सत्यमेव जयते

Report of the Comptroller and Auditor General of India on

Social, Economic, Revenue and General Sectors

for the year ended 31 March 2013

The Report has been laid on the table of the State Legislature Assembly on 25-07-2014

GOVERNMENT OF NAGALAND

Report No. 1 of 2014

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PREFACE

1. This Report of the Comptroller and Auditor General of India has been prepared for submission to the Governor under Article 151 of the Constitution of India.

2. This Report presents the results of the audit of the Departments of the Government of Nagaland under Social, Economic, Revenue and General Sectors.

3. The cases mentioned in this Report are those which came to notice in the course of test audit during the year 2012-13 as well as those which came to notice in earlier years but could not be dealt with in the previous Reports. Matters relating to the period subsequent to 2012-13 have also been included, wherever necessary.

4. The audits have been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

This Report contains 15 compliance audit paragraphs including Audit on 'Procurement and distribution of food stuff under Supplementary Nutrition Programme (SNP)' and 'Procurement and distribution of Ration in Police Department' and four Performance Audits – Implementation of 'Indira Awaas Yojana (IAY)', 'Rashtriya Krishi Vikas Yojana (RKVY)', 'Local Area Development Programme (LADP)' and 'Roads and Bridges projects funded through Non-Lapsable Central Pool of Resources and North Eastern Council (NLCPR/NEC)' in Nagaland'. According to the existing arrangements, copies of the draft audit paragraphs and draft performance audits were sent to the Secretary of the departments concerned by the Accountant General (Audit) with a request to furnish replies within six weeks. Replies were not received from the Secretaries of the Departments concerned in respect of five audit paragraphs.

Chapter-I Social Sector

Audit on Procurement and distribution of foodstuff under Supplementary Nutrition Programme (SNP)

The data on the number of beneficiaries were not reliable as there was marked difference in the report furnished to the Ministry vis-à-vis the monthly progress reports submitted by the Child Development Project Officers. Consequently the actual expenditure was inflated by ₹ 34.53 crore during 2010-13. The Department also paid ₹ 40.70 crore without actual receipt of material. The Department recorded excess receipt of 22255.92 quintals of two items of foodstuff rendering the transactions doubtful which needs further investigation. There were serious flaws in implementation of the scheme in the State as the quantity of foodstuff required to be provided were compromised due to short distribution of foodstuff valued at ₹ 32.33 crore. The beneficiaries in the test checked projects were deprived of nutrition by ₹ 1.48 per day during the last five years. Out of 62 AWCs in 14 test checked projects, 54 AWCs did not have kitchen sheds which defeated the objective of providing Hot Cooked Meals.

(Paragraph 1.3)

Compliance Audit Paragraph

The Executive Engineer, PWD (Housing) Youth Resources and Sports Division, Kohima paid an amount of ₹ 38.31 lakh against an un-executed item of work i.e. construction of Swimming Pool at Dimapur Club by recording false measurement.

(Paragraph 1.4)

Performance Audits

Implementation of Indira Awaas Yojana (IAY) in Nagaland

Strategic planning process in the Department was inadequate as periodical survey to identify the shelterless rural poor for updating permanent waitlist and preparation of annual plan was not conducted. Selection of beneficiaries without the knowledge of Village Development Boards was noticed. Selection of beneficiaries was not adhered to the IAY permanent waitlist. Actual status and impact of the implementation could not be assessed as the Department followed the waitlist prepared on the basis of BPL census of 2002-2007.

The Department failed to provide complete habitable dwelling unit to the beneficiaries as they were denied admissible due share under the scheme. The quality of IAY house was compromised to project higher achievement figures. Deprivation of beneficiaries was noticed as a result of pilferage of CGI sheets.

There was poor financial control mechanism in the Department which resulted in deduction of GoI share, non-accountal of funds, non-submission of utilisation certificates and avoidable expenditure on procurement of CGI sheets.

(Paragraph 2.3)

Implementation of Rashtriya Krishi Vikas Yojana in Nagaland

The RKVY was implemented initially by seven agriculture and allied departments and from 2012-13 two more departments (Irrigation and flood control and Co-operation) were included. The project implementation was practically started from 2008-09 though GOI had released funds during 2007-08 to the State. The State prepared C-SAP out of C-DAP of all the districts. There were many anomalies in C-DAP/SAP which needs to be addressed. Delay and inadequate SLSC meetings resulted in delay in release of funds from GOI. There was also delay in release of funds from the State to implementing Departments and nodal department which resulted in delay in project implementation. There was no competitive bidding system followed for procurements. Undue benefits were given to select few suppliers and contractors. During project implementation short/non-supply of materials, wasteful expenditure, non-achievement of target, irregularities in supply of benefits, excess payment to suppliers and abandonment of projects were noticed. Proper mechanism to monitor and evaluate the contribution of production at State level did not exist. Also at the department levels, proper mechanism for post monitoring and evaluation of the projects was absent which resulted in failure to assess the success of the projects.

Though the State of Nagaland achieved an overall average annual growth of 5.19 *per cent* (an excess of 1.19 *per cent)* above national target during 11th plan under Agriculture and allied sectors. The schemes under RKVY were being implemented by 9 departments and the expenditure was thinly spread over the State. Thus, audit could

not determine whether the implementation of RKVY projects had contributed to increase of agricultural growth rate in the State.

(Paragraph 2.4)

Implementation of Local Area Development Programme in Nagaland

Village profile was not created to identify the critical areas wherein developments were required. Decentralised policy in selection of projects was not adopted which resulted in random selection of projects by elected members. Inadequate technical estimates approved by DPDB resulted in short execution, diversion of projects and overlapping of projects. Several instances of un-executed projects were noticed and execution of non-permissible projects outside the purview of scheme guidelines had defeated the purpose for which the scheme was designed. Verification committee certified works without recording measurement to support the nature of assets created. During the period 2008-13 an amount of ₹ 270.42 crore was spent on four categorised LADP programmes in the State. Test-check revealed 146 non-existent projects worth ₹ 5.18 crore indicating possible misappropriation to that extent. Neither nodal officer nor the technical expert group at districts monitored the projects during the execution to assess the quality of LADP funded works.

