSOs should then prepare a monthly compiled statement of stock and cash accounts of each

centre in the prescribed format and submit it to the Director, FCS&CA every month for their checking and acceptance.

Records pertaining to the three test checked DCSOs (Aizawl – East & West and Champai), however, revealed that though the monthly stock and cash accounts were duly furnished by the incharges of godowns under the districts, the same were irregularly accepted and compiled for submission to the Directorate of FCS&CA without exercising any check and reconciliation with the godown level records. As a result, the occurrence of shortage of stores and cash remain undetected for years together including the period covered under this review.

Scrutiny of the records maintained by the Director, FCS&CA further corroborated the fact that prior to April 2005, the misappropriation of stores and cash worth ₹ 3.25 crore was detected against 54 incharges of the godowns. Against which ₹ 1.72 crore (₹ 1.06 crore upto March 2005 and ₹ 0.66 crore between April 2005 to March 2010) could only be recovered as of March 2010, leaving a balance of ₹ 1.53 crore at the end of March 2010.

Thus, had the district level officers conducted periodical physical verification of stores and cash and verified the correctness of the monthly stores and cash accounts received from the godown incharges with reference to actual details of records and registers maintained by the godown incharges, the regular occurrence of misappropriation of stock and cash at godown level could have timely been detected and risk of similar nature of misappropriation could also be minimised.

1.2.13 Sales of foodgrain

1.2.13.1 Verification of retailer's sales accounts

The actual sale of foodgrain and other essential commodities to the consumers shall be made only to the Family Ration cards holders through FPSs appointed exclusively for the purpose as per scales laid down by the Department. Selection and appointment of the retailers are to be done by the concerned DCSOs.

Section 6.2 of Supply Manual (Revised), 2008 of Food, Civil Supplies and Consumers Affairs Department provides that as the sales are made through retailers, the DCSOs should get the sales account of the Retailer verified with the entries recorded in the Ration Cards by checking at least 10 *per cent* of the ration cards allotted to the retailer, once in every quarter of the year to ensure that no malpractice is adopted by the Retailer in the course of sale. This task is entrusted to the Area Inspector attached to the DCSO who in turn is required to submit the verification reports to the Director of the Department.

Scrutiny of the records maintained in the Directorate revealed that the Department did not conduct mandatory verification of sale accounts of 1239 retailers in the State with the entries

recorded in the Ration Cards during the period covered under performance audit. Without such verification it cannot be vouchsafed in Audit that the practice adopted by the retailers in the sale of foodgrain during 2005-10 were free from malpractices. Further, scrutiny of the records, and spot verification of FPSs by audit, disclosed that out of the 456 FPSs none of the 55 test checked FPSs (Champhai 33 and Aizawl 22) maintained sales accounts with essential registers, viz. Receipt, Sales and Stock Registers to ensure the transparency in performance of duties as distributors of foodgrain to the consumers under PDS.

While accepting the facts, the DCSOs Aizawl (East and West), stated (October 2010) that verification of retailers' sales accounts was not possible due to shortage of staff. The Government, however, assured (December 2010) that the Department would check the records and position would be intimated, but, no further reply was received from the Government as of January 2011.

1.2.13.2 Satisfaction level of PDS beneficiaries

To assess the impact of the PDS in the State, the audit party conducted (July–September 2010) physical verification of 53 FPSs (30 in Aizawl and 23 in Champhai district), out of the 456 FPSs, which included direct interaction with the PDS beneficiaries to ascertain their feedback on the distribution and receipts of PDS foodgrain in the presence of departmental officials (Area Inspectors under concerned DCSOs) and Presidents of the Village Councils.



A view of the audit interaction with PDC beneficiaries in presence of the departmental officials in Champhai district

During audit interaction, the PDS beneficiaries expressed their dissatisfaction over the distribution management of the PDS items. The result of such physical verification and interaction are spelt out below:

(i) Issue of less quantity of rice to the consumers

The consumers of the five villages mentioned in the table below reported that they were regularly in receipt of less quantity of allotted rice from the retailers of FPSs. Though the retailers collected cost of rice in full as per issue rates for the allocated 35 kg per week per ration card, they used to issue less quantity of rice under BPL and AAY categories. The details of village wise position of rice received were as under:

Table - 1.2.7**(Figures in Kg)**

Name of the village	Quantity of rice for which amount paid in full	Actual quantity of rice received by beneficiary	Short receipt of rice by consumers
Farkawn	35	25-28	7
Sialhawk	35	27	8
Zotlang	35	27-32	3
Kelkang	35	27-30	5
Khawbung	35	30	5

Source : Records of spot verification

The Government stated (December 2010) that the concerned DCSSOs would be asked to check the actual position and the reply would be intimated accordingly after receiving the exact position from the concerned DCSSOs. However, further reply was not received as of January 2011.

(ii) Issue of less quantity of rice due to improper weighing scale

The Legal Metrology Department, which is responsible for verification of weighing instruments in the State, confirmed (January 2011) that the verification of weighing instruments belonging to the retailers of Aibawk, Hmuifang and Biate Fair Price Shops (FPSs) have been done every year. However, during joint spot verification conducted in June and September 2010 by the Audit team along with Area Inspector of the FCS&CA Department, it was found that the weighing scales used by the retailers of Aibawk, Hmuifang and Biate FPSs were not balanced, as substantial difference ranged from 0.5 kg to one kg were noticed in the weighing scales. The difference noticed/recorded in the weighing scales are shown in the following table with the photograph of the imbalanced scales:

Table - 1.2.8

Name of FPSs	Difference recorded in the scale while in idle position
Aibawk	0.5 Kg
Hmuifang	0.5 Kg
Biate	1.0 Kg

Source : Records of spot verification



Sumsuih FPS under Hmuifang



Retailer No.1 under Biate

As a result of the issue/sale of PDS foodgrain by the FPSs through the imbalanced weighing scales the consumers of the concerned villages used to receive less quantity of foodgrain.

The Government stated (December 2010) that the concerned DCSOs would be asked to check the actual position and the reply would be intimated accordingly after receiving the exact position from the concerned DCSOs. Further reply from the Government was awaited (February 2011).

(iii) Sale of foodgrain at higher rates by the retailers

The main objective of the PDS is to ensure distribution of foodgrain to beneficiaries at a prescribed scale and price in a timely manner, as envisaged in the PDS Guidelines.

The consumers of the following villages reported that the retailers of the FPSs used to charge higher rates than that approved by the Government. The details are given in the table below:

Table - 1.2.9

(Figures in ₹)

FPSs of the villages	Approved issue rates of rice (per Kg)		Actual rates charged by the retailers (per Kg)		Excess rates charged (per Kg)	
	BPL	AAY	BPL	AAY	BPL	AAY
Zawlsei	6.15	3.00	6.29	3.14	0.14	0.14
Farkawn	6.15	3.00	7.00	3.75	0.85	0.75
Kelkhang	6.15	3.00	7.00	3.89	0.85	0.89
Sialhawk	6.15	3.00	8.14	3.00	1.99	Nil
Khawbung	6.15	3.00	6.26	3.50	0.11	0.50
Zotlang	6.15	3.00	8.15	3.59	2.00	0.59

Source : Records of spot verification

The Government stated (December 2010) that the reply will be intimated after receiving the actual position from the concerned DCSOs. However, further reply from the Government was awaited (February 2011).

(iv) Disproportionate issue of sugar

While the State Government has not prescribed any separate scale for issue of sugar to the consumers belonging to urban and rural areas, issue was limited to a common scale of 400 grams per head per month for all consumers. Scrutiny of the ration cards of the consumers during spot verification, however, revealed that the actual scale of issue was skewed with rural village consumers under Champhai district being issued at a scale of 300 grams per head per month whereas the same was issued at a scale of 400 grams per head per month to the consumers of urban areas of the district.

The Government stated (December 2010) that the reply would be intimated after receiving the actual position from the concerned DCSOs. Further reply from the Government was awaited (February 2011).

(v) Non allocation of wheat products to the village level consumers

During 2005-10 the DCSO Champhai lifted the following quantity of wheat for distribution to the consumers:

Table - 1.2.10

(Figures in MT)

Year	Quantity allotted	Quantity lifted
2005-06	1200	1200
2006-07	720	720
2007-08	720	720
2008-09	920	920
2009-10	600	600
Total	4160	4160

Source : Departmental records.

In course of joint inspection by the audit team along with the departmental officials it was however, noticed that the consumers of six⁷ villages in Champhai district reported that they did not receive any wheat products under the PDS scheme during the period covered under performance audit.

Thus, though the wheat product was duly lifted by the DCSO Champhai from Aizawl based godown every year during the period covered under audit, the same did not reach the beneficiaries of some villages under the district.

The Government stated (December 2010) that the reply would be intimated after receiving the actual position from the concerned DCSOs. However, no further reply was received from the Government as of January 2011.

(vi) Allocation of wheat to VIPs

Under PDS, no separate allocation of wheat products was made by the GoI for issue of wheat products to the Very Important Persons (VIPs) in the State. However, scrutiny of the records of DCSO Aizawl 'East' revealed that during 2006-10⁸, the DCSO had diverted the wheat products allocated to the districts and issued (July 2010) to the 239 VIPs by appointing two separate VIP FPS. The details of allocation and distribution of wheat products during 2006-10 are given in the following table:

⁷ 1. Zawlsei, 2. Farkawn, 3. Kelkang, 4. Sialhawk, 5. Kawlkulh and 6. Khawbung.

⁸ Records pertaining to 2005-06 were not available.

Table - 1.2.11

(Figures in Quintals)

Year	Allocation to DCSO Aizawl 'E'			Distributed to general consumers			Distributed to VIPs (Percentage in bracket)		
	Maida	Atta	Bran	Maida	Atta	Bran	Maida	Atta	Bran
2006-07	5166	35416	Nil	3894	33292	Nil	1272	2024	Nil
2007-08	6431	35709	441	4001	31678	80	2430	4031	361
2008-09	2664	14875	985	1072	11220	478	1592	3655	507
2009-10	2160	15305	1233	805	12075	300	1355	3230	933
Total	16421	101305	2659	9772	88265	858	6649 (40)	12940 (13)	1801 (68)

Source : Departmental records.

As can be seen from the above table, distribution to VIPs during 2006-07 accounted for 13 to 68 per cent of the total distribution of different wheat product, depriving the general consumers to that extent.

The Department stated (January 2011) that the allocation of wheat to VIPs was done as per the decision of the State Government. The fact, however, remains that the wheat products allocated by the GoI for BPL families were irregularly diverted for distribution to the VIPs.

(vii) Pilferage of Kerosene Oil into Myanmar

Under Champhai town seven special dealers were appointed by the Directorate of the FCS&CA Department for distribution of Kerosene oil in the district. After obtaining the list of seven special dealers from the DCSO, Champhai, audit conducted (September 2010) a joint inspection at the premises of these dealers. At the time of audit interaction (in presence of the Area Inspector of FCS&CA Department), the seven special dealers reported that out of allocated quota of kerosene oil they used to sell a quantity of two KL to the consumers of neighbouring Country (Myanmar) every month through Indo-Myanmar international border at a more lucrative selling cost, as the quantity received by them monthly was in excess of the actual need of the consumers.

The Government stated (December 2010) that the reply would be intimated after receiving the actual position from the concerned DCSOs. However, further reply from the Government was awaited (February 2011).

(viii) Disproportionate issue of Kerosene oil in the villages

On spot verification of sale accounts of the 17 dealers of Kerosene oil (out of 46 dealers in Champhai and Aizawl districts) and ration cards of the consumers audit noticed that the consumers of some villages⁹ received full quota of Kerosene oil as per Department's prescribed

⁹ 1. Aizawl district: Ratu, Bawngtha, Bawlte, Darlung
2. Champhai district: Kel kang, Kawlkulh, Zokhawthar

scale (three litres) every month, whereas the consumers of some villages¹⁰ received only between 1.5 litres to two litres per month.

Probing the reasons for disproportionate distribution of Kerosene, the concerned dealers revealed that in every consignment of 12 KL, the transporters appointed by the Department used to deliver short quantity of Kerosene oil in the range of 1.3 – 3.0 KL per consignment. As a result of this it was not possible for them to distribute proportionately to every consumer as per approved scales.

The Government stated (December 2010) that the reply would be intimated after receiving the actual position from the concerned DCSOs. However, no further reply from the Government has been received as of January 2011.

1.2.14 Infrastructure Development – Maintenance of supply godowns

1.2.14.1 Withdrawal of funds from Government accounts presenting false bills

Central Government Account (Receipts and Payments Rules), 1983 provides that no money should be drawn from the Government Treasury, unless it is required for immediate disbursement.

Scrutiny of the records of the Drawing and Disbursing Officer (DDO) of Directorate of FCS&CA revealed that in violation of the prescribed financial procedures, the DDOs irregularly encashed the following amount from Government Treasury by presenting bills showing the reconstruction of Supply Godowns and improvement of approach roads to godowns without actual execution of works. The details of funds encashed from the Treasury are given in the table below:

Table - 1.2.12

Date of Expenditure Sanction	Details of Sanctions and Drawals		
	Month of drawals	Amount drawn (₹ in lakh)	Purposes
13 December 2005	February-March, 2006	102.00	Reconstruction of 34 supply godowns
20 December 2006	February-March, 2007	65.00	Reconstruction of 24 supply godowns
		15.00	Improvement of 17 godown approach roads
TOTAL		182.00	----

Source : Departmental records

¹⁰ 1. Aizawl district: Darlawn, N. Vervek, Khawruhlian
2. Champhai district: Mingbung, Zawlse, Farkawn, Sialhawk, Khawbung

Audit scrutiny of the relevant files and records maintained by the Directorate, FCS&CA indicate doubtful expenditure of ₹ 1.82 crore due to the facts stated below:

- ❖ In case of expenditure sanction of ₹ 1.02 crore accorded in December 2005, though the recommended list of contractors (works supervisor) was received on 24 January 2006, the Department drew the entire fund of ₹ 1.02 crore in February–March 2006 by presenting false bills into Treasury, showing – (i) Issue of work orders on 24 November 2005 to the contractors against the recommended list received on 24 January 2006 (ii) Commencement of works from 24 November 2005 and (iii) Completion of works on 31 January 2006. As per physical progress reports received from the concerned DCSOs, reconstruction of works however, continued upto next financial year of 2006-07.
- ❖ Similarly, in case of expenditure sanction of ₹ 0.80 crore accorded in December 2006, though the recommended list of contractors (works supervisor) was received on 30 April 2007, the Department drew the entire fund of ₹ 0.80 crore in February–March 2007 by presenting false bills into Treasury, showing – (i) Issue of work orders on 20 December 2006 to some selected contractors (ii) Commencement of works from 20 December 2006 and (iii) Completion of works on January 2007. However, after encashment of fund from the Government accounts, the department executed the works of reconstructions of 24 supply godowns and improvement of 17 godown approach roads through engagement of some other contractors by issuing fresh work orders on 30 April 2007 as per recommended list.
- ❖ Though the Department claimed the construction of following godowns under Aizawl and Champhai districts during 2005-07 with an expenditure of ₹ 0.15 crore, the physical conditions of the godowns were found to be in dilapidated condition in the course of joint inspections by the audit team along with the departmental officials during July to September 2010. The details of expenditure incurred against the godown and its conditions are summarised below:

Table - 1.2.13

Name of District	Name of Godown reconstructed	Amount spent (₹ in lakh)	Physical conditions found in course of inspection
Aizawl	Aibawk PDC	3.00	Totally unsafe for storage of foodgrain in the godown as the posts/pillars and side walls were broken, water seepage inside the godown, leakage of water from the roof and full of rat holes in the floor.
	Darlawn FC	3.00	
Champhai	Ngopa SDC	3.00	Totally unsafe of storage of foodgrain in the godowns as there were water seepage inside the godowns and full of rat holes in the floor.
	Mimbung FC	3.00	
	Farkawn FC	3.00	

Source : Departmental records

Photographs of the godowns, in respect of Aibawk PDC, Mimbung FC and Farkawn FC are exhibited below:



Aibawk PDC



Mimbung FC



Farkawn FC

1.2.14.2 Storage loss due to poor condition of godowns

Godowns play an important role in efficient implementation and functioning of PDS.

Audit, however, noticed that in two godowns (Darlawn and Khawruhlian FCs) the storage loss of foodgrain occurred due to the following reasons:

- (i) The Storekeeper of Darlawn Centre reported (August 2009) that due to poor condition and low capacity of the godown he had to store foodgrain in other departmental godowns and private houses during his tenure from September 2006 to July 2009 which resulted in storage loss of 376 Qtls of rice; and
- (ii) Similarly, Storekeeper of Khawruhlian Centre reported (June 2009) that due to leakage of roof, walls and wet floor owing to non-cemented concrete floor of the godown, total storage loss of 390.27 Qtls of rice occurred during the preceding seven years (May 2002 to May 2009).

It was, thus, evident from above facts that Department did not take any effective measures for the proper maintenance of its supply godowns in time as a result substantial storage losses of foodgrain was occurred.

The Government stated (December 2010) that the concerned DCSOs have been asked to verify the matter and necessary action would be taken by the Department to avoid such huge loss of foodgrain in future.

1.2.14.3 Issue and Despatch of foodgrain from godowns

Section 4.8(i) of Supply Manual (revised) 2008 of Food, Civil Supplies & Consumer Affairs Department envisages that issue/despatch of foodgrain from the godown shall be made on the principle of "First in First out" basis. The basic principle is that stock received earlier shall be issued first to avoid deterioration of stock due to prolonged storage.

Audit, however, noticed that the clearance of stock on the principle of "First in First out" could not be practiced in most of the supply godowns due to existence of a single gate in the godowns *viz.* Darlawn, Khawruhlian and Hmuifang FCs. It was further noticed in audit that as per reports submitted by the incharges of the following Fed Centres, a quantity of 555.88 quintal of rice remain damaged as shown in the table below:

Table - 1.2.14

Sl. No.	Name of Fed Centre/ SDC	Date of Report	Damage quantity of rice (In quintal)	Cost of damaged rice (@ ₹ 9300 per quintal) (₹ in lakh)
1.	Vathuampui FC	30.06.09	350.00	32.55
2.	Chhipphir FC	26.04.10	151.00	14.04
3.	Tuipang SDC	22.06.10	20.00	1.86
4.	Vahai FC	22.06.10	2.00	0.19
5.	Ngopa SDC	23.09.10	32.88	3.06
Total			555.88	51.70

Source: Departmental records.

The Department had not initiated (October 2010) any action towards disposal of 555.88 quintals of damaged rice valued at ₹ 51.70 lakh through proper write-off proposals. Thus, non practice of the above principle for clearance of stock led to deterioration of foodgrain due to its prolonged storage.

The Government, while accepting the facts stated (December 2010) that non-existence of a single gate in the godowns was due to unavailability of favourable site or location for construction of godowns and consequently the principle of “First in First out” could not be practiced in some centres. However, the Government further stated that the action would be taken to avoid the deterioration of foodgrain due to prolonged storages.

1.2.15 Welfare Institution Schemes

To ensure adequate standard of nutrition to inmates in the institutions meant for the welfare and development of the weaker sections, Scheduled Castes/Scheduled Tribes and backward classes, hostels (public or private) and including residential schools, the GoI allocated foodgrain (rice and wheat) during the period covered under performance audit. In Mizoram (October 2010), there are 5,276 inmates under 99 welfare institutions. The Department lifted and distributed the following allocated rice and wheat during 2005-10.

Table - 1.2.15

(Figures in MT)

Year	Total Quantity Allocated by the GoI		Quantity Lifted by Department		Quantity distributed	Short Lifted
	Rice	Wheat	Rice	Wheat	Rice	Wheat
2005-06	461.40	95.36	461.40	NIL	461.40	95.36
2006-07	508.40	47.68	508.40	NIL	508.40	47.68
2007-08	397.20	NIL	397.20	NIL	397.20	NIL
2008-09	317.76	NIL	317.76	NIL	317.76	NIL
2009-10	238.32	NIL	238.32	NIL	238.32	NIL
Total	1923.08	143.04	1923.08	NIL	1923.08	143.04

Source: Departmental Records.

Above table shows that Department failed to lift the allocated 143.04 MT of wheat during 2005-07, which resulted in inadequate supply of nutritional foodgrain to the inmates of the institutions.

The Government stated (December 2010) that the Department would check the records and the actual position would be intimated accordingly. However, no further reply has been received from the Government as of January 2011.

1.2.16 Monitoring

1.2.16.1 Inspection by departmental authorities

The GoI in its PDS (Control) Order 2001 emphasised that the State Governments shall ensure a proper system of monitoring with regular inspections of FPSs not less than once in six months by the designated authority. The State Government is required to issue orders specifying the inspection schedule, list of check points and the authority responsible for ensuring compliance with the said orders. Scrutiny of the records and information furnished by the Department revealed that the Department has so far not prescribed any schedule of inspections as emphasised by the GoI. During the period covered under review, only six inspections were carried out at the level of Joint Directors which implies sheer negligence in monitoring on the functioning of the PDS in the State.

While accepting the lapses, the Department informed (December 2010) that the proper system of Monitoring will be followed in future.

1.2.16.2 Vigilance Committees

In its PDS (Control) Order 2001, GoI further instructed for holding of meetings of the vigilance committee on the PDS at the State, District, Block and FPSs level on regular basis. The date and periodicity should be notified by the State Governments and the periodicity of such meetings should not be less than one meeting a quarter at all levels. It was, however, noticed in audit that State Government/Department has so far not constituted vigilance committee at the State, District and Block level except for the constitution of some village level vigilance committees. Though the Department claimed that the village level vigilance committees in the State has conducted 62, 58 and 76 meetings during 2007-08, 2008-09 and 2009-10 respectively, no details on notification issued for conduct of such meeting and minutes of the meetings thereof could be produced to audit.

The Government stated (December 2010) that the Department has created Vigilance Committee almost in every village of the State to ensure proper inspection and monitoring. However, details on notification issued for conducting of such meetings and minutes of the meeting thereof were not produced to audit.

1.2.16.3 Quality testing

In its PDS (Control) Order 2001, GoI instructed that before making the payment to the FCI, the representatives of State Governments or their nominees and the FCI shall conduct joint inspection of the stocks of foodgrain intended for issue to ensure that the stocks conform to the prescribed quality specifications. Scrutiny of the records of the Department and information provided by the FCI revealed that joint inspection was not conducted at all during 2005-10. The Department has neither carried out any quality test to ensure that the foodgrain conform to the necessary quality specification before the foodgrain are lifted from FCI nor arranged any testing facility in the base godown of FCI. Thus, the quality of foodgrain distributed under PDS remained questionable due to absence of quality control mechanism.

1.2.16.4 Online monitoring and Management System

The Department has not set up an online monitoring and management system as of January 2011. The Department, however, established (2008-09) the “State Consumer Helpline” as an alternate consumer disputes redressal mechanism to cater to consumers in rural and backwards areas. Through, this State Consumer Helpline system, the Department resolved (October 2010) so far only 14 cases against the 21 cases received.

The Government stated (December 2010) that all the seven cases were referred to the District Forum for further examination.

1.2.17 Internal Control and Internal Audit

Internal Control/Internal Audit is an important management tool of a Department to examine and evaluate the level of compliance with Departmental/Financial rules and procedures. To oversee the Internal Control System, the State Government posted one Deputy Director (Accounts) in the Department. It was, however, observed that though the Internal Control System exists, the same has not been effective in terms of financial management of the Department as evidenced from the instances reported in Paragraph 1.2.14.1 viz. drawal of funds before execution of works. In order to improve the Internal Audit System, the Department established (June 2006) an Audit Cell. However, the objectives of creation of the Audit Cell remained largely unachieved, as a result, large scale short accountal and leakages of foodgrain and cash in the supply godowns as well as short remittance of sales proceeds by the godown incharges under Aizawl and Champhai districts were noticed during review period.

While accepting the facts, the Government stated (December 2010) that the Department would make efforts to achieve the objective of the Audit Cell.

1.2.18 Conclusion

Public Distribution System (PDS) is one of the most important functions of the State Government which helps in providing food security to a large number of consumers. The performance of PDS in the State with reference to the provision of PDS (Control) order, 2001 revealed that the State Government had made no efforts to evolve a well defined criteria for identifying BPL and AAY beneficiaries. The excessive issue of Family Ration Cards with inflated population has an adverse impact on the distribution of foodgrain to the PDS beneficiaries in the State. Effective distribution of timely allotted foodgrain to all consumers in the State at prescribed quantity and rates were not achieved due to misappropriation of a major portion of the foodgrain by the Programme Managers at the field level which led to huge shortage of foodgrain meant for distribution to the consumers at prescribed rates. There was inadequate/improper maintenance of godowns causing substantial storage losses of foodgrain. The PDS consumers were overburdened owing to higher selling price of foodgrain than the price approved by the Government. The Department failed to claim reimbursement of transportation charges claims under Hill Transport Subsidy Scheme due to non submission of reimbursement bills with requisite records and documents at the appropriate time. Monitoring was lax leading to improper documentation at every level and absence of mandatory inspection by departmental authorities resulted in rampant existence of malpractices and misappropriation of stores and cash under the PDS programme. Due to absence of systemic quality test mechanism, quality of foodgrain distributed under PDS remained questionable. The Internal Control Mechanism was either dysfunctional or had little effect in exercising control. As a result, there were cases of financial indiscipline and irregularities in the implementation of the PDS.

1.2.19 Recommendations

- In conformity to the GoI's Public Distribution System (Control) Order, 2001, the Department must formulate suitable Guidelines for the purpose of identification of BPL families.
- The State Government should ensure distribution of foodgrain to the PDS beneficiaries at the prescribed scale and at the approved price.
- The Department should fix responsibility of all field level officers/officials with respect to monitoring, quality checking and proper accounting of foodgrain.
- Physical verification of stores and cash maintained by the godown incharges must be mandatory and should be carried out at prescribed intervals.

- Adequate provision for the upkeep and maintenance of the supply godowns should be made by the Department to avoid storage losses and damages.
- The Department should carry out regular verification of the retailer's sales accounts to ensure that no malpractices occur in the sale of foodgrain to consumers.
- Monitoring mechanism in the Department should be strengthened in order to ensure effective implementation of the PDS in the State.

CHAPTER – II
AUDIT OF TRANSACTIONS

CHAPTER – II

AUDIT OF TRANSACTIONS

Wasteful/Temporary Misappropriation/Avoidable/Diversion/Idle Expenditure

PUBLIC WORKS DEPARTMENT

2.1 Wasteful expenditure

Unauthorised and wasteful expenditure of ₹ 71.09 lakh was incurred even before the site allocation was finalised without administrative approval and expenditure sanction of the project.

As per CPWD works manual, there are four main stages in execution of a work namely:

- (i) Administrative approval; (ii) Expenditure sanction; (iii) Technical sanction; and
- (iv) Availability of funds.

No work should normally be commenced or any liability incurred thereon until all these stages are completed.

Under Non-Lapsable Central Pool of Resources (NLCPR), the Government of India, Ministry of Development of North East Region (DoNER) accorded (June 2007) administrative approval of ₹ 13.05 crore for construction of Indoor Stadium, Aizawl, of which ₹ 11.75 crore (90 per cent) was central assistance and balance ₹ 1.30 crore (10 per cent) loan component to be raised by State Government. The first installment of ₹ 4.11 crore was released by the DoNER in September 2007.

The Hon'ble Minister of State, Sports and Youth Service laid (September 2008) the foundation stone for the construction of the Indoor Stadium which was to be located between Secretariat building and the proposed Governor's Secretariat at New Capital Complex, Khatla. The Directorate of Sports and Youth Services, Mizoram, formally moved (December 2008) the Government, General Administration Department (GAD) for allotment of a plot of land on this site to construct the Indoor Stadium. However, since the State Government was not in favour of constructing a stadium within the Capital Complex, it was decided (March 2009) to shift the site for construction of Indoor Stadium at Pitarte Tlang, Veterinary Complex, Republic Veng, Aizawl. Accordingly, on final selection of the site, the Sports and Youth Services Department accorded (July 2009) administrative approval of the project at an estimated cost of ₹ 13.05 crore. On receipt (July 2009) of allocation of fund of ₹ 4.57 crore from the Finance Department, the Public Works Department (PWD)

also accorded expenditure sanction of ₹.4.57 crore (₹ 4.11 crore in August 2009 and ₹ 0.46 crore in March 2010).

Scrutiny (August 2010) of the records of the Executive Engineer, PWD Project Division-I, Aizawl revealed that in violation of all the prescribed procedures, the PWD Division, as the implementing agency of the project incurred a liability of a wasteful expenditure of ₹ 0.71 crore towards the construction of the Indoor Stadium, at Capital Complex, Khatla, as spelt out below in details:

(A) Prior to the finalization of allocation of land and as a matter of fact at a time when the decision for selection of site was still pending with the Government, the PWD issued (June 2008) a work order to a Guwahati based Contractor¹ for execution of construction of Indoor Stadium, at capital complex, Khatla at tendered value of ₹ 9.18 crore.

(B) Though the clearance of tender drawing was pending (27 October 2008) with the client Department (Sports and Youth Services), the Division fictitiously prepared Running Account (RA) Bill for ₹ 71.09 lakh against execution of works, involving earthwork (2,671.24 cum for ₹ 42.74 lakh) and piling, i.e. boring (₹ 28.35 lakh) during 8 July 2008 to 19 January 2009, despite the fact that foundation stone was laid on 19 September 2008 on the site.

(C) Although there was no provision in the State Budget during 2008-09 for implementation of the project with DoNER's assistance, the Chief Engineer, PWD (Building) Mizoram unauthorisedly allocated (December 2008) ₹ 102.50 lakh, facilitating the Executive Engineer, to make payment. Accordingly, the Executive Engineer released an amount of ₹ 11.87 lakh (out of RA Bill of ₹ 71.09 lakh) in December 2008 to the Contractor. The balance amount of ₹ 59.22 lakh (₹ 71.09 lakh – ₹ 11.87 lakh) was released in August 2009, out of budgetary allocation during 2009-10.

Thus, before the allocation of site for the project and before the project was administratively approved with budgetary allocation and expenditure sanction, the Department prepared a fictitious bill for ₹ 71.09 lakh and disbursed the same to the contractor. Further, shifting of project site after incurring expenditure of ₹ 71.09 lakh rendered the entire expenditure wasteful.

In their reply the Government *inter alia* mentioned (October 2010) that there were no irregularities in incurring expenditure of ₹ 71.09 lakh as the same was authorised and released to the contractor in anticipation of the Administrative approval and Expenditure sanction by the State Government. The contention of the Government is not acceptable as the entire fund of ₹ 71.09 lakh was drawn and disbursed in violation of the prescribed codal procedures and

¹ M/s Suvidha Infrastructure, Guwahati

before finalisation of site for the project, which was eventually relocated to another locality in March 2009.

INDUSTRIES DEPARTMENT

2.2 Temporary misappropriation/non-accountal of Government money

Failure to comply with the basic principles of financial discipline on the part of DDO facilitated temporary misappropriation/non-accountal of funds of ₹ 16.91 lakh.

Central Government Accounts (Receipts and Payment Rules), 1983 which is followed by the State Government, *inter-alia* provides that:

(a) No money is to be drawn from Government Treasury, unless it is required for immediate disbursement; (b) a Government officer supplied with the funds for expenditure shall be responsible for seeing that payments are made to persons entitled to receive them; and (c) all monetary transactions should be entered in the cash book as soon as they occur and attested by the Head of the office as a token of check.

Scrutiny (May 2010) of the records of Geology and Mining Wing under the Directorate of Industries, Mizoram, Aizawl revealed that failure to comply with the basic principles of financial discipline on the part of Drawing Disbursing Officer (DDO) facilitated temporary misappropriation and misuse of funds, as discussed below:

Between March 1999 and March 2010, the DDO drew a total amount of ₹ 43.83 lakh from the Government treasury against 28 Regular Contingent Charges (RCC) bills for immediate disbursement towards various specified purposes *viz.* compensation for Shell Limestone Project, purchase of spares & accessories, training fees and miscellaneous expenditure for monitoring and survey etc. However, without disbursing this amount to recipients of 28 RCC bills, the DDO retained the entire amount of ₹ 43.83² lakh for a period of more than 11 years and unauthorisedly disbursed an advance of ₹ 16.91 lakh to various staff in 97 different occasions³ during March 1999 to April 2010 out of the retained funds. Such unauthorised disbursement of advance for various purposes was also not routed through Cash Book of the Department and the money remains unrecovered (May 2010).

In the exit conference held (May 2010) with the Director of Industries and Accountant General, the Departmental officials agreed to the audit findings.

² ₹ 19.52 lakh in DCR + ₹ 24.31 lakh in cash = ₹ 43.83 lakh.

³ Different occasions, *viz.* Quarter Repair, Jungle clearance, Miscellaneous expenditure and tour TA etc.

While accepting the facts the State Government intimated (September 2010) that out ₹ 16.91 lakh an amount of ₹ 8.88 lakh was already been adjusted and the balance was under process of regularisation. The Government's letter was however, silent about fixing of accountability for unauthorised appropriation of Government money.

Thus, disbursing unauthorised advances to staff, its non-recovery and keeping the same out of Government Account for a period of over 11 years had resulted in temporary misappropriation of public money.

PUBLIC WORKS DEPARTMENT

2.3 Loss due to undue financial aid to contractors

Grant of interest free mobilisation advance of ₹ 443.84 lakh to three contractors resulting in loss of ₹ 59.50 lakh towards interest.

As per Para 31.5 of CPWD Works Manual (which is followed in the State of Mizoram) in respect of certain Specialized and Capital intensive works with estimate cost put to tender for rupees two crore and above, mobilisation advance limited to 10 *per cent* of tendered amount at 10 *per cent* simple interest can be sanctioned to the contractors on specific request as per term of the contract.

The Public Works Department (PWD) entered into contractual agreement with three different contractors for execution of the following projects for which administrative approval were accorded:-

- (i) Re-construction of Mizoram House, at Chanakyapuri, New Delhi with approved cost of ₹ 14.32 crore;
- (ii) Construction of Indoor Stadium, at Aizawl with approved project cost of ₹ 13.05 crore; and
- (iii) Construction of Rajiv Gandhi Sports Stadium, at Aizawl (Phase-I) with administratively approved project cost of ₹ 24.02 crore.

Scrutiny (August 2010) of the records of the Executive Engineer (EE), PWD, Project Division-I Aizawl revealed that in violation of the above codal provisions, the EE unauthorisedly sanctioned and released (between October 2008 and December 2008) interest free mobilisation advance of ₹ 443.84 lakh⁴ to all the three contractors for above mentioned projects. Out of

⁴ (i) ₹ 279.77 lakh for Rajiv Gandhi Sports Stadium
(ii) ₹ 74.07 lakh for reconstruction of Mizoram House, New Delhi and
(iii) ₹ 90.00 lakh for construction of Indoor Stadium, Aizawl
Total ₹ 443.84 lakh

₹ 443.84 lakh, the Division had already recovered an amount of ₹ 307.24 lakh during December 2008 to June 2010 from the three contractors, through running accounts bills.

The interest due to be levied against mobilisation advance of ₹ 443.84 lakh in respect of three contractors from the date(s) of release of advance to July 2010, at prescribed rate of 10 *per cent* per annum was ₹ 59.50 lakh, as per details shown in **Appendix - 2.1**, which remain unadjusted.

Thus, grant of interest free mobilisation advance, in violation of codal provisions led to undue financial advantage to the contractors resulting in corresponding loss of ₹ 59.50 lakh to the Department towards interest.

The Government stated (October 2010) that the interest free mobilisation advance was granted to the contractor as per terms of contract agreement. But, the reply is not acceptable, as the interest free mobilisation advance was not permissible as per codal provisions.

DISTRICT COUNCILS AFFAIRS DEPARTMENT

2.4 Undue financial benefit to contractor

Violating prescribed procedures of CPWD Works Manual and financial rules, the Chakma Autonomous District Council paid Advance of ₹ 3.61 crore to a contractor.

As per Para 31.5 of CPWD Works Manual in respect of certain specialized and capital intensive works with an estimated cost of tendered value of Rupees two crore and above, mobilisation advance limited to 10 *per cent* of tendered amount at 10 *per cent* simple interest can be sanctioned to the contractors on specific request as per term of the contract. The mobilisation advance shall be against a bank guarantee of a scheduled bank for the full amount of advance and interest on the advance shall be calculated from the date of payment to the date of recovery. Further, as per Para 31.6 of the Manual, an advance for Plant and Machinery that are required for the work and brought to site by the contractor may be given if requested by contractor in writing within one month of bringing them to site. In this case the amount of advance should be restricted to five *per cent* of the tendered value or 90 *per cent* of the price of such new Plant and Machinery purchased by the contractor, whichever is lower.

Scrutiny (April 2010) of the records of the Executive Secretary, Chakma Autonomous District Council (CADC), Kamalanagar revealed that out of the available funds of the Non Lapsable Central Pool of Resources (NLCPR) the Council commenced (January 2008) implementation of a project "Upgradation of Parva-I to Simensora Road in Mizoram" funded by Ministry of Development of North Eastern Region (DoNER) at projected cost of ₹ 12.26 crore.

The first and second installments (@ ₹ 3.78 crore per installment) of the Central assistance were released to the Council by the State Government in September 2007 and May 2009 respectively along with loan component of ₹ 41.99 lakh in February 2008.

Based on the lowest tendered rates, the selection committee selected (29 January 2008) an Aizawl based contractor to whom work order was issued (30 January 2008) for execution of the work at the tendered amount of ₹ 12.02 crore specifying 18 months as the scheduled time for completion. The CADC, based on applications received from the contractor, unauthorisedly released advances of ₹ 3.61 crore (mobilisation advance of ₹ 2.40 crore and advance of ₹ 1.21 crore for purchase of Plant and Machinery) to the contractor as per following details:

Table - 2.1

Tendered amount (₹ in crore)	Nature of advances	Permissible amount of advance (₹ in crore)	Details of advance paid		Excess payment of advance (₹ in crore)
			Date of payment	Amount (₹ in crore)	
12.02	(1) Mobilisation Advance	1.20	30 January 2008	2.16	1.20
			28 March 2008	0.24	
	Sub Total	1.20	----	2.40	1.20
	(2) Advance for purchase of Plant and Machineries	0.60	30 January 2008	1.21	0.61
			Sub Total	0.60	
	Grand total	1.80	----	3.61	1.81

Source: Council's records.

As can be seen from the above table, against the permissible advance of ₹ 1.80 crore (mobilisation advance ₹ 1.20 crore and advance for purchase of plant and machineries ₹ 0.60 crore) as prescribed in the Manual, the CADC unauthorisedly sanctioned and disbursed a total advance of ₹ 3.61 crore, which resulted in excess payment of advance of ₹ 1.81 crore with undue benefit to the contractor.

Further scrutiny of the documents disclosed that the mobilisation advance of ₹ 2.40 crore was released to the contractor without obtaining any Bank Guarantee and without incorporating any provision for realisation of 10 per cent simple interest in its sanction orders. Further, no documents in support of purchase of new Plant and Machinery was obtained before releasing

advance of ₹ 1.21 crore. The Council also failed (April 2010) to produce details of deductions, if any, effected towards recovery of both the advances.

Thus, by violating the prescribed procedures of works manual/financial rules and without ensuring safeguard of the Council's interest the CADC unauthorisedly disbursed an advance of ₹ 3.61 crore from the public exchequer, resulting in undue financial benefit to the contractor together with loss of interest. The Council has not initiated any action to fix responsibility against the erring officials (January 2011).

The matter was reported to the Government in July 2010 and the Government in their reply (August 2010) intimated that action is being taken in the matter with the concerned District Council. Further reply from the Government is awaited (January 2011).

SOCIAL WELFARE DEPARTMENT

2.5 Grant of old age pension to ineligible beneficiaries

The Department unauthorisedly granted old age pension of ₹ 40.47 lakh to ineligible beneficiaries during 2007-10.

In accordance with the Directive Principles of State Policy in the Constitution of India the Government of India (GoI) introduced in 1995 the National Social Assistance Programme (NSAP) to lay the foundation for a National Policy for Social Assistance to the poor.

Indira Gandhi National Old Age Pension Scheme (IGNOAPS) is one of the schemes under NSAP. As per revised (September 2007) guidelines of the IGNOAPS, central assistance will be available for Old Age Pension strictly according to the following conditions:

- Age of applicant shall be 65 years or higher,
- The applicant must belong to a household Below the Poverty Line (BPL) according to the criteria prescribed by the GoI,
- Amount of Old Age Pension will be ₹ 200 per month per beneficiary for the purpose of claiming central assistance,
- For all pension schemes of NASP, the State was urged to contribute at least an equal amount so that a pensioner receives at least ₹ 400 per month, and
- The pension is to be credited, where feasible, into a post office or public sector bank account of the beneficiary.

Test check (July – August 2010) of the records of the District Social Welfare Officer, Aizawl West revealed that without preparing fresh list of eligible beneficiaries belonging to the BPL households after considering revised Guidelines, 2007, the Department (based on Selection Board's approval) irregularly sanctioned and disbursed Old Age Pension of ₹ 40.47 lakh (₹ 32.37 lakh out of central assistance and ₹ 8.10 lakh out of State Plan fund) to 443, 446 and 460 beneficiaries of Non-BPL households under Tlangnuam Rural Development (RD) Block during 2007-08, 2008-09 and 2009-10 respectively as shown in the following table:

Table - 2.2

(₹ in lakh)

Year	No. of Non-BPL Pensioner	Amount of pension disbursed		Total (₹ in lakh)
		Central assistance @ ₹ 200 per month	State assistance @ ₹ 50 per month	
2007-08	443	10.63	2.66	13.29
2008-09	446	10.70	2.68	13.38
2009-10	460	11.04	2.76	13.80
Total		32.37	8.10	40.47

Source: Departmental records.

As can be seen from the above table, the State Government also contributed an amount of ₹ 50 to each beneficiary from the State fund. Besides, the entire Old Age Pensions as mentioned above, was irregularly disbursed to the beneficiaries in cash which contradicted the provisions of the Guidelines.

While accepting the facts the Government stated (October 2010) that it was difficult for the Department to identify the eligible beneficiaries and to reconstruct the fresh list of eligible beneficiaries as it would involve a huge time taking process. The Government is also in a dilemma to decide as to whether the Department should proceed with excluding existing beneficiaries, who are rendered ineligible on account of application of Guidelines (2007). The facts, however, remains that the Department unauthorisedly sanctioned the Old Age Pension to ineligible beneficiaries of non-BPL households and thus, the Department needs to take action for discontinuance of grants of pension to ineligible beneficiaries.

LAND REVENUE AND SETTLEMENT DEPARTMENT

2.6 Avoidable expenditure

Issue of overlapping House Passes resulted in the Department incurring an avoidable expenditure of ₹ 12.65 lakh towards payment of compensation.

While allotting any plot of land to any resident by way of issuing Land Settlement Certificate (LSC) or House Pass under Mizo District (Land and Revenue) Act, 1956, it is the duty of the Government, Land Revenue Department to verify that the plot of land is free from all encumbrances, so that no pass is issued overlapping the existing one.

Scrutiny (June 2010) of the records of the Director, Land Revenue and Settlement Department (LR&SD) Mizoram revealed that due to issue of a House Pass to one resident which overlapped with another LSC already held by another House Pass holder on the same plot of land in Aizawl, the Department had to incur a compensation payment of ₹ 12.65 lakh, as spelt out below.

The Assistant Settlement Officer – I of LR&SD, Aizawl issued (July 1990) a House Pass to one individual over a plot of land in Aizawl under House Pass No. 1260 of 1990. Accordingly, the House Pass holder constructed two Assam Type buildings on the plot and started residing with her family. The House Pass holder expired leaving the property to her son. The same plot of land was held by another individual with a valid ownership certificate LSC (No. 557 of 1977) issued by the same Department. When the aggrieved second owner approached Hon'ble Gauhati High Court, the Court in their order (June 2003) decreed the suit for declaration of title of the land in favour of the second owner and directed the son of the first owner to vacate the land. In compliance of the Hon'ble Court's orders the son of the first owner vacated the plot demolishing two Assam Type building and thereafter filed a money suit before the Court of Senior Civil Judge, Aizawl. The said suit was disposed off (October 2008) by the Court with directions to State Government for payment of compensation of ₹ 8.85 lakh, being cost of demolished buildings with nine *per cent* interest. Accordingly, State Government accorded (November 2009) expenditure sanction of ₹ 12.65 lakh (₹ 8.85 lakh + interest ₹ 3.80 lakh) and the LR&SD disbursed (November 2009) the same to the plaintiff. The State Government, however, did not fix (January 2011) any responsibility on the avoidable lapse that occurred.

The lapse on the part of the Department and the consequential requirement of making the compensation payment of ₹ 12.65 lakh from the Government exchequer could have been averted had the Department issued the House Pass after careful verification and reconciliation of land settlement records.

While accepting the lapses the Government stated (January 2011) that the land record in Mizoram were previously done/maintained on a piece-meal basis which resulted into the unfortunate court dispute and avoidable expenditure.

RURAL DEVELOPMENT DEPARTMENT

2.7 Unauthorised diversion of Central assistance

Contrary to the decision of Departmental Screening Committee, the State Institute of Rural Development proceeded with construction of a Computer Laboratory Building by diverting Central assistance of ₹ 15 lakh meant for construction of Extension Training Centre.

The State Institute of Rural Development (SIRD), Kolasib, Mizoram was established (August 2000) by the Government of Mizoram to serve as State Level Apex Training Institute in Rural Development. The SIRD was declared as an Autonomous Body by the Government of Mizoram in October 2000. The recurring expenditure of the Institute is being shared between Central and State Government on 50:50 basis, while non-recurring expenditure is provided by the Government of India, Ministry of Rural Development (MoRD) as *cent per cent* assistance.

In June 2009, the SIRD submitted a proposal to the National Institute of Rural Development (NIRD) seeking their recommendation to the MoRD for a Central assistance of ₹ 2.21 crore during 2009-10, under non-recurring grant. The proposals *inter-alia* included the estimate of ₹ 21 lakh for construction of a Computer Centre. In response to this proposal, the NIRD, conveyed (December 2009) to SIRD that they had recommended to MoRD for deferment of all construction proposals including Construction of Computer Centre following the Departmental Screening Committee's (DSC) decision to press the Government of Mizoram to take a policy decision on shifting of SIRD from Kolasib to the vicinity of Aizawl.

Scrutiny (January 2010) of the records of the Director, SIRD, Kolasib, however, revealed that the Director without obtaining any Administrative Approval from the Government of India, (MoRD) unauthorisedly accorded (December 2008 and March 2009) expenditure sanction of ₹ 15 lakh for construction of a Computer Laboratory Building. Since no fund was provided by the MoRD, the Director appropriated and drew an amount of ₹ 15 lakh (₹ ten lakh in December 2008 and ₹ five lakh in March 2009) diverting the same from the available fund received separately from the MoRD for departmental construction of an Extension Training Centre (ETC) at Thingsultliah without having any technical person to supervise construction works. No records/vouchers etc. including actual date of commencement/completion of the work could be produced (January 2010) to audit in

support of financial and physical progress of the building. Subsequently the amount of ₹ 15 lakh was recouped (May 2009) to ETC's accounts diverting it out of a separate grant of ₹ 28.38 lakh received (March 2009) from the MoRD as Non-Recurring maintenance cost.

Thus, contrary to the decision of the Departmental Screening Committee and without obtaining Administrative Approval of the MoRD, the Director, SIRD unauthorisedly proceeded with the construction of Computer Laboratory Building by diverting grants under Central assistance of ₹ 15 lakh.

The Director, SIRD, while accepting the fact stated (January 2010) that seemingly unaware of the DSC's policy and anticipating approval of the proposals by NIRD/MoRD construction of Computer Laboratory Building was undertaken departmentally with a hope that it would be recouped.

While accepting the facts, the Government also stated (October 2010) that the efforts are being made to avoid such kind of irregularity in utilisation of fund by the SIRD, Kolasib in future.

DISTRICT COUNCIL AFFAIRS DEPARTMENT

2.8 Unauthorised diversion of recurring grants

Without the surrender of unspent recurring grants of ₹ 1.53 crore the Council unauthorisedly diverted and utilised the same for non-recurring expenditure.

Rule 56 of General Financial Rules (GFR), 2005 provides that the funds provided during the financial year and not utilised before the close of that financial year shall stand lapsed at the close of the financial year and the savings that cannot be utilised should be surrendered to Government immediately without waiting till the end of the year.

The State Government (District Council Affairs Department) released during 2007-08 a non-recurring grant-in-aid of ₹ 24.52 crore under Non-Plan Sector for meeting the salary component of General Secretariat (₹ 9.72 crore) and Education Department (₹ 14.80 crore) for Lai Autonomous District Council (LADC), Lawngtlai. The grant was released with the clear stipulation that it should not be diverted for any other purpose other than for which it was allocated.

Scrutiny (March 2010) of the records of the Chief Executive Secretary, LADC revealed that out of allocated Non-Plan grants of ₹ 24.52 crore towards salary component, the Council incurred an expenditure of ₹ 22.99 crore during 2007-08 towards meeting the salary of General Secretariat (₹ 8.19 crore) and Education Department (₹ 14.80 crore) resulting in savings of

₹ 1.53 crore (₹ 24.52 crore – ₹ 22.99 crore). However, contrary to prescribed procedures of GFR and in violation of the Government's terms and conditions contained in grants release orders, the Council authority unauthorisedly utilized the unspent balance of ₹ 1.53 crore towards expenditure other than salary during 2007-08.

Thus, instead of complying with the prescribed norms of surrendering the unspent Non-Plan grants of ₹ 1.53 crore to the Government, the Council had unauthorisedly diverted it for utilising the same towards expenditure other than salary, which was irregular and in contravention of the terms of release of the grant.

The Council in their reply (September 2010) insisted that they have utilised the entire fund of ₹ 22.99 crore for the purpose for which it was sanctioned. The contention of the Council was not acceptable as the Annual Accounts approved by the Council and submitted for the year 2007-08 clearly reflected non-plan expenditure of ₹ 22.99 crore (General Administration: ₹ 8.19 crore and Education: ₹ 14.80 crore)

The matter was reported (September 2010) to the Government and in their reply Government stated (September 2010) that they are seeking explanation on this point from the concerned Council. Further communication from the Government is awaited (January 2011).

LAND REVENUE AND SETTLEMENT DEPARTMENT

2.9 Drawal of funds before actual execution of project

The Department, by preparing false bills, drew and disbursed an amount of ₹ 79.97 lakh, before the actual commencement of the execution of survey work.

Mizoram with a total area of 21,081 sq. kms consists of vast areas of Notified reserved forests, waste land, residential areas, roads, rivers and streams. With the objective of obtaining data on different land status, economic and meaningful land reform programmes, a composite scheme of survey for Regulation of Land Holdings for implementation of National Land Use Policy (NLUP) under Land Revenue was prepared by the Land Revenue and Settlement Department (LR&SD).

To implement the above scheme, the State Government (LR&SD) accorded (March 2010) an expenditure sanction of ₹ 80 lakh for carrying out survey under following components of the scheme:

Table - 2.3

Sl. No.	Name of component of survey	Length of survey to be covered	Cost of survey (₹ in lakh)
(i)	Serlui Reserved Forest	21,982 metres	3.30
(ii)	Teirei Reserved Forest	44,721 metres	6.70
(iii)	Watershed Command Area in Kolasib	2,191 metres	10.00
(iv)	Wasteland in Kolasib	2,191 metres	10.00
(v)	Boundary survey in Kolasib	680 kms.	30.00
(vi)	Family Land Record Survey (Aizawl, Mamit and Kolasib Districts)	91,059 families	20.00
Total			80.00

Source: Departmental records.

The Land Revenue and Settlement Department, decided to implement the scheme and carry out survey during the year 2010-11. Accordingly, the Department organised (April 2010) meeting-cum-Training programme with the concerned functionaries/NGOs, etc. as under:-

- (i) With Central YMA, an Aizawl based NGO (9 April 2010) for carrying out Family Land Record Survey in three districts for which ₹ 20 lakh was allocated; and
- (ii) With different officers and survey staff of the Department (22 – 23 April 2010) for carrying out survey of Reserved Forest, Wasteland Command Areas, Wasteland and Boundary Survey for which an amount of ₹ 60 lakh was allocated.

Scrutiny (June 2010) of the records of the Director, LR&SD, Mizoram revealed that the Assistant Director of Survey (Technical) of the Department prepared and submitted (March 2010) 16 Muster Rolls Bills as proof of completion of survey in the Reserved Forest, Wasteland Command Areas, Wasteland and Boundary Survey during October 2009 to February 2010 with financial implication of ₹ 59.97 lakh. In the Muster Rolls bills, a number of labourer were shown to have been engaged for 45,432 mandays at the rate of ₹ 132 per manday. The labourers signature were also recorded in the bills (as a token of attendance) along with certificate of endorsement by the Surveyors to the effect that the labourers were engaged by them. Besides, the Department obtained a bill (March 2010) from the Secretary, Central YMA, Aizawl showing conduct of Family Land Record Survey, covering 91,059 families in three districts at a cost of ₹ 20 lakh.

The concerned Drawing and Disbursing Officer (DDO) of the Department encashed all the bills amounting to ₹ 79.97 lakh from the Government Treasury and disbursed the same as under:

Table - 2.4

Sl. No.	Details of encashment:		Details of disbursement:		
	Date	Amount (₹ in lakh)	Date	Amount (₹ in lakh)	Disbursed to
1.	25.03.2010	59.97	30.03.2010	59.97	Muster Roll Labourers
2.	25.03.2010	20.00	30.03.2010	20.00	Finance Secretary, Central YMA
Total	----	79.97	----	79.97	----

Source: Departmental records.

Thus, though the Department contemplated to start the survey works during 2010-11, the sanctioned fund of ₹ 79.97 lakh was drawn and disbursed (March 2010) from the public exchequers by presenting false bills to the Government Treasury to avoid the lapse of budget grant. This resulted in temporary misappropriation of public money. The Joint Director of the Department has also confirmed (June 2010) that the works were in progress. The State Government needs to look seriously into this practice of drawal of funds through fictitious bills and initiate appropriate action against the defaulters.

The Government while accepting the facts of irregular procedures adopted in drawal of funds stated (January 2011) that in view of the constraints of time before the end of the financial year the Department prepared the muster rolls for the people being engaged to carry out the proposed works. The facts, however, remain that before execution of actual works the entire funds of ₹ 79.97 lakh was unauthorisedly drawn and disbursed to the muster roll labourers (who were not at all engaged) and the Central YMA, rendering temporary misappropriation of public money.

ANIMAL HUSBANDRY AND VETERINARY DEPARTMENT

2.10 Idle expenditure

Non-utilisation of Modern Slaughter House rendered the expenditure of ₹ 348.69 lakh infructuous for over two years.

Under the scheme "Integrated Animal Husbandry Projects in North Eastern Region", the North Eastern Council (NEC), Shillong accorded (November 2003) administrative approval of ₹ 3.21 crore (being 90 per cent grant and 10 per cent loan) for establishment of a Modern Slaughter House in Mizoram. The approved fund of ₹ 321⁵ lakh was released by the NEC and Government of Mizoram during 2003-04 to 2005-06 for site preparation, security fencing construction of slaughter house and cost of slaughter equipments.

⁵ ₹ 308.90 lakh by the NEC + ₹ 12.10 lakh by the State Government = ₹ 321 lakh.

The Animal Husbandry and Veterinary Department utilised (during 2003-04 to 2007-08) the entire fund for establishment of the Modern Slaughter House at Bung Bangla, Aizawl (300 meters away from Aizawl - Lunglei road). Details of component wise expenditure incurred were as under:

Table - 2.5

Sl. No.	Name of component	Amount (₹ in lakh)
1.	Land Development and Area Fencing	25.72
2.	Slaughter House Building	47.00
3.	Electrification, Water Supply and ETP etc.	28.56
4.	Machinery and Equipment	212.00
5.	Retaining Wall/Side Drain	4.56
6.	Improvement of approach Road to Slaughter House (dressing and metalling of road surface)	3.16
Total		321.00

Source: Departmental records.

Besides, the Department incurred an expenditure of ₹ 27.69 lakh during 2007-09 out of State Plan fund for the following components of the project:

Table - 2.6

Sl. No.	Name of components	Amount (₹ in lakh)
1.	Formation cutting/project road	9.85
2.	Construction of lairage at Slaughter House with capacity of 81 sq. meter	8.00
3.	Cold Room Equipment for Slaughter House	9.84
Total		27.69

Source: Departmental records.

Scrutiny (May 2009) of the records of the Director, Animal Husbandry and Veterinary (AH&Vety) revealed that the Modern Slaughter House, which was completed with a capacity of 60 cattle and 100 pigs per day in May 2008 at a total cost of ₹ 348.69 lakh (₹ 321 lakh + ₹ 27.69 lakh) remained non-functional (April 2010) mainly due to the lack of key components like rendering plant, lairage with required capacity of 328 sq. meter, animal shed and due to the reluctance of butchers and animal traders to bring their animals for slaughter in the absence of provisions for Government subsidy for transportation costs as the Slaughter House was not easily accessible due to its remote location.

On this being pointed out in audit the Director, AH&Vety attributed April 2010) the reasons for non-function of the Slaughter House as insufficient release of fund by the NEC for the

key component like rendering plant, approach road and lairage and also due to ineffective social benefits awareness campaign. The contention of the Department is, however, not acceptable as the NEC administratively approved the project as per requirement of the State Government, on the site selected by the Department and had sanctioned the grants accordingly.

Thus, though the Modern Slaughter House was completed and commissioned in May 2008, the facility remained unutilised for the purpose for which it was sanctioned, rendering the entire expenditure of ₹ 348.69 lakh idle for over two years.

The matter was reported to the Government in September 2010 and the Government in their reply (October 2010) while accepting the facts of non-functioning of the slaughter house due to lack of key component stated that they have operationalised the plant from July 2010. The Government further intimated (October 2010) that during July and August 2010, the Department had slaughtered only 24 cattles and 96 pigs against the capacity of slaughtering 3,600 cattles and 6,000 pigs in two months. The fact, however, remains that though the slaughter house was operationalised after delay of over two years at the instance of audit, the Department failed to utilise the slaughter house as per approved capacity of slaughtering of 60 cattle and 100 pigs per day.

Regularity issues and other points

GENERAL

2.11 Follow up of Audit Reports

Non-submission of suo moto Action Taken Notes

With a view to ensuring accountability of the executive in respect of all the issues dealt with in various Audit Reports, the Public Accounts Committee (PAC), issued (May 2000) instructions for submission of *suo moto* replies on all paragraphs and reviews featured in the Audit Report within three months of its presentation to the legislature. For submission of the Action Taken Notes (ATNs) on its recommendations, the PAC provided six months time.

Review of follow up action on submission of *suo moto* replies and of ATNs as of 30 September 2010 on paragraphs included in the Reports of the Comptroller and Auditor General of India disclosed that the Departments of the State Government had not submitted *suo moto* replies to 14 paragraphs/reviews featured in the Audit Reports for the years 2007-08 and 2008-09, as mentioned below:

Table - 2.7

Year of Audit Report	Date of presentation of the Audit Report to the Legislature	Number of paragraphs/ reviews included in the Audit Report (excluding standard paragraphs)	Total number of paragraphs and reviews for which <i>suo moto</i> explanatory notes are awaited	Number of Departments
2007-08	21-07-2009	13	01	01
2008-09	05-04-2010	13	13	09
Total		26	14	10

Source: Legislative Assembly secretariat.

Thus, due to the failure of the respective Departments to comply with the instructions of the PAC, the objective of ensuring accountability of the executive remained inadequate.

2.12 Response to audit observations and compliance thereof by the Executive

Accountant General (Audit) conducts periodical inspection of Government Departments to test check the transactions and verify the maintenance of significant accounting and other records as per the prescribed rules and procedures. These inspections are followed by Inspection Reports (IRs) issued to the Heads of Offices inspected, with a copy to the next higher authorities. Rules/orders of the Government provide for prompt response by the Executive to the IRs issued by the Accountant General to ensure corrective action in compliance with the prescribed rules and procedures and accountability for the deficiencies, lapses, etc., noticed during his inspection. The Heads of Offices and next higher authorities are required to comply with the observations contained in the IRs and rectify the defects and omissions promptly and report their compliance to the Accountant General. Serious irregularities are also brought to the notice of the Head of the Department by the Office of the Accountant General.

A review of IRs issued during 1995-2010 revealed that 417 paragraphs relating to 97 IRs remained outstanding as of March 2010. No audit committee meeting was held during 2009-10.

CHAPTER – III

HIGHER AND TECHNICAL EDUCATION DEPARTMENT

3.1 INTEGRATED AUDIT

Highlights

Higher and Technical Education Department is responsible for providing higher education to the youth in the State, with the main objective of providing higher education, both in general and technical disciplines and equip the youth with adequate skill to serve the nation. The Department is also responsible for upgradation of the standards from collegiate level through various schemes/programmes of the State and Central Governments besides, quality assurance in Higher and Technical Education through a combination of self and external quality evaluation by National Assessment and Accreditation Council, promotion and sustenance initiatives. A review of the functioning of the Department brought out the following significant audit findings:

No perspective plan or annual action plans were prepared by the Department to develop human resources at the post-school stage to improve the quality of higher education in the State. This resulted in a sizeable number of students pursuing higher education outside the State.

(Paragraph 3.1.7 & 3.1.13.4)

The sanctioning authority of the grants-in-aid neither insisted for timely submission of Utilisation Certificates (UCs) nor barred 12 deficit colleges from any future grants for non-submission of UCs for ₹ 8.35 crore pertaining to 2005-08.

(Paragraph 3.1.8.4)

There was a shortage of ₹ 11.59 lakh due to mismanagement of cash by the Principal, Government Zirtiri Residential Science College (GZRSC). The Principal of the GZRSC unauthorisedly appropriated student fee of ₹ 77.67 lakh towards meeting departmental expenditure, of which ₹ 71.60 lakh was not supported by records/vouchers.

(Paragraph 3.1.9.1 and 3.1.9.2(iii))

Post-matric scholarship of ₹ 15.33 lakh was irregularly sanctioned to 149 students studying in more than one college in the same academic year 2009-10.

(Paragraph 3.1.10.1)

Six colleges failed to avail financial assistance from the University Grants Commission (UGC) under the special scheme for construction of Women Hostels due to non-submission of proposals to UGC.

(Paragraph 3.1.11)

The quality parameters in higher education of the State remain un-assessed both for accredited and un-accredited colleges.

(Paragraph 3.1.14)

3.1.1 Introduction

The Higher & Technical Education (H&TE) Department was established as a separate Department in April 1989 following trifurcation of the then Education Department with the main objective of providing higher education, both in general and technical disciplines and equip the youth with adequate skill to serve the nation and maintain a decent livelihood. The Department is responsible for upgradation of the standards from collegiate level including Science and Technical education in the State through various schemes/programmes of the State and Central Governments besides, quality assurance in H&TE through a combination of self and external quality evaluation by National Assessment and Accreditation Council (NAAC), promotion and sustenance initiatives.

With the objective of imparting higher education in the State, the Department established 21 General Degree Colleges (20 Government Colleges and one deficit¹ college), two Diploma level Polytechnics, one Law College, one Teacher Education Institution and one Hindi Training Institution.

Combined intake capacity in General and Technical Education in the State was 11,608 against which numbers of students enrolled were in the range of 6,135 to 7,415 during 2005-06 to 2009-10. Further, 1,397 students on an average migrated outside the State during 2007-08 to 2009-10 in pursuit of Higher Education during the period under review.

3.1.2 Organisational Set-up

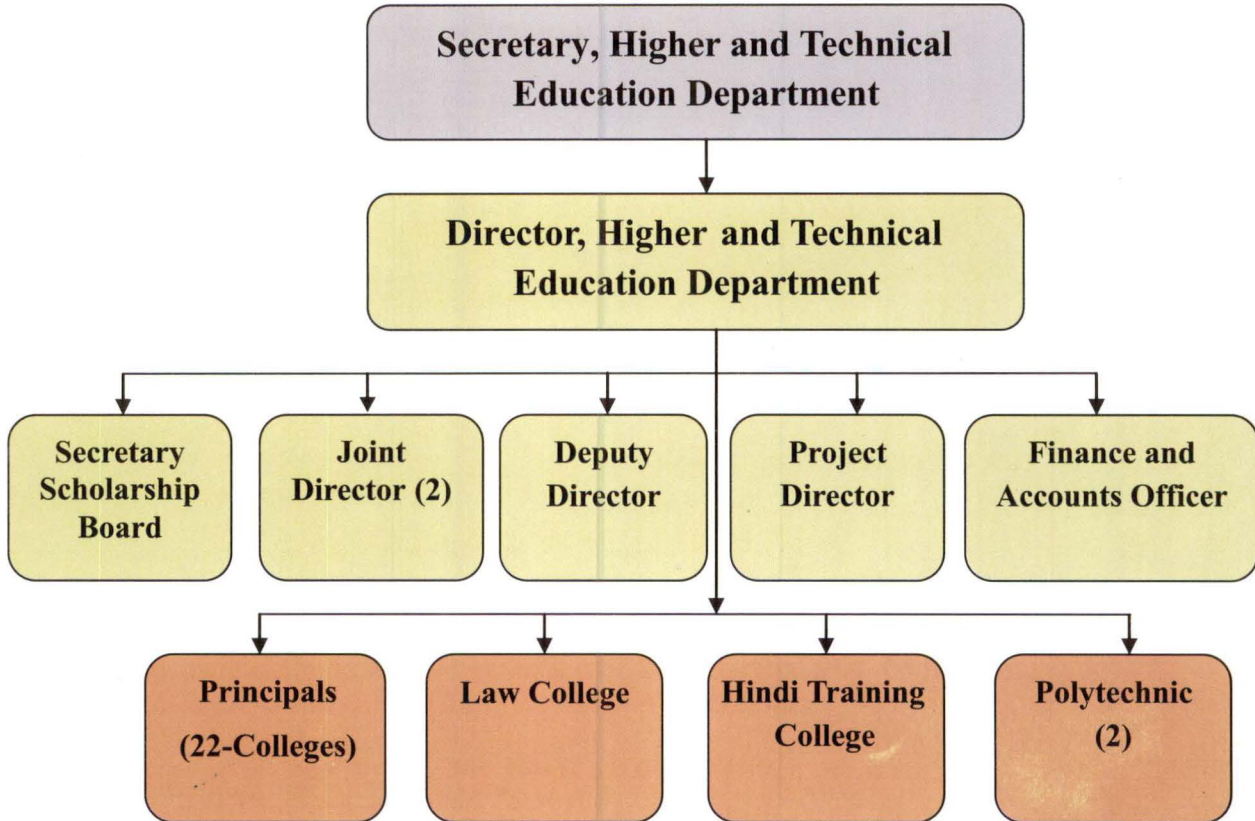
The Secretary, Higher & Technical Education (H&TE) Department, is the administrative head of the Department. The Department is managed through the Director, as head of the H&TE Department. At Directorate level, the Director is assisted by three Joint Directors, one Deputy Director, one Project Director and one Finance & Accounts Officer. At the Degree College level, Law College, Hindi Training Institution and Diploma level

¹ Non-Government College functioning and managed with the receipt of grants-in-aids from the Government is categorized as deficit college.

Polytechnic concerned Principals are the heads of the Institutions, who are assisted by teaching staff of different disciplines.

An organogram of the Department is shown below:

Chart : 3.1



3.1.3 Scope of Audit

The functioning of the Department for the period 2005-10 was reviewed during April – July 2010 through a test check of the records of the Higher & Technical Education (H&TE) Department, the Chief Controlling Officer (Director, H&TE) of the Department and eight² Principals out of 25 Principals who held the charge of DDO at Institutional level. The audit covered an expenditure of ₹ 123.59 crore constituting 43 *per cent* of the total expenditure of ₹ 284.93 crore incurred by the Department during 2005-10.

² (1) Principal, Govt. Lunglei College, (2) Principal, Mizoram Polytechnic College, Lunglei (3) Principal, Govt. Aizawl West College, (4) Principal, Govt. Saitual College, (5) Principal, Women Polytechnic, Aizawl, (6) Principal, Govt. Kolasib College, (7) Principal, Mizoram Hindi Training College and (8) Principal, Govt. Zirtiri Residential Science College.

3.1.4 Audit Objectives

The audit objectives were to assess the performance of the Department on the following parameters:

- Planning and programme Management;
- Budgetary and Financial Management;
- Programmes/Schemes undertaken by the Department;
- Human Resource Management of the Department;
- Quality Assurance; and
- Monitoring, Evaluation and internal control mechanism.

3.1.5 Audit Criteria

The following audit criteria were used to arrive at audit conclusions:

- Departmental policies, rules and regulations;
- Policies, rules and regulations of the University Grants Commission (UGC) and All India Council for Technical Education (AICTE);
- General Financial Rules (GFR);
- Central Treasury Rules (CTR); and
- Receipts and Payments Rules.

3.1.6 Audit Methodology

The Integrated Audit commenced with an entry conference (April 2010) with officers of the Administrative Department and head of the Department, in which audit objectives, scope and criteria were discussed. The audit methodology consisted of examination and analysis of the records/ documents of the Department. The selection of units was done on simple random sampling basis. Audit findings were discussed in the exit conference held (October 2010) with the Director, H&TE Department, Secretary, Scholarship Board and other Officers of the H&TE Department and their replies have been incorporated at appropriate places in the report.

Audit findings

The important points noticed in the course of audit are discussed in the succeeding paragraphs.