(Paragraph 2.5)

Audit on Roads & Bridges projects funded by Non-Lapsable Central Pool of Resources (NLCPR) and North Eastern Council (NEC) in Nagaland

Planning process adopted by the Department of Public Works was inadequate for long term perspective plan. DPRs and technical estimates prepared were not based on adequate survey and investigation reports resulting in deviation from the approved DPRs and many items of works remained un-executed. Due to delay in transfer of funds to executing divisions as well as un-authorised deduction of funds by Finance Department, many projects remained incomplete. Undue benefit to the contractors was provided through revisions of approved DPRs and payment for un-executed items of work. Due to lack of adequate monitoring mechanism and sub-standard workmanship, quality of works executed remained poor.

(Paragraph 2.6)

Compliance Audit Paragraphs

The Controller of Legal Metrology and Consumer Protection Department spent ₹ 136.84 lakh against two unexecuted items of work on the basis of fabricated records. The Controller also paid an excess amount of ₹ 64.12 lakh to contractors against five other works

(Paragraph 2.7)

Incorrect inclusion of Central Excise duty on cost of Galvanized Iron Pipes of 250 mm outer diameter resulted in excess expenditure of ₹ 105.49 lakh.

(Paragraph 2.8)

The Executive Engineer, PWD (R&B) South Division spent ₹ 36.95 lakh provided under Thirteenth Finance Commission Grants on the basis of fabricated records against an un-executed item of work i.e. Upgradation of laboratory attached to Chief Engineer's office.

(Paragraph 2.9)

The Department diverted ₹ five crore sanctioned for construction of 0-11 Km of Botsa to Zeizou road for earth-cutting of remaining 18 Km without completing the sanctioned work after the road was decided to be taken over by BRO to be developed as General Staff Road. Further, the Department's failure to handover the road led to construction of road in a different alignment by BRO resulting in further financial burden to the Department on account of maintenance.

(Paragraph 2.10)

Director, State Institute of Rural Development, Nagaland diverted ₹ 0.83 crore from the Backward Region Grant Fund for other purposes contrary to the provisions of scheme guidelines

(Paragraph 2.11)

Chapter-III Economic Sector (Public Sector Undertakings)

Investment in State PSUs

As on 31 March 2013, the investment of State and Central Government (Capital and long term loans) in six SPSUs was ₹ 98.04 crore. As on 31 March 2013, of the total investment in SPSUs, 95 *per cent* was in five working SPSUs and remaining 5 *per cent* was in one non-working SPSU. The total investment consisted of 37 *per cent* towards capital and 63 *percent* in long term loans.

(Paragraph 3.3)

Performance of State PSUs

The losses of working SPSUs during 2008-09 to 20012-13 showed a mixed trend. The overall losses incurred by five working SPSUs increased from ₹ 1.36 crore (2008-09) to ₹ 2.57 crore (2009-10) and again from ₹ 2.07 crore (2010-11) to ₹ 2.50 crore (2011-12). During the five year period 2008-13, the losses were lowest in 2012-13 at ₹ 1.01 crore.

(Paragraph 3.6)

Arrears in finalisation of Accounts

None of the working SPSUs had finalised up to date accounts and as of September 2013 total 30 accounts relating to 5 working SPSUs were still in arrears. Thus, concrete steps should be taken by the SPSUs for preparation of accounts as per the statutory requirements with special focus on clearance of arrears in a time bound manner.

(Paragraph 3.7)

Compliance Audit Paragraph

Infrastructure created at a cost of ₹ 19.91 crore under EPIP and SEZ remained un-utilised due to unrealistic assessment of users requirement and potential number of interested entrepreneurs for the schemes.

(Paragraph 3.9)

Chapter-IV Revenue Sector

Laxity on the part of the Assessing Authority to ensure the correctness of the information contained in the Return from other relevant records of the dealer led to evasion of tax amounting to ₹ 20.45 lakh. Besides, an amount of ₹ 8.57 lakh was also not levied as interest.

(Paragraph 4.2)

Laxity on the part of the Assessing Authority to ensure the correctness of the information contained in the Annual Return from other relevant records of the dealer led to evasion of tax amounting to ₹ 15.51 lakh. Besides, an amount of ₹ 8.53 lakh was also not levied as interest.

(Paragraph 4.3)

The Department's failure to revise the rate of royalty on coal in time resulted in a loss of revenue of ₹ 0.67 crore.

(Paragraph 4.4)

Chapter-V General Sector

Performance Audit

Audit on Procurement and distribution of Ration in Police Department

Audit observed that the estimation and provisioning were not commensurate with the actual feeding strength which had resulted in injudicious excess expenditure of ₹ 29.20 crore without corresponding benefits to the personnel. There were instances of payments without actual receipt of materials by the PCS and in the selected units. Budgeting was unrealistic as the actual expenditure incurred exceeded the original budget ranging from 19 per cent to 91 *per cent* during 2008-09 to 2012-13. The Department not only incurred an amount of ₹ 4.29 crore on clearance of fictitious liability but also created an additional committed liability of ₹ 4.45 crore for the future.

The bidding process was not transparent and biased as the lowest bidders were not awarded the supply works resulting in avoidable excess expenditure of ₹ 1.72 crore. The contracts were awarded based on limited tender involving very few contractors. Hence, competitive rates were not obtained which indicate possibility of cartelization. The Department did not devise any system for evaluation of the quality and quantity of ration supplied to the personnel. Audit survey indicated that the personnel were not fully satisfied with the quality of ration issued and the frequency of issue was also

found to be erratic. The samples of dry rations were never sent to the laboratory for testing. The storage facilities in all the selected units were found to be in dilapidated condition.

(Paragraph 5.3)

Compliance Audit Paragraphs

The Director General of Prisons procured 5658.02 quintals of rice valued at ₹ 1.21 crore in excess of the actual requirement during 2009-10 to 2012-13 and distributed to various prisons in Nagaland

(Paragraph 5.4)

The Project Engineer, Police Engineering Project, Chumukedima fictitiously paid ₹ 1.76 crore to a contractor against three items of work which were not executed. In addition to this, ₹ 0.10 crore was also paid to the contractor in excess of the bill amount

(Paragraph 5.5)

The Project Engineer, Police Engineering Project Chumukedima extended undue benefit of ₹ 3.82 crore to a contractor on account of additional cost escalation, short deduction of Works contract Tax and non deduction of Income tax at source.

(Paragraph 5.6)

CHAPTER – I

SOCIAL SECTOR

CHAPTER - I

SOCIAL SECTOR

1.1 Introduction

This Chapter of the Audit Report for the year ended 31 March 2013 deals with the findings on audit of the State Government units under Social Sector.

The names of the State Government departments and the total budget allocation and expenditure of the State Government under Social Sector during 2012-13 are given below:

Table No. 1.1.1

(₹ in crore)

Name of the departments	Total Budget allocation	Expenditure
School Education	784.38	751.20
Technical Education	43.00	14.55
Higher Education	145.65	108.15
SCERT	33.24	25.85
Youth Resources and Sports	101.04	71.71
Art and Culture	20.03	18.61
Health and Family Welfare	309.26	294.84
Water Supply & Sanitation	84.85	88.07
Urban Development	185.77	67.94
Municipal Affairs	26.26	8.06
Information and Public Relations	24.43	24.48
Labour	10.75	10.52
Employment and Training	21.77	19.52
Social Security and Welfare	209.66	168.93
Women Welfare	19.67	14.58
Rajya Sainik Board	2.70	2.70
Total Number of Departments = 16	**2022.46**	**1689.71**

Besides the above, the Central Government has been transferring a sizeable amount of funds directly to the Implementing agencies under Social sector to different departments of the State Government. The major transfers for implementation of flagship programmes of the Central Government are shown in the following table.

Table No. 1.1.2

(₹ in crore)

Name of the Department	Name of the Scheme/Programme	Implementing Agency	Amount of funds transferred during the year
School Education	Sarva Shiksha Abhiyan (SSA)	State Mission Authority	77.91
Health & Family Welfare	National Rural Health Mission (NRHM)	State Health Society	100.62
		State Blindness Control Society	2.54
	National Aids Control	Nagaland Aids Control Society	19.38
Water Supply and Sanitation	National Rural Drinking Water Programme	Public Health Engineering Department	110.20
Forest	National Aforestation and Eco Development	State Forest Development Agency	10.88

(Source: Central Plan Scheme Monitoring System)

1.2 Planning and Conduct of Audit

Audit process starts with the assessment of risks faced by various departments of Government based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of overall internal controls and concerns of stake holders.

After completion of audit of each unit on a test check basis, Inspection Reports containing audit findings are issued to the heads of the departments. The departments are to furnish replies to the audit findings within one month of receipt of the Inspection Reports. Whenever replies are received, audit findings are either settled based on reply/action taken or further action is required by the auditee for compliance. Some of the important audit observations arising out of the Inspection Reports are processed for inclusion in the Audit reports, which are submitted to the Governor of the State under Article 151 of the constitution of India for being laid on the table of the Legislature.

During the year, test check of audits involving expenditure of ₹ 3340.73 crore (including funds pertaining to previous years audited during the year) of the State Government under Social sector were conducted. This Chapter contains findings of audit on procurement and distribution of food stuff under Supplementary Nutrition Programme and one compliance audit paragraph.

SOCIAL WELFARE DEPARTMENT

1.3 AUDIT ON PROCUREMENT AND DISTRIBUTION OF FOOD STUFF UNDER SUPPLEMENTARY NUTRITION PROGRAMME.

Highlights

The Department inflated the beneficiary list by 273384 and sent it to the Ministry and obtained excess funds of ₹ 34.53 crore.

(Paragraph 1.3.8.1)

The Department received 25364.30 quintals of food items valued at ₹ 36.25 crore but paid ₹ 75.11 crore for supply of 48991.66 quintals which resulted in excess payment for 23627.36 quintals amounting to ₹ 38.86 crore. The possibility of misappropriation of ₹ 38.86 crore cannot be ruled out.

(Paragraph 1.3.8.3)

Against the supply order for 484144.27 kgs of surho rice cereal valued at ₹ 7.11 crore, 478065 kgs of weaning food of a lower cost valued at ₹ 5.27 crore was supplied and accepted by the Department which resulted in excess payment of ₹ 1.84 crore.

(Paragraph 1.3.8.4)

The 14 test checked projects required foodstuff valued at ₹ 70.28 crore. However, these projects received foodstuff valued at ₹ 37.95 crore resulting in short distribution of foodstuff valued at ₹ 32.33 crore.

(Paragraph 1.3.8.5)

Against the actual per capita expenditure of ₹ 3.75 per beneficiary per day for the State of Nagaland during the last five years, the actual per capita receipts in respect of the 14 test checked projects was only ₹ 2.27. Thus, the beneficiaries in those test checked projects were deprived of ₹ 1.48 per day.

(Paragraph 1.3.8.6)

Against the Union Ministry's decision to provide 80 grams ready to eat, only 12 grams of fortified food was provided by the Department which impeded the successful implementation of the objective of the scheme.