3.1.7 Planning

In order to develop human resources at the post school stage and enable the youth to acquire necessary skills to exploit available opportunities both inside and outside the State, a Five year Perspective Plan is required to be formulated envisaging setting up of colleges in

those Districts and Sub-divisions, which do not have the requisite facility, extension of Technical Education and Polytechnic Institutions in a phased manner, strengthening and expansion of infrastructure in all Institutions, extending the scope/availability of technical education and strengthening and expansion of training infrastructure and inter linking educational curricula with teaching system and training of teachers.

Audit observed that no five year Perspective Plan to develop human resources at the post school stage, encompassing the above envisaged goal of facilitating students to pursue higher education was prepared. The Department had also not prepared any effective Annual Action Plan for development of higher education in the State, collecting and documenting year-wise and age-wise (18-24) disaggregated data of eligible students for higher education. Some vital indices like Gross Enrolment Ratio (GER), Gender Parity Index (GPI) and other critical indicators of the State are derived from these inputs, based on which, the Department was supposed to formulate Action Plan for addressing the needs of the targeted beneficiaries. The Annual Plans fixed by the State Planning Board for the H&TE Department were merely allocation of plan outlay.

Absence of prudent planning by the Department is reflected in the low enrolment in the range between 53 per cent to 64 per cent of students in the general degree colleges during 2005-10, as discussed in Paragraph 3.1.13.1.

Thus, to develop human resources at the post school stage, neither a perspective plan nor annual action plans were prepared by the Department facilitating students to pursue higher education in the State. This resulted in a sizeable number of students migrating to other States to pursue higher education. This aspect has been further discussed in Paragraph 3.1.13.4.

The Department stated (November 2010) that as the State Planning Board fixes the annual plan allocation for H&TE which is limited to the size of Plan funds available for the year, the Department had not prepared any annual plan based on actual need assessment for the State.

3.1.8 Financial Management

3.1.8.1 Budget and Expenditure

The State Government has not prescribed any budget manual of its own for formulating budget proposals. The Department follows the prescribed procedures in General Financial Rules for formulating budget proposals. However, the annual budget estimates of the Department were prepared on the basis of total outlay fixed by the Government without obtaining inputs from the field level DDOs, except for the salary components.

The year wise revenue budget estimates and expenditure thereagainst incurred by the Department during 2005-10 are shown in the following table:

Table - 3.1

(₹ in crore)

Year	Budget granted	Actual Expenditure	Savings
2005-06	43.10	41.73	1.37
2006-07	47.95	46.75	1.20
2007-08	51.92	51.44	0.48
2008-09	62.11	60.92	1.19
2009-10	73.89	67.43	6.46
Total	278.97	268.27	10.70

Source: Finance and Appropriation Accounts.

While it can be seen from the above table that the Department could not fully absorb the allocated funds with savings ranging between ₹ 0.48 crore and ₹ 6.46 crore during 2005-10, the Department invariably failed to surrender the anticipated savings in time to enable the other needy Departments to get additional funds. Reason for savings was not on records.

3.1.8.2 Rush of Expenditure

Based on the budget allocation, funds are to be released to the respective DDOs on quarterly basis. The General Financial Rules also provides that expenditure against the budgetary provision should be evenly phased over the financial year so as to avoid rush of expenditure in the last quarter of the financial year.

An analysis of the quarterly expenditure incurred by the DDO under the Directorate of H&TE Department revealed that contrary to the above financial norms, the DDO incurred expenditure under Plan Sector in the range of 52 per cent to 73 per cent and under Non-Plan Sector in the range of 52 per cent to 81 per cent only in the first three quarters while during the last quarter the expenditure under Plan Sector ranged between 27 per cent to 48 per cent and under Non-Plan Sector it ranged between 19 per cent to 48 per cent during the period 2005-10. The details are given in table-3.2:

Table - 3.2

(₹ in crore)

Year	Total Expenditure		Expenditure during three quarters (Percentage)		Expenditure during last quarters (Percentage)	
	Plan	Non-plan	Plan	Non-plan	Plan	Non-plan
2005-06	37.45	13.30	26.28 (70)	9.85 (74)	11.17 (30)	3.45 (26)
2006-07	40.13	14.26	20.81 (52)	10.42 (73)	19.32 (48)	3.84 (27)
2007-08	34.74	16.70	23.13 (67)	13.53 (81)	11.61 (33)	3.17 (19)
2008-09	40.23	20.69	29.40 (73)	14.89 (72)	10.83 (27)	5.80 (28)
2009-10	42.58	24.85	30.06 (71)	12.80 (52)	12.52 (29)	12.05 (48)

Source: Departmental records.

Thus, the expenditure against the budgetary allocations were not evenly phased over the financial years and there was rush of expenditure in the last quarter of each financial years indicating lack of proper control over expenditure by the Controlling Officer.

The Government stated (December 2010) that usually additional funds requirement submitted to Government during the last quarter were approved by the Government at the end of the financial year, which causes rush of expenditure in the last quarter of the financial year. Facts, however, remains that due to late submission of proposal for additional funds, the Government approved the additional funds at the fag-end of the year.

3.1.8.3 Disproportionate expenditure over AICTE norms

All India Council for Technical Education (AICTE) recommended (1995) the Standard norms of general recurring expenditure on training, contingent and maintenance with the ratio of 10:6:5 to be followed in the Polytechnic Institutes as under:

- Training cost including field visits, education tours, Industrial visits, guest lecturers etc @ ₹ 1000 per enrolled student per year.
- Contingent expenditure for office @ ₹ 600 per enrolled student per year.
- Campus maintenance expenditure @ ₹ 500 per enrolled student per year.

It was, however, noticed in audit that during 2009-10, the following two Polytechnic Institutes disproportionately incurred recurring expenditure on training, contingent and maintenance against the above mentioned norms, as detailed in the following table:

Table - 3.3

(₹ in lakh)

Name of Polytechnic	No. of students enrolled during 2009-10	Particulars	Training cost	Contingent expenditure	Maintenance expenditure	Total
Women Polytechnic, Aizawl	246	Admissible Expenditure	7.75	4.65	3.88	16.28
		Actual Expenditure	4.99	8.75	2.54	16.28
		(+) Excess/ (-) Short	(-) 2.76	(+) 4.10	(-) 1.34	----
Mizoram Polytechnic, Lunglei	320	Admissible Expenditure	19.01	11.41	9.51	39.93
		Actual Expenditure	2.44	35.09	2.40	39.93
		(+) Excess/ (-) Short	(-) 16.57	(+) 23.68	(-) 7.11	----
Grand Total	566	Admissible Expenditure	26.76	16.06	13.39	56.21
		Actual Expenditure	7.43	43.84	4.94	56.21
		(+) Excess/ (-) Short	(-) 19.33	(+) 27.78	(-) 8.45	----

Source: Departmental records.

As can be seen from the above table, the two institutes incurred considerably less expenditure under training and maintenance components, while excessive expenditure was incurred against contingent component, which is not only indicative of the lack of control over expenditure but also adversely affected the application of funds on training and maintenance cost.

The Government, while accepting the facts stated (December 2010) that the Principals of two Polytechnics would be informed to incur expenditure as per the norms fixed by the AICTE.

3.1.8.4 Utilisation certificates

As per Rule 212(1) of General Financial Rule, 2005 in respect of grants to an Institution, a certificate of actual utilisation of the grants received for the purpose for which it was sanctioned should be insisted upon by the sanctioning authority of the grants-in-aid. The Utilisation Certificate (UC) should be submitted within twelve months of the closure of the financial year by the Institution or the Organisation concerned. Where such certificate is not received from the grantee within the prescribed time, the Department will be at liberty to blacklist such Institution or Organisation from any future grants or financial support from the Government.

Scrutiny of the records of the Department revealed that the Department sanctioned recurring and non-recurring grants-in-aid of ₹ 32.03 crore during 2005-08 to 12 deficit Colleges in the State, against which UCs for an amount of ₹ 8.35³ crore remained outstanding as of November 2010. Details of college wise position of outstanding UCs are shown in **Appendix - 3.1**.

Audit observed that sanctioning authority of the grants-in-aid neither insisted for timely submission of UCs by the grantee Institutions nor barred these Institutions from any future grants/financial support, as per provision of the GFR. This clearly indicates weak financial control exercised by the CCO over the DDOs.

The Government stated (December 2010) that the UCs for the purpose of grants-in-aid sanctioned are insisted upon from the concerned Principal of the Colleges and few UCs have been received. The fact, however, remains that the Department has insisted for submission of UCs only after the issue was raised in Audit.

3.1.8.5 Non-reconciliation with Treasury

Financial rules require a Drawing and Disbursing Officer/ Head of Office to make arrangement for regular monthly reconciliation of remittances to and withdrawals from Government exchequer.

None of the nine test checked DDOs carried out regular monthly reconciliation with Treasury.

The Government stated (December 2010) that instructions were being issued to the concerned DDOs to carry out regular reconciliation on a monthly basis with the treasury.

3.1.8.6 Splitting up of sanction orders

(i) State Government (Finance Department) through a Notification (May 1998) re-constituted Departmental Purchase Advisory Board (DPAB) and State Purchase Advisory Board (SPAB) to consider the departmental proposal for purchase of stores/materials and recommend rates and firms for approval of the Government. The said Government Notification empowered the DPAB and SPAB to recommend purchase proposals upto ₹ 20 lakh and ₹ 50 lakh respectively. However, all purchases involving more than ₹ 50 lakh were to be submitted to Chief Minister for approval through the concerned Minister and Finance Minister. Besides, the Project Director - State Project Implementing Unit (PD – SPIU) was specially delegated (October 2003) the power to accord expenditure sanction upto ₹ five lakh on each occasion for procurement of goods for implementation of the World Bank Project under the Department.

³ 2005-06: ₹ 1.34 crore, 2006-07: ₹ 2.91 crore and 2007-08: ₹ 4.10 crore = ₹ 8.35 crore.

Scrutiny of the records/vouchers maintained by the PD - SPIU under the Directorate of H&TE revealed that in total violation of the financial propriety and disregard to the provisions for mandatory recommendations of the purchase proposals through a Purchase Advisory Board, the PD - SPIU resorted to procurement of a large quantity of electric equipments and software accessories worth ₹ 1.32 crore without obtaining recommendations from the SPAB/Chief Minister and approval of the Government. The PD – SPIU purchased the entire materials worth ₹ 1.32 crore by irregularly splitting up the expenditure into 34 separate sanctions (24 sanctions for ₹ 89.04 lakh on 26.10.2005 and 10 sanctions for ₹ 42.93 lakh on 23.03.2007) keeping each expenditure sanction within the limit of his financial power to avoid sanctions from the State Government. The details of purchases and sanctions accorded by the PD - SPIU are shown in **Appendix - 3.2**.

Thus, the procurement of a large quantity of materials involving a substantial amount of public money without obtaining mandatory recommendations from the SPAB and approval of the Government was irregular and requires *ex-post facto* sanction of the State Government, which has not been obtained as of January 2011.

(ii) Further, under Delegation of Financial Power Rules, 1978, the Principal of a Government College may accord expenditure sanction for non-recurring contingent expenditure of ₹ 5,000 in each case limited to ₹ 10,000 per annum.

Scrutiny of the records of four⁴ test checked DDOs revealed that violating the prescribed procedures, the four DDOs incurred an expenditure of ₹ 47.51 lakh during 2007-10 towards purchase of college materials by splitting up of expenditure sanctions in to 911 numbers as shown in **Appendix - 3.2**.

Thus, irregular procurement of college materials worth ₹ 47.51 lakh by the four Principals beyond the admissible limit of ₹ 1.20 lakh (₹ 10,000 x 4 x 3 years) require *ex-post-facto* sanction of the appropriate higher authority, which is yet to be obtained (January 2011).

The Department stated (November 2010) that the prior approval of the Government could not be taken owing to the urgent nature of work. The fact, however, remains that the Department had not moved to the appropriate higher authority/Government for *ex-post-facto* sanction to regularise the expenditure of ₹ 1.80 crore even after three years.

4 Principals – (1) Govt. Lunglei College, (2) Mizoram Polytechnic, Lunglei, (3) Govt. Zirtiri Residential Science College, Aizawl and (4) Govt. Kolasib College, Kolasib.

3.1.9 Cash Management

3.1.9.1 Misappropriation of Government money

Rule 77-A of the Central Treasury Rules (CTRs) (Volume-I) states that all Government Officers who receive Government dues and handle cash and perform the functions of Drawing and Disbursing Officer (DDO) should observe that all monetary transactions are entered in the Cash Book as soon as they occur and attested as a token of check. Finally the Cash Book should be closed regularly after verifying the totals at the end of each month.

Scrutiny by audit of the Cash Book maintained by the Principal, Government Zirtiri Residential Science College (GZRSC) revealed that there was total disregard to financial propriety and lack of internal controls over the handling and management of Cash which facilitated misappropriation of Government money as spelt out below:

- ❖ On three occasions the closing cash balances of ₹ 27.86 lakh was erroneously brought forward as ₹ 20.02 lakh, while entering the opening balance for the next transactions, which resulted in a misappropriation of ₹ 7.84 lakh. The details of transactions are shown in the following table:

Table - 3.4

(Figures in ₹)

Date	Closing balance	Date of next transaction	Opening balance	Shortage of cash
29 June 2005	5,22,626	1 July 2005	5,22,226	400
31 March 2009	3,16,729	30 April 2009	1,66,729	1,50,000
29 June 2009	19,46,589	17 July 2009	13,13,040	6,33,549
Total	27,85,944	---	20,01,995	7,83,949

Source: Departmental records.

Scrutiny of cash book for the period of 2005-10 also revealed that the payment recorded in the cash book did not match the Actual Payee Receipt (APR) entries resulting in shortage of cash of ₹ 3.75 lakh. The details of transactions are shown in the following table:

Table - 3.5

(Figures in ₹)

Date of payment	Payment shown	Actual payment as per APRs	Shortage of cash
10-11-2005	2,08,885	1,54,815	54,070
09-06-2006	70,135	60,135	10,000
29-08-2006	1,39,385	49,385	90,000
30-12-2008	18,21,761	18,09,761	12,000
31-03-2009	20,37,393	18,28,227	2,09,166
Total	42,77,559	39,02,323	3,75,236

Source: Departmental records.

The Department stated (November 2010) that the misappropriation (₹ 7.84 lakh) and shortage of cash (₹ 3.75 lakh) were due to non-entry of expenditure in the Cash Book and also the related bills/cash memos/invoices etc. were kept in the concerned college. The Department's claim is not acceptable, as on verification (December 2010) of the bills/cash memos/invoices etc. produced to audit it was found that these did not match with the date(s) specified in the table above.

3.1.9.2 Management of student fees

Rule 7(1) of the Central Treasury Rules provides that all money received by or tendered to Government Officers on account of revenue of the Government shall, without undue delay be paid in full into a treasury and shall be included in the Government accounts. Money received as aforesaid shall not be appropriated to meet departmental expenditure.

According to State Government's notification (January 2001, revised in May 2002 and January 2006) the Government Colleges including Polytechnics are required to collect admission fee and monthly tuition fee from students and credit the same into the Government Account. Scrutiny of the records of eight⁵ DDOs revealed that the fees collected from the students was not managed properly as per above provisions. As a result, there were a number of instances of non-deposit of fees, delay in deposit of fees and appropriation of fees to meet departmental expenditure as discussed below:

⁵ (1) Principal, Govt. Lunglei College, (2) Principal, Mizoram Polytechnic College, Lunglei (3) Principal, Govt. Aizawl West College, (4) Principal, Govt. Saitual College, (5) Principal, Women Polytechnic, Aizawl, (6) Principal, Govt. Kolasib College, (7) Principal, Mizoram Hindi Training College, (8) Principal, Govt. Zirtiri Residential Science College.

(i) Non-deposit of fees

The Mizoram Polytechnic, Lunglei collected fees of ₹ 27.32 lakh during July 2005 to March 2010, out of which ₹ 17.31 lakh was deposited into Government accounts, retaining a balance of ₹ 10.01 lakh as of November 2010.

Details of collection and deposits are shown in table below:

Table - 3.6

Collection		Deposit		Balance retained (₹ in lakh)	Period of retention (as of January 2011)
Period	Amount (₹ in lakh)	Period	Amount (₹ in lakh)		
July 2005 to June 2007	10.06	July 2006 to March 2007	3.35	6.71	43 months
August 2007 to March 2010	17.26	December 2007 to February 2010	13.96	3.30	10 months
Total	27.32	---	17.31	10.01	---

Source: Departmental records.

It can be seen from the above table that, the Principal of the college unauthorisedly retained Government revenue of ₹ 10.01 lakh for prolonged periods ranging from 10 to 43 months.

Similarly, Government Saitual College collected fees of ₹ 1.01 lakh during June 2008 to September 2008 and retained the same as of January 2011 without remitting into the Government Account.

On this being pointed out by Audit the Government issued (December 2010) instruction to the Principal of both the colleges to deposit the retained Government money without delay.

(ii) Delay in deposit of fees

Four DDOs⁶ collected a total fee of ₹ 64 lakh during July 2005 to March 2010, but credited the amount to Government Account with delays ranging from one month to more than six months as indicated below:

⁶ Principals - Women Polytechnic, Aizawl, Govt. Lunglei College, Govt. Kolasib College and Mizoram Polytechnic, Lunglei

- ₹ 12.06 lakh on 14 occasions with delay of more than one month,
- ₹ 20.47 lakh on 19 occasions with delay of more than three months,
- ₹ 31.47 lakh on 21 occasions with delay of more than six months.

(iii) Unauthorised appropriation of fees

The Principal, GZRSC collected a fee of ₹ 88.10 lakh during 2005-10, out of which an amount of ₹ 77.67 lakh (₹ 71.60 lakh + ₹ 6.07 lakh) was unauthorisedly appropriated to meet departmental expenditure, while retaining a balance of ₹ 1.61 lakh as of March 2010.

Details of collection, expenditure and deposits are shown in table below:

Table - 3.7

(₹ in lakh)

Sl. No.	Collection			Expenditure				Balance
	Source of fees	Period	Amount	BCA/General Course	Office Contingent	Deposited to Govt. accounts	Total	
1.	BCA students	2005-10	64.57	54.26	6.07	8.82	86.49	1.61
2.	General Course Students	2005-10	23.53	17.34				
Total			88.10	71.60	6.07	8.82	86.49	1.61

Source: Departmental records.

As can be seen from the above table, the Principal of the College in violation of the provision of CTR, unauthorisedly appropriated ₹ 77.67 lakh (₹ 71.60 lakh + ₹ 6.07 lakh) towards meeting expenditure on BCA/General course and Office Contingency.

Further, scrutiny of the records revealed that out of departmental expenditure of ₹ 77.67 lakh an expenditure of ₹ 71.60 lakh was incurred without any supporting records, vouchers, actual payee receipts etc. While accepting the facts of non-maintenance of records, the Principal of the college stated (July 2010) that BCA course was running in the College with the fees collected from the students, since the Government provided resources only for limited faculty members. The fact, however, remains that the appropriation of Government revenue towards departmental expenditure was not only unauthorised but also the whole expenditure of ₹ 71.60 lakh incurred without any supporting records/vouchers rendered the appropriation doubtful.

3.1.10 Financial assistance for higher studies

3.1.10.1 Post-Matric Scholarship

As per Government of India (GoI), Ministry of Tribal Affairs' Regulation governing the Award of Scholarship (Applicable from April 2003) a student must fulfill the following conditions with documentary proof for Post matric Scholarship Scheme to Scheduled Tribes (STs) students:

- A student should be an Indian National;
- Only those students who belong to STs so specified in relation to the State to which the applicant actually belongs (permanently settled) and who have passed the matriculation or Higher Secondary or any other higher examination of a recognised University or Board of Secondary Education;
- The students whose parents/guardians income from all sources did not exceed Rupees one lakh per annum. The income ceiling was raised to Rupees one lakh eight thousand per annum w.e.f. April 2007; and
- Scholarship is to be disbursed to students through accounts payee cheques only.

The application received from the Students through the respective colleges are being scrutinised by the Mizoram Scholarship Board before obtaining sanction for grant of scholarship.

Under Post Matric Scholarship Scheme (CSS), the GoI provides financial assistance to the ST post matric students pursuing higher studies within and outside the State. As per scheme guidelines each student is eligible for only one scholarship in a year. During 2005-10 the GoI released ₹ 63.56 crore and the total fund available during the period under the State Government was ₹ 64 crore, out of which the Department spent ₹ 63.58 crore during 2005-10 towards disbursement of scholarship to 165607 post matric students. The details of central assistance received and disbursed during 2005-10 are shown in the table below:

Table - 3.8

(₹ in crore)

Year	Opening balance	Fund released	Total fund available	Expenditure	No. of Students benefitted
2005-06	0.12	08.41	08.53	08.53	25401
2006-07	0.00	11.53	11.53	11.40	31962
2007-08	0.13	13.70	13.83	13.70	33786
2008-09	0.13	14.21	14.34	14.28	36585
Sub Total	0.38	47.85	48.23	47.91	127734
2009-10	0.06	15.71	15.77	15.67	37873
Sub Total	0.06	15.71	15.77	15.67	37873
Total	0.44	63.56	64.00	63.58	165607

Source: Departmental figures.

The veracity of disbursement of scholarship, as claimed by the Department could not be vouchsafed in audit due to following reasons:

- The Department did not maintain any consolidated records showing college wise eligible post-matric students studying within and outside the State,
- Further, most of the test checked DDOs maintained scholarship registers without photographs of the ST students and scholarships were disbursed to students in cash, in lieu of accounts payee cheques as envisaged in the scholarship guidelines,
- The department did not reconcile the actual year wise disbursement with the colleges/ institutions to whom the sanctioned scholarship was released for disbursement,
- During 2005-09 ₹ 47.91 crore was disbursed to 1,27,734 students, but, records/ documents pertaining to these periods could not be produced to audit on the plea that the same were disposed off as soon as audit of the accounts of the Department were completed. However, no formal approval of the State Government for disposal of important records of the current period could be produced to audit.

Scrutiny of the records of Mizoram Scholarship Board under the Directorate of H&TE pertaining to the year 2009-10 revealed that the post-matric scholarship was sanctioned and disbursed for two types of scholarship to some students studying in same college/institution. Similarly, different types of scholarship were sanctioned and disbursed to some students studying in more than one college in the same academic year as discussed below.

- ❖ 11 students were sanctioned (2009-10) with two different kind of scholarships worth ₹ 1.73 lakh for their study in same colleges/institutes,

- ❖ In the same academic year (2009-10), the Department unauthorisedly sanctioned and disbursed two different kind of scholarships amounting to ₹ 3.26 lakh to 23 students studying in more than one college, and
- ❖ Similarly, in the same academic year (2009-10) 115 students studying in more than one college were irregularly sanctioned with the same kind of scholarship (Post Matric Scholarship) of ₹ 10.34 lakh.

The irregular sanction of scholarship amounting to ₹ 15.33 lakh to 149 students indicates the mismanagement and lack of internal control mechanism in the Department.

While accepting the facts, the Government stated (December 2010) that in light of the audit observation necessary verification is being carried out by the Department and only one application of such students shall be accepted. The Government also assured that no duplication would take place in future.

3.1.10.2 North Eastern Council fund

Under the scheme of Financial support to the students of North Eastern Region for Higher Professional Courses like B.Sc, BCA, BE/B. Tech, BDS, MBBS, MBA, MPhil, Ph.D etc., an amount of ₹ 1.05 crore was released by the North Eastern Council (NEC) during the years 2005-10 for disbursement of stipend/book grants. The entire amount was utilised by the HTE Department for extending financial support to students ranging from 74 to 334 during the corresponding period as detailed below:

Table - 3.9

(₹ in lakh)

Year	Opening Balance	Fund released by NEC	Fund Utilised	No. of Students benefitted
2005-06	0.08	9.00	9.08	74
2006-07	0.00	13.50	13.50	109
2007-08	0.00	22.50	22.50	166
2008-09	0.00	22.00	22.00	182
2009-10	0.00	38.00	38.00	334
Total	0.08	105.00	105.08	---

Source: Departmental records.

The Scholarship Board of the Department, however, failed to produce consolidated records, including sanctions and disbursement of Stipend/Book Grants under the Scheme pertaining to the period 2005-09 except for the period 2009-10. Thus, the veracity of

disbursement of stipend/book grants under the scheme during the period 2005-09 could not be vouchsafed in audit.

The Government while accepting the facts, stated (December 2010) that consolidated records will be maintained from 2010-2011 onwards.

3.1.11 Infrastructure Development

Increasing mobility of students, to seek the education they desire, raises the demand for hostels. With a view to provide hostels and other infrastructural facilities to achieve the goal of enhancing the status of women and harness the potential available for the development of the society at large, as also to bring about gender equity and equal representation of women, the University Grants Commission (UGC) continued financial assistance from 8th Plan to 11th Plan period under the Special Scheme for Construction of women hostels to those colleges which are recognised by the UGC.

Scrutiny of the records revealed that as recognised by the UGC, 21 colleges in the State were eligible to receive the financial assistance under the Special Scheme for Construction of Women Hostels. However, during Eleventh Plan period only 15 colleges availed (March 2008 to May 2010) of the benefit of financial assistance and received ₹ 3.47 crore from the UGC against the Administrative approval of ₹ 4.57 crore. Out of ₹ 3.47 crore, the concerned colleges spent (June 2010) ₹ 2.73 crore for construction of Women's Hostels, as per details shown in **Appendix - 3.3**.

The remaining six⁷ colleges did not avail the facility due to non-submission of proposals to UGC for grant of such financial assistance. Thus, the objective of the UGC's Special Scheme to provide security to women students with hostels remained largely unachieved.

3.1.12 Human Resources

3.1.12.1 Teaching and administrative staff

There was no evidence of a rational assessment of man power by the Department. The sanctioned strength *vis-à-vis* men-in-position of teaching and administrative posts in the Department during 2005-10 are shown in the table below:

⁷ Six colleges – 1. Govt. T. Romana College, 2. Govt. Aizawl College, 3. Govt. Aizawl North College, 4. Govt. Kolasib College, 5. Govt. Zirtiri Residential Science College, and 6. Govt. Hnahthial College

Table - 3.10

(Figures in number)

Year	Category of post	Sanctioned strength	Men-in-position	Shortage
2005-06	Teaching	915	848	67
	Administrative staff	241	241	--
2006-07	Teaching	925	857	68
	Administrative staff	238	238	--
2007-08	Teaching	953	890	63
	Administrative staff	394	390	04
2008-09	Teaching	1002	917	85
	Administrative staff	393	383	10
2009-10	Teaching	891	807	84
	Administrative staff	395	361	34

Source: Departmental records.

The Department had not reviewed and assessed the staffing requirements on need based basis at regular intervals as a result the actual requirement of staff (teaching and administrative) remained unassessed. However, as per sanctioned strength there was an overall shortage of teaching staff in the range between sixty three to eighty four and administrative staff in the range of four to thirty four.

While accepting the fact, the Department stated (November 2010) that reviewing and assessing of staffing requirement on need based at regular interval was never done. The Department thus, needs to take immediate action for review of the existing staffing pattern on need based basis.

3.1.13 Enrollment in higher education

3.1.13.1 Capacity Utilisation

The total intake capacity of students in the existing degree colleges in the State for the three years degree courses during 2005-06 was 11,608, which remained constant during subsequent years. The position of year wise enrollment of students in the degree colleges during 2005-10 is given in table below:

Table - 3.11

(Figures in number)

Year	Total intake capacity in the degree colleges (in three years course)	Total no. of students enrolled in the Degree colleges in the State (in three years course)	Percentage of enrollment with reference to intake capacity
2005-06	11608	7041	61
2006-07	11608	6339	55
2007-08	11608	6135	53
2008-09	11608	7022	60
2009-10	11608	7415	64

Source: Departmental records.

It can be seen from above table that against the available intake capacity in the degree colleges the number of students enrolled during 2005-06 to 2009-10 was in the range from 53 to 64 per cent only. The reasons for low enrollment was mainly due to lack of proper infrastructure facilities in the degree colleges, which further resulted in migration of Higher Secondary (10+2) passed students for pursuing their study outside Mizoram.

The Government stated (December 2010) that various steps were taken for development of infrastructure which, in turn, would increase the enrollment of students.

3.1.13.2 Trend in pass percentage of students

The year-wise position of total number of students appeared and passed in degree courses including professional courses in the State during 2005-10 are as follows:

Table - 3.12

Year	Name of course	No. of students appeared	No. of students Passed	Percentage of passed students
2005	Degree	1345	1134	84
	Professional	163	157	96
2006	Degree	1583	1310	83
	Professional	278	216	78
2007	Degree	2036	1296	64
	Professional	250	174	70
2008	Degree	1302	1062	82
	Professional	388	341	88
2009	Degree	1591	1352	85
	Professional	447	370	83
2010	Degree	1559	1272	82
	Professional	296	222	75

Source: Records of Mizoram University.

It can be seen from the above table that in degree courses students had passed in the range of 82 to 85 *per cent* during 2005-10, except in 2007, where it had declined to 64 *per cent*. Again, in the professional courses percentage of passed students ranged between 75 to 96 *per cent* during 2005-10.

3.1.13.3 Placement Cell

The H&TE Department has no Placement Cell for recruitment of students who passed the degree and professional courses in the State. However, the Department has a Placement Cell for screening of students who desire to pursue higher education outside the State against the seats allotted by the Government of India.

3.1.13.4 Migratory trend

A proper action plan is required to be formulated by the Department envisaging meaningful activities including well equipped infrastructure and modern techniques of teaching to attract the local students to pursue their higher and technical studies inside the State itself.

Scrutiny of the records of the Mizoram Board of Secondary Education, however, revealed that out of 12,969 students who cleared the Higher Secondary (10+2) stage during 2007-10, altogether 4,190 students (32 *per cent*) obtained migration certificates from the Mizoram Board of Secondary Education for pursuing their study outside Mizoram due to non availability of proper infrastructure and modern technique of teaching materials in the State.

The year-wise position of students migrated for studying outside the State during 2007-10⁸ is in the table below:

Table - 3.13

(Figures in number)

Year	No. of students passed High Secondary (10+2) stage	No. of students obtained Migration certificate (<i>percentage of migration</i>)
2007-08	3599	1055 (29)
2008-09	3794	1331 (35)
2009-10	5576	1804 (32)
Total	12969	4190 (32)

Source: Records of MBSE.

It may be seen from above table that 32 *per cent* students migrated outside the State to pursue higher education. Thus, in order to assess migration trend, Government needs to take urgent step to ensure better educational environment in the State.

⁸ Information pertaining to the period 2005-07 was not provided by the Department.

The Government stated (December 2010) that the students could not be provided with well equipped and modern techniques of teaching owing to financial problems, which led to migration of students outside the State.

3.1.14 Quality Assurance

The National Assessment and Accreditation Council (NAAC), an autonomous body, was established (September 1994) under UGC Act, 1956 to assess the quality of higher education and accredit institutions of higher education in the country. In view of the leveled criticism of gradual deterioration in the quality of higher education in the country, the Ministry of Human Resource Development, (MHRD) and the UGC have mandated the assessment and accreditation for all institutions of higher education in the country.

Accordingly, initiation of awareness programme was started (2002) in Mizoram with constitution of the State Level Quality Assurance Coordination Committee (SLQACC) and the Quality Assurance Cell (QAC) in December 2004. The QAC attached to the Directorate of HTE is the operational administrative unit of the SLQACC, which is responsible for creating awareness among colleges about the process of assessment and accreditation by NAAC and sensitizing the faculties/institutions to quality improvement in academic, administrative and various functioning of the colleges. It also assists the appointed coordinators in colleges to prepare self-study reports by organizing workshops and having individual interface meeting. Monitoring of the post accreditation activities of the accredited colleges and formation of the Internal Quality Assurance Cells (IQAC) besides quality sustenance and enhancement are to be ensured by the QAC. The intending colleges with potential for Excellence and Affiliation are required to prepare their institutional Self-Study-Reports (SSRs) by following the appropriate NAAC Manuals and were required to submit the same to NAAC for assessment and accreditation.

Audit noticed that out of 22 colleges, 16 colleges were accredited during 2004-09 by NAAC. Of the remaining six colleges, five⁹ colleges had not submitted SSRs to NAAC even after eight years from the date of processing quality assurance by the Department. Further, the QAC did not maintain records of quarterly report of quality assurance activities and annual quality performance report to be furnished by the accredited colleges to enable the Department to take recourse towards sustainable quality promotion.

Thus, the quality parameters of higher education in the State remain un-assessed both for unaccredited and accredited colleges.

⁹ Five colleges – (1) Govt. Serchhip College, (2) Govt. Mamit College, (3) Mizoram Law College, (4) Govt. Khawzawl College and (5) Govt. Zawlnuam College.

3.1.15 Physical verification of Stores/Assets

As per provisions contained in Rule 192(1) of General Financial Rules (GFR), 2005 fixed assets should be verified at least once in a year and the outcome of the verification recorded in the corresponding register. Discrepancies, if any, shall be promptly investigated and brought to account.

The Department had not conducted any physical verification of Stores/Assets created during 2005-10. Further, the Principals of the concerned Government Colleges under the Department on their part did not submit any verification report to the Department during the period 2005-10.

The Department, however, informed (November 2010) that necessary action would be taken for carrying out the physical verification of Stores/Assets.

3.1.16 Monitoring and Evaluation

There was no separate monitoring wing at the Directorate of H&TE, but, individual branches in the Directorate are responsible for monitoring different activities. The State level review meetings and the follow up action taken in accordance with decision of the meetings were not documented by individual branches of the Department, due to which the effectiveness of the State level review meetings remain un-assessed. There was also no centralized database existing on the status of various programme implemented in the State. The State Govt. did not evaluate the performance of the Department during the period covered by audit.

While accepting the audit comments, the Department/State Government stated (December 2010) that necessary action would be taken to streamline the monitoring system besides, evaluation of performance of programmes/ schemes of the Department.

3.1.17 Internal Control and Internal Audit Mechanism

Internal control/Internal audit is considered necessary to ensure and evaluate the efficiency in compliance with Departmental/Financial rules and regulations besides effectiveness for implementation of various programmes. Although, one Finance & Account Officer was posted in the Directorate, the Department failed to exercise effective financial controls which led to unrealistic budgeting, lack of control over expenditure and release of grants-in-aid without ensuring utilization of grants already released.

The Chief Controller of Accounts (CCA), Mizoram is responsible for conducting internal audit of the accounts of the Department. During the years 2005-10, CCA did not conduct any internal audit of H&TE Department due to shortage of staff in internal audit wing. The

Department also does not have an internal audit wing of its own. The absence of internal audit in the Department facilitated misappropriation of Government money/students fee and irregular drawal of scholarships.

3.1.18 Audit observations and compliance

Accountant General (Audit) conducts periodical inspection of Government Departments to check the transactions and verify the maintenance of records besides accounting system as per the prescribed rules and procedures. These Inspection Reports (IRs) are issued to the Heads of officers inspected, with a copy to the higher authorities. The Heads of officer and next higher authorities are required to comply with the observations contained in the IRs and rectify the defects and omissions promptly and report their compliance to the Accountant General.

A review of IRs issued to the Director, H&TE during 1996 to 2010 revealed that 30 paragraphs relating to seven IRs remained outstanding as of 30 November 2010.