(Paragraph 1.3.8.7)

Physical verification of 62 AWCs in 14 selected CDPOs revealed that 54 AWCs did not have kitchen sheds. Thus, the objective of providing Hot Cooked Meals was defeated.

(Paragraph 1.3.8.9)

1.3.1 Introduction

The Integrated Child Development Scheme (ICDS) aims at enhancing nutritional and health status of children below the age of 6 years, Pregnant Women, lactating mothers

and of late adolescent girls. Supplementary Nutrition Programme is a component of ICDS which covers three categories of beneficiaries such as children in the age group of 0 to 6 years, severely malnourished children and pregnant and lactating mothers. The scheme is implemented on a matching share basis of 90:10 between the Centre and the State Government. The revised guideline of the scheme effective from November 2008 specifies the following financial norms.

Table No.1.3.1

Sl.No.	Categories of beneficiaries	Revised financial norms per day
1	Children 6-72 months	₹ 4
2	Severely underweight children 6-72 months	₹ 6
3	Pregnant women and nursing mothers	₹ 5
Weighted average		**₹ 4.21**

Source: Scheme guidelines

The scheme aimed to bridge the protein-energy gap between the Recommended Dietary Allowance (RDA) and Average Dietary Intake (ADI). The Department reported to have covered a total of 18,50,374 beneficiaries at a total cost of ₹ 186.13 crore during the last five years.

1.3.2 Scope of Audit

The Audit was carried out by test check of records in the office of the Director, Social Welfare Department and 14 Child Development Project Officers (CDPOs) out of 59 CDPOs involving 62 Anganwadi Centres (AWCs) out of 3455 AWCs for the period from 2008-09 to 2012-13. The selection of CDPOs was determined through random sampling based on the number of beneficiaries and the number of AWCs. An entry conference with the representatives of the Social Welfare Department was held on 30 July 2013 wherein the objectives, criteria, scope and methodology of the audit was discussed. On completion of the audit, an exit conference with the Department represented by the Additional Secretary, Government of Nagaland, the Director and Officers was held on 17 October 2013 to discuss the findings of audit.

1.3.3 Audit Objectives

The audit on Procurement and distribution of food stuff under Supplementary Nutrition Programme in Nagaland was carried out to assess whether:

- requirements were assessed on the basis of actual beneficiaries
- the food stuff and nutritional supplements were supplied regularly, as per entitlement and provided to all intended beneficiaries.

1.3.4 Audit Criteria

The main sources of audit criteria were obtained from the following:

- Scheme guidelines
- Financial Rules

- Instructions/circulars/orders issued by the Government
- The monthly, quarterly and annual returns of the project officers.

1.3.5 Acknowledgement

The Accountant General (Audit), Nagaland gratefully acknowledges the co-operation extended by the officers of the Director Social Welfare, the Child Development Project Officers and the Anganwadi Workers in conduct of this audit.

1.3.6 Financial Position

The position of funds released by Government of India and Government of Nagaland and utilised by the Department for implementation of the Supplementary Nutrition Programme in the State of Nagaland during the period covered in audit, are as detailed below:-

Table No.1.3.2

(₹ in crore)

Year	Unspent Balance of previous year	Funds allocated and released by GOI	State Share released by GON	Funds released by GON (column 2 + 3+4)	Actual expenditure during the year	Unspent balance (column 5 minus column 6)
1	2	3	4	5	6	7
2008-09	1.67	13.03	11.80	26.50	24.39	2.11
2009-10	2.11	26.59	6.46	35.16	35.16	0
2010-11	0	47.82	5.00	52.82	52.82	0
2011-12	0	48.56	0.03	48.59	21.19	27.40
2012-13	27.40	38.94	0	66.34	52.57[1]	13.77
Total		**174.94**	**23.29**		**186.13**	

(Source:- Departmental figure)

From the table above the following points were observed:

(i) The funds of ₹ 27.40 crore sanctioned by GOI in 2011-12 was released by the State Government only in 2012-13. However, the Department submitted Utilisation Certificate indicating that the full amount released by GOI was utilised during that year.

(ii) Against the actual sanction of ₹ 38.94 crore in 2012-13 by GOI, the State Government had released only ₹ 25.17 crore of which an amount of ₹ 8.75 crore was kept in Civil Deposit and remained un-utilised and the remaining amount of ₹ 13.77 crore had not been released (August 2013) by the State Government.

The Department in reply accepted the facts (October 2013).

1.3.7 Utilisation Certificate

As per guidelines issued by the Ministry, the Department was required to submit Utilisation Certificates every quarter. Audit observed that the Utilisation certificates

[1] Including ₹ 8.75 crore kept in Civil Deposit.

were submitted to the Ministry without utilising the full funds obtained from the Ministry as detailed below:-

Table No.1.3.3

(₹ in crore)

Status as on 31 March	Amount released by GOI and certified as utilized	Funds drawn from the treasury	Unutilised amount (Including funds kept in Civil Deposit and not released by the State Government)
2009	13.03	10.92	2.11
2010	26.59	13.73	12.86
2011	47.82	47.82	0
2012	48.56	21.17	27.39
2013	38.94	16.42	22.52

Source:- Departmental figure

The above table shows that except in 2011, the Department submitted Utilisation Certificates to the Ministry without actual utilisation of the funds ranging from ₹ 2.11 crore to ₹ 27.39 crore. Besides, the Department had also retained funds ranging from ₹ 14.86 crore to ₹ 38.69 crore as closing balance in the Cash Book at the end of March during the years 2009 to 2013.

Thus, the Department submitted inaccurate UCs to the Ministry without corresponding utilisation of funds in all those years.

The Department while accepting the facts (October 2013) stated that since funds were received by the Department only at the end of the financial year they submitted the UCs to the Ministry within the scheduled time without incurring expenditure to avert non-release of funds for subsequent years.

1.3.8 Audit Findings

Objective:-1 Requirements were assessed and procurement was done on the basis of actual beneficiaries.

1.3.8.1 Discrepant data of beneficiaries

Test check of the data furnished to the Ministry in the form of Utilisation Certificates by the Department of Social Welfare indicated that there were 18,50,374 beneficiaries during the period from 2008-09 to 2012-13. However, audit observed a marked discrepancy between the figures reported in the Utilisation Certificates and the Monthly Progress report submitted by the Child Development Project Officers (CDPOs) as given below:-

Table No.1.3.4

Status as on 31 March	Number of beneficiaries as per UC	Number of beneficiaries as per Monthly Progress Report	Discrepancy	Percentage of variation
2009	376367	351822	24545	7
2010	376589	308441	68148	22
2011	408370	359483	48887	14
2012	344524	278622	65902	24
2013	344524	278622	65902	24
Total	**1850374**	**1576990**	**273384**	**17**

Source:- Departmental figure

It is evident from the table above that there is discrepancy between the figures furnished to the Ministry vis-à-vis the figures submitted by the CDPOs by 273384 beneficiaries during 2009 to 2013. The percentage variation between the actuals and the number of beneficiaries as reported to the Ministry ranged between 7 and 24 *per cent* during those years.

Further analysis of records in 14 test checked projects revealed discrepancy of 28542 beneficiaries between the figures furnished by the CDPOs to the Directorate and that compiled by the Directorate as detailed below:-

Table No.1.3.5

Status as on 31 March	Number of beneficiaries as per Directorate record in respect of 14 selected CDPOs	Number of beneficiaries as per 14 CDPOs record	Discrepancy
2009	122776	115346	(-)7430
2010	95026	122047	(+)27021
2011	126675	115326	(-)11349
2012	91693	101880	(+)10187
2013	91693	101806	(+)10113
Total	**527863**	**556405**	**28542**

Source:- Departmental figure

The above facts indicated that the departmental data on the number of beneficiaries in the State was not consistent and therefore not reliable as the Department prepared the report without taking into account the actual beneficiaries at the project level. In the absence of authentic data on the number of beneficiaries, the expenditure incurred for implementation of SNP cannot be considered as judicious as the overstated number of beneficiaries had consequently enhanced the total fund requirement by ₹ 34.53 crore[2]. The Department also furnished wrong information with a motive to obtain more funds.

[2] 273384 X weighted average of ₹4.21 X 300 days

The Department while accepting the facts (October 2013) assured that UCs shall be regularly sent to the Ministry exhibiting the accurate number of beneficiaries.

The fact however, remained that the Department had obtained excess funds from GOI by submitting incorrect reports.

1.3.8.2 Requirement of funds

The actual number of beneficiaries during the year from 2008-09 to 2012-13 showed a mixed trend which decreased from 351822 in 2008-09 to 308441 in 2009-10 and further increased to 359483 in 2010-11. The number of beneficiaries decreased to 278622 in 2011-12 and remained unchanged in 2012-13. However, the allocation of funds by GOI and the expenditure did not commensurate with the number of beneficiaries as detailed below:-

Table No.1.3.6

(₹ in crore)

Year	Number of beneficiaries as per monthly progress report			Requirement of funds as per GOI norms			Total Requirement of funds	Funds obtained by the Department	Difference
	0 to 6 Years	Severely malnourished	Pregnant and lactating mothers	0 to 6 Years (@ ₹ 4)	Severely malnourished (@ ₹ 6)	Pregnant and lactating mothers(@ ₹ 5)			
2008-09	296640	0	55182	35.59	0	8.28	43.87	24.83	(-) 19.04
2009-10	254672	0	53769	30.56	0	8.07	38.63	33.05	(-) 5.58
2010-11	305713	0	53770	36.69	0	8.07	44.76	52.82	(+) 8.06
2011-12	224700	0	53922	26.96	0	8.09	35.05	48.59	(+) 13.54
2012-13	224700	0	53922	26.96	0	8.09	35.05	38.94	(+) 3.89
Total	**1306425**	**0**	**270565**	**156.76**	**0**	**40.60**	**197.36**	**198.23**	**(+) 0.87**

Source:- Departmental figure

Audit observed that the funds required by the State Government during 2008-13 worked out to ₹ 197.36 crore, against which the Department obtained a total fund of ₹ 198.23 crore. During 2010-11 to 2012-13, the Department obtained ₹ 25.49 crore from GOI in excess of the actual requirement of funds for implementation of SNP in the State out of which the State Government contributed ₹ 5 crore being its share in 2010-11.

The reason for excess in expenditure was due to over projection of 1,80,691 beneficiaries during 2011 to 2013 and marked differences in actual receipt and supply of food stuff as discussed in the following paragraphs.

The Department while accepting the facts (October 2013) assured to ensure strict compliance and proper maintenance of records.