3.1.19 Conclusion

The objective of providing higher education, both in general and technical disciplines was not achieved fully due to significant deficiencies in planning as it was not on actual need based assessment for the State. There were serious weaknesses in financial management as evident from cases of excess/disproportionate expenditure over AICTE norms, non maintenance of essential records for disbursement of stipends/book grants, non submission of utilisation certificates, and non-reconciliation of accounts with treasury, splitting up of sanction orders, misappropriation of Government money and mismanagement/non deposit/unauthorised appropriation of student fees which was indicative of the fact that there was either little or no role exercised by the Department to enforce effective internal controls over Government expenditure. As against the available intake capacity in the degree colleges, the number of students enrolled during the 2005-10 was ranging from 53 to 64 *per cent* only. Due to non availability of well equipped and modern technique of teaching materials, 32 *per cent* of students migrated outside the State to pursue higher education during 2007-10. Moreover, post-matric scholarship was irregularly sanctioned to large number of students studying in more than one college in the same academic year 2009-10. Due to non submission of proposal to UGC, six colleges failed to avail the benefit of financial assistance under the special Scheme to provide security to woman students with hostels facilities remained largely unachieved. The quality parameters in the higher education of the State remain un-assessed both for accredited and un-accredited colleges. Monitoring and evaluation of various programmes/schemes implemented in the State had neither been effectively carried out by the Department nor by the Government.

3.1.20 Recommendations

- A comprehensive five year Perspective Plan should be formulated, envisaging meaningful activities that will facilitate students to pursue higher education. The annual action plans should emanate from the perspective plan.
- Realistic budget estimates should be prepared by obtaining vital and relevant inputs from all field level units.
- Financial management should be strengthened and streamlined to avoid recurrence of mismanagement of funds and prudent utilisation of the available fund.
- State Scholarship Board under the Department should be strengthened by an efficient disbursement mechanism for post-matric scholarship.
- Government should give special attention to the incessant trend of migration of large number of students for pursuing courses outside the State and consider effective redressal measures to overcome the situation.
- Monitoring, evaluation mechanism and Quality assurance activities should be effectively exercised and strengthened to ensure timely achievement of objectives of the Department.
- An effective internal control should be put in place to ensure an effective and efficient financial management by the Department.

CHAPTER – IV

REVENUE RECEIPTS

CHAPTER - IV

REVENUE RECEIPTS

GENERAL

4.1 Trend of revenue receipts

4.1.1 The tax and non-tax revenue raised by the Government of Mizoram during the year 2009-10, the State's share of divisible Union taxes and grants-in-aid received from the Government of India during the year and the corresponding figures for the preceding four years are given below:

Table - 4.1

(₹ in crore)

Particulars of revenue receipts	2005-06	2006-07	2007-08	2008-09	2009-10
I. Revenue raised by the State Government					
• Tax revenue	55.05	67.59	71.96	94.62	107.58
• Non-tax revenue	120.09	133.38	130.30	158.67	126.51
Total	175.14	200.97	202.26	253.29	234.09
II. Receipt from the Government of India					
• State's share of divisible Union taxes	225.83	288.08	368.92	383.39	394.53
• Grants-in-aid	1,252.68	1,479.90	1,468.56	2,016.45	2,334.89
Total	1,478.51	1,767.98	1,837.48	2,399.84	2,729.42
III. Total receipts of the State	1,653.65	1,968.95	2,039.74	2,653.13	2,963.51
IV. Percentage of I to III	10.59	10.21	9.92	9.55	7.90

The above table indicates that during the year 2009-10, the revenue raised by the State Government was 7.90 per cent of the total revenue receipts (₹ 2,963.51 crore) against 9.55 per cent in the preceding year. The balance 92.10 per cent of the receipts during 2009-10 was from the Government of India.

4.1.2 The following table presents the details of tax revenue raised during the period 2005-06 to 2009-10:

Table - 4.2

(₹ in crore)

Sl. No.	Head of revenue	2005-06	2006-07	2007-08	2008-09	2009-10	Percentage of increase (+) or decrease (-) in 2009-10 over 2008-09
1.	Sales tax/VAT	41.59	53.72	62.04	77.51	85.94	(+) 11
2.	State excise	1.46	1.65	1.69	1.87	2.10	(+) 12
3.	Stamp duty and registration fee	0.17	0.21	0.23	0.46	0.39	(-) 15
4.	Taxes on vehicles	4.35	5.01	5.37	5.50	6.71	(+) 22
5.	Taxes on goods and passengers	0.99	0.98	1.07	1.43	1.39	(-) 3
6.	Other taxes on income and expenditure, tax on professions, trades, callings and employment	4.53	4.99	0.08	6.22	8.29	(+) 33
7.	Land revenue	1.59	0.73	1.48	1.63	2.76	(+) 69
Total		54.68	67.29	71.96	94.62	107.58	

The concerned Departments did not inform (January 2011) the reasons for variations despite being requested (December 2010).

4.1.3 The following table presents the details of the non-tax revenue raised during the period 2005-06 to 2009-10.

Table - 4.3

(₹ in crore)

Sl. No.	Head of revenue	2005-06	2006-07	2007-08	2008-09	2009-10	Percentage of increase (+) or decrease (-) in 2009-10 over 2008-09
1.	Interest receipts	6.94	8.76	15.60	32.91	17.85	(-) 46
2.	Other non-tax receipts	15.42	17.56	22.59	18.98	21.38	(+) 13
3.	Forestry and wild life	4.15	4.06	2.98	2.20	2.53	(+) 15
4.	Miscellaneous general services (including lottery receipts)	6.45	44.29	1.53	3.01	10.00	(+) 232
5.	Power	81.80	51.79	83.60	93.40	67.86	(-) 27
6.	Medical and public health	0.47	0.56	0.66	0.55	0.27	(-) 51
7.	Co-operation	0.67	0.02	0.02	0.02	0.01	(-) 50
8.	Public works	1.04	2.02	0.45	2.02	4.12	(+) 104
9.	Police	0.38	0.35	0.34	3.56	0.26	(-) 93
10.	Other administrative services	2.77	3.97	2.53	2.02	2.23	(+) 10
Total		120.09	133.38	130.30	158.67	126.51	

The concerned Departments did not inform (January 2011) the reasons for variations despite being requested (December 2010).

4.1.4 Variations between the budget estimates and the actuals

The variations between the budget estimates and the actuals of revenue receipts for the year 2009-10 in respect of the principal heads of tax and non-tax revenue are mentioned in the following table:

Table - 4.4

(₹ in crore)

Sl. No.	Head of revenue	Budget estimates	Actual revenue	Variations excess (+) shortfall (-)	Percentage of variation
Tax revenue					
1.	Sales tax/VAT	96.93	85.94	(-) 10.99	(-) 11
2.	State excise	1.84	2.10	(+) 0.26	(+) 14
3.	Taxes on vehicles	6.49	6.71	(+) 0.22	(+) 3
4.	Taxes on goods and passengers	1.18	1.39	(+) 0.21	(+) 18
5.	Land revenue	1.68	2.76	(+) 1.08	(+) 64
Non-tax revenue					
1.	Interest receipts	6.17	17.85	(+) 11.68	(+) 189
2.	Forestry and wild life	4.63	2.53	(-) 2.10	(-) 45
3.	Medical and public health	0.75	0.27	(-) 0.48	(-) 64
4.	Miscellaneous general services	15.83	10.00	(-) 5.83	(-) 37
5.	Power	127.90	67.86	(-) 60.04	(-) 47

The concerned Departments did not inform (January 2011) the reasons for variations despite being requested (December 2010).

4.1.5 Cost of collection

The gross collection in respect of the principal receipt heads, expenditure incurred on the collection and the percentage of such expenditure to the gross collection during the years 2007-08 to 2009-10 along with the all India average percentage of expenditure on collection for the year 2008-09 are given in the following table:

Table - 4.5

(₹ in crore)

Sl. No.	Head of revenue	Year	Collection ¹	Expenditure on collection of revenue	Percentage of expenditure on collection	All India average percentage for 2008-09
1.	Sales tax/VAT	2007-08	62.04	4.63	7.46	0.88
		2008-09	77.51	6.03	7.78	
		2009-10	85.94	6.84	7.96	
2.	Taxes on vehicles	2007-08	5.37	2.66	49.53	2.93
		2008-09	5.50	3.31	60.18	
		2009-10	6.71	3.67	54.69	

¹ Figures as per Finance Accounts

The percentage of expenditure on collection during the year 2009-10 reflected an upward trend in respect of sales tax/VAT while it came down substantially in respect of taxes on vehicles. However, in both the cases the percentage of expenditure on collection was substantially higher than the corresponding All India average for the year 2008-09. **The Government needs to take appropriate measures to bring down the cost of collection.**

4.1.6 Arrears in assessment

The details of the assessments pending at the beginning of the year 2009-10, cases due for assessment during the year, cases disposed during the year and the cases pending finalisation at the end of the year as furnished by the departments are mentioned in the table below:

Table - 4.6

Name of tax	Opening balance	Cases due for assessment during the year	Total	Cases finalised during the year	Balance at the close of the year	Arrears as percentage of total cases
Sales tax/ central sales tax/VAT	4,416	804	5,220	1,423	3,797	73
Motor spirit tax	128	41	169	19	150	89
Total	4,544	845	5,389	1,442	3,947	73

Thus, the percentage of pending cases at the end of the year 2009-10 was 73 per cent. The Government has not fixed any norm prescribing the number of assessments to be completed by each assessing officer during a specified period. **Immediate action needs to be taken to finalise the pending assessment cases.**

4.1.7 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2010 in respect of some principal heads of revenue amounted to ₹ 3.84 crore as mentioned in the table below. Of this, ₹ 0.44 crore of arrears was more than five years old.

Table - 4.7

(₹ in crore)

Sl. No.	Head of revenue	Amount outstanding as on 31 March 2010
1.	Sales tax/VAT	3.51
2.	Forest	0.20
3.	Land Revenue	0.13
	Total	3.84

4.1.8 Failure to enforce accountability and protect interest of the Government

The Accountant General (Audit), Mizoram, Aizawl conducts periodical inspection of various offices of the Government/departments to test check the correctness of the assessments, levy and collection of the tax receipts and the non-tax receipts and verify the accuracy in maintenance of the accounts and the records as per the Acts, Rules and the procedures prescribed by the Government/departments from time to time. These inspections are followed by the inspection reports (IRs) issued to the heads of the offices inspected with copies to the next higher authorities. Serious irregularities noticed in audit are also brought to the notice of the Government/heads of the departments by the office of the Accountant General (Audit), Mizoram, Aizawl.

A review of IRs issued upto December 2009 pertaining to the offices under sales tax, state excise, land revenue, motor vehicle tax and forest departments disclosed that 304 observations relating to 102 IRs involving revenue of ₹ 36.73 crore remained outstanding at the end of June 2010. Of these, 87 IRs containing 240 observations involving revenue of ₹ 26.36 crore had not been settled for more than three years. The year wise position of old outstanding IRs and paragraphs is detailed in the following table:

Table - 4.8

Year	Sales Tax			Motor Vehicles Tax			Forest			Others		
	No. of IRs	No. of Paras	Money value	No. of IRs	No. of Paras	Money value	No. of IRs	No. of Paras	Money value	No. of IRs	No. of Paras	Money value
1995-1996	-	-	-	-	-	-	1	1	0.49	-	-	-
1999-2000	-	-	-	3	5	3.61	4	4	4.80	3	5	4.99
2000-2001	-	-	-	-	-	-	1	6	10.45	-	-	-
2001-2002	-	-	-	1	2	9.87	1	1	3.37	-	-	-
2002-2003	2	4	47.49	1	2	2.94	7	8	51.26	2	2	2.24
2003-2004	3	9	36.49	2	3	34.46	5	13	470.72	4	4	34.38
2004-2005	3	28	110.54	3	9	4.29	2	7	33.38	12	23	131.97
2005-2006	4	39	436.40	-	-	-	6	23	343.11	6	12	63.08
2006-2007	3	13	564.55	1	3	4.44	2	9	212.76	4	5	19.85
2007-2008	-	-	-	1	3	4.55	2	22	299.51	2	7	17.30
2008-2009	2	5	119.90	-	-	-	-	-	-	1	1	56.76
2009-2010	4	16	293.10	1	3	50.38	1	6	131.69	1	1	9.31
Total	21	114	1608.47	13	30	114.54	32	100	1561.54	35	60	339.88

In respect of 55 paragraphs relating to 21 IRs involving revenue of ₹ 9.84 crore issued upto June 2010, even the first reply from the Department/Government has not been received (January 2011).

The Government may prescribe a time schedule for expeditious submission of replies to the IRs/paragraphs for their settlement.

4.1.9 Follow up on Audit Reports - summarised position

With a view to ensuring the accountability of the executive in respect of all the issues dealt with in various Audit Reports, the Public Accounts Committee (PAC), issued (May 2000) instructions for submission of *suo moto* replies on all the paragraphs and the reviews featured in the Audit Reports within three months of its presentation to the Legislature. For submission of the Action Taken Notes (ATNs) on the recommendations of the PAC, the committee has specified the time frame as six months.

A review of the follow up on the submission of *suo moto* replies and of the ATNs as of September 2010 on the paragraphs included in the Reports of the Comptroller and Auditor General of India disclosed that the departments of the State Government had not submitted *suo moto* replies on the paragraphs featured in the Audit Report for the year 2008-09 in respect of the revenue receipts.

4.1.10 Audit committee meetings

In order to expedite the settlement of the outstanding audit observations contained in the IRs, departmental audit committee meetings are constituted by the Government. These committees are chaired by the Secretaries of the concerned administrative departments and attended by the concerned officers of the State Government and the officers of the Accountant General (Audit).

In order to expedite clearance of the outstanding audit observations, it is necessary that the audit committees meet regularly. During the year 2009-10, no departmental audit committee meeting was held. Thus, the concerned departments failed to take the advantage of the audit committee set up.

The Government needs to look into this aspect and ensure that the audit committee meetings are regularly held to expedite settlement of the audit paragraphs.

4.1.11 Result of audit

Test check of the records of sales tax, state excise, motor vehicles tax, land revenue, forest and other tax receipts conducted during 2009-10 revealed under assessments/short/non-levy/loss of revenue amounting to ₹ 2.04 crore in 23 cases.

This report contains four draft paragraphs involving money value of ₹ 8.85 crore. The concerned Department accepted audit observations raised in three cases involving revenue of ₹ 8.46 crore but no reply from the Government has been received in respect of these cases (January 2011). The concerned Department/Government has not accepted one case involving ₹ 0.39 crore. After issue of draft paragraphs, the Department recovered ₹ 4.86 lakh in one case. All the cases have been included in the chapter with the departmental reply and audit's view. These are discussed in the succeeding Paragraphs 4.2 to 4.5.

TRANSACTION AUDIT

INDUSTRIES DEPARTMENT

4.2 Loss of revenue

Non-realisation of royalty at prescribed rate by the Department on minor minerals led to loss of revenue of ₹ 1.15 crore.

As per Rule 3(1) of the Mizoram Minor Minerals Concessions (MMMC) Rules, 2000, no person shall undertake any mining or quarrying operations in any area except in accordance with terms and conditions of a mining lease or mining permit granted. The holder of the mining lease/permit granted shall be liable to pay royalty in respect of any minor minerals removed or consumed from the lease-hold area at the rates specified in the Second Schedule of the Rules. Any person who removes minor minerals without valid lease/permit shall be liable to pay royalty or penalty to the extent upto four times the rate of royalty specified as per Rules 46(2) of the MMMC Rules. The rate of royalty per cum of shingle (stone, sand, pebbles) as per the Second Schedule is ₹ 60 per cum.

Test check (May 2010) of the records of the Geology and Mining Wing of the Directorate of Industries, Mizoram revealed (during April 2007 to March 2010) that 2,43,135.36 cum of stones were illegally extracted by individuals other than the holders of lease or permit and transported through the existing 10 departmental check gates in Mizoram. The check gate authorities had collected royalty of ₹ 31.31 lakh instead of ₹ 1.46 crore as royalty required to be collected at the minimum specified rate of ₹ 60 per cum of the Second Schedule of the Rule stated *ibid*. The details of stone extracted and royalty collected are given in the following table:

Table - 4.9

No. of check gates	Period		Stones extracted and royalty collected thereon			Actual royalty to be collected as per specified rates in Second Schedule			(-) Short collection (₹ in lakh)
			Quantity (cum)	Rate (per cum)	Amount (Rupees in lakh)	Quantity (cum)	Specified Rate (per cum)	Amount (₹ in lakh)	
10 ²	(i)	April 2007 to June 2009	2,25,323.28	₹ 12	27.04	2,25,323.28	₹ 60	135.19	108.15
	(ii)	July 2009 to March 2010	17,812.08	₹ 24	4.27	17,812.08	₹ 60	10.69	6.42
Total			2,43,135.36	----	31.31	2,43,135.36	----	145.88	114.57

Source: Departmental records.

It may be seen from the above that despite the specified royalty rate of ₹ 60 per cum, the check gate authorities had collected royalty from the miners and transporters at the rate of ₹ 12 per cum during April 2007 to June 2009 and ₹ 24 per cum during July 2009 to March 2010 which resulted in short realisation of royalty to the extent of ₹ 1.15 crore.

The Director of Industries, Mizoram while accepting the above stated fact (May 2010) stated that as per the prevalent practice, royalty was levied by the check gates at the rate of ₹ 12 to ₹ 24 per cum on the plea that the penal royalty rates prescribed in the MMMC Rules, 2000 were very high.

While rejecting the Department's proposals sent in July 2010 for *ex-post-facto* approval of lowering the royalty rates, the State Government (Industries Department) communicated to the Department (July 2010) to adopt the rates in force as per MMMC Rules, 2000.

The fact however remains that without the prior approval of the State Government, the Department collected the royalty based on rates fixed at their own discretion, which resulted in a loss of revenue of ₹ 1.15 crore.

The matter was reported to the Government in July 2010; their reply is awaited (November 2010).

It was also noticed that the MMMC Rules gave an option for levy of either royalty or penalty of four times the royalty leviable in case of unauthorized extraction of minerals. As penalty is intended to have a deterrent effect, it is recommended that the Government may consider amending the rules and levying penalty in addition to the royalty, as is done in other States.

2 (1) Zemabawk check gate, (2) Tuivamit check gate, (3) Vaivakawn check gate, (4) Lawipu check gate, (5) Mel-3 check gate (6) Vairengte check gate, (7) Kolasib check gate, (8) Champhai check gate, (9) Lunglei check gate and (10) Serchhip check gate

4.3 Loss of revenue due to application of lower rate of royalty

Non-realisation of royalty by the Department at the prescribed rate on minor minerals from user agencies and permit holders led to loss of revenue of ₹ 6.79 crore.

The responsibility for the levy and collection of revenue in respect of all minor minerals including 'Sand and Stone Quarrying' as regulated under the Mizoram Minor Minerals Concession (MMMC) Rules, 2000 was initially that of the Environment & Forest Department. The State Government, however, reallocated the responsibilities to the Industries Department in September 2005. As per the Second Schedule of the MMC Rules, 2000 the royalty rates for sand and stone is ₹ 50 per cum and ₹ 60 per cum respectively.

Test check (June 2010) of records of the Joint Director of Geology and Mining Wing under the Directorate of Industries revealed that some user agencies including other permit holders utilised a quantity of (i) 13,34,303.12 cum of stone and (ii) 42,484.26 cum of sand during 2006-10, for which they were required to pay a royalty of (i) ₹ 8.01 crore and (ii) ₹ 21.24 lakh respectively. Against this, the Department however collected a royalty of ₹ 1.40 crore and (ii) ₹ 3.46 lakh for stone and sand respectively, which resulted in short collection of royalty ₹ 6.79 crore (₹ 6.61 crore and ₹ 0.18 crore).

The user agency wise position is given in the following table:

Table - 4.10

(₹ in lakh)

Sl. No.	Name of user Agency	Period	Particulars	Quantity utilised (in cum)	Royalty to be paid		Royalty actually paid		Short payment
					Rate (₹ per cum)	Amount	Rate (₹ per cum)	Amount	
1.	Boarder Roads Task Force (BRTF)	2006-08	Stone	41646.55	60	24.99	12	5.00	19.99
		2007-09		36872.11		22.12	---	NIL	22.12
		2006-08	Sand	6602.02	50	3.30	50	3.30	NIL
		2007-09		5036.52		2.52	---	NIL	2.52
2.	National Building Construction Corporation (NBCC)	(unspecified) upto 2008	Stone	109707.47	60	65.82	---	NIL	65.82
			Sand	25677.72	50	12.84	---	NIL	12.84
3.	World Bank Project:								
(i)	M/s Valecha Engineering Ltd.	April 2006 to Jan 2007	Stone	16588.00	60	9.95	5.50	0.91	9.04
			Sand	2245.00	50	1.12	3.00	0.07	1.05
(ii)	M/s Tantia Construction Co. Ltd.	April 2006 to Jan 2007	Stone	17083.00	60	10.25	5.50	0.94	9.31
			Sand	2223.00	50	1.11	3.00	0.07	1.04
(iii)	Raitani Construction Company Ltd.	April 2006 to Jan 2007	Stone	7666.00	60	4.60	5.50	0.42	4.18
			Sand	700.00	50	0.35	3.00	0.02	0.33
Sub-total of Sl. No. 3			Stone	41337.00	60	24.80	5.50	2.27	22.53
			Sand	5168.00	50	2.58	3.00	0.16	2.42
4.	Other Permit Holders	2006-07 to 2009-10	Stone	1104739.03	60	662.84	12.00	132.57	530.27
Grand Total			Stone	1334302.16	60	800.58	---	139.84	660.74
			Sand	42484.26	50	21.24	---	3.46	17.78

Source: Departmental records.

The Department, after accepting the objection, explained (May 2010) that the levy of royalty at the rate of ₹ 5.50 in the case of World Bank Project was made as per the collection rate hitherto fixed by the Environment and Forest Department.

The contention of the Department was not acceptable as all the royalty rates of Minor Minerals in the State are to be regulated as per the Second Schedule of MMMC Rules, 2000. Moreover, the State Government (Industries Department) had rejected (July 2010) the Department's proposal for revision of the royalty rates already prescribed in the Rules *ibid*.

The fact therefore remains that without the prior approval of the State Government, the Department collected the royalty at the rates based on their own discretion, which resulted in a loss of revenue of ₹ 6.79 crore.

The matter was reported to the Government in July 2010; their reply is awaited (November 2010).

4.4 Loss of revenue due to non-levy of royalty

Non-levy of royalty on the drivers illegally transporting mined minerals led to revenue loss of ₹ 52.36 lakh.

Rule 46 (2) of the Mizoram Minor Minerals Concession Rules – 2000, stipulates that whoever removes minor minerals without valid lease/permit or on whose behalf such removal is made otherwise in accordance with these rules, he shall be presumed to be a party to illegal removal of the minor minerals and shall be liable to pay royalty or penalty which may extend up to four times the rate of royalty specified for the minor mineral in the Second Schedule without prejudice to other action taken against him under these rules or any other law for the time being in force.

Rule 46(1) further stipulates that if any driver of any carrier while carrying minor minerals fails to furnish the challan in Form – O or refuses inspection of such challan by the Competent Authority or any other officer authorised by him or the Deputy Commissioner or any officer authorised by him, he shall be punished with simple imprisonment which may extend to six months or with fine which may extend to two thousand rupees or both.

Test check (May 2010) of records of the Melthum and Vaivakawn check gates under Joint Director of Geology & Mining Wing (Directorate of Industries) revealed that the two check gate authorities detected illegal transportation of minor minerals without valid permits/Challans in Form 'O' as per details given in the following table:

Table - 4.11

Name of check gates	Period	Details of minerals transported			Royalty to be collected	
		No. of trucks	Quantity transported (in cum)		Stone (@ ₹ 60 per cum)	Sand (@ ₹ 50 per cum)
			Stone	Sand	₹ in lakh	
Melthum	2007-10	17,726	71,297.92	----	42.78	----
Vaivakawn	2008-10	6,426	3,796.00	14,598	2.28	7.30
Total		24,152	75,093.92	14,598	45.06	7.30

Source: Departmental records.

It may be seen from the above table that 24,152 truck drivers were required to pay a royalty of ₹ 52.36 lakh at the prescribed rates for illegal transportation of the Minor Minerals during 2007-10, which was neither levied or realised for flouting Rule 46 (1) of the MMMC Rules,

2000. This resulted not only in loss of Government revenue to that extent but also meant unwarranted exploitation of mineral reserves by illegal miners. The fact that such large number of trucks carrying illegally mined minerals were allowed to pass through the check gates without payment of royalty indicates a serious failure of the internal control mechanism.

In the exit conference (May 2010) held with the Accountant General, the Director of Industries accepted the facts stated above. But action taken, if any, for realisation of the revenue has not been reported (November 2010).

The matter was reported to the Government in July 2010; reply has been awaited (November 2010).

ENVIRONMENT AND FOREST DEPARTMENT

4.5 Loss of revenue due to application of lower rate of royalty

There was loss of revenue of ₹ 39 lakh due to settlement of broomstick mahals by direct negotiation and below royalty rate.

The Principal Chief Conservator of Forests (PCCF), Mizoram fixed the royalty rate of broomstick for all forest divisions of Mizoram at ₹ seven per Kg with effect from 15 February 2005.

Test check of records of the PCCF, Mizoram, Aizawl in January-February 2008 revealed that in response to the application of the Mizoram Forest Produces Marketing Agency (MIFMA) to collect broomstick on permit system, the Department conveyed (September 2006) the State Government's approval for collection of broomstick by MIFMA in all divisions of Mizoram during 2006-07 on advance payment of royalty at the rate of ₹ seven per Kg. The MIFMA however, requested (September 2006) the Hon'ble Minister for Environment & Forest to allow the collection of broomstick excluding the Autonomous District Council area of the State at ₹ 10 lakh without considering the quantity to be extracted. Consequently, an agreement was signed and work order for operation of seven³ broomstick *mahals*⁴ out of the 10 existing *mahals* for the year 2006-07 was issued to MIFMA in December 2006 for extraction of seven lakh Kg of broomstick at ₹ 10 lakh without insisting on applying the prescribed royalty rate on the actual amount extracted and call of tender for the mahal.

³ (1) Thenzawl Division, (2) N. Vanlaiphai Divion, (3) Aizawl Division, (4) Darlawn Division, (5) Kawrthah Division, (6) Kolasib Division and (7) Mamit Division.

⁴ Mahal means a defined geographical area where from certain forest produce are sold on condition of their removal within a specified period.

The total quantity of broomstick extracted on mahal for seven lakh Kg resulted in collection of royalty of ₹ 10 lakh only. Had the same quantity been disposed on the approved royalty rate fixed by the Department, i.e. at the rate of ₹ seven per kg, the State Government would have earned ₹ 49 lakh as revenue. Thus, due to settlement of the broomstick *mahals* without inviting tender and non levy of royalty prescribed by the Department there was a loss of ₹ 39 lakh.

On this being pointed out, the Government stated (September 2010) that royalty rate of ₹ seven per Kg was effective on sale of broomstick on permit system while the same was not applicable on *mahal* system. The reply is not acceptable as the order fixing the royalty rate does not specify its applicability which would justify the action of the Department to resort to settlement by direct negotiation of the accessible *mahals*.

CHAPTER – V

Government Commercial and Trading activities

CHAPTER – V

GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

5.1 Overview of State Public Sector Undertakings

Introduction

5.1.1 The State Public Sector Undertakings (PSUs) consist of State Government Companies and Statutory Corporations. The State PSUs are established to carry out activities of commercial nature while keeping in view the welfare of people. In Mizoram, the State PSUs occupy insignificant place in the state economy. The State PSUs registered a turnover of ₹ 1.45 crore for 2009-10 as per their latest finalised accounts as of September 2010. This turnover was equal to 0.03 *per cent* of State Gross Domestic Product (GDP) for 2009-10. The State PSUs incurred a loss of ₹ 3.59 crore in the aggregate for 2009-10 as per their latest finalised accounts. They had employed 274¹ employees as of 31 March 2010. The State PSUs do not include two prominent Departments, which carry out commercial operations. Audit findings of these Departments are incorporated in the separate Report on State Finances.

5.1.2 As on 31 March 2010, there were five Government Companies (all working) and no statutory corporation in the State of Mizoram.

Audit Mandate

5.1.3 Audit of Government companies is governed by Section 619 of the Companies Act, 1956. According to Section 617, a Government company is one in which not less than 51 *per cent* of the paid up capital is held by Government(s). A Government company includes a subsidiary of a Government company. Further, a company in which 51 *per cent* of the paid up capital is held in any combination by Government(s), Government companies and Corporations controlled by Government(s) is treated as if it were a Government company (deemed Government company) as per Section 619-B of the Companies Act.

5.1.4 The accounts of the State Government companies (as defined in Section 617 of the Companies Act, 1956) are audited by Statutory Auditors, who are appointed by CAG as per the provisions of Section 619(2) of the Companies Act, 1956. These accounts are also subject to supplementary audit conducted by CAG as per the provisions of Section 619 of the Companies Act, 1956.

¹ As per the details provided by five PSUs.

Investment in State PSUs

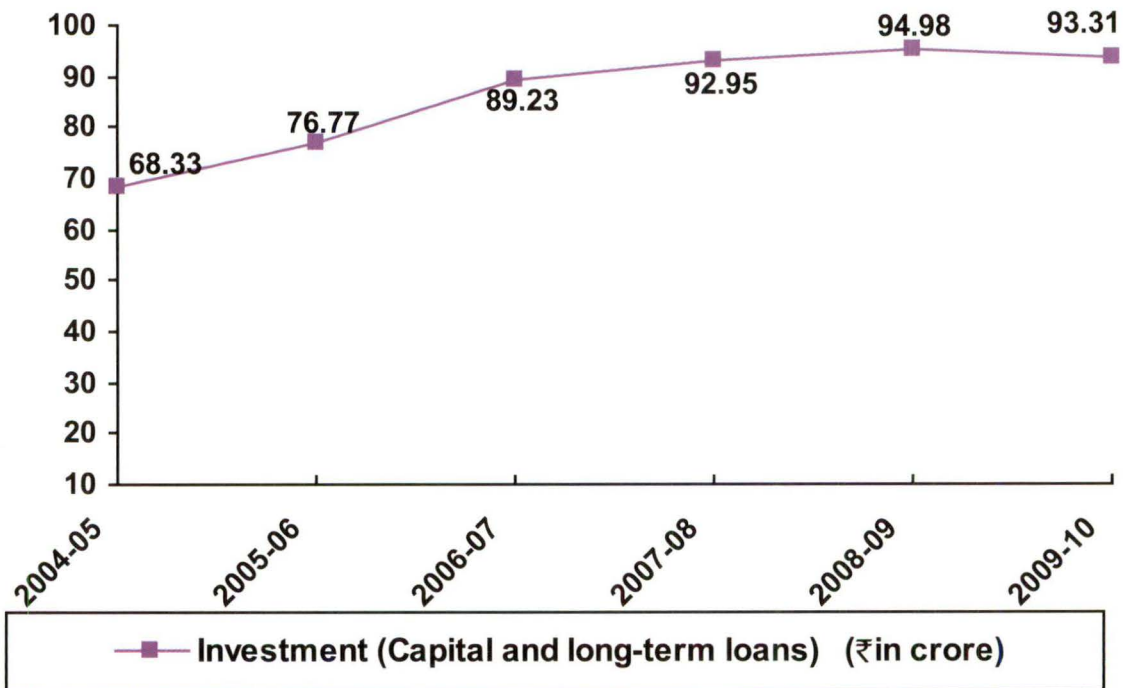
5.1.5 As on 31 March 2010, the investment (capital and long-term loans) in five PSUs was ₹ 93.31 crore as per details given below:

(₹ in crore)

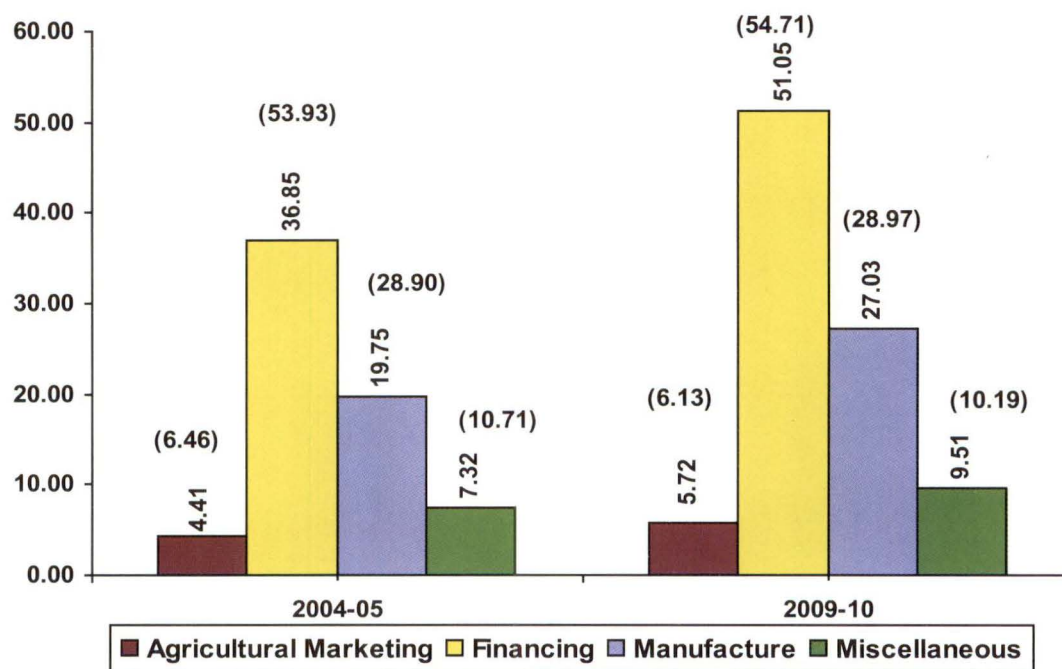
Type of PSUs	Government Companies		
	Capital	Long Term Loans	Total
Working PSUs	62.35	30.96	93.31

A summarised position of Government investment in State PSUs is detailed in **Appendix - 5.1**.

5.1.6 As on 31 March 2010, the total investment in five working PSUs was ₹ 93.31 crore. This total investment consisted of 66.82 per cent towards capital and 33.18 per cent in long term loans. The investment has grown by 36.56 per cent from ₹ 68.33 crore in 2004-05 to ₹ 93.31 crore in 2009-10 as shown in the graph below.



5.1.7 The total investment in various sectors and percentage thereof at the end of 31 March 2005 and 31 March 2010 are indicated below in the bar chart.



(Figures in brackets show the percentage of total investment) (₹ in crore)

5.1.8 The increase in total investment was mainly due to increase in equity (₹ 4.06 crore) and loan (₹ 10.14 crore) in Financing Sector and increase in equity in Manufacturing sector (₹ 7.28 crore).