1.3.8.3 Payment without actual receipt of foodstuff

Audit analysis of the bills and the delivery challans/consignment notes for the period from 2009-10 to 2012-13 revealed that an amount of ₹ 150.16 crore (inclusive of tax) was drawn in 14 Bills for procurement of 92284.74 quintals of food stuff as detailed below:

Table No 1 3 7

Particulars of items	Total quantity procured as per bill (in quintals)	Rate as per bill (in ₹ per quintals)	Total value of the bill excluding NVAT (₹ in crore)	Total quantity supplied as per delivery challan (in quintals)	Total value of food stuff actually supplied/ received (₹ in crore)	Difference in quantity (in quintals)	Amount paid in excess (₹ in crore)
Surho Kheer	18322.13	17544	32.14	3071.00	5.38	15251.13	26.76
Micronutrient fortified Balbhog Khichri	18393.71	13872	25.52	15783.10	21.89	2610.61	3.63
Soya Based Biscuits	6627.56	13800	9.15	6510.20	8.98	117.36	0.17
Surho Rice cereal	5648.26	14688	8.30	0.00	0	5648.26	8.30
Total	**48991.66**		**75.11**	**25364.30**	**36.25**	**23627.36**	**38.86**

Source:- Departmental figure

From the table above, it would be seen that the Department received 25364.30 quintals of food items valued at ₹ 36.25 crore but paid ₹ 75.11 crore (exclusive of tax) for supply of 48991.66 quintals which resulted in excess payment for 23627.36 quintals amounting to ₹ 38.86 crore. Though the payments were made after receipt of the delivery challans from the suppliers, the bills were not verified with the actual delivery challans. The possibility of misappropriation of ₹ 38.86 crore cannot be ruled out.

In addition to the above food items, the Department paid ₹ 56.90 crore (exclusive of tax) for procurement of 43293.08 quintals of Balbhog Weaning and Balbhog Kheer. However, the Department recorded receipt of 65549 quintals which was in excess by 22255.92 quintals indicating absence of monitoring and proper accounting mechanism in the Department. The above discrepancies indicate poor record keeping rendering the transactions doubtful which needs further investigation.

The Department while accepting the facts (October 2013) stated that the observation raised by audit had been reviewed and a committee had been constituted to verify the findings.

1.3.8.4 Excess payment

Test check revealed that the Director, Social Welfare issued supply order to Khoyo Tribal Welfare Society, Kohima for supply of items as detailed below:-.

Table No.1.3.8

Name of the Supplier	Supply order No. and Date	Name of the item	Quantity in Kg	Rate per Kg
Khoyo Tribal Women Welfare Society, Kohima	SW/SNP-2/2010-11/45 Dated 16 March 2011	Surho Rice Cereal	484144.27	146.88
		Surho Kheer Mix	506662.61	175.44

Source:- Departmental figure

Accordingly, the bill for an amount of ₹ 18 crore (inclusive of tax) was drawn[3] and disbursed being the cost for supply of Surho Rice Cereal and Surho Kheer Mix. Scrutiny of the delivery challans/consignment notes however, revealed that against the supply order of 484144.27 kgs of Surho Rice cereal valued at ₹ 7.11 crore, 478065 kgs of weaning food of a lower cost (₹ 110.16 per kg) valued at ₹ 5.27 crore was supplied and accepted by the Department which resulted in excess payment of ₹ 1.84 crore.

The Department in reply (October 2013) stated that Khoyo Tribal Women Welfare Society, Kohima does not supply weaning food.

However, documentary evidence made available to audit by the Directorate of Social Welfare and test checked CDPOs indicated that weaning food[4] was supplied by Khoyo Tribal Welfare Society. Besides, part payments of ₹ 2.70 crore was paid to Khoyo Tribal Women Welfare Society and ₹ 12.87 crore was received by Kudecho Khamo on behalf of Khoyo Tribal Women Welfare Society against Bill No. 296.

Objective:- 2 The food stuff and nutritional supplements were supplied regularly as per entitlement and provided to all intended beneficiaries.

1.3.8.5 Shortfall in distribution of supplementary foods

GOI revised the financial cost of nutrition per beneficiary per day effective from February 2009 as detailed in **Table No.1.3.1.**

Audit analysis of the issue and actual receipt by the 14 test checked projects vis-a-vis the weighted average per beneficiary per day revealed that the value of food items actually distributed was much below the norms fixed by the Ministry as illustrated below:

Table No.1.3.9

Status as on 31 March	Number of beneficiaries in 14 selected CDPOs	Entitled financial cost as per revised norms (₹ in crore)	Actual cost of foodstuff received by the 14 selected CDPOs (₹ in crore)	Difference (₹ in crore)
2009	115346	14.57	1.04	13.53
2010	122047	15.41	4.90	10.51
2011	115326	14.57	9.59	4.98
2012	101880	12.87	9.74	3.13
2013	101806	12.86	12.68	0.18
Total	**556405**	**70.28**	**37.95**	**32.33**

Source:- Departmental figure

[3] Vide Bill No 296 dated 31 March 2011

[4] Complimentary food given in addition to breast milk to children aged 4-6 months.

As could be seen from the above table, against the actual requirements of foodstuff valued at ₹ 70.28 crore, the 14 test checked projects received foodstuff valued at ₹ 37.95 crore indicating short distribution of foodstuff valued at ₹ 32.33 crore. The shortfall in distribution deprived 556405 beneficiaries in 14 test checked projects of their entitled nutrition during the last five years. However, the actual distribution of foodstuff to the beneficiaries by the AWCs could not be ascertained and verified in audit as the 62 AWCs test checked did not maintain proper records indicating the frequency, scale and the number of beneficiaries to whom foodstuff were provided.

The Department in reply (October 2013) stated that short supply over the years were due to short release of funds by the Ministry.

The reply is not acceptable as the Ministry had released funds of ₹ 174.94 crore as per laid down financial norms of the scheme and also on the strength of the beneficiaries list submitted by the Department.

1.3.8.6 Per Capita expenditure

According to the revised norms all the beneficiaries are entitled to receive a weighted average of ₹ 4.21 of nutrition per day. Audit analysis of the per capita expenditure for the entire State of Nagaland with that of the actual per capita receipts by the 14 test checked projects are detailed in the table below:-

Table No.1.3.10

Status as on 31 March	Total number of beneficiaries in the Sate	Total expenditure during the year (₹ in crore)	Per capita expenditure of the State[5] (In rupees)	Number of beneficiaries in the selected 14 CDPOs	Total value of foodstuff received by the 14 selected CDPOs (₹ in crore)	Per capita receipts by the 14 selected CDPOs (In rupees)	Shortfall (Per capita) (In rupees)	Percentage of shortfall (Per capita)
2009	351822	24.39	2.31	115346	1.04	0.30	2.01	87
2010	308441	35.16	3.80	122047	4.90	1.34	2.46	65
2011	359483	52.82	4.90	115326	9.59	2.77	2.13	43
2012	278622	21.19	2.54	101880	9.74	3.19	-	-
2013	278622	43.82	5.24	101806	12.68	4.15	1.09	21
Total	**1576990**	**177.38**	**3.75**	**556405**	**37.95**	**2.27**	**1.48**	**39**

Source:- Departmental figure

As could be seen from the table above, against the per capita expenditure of ₹ 3.75 for the State of Nagaland during the last five years, the actual per capita receipts in respect of the 14 test checked projects was only ₹ 2.27 indicating short distribution of ₹ 1.48 per day (39 *per cent)*.to those projects. The weighted average norm of ₹ 4.21 per beneficiary per day was also not achieved. The instant audit observation of shortfall in per capita receipts also substantiate the observation of excess payment without actual receipts of foodstuff and shortfall in distribution as discussed in **paragraphs 1.3.8.3** and **1.3.8.5.**

[5] Total expenditure during the year/ Number of beneficiaries/300 days as per norm

While accepting the facts (October 2013), it was stated that the Department was not aware of the shortfall in per capita receipts. It was also accepted that distribution of foodstuff was done without receiving any indents from the project officers and therefore was done uniformly considering the average of 100 beneficiaries per AWCs. However, the system had been rectified from the year 2013-14.

1.3.8.7 Shortfall in implementation of revised feeding norms

According to sub-clause (a) of clause 5 of the revised guidelines for nutritional and feeding norms issued by the Ministry of Women and Child Development, GOI, State Government should arrange to serve more than one meal and may arrange to provide morning snack in the form of milk/banana/egg/seasonal fruits/micronutrient fortified food etc. since the children of the age group of 3 to 6 years are not capable of consuming a meal of 500 calories in one sitting. The Ministry also decided (January 2006) to provide 50 *per cent* Recommended Dietary Allowance (RDA) through 80 grams of ready-to-eat (RTE) energy.

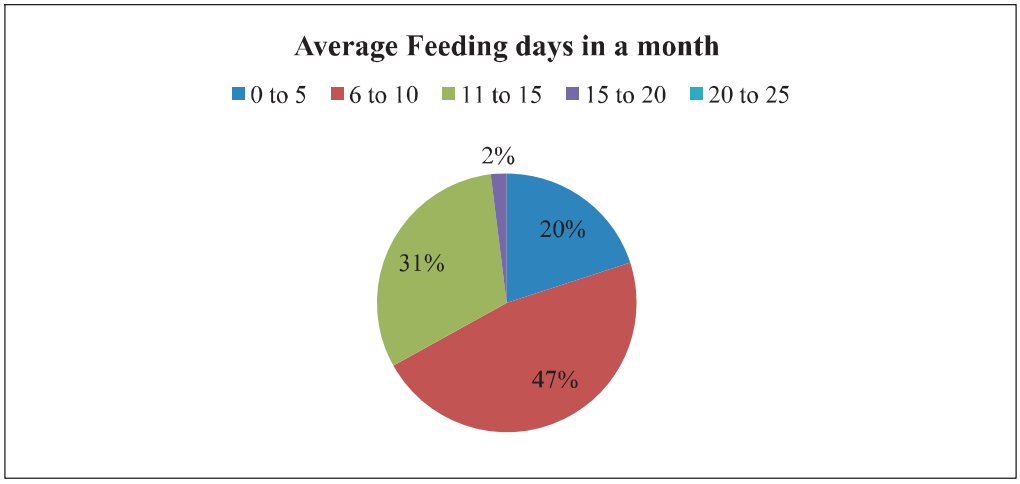
Audit observed that the revised feeding norms had not been adhered to by the Department and against the Ministry's decision of 80 grams RTE, only 12 grams[6] of fortified food was provided.

1.3.8.8 Irregular distribution of supplementary food

As per information furnished to audit, the Department was distributing food items uniformly to all the projects without receiving any indents from the CDPOs or assessing the requirements on the basis of the number of beneficiaries. As discussed in **Paragraph 1.3.8.5** audit observed shortfall in receipt of food items by the test checked projects which in turn affected even distribution to the AWCs. It was further observed from 49 AWCs that food items were not provided to the beneficiaries at regular intervals as per scale. Against the norm of 25 days in a month 49 AWCs out of 62 AWCs visited provided food to the beneficiaries on an average ranging from 1 to 20 days in a month as depicted in the pie chart.

[6] *2 pieces of soya based biscuits of 6 gram*

Chart No. 1.3.1



As could be seen from the chart above, none of the AWCs provided food as per the norm of 25 days. It was observed in audit that only 2 *per cent* of the AWCs provided food for more than 15 to 20 days, 31 *per cent* provided food for 11 to 15 days, 47 *per cent* provided for 6 to 10 days and 20 *per cent* of the centres provided food only for a maximum of five days. This irregular distribution of supplementary food to the beneficiaries impeded successful implementation of the objectives of the scheme.

The Department while accepting the facts (October 2013) stated that irregular distribution was taken seriously and also assured to ensure regular distribution of foodstuff to the Project Officers in future. The Department termed the audit findings as positive indicators for successful implementation of the scheme.