Budgetary outgo, grants/subsidies, guarantees and loans

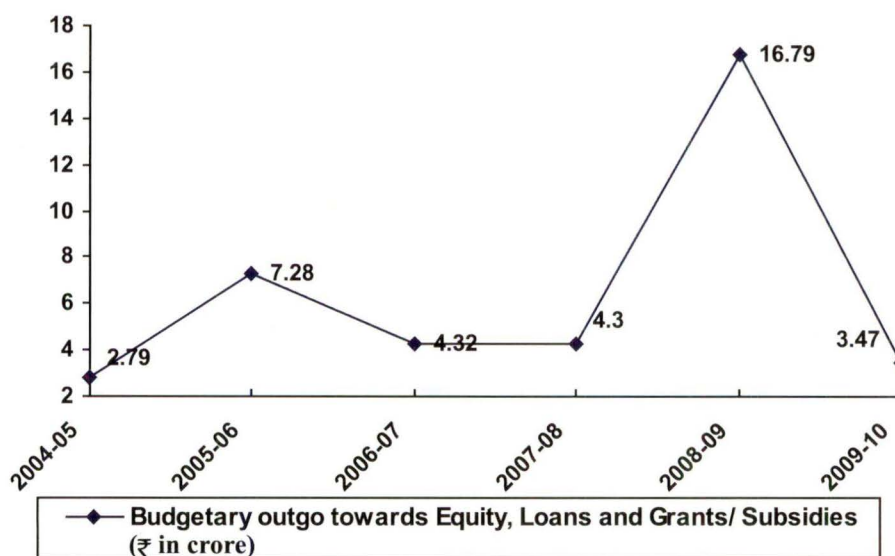
5.1.9 The details regarding budgetary outgo towards equity, loans, grants/subsidies, guarantees issued in respect of State PSUs are given in **Appendix - 5.2**. The summarised details are given below for three years ended 31 March 2010.

(Amount ₹ in crore)

Sl. No.	Particulars	2007-08		2008-09		2009-10	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1.	Equity Capital outgo from budget	4	2.80	4	2.88	4	1.26
2.	Loans given from budget	-	-	1	8.72	-	-
3.	Grants/Subsidy received	2	1.50	3	5.19	2	2.21
4.	Total Outgo	4*	4.30	4*	16.79	4*	3.47
5.	Guarantees issued	1	32.43	-	-	-	-
6.	Guarantee Commitment	2	32.79	2	20.56	2	15.02

5.1.10 The details regarding budgetary outgo towards equity, loans and grants/subsidies for past six years are given in the graph below:

* These are the actual number of companies which have received budgetary support in form of equity, loans and grants from the State Government during the respective years



5.1.11 As on 31 March 2010, guarantees amounting to ₹ 14.75 crore and ₹ 0.26 crore were outstanding against Zoram Industrial Development Corporation Limited and Mizoram Food and Allied Industries Corporation Limited respectively. No guarantee commission was payable to the State Government by the Government Companies. There was no case of conversion of Government loan into equity, moratorium in repayment of loan and waiver of interest.

Reconciliation with Finance Accounts

5.1.12 The figures in respect of equity, loans and guarantees outstanding as per records of State PSUs should agree with the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the concerned PSUs and the Finance Department should carry out reconciliation of differences. The position in this regard as at 31 March 2010 is stated below.

(₹ in crore)

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
Equity	2.76	62.35	59.59
Loans	---	30.96	30.96
Guarantees	18.29	15.02	3.27

5.1.13 Audit observed that the differences occurred in respect of all PSUs and the differences were pending reconciliation over the period of more than ten years. **The matter has been taken up with the Chief Secretary, Government of Mizoram, Administrative Department of respective PSUs and the Managing Directors of PSUs periodically to reconcile figures. The Government and the PSUs should take concrete steps to reconcile the differences in a time-bound manner.**

Performance of PSUs

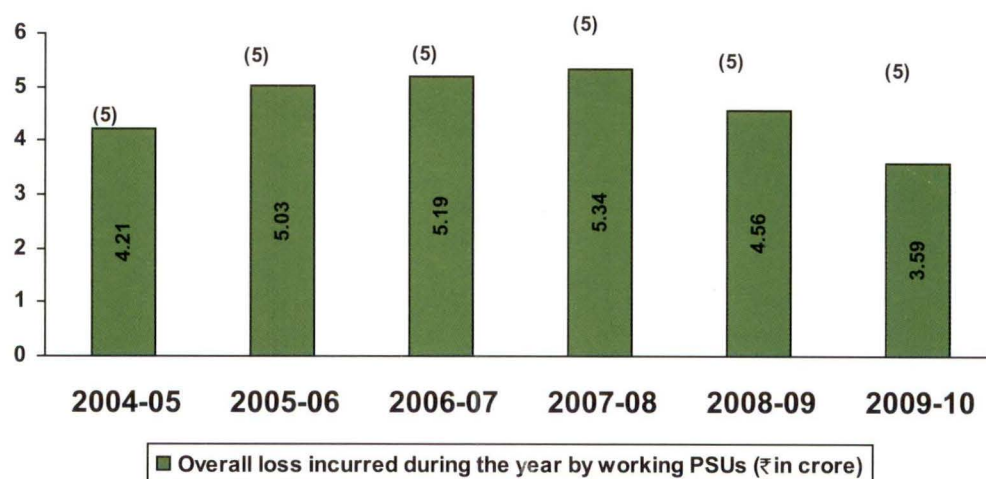
5.1.14 The financial results of PSUs are detailed in **Appendix - 5.3**. A ratio of PSUs turnover to State GDP shows the extent of PSU activities in the State economy. Table below provides the details of working PSUs turnover and State GDP for the period 2004-05 to 2009-10.

(₹ in crore)

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Turnover ²	1.51	0.97	0.99	1.79	2.41	1.45
State GDP ³	2670.61	2957.91	3276.18	3802.42	4647.55	5619.41
Percentage of Turnover to State GDP	0.06	0.03	0.03	0.05	0.05	0.03

5.1.15 The percentage of turnover to State GDP indicating the varying trend declined from 0.06 per cent in 2004-05 to 0.03 per cent in 2009-10 due to decrease in turnover. However, there was increase in State GDP over the years.

5.1.16 Losses incurred by State working PSUs during 2004-05 to 2009-10 are given below in the bar chart.



(Figures in brackets show the number of working PSUs in respective years)

All five State PSUs were incurring losses continuously during the period between 2004-05 and 2009-10. Zoram Industrial Development Corporation Limited incurred heavy loss in all the years ranging between ₹ 1.76 crore in 2004-05 and ₹ 1.38 crore in 2009-10.

5.1.17 The losses of PSUs are mainly attributable to deficiencies in financial management, planning, implementation of project, running their operations and monitoring. A review of

² Turnover as per the latest finalised accounts as of 30 September 2010.

³ The final figures of State GDP, provided by the Economic & Statistics Deptt. of State Government has been adopted.

three latest Audit Reports of CAG shows that the State PSUs incurred losses to the tune of ₹ 9.72 crore and infructuous investment of ₹ 3.87 crore which were controllable. Year wise details from Audit Reports are stated below.

(₹ in crore)

Particulars	2007-08	2008-09	2009-10	Total
Net loss of working PSUs	5.34	4.56	3.59	13.49
Controllable losses as per CAG's Audit Report	9.72	---	1.00	10.72
Infructuous Investment	2.78	---	1.09	3.87

5.1.18 The above losses pointed out by Audit Reports of CAG are based on test check of records of PSUs. The actual controllable losses would be much more. The above table shows that with better management, the losses can be minimized. The PSUs can discharge their role efficiently only if they are financially self-reliant. The above situation points towards a need for professionalism and accountability in the functioning of PSUs.

5.1.19 Some other key parameters pertaining to State PSUs are given below.

(₹ in crore)

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Return on Capital Employed (<i>per cent</i>)	NIL	NIL	NIL	NIL	NIL	NIL
Debt	20.82	22.86	33.47	34.53	33.65	30.96
Turnover ⁴	1.51	0.97	0.99	1.79	2.41	1.45
Debt/ Turnover Ratio	13.79:1	23.57:1	33.81:1	19.29:1	13.96:1	21.35:1
Interest Payments	1.35	1.34	1.34	2.14	2.18	2.18
Accumulated losses	24.88	28.38	31.14	33.30	40.23	43.45

5.1.20 As per the latest finalized accounts as of 30 September 2010, of five working companies, the capital employed worked out to ₹ 75.78 crore and total negative return thereon amounted to ₹ 1.40 crore in 2009-10 as compared to capital employed of ₹ 49.65 crore and total negative return on capital employed of ₹ 2.85 crore in 2004-05. Despite increase in capital employed, return on capital employed has not shown any improvement. All PSUs were incurring losses continuously over the years which resulted in increase in accumulated losses from ₹ 24.88 crore in 2004-05 to ₹ 43.45 crore in 2009-10.

5.1.21 The State Government has not formulated (September 2010) any dividend policy.

⁴ Turnover of working PSUs as per the latest finalised accounts as of 30 September 2010.

Arrears in finalisation of accounts

5.1.22 The accounts of the companies for every financial year are required to be finalised within six months from the end of the relevant financial year under Sections 166, 210, 230, 619 and 619-B of the Companies Act, 1956. The table below provides the details of progress made by working PSUs in finalisation of accounts by September 2010.

Sl. No.	Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
1.	Number of Working PSUs	5	5	5	5	5
2.	Number of accounts finalised during the year	4	3	1	6	11
3.	Number of accounts in arrears	24	26	30	29	27
4.	Average arrears per PSU (3/1)	4.80	5.20	6.00	5.80	5.40
5.	Number of Working PSUs with arrears in accounts	4	5	5	5	5
6.	Extent of arrears in years	5 to 7	1 to 8	1 to 9	1 to 10	1 to 10

5.1.23 The reasons for delay in finalization of accounts are attributable to (i) lack of required control over the companies by Government, (ii) abnormal delay in compilation/approval of the accounts and delayed submission of the same to the Statutory Auditors by the management and (iii) delay in adoption of accounts in Annual General Meeting.

5.1.24 The State Government had invested ₹ 12.26 crore (Equity: ₹ 8.97 crore and grants: ₹ 3.29 crore in four PSUs) during the years for which accounts have not been finalised as detailed in **Appendix - 5.4**. In the absence of accounts and their subsequent audit, it can not be ensured whether the income and expenditure have been properly accounted for and the purpose for which the amount was invested by the State Government has been achieved or not. Thus, the State Government investment in such PSUs remains outside the scrutiny of the State Legislature. Further, delay in finalisation of accounts may also result in risk of fraud and leakage of public money apart from violation of the provisions of the Companies Act, 1956.

5.1.25 The Administrative Departments have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalised and adopted by these PSUs within the prescribed period. Though the concerned administrative departments and officials of the Government were informed by Audit, of the arrears in finalisation of accounts, no remedial measures were taken. As a result of this the net worth of these PSUs could not be assessed in audit. The matter of arrears in accounts was also taken up with the Chief Secretary/Finance Secretary periodically to expedite the backlog of arrears in accounts in a time bound manner.

5.1.26 In view of above state of arrears, it is recommended that the Government may consider outsourcing the work relating to preparation of accounts wherever the staff is inadequate or lacks expertise and impress upon the respective PSUs to expedite the process of finalisation of accounts and bring them up to date at the earliest.

Accounts Comments and Internal Audit

5.1.27 Five working companies forwarded their audited accounts (eleven) to CAG during the year 2009-10. They were selected for supplementary audit. The audit reports of statutory auditors appointed by CAG and the supplementary audit of CAG indicate that the quality of maintenance of accounts needs to be improved substantially. The details of aggregate money value of comments of statutory auditors and CAG are given below.

(Amount ₹ in crore)

Sl. No.	Particulars	2007-08		2008-09		2009-10	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	-	---	-	---	-	---
2.	Increase in loss	1	3.32	2	4.40	6	2.05
3.	Non-disclosure of material facts	1	35.12	1	49.87	1	15.78
4.	Errors of classification	1	7.88	1	0.56	2	9.48

5.1.28 During the year 2009-10 eleven accounts of five PSUs were finalised. Out of which, the Statutory auditors had given qualified certificates in all eleven accounts. The compliance of companies with the Accounting Standards remained poor as there were 21 instances of non-compliance in 7 accounts during the year.

5.1.29 Some of the important comments in respect of accounts of companies are stated below.

Zoram Industrial Development Corporation Limited (2008-09)

- The Company received and spent ₹ One crore from the Industries Department, Government of Mizoram as grants for development of call centre and creation of infrastructure and procurement of equipments for call centre and ITES Training centre in Aizawl during 2008-09. As infrastructure has been created, the amount should have been shown under Fixed Assets and not as Investment.

Mizoram Food & Allied Industries Corporation Ltd (2003-04 to 2006-07)

- The company had not deposited provident fund dues for the period upto 31 March 2004 aggregating to ₹ 19.33 lakh with the appropriate authority till 31 March 2004 and no liability provided for in the accounts.
- During the years 2004-05 to 2006-07, administrative expenditure of ₹ 1.52 crore was transferred to the pre-operative expenses of the ongoing projects which was not admissible as per sanction orders issued by the Government of India as well as State Government of Mizoram.

Mizoram Agricultural Marketing Corporation Ltd (2004-05)

- The Company received ₹ 8.41 crore from Government of India through State Small Farmers' Agri Business Consortium, Mizoram for construction of six wholesale and 46 rural markets in Mizoram under centrally sponsored scheme on Technology Mission for integrated development of Horticulture in North Eastern States under Mini Mission – III Scheme. Out of which, four wholesale and 18 rural markets valued ₹ 3.35 crore have been completed and handed over (August 2004) to the Department of Trade & Commerce leaving balance work amounting to ₹ 5.06 crore. Since the amount has been released as advance for deposit work, this amount should have been shown as “other loan and advances” instead of Reserve and Surplus.
- The Company clubbed together the value of land and building and provided depreciation on both the value of the assets leaving a net fixed assets of ₹ 1.25 crore. As the Company has not maintained fixed assets register, depreciation provided on land could not be quantified by audit.

Mizoram Handlooms and Handicrafts Development Corporation Ltd (1999-2000)

- Central Government investment in the Share Capital of the Company amounting to ₹ 18 lakh was received but not accounted for during the year 1999-2000.
- Current liability included ₹ 25.99 lakh for which the Company had neither the party-wise details nor any claims from the parties were received by the Company even after a decade indicating that there exist no liability on the Company.

5.1.30 The Statutory Auditors (Chartered Accountants) are required to furnish a detailed report upon various aspects including internal control/ internal audit systems in the companies audited in accordance with the directions issued by the CAG to them under Section 619(3) (a)

of the Companies Act, 1956 and to identify areas which needed improvement. An illustrative resume of major comments made by the Statutory Auditors on possible improvement in the internal audit/ internal control system in respect the five companies for the year 2009-10 are given below:

Sl. No.	Nature of comments made by Statutory Auditors	Number of companies where recommendations were made	Reference to serial number of the companies as per Appendix - 5. 2
1.	Absence of physical verification of cash despite repeated reporting that the average cash balance was on higher side and cash embezzlement	2	Sl. No.3 & 4
2.	Absence of internal audit system commensurate with the nature and size of business of the company	4	Sl. No.1, 2, 3&5
3.	Physical verification of stock is not reasonable and adequate in relation to the size of the company and nature of its business.	2	Sl. No.1 & 5
4.	Non maintenance of proper records showing full particulars including quantitative details, situations, identity number, date of acquisitions, depreciated value of fixed assets and their locations	2	Sl. No.1 & 5

Reforms in Power Sector

5.1.31 The Governments of Manipur and Mizoram entered (September 2005) into a Memorandum of Agreement (MoA) with Ministry of Power authorizing it to constitute a Joint Electricity Regulatory Commission (JERC) for Manipur and Mizoram under the provisions of Section 83 of the Electricity Act 2003. Government of India has also committed in the MOA that it would be providing financial assistance to the JERC during the first five years from its initial operations subject to the condition that the States of Manipur and Mizoram would complete the process of restructuring and corporatisation of their electricity departments immediately. Joint Electricity Regulatory Commission (JERC) for the States of Manipur and Mizoram was formed (February 2008) under Section 83(5) of the Electricity Act 2003 with the objective of rationalization of electricity tariff, advising in matters relating to electricity generation, transmission and distribution in the State and issue of licenses. The Annual Revenue Return (ARR) for Tariff 2009-10 was filed in May 2010 to the JERC, however the JERC asked the Power & Electricity Department of Mizoram to file the petition for 2010-11 since the financial 2009-10 was already over. Accordingly the tariff petition for financial year 2010-11 comprising ARR has been filed to JERC which was under examination.

5.1.32 Memorandum of Agreement (MoA) was signed in (July 2002) between the Union Ministry of Power and the State Government with a joint commitment for implementation of

reforms programme in power sector with identified milestones. The progress achieved so far in respect of important milestones is stated below.

Sl. No.	Milestone	Achievement as at March 2010
1.	State Government will corporatise the Electricity Department by 2006-07.	Power & Electricity Department (P&E) is not yet corporatised. The recommendations (August 2006) of the Administrative Staff College of India (ASCI), Hyderabad, consultant for corporatising P&E Department, are under examination by the State Government.
2	State Government will set up State Electricity Reforms Commission (SERC)/Joint Electricity Reforms Commission (JERC) by December 2003 and file tariff petition.	Joint Electricity Reforms Commission for the States of Manipur and Mizoram was constituted in February 2008. The Annual Revenue Return (ARR) for Tariff 2009-10 was filed, however as financial 2009-10 was already over, JERC directed the Department to file ARR of 2010-11. The ARR for 2010-11 was submitted (August 2010) to JERC and was under examination.
3	State Government will ensure timely payment of subsidies required in pursuance of orders on the tariff determined by JERC.	Not applicable in view of position above against Sl. No. 2.
4	State Government will achieve 100 per cent electrification of villages by 2003.	570 number of villages out of 707 villages have been electrified.
5	Suitable policy provisions shall be formulated by the State Government by July 2004 for handing over parts of distribution system on management contract or on lease to local bodies.	Policy provision for handing over parts of distribution system on management contract or on lease to local bodies are yet to be formulated by the State Government.
6.	The process of setting up of computerized billing centres shall be done by July 2003.	Computerised billing centres had been set up in Aizawl city, covering the entire city along with its suburbs. Computerised billing centres in rural areas remained to be set up.

5.1.33 The operational performance of the Power and Electricity Department for the last three years upto 2009-10 is given in **Appendix - 5.5**.

The total expenditure on power sold during three years from 2007-08, 2008-09 and 2009-10 was ₹ 114.05 crore, ₹ 136.32 crore and ₹ 169.88 crore as against the revenue of ₹ 81.22 crore, ₹ 83.92 crore and ₹ 67.62 crore respectively.

The percentage of transmission and distribution (T&D) losses varied from 26.64 *per cent* in 2007-08 to 36.99 *per cent* in 2009-10 as against the norm of 15.50 *per cent* fixed by the Central Electricity Authority. During the year 2009-10, the excess T&D losses over the norms were 78.311 million units costing ₹ 23.02 crore (worked out at average revenue of ₹ 2.94 per unit).

AUDIT OF TRANSACTIONS

POWER AND ELECTRICITY DEPARTMENT

5.2 Execution of Serlui 'B' Hydro Project

Deficient execution of the Serlui 'B' Hydro Project resulted in time and cost overrun of 34 months and ₹.91.17 crore respectively.

The Techno Economic clearance of Serlui 'B' Hydro Project (2 x 4.5 MW) was accorded (July 1990) by the Central Electricity Authority (CEA) and the forest clearance and environmental clearance were accorded (March & May 1991) by the Ministry of Environment and Forest (MoEF). Tenders were floated (October 1992) by the Power and Electricity Department (Department) but the project could not be taken up due to litigation by one of the unsuccessful tenderer and the project was abandoned (March 1997). The Project was again approved (February 1999) by the Government of Mizoram with an enhanced installed capacity of 12 MW (3X4 MW). The CEA's approval for revised installed capacity and necessary clearance from MoEF were not available on record.

The Department and the Works Advisory Board of the Government of Mizoram selected (September 2003) a consortium of Central PSUs (M/s BHEL and MECON) for executing the project at a cost of ₹ 99.95 crore. The electro-mechanical works (₹ 36.03 crore) were to be executed by BHEL whereas the civil and hydro-mechanical works (₹ 63.92 crore) was awarded to MECON.

The Letter of Intent (LOI) was issued (September 2003) to the Contractors and the agreement was entered (December 2003). The scheduled date of commissioning of the project as per the agreement was December 2007. The Contractors sub-contracted the civil and hydro-mechanical works to M/s Patel Engineering Limited (Sub-contractors). The work was actually taken up only from November 2004 and due to delay in execution, the project cost was revised (October 2005) to ₹ 135.20 crore which was further revised (October 2007) to ₹ 191.12 crore. The commissioning of the project was also re-scheduled to June 2008. The project was to be executed with MNES Subsidy (₹ 22.50 crore), REC Loan (₹ 136.82 crore) and balance (₹ 31.80 crore) through budgetary support from the Government of Mizoram. The cost of generation was projected at ₹ 3.89 per unit at the revised estimated cost of ₹ 191.12 crore.

The audit findings are discussed below:

Delay in receipt of Capital subsidy from MNES due to award of contract on selection basis.

The Ministry of Non-conventional Energy Sources (MNES) had agreed to provide capital subsidy of ₹ 22.50 crore, out of which ₹ 2.25 crore was released (November 2000). Since the project was awarded to the consortium of Central PSUs on a turn-key basis by the Department without conforming to the competitive bidding procedure the same was objected to by the MNES and had

stalled subsequent capital subsidy releases. The subsequent instalments were released from August 2005 to December 2007. This had adversely impacted execution of the project.

Appointment of Consultants for the Project

The Department selected (November 2001) a private firm M/s Erinco (India) Private Limited, New Delhi for consultancy services at a lump sum fee of ₹ 1.25 crore. The scope of the work of the Consultant *inter alia* included review of tender documents, cost estimates, ascertaining the geological characters of the Dam site, finalise hydraulic and structural design, issue construction drawings, monitoring construction schedule and to supervise the construction activities till commissioning. The stated scope of consultancy became redundant since the work was eventually awarded to the two PSUs on turn-key basis. Accordingly, the Department did not redefine the scope of consultancy and made payments as per the original terms of agreement which was not justified.

Price Escalation

The Deed of Agreement (Clause 45) provides for payment of Price Adjustment/Variation to the Contractor for work done for increase or decrease in cost of labour, materials and Petrol, Diesel, Oil and Lubricant (P.O.L) according to the stipulated formula in the agreement, with the base month as September of the relevant year, with every increase or decrease in the “All India Consumer Price Index”. The Department paid ₹ 13.80 crore towards price variation to MECON and the balance bills payable to MECON were to the tune of ₹ 7.80 crore. The Power and Electricity Department has however, not paid the price variation bills of ₹ 8.01 crore to BHEL till date (July 2010). The work was delayed by the Contractors citing reasons such as bad roads and bad climatic conditions etc., however, the Department extended the completion date on the request of the Contractors upto June 2008, without imposing Liquidated damages for the delay. Payment of Price variation bills when the delay was on account of the Contractors was not justified. We noticed that the Price Variation Claims were paid without subjecting to any check at any level regarding the correctness of the claims.

Delay in payment of bills

The Deed of Agreement (Clause 41.1) states that Payment shall be adjusted for deductions for advance payments, retention and other recoveries in terms of the contract and deduction at source of taxes as applicable under the law. The employer shall pay the contractor the amounts certified and approved by the Engineer-in-Charge within 45 days of submission of Contractor’s bills. In case full payment against certified bills submitted by Contractor is not made by the department for more than 120 days in one stretch, then the Contractor will be allowed to demobilize from site and cost of demobilization as mutually agreed will be paid by the Department. Where the Contractors running Bill or part thereof is based on estimated quantities of the work performed then 75 *per cent* of estimated value of the work shall be released within 45 days against the Running Bill. Full payment for such work will be released when the measurement for the work are accepted by the Engineer-in-Charge.

The Department could not arrange payments against the bills submitted by the Contractor (MECON) and the delays in payment ranged from 5 days to 611 days. Accordingly MECON claimed

Price escalation bills of ₹ 13.80 crore were paid to contractors without subjecting to any check.

Delay in payment of bills resulted in interest claim of ₹ 5.72 crore by contractor.

(March 2010) interest of ₹ 5.72 crore for payments released beyond the stipulated dates as per the contract agreement. The Contractor (MECON) claimed interest at 18 *per cent*. The Department has neither accepted nor refuted the claim. As the Department had delayed the payments for unreasonable long periods, the interest liability would further add to the project cost. The Power and Electricity Department has not paid (October 2010) ₹ 15.39 crore pending bills to BHEL, which would attract interest charges as the bills are payable after 45 days of their receipt.

Non-claiming of concessional Sales Tax

CST of ₹ 3.20 crore was foregone due to non-furnishing of Form C/D to contractors.

The rates quoted by the consortium partners for the civil/hydro mechanical works and electrical works were inclusive of all taxes. Central Sales Tax (CST) at concessional rates ruling at the time of dispatch of equipment would be charged only if Form 'C'/'D' was furnished by the Department to the contractor well in advance, or else sales tax would be applicable at full rates. The Department did not provide Form 'C'/'D' to the Contractor for claiming concession in sales tax. The amount of concession in sales tax which could not be availed was not ascertained by the Department. As calculated in Audit on the basis of 'Scheduled Prices' to the agreements, CST foregone worked out to ₹ 3.20 crore.

Non levy of penalty and liquidated damages

As per the Deed of Agreement, Liquidated damages are payable by the Contractors for delay up to five *per cent* of the delayed goods or services. The Power and Electricity Department granted extension of time upto June 2008 however the project is yet to be fully commissioned till date (October 2010). We observed that the Department did not levy any liquidated damages or penalty on the contractors.

Thus, effective steps needs to be taken to expedite the execution and commissioning of the project to avoid further cost overrun and time overrun and loss of generation.

The matter was reported to the Government in September 2010; the reply was awaited (October 2010).

INDUSTRIES DEPARTMENT

ZORAM INDUSTRIAL DEVELOPMENT CORPORATION LIMITED

5.3 Infructuous expenditure on setting up a call centre and ITES Training Centre

Setting up of Call and Training Centre without safeguarding its financial interest resulting in closure of the Call and Training Centre and infructuous expenditure of ₹ One crore.

A Memorandum of Understanding (MoU) was entered (September 2008) between Zoram Industrial Development Corporation Limited (ZIDCO) and M/s. Public Soft Corporation (PSC), for setting up and running of Call Centre and Information Technology Enabled Services

(ITES) Training Centre (Call and Training Centre) at Aizawl, Mizoram with the purpose of creating a centre of core competence in IT segment in State and to impart skills amongst the educated youth to grow in this industrial segment with a view to generate employment opportunities besides creating marketing of local Agro & Forest based products, Handloom & Handicraft and other allied products to other parts of the country and abroad.

According to MoU, PSC was to provide its expert services, technology, hardware, software, training, consulting and other support for setting up and running of call centre & ITES Training centre, which would be under the supervision, management and control of PSC. In addition, PSC would bear the working capital cost and maintain all the equipment (software and hardware) including normal wear and tear of call centre facilities. ZIDCO's obligations were to provide suitable space for setting up the Call and Training Centre, assist in selecting the trainees and to provide for the capital cost of ₹ 1.09 crore of the project. While PSC was responsible for running the Call and Training Centre, ZIDCO would receive a sum of ₹ One lakh per month after one year of successful operation of the centre and also 20 *per cent* of the membership fees collected. ZIDCO would not have any control over the operation management and supervision of the Training Centre. The MoU could be terminated by a mutual agreement in writing by both the parties and would remain in force for a period of 10 years unless extended by agreement in writing between the parties.

Government of Mizoram sanctioned (November, 2008) ₹ One crore to ZIDCO for setting up the Call and Training Centre which was released by ZIDCO to PSC during September 2008 to January 2009.

Audit scrutiny (January 2010) revealed that the MoU executed by ZIDCO with PSC did not safeguard the interest of ZIDCO as it gave full control of the finances and the assets created from the funds received from ZIDCO. ZIDCO had no control over the management or assets created to ensure that the objectives for which the Call and Training Centre was to be established, would be implemented by PSC. Further, in the absence of the specifications and configurations of the Hardware and Software to be supplied as per MoU, which were most essential were not specified in the MoU the justification of arriving at the Capital cost of ₹ 1.09 crore for these items listed was absent. The MoU also did not incorporate any suitable clause for levy of penalty/or to forestall PSC from abandoning the operations within the period of agreement.

The Call and Training Centre started operations in October 2008 and was closed down during July 2009 after being in operation for only about nine months due to reasons such as strike by employees and financial constraints of PSC. The Call and Training Centre has not re-opened till now (December 2010).

A joint verification to assess the feasibility of re-opening the Call and Training Centre was carried out (December 2009) by a team consisting of high level officers of State Government and officials from ZIDCO. The verification report suggested termination of the contract with PSC.

Audit scrutiny further revealed that the project of setting up the Call and Training Centre was taken up by ZIDCO/Government of Mizoram without conducting a feasibility study or preparing

a project report. The basis of offer and selection of PSC was subject to appropriate scrutiny which was not available on record. Further there were no records/information available regarding the infrastructure created, trainees enrolled and training fees and membership fees collected. The MoU was drafted without financial vetting. PSC also did not pay its 20 per cent share out of the membership fees collected to ZIDCO. The failure to conduct joint review of operations as provided for in the MoU led to closure of the operations by PSC within a period of nine months from the start of operations.

Thus, this investment of ₹ One crore as a result of flawed decision of setting up the centre, based on a MoU which failed to safeguard the interest of the Company and that of the centres' employees turned out to be infructuous.

The Government replied (July 2010) that the PSC was selected as it was most suited for the project and since it appeared to meet the requirement of the State. It was also mentioned that basic formalities were complied with by inviting tenders and the MoU was vetted by the law and judicial department of the State Government. The reply further stated that the Government was aware of the unsatisfactory MoU and appropriate action was underway to ensure resumption of the functioning of the Centre.

We suggest that action may be taken to close the agreement with PSC and legal action initiated for abandoning the operations midway without termination of the MoU. Action may also be taken to examine reopening the Call Centre and Training Centre to ensure commencement/resumption of training as contemplated in the original MoU.



Aizawl
The 4 March 2011

(L. Tochwang)
Accountant General (Audit), Mizoram

Countersigned



New Delhi
The 8 March 2011

(Vinod Rai)
Comptroller and Auditor General of India

APPENDICES

APPENDIX – 1.1.1

Statement showing details of execution of inadmissible works

(Reference: Paragraph 1.1.9.2)

(₹ in lakh)

Name of Block	Name of Work	Approved Outlay	Year of commencement	Year of Completion	2005-06	2006-07	2007-08	2008-09	2009-10	Total
1	2	3	4	5	6	7	8	9	10	11
Ngopa	1. Extension and repair of BDO's Staff Quarter (10 nos.) at Ngopa	3.00	2005-06	2005-06	3.00	---	---	---	---	3.00
	2. Constn. of Rest House at N.E. Khawdungsei	7.00	2005-06	2005-06	7.00	---	---	---	---	7.00
	3. Constn of BDO's Godown at Sabual road, Ngopa	1.00	2005-06	2005-06	1.00	---	---	---	---	1.00
	4. Renovation of old BDO's Office at RD Rest House	5.00	2006-07	2006-07	---	5.00	---	---	---	5.00
Khawzawl	5. Fencing of DC Rest House at Hnahlan	1.00	2005-06	2005-06	1.00	---	---	---	---	1.00
	6. Constn. of Booking Office-cum-Quarter at Hnahlan	3.00	2005-06	2005-06	3.00	---	---	---	---	3.00
	7. Constn. of DTO Quarters at Champhai	6.00	2005-06	2005-06	3.00	3.00	---	---	---	6.00
	8. Extension of BDO's Quarter at Khawzawl	3.00	2005-06	2005-06	3.00	---	---	---	---	3.00
	9. Constn. of R.D. Godown at BDO Complex , Khawzawl	1.00	2005-06	2005-06	1.00	---	---	---	---	1.00
	10. Repair of BDO Staff Quarters at Khawzawl	2.00	2006-07	2006-07	---	2.00	---	---	---	2.00
	11. Renovation of BDO Rest House Kawzawl	3.00	2006-07	---	---	2.00	---	---	---	2.00
'E' Lungdar	12. Costn of SDO (C) Staff Qtr. at N. Vanlaiphai	7.50	2005-06	2005-06	7.50	---	---	---	---	7.50
	13. Constn of 2 nos. Block Staff Qtr.	8.00	2005-06	2006-07	4.00	4.00	---	---	---	8.00
	14. Extention of RD Rest House at 'E' Lungdar	2.00	2006-07	2006-07	---	2.00	---	---	---	2.00
	15. Extention of BDO Office at 'E' Lungdar	3.00	2006-07	---	---	2.00	---	---	---	2.00
	16. Constn of Trainig Centre-cum-Conference Hall at RD Complex, E. Lungdar	5.00	2007-08	2007-08	---	---	5.00	---	---	5.00

1	2	3	4	5	6	7	8	9	10	11
Hnahthial	17. Fencing of RD Rest House, Hnahthial	1.00	2005-06	2005-06	1.00	---	---	---	---	1.00
	18. Reconstructin of RCC structure of BDO office at Hnahthial	15.00	2005-06	---	12.00	---	---	---	---	12.00
	19. ReConstn. of BDO's Quarter at Hnahthial	8.00	2005-06	2005-06	8.00	---	---	---	---	8.00
	20. Extention of RD Rest House at Bualpui	1.50	2005-06	2005-06	1.50	---	---	---	---	1.50
	21. Constn. of BDO's Driver's Quarter-cum-kitchen shed at Hnahthial	5.00	2005-06	2005-06	5.00	---	---	---	---	5.00
	22. Constn. of Chowkidar Quarter at Rest House, Hnahthial	3.00	2005-06	2005-06	3.00	---	---	---	---	3.00
	23. Completion of SDO(C) Quarter at Hnahthial	2.00	2005-06	2005-06	2.00	---	---	---	---	2.00
	24. Constn. of RCC Water Tank at BDO's Complex , Hnahthial	5.00	2005-06	2005-06	5.00	---	---	---	---	5.00
	25. Repair and Renovation of DC's Rest House at S. Vanlaiphai	1.50	2006-07	2006-07	---	1.50	---	---	---	1.50
	26. Constn. of Store Building within RD Complex, Hnahthial	1.50	2006-07	2006-07	---	1.50	---	---	---	1.50
Sangau	27. Repair of BDO Staff Quarter 3 nos., Hnahthial	1.00	2007-08	2007-08	---	---	1.00	---	---	1.00
	28. Constn of 2 no. Block Staff Qtr.	8.00	2005-06	2005-06	8.00	---	---	---	---	8.00
	29. Constn of Water Reservoir at SDO (C) Complex, Sangau	3.00	2005-06	2005-06	3.00	---	---	---	---	3.00
	30. Reconstrn of BDO's Staff Qtr 2 nos. at Sangau	8.00	2006-07	2006-07	---	8.00	---	---	---	8.00
	31. Constn of BDO Office, Sangau	5.00	2007-08	2007-08	---	---	5.00	---	---	5.00
Lungsen	32. Fencing of BDO Office Complex, Sangau	5.00	2007-08	2007-08	---	---	5.00	---	---	5.00
	33. Constn. of BDO's Staff Quarter (2 Nos) at Lungsen	8.00	2005-06	2006-07	4.00	4.00	---	---	---	8.00
	34. ReConstn. of SDO (C) Quarter t Tlabung	20.00	2005-06	2005-06	10.00	---	---	---	---	10.00
	35. Constn. of S.Dy.M's Quarter at Tlabung	8.00	2005-06	2006-07	4.00	4.00	---	---	---	8.00
	36. Constn. of SDO(C) Staff Quarters at Tlabung	3.00	2005-06	2005-06	3.00	---	---	---	---	3.00
	37. Constn of Water Tank at RD Rest House Lungsen	4.00	2005-06	2005-06	4.00	---	---	---	---	4.00
	38. Constn. of RD Godown at Lungsen	1.00	2005-06	2005-06	1.00	---	---	---	---	1.00
	39. Constn. of Water Reserrior at Circuit House , Tlabung	4.00	2005-06	2005-06	4.00	---	---	---	---	4.00
	40. Constn of RCC Water Tank at RD Rest House, Lungsen	5.00	2005-06	2005-06	5.00	---	---	---	---	5.00
	41. Constn. of SDO(C) Tlabung IV Grade Quarters	3.00	2006-07	2006-07	---	3.00	---	---	---	3.00
	42. Constn. of Water Tank at BDO's Quarters , Lungsen	4.00	2006-07	2006-07	---	4.00	---	---	---	4.00
	43. Maintenance and repairing of DC's Circuit House at Lungsen	2.00	2006-07	2007-08	---	1.00	1.00	---	---	2.00

1	2	3	4	5	6	7	8	9	10	11
Zawlnuam	44. Constn of SDO (C) Qtr.at Kawrthah	8.00	2005-06	2007-08	5.00	3.00	3.00	---	---	11.00
	45. Constn of SDO (C) Office at Kawrthah	10.00	2005-06	2007-08	5.00	5.00	3.00	---	---	13.00
	46. Constn of BDO's Qtr.at Zawlnuam (3 nos.)	9.00	2005-06	2005-06	6.00	---	---	---	---	6.00
	47. Constn of BDO's Office at Zawlnuam	10.00	2005-06	2006-07	8.00	2.00	---	---	---	10.00
	48. Constn of IB at BDO Office Complex	8.00	2006-07	2006-07	---	8.00	---	---	---	8.00
	49. Repair of BDO's Qtr. at Zawlnuam	1.00	2006-07	2006-07	---	1.00	---	---	---	1.00
	50. Constn of BDO's Staff Qtr. at Zawlnuam	4.00	2006-07	2006-07	---	4.00	---	---	---	4.00
	51. Constn of DRDA Chowkidar and Drivers Qtr.	2.50	2006-07	2006-07	---	2.50	---	---	---	2.50
	52. Pavement and Fencing of DC's Complex	7.80	2006-07	2006-07	---	7.80	---	---	---	7.80
	53. Extention of I&PR Office Building at Mamit	2.20	2006-07	2006-07	---	2.20	---	---	---	2.20
	54. Constn of DRDA Confernce Hall at Mamit	8.00	2006-07	2008-09	---	4.50	---	3.50	---	8.00
	55. Constn of Water Tank at BDO Office	3.00	2007-08	2007-08	---	---	3.00	---	---	3.00
	56. Constn of BDO's Staff Qtr.at Zawlnuam (1 nos.)	3.00	2007-08	2007-08	---	---	3.00	---	---	3.00
	57. Constn of DC's Staff Qtr.at Zawlnuam (1 nos.)	6.00	2007-08	2007-08	---	---	6.00	---	---	6.00
	58. Renovation of DC's Rest House, Mamit	1.50	2007-08	2007-08	---	---	1.50	---	---	1.50
	59. Constn of Kitchenshed at IB RD Department, Zawlnuam	3.00	2007-08	2007-08	---	---	3.00	---	---	3.00
	60. Exten of BDO Office, Zawlnuam	4.00	2007-08	2007-08	---	---	4.00	---	---	4.00
	61. Exten of District Education Officer Qtr. at Mamit	2.30	2008-09	2008-09	---	---	---	2.30	---	2.30
	62. Electrification of SDO Office and Qtr. at Kawrthah	1.00	2008-09	2008-09	---	---	---	1.00	---	1.00
	Khawbung	63. Constn. of R.D. Godown at BDO Complex, Khawbung	1.00	2005-06	2005-06	1.00	---	---	---	---
64. Repair of BDO Staff Qtr. (4 nos.)		2.00	2006-07	2006-07	---	2.00	---	---	---	2.00
65. Constn of BDO Staff Qtr.		4.00	2007-08	2007-08	---	---	4.00	---	---	4.00
Tuipang	66. Constn of 2 no. BDO staff Quarter at tuipang	7.40	2005-06	2005-06	7.40	---	---	---	---	7.40
	67. Constn of RD Godown at BDO Complex	1.00	2005-06	2005-06	1.00	---	---	---	---	1.00
	68. Constn of DC's Conference Hall at Saiha	5.00	2005-06	2005-06	5.00	---	---	---	---	5.00
	69. Constn of BDO's Office at Tuipang (RCC Structure)	15.00	2005-06	2006-07	8.00	7.00	---	---	---	15.00
	70. Renovation of BDO's Qtr.	1.00	2006-07	2006-07	---	1.00	---	---	---	1.00
	71. Constn of SDO (C) Office at Tuipang	12.00	2007-08	2007-08	---	---	12.00	---	---	12.00
	72. Provision for Water Reservoir Tank at BDO Office	2.00	2007-08	2007-08	---	---	2.00	---	---	2.00
	73. Constn of Rest House at Serkawr	8.00	2007-08	2007-08	---	---	8.00	---	---	8.00

1	2	3	4	5	6	7	8	9	10	11
Saiha	74. Constn of BDO's Office at Saiha	12.00	2006-07	2006-07	---	12.00	---	---	---	12.00
	75. Constn of BDO's Qtr. at Saiha	10.00	2006-07	---	---	8.00	---	---	---	8.00
	76. Constn of BDO's Staff Qtr. at Saiha	8.00	2006-07	2006-07	---	8.00	---	---	---	8.00
	77. Constn of Press Club (RCC) at Saiha	10.00	2006-07	---	---	3.00	---	---	---	3.00
	78. Constn of site prepaton of BDO's Complex	4.00	2006-07	2006-07	---	4.00	---	---	---	4.00
	79. Constn. of Water Distribution system for BDO's Complex	1.00	2006-07	2006-07	---	1.00	---	---	---	1.00
	80. Provision of RCC Water Reservoir Tank at BDO Office	4.00	2007-08	2007-08	---	---	4.00	---	---	4.00
Lawngtlai	81. Constn of RD Godown at BDO Complex, Lawngtlai	1.00	2005-06	2005-06	1.00	---	---	---	---	1.00
	82. Constn of Supply Godown at Tuithumhnar	3.50	2005-06	2005-06	3.50	---	---	---	---	3.50
	83. Constn of 2 no BDO's staff Quarter	8.00	2005-06	2005-06	8.00	---	---	---	---	8.00
	84. Constn of Water Reservoir at BDO's Complex	5.00	2005-06	2005-06	5.00	---	---	---	---	5.00
	85. Constn of MST Bus Qtr-cum Chowkidar Qtr.	4.00	2005-06	2005-06	4.00	---	---	---	---	4.00
	86. Constn of 3 no BDO's staff Quarter	12.00	2007-08	2007-08	---	---	12.00	---	---	12.00
	87. Extension of RD Block Office, Lawngtlai	3.00	2007-08	2007-08	---	---	3.00	---	---	3.00
	88. Constn of R/Wall at BDO Qtr.	2.00	2007-08	2007-08	---	---	2.00	---	---	2.00
	89. Constn of Rest House at Hmawngvu	5.00	2007-08	2007-08	---	---	5.00	---	---	5.00
Bungtlang 'S'	90. Constn of BDO's Qtr.	10.00	2006-07	2006-07	---	10.00	---	---	---	10.00
	91. Constn of BDO's Staff Qtr. (3 nos.)	12.00	2006-07	2006-07	---	12.00	---	---	---	12.00
	92. Constn of BDO's Staff Qtr. (2 nos.)	8.00	2006-07	2006-07	---	8.00	---	---	---	8.00
	93. Provision for Water Reservoir at BDO's Complex	5.00	2007-08	2007-08	---	---	5.00	---	---	5.00
	94. Constn of BDO's Staff Qtr. (4 nos.)	16.00	2007-08	2007-08	---	---	16.00	---	---	16.00
	95. Power Supply to BDO's Complex	4.00	2007-08	2007-08	---	---	4.00	---	---	4.00
	96. Fencing of BDO's Complex	5.00	2007-08	2007-08	---	---	5.00	---	---	5.00
	97. Constn of Rest House at Bungtlang s.	12.00	2007-08	2007-08	---	---	12.00	---	---	12.00

1	2	3	4	5	6	7	8	9	10	11
'W' Phaileng	98. Constn of BDO's Accountant Quarter	8.00	2005-06	2005-06	8.00	---	---	---	---	8.00
	99. Constn of SDO (C) Qtr. at West Phaileng	8.00	2005-06	2005-06	8.00	---	---	---	---	8.00
	100. Repairing of BDO's Qtr. at West Phaileng	1.00	2005-06	2005-06	1.00	---	---	---	---	1.00
	101. Constn of Septic tank and renovation of Old DC's Rest House at W/Phaileng	3.00	2005-06	2005-06	3.00	---	---	---	---	3.00
	102. Constn of SDO (C) Office at West Phaileng	20.00	2005-06	2005-06	20.00	---	---	---	---	20.00
	103. Constn of LDC Qtr. of SDO (C), West Phaileng	3.00	2005-06	2005-06	3.00	---	---	---	---	3.00
	104. Constn of Driver and Grade IV Qtr. at SDO (C) Complex	4.00	2006-07	2006-07	---	4.00	---	---	---	4.00
	105. Electrification of Staff Qtrs. At BDO Complex	1.00	2006-07	2006-07	---	1.00	---	---	---	1.00
	106. Constn of Water Reservoir at DC's Rest House, W. Phaileng	2.00	2006-07	2006-07	---	2.00	---	---	---	2.00
	107. Constn of staff Qtr. at Marapa	2.00	2006-07	2006-07	---	2.00	---	---	---	2.00
	108. External Electrification of SDO (C) Complex at W. Phaileng	1.00	2006-07	2006-07	---	1.00	---	---	---	1.00
	109. Constn of Tennis Court at BDO's Complex	2.00	2007-08	2007-08	--	---	2.00	---	---	2.00
	110. Stone Pavement at SDO (C) Complex, W. Phaileng	5.00	2007-08	2007-08	---	---	5.00	---	---	5.00
	111. Electrification of SDO office and Staff Qtr.	2.00	2007-08	2007-08	---	---	2.00	---	---	2.00
	112. Constn of Side Drain at SDO's Complex	1.00	2007-08	2007-08	---	---	1.00	---	---	1.00
	113. Constn of DC's Rest House at Marapa	5.00	2007-08	2007-08	---	---	5.00	---	---	5.00
114. Side Drain and Provision for Iron Bar at SDO Qtr.	1.00	2007-08	2007-08	---	---	1.00	---	---	1.00	
115. Repair of DC's Rest House, Phuldungsei	2.00	2007-08	2007-08	---	---	2.00	---	---	2.00	
116. Constn of Sub-Divisional Education Officer's Qtr., W. Phaileng	9.50	2008-09	2008-09	---	---	---	---	9.50	---	9.50
Bunghmun	117. Constn. of RD Godown at BDO's Complex, Bunghmun	1.00	2005-06	2005-06	1.00	---	---	---	---	1.00
	118. Constn of Water Reservoir at Telecom Complex, Bunghmun	3.00	2005-06	2005-06	3.00	---	---	---	---	3.00
	119. Constn. of BDO's Office Building at Bunghmun	12.00	2006-07	2006-07	---	12.00	---	---	---	12.00
	120. Constn. of Water Reservoir at BDO's Complex, Bunghmun	5.00	2006-07	2006-07	---	5.00	---	---	---	5.00
	121. Constn. of BDO Staff Quarters at BDO's complex, Bunghmun	12.00	2007-08	2007-08	---	---	12.00	---	---	12.00
	122. Constn. of Fencing around BDO Complex, Bunghmun	4.00	2007-08	2007-08	---	---	4.00	---	---	4.00

1	2	3	4	5	6	7	8	9	10	11
Chawngte	123. Constn. of RD Godown at BDO's Complex	1.00	2005-06	2005-06	1.00	---	---	---	---	1.00
	124. Constn of DC's Rest at Chawngte	2.00	2005-06	2005-06	2.00	---	---	---	---	2.00
	125. Constn. of Water Reservoir at BDO's Qtr	4.00	2005-06	2005-06	4.00	---	---	---	---	4.00
	126. Constn of 2 nos. BDO Staff Qtr.	8.00	2005-06	2005-06	8.00	---	---	---	---	8.00
	127. Constn of SDO (C) Staff Qtr. at Chawngte	4.00	2006-07	2006-07	---	4.00	---	---	---	4.00
	128. Fencing of RD Complex, Chawngte	5.00	2007-08	2007-08	---	---	5.00	---	---	5.00
	129. Extn of BDO Office	3.00	2007-08	2007-08	---	---	3.00	---	---	3.00
Champhai	130. Constn. of BDO's Office at Champhai	12.00	2006-07	2006-07	---	11.70	---	---	---	11.70
	131. Constn. of BDO Staff Quarter at Champhai (4 nos.)	16.00	2006-07	2007-08	---	4.00	12.00	---	---	16.00
	132. Constn of DRDA Chowkidar staff Qtr at Champhai	1.00	2006-07	2006-07	---	1.00	---	---	---	1.00
	133. Leveling, Soiling, bouldering and black topping of DRDA Court Yard, Champhai	6.00	2007-08	2007-08	---	---	6.00	---	---	6.00
	134. Constn. of BDO Quarter at Ruantlang	8.00	2007-08	2007-08	---	---	8.00	---	---	8.00
Total		700.70	----	----	246.90	210.70	205.50	16.30	----	679.40

Source: Departmental records.

APPENDIX – 1.1.2

**Statement showing details of Block wise On-Going works completed within
Approved Outlay and with Cost-Over-Run during 2005-06 to 2009-10**

(Reference: Paragraph 1.1.9.3(i))

(₹ in lakh)

Name of Block	Name of work	Approved outlay	Year of commencement	Year of completion	Expenditure incurred during-					Total	Cost Over-Run	
					Up to 2004-05	2005-06	2006-07	2007-08	2008-09			2009-10
1	2	3	4	5	6	7	8	9	10	11	12	13
(A) Completed on going works within approved outlay												
Ngopa	1. Constn. of J/Road from Ngopa to Sabual	24.00	2003-04	2005-06	14.00	10.00	---	---	---	---	24.00	Nil
	2. Constn. of Playground at N.E. Khawdungsei	12.00	2005-06	2008-09	---	7.00	---	---	5.00	---	12.00	Nil
	3. Re-constn. Of Primary School at Ngopa	4.00	2005-06	2008-09	---	2.00	---	---	2.00	---	4.00	Nil
	4. Constn. Of Tennis Court and Practicing Walls at Ngopa	8.00	2006-07	2009-10	---	---	4.00	---	---	4.00	8.00	Nil
	5. Constn. Of Internal Road from Vengnuam to Thlanmual at Teikhang	9.00	2007-08	2008-09	---	---	---	5.00	4.00	---	9.00	Nil
	6. Impvt. of Internal Road (Mimbung to Kaulkulh), Mimbung	12.00	2007-08	2008-09	---	---	---	5.00	7.00	---	12.00	Nil
	7. Constn. Of M/Truck Road from Mimbung to Tuivai	15.00	2007-08	2008-09	---	---	---	5.00	10.00	---	15.00	Nil
	8. Completion of C/Hall at Mimbung	10.00	2008-09	2009-10	---	---	---	---	5.00	5.00	10.00	Nil
Khawzawl	9. Constn. of T/Road from Hnahlan to Laili Phai WRC	25.00	2004-05	2007-08	10.00	2.00	6.00	7.00	---	---	25.00	Nil
	10. Impvt. of Playground at Lungphunlian	2.00	2005-06	2006-07	---	1.00	1.00	---	---	---	2.00	Nil
	11. Constn. of DTO Qtrs at Champhai	6.00	2005-06	2006-07	---	3.00	3.00	---	---	---	6.00	Nil
	12. Constn. of R/Wall below BRTF road Electric Veng, Khawzawl	5.00	2005-06	2007-08	---	1.00	---	4.00	---	---	5.00	Nil
	13. Constn. of C/Hall at Vengsang, Champhai	3.00	2005-06	2006-07	---	1.00	2.00	---	---	---	3.00	Nil
	14. Constn of C/Hall at Ngaizawl	6.00	2006-07	2008-09	---	---	2.00	---	4.00	---	6.00	Nil
	15. Constn of Playground at Dilkawn	8.00	2006-07	2008-09	---	---	2.00	4.00	2.00	---	8.00	Nil
	16. Constn of Playground at Mualkawi	15.00	2006-07	2009-10	---	---	2.00	5.00	6.00	2.00	15.00	Nil
	17. Constn of Playground at Tualpui	6.00	2008-09	2009-10	---	---	---	---	3.00	3.00	6.00	Nil
	18. Constn of C/Hall at Rianglei	8.00	2008-09	2009-10	---	---	---	---	6.00	2.00	8.00	Nil
	19. Constn of C/Hall at Neihdawn	10.00	2008-09	2009-10	---	---	---	---	6.00	4.00	10.00	Nil
	20. Constn of C/Hall at Tualte	8.00	2008-09	2009-10	---	---	---	---	3.00	5.00	8.00	Nil

1	2	3	4	5	6	7	8	9	10	11	12	13
Champhai	21. Constn. of RCC Culvert on Hnuntetui at Lailiphai road	4.00	2006-07	2008-09	---	---	2.00	---	2.00	---	4.00	Nil
	22. Impvt. of road between Murlen & Vapar	5.00	2006-07	2007-08	---	---	1.00	4.00	---	---	5.00	Nil
	23. Constn. of BDO Staff Qtr. (4 nos.) at Champhai	16.00	2006-07	2007-08	---	---	4.00	12.00	---	---	16.00	Nil
	24. Impvt. of Playground at Champhai Vengsang	3.00	2006-07	2007-08	---	---	2.00	1.00	---	---	3.00	Nil
	25. Constn. of Playground at Hmunhmeltha	5.00	2007-08	2008-09	---	---	---	2.00	3.00	---	5.00	Nil
	26. Constn. of C/Hall at Zotlang	18.00	2007-08	2008-09	---	---	---	9.00	9.00	---	18.00	Nil
	27. Constn. of C/Hall at Ruantlang	18.00	2008-09	2009-10	---	---	---	---	8.00	10.00	18.00	Nil
	28. Constn. of C/Hall at Electric Veng, Champhai	18.00	2008-09	2009-10	---	---	---	---	9.00	9.00	18.00	Nil
Khawbung	29. Constn. of T/road from Thekpui to Khuangthing	36.00	2005-06	2009-10	---	3.00	---	6.00	14.00	13.00	36.00	Nil
	30. Constn. of J/road from BRTF road to Chawngtui 'E'	12.00	2005-06	2008-09	---	3.00	---	5.00	4.00	---	12.00	Nil
	31. Constn. of C/Hall at Vanzau	3.00	2005-06	2009-10	---	2.00	1.00	---	---	---	3.00	Nil
	32. Constn. of C/Hall at Vaphai	10.00	2005-06	2008-09	---	2.00	3.00	---	5.00	---	10.00	Nil
	33. Constn. of Playground at Vanzau	4.00	2004-05	2005-06	2.00	2.00	---	---	---	---	4.00	Nil
	34. Constn. of Jeepable Link road between Khawbung & Chhingzawl Orange Farm	18.00	2005-06	2007-08	---	5.00	5.00	8.00	---	---	18.00	Nil
	35. Constn. of Playground at Hruaikawn 'N'	4.00	2005-06	2005-06	---	2.00	2.00	---	---	---	4.00	Nil
	36. Constn. of Playground at Farkawn	3.00	2006-07	2007-08	---	---	1.00	2.00	---	---	3.00	Nil
	37. Bouldering & Pavement of Road from PWD main Road to Hlakungpuimual via BDO Complex	3.00	2006-07	2006-07	---	---	1.00	2.00	---	---	3.00	Nil
Hnahthial	38. Constn. of Link Road from PWD Main road to Tui Aw WRC area, Khawbung	6.00	2007-08	2008-09	---	---	---	3.00	3.00	---	6.00	Nil
	39. Constn. of Approach Road from Farkawn to Lurhtlangsang & Tlangsam tlang	5.00	2008-09	2009-10	---	---	---	---	4.00	1.00	5.00	Nil
Hnahthial	40. Constn. of T/Road from Herhse Kawn to R Mat	12.00	2004-05	2007-08	4.00	3.00	3.00	2.00	---	---	12.00	Nil
	41. Constn. of Truckable Road from Vengthar to Tourist Lodge at Darzo	7.00	2005-06	2007-08	---	3.00	---	4.00	---	---	7.00	Nil
	42. Constn. of Playground at Hnahthial 'N'	5.00	2005-06	2006-07	---	2.00	3.00	---	---	---	5.00	Nil
	43. Constn. of T/Road from Hnahthial to Tuipui (Kolodyne) Sa-ang Ram	8.00	2005-06	2007-08	---	2.00	3.00	3.00	---	---	8.00	Nil
	44. Upgradation of Mulbery Seed Farm, Hnahthial	22.00	2006-07	2008-09	---	---	16.00	---	6.00	---	22.00	Nil
	45. Constn. of road from Pangzawl to Bualpui-V	12.00	2007-08	2008-09	---	---	---	6.00	6.00	---	12.00	Nil
	46. Constn. of road from Thiltlang to Mat River through Tlengel Ram	15.00	2007-08	2008-09	---	---	---	4.00	11.00	---	15.00	Nil

1	2	3	4	5	6	7	8	9	10	11	12	13
Bunhmun	47. Constn. of Jeepable Road between Thenhlum & Dampui	10.00	2005-06	2006-07	---	3.00	7.00	---	---	---	10.00	Nil
	48. Constn. of Playground at Thenhlum	4.00	2005-06	2006-07	---	2.00	2.00	---	---	---	4.00	Nil
	49. Constn. of Playground at Bunghmun	4.00	2005-06	2006-07	---	2.00	2.00	---	---	---	4.00	Nil
	50. Constn. of Jeepable road between Bunghmun and Tuisen Bolia Via Old Belkhai	60.00	2006-07	2009-10	---	---	6.00	23.00	14.00	17.00	60.00	Nil
	51. Constn. of Jeepable road (Diversion) between Changpui and Lungchem including rocky portion	8.00	2006-07	2007-08	---	---	5.00	3.00	---	---	8.00	Nil
	52. Constn. of Jeepable road between Sesawm and Hmawngkawn (BRTF Road)	8.00	2006-07	2007-08	---	---	3.00	5.00	---	---	8.00	Nil
	53. Constn. of Jeepable road between Kawnpui 'W' and Darnagawn 'W' (rocky portion)	8.00	2006-07	2007-08	---	---	4.00	4.00	---	---	8.00	Nil
	54. Constn. of Jeepable road between IBB Road and Puankhai	20.00	2007-08	2008-09	---	---	---	10.00	10.00	---	20.00	Nil
	55. Re-construction of Sub-Centre- cum Quarter at Sesawm	10.00	2008-09	2009-10	---	---	---	---	5.00	5.00	10.00	Nil
	56. Widening of Jeep Road between Bunghmun and Sachan (medium truck road)	36.00	2008-09	2009-10	---	---	---	---	12.00	24.00	36.00	Nil
Lungsen	57. Constn. of BDO's Staff Quarters (2 Nos) at Lungsen @ Rs. 2.00 lakhs	8.00	2005-06	2006-07	---	4.00	4.00	---	---	---	8.00	Nil
	58. Extension of Jeepable Road at Lungsen	2.00	2005-06	2006-07	---	1.00	1.00	---	---	---	2.00	Nil
	59. Construction of R/Wall at Tlabung Playground	6.00	2005-06	2007-08	---	1.00	2.00	3.00	---	---	6.00	Nil
	60. Constn. of Jeepable Road from Rualalung to Zehet	4.00	2005-06	2006-07	---	2.00	2.00	---	---	---	4.00	Nil
	61. Constn. of S.Dy.M's Qtr. at Tlabung	8.00	2005-06	2006-07	---	4.00	4.00	---	---	---	8.00	Nil
	62. Maintenance of T/Road from Rualalung to Vairawkai	3.00	2006-07	2007-08	---	---	1.00	2.00	---	---	3.00	Nil
	63. Maintenance and improvement of CPWD Road to Police Station at Lungsen	3.00	2006-07	2007-08	---	---	1.00	2.00	---	---	3.00	Nil
	64. Extension of Bazarshed at Khawmawi	2.00	2006-07	2007-08	---	---	1.00	1.00	---	---	2.00	Nil
	65. Extension of Putlungasih Playground	2.00	2006-07	2007-08	---	---	1.00	1.00	---	---	2.00	Nil
	66. Maintenance and Repairing of DC's Circuit House at Lungsen	2.00	2006-07	2007-08	---	---	1.00	1.00	---	---	2.00	Nil
	67. Improvement and widening of J/Road from Phairuankai to Rotlang "W"	7.00	2007-08	2008-09	---	---	---	6.00	1.00	---	7.00	Nil
	68. Constn. of Playground & Pavilion at Upper Lungrang	6.00	2008-09	2009-10	---	---	---	---	4.00	2.00	6.00	Nil
	69. Constn. of Playground at Belpui	6.00	2008-09	2009-10	---	---	---	---	4.00	2.00	6.00	Nil
	70. Constn. of Playground & Pavilion at Kalapani	6.00	2008-09	2009-10	---	---	---	---	4.00	2.00	6.00	Nil
	71. Constn. of Playground & Pavilion at Nunsuri	7.00	2008-09	2009-10	---	---	---	---	5.00	2.00	7.00	Nil
	72. Constn. of PHC Bldg. at Lungsen	15.00	2008-09	2009-10	---	---	---	---	7.50	7.50	15.00	Nil

1	2	3	4	5	6	7	8	9	10	11	12	13
Zawlnuam	73. Constn of BDO's Office at Zawlnuam	10.00	2005-06	2006-07	---	8.00	2.00	---	---	---	10.00	Nil
	74. Constn of C/Hall at Zamuang	4.00	2005-06	2006-07	---	2.00	2.00	---	---	---	4.00	Nil
	75. Constn of C/Hall at Suarhlip	4.00	2005-06	2006-07	---	2.00	2.00	---	---	---	4.00	Nil
	76. Constn of Jeepable road from Hriphaw to Thinghlun (12 km)	24.00	2005-06	2008-09	---	3.00	7.00	10.00	4.00	---	24.00	Nil
	77. Constn of C/Hall at Rajiv Nagar	10.00	2007-08	2009-10	---	---	---	5.00	4.00	1.00	10.00	Nil
	Sub-Total (A)	775.00	----	----	30.00	90.00	129.00	184.00	221.50	120.50	775.00	Nil

(₹ in lakh)

Name of Block	Name of work	Original approved outlay				Expenditure incurred	Cost over run with compared to original outlay
		Approved outlay	Year of commencement	Year of completion	Year taken for completion		
1	2	3	4	5	6	7	8
(B) Completed on going works with cost over-run							
Ngopa	1. Constn. Of Intake Water Reservoir at Ngopa	30.00	2005-06	2009-10	5	40.00	10.00
Khawzawl	2. Continuing Constn. of Playground at Kawlkulh	9.00	2004-05	2007-08	4	16.00	7.00
	3. Constn. of Truckable road from Zote to Libial	50.00	2004-05	2009-10	6	53.50	3.50
	4. Constn. of C/Hall Zokhawthar	25.00	2004-05	2009-10	6	34.00	9.00
	5. Constn. of C/Hall at Venglai, Champhai	6.00	2004-05	2006-07	3	28.60	22.60
	6. Constn of widening & imprvt.of Road from Zotlang to Tlangsam	10.00	2005-06	2009-10	5	11.00	1.00
	7. Constn.of C/Hall at N Khawbung	5.00	2005-06	2008-09	4	7.00	2.00
	8. Constn. of C/Hall at Kawlkulh	10.00	2005-06	2009-10	5	16.00	6.00
	9. Constn. of C/Hall Mualkawi	4.00	2005-06	2009-10	5	20.00	16.00
	10. Constn of C/Hall at Khawzawl Vengthar	5.00	2006-07	2009-10	4	25.00	20.00
	11. Constn of C/Hall at Chhawrtui	6.00	2006-07	2008-09	3	12.00	6.00
Champhai	12. Constn. of C/Hall at Ngur Vengsang	8.00	2007-08	2008-09	2	10.00	2.00

1	2	3	4	5	6	7	8
Khawbung	13. Constn. of T/road from Farkawn to Tiau River	24.00	2004-05	2008-09	5	44.00	20.00
	14. Constn. of T/road from Sesih to Bulfekzawl	20.00	2004-05	2007-08	4	35.00	15.00
	15. Constn. of C/Hall at Khuangleng	9.00	2004-05	2007-08	4	9.00	0.00
	16. Constn. of C/Hall at Sesih	6.00	2005-06	2006-07	2	8.00	2.00
	17. Constn. of C/Hall at Khuangthing	6.00	2006-07	2008-09	3	11.00	5.00
	18. Constn. of Playground at Vangchhia	3.00	2006-07	2008-09	3	5.00	2.00
Hnahthial	19. Constn. of C/Hall at Thiltlang	6.00	2005-06	2008-09	4	8.00	2.00
	20. Constn. of C/Hall at Chawngtui	5.64	2005-06	2009-10	5	10.00	4.36
	21. Constn. of C/Hall at Tuipui 'D'	5.64	2005-06	2006-07	2	9.64	4.00
	22. Constn. of C/Hall at Khawhri	6.00	2003-04	2006-07	4	7.00	1.00
Bunhmun	23. Constn. of road approach to Tuithur WRC Project at Buarpui	6.00	2005-06	2008-09	4	15.00	9.00
Lungsen	24. Constn. of C/Hall at Zodin, Tlabung	6.00	2005-06	2008-09	4	16.00	10.00
	25. Constn. of Playground & Pavilion at Khawmawi	7.00	2008-09	2009-10	2	7.00	0.00
Zawlnuam	26. Costn of SDO (C) Office at Kawrthah	10.00	2005-06	2007-08	3	13.00	3.00
	27. Costn of SDO (C) Quarter at Kawrthah	8.00	2005-06	2007-08	3	11.00	3.00
	28. Constn of Playgruound at Dampui	5.00	2005-06	2007-08	3	6.00	1.00
	29. Constn of BDO Staff Quarter (3 nos.) at Zawlnuam	9.00	2005-06	2006-07	2	10.00	1.00
	30. Constn of C/Hall at Hriphaw	4.00	2005-06	2008-09	4	10.00	6.00
	31. Constn of C/Hall at Thuampui	4.00	2005-06	2008-09	4	9.00	5.00
	32. Constn of C/Hall at Thinghlun	4.00	2005-06	2008-09	4	9.00	5.00
	33. Constn of C/Hall at Bunghmun	5.00	2005-06	2008-09	4	8.70	3.70
	34. Constn of YMA Run-cum-	5.00	2006-07	2009-10	4	6.00	1.00
Sub-Total (B)		332.28	----	----	--	540.44	208.16

Source: Departmental records.

APPENDIX – 1.1.3

Statement showing details of on-going (Incomplete) works during 2005-06 to 2009-10

(Reference: Paragraph 1.1.9.3(ii))

(₹ in lakh)

Name of Block	Name of work	Approved outlay	Year of commencement	Year of completion	Expenditure incurred during-						Total
					Up to 2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	
1	2	3	4	5	6	7	8	9	10	11	12
Ngopa	1. Widening & impvt. of J/Road from Kawlbem to Selam	38.00	1999-2000	---	4.00	4.00	5.00	10.00	10.00	---	33.00
	2. Constn. of J/Road from Rabung to Hnahlan	30.00	2003-04	---	9.50	2.00	---	---	---	---	11.50
	3. Constn. of S/Bridge over SaichalLui and Saichal - Dulte	4.00	2005-06	---	---	2.50	---	---	---	---	2.50
	4. Constn. of J/Road from Mimbung to Tuivai	30.00	2003-04	---	12.00	5.00	---	---	---	---	17.00
	5. Constn. of Playground at Hliappui	2.00	2005-06	---	---	1.00	---	---	---	---	1.00
	6. Constn. of M/Truk Road from NEC Road to BawkKawng	25.00	2005-06	---	---	5.00	2.00	5.00	8.00	---	20.00
	7. Impvt. of Road from Khuangphah to Vaikhawtlang	5.00	2005-06	---	---	2.00	---	---	---	---	2.00
	8. Constn. of RCC bridge over Khawhrling Lei near Lamzawl	3.00	2005-06	---	---	2.00	---	---	---	---	2.00
	9. Constn. of RCC bridge over SabualKawr near Lamzawl	3.00	2005-06	---	---	2.00	---	---	---	---	2.00
	10. Constn. of T/Road from Chiahpui to Daido	30.00	2005-06	---	---	2.00	2.00	---	---	---	4.00
	11. Constn. of Sports Complex at Ngopa	30.00	2005-06	---	---	5.00	3.00	---	---	---	8.00
	12. Constn. of J/Road to Sekilian WRC Project at Hliappui	21.00	2005-06	---	---	3.00	1.00	---	---	---	4.00
	13. Widening of existing J/Road from BRTF road to Lamzawl	43.00	2006-07	---	---	---	5.00	15.00	12.00	---	32.00
	14. Constn. of J/Road from Berthlang to Lotliak Sericulture Complex at Ngopa	12.00	2006-07	---	---	---	2.00	---	---	---	2.00

1	2	3	4	5	6	7	8	9	10	11	12
Ngopa	15. Constn. of 1600 mtrs. Long approach Road from main Road to AR Post at Village Mimbang	15.00	2006-07	---	---	---	5.00	5.00	---	---	10.00
	16. Constn. of 1250 mtrs. of four strand perimeter fencing for AR Post at village Mimbang	26.00	2006-07	---	---	---	10.00	5.00	---	---	15.00
	17. Installation of 2000 mtrs. Water Pipeline with pump set from water source to the AR Post at Mimbang Village	34.00	2006-07	---	---	---	10.00	10.00	3.00	---	23.00
	18. Constn. of Jeepable Approach Road to Intake Water Reservoir at Ngopa	20.00	2007-08	---	---	---	---	5.00	---	---	5.00
	19. Constn. of Grape Plantation link Road from Khurhla to Mualkawi at Tualcheng	10.00	2007-08	---	---	---	---	5.00	---	---	5.00
	20. Constn. of Addl. Class Room of P/S-I at Ngopa	4.00	2008-09	---	---	---	---	---	2.00	---	2.00
	21. Constn. of M/Truck road from NE Khawdungsei to Tuivai (Mausamchhuah)	22.00	2008-09	---	---	---	---	---	8.00	---	8.00
	22. Constn. of M/Truck road from Teikhang to Vawngzawl (WRC Road)	9.00	2008-09	---	---	---	---	---	5.00	---	5.00
	23. Constn. of approach Road to WRC, sand deposit, Orchard area at Chiahpui	20.00	2008-09	---	---	---	---	---	4.00	5.00	9.00
	24. Constn. of Green Park at Hliappui with maintenance and fencing	20.00	2008-09	---	---	---	---	---	5.00	---	5.00
	25. Renovation of C/Recreation Centre at NE Khawdungsei	3.00	2008-09	---	---	---	---	---	2.00	---	2.00
	26. Constn. of C/Hall at Hringmun	10.00	2008-09	---	---	---	---	---	8.00	---	8.00
	27. Constn. of Playground at NE Khawdungsei	30.00	2009-10	---	---	---	---	---	---	5.00	5.00
	28. Constn. of Mini Sports Complex, Kawlbem	20.00	2009-10	---	---	---	---	---	---	4.00	4.00
29. Constn. of T/Road from Dikhawn to Mauhmun at Chiahpui	5.00	2009-10	---	---	---	---	---	---	3.00	3.00	
30. Constn. of T/Road from Vaithlakawn to MimpholiTuivai at Ngopa	30.00	2009-10	---	---	---	---	---	---	5.00	5.00	
31. Constn. of J/Road from Selam to Tuisa at Selam	15.00	2009-10	---	---	---	---	---	---	5.00	5.00	
32. Constn. of M/Truck Road from Mimbang to Tuisa	10.00	2009-10	---	---	---	---	---	---	5.00	5.00	
33. Constn. of T/Road from Damsiama's house to Kawipui via Zotlangkai at Kawlbem	5.00	2009-10	---	---	---	---	---	---	3.00	3.00	
34. Constn. of Truckable Approach Road to Hmawngsih Project at Hrianghmun	10.00	2009-10	---	---	---	---	---	---	5.00	5.00	

1	2	3	4	5	6	7	8	9	10	11	12
	35. Constn. of T/Road from Teikang to Tuisa	15.00	2009-10	---	---	---	---	---	---	4.00	4.00
	36. Constn. of M/Truck Road from RamtharVeng to Thlanmual at NE Khawdungsei	10.00	2009-10	---	---	---	---	---	---	4.00	4.00
	38. Constn. of Approach Truckable Road from Sekahmual to Tuivai at Ngopa	20.00	2009-10	---	---	---	---	---	---	4.00	4.00
	39. Constn. of J/Road from Kawlbem to Leiva Mini Hydel Project	20.00	2009-10	---	---	---	---	---	---	4.00	4.00
	40. Constn. of RCC Culvert at 4 th & 5 th Lane at Chhimveng	8.00	2009-10	---	---	---	---	---	---	4.00	4.00
	41. Constn. of J/Road from Diakkawn to Thlanmua, Chiahpui	6.00	2009-10	---	---	---	---	---	---	3.00	3.00
	42. Constn. of YMA Recreation Centre at Ngopa	30.00	2009-10	---	---	---	---	---	---	8.00	8.00
Khawzawl	43. Constn. of T/Road from Hnahlan to Khamsen ram Grape Huan	30.00	2004-05	---	11.00	7.00	5.00	5.00	---	---	28.00
	44. Constn. of C/Hall at KananVeng, Champhai	15.50	2004-05	---	5.00	7.00	---	---	---	---	12.00
	45. Constn. of C/Hall ZuchhipVengKhawzawl	10.00	2004-05	---	5.00	3.00	---	---	---	---	8.00
	46. Constn. of Rural Employment Training Centre at Champhai	20.00	2005-06	---	---	4.00	2.00	---	---	---	6.00
	47. Constn. of T/Road from Demdum to Tiauzau, Khawzawl	10.00	2005-06	---	---	5.00	---	---	---	---	5.00
	48. Constn. of approach road from Darnagawnveng to Banglamual	6.00	2005-06	---	---	3.00	2.00	---	---	---	5.00
	49. Constn. of C/Hall at Vengthar, Champhai	20.00	2005-06	---	---	4.00	3.00	---	3.00	---	10.00
	50. Constn. of R/Wall at IB, Kaulkulh	3.00	2005-06	---	---	0.50	---	---	---	---	0.50
	51. Constn. of WRC approach road from Ngur to ZilhriPhai, Tiau	25.00	2005-06	---	---	2.00	4.00	---	7.00	6.00	19.00
	52. Constn. of M/Truck Road from Khawzawl to Tualpui	75.00	2005-06	---	---	5.00	15.00	20.00	9.00	---	49.00
	53. Widening of J/Road from Sialhawk to Tlangpui	6.00	2005-06	---	---	2.00	2.00	---	---	---	4.00
	54. Constn. of J/Road from Ngur via Tuithoh to Diltlang	6.00	2005-06	---	---	2.00	2.00	---	---	---	4.00
	55. Constn. of Medium T/Road from Tualte to Bungzung	50.00	2005-06	---	---	2.00	---	---	---	---	2.00

1	2	3	4	5	6	7	8	9	10	11	12
Khawzawl	56. Constn. of Medium Circular Ring Road (2 nos.) at KeifangTlang DC Complex, Champhai	20.00	2005-06	---	---	2.00	2.00	---	---	---	4.00
	57. Widening & impvt of Truckble Road from ChamphaiVengthar to Zote	10.00	2005-06	---	---	2.00	3.00	---	---	---	5.00
	58. Constn. of M/Truckble Road from Govt. H/S to DintharVeng, Khawzawl	5.00	2005-06	---	---	2.00	1.00	---	---	---	3.00
	59. Constn. of approach Road to Venglai to Thlanmual, Khawzawl	5.00	2005-06	---	---	2.00	---	---	---	---	2.00
	60. Widening & impvt of M/Truckble Road from Kelkang to Dilkawn	6.00	2005-06	---	---	2.00	2.00	---	---	---	4.00
	61. Constn. of Govt. HSS Bldg. at Hnahlan	15.00	2005-06	---	---	5.00	5.00	---	---	---	10.00
	62. Constn. of HSS Hostel Bldg. at Farkawn	15.00	2005-06	---	---	7.00	---	---	---	---	7.00
	63. Constn. of C/Hall Kelkang	10.00	2005-06	---	---	5.00	3.00	---	---	---	8.00
	64. Constn. of J/Road from Melbuk to Hruaikawn	15.00	2006-07	---	---	---	2.00	6.00	---	5.00	13.00
	65. Constn. of Truck Road from Venglai to Ramlaitui, Chawngtlai	15.00	2006-07	---	---	---	2.00	---	4.00	---	6.00
	66. Constn. of C/Hall at Khawhai	10.00	2006-07	---	---	---	2.00	---	4.00	---	6.00
	67. Constn. of C/Hall at Tualpui	10.00	2006-07	---	---	---	5.00	---	4.00	---	9.00
	68. Constn. of Playground at Kelkang	10.00	2006-07	---	---	---	2.00	---	4.00	---	6.00
	69. Widening & Imprvt. of Khawzawl Town Road (Ramfangzauva's house to field No.1)	15.00	2007-08	---	---	---	---	5.00	4.00	---	9.00
	70. Constn. of Playground at N Chalrang	6.00	2008-09	---	---	---	---	---	4.00	---	4.00
71. Constn. of M/Truck Road from Zokhawthar to Bulfek	80.00	2008-09	---	---	---	---	---	5.00	---	5.00	
72. Constn. of Truck Road from Zokhawthar to TiauLui at Zokhawthar	10.00	2008-09	---	---	---	---	---	5.00	---	5.00	
73. Constn. of M/Truck Road from Zokhawthar to Thlanmual	10.00	2008-09	---	---	---	---	---	5.00	---	5.00	
74. Constn. of Playground at KelkangVengchhak	15.00	2009-10	---	---	---	---	---	---	5.00	5.00	
75. Constn. of Playground at Zokhawthar	15.00	2009-10	---	---	---	---	---	---	8.00	8.00	

1	2	3	4	5	6	7	8	9	10	11	12
Khawzawl	76. Constn of approach Road to Passion fruit Plantation, Vengtlang	12.00	2009-10	---	---	---	---	---	---	3.00	3.00
	77. Constn of T/road from Demdum to Phaizau	50.00	2009-10	---	---	---	---	---	---	10.00	10.00
	78. Constn of T/road from Pamchung to Tualcheng	70.00	2009-10	---	---	---	---	---	---	6.00	6.00
	79. Constn of C/Hall at Electric Veng, Khawzawl (Type-B)	25.00	2009-10	---	---	---	---	---	---	10.00	10.00
	80. Constn of C/Hall at Taidawnkawn, Khawzawl (Type-A)	18.00	2009-10	---	---	---	---	---	---	8.00	8.00
	81. Constn of Dinthar Branch YMA Library and Godown at Khawzawl	10.00	2009-10	---	---	---	---	---	---	5.00	5.00
Champhai	82. Constn. of Information Centre-cum-Public Library at Champhai	18.00	2006-07	---	---	---	1.00	---	---	---	1.00
	83. Constn. of Truckable approach Road from Project Veng to Govt. Complex at KeifangTlangChamphai	10.00	2006-07	---	---	---	2.00	---	---	---	2.00
	84. Completion of R/Wall near ME School, Hnahlan	13.00	2006-07	---	---	---	6.00	---	---	---	6.00
	85. Constn. of Primary School Bldg. Hnahlan	6.00	2006-07	---	---	---	3.00	---	---	---	3.00
	86. Constn. of approach road to AR Post at Hnahlan	15.00	2008-09	---	---	---	---	---	10.00	---	10.00
	87. Constn. of Thangpui WRC link road, Tualcheng	20.00	2009-10	---	---	---	---	---	---	5.00	5.00
	88. Constn. of J/road from Hmunhmeltha to Vawngzawl WRC	50.00	2009-10	---	---	---	---	---	---	10.00	10.00
	89. Constn. of T/road to TuikualZau, N Khawbung	14.00	2009-10	---	---	---	---	---	---	5.00	5.00
	90. Constn. of T/road to TuisaPhai WRC, Vaikhawtlang	20.00	2009-10	---	---	---	---	---	---	5.00	5.00
	91. Bouldering of internal road from Lalhmuaka House to CMO Office, Vengsang, Champhai	10.00	2009-10	---	---	---	---	---	---	5.00	5.00
	92. Constn. of T/road from Zotlang to Tlangsam	10.00	2009-10	---	---	---	---	---	---	5.00	5.00
93. Constn. of C/Hall at Vengtlang, Champhai (Type-A)	18.00	2009-10	---	---	---	---	---	---	10.00	10.00	
Khawbung	94. Constn. of Road from Lianpui to Vangchhia	47.00	1999-2000	---	21.00	7.00	9.00	---	4.00	---	41.00
	95. Constn. of Link road from Hruikawn to Bulfekzawl via Sihlungang	40.00	2004-05	---	12.00	8.00	---	---	8.00	---	28.00
	96. Constn. of Pavillion at Vaphai P/Ground with Side drain/Retaining Wall	3.00	2005-06	---	---	2.00	---	---	---	---	2.00
	97. Contn. of RCC Bridge between Buang&Tualte over Tuipui River	4.00	2005-06	---	---	3.00	---	---	---	---	3.00

1	2	3	4	5	6	7	8	9	10	11	12
Khawbung	98. Completion of S/Bridge over R. Tuipui between BungzungBiate	5.00	2005-06	---	---	3.50	---	---	---	---	3.50
	99. Constn. of 3 mtrs. of RCC Bridge & 8 nos. of Culvert between Bulfekzawl&Sesih	15.00	2005-06	---	---	3.00	---	---	---	---	3.00
	100. Constn. of Jeepable road between Leisenzo& PWD road (Bakhik point)	10.00	2005-06	---	---	5.00	---	---	---	---	5.00
	101. Widening of Jeepable road to Truckable road from George-a Lung to Therekawn, Farkawn	6.00	2005-06	---	---	3.00	---	---	---	---	3.00
	102. Constn. of C/Hall at Thekpui	6.00	2006-07	---	---	---	3.00	---	---	---	3.00
	103. Constn. of Agriculture Link road from BuangPeng to SaikhurLui, Khuangleng	10.00	2008-09	---	---	---	---	---	5.00	---	5.00
	104. Leveling of Playground at Vangchhia Phase-II	8.00	2009-10	---	---	---	---	---	---	4.00	4.00
	105. Constn. of Playground at Leithum	10.00	2009-10	---	---	---	---	---	---	5.00	5.00
	106. Constn. of Playground near Thlanmual at Khawbung	15.00	2009-10	---	---	---	---	---	---	7.00	7.00
	107. Constn. of Playground at Khuangthing	10.00	2009-10	---	---	---	---	---	---	8.00	8.00
	108. Leveling of Playground at Khuangleng	10.00	2009-10	---	---	---	---	---	---	5.00	5.00
	109. Constn. of YMA Library at Khawbung	3.00	2009-10	---	---	---	---	---	---	2.00	2.00
	110. Constn. of HS School Bldg at Khawbung	15.00	2009-10	---	---	---	---	---	---	10.00	10.00
	111. Constn. of Link Road from PWD Main road to Tui Aw WRC area, (Phase-II), Khawbung	25.00	2009-10	---	---	---	---	---	---	8.00	8.00
	112. Constn. of Jeepable Approach Road to Sesih Passion fruit Plantation, Vaphai	15.00	2009-10	---	---	---	---	---	---	5.00	5.00
	113. Constn. of M/Truck Road from Sesih to Sazai WRC area	25.00	2009-10	---	---	---	---	---	---	3.00	3.00
	114. Constn. of Road from Lianpui to Vangchhia, Phase-II	15.00	2009-10	---	---	---	---	---	---	6.00	6.00
	115. Constn. of T/Road from Khankawn to Khawbung, Phase-II	40.00	2009-10	---	---	---	---	---	---	5.00	5.00
	116. Constn. of J/Road from Khankawn to Lurhtlang	12.00	2009-10	---	---	---	---	---	---	3.00	3.00
	117. Constn. of C/Hall at Vanzaw (Type-C)	8.00	2009-10	---	---	---	---	---	---	5.00	5.00
	118. Constn. of Indoor Stadium at Farkawn	25.00	2009-10	---	---	---	---	---	---	8.00	8.00
	119. Fencing Lightning at AR Post, Khawbung	19.50	2009-10	---	---	---	---	---	---	6.50	6.50

1	2	3	4	5	6	7	8	9	10	11	12
Hnahthial	120. Constn. of Border Trade Road from Thingsai to Tiau	12.00	2004-05	---	4.00	---	---	---	---	---	4.00
	121. Imprvt. & Widening of road from Hnahthial to Denlung	2.00	2005-06	---	---	1.00	---	---	---	---	1.00
	122. Constn. of road from Pangzawl to Bualpui 'V' via Lungmawi link road	10.00	2005-06	---	---	3.00	3.00	---	---	---	6.00
	123. Re-Constn. of RCC Structure of BDO Office at Hnahthial	15.00	2005-06	---	---	12.00	---	---	---	---	12.00
	124. Constn. of road from Mualianpui to Tuipui 'D'	15.00	2002-03	---	9.00	1.00	---	---	---	---	10.00
	125. Completion of SDO (C) Qtr. at Hnahthial	14.00	2002-03	---	10.00	2.00	---	---	---	---	12.00
	126. Constn. of Jeep Road from S Vanlaiphai to R Hnahchang WRC Project	15.00	1998-99	---	4.50	---	---	---	6.50	---	11.00
	127. Constn. of road from Bualpui-H to Phunchawngzawl	15.00	2007-08	---	---	---	---	6.00	---	---	6.00
	128. Constn. of C/Hall at New Ngharchhip (Type-D)	9.50	2009-10	---	---	---	---	---	---	5.50	5.50
Bunhmun	129. Constn. of Water Reservoir at Sesawm including Constn. of Intake and Fitting of G.I. Pipe	6.00	2005-06	---	---	3.00	---	---	---	---	3.00
	130. Constn. of Playground at Kawnpui 'W'	3.00	2005-06	---	---	2.00	---	---	---	---	2.00
	131. Constn. of Playground at Darngawn 'W'	4.00	2005-06	---	---	1.00	---	---	---	---	1.00
	132. Repair of Suspension Bridge over R. Tlawng near Sertlangpui	4.00	2005-06	---	---	3.00	---	---	---	---	3.00
	133. Constn. of Jeepable road from Lungdai 'S' to River De WRC Project	15.00	2005-06	---	---	2.00	---	---	---	---	2.00
	134. Constn. of J/road from Thuampui to De (Kanan)	45.00	2003-04	---	---	2.00	---	---	---	---	2.00
	135. Constn. of WRC road from Buarpui to Chawmphai	20.00	2004-05	---	---	5.00	---	---	---	---	5.00

1	2	3	4	5	6	7	8	9	10	11	12
Bunhmun	136.Constn.of T/road from Lungdai 'S' to River De WRC Project	15.00	2004-05	---	---	5.00	---	---	---	---	5.00
	137.Constn. of Playground at Sertlangpui	4.00	2005-06	---	---	2.00	---	---	---	---	2.00
	138.Constn.of C/Hall at Changpui	10.00	2006-07	---	---	---	5.00	---	---	---	5.00
	139.Constn.of C/Hall at Serte	10.00	2006-07	---	---	---	5.00	---	---	---	5.00
	140.Constn.of Jeep road between S Lungdai and Mausem	30.00	2007-08	---	---	---	---	8.00	12.00	---	20.00
	141.Constn. of WRC Road from BRTF Road from River De-Project from Buarpui	24.00	2008-09	---	---	---	---	---	3.50	---	3.50
Lungsen	142.Extension of Playground at Tuichawng	5.00	2005-06	---	---	1.00	2.00	---	---	---	3.00
	143.Extension of Playground at Lungrang 'S'	2.00	2005-06	---	---	1.00	---	---	---	---	1.00
	144.Re-construction of SDO(C) Qtr. at Tlabung	20.00	2005-06	---	---	10.00	---	---	---	---	10.00
	145.Constn. of J/Road from Rangte to Chawilung	15.00	2004-05	---	---	5.00	---	---	---	---	5.00
	146.Contn. of J/Road from Thuampui to Vuakmual	34.00	2004-05	---	24.00	5.00	---	---	---	---	29.00
	147.Continuation of Jeep Road from Thehleph to Vahnne	40.00	2004-05	---	30.00	5.00	---	---	---	---	35.00
	148.R/Wall and extension of Lungsen Playground	10.00	2006-07	---	---	---	3.00	---	---	---	3.00
	149.Constn. of C/Hall at Nunsury	5.00	2006-07	---	---	---	2.00	---	---	---	2.00
	150.Rubber Plantation at Khojoisury-I	9.00	2007-08	---	---	---	---	---	4.00	4.00	8.00
	151.Rubber Plantation at Khojoisury-II	9.00	2007-08	---	---	---	---	---	4.00	4.00	8.00
152.Rubber Plantation at Tuichawngkai	18.00	2007-08	---	---	---	---	---	9.00	7.00	16.00	
153.Constn. of Road from Undermanik to Chhumkhum	50.00	2009-10	---	---	---	---	---	---	15.00	15.00	
154.Constn. of Sports Complex at Lungsen (Phase-I) :Site Development	60.00	2009-10	---	---	---	---	---	---	10.00	10.00	
Zawlnuam	155.Constn of Truck road from R.T.Vunga's house to Sports Complex at Mamit	5.00	2005-06	---	---	2.00	---	---	---	---	2.00
	156.Constn of Jeep road from PWD Kawn to Kanhmun at Mamit	5.00	2005-06	---	---	3.00	---	---	---	---	3.00
	157.Constn of Jeep road from Sairang WRC road to Sairang WRC road -II	5.00	2005-0-6	---	---	2.00	---	---	---	---	2.00
	158.Constn of Jeep road from Serhmun to Sengmatawk at Serhmun	20.00	2005-06	---	---	2.00	---	---	---	---	2.00
	159.Constn of Playgruound at Tuidam	3.00	2005-06	---	---	1.00	---	---	---	---	1.00
	160.Constn of Playground at Kanhmun	5.00	2005-06	---	---	2.00	---	---	---	---	2.00
	161.Constn of Tatmual link road at Zamuang	12.00	2006-07	---	---	---	2.00	---	---	---	2.00
	162.Constn of Brick Soiling from town Road to R. Langkaih at Zawlnuam Vengpui	3.00	2006-07	---	---	---	1.00	---	---	---	1.00

1	2	3	4	5	6	7	8	9	10	11	12
Zawlnuam	163. Constn of C/Hall at Kawrthah	18.00	2007-08	---	---	---	---	5.00	---	---	5.00
	164. Constn of C/Hall at Kawrthah	18.00	2007-08	---	---	---	---	9.00	---	---	9.00
	165. Constn of Residential Hostel for student at Zawlnuam	20.00	2008-09	---	---	---	---	---	10.00	---	10.00
	166. Constn of Approach road to Dilui Sand Depost Area	14.50	2009-10	---	---	---	---	---	---	10.00	10.00
	167. Constn of Semi RCC bridge over R. Sajeck	35.00	2009-10	---	---	---	---	---	---	14.00	14.00
	168. Constn of Truckable road to Belkhai	35.00	2009-10	---	---	---	---	---	---	10.00	10.00
	169. Constn of Truckable road to Thaidawr Tlang Peak	22.00	2009-10	---	---	---	---	---	---	10.00	10.00
	170. Constn of Jeepable road from Thaidawr to Zomuantlang	40.00	2009-10	---	---	---	---	---	---	10.00	10.00
Grand Total		2733.50	---	---	161.00	226.50	156.00	124.00	201.00	377.00	1245.50

Source: Departmental records.

APPENDIX - 1.2.1

**Statement showing the Retailer-wise excess payment of transportation charges
for lifting of Rice from godowns to FPSs**

(Reference: Paragraph: 1.2.8.2)

Sl. No.	Name of Retailer (Centre in Bracket)	Peroid of bill	Transportation Charges to be allowed for actual lifting			Transportation Charges already allowed			Excess payment made (₹ in lakh)
			Qnty. lifted (in Qntls)	Rate (₹ per Qntl)	Amount (₹ in lakh)	Qnty. (in Qntls)	Rate (₹ per Qntl)	Amount (₹ in lakh)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
A. Champhai district									
1.	Thanmawia, (Tualcheng)	July-Sept.'07	23.37	240.00	0.06	101.05	240.00	0.24	0.19
2.	Thantluanga, (Thekta)	May-July'08	84.00	225.00	0.19	213.30	225.00	0.48	0.29
3.	Thangliansinga, (Vaikhawtlang)	Apr.-Dec.'06	499.08	250.00	1.25	755.71	250.00	1.89	0.64
4.	Rothanga, (Thinglian)	Aug.'06-Feb.'07	685.75	150.00	1.03	822.89	150.00	1.23	0.21
5.	Biakliana, (Zawngtetui)	May-July'06	42.60	100.00	0.04	550.00	100.00	0.55	0.51
6.	Lalvena, (Chawngtui)	Jan.'06-Feb.'07	323.70	69.50	0.22	347.00	69.50	0.24	0.02
7.	Thangliansinga, (Vaikhawtlang)	Oct.-Dec.'06	154.40	250.00	0.39	200.10	250.00	0.50	0.11
8.	Rinmawia, (Thinglian)	July'04-Mar.'05	844.00	150.00	1.27	1333.50	150.00	2.00	0.73
9.	Thantluanga, (Thekte)	July-Oct.'08	157.50	240.00 245.00	0.76	28.35 298.72	240.00 245.00	0.80	0.04

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
10.	Lalramliana, (Khawkawn)	Aug.'06-June'07	860.00	65.00	0.56	1267.64	65.00	0.82	0.26
11.	Lalchullova, (Murlen)	Apr.-June'06	114.60	250.00	0.29	242.10	250.00	0.61	0.32
12.	Lalnunpuia, (Diltlang)	Sept.'08-May'09	280.50	240.00	0.67	1690.86	240.00	4.06	3.38
13.	Sangmuana, (Lungphunlian)	Aug.'08-May'09	318.20	345.00	1.10	1326.60	345.00	4.58	3.48
14.	Lalremruat, (Khuangphah)	Nov.'06-Apr.'08	1021.70	285.00	2.91	1810.60	285.00	5.16	2.25
15.	Nemkhanniangi, (Murlen)	July-Aug.'09	57.30	403.00	0.23	199.20	403.00	0.80	0.57
16.	Lalropuia, (Lungphunlian)	June-Sept.'06	103.20	250.00	0.26	336.08	250.00	0.84	0.58
17.	Lalropuia, (Lungphunlian)	April-Dec.'06	344.00	230.00	0.79	815.05	230.00	1.87	1.08
18.	Dalkhama, (Hrianghmun)	Jan.-Aug.'05	500.15	80.00	0.40	1805.50	80.00	1.44	1.04
19.	Dalkhama, (Hrianghmun)	Aug.'05-Mar.'06	500.15	80.00	0.40	1499.00	80.00	1.20	0.80
20.	Dalkhama, (Hrianghmun)	May-July'06	142.90	80.00	0.11	359.20	80.00	0.29	0.17
21.	Sumkhamthanga, (Hrianghmun)	Aug.-Dec.'07	285.80	120.00	0.86	766.09	120.00	1.54	0.69
				180.00		346.60	180.00		
22.	Zamluaia, (Pamchung)	July-Aug.'05	56.90	120.00	0.24	714.50	120.00	1.50	1.26
				300.00		215.47	300.00		
23.	Vanlalthanga, (Pawlrang)	July'08-April'09	861.75	80.00	0.69	1344.59	80.00	1.08	0.39
Sub-Total			8261.55	----	14.71	19389.70	----	33.73	19.02

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
B. Aizawl West District									
1.	K. Lalruatkima (Sateek)	July'05-July'06	1396.20	32.50	0.45	1405.00	32.50	0.46	0.00
2.	L.S Liana (Thiak)	Mar.'08-July'08	184.95	240.00	0.44	375.24	240.00	0.90	0.46
3.	K. Zahlira (Maubuang)	Mar.'08-July'08	388.80	195.00	0.76	428.88	195.00	0.84	0.08
4.	Biaksanga (Maubuang)	July-Nov.'09	369.36	195.00	0.72	643.75	195.00	1.26	0.54
5.	M S Dawngliana (Tachhip)	Sept.-Nov.'09	314.70	64.00	0.20	973.50	64.00	0.62	0.42
6.	Biaktluanga (Phulpui)	Feb.'07-July'08	635.97	150.00	0.95	3032.25	150.00	4.55	3.59
7.	Fakawma (Thiak I)	Dec.'08-Jan.'09	41.10	240.00	0.10	270.00	240.00	0.65	0.55
8.	L S Liana (Thiak II)	Dec.'08-Jan.'09	63.42	240.00	0.15	280.00	240.00	0.67	0.52
9.	Romanliana (Bawngthah)	Jan.'09-May'09	321.19	120.00	0.39	481.13	120.00	0.58	0.19
10.	Biaksanga (Maubuang)	July'09-Nov.'09	369.36	195.00	0.72	643.75	195.00	1.26	0.54
11.	M S Dawngliana (Tachhip)	Sept.-Nov.'09	314.70	64.00	0.20	973.50	64.00	0.62	0.42
12.	Lalbiakthanga (Phulpui)	July-Oct.'09	598.56	150.00	0.90	875.80	150.00	1.31	0.42
Sub-Total			4998.31	----	5.99	10382.80	----	13.71	7.72

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
C. Aizawl East District									
1	Zochhuanawma (Maite)	Dec.'08-Feb.'09	86.05	510.00	0.44	189.40	510.00	0.97	0.53
2	S.Lala (Dilkhana)	Nov.'08-May'09	199.23	96.00	0.19	455.25	96.00	0.44	0.25
3	Chungnuntluangi (Sawlung)	Apr.'07-Nov.'08	2361.13	56.00	1.32	2380.80	56.00	1.33	0.01
4	Lalhlimpaia (Khawpuar)	Aug.'08-Jan.'09	796.30	192.00	1.53	805.91	192.00	1.55	0.02
5	Niropuii (Damdiai)	Mar.-May'09	148.58	180.00	0.27	177.80	180.00	0.32	0.05
6	Laltluangliana (Mauchar)	Apr.-Aug.'08	343.55	360.00	1.24	568.42	360.00	2.05	0.81
7	Lalremliana (Lungsum)	Feb.-June'09	302.00	96.00	0.29	391.30	96.00	0.38	0.09
Sub-Total			4236.84	----	5.28	4968.88	----	7.03	1.75
Grand Total			17496.70	----	25.98	34741.38	----	54.47	28.49

Source: Departmental records.

APPENDIX - 1.2.2

Statement showing details of pending bills of Rice and Wheat resubmitted to FCI for reimbursement under Hill Transport Subsidy Scheme

(Reference: Paragraph: 1.2.8.3)

Year of Claim	Detail of Claim					
	Rice			Wheat		
	No. of Bills	Quantity (in MT)	Amount claimed (₹ in crore)	No. of Bills	Quantity (in MT)	Amount claimed (₹ in crore)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2002-03	1	368	0.03	2	1150	0.06
2003-04	25	7753	1.28	12	5377	0.30
April'04 - Jan.'05	49	70087	4.47	8	1598	0.09
Sub-Total	75	78208	5.78	22	8125	0.45
Feb.'05 - Mar.'05	14	17402	1.56	1	250	0.01
2005-06	59	68514	5.37	1	249	0.01
2006-07	77	85390	9.90	7	1015	0.07
2007-08	78	92953	12.01	3	464	0.03
2008-09	82	43995	2.53	12	1796	0.94
2009-10	149	69632	6.02	---	---	---
Sub-Total	459	377886	37.39	24	3774	1.06
Grand Total	534	456094	43.16	46	11899	1.51

Source: Departmental records.

APPENDIX - 1.2.3

**Statement showing the year-wise position of allocation of foodgrain
(Rice, Wheat, Sugar) and Kerosene oil and their lifting during 2005-10**

(Reference: Paragraph: 1.2.10)

Year	Category of Consumer	Requirement	Allotted by GOI	Off-take by FCI/IOC from Central Pool	Lifted by the Department through notified lifter
A. Rice					<i>(Quantity in MT)</i>
2005-06	APL	110285.04	81720.00	81720.00	81720.00
	BPL	NIL	18665.00	18665.00	18665.00
	AAY	NIL	10015.00	10015.00	10015.00
	OMSS & Economic Cost	NIL	NIL	NIL	NIL
2006-07	APL	121969.54	29352.00	29352.00	29352.00
	BPL	NIL	17640.00	17640.00	17640.00
	AAY	NIL	10920.00	10920.00	10920.00
	OMSS & Economic Cost	NIL	30000.00	33950.00	33950.00
2007-08	APL	185396.40	56863.00	56863.00	56863.00
	BPL	NIL	21640.00	21640.00	21640.00
	AAY	NIL	12920.00	12920.00	12920.00
	OMSS & Economic Cost	NIL	38872.00	51034.00	51034.00
2008-09	APL	187381.20	46860.00	46860.00	46860.00
	BPL	NIL	17640.00	17640.00	17640.00
	AAY	NIL	10920.00	10920.00	10920.00
	OMSS & Economic Cost	NIL	74500.00	74500.00	74500.00
2009-10	APL	189803.57	46860.00	46860.00	46860.00
	BPL	NIL	17640.00	17640.00	17640.00
	AAY	NIL	10920.00	10920.00	10920.00
	OMSS & Economic Cost	NIL	76434.30	17076.00	17076.00
TOTAL		794835.75	630381.30	587135.00	587135.00

Year	Requirement	Allotted by GOI	Off-take by FCI/ IOC from Central Pool	Lifted by the Department through notified lifter
B. Wheat				<i>(Quantity in MT)</i>
2005-06	NIL	1010.00	1010.00	1010.00
2006-07	NIL	624.00	624.00	624.00
2007-08	NIL	624.00	624.00	624.00
2008-09	NIL	624.00	624.00	624.00
2009-10	NIL	624.00	624.00	624.00
TOTAL	----	3506.00	3506.00	3506.00
C. Sugar				<i>(Quantity in MT)</i>
2005-06	NIL	8296.20	6942.80	6942.80
2006-07	NIL	8377.20	8377.11	8377.11
2007-08	NIL	8299.20	7923.92	7923.92
2008-09	NIL	7992.00	8027.24	8027.24
2009-10	NIL	7992.00	3759.90	3759.90
TOTAL	----	40956.60	35030.97	35030.97
D. Kerosene				<i>(Quantity in KL)</i>
2005-06	NIL	7980.00	7980.00	7980.00
2006-07	NIL	7980.00	7980.00	7980.00
2007-08	NIL	7980.00	7980.00	7980.00
2008-09	NIL	7980.00	7980.00	7980.00
2009-10	NIL	7920.00	7920.00	7920.00
TOTAL	----	39840.00	39840.00	39840.00

APPENDIX - 1.2.4

Statement showing Centre-wise position of stock shortage of Rice during 2005-06 to 2009-10 in Champhai and Aizawl district



(Reference: Paragraph: 1.2.12.1)

(Figures in Quintals)

Sl. No.	Name of the Centre	Details of Availability of Stock(2005-10)			Stock Disposed off	Closing Stock	Closing Stock recorded in Stock Book (as on March, 2010)	Short Record of Closing Stock	Recovery rate (per Qntl)
		Opening Stock (as on April, 2005)	Receipt	TOTAL					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
A. Champhai District									
1.	Champhai PDC	4891.98	442072.40	446964.38	433859.10	13105.28	2967.51	10137.77	
2.	Hnahlan Fed Centre	5390.09	48064.14	53454.23	51599.07	1855.16	1805.78	49.38	
3.	Bunezung Fed Centre	1068.82	13686.30	14755.12	11719.72	3035.40	2911.76	123.64	
4.	Dungtlang Fed Centre	951.54	39828.10	40779.64	37617.90	3161.74	705.53	2456.21	
5.	Kelkang Fed Centre	695.75	16658.00	17353.75	16450.00	903.75	688.04	215.71	
6.	Khuangleng Fed Centre	492.65	41954.62	42447.27	40754.68	1692.59	1675.16	17.43	
7.	Fawkawn Fed Centre	4417.29	36675.49	41092.78	34562.32	6530.46	951.86	5578.60	
8.	Vaphai Fed Centre	2239.97	17992.61	20232.58	17599.21	2633.37	1504.88	1128.49	
9.	Khawzawl SDC	6532.26	296183.88	302716.14	296965.70	5750.44	2794.14	2956.30	
10.	Chawgtlai Fed Centre	2570.58	24968.03	27538.61	20890.43	6648.18	302.98	6345.20	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
11.	Rabung Fed Centre	43.42	32660.63	32704.05	30363.85	2340.20	869.98	1470.22	 ₹ 930 
12.	Khawhai Fed Centre	789.68	50762.66	51552.34	49538.68	2013.66	585.52	1428.14	
13.	Biate Fed Centre	1227.82	25067.54	26295.36	23403.01	2892.35	1060.13	1832.22	
14..	Khawlkulh PDC	1869.26	260788.25	262657.51	260648.96	2008.55	1977.03	31.52	
15.	Hliappui Fed Centre	3069.38	42151.86	45221.24	40678.09	4543.15	4349.37	193.78	
16.	Ngopa SDC	2933.51	147140.00	150073.51	143716.80	6356.71	5400.67	956.04	
17.	N.E Khawdungsei FC	893.96	34722.37	35616.33	30380.35	5235.98	5179.05	56.93	
18..	Kawlhem Fed Centre	265.71	24477.18	24742.89	16267.53	8475.36	589.47	7885.89	
19.	Teikhang Fed Centre	2784.09	21560.48	24344.57	19904.92	4439.65	2034.02	2405.63	
20.	Mimbung Fed Centre	790.30	12316.69	13106.99	8946.24	4160.75	3945.24	215.51	
21.	Lungpho Fed Centre	1550.72	30425.62	31976.34	27934.85	4041.49	2952.57	1088.92	
Sub-Total (A)		45468.78	1660156.85	1705625.63	1613801.41	91824.22	45250.69	46573.53	

B. Aizawl (East) District

1.	Sakawrdai SDC	826.20	69813.48	70639.68	66548.87	4090.81	670.70	3420.11	 ₹ 930 
2.	Darlawn Fed Centre	1469.02	104055.79	105524.81	96902.57	8622.24	120.32	8501.92	
3.	Khawruhlian Fed Centre	529.82	38110.60	38640.42	34999.42	3641.00	452.57	3188.43	
4.	New Vervek Fed Centre	957.96	16151.38	17109.34	13935.24	3174.10	96.32	3077.78	
5.	Ratu Fed Centre	1126.24	24583.12	25709.36	24138.82	1570.54	138.62	1431.92	
6.	Zahmun Fed Centre	3930.72	24657.18	28587.90	19879.93	8707.97	1780.61	6927.36	
Sub-Total (B)		8839.96	277371.55	286211.51	256404.85	29806.66	3259.14	26547.52	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
C. Aizawl (West) District									
1.	Aibawk PDC	3412.43	135462.10	138874.53	134110.40	4764.13	1736.44	3027.69	↓ ₹ 930 ↑
2.	Hmuifang Fed Centre	1824.24	21814.38	23638.62	17626.49	6012.13	3629.11	2383.02	
3.	Sialsuk Fed Centre	2149.59	34541.05	36690.64	32878.14	3812.50	1186.59	2625.91	
4.	Zuangtui PDC	31552.87	1736140.46	1767693.33	1754038.53	13654.80	5769.93	7884.87	
Sub-Total (C)		38939.13	1927957.99	1966897.12	1938653.56	28243.56	12322.07	15921.49	
Grand Total (A+B+C)		93247.87	3865486.39	3958734.26	3808859.82	149874.44	60831.90	89042.54	

Source: Departmental records.

APPENDIX - 1.2.5

**Statement showing Centre-wise position of stock shortage of Sugar during 2005-06 to 2009-10
in Champhai and Aizawl district**

(Reference: Paragraph: 1.2.12.1)

(Figures in Quintals)

Sl. No.	Name of the Centre	Details of Availability of Stock(2005-10)			Stock Disposed off (2005-10)	Closing Stock	Closing Stock recorded in Stock Book (as on March, 2010)	Short Record of Closing Stock	Recovery rate (per Quintal)
		Opening Stock (as on April, 2005)	Receipt	TOTAL					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
A. Champhai District									
1	Champhai PDC	849.64	25881.87	26731.51	26547.49	184.02	105.44	78.58	
2	Hnahlan Fed Centre	0.00	2653.39	2653.39	2617.34	36.05	0.00	36.05	
3	Bunezung Fed Centre	0.00	587.37	587.37	498.86	88.51	10.00	78.51	
4	Dungtlang Fed Centre	18.01	2124.78	2142.79	2119.19	23.60	10.00	13.6	
5	Khawbung Fed Centre	0.00	1409.62	1409.62	1156.44	253.18	10.00	243.18	
6	Kelkang Fed Centre	6.24	613.94	620.18	605.29	14.89	9.89	5	
7	Khuangleng Fed Centre	2.30	2251.86	2254.16	2176.49	77.67	22.84	54.83	
8	Fawkawn Fed Centre	20.07	1658.22	1678.29	1602.47	75.82	26.81	49.01	
9	Khawzawl SDC	0.00	15523.45	15523.45	15208.68	314.77	0.00	314.77	
10	Chawgtlai Fed Centre	25.08	914.21	939.29	805.71	133.58	35.00	98.58	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
11	Biate Fed Centre	0.00	1077.55	1077.55	1057.55	20.00	0.00	20	₹ 1344 ↓ ↑
12	Khawlkulh PDC	117.32	10704.34	10821.66	10615.49	206.17	20.04	186.13	
13	Ngopa SDC	0.00	5237.59	5237.59	5179.92	57.67	15.68	41.99	
14	N.E Khawdungsei Fed Centre	0.00	1142.24	1142.24	1141.78	0.46	0.00	0.46	
15	Teikhang Fed Centre	0.00	788.64	788.64	787.95	0.69	0.00	0.69	
Sub-Total (A)		1038.66	72569.07	73607.73	72120.65	1487.08	265.70	1221.38	
B. Aizawl (East) District									
1	Sakawrdai SDC	0.00	2547.00	2547.00	2412.30	134.70	0.00	134.70	₹ 1344 ↓ ↑
2	Ratu Fed Centre	16.48	927.17	943.65	942.65	1.00	0.00	1.00	
3	Zahmun Fed Centre	3930.72	856.64	4787.36	1091.36	3696.00	1780.65	1915.35	
Sub-Total (B)		3947.20	4330.81	8278.01	4446.31	3831.70	1780.65	2051.05	
C. Aizawl (West) District									
1	Aibawk PDC	54.80	5265.56	5320.36	5009.46	310.90	89.10	221.80	₹ 1344 ↓ ↑
2	Sialsuk Fed Centre	0.00	1546.47	1546.47	1178.08	368.39	0.00	368.39	
3	Zuangtui PDC	2600.73	203190.58	205791.31	204007.48	1783.83	1714.61	69.22	
Sub-Total (C)		2655.53	210002.61	212658.14	210195.02	2463.12	1803.71	659.41	
Grand Total (A+B+C)		7641.39	286902.49	294543.88	286761.98	7781.90	3850.06	3931.84	

Source: Departmental records.

APPENDIX - 1.2.6

Statement showing Centre-wise position of short remittance of sales proceed of foodgrain during 2005-10

(Reference: Paragraph: 1.2.12.3)

₹ in lakh)	Quantity Sold during 2005-10 (in MT)				Sales Proceed realisable during 2005-10 (₹ in lakh)					Sales Proceeds remitted to Govt. accounts (₹ in lakh)	Short Remittance (₹ in lakh)
	APL-Rice	BPL-Rice	AAY-Rice	Sugar	APL-Rice	BPL-Rice	AAY-Rice	Sugar	Total		
A. Champhai District											
Dungtlang FC	862.06	499.92	260.79	110.47	80.17	29.99	7.82	14.85	132.84	130.34	2.50
Khawbung FC	1819.56	692.52	223.76	140.96	169.22	41.55	6.71	18.95	236.43	232.14	4.28
Khuangleng FC	2055.07	1142.89	550.76	217.65	191.12	68.57	16.52	29.25	305.47	302.55	2.92
Sialhawk FC	2842.52	465.61	177.28	160.54	264.35	27.94	5.32	21.58	319.19	316.87	2.32
Khawhai FC	3543.40	700.92	369.15	269.39	329.54	42.06	11.07	36.21	418.87	418.56	0.31
Ngopa SDC	2289.85	740.53	345.37	170.63	212.96	44.43	10.36	22.93	290.68	277.18	13.50
Kawlbem FC	1099.43	169.72	183.31	167.61	102.25	10.18	5.50	22.53	140.46	130.97	9.48
Lungpho FC	2595.37	241.75	230.02	156.74	241.37	14.50	6.90	21.07	283.84	282.30	1.54
Sub-Total	17107.25	4653.85	2340.42	1393.99	1590.97	279.23	70.21	187.35	2127.77	2090.92	36.85
B. Aizawl (East) District											
New Vervek FC	1096.08	161.84	106.98	51.90	101.94	9.71	3.21	6.97	121.83	114.60	7.23
Ratu FC	1936.73	257.32	170.53	94.27	180.12	15.44	5.12	12.67	213.34	194.65	18.69
Sub-Total	3032.81	419.16	277.50	146.16	282.05	25.15	8.33	19.64	335.17	309.25	25.92

C. Aizawl (West) District											
Hmuifang FC	1028.85	301.44	201.89	86.39	95.68	18.09	6.06	11.61	131.44	131.34	0.10
Sub-Total	1028.85	301.44	201.89	86.39	95.68	18.09	6.06	11.61	131.44	131.34	0.10
Grand Total	21168.91	5374.45	2819.81	1626.55	1968.71	1069.67	154.00	345.81	2594.38	2531.51	62.87

Source: Departmental records.

APPENDIX - 2.1

Statement showing interest due on mobilisation advance against three contractors in respect of three different projects

(Reference : Paragraph 2.3)

(₹ in lakh)

Sl. No	Name of work	Name of contractor	Details of works:			Mobilisation advance disbursed (date of release)	Amount recovered (date)	Amount on which interest payable	Details of interest leviable		
			Value of administrative approval	Work order issued on	Value of work order				Period	Total days	Interest accrued @ 10 per cent/p.a.
1	2	3	4	5	6	7	8	9	10	11	12
1.	Construction of Indoor Stadium, Aizawl	Suvidha Infrastructure, Guwahati	1,305.22	June 2008	918.07	90.00 (12.12.2008)	----	90.00	12.12.08 to 30.12.08	19	0.47
							3.76 (30.12.08)	86.24	01.01.09 to 17.08.09	229	5.41
							10.46 (17.08.09)	75.78	18.08.09 to 29.09.09	43	0.89
							21.60 (29.09.09)	54.18	30.09.09 to 27.03.10	179	2.66
							18.00 (27.03.10)	36.18	28.03.10 to 31.07.10	126	1.25
Sub-Total						90.00	53.82	----	----	----	10.68

1	2	3	4	5	6	7	8	9	10	11	12
2.	Construction of Rajiv Gandhi Sports Stadium at Aizawl, Phase-I	Lloyds Insulations (India) Pvt. Ltd., Kolkata	2,402.00	Sept.2008	2,797.74	279.77 (03.12.2008)	----	279.77	03.12.08 to 11.11.09	344	26.37
				May 2009 (Revised)	2,192.00 (Revised)		55.95 (11.11.09)	223.82	12.11.09 to 18.03.10	127	7.79
							55.95 (18.03.10)	167.87	19.03.10 to 26.04.10	39	1.79
							55.95 (26.04.10)	111.92	27.04.10 to 14.06.10	49	1.50
							55.95 (14.06.10)	55.97	15.06.10 to 31.07.10	47	0.72
				Sub-Total						279.77	223.80
3.	Re-Construction of Mizoram House at Chankyapuri, New Delhi	M/s Engineering Project (India), New Delhi	1,432.00	May 2008	740.66	18.52 (16.10.2008)	----	18.52	16.10.08 to 18.12.08	64	0.32
						55.55 (18.12.2008)	----	74.07	19.12.08 to 05.11.09	324	6.57
						----	14.81 (07.11.09)	59.26	06.11.09 to 16.03.10	129	2.09
						----	14.81 (16.03.10)	44.45	17.03.10 to 31.07.10	137	1.67
Sub-Total						74.07	29.62	----	----	----	10.65
Grand Total						443.84	307.24	----	----	----	59.50

Source: Departmental records.

APPENDIX - 3.1

Statement showing outstanding Utilisation Certificates (UCs) against grants-in-aid released to deficit colleges (Reference : Paragraph 3.1.8.4)

(₹ in crore)

Sl. No.	Name of College	2005-06			2006-07			2007-08			Total Outstanding
		Position of grants released and UCs submitted/outstanding			Position of grants released and UCs submitted/outstanding			Position of grants released and UCs submitted/outstanding			
		Amount released	UCs Submitted	UCs Outstanding	Amount released	UCs Submitted	UCs Outstanding	Amount released	UCs Submitted	UCs Outstanding	
1.	Hnahthial College	0.69	0.61	0.08	0.82	0.62	0.20	0.92	0.63	0.29	0.57
2.	Lawngtlai College	0.71	0.70	0.01	0.94	0.80	0.14	1.14	1.11	0.03	0.18
3.	Mamit College	0.60	0.52	0.08	0.71	0.57	0.14	0.77	0.75	0.02	0.24
4.	J. Buana College	0.85	0.83	0.02	1.02	0.91	0.11	1.13	0.61	0.52	0.65
5.	Saitual College	0.75	0.53	0.22	0.90	0.27	0.63	1.04	0.00	1.04	1.89
6.	Khawzawl College	0.60	0.58	0.02	0.00	0.00	0.00	0.79	0.77	0.02	0.04
7.	Zawnuam College	0.54	0.53	0.01	0.65	0.63	0.02	0.72	0.69	0.03	0.06
8.	Aizawl North College	0.93	0.65	0.28	1.11	1.01	0.10	1.35	0.72	0.63	1.01
9.	Aizawl West College	1.11	0.61	0.50	1.30	0.00	1.30	1.47	0.00	1.47	3.27
10.	T. Romana College	0.73	0.66	0.07	1.14	0.96	0.18	1.27	1.23	0.04	0.29
11.	J. Thankima College	0.59	0.58	0.01	0.85	0.85	0.00	1.06	1.06	0.00	0.01
12.	Johnson College	0.70	0.66	0.04	1.05	0.96	0.09	1.08	1.07	0.01	0.14
TOTAL		8.80	7.46	1.34	10.49	7.58	2.91	12.74	8.64	4.10	8.35

Source : Departmental records.

APPENDIX - 3.2

Statement showing splitting up of sanctions orders

(Reference: Paragraph 3.1.8.6)

Sl. No.	Sanctioning authority	Details of expenditure sanctioned		
		Date of sanction	No. of sanction orders	Total amount (₹ in lakh)
A. Details under sub-Para 3.1.8.6(i)				
1.	Project Director, State Project Implementation Unit	26.10.2005	24	89.04
		23.03.2007	10	42.93
Total (A)			34	131.97
B. Details under sub-Para 3.1.8.6(ii)				
1.	Lunglei Govt. College	07.03.2007	17	3.00
		20.08.2007	11	0.99
		24.08.2007	30	1.01
		22.11.2007	16	3.00
		16.02.2009	35	2.50
		17.07.2009	34	2.00
		19.08.2009	31	4.00
		28.10.2009	42	2.00
		29.10.2009	10	2.00
		24.02.2010	20	2.00
		17.03.2010	34	4.00
Sub-total			280	26.50
2.	Mizoram Polytechnic, Lunglei	17.03.2010	50	5.00
		31.03.2010	76	7.60
Sub-total			126	12.60
3.	Govt. Zirtiri Residential Science College	23.09.2010	230	2.00
		10.02.2010	205	2.35
Sub-total			435	4.35
4.	Govt. Kolasib College	02.08.2005	10	0.45
		15.05.2006	18	0.63
		27.03.2006	6	1.12
		14.03.2007	14	0.65
		10.12.2008	15	0.46
		10.12.2009	7	0.75
Sub-total			70	4.06
Total (B)			911	47.51

Source: Departmental records.

APPENDIX - 3.3

Statement showing financial assistance granted by UGC under special scheme for construction of Women Hostel

(Reference: Paragraph: 3.1.11)

(₹ in lakh)

Sl. No.	Name of College	Sanctioned during	Amount		Expenditure incurred
			Sanctioned	Released	
1.	Govt. Saiha College	March 2008 to March 2010	20.00	20.00	20.00
2.	Lunglei Govt. College	February 2009	40.00	30.00	30.00
3.	Govt. Saitual College	February 2009 to August 2009	29.63	29.63	29.63
4.	Govt. Serchhip College	February 2009	20.00	20.00	20.00
5.	Govt. Hrangbana College	March 2009 to November 2009	52.07	52.07	52.07
6.	Govt. Johnson College	August 2009	40.00	20.00	20.00
7.	Govt. Lawngtlai College	August 2009	20.00	20.00	20.00
8.	Govt. Aizawl West College	September 2009	20.00	20.00	9.67
9.	Govt. J. Buana College	September 2009	40.00	20.00	20.00
10.	Govt. Champhai College	March 2010	20.00	20.00	13.30
11.	Govt. J. Thankima College	March 2010	40.00	----	----
12.	Govt. Mamit College	March 2010	20.00	20.00	13.05
13.	College of Teacher Education	April 2010	40.00	40.00	4.90
14.	Mizoram Law College	April 2010	15.00	15.00	0.68
15.	Govt. Khawzawl College	May 2010	40.00	20.00	20.00
Total			456.70	346.70	273.30

Source: Departmental records.

APPENDIX - 5.1

Statement showing particulars of up to date paid-up capital, loans outstanding and Manpower as on 31 March 2010 in respect of Government companies

(Reference: Paragraph 5.1.5)

(Figures in column 5 (a) to 6 (c) are ₹ in lakh)

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorporation	Paid-up Capital ⁵				Loans** outstanding at the close of 2009-10				Debt equity ratio for 2009-10 (Previous year)	Manpower (No. of employees) (as on 31.03.2010)	
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total			
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	5 (e)	6 (a)	6 (b)	6 (c)	(7)	(8)	
Working Government Companies														
AGRICULTURE MARKETING														
1.	Mizoram Agriculture Marketing Corporation Limited	Trade & Commerce	February 1993	572.10	-	-	572.10	-	-	-	-	(0.39:1)	30	
Total of the Sector				572.10	-	-	572.10	-	-	-	-	(0.39:1)	30	
FINANCING														
2	Zoram Industrial Development Corporation Limited	Industries	February 1978	1581.10 (431.00) ®	-	428.00*	2009.10	872.00	-	2223.62	3095.62	1.54:1 (1.55:1)	62	
Total of the Sector				1581.10	-	428.00	2009.10	872.00	-	2223.62	3095.62	1.49:1 (1.55:1)	62	
MANUFACTURING														
3.	Zoram Electronics Development Corporation Limited	Industries	March 1991	702.90			702.90	-	-	-	-	-	41	
4.	Mizoram Food and Allied Industries Corporation Limited	Industries	December 1989	1864.00	136.00	-	2000.00	-	-	-	-	-	90	
Total of the Sector				2566.90	136.00		2702.90	-	-	-	-	-	131	
MISCELLANEOUS														
5	Mizoram Handloom And Handicrafts Development Corporation Limited	Industries	December 1988	950.70	-	-	950.70	-	-	-	-	-	51	
Total of the Sector				950.70	-	-	950.70	-	-	-	-	-	(-)	51
Grand Total				5670.80	136.00	428.00	6234.80	872.00	-	2223.62	3095.62	(-)	274	

⁵ Paid-up capital includes share application money of ₹ 504.50 lakh (Mizoram Agriculture Marketing Corporation Limited: ₹ 27.00 lakh, Zoram Industrial Development Corporation Limited: ₹ 455 lakh and Zoram Electronics Development Corporation Limited: ₹ 22.50 lakh).

** Loans outstanding at the close of 2009-10 represent long-term loans only

* Shares issued to IDBI

* Figures are provisional as given by the companies. ® Includes ₹ 431.00 lakh awaiting issue of Share Capital

APPENDIX - 5.2

Statement showing equity/loans received out of budget, grants and subsidy received/receivable, guarantees received, waiver of dues, loans written off and loans converted into equity during the year and guarantee commitment at the end of March 2010

(Reference: Paragraph 5.1.9)

(Figures in column 3 (a) to 6 (d) are ₹ in lakh)

Sl. No.	Sector & Name of the Company	Equity/ loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year [@]		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
(1)	(2)	3 (a)	3 (b)	4 (a)	4 (b)	4 (c)	4 (d)	5 (a)	5 (b)	6 (a)	6 (b)	6 (c)	6 (d)
Working Government Companies													
AGRICULTURE MARKETING													
1.	Mizoram Agriculture Marketing Corporation Limited	27.00	-	-	-	-	-	-	-	-	-	-	-
Total of the Sector		27.00	-	-	-	-	-	-	-	-	-	-	-
FINANCING													
2.	Zoram Industrial Development Corporation Limited	-	-	-	-	-	-	-	1475.45	-	-	-	-
Total of the Sector		-	-	-	-	-	-	-	1475.45	-	-	-	-
MANUFACTURING													
3.	Zoram Electronics Development Corporation Limited	22.50	-	-	-	-	-	-	-	-	-	-	-
4.	Mizoram Food and Allied Industries Corporation Limited	21.69	-	5.00(G)	216.00(G)	-	221.00(G)	-	26.21	-	-	-	-
Total of the Sector		44.19	-	5.00(G)	216.00(G)	-	221.00(G)	-	26.21	-	-	-	-
MISCELLANEOUS													
5.	Mizoram Handloom And Handicrafts Development Corporation Limited	55.00	-	30.00(G)	5.00(G)	-	35.00(G)	-	-	-	-	-	-
Total of the Sector		55.00	-	30.00(G)	5.00(G)	-	35.00(G)	-	-	-	-	-	-
Grand Total		126.19	-	35.00(G)	221.00(G)	-	256.00(G)	-	1501.66	-	-	-	-

[@] Figures indicate total guarantees outstanding at the end of the year.

APPENDIX - 5.3

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

(Reference: Paragraph 5.1.14)

(Figures in column 5 (a) to (6) and (8) to (10) are ₹ in lakh)

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover	Impact of Accounts Comments [#]	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed [@]	Return on capital employed [§]	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss							
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Working Government Companies														
AGRICULTURE MARKETING														
1.	Mizoram Agriculture Marketing Corporation Limited	2004-05	2009-10	(-)29.21	-	9.54	(-)38.75	-	-	441.10	(-)289.55	1076.18	(-)38.75	-
Total of the Sector				(-)29.21	-	9.54	(-)38.75	-	-	441.10	(-)289.55	1076.18	(-)38.75	-
FINANCING														
2	Zoram Industrial Development Corporation Limited	2008-09	2010-11	(+)85.06	218.24	4.59	(-)137.77	78.94	-	1578.10	(-)1822.17	4770.77	80.47	1.69
Total of the Sector				(+)85.06	218.24	4.59	(-)137.77	78.94	-	1578.10	(-)1822.17	4770.77	80.47	1.69
MANUFACTURING														
3.	Zoram Electronics Development Corporation Limited	2001-02	2009-10	(-)41.11	-	7.93	(-)49.04	6.48	-	389.90	(-)308.98	80.92	(-)49.04	-
4.	Mizoram Food and Allied Industries Corporation Limited	2006-07	2009-10	(-)54.71	-	26.89	(-)81.60	30.97	-	1706.81	(-)1571.63	1504.05	(-)81.60	-
Total of the Sector				(-)95.82	-	34.82	(-)130.64	37.45	-	2096.21	(-)1880.61	1584.97	(-)130.64	-
MISCELLANEOUS														
5	Mizoram Handloom And Handicrafts Development Corporation Limited	1999-2000	2010-11	(-)45.75	-	5.82	(-)51.57	28.27	(-)30.07	496.70	(-)352.64	145.62	(-)51.57	-
Total of the Sector				(-)45.75	-	5.82	(-)51.57	28.27	(-)30.07	496.70	(-)352.64	145.62	(-)51.57	-
Grand Total				(-)85.72	218.24	54.77	(-)358.73	144.66	(-)30.07	4612.11	(-)4344.97	7577.54	(-)140.49	-

[#] Impact of accounts comments include the net impact of comments of Statutory Auditors and CAG and is denoted by (+) increase in profit/ decrease in losses (-) decrease in profit/ increase in losses

[@] Capital employed represents net fixed assets (including capital works-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).

[§] Return on capital employed has been worked out by adding profit and interest charged to profit and loss account.

APPENDIX - 5.4

Statement shown on investments made by the State Government in working PSUs by way of equity, loans, grants and others during the period which the accounts have not been finalized as on 31 March 2010

(Reference: Paragraph 5.1.24)

(₹ in lakh)

Sl. No.	Name of the PSU Working Companies	Year upto which Accounts finalised	Paid up capital as per latest finalised accounts	Investment made by State Government during the years for which accounts are in arrears				
				Year	Equity	Loans	Grants	Others
1.	Sector : Agricultural Marketing Mizoram Agricultural Marketing Corporation Limited	2004-05	441.10	2005-06	-	-	189.00	-
				2006-07	-	-	52.00	-
				2007-08	52.00	-	-	-
				2008-09	52.00	-	-	-
				2009-10	27.00	-	-	-
2.	Sector : Financing Zoram Industrial Development Corporation Limited	2008-09	1578.10	2009-10	-	-	-	-
3.	Sector : Manufacturing Zoram Electronics Development Corporation Limited	2001-02	389.90	2002-03	52.50	-	-	-
				2003-04	17.50	-	-	-
				2004-05	17.50	-	-	-
				2005-06	50.50	-	-	-
				2006-07	64.50	-	-	-
				2007-08	40.00	-	-	-
				2008-09	45.00	-	-	-
				2009-10	22.50	-	-	-
4.	Sector : Miscellaneous Mizoram Handloom and Handicrafts Development Corporation Limited	1999-2000	496.70	2000-01	40.00	-	10.00	-
				2001-02	40.00	-	10.00	-
				2002-03	40.00	-	10.00	-
				2003-04	40.00	-	10.00	-
				2004-05	40.00	-	10.00	-
				2005-06	50.00	-	10.00	-
				2006-07	45.00	-	-	-
				2007-08	47.50	-	18.00	-
				2008-09	58.50	-	5.00	-
2009-10	55.00	-	5.00	-				
Total:					897.00	-	329.00	-

APPENDIX – 5.5

**Statement showing operational performance of Power and Electricity Department
for the last three years ending 31 March 2010**

(Reference: Paragraph 5.1.33)

Sl. No.		2007-08	2008-09	2009-10
1.	Installed Capacity (MW):			
	(a) Thermal (Diesel)	22.92	0.50	0.50
	(b) Hydro	14.25	14.05	17.05
	(c) Gas	-	-	-
	(d) Others (HFO based)	0.50	22.92	22.92
	Total	37.67	37.47	40.47
2.	Normal Maximum Demand in the State (MKwh)	219.00		69.00
3.	Power Generated (MKwh):			
	(a) Thermal (Diesel)	2.59	0.02	0.018
	(b) Hydro	16.30	8.28	13.50
	(c) Gas	-	-	-
	(d) Others(HFO based)	0.032	2.63	4.0050
	Total	18.922	10.93	17.523
	Less: Auxiliary Consumption (MKwh)			
	(Percentage in bracket)			
	(a) Thermal (Diesel)	0.025 (6.3)	0.0003 (0.11)	0.0002 (0.10)
	(b) Hydro	0.371 (93.52)	0.24 (90.46)	0.16 (80.73)
	(c) Gas	-	-	-
	(d) Others	0.0007 (0.18)	0.025 (9.42)	0.038 (19.17)
	Total	0.3967	0.2653	0.1982
4.	Net Power Generated (MKwh)	18.52	10.662	17.325
5.	Power purchased (MKwh)	347.82	378.20	347.15
6.	Free power received (MKwh)	-	-	-
7.	Total power available for sale (MU) (4+5+6)	366.35	388.86	364.475
8.	Power sold (MU):			
	(a) Within the State	169.35	163.85	190.70
	(b) Outside the State	99.42	96.65	38.97
	Total	268.77	260.50	229.67

Sl. No.		2007-08	2008-09	2009-10
9.	Transmission and Distribution Losses (MU)	97.58	128.36	134.805
10.	Load Factor (Percentage)			
	(a) Diesel	-	-	-
	(b) Hydel	57	-	-
11.	Percentage of Transmission and Distribution to total Power available for sale (7/9x100)	26.64	33.01	36.99
12.	Number of villages/town electrified			
	(a) Villages	548	570	570
	(b) Towns	22	22	22
	Total	570	592	592
13.	Number of Pumpsets/Well energised (Public water supply)	17	-	25
14.	Number of Sub-station (i.e. 33 KV and above)	43	15	46
15.	Transmission/Distribution lines (in Kms)			
	(a) High Voltage (i.e. 132 KV, 66 KV & 33 KV)	1483	1591.36	1583.40
	(b) Medium Voltage (i.e. 11 KV)	4140	4174	4292.41
	(c) Low Voltage	2387	2369	2251.97
	Total	8010	8134.36	8127.78
16.	Connected Load (in MW)	217.07	-	226.44
17.	Number of consumers	144643	160166	158195
18.	Number of Employees :			
	(a) Technical	1465	1339	1537
	(b) General	755	609	589
	Total	2220	1948	2126
19.	Consumers/Employees ratio	65:1	82.22:1	74.41:1
20.	Total expenditure on staff during the year (₹ in crore)	23.29	32.76	52.18
21.	Percentage of Expenditure on Staff to total Revenue expenditure	20.42	24.03	30.72

Sl. No.		2007-08	2008-09	2009-10
22.	Units sold in million units (percentage share to total units sold in bracket)			
	(a) Agriculture	-	0.06 (0.02)	0.001 (0.00)
	(b) Industrial	1.59 (0.6)	1.53 (0.59)	2.40 (1.04)
	(c) Commercial	8.9 (3.3)	9.30 (3.57)	13.65 (5.94)
	(d) Domestic	109.01 (41)	112.16 (43.06)	128.19 (55.81)
	(e) Irrigation	-	-	-
	(f) Bulk Supply	12.435 (4.6)	11.17 (4.29)	12.02 (5.23)
	(g) Public Water Works	27.09 (10)	25.58 (9.82)	28.14 (12.25)
	(h) Public Lighting	9.964 (3.7)	4.04 (1.55)	4.95 (2.16)
	(i) Other categories	0.358 (0.4)	0.01 (0.004)	1.35 (0.59)
	(j) Inter State	99.42 (37)	96.65 (37.10)	38.97 (16.97)
	Total	268.77	260.50	229.67
23.	Revenue (₹ in crore)	81.22	83.92	67.62
24.	Expenditure (₹ in crore):			
	(a) Cost of Fuel (HSD Oil)	1.00	2.60	3.29
	(b) Cost of Power purchase	76.69	86.28	78.11
	(c) Operations & Maintenance	11.43	14.68	36.30
	(d) Establishment expenditure	23.29	32.76	52.18
	(e) Others Miscellaneous expenditure	1.64	-	-
	Total	114.05	136.32	169.88
25.	Profit (+)/Loss (-)	(-)32.83	(-)52.40	(-)102.26

GLOSSARY OF ABBREVIATIONS

IGNOAPS	Indira Gandhi National Old Age Pension Scheme
IQAC	Internal Quality Assurance Cell
IR	Inspection Report
ITES	Information Technology Enabled Services
JERC	Joint Electricity Regulatory Commission
LA	Local Administration
LADC	Lai Autonomous District Council
LR&SD	Land Revenue and Settlement Department
LSC	Land Settlement Certificate
MB	Measurement Book
MBSE	Mizoram Board of Secondary Education
MHRD	Ministry of Human Resource Development
MIFMA	Mizoram Forest Produces Marketing Agency
MMMC	Mizoram Minor Minerals Concessions
MNES	Ministry of Non-conventional Energy Sources
MoA	Memorandum of Agreement
MoEF	Ministry of Environment and Forest
MoRD	Ministry of Rural Development
NAAC	National Assessment and Accreditation Council
NE	North East
NEC	North Eastern Council
NIRD	National Institute of Rural Development
NLCPR	Non Lapsable Central Pool of Resources
NLUP	National Land Use Policy
NSAP	National Social Assistance Programme
OMSS	Open Market Sale Scheme
P&E	Power & Electricity Department
PCCF	Principal Chief Conservator of Forests
PDC	Principal Distribution Centres
PDC	Principal Distribution Centre
PDS	Public Distribution System
PD-SPUI	Project Director - State Project Implementing Unit
PSC	Public Soft Corporation
PSU	Public Sector Undertaking
PWD	Public Works Department
QAC	Quality Assurance Cell
Qtl	Quintal
RA Bill	Running Account Bill
RCC	Regular Contingent Charges
RD	Rural Development
RDD	Rural Development Department
RPDS	Revamped Public Distribution System

Glossary of Abbreviations

AAY	Antyodaya Anna Yojana
AC Bill	Abstract Contingent Bill
AH&Vety	Animal Husbandry and Veterinary
AICTE	All India Council for Technical Education
APR	Actual Payee Receipt
ARR	Annual Revenue Return
ASCI	Administrative Staff College of India
ATN	Action Taken Note
BADP	Border Area Development Programme
BDO	Block Development Officer
BPL	Below Poverty Line
CADC	Chakma Autonomous District Council
CCA	Chief Controller of Accounts
CEA	Central Electricity Authority
CST	Central Sales Tax
CTR	Central Treasury Rules
DC Bill	Detailed Contingent Bill
DCSO	District Civil Supplies Officer
DDO	Drawing and Disbursing Officer
DFP	Delegation of Financial Power
DoNER	Development of North Eastern Region
DPAB	Departmental Purchase Advisory Board
DSC	Departmental Screening Committee
EE	Executive Engineer
ETC	Extension Training Centre
FCI	Food Corporation of India
FC	Fed Centre
FCS&CA	Food, Civil Supplies and Consumer Affairs
FPS	Fair Price Shop
FRC	Family Ration Card
FYP	Five Year Plan
GAD	General Administration Department
GDP	Gross Domestic Product
GER	Gross Enrolment Ratio
GFR	General Financial Rules
GoI	Government of India
GPI	Gender Parity Index
GZRSC	Government Zirtiri Residential Science College
H&TE	Higher and Technical Education
HSTS	Hill State Transport Subsidy

SCA	Special Central Assistance
SDC	Sub-Distribution Centres
SDO-C	Sub-Divisional Officers (Civil)
SERC	State Electricity Reforms Commission
SIRD	State Institute of Rural Development
SLQACC	State Level Quality Assurance Coordination Committee
SLSC	State Level Screening Committee
SPAB	State Purchase Advisory Board
SS	Sanctioned Strength
SSR	Self-Study-Report
ST	Scheduled Tribe
T&D	Transmission and Distribution
TDPS	Targeted Public Distribution System
TV	Tele-Vision
UC	Utilisation Certificate
UGC	University Grants Commission
VIP	Very Important Person
ZIDCO	Zoram Industrial Development Corporation Limited