1.3.8.9 Kitchen, sanitation and safe drinking water facility

Clause 8 of the guidelines stipulated that Food and Nutrition Board in collaboration with the State Government should carry out periodic checks to ensure that prescribed standards are adhered to and quality and nutritive value of supplementary nutrition is maintained. In case of Hot Cooked Meal it should be ensured that it is prepared in proper kitchen sheds having adequate sanitation and safe drinking water so as to maintain hygienic conditions.

Physical verification of 62 AWCs in 14 test checked projects revealed that 54 AWCs did not have kitchen sheds. Thus, the objective of providing Hot Cooked Meals was defeated.

It was also observed in audit that none of the 62 AWCs visited had drinking water facility and sanitation as envisaged in the scheme guidelines.

1.3.8.10 Quality issue

As per information provided to audit, the items offered by the NGOs were selected on the basis of Laboratory analysis report issued by the Food & Nutrition Board, Eastern Region, Kolkata. However, laboratory analysis report did not mention the name of the manufacturer/ batch/ date of manufacture etc. Subsequent tests were not conducted for any of those items to ensure that the approved items and quality were actually

supplied. Thus, audit could not confirm that the samples tested and the food stuff actually supplied were the same quality and brand.

The Department in reply (October 2013) stated that the original packing were not sent to the Laboratory for testing.

1.3.8.11 Conclusion

The data on the number of beneficiaries were not reliable as there was marked difference in the report furnished to the Ministry vis-à-vis the monthly progress reports submitted by the CDPOs. Consequently, the actual expenditure was inflated by ₹ 34.53 crore during 2010-13. The Department also paid ₹ 40.70 crore without actual receipt of materials. The Department recorded excess receipt of 22255.92 quintals of two items of foodstuff rendering the transactions doubtful which needs further investigation. There were serious flaws in implementation of the scheme in the State as the quantity of foodstuff required to be provided were compromised due to short distribution of foodstuff valued at ₹ 32.33 crore. The beneficiaries in the test checked projects were deprived of nutrition by ₹ 1.48 per day during the last five years. Out of 62 AWCs in 14 test checked projects, 54 AWCs did not have kitchen sheds which defeated the objective of providing Hot Cooked Meals.

1.3.8.12 Recommendations

- The data on the number of beneficiaries needs to be updated based on the reports furnished by the Anganwadi Workers and the reports furnished to the Ministry should also be strictly monitored.
- Proper monitoring and accounting mechanisms should be established to ensure that payments to the suppliers are released only after receipt of material.
- The required quantity and quality of foodstuff prescribed in the guidelines of the scheme should be regularly provided.
- Distribution of foodstuff to the AWCs should be closely monitored to ensure that beneficiaries are regularly provided the scale of nutrition.

YOUTH RESOURCES AND SPORTS DEPARTMENT

1.4 Fictitious Expenditure

The Executive Engineer, PWD (Housing) Youth Resources and Sports Division, Kohima paid an amount of ₹ 38.31 lakh against an unexecuted item of work i.e. construction of Swimming Pool at Dimapur Club by recording false measurement.

Rule 354 of the Nagaland Public Works Department Code provides that the actual measurements form the basis for practically every payment made in the Public Works Department and therefore, their importance has been emphasised from time to time. It further provides that it is not permissible for Disbursing Officers to relax the rules regarding the check-measurements. The detailed instructions in this regard have also been laid down for the purpose.

The Youth Resources and Sports (YRS) Department sanctioned (February 2012) an amount of ₹ 50 lakh[7] for 'Construction of Swimming Pool at Dimapur Club' on the basis of an estimate prepared by the Executive Engineer (EE), PWD (Housing), YRS Division[8] which was duly approved by the Chief Engineer, PWD (Housing). The work was awarded (March 2012) to the lowest bidder[9] at ₹ 38.31 lakh as per NPWD Schedule of Rates 2010 with a stipulation to complete the work within 12 months. Director, YRS drew ₹ 42.14 lakh (March 2012) and remitted to the EE (May/July 2012)

Scrutiny of Measurement Book (MB) (March 2013) revealed that the contractor commenced the work on 9 April 2012 and completed the work on 10 August 2012 which was measured on three different dates from April-August 2012 by the JE, SDO and EE of the Engineering Division. The contractor was paid ₹ 38.31[10] lakh (August 2012)[11] as per work order. The remaining amount of ₹ 3.83 lakh meant for Site had not been utilised (March 2013) and was kept in the bank account of the division.

As the work was reportedly completed within a short period of five months against the stipulated period of 12 months, audit conducted a physical verification to ascertain the actual status of work. During joint physical verification conducted (March 2013) by audit alongwith the EE, YRS Division, it was seen that Swimming pool was not constructed at Dimapur Club contrary to the entries made in the MB and progress report submitted by the EE. The EE however, stated that a building committee was formed for this project by the members of Dimapur Club and the committee decided to go for a pre-fabricated swimming pool as the amount granted was less. The committee had ordered the pre-fabricated swimming pool which had not arrived. However, the EE could not offer any explanation for falsely recording the measurement and releasing the payment.

Thus, the EE made a fictitious payment of ₹ 38.31 lakh against unexecuted items of work by recording false measurement of work.

In reply (June 2013), the Government stated that the work was held up because of the change of location and scope of work due to unstable soil conditions in the original site. The Government further stated that the fund was released to the contractor as requested by him for purchase of equipment for the project and the civil works were in good progress.

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7 Net amount-₹ 42.14 lakh
8 Executing working division
9 M/S ALCO
10 Net amount paid -₹ 35.97 lakh after statutory deductions.
11 Cheque No 164562 dtd 23/08/2012

The reply was not tenable as the payment was made to the contractor after recording the measurement and recording completion of construction of swimming pool as per the sanction for which no explanation was offered. Moreover, any change in scope, location, release of advance payment, etc. should have been properly recorded and sanction obtained from the competent authority instead of resorting to manipulation of records which was against the provisions of Rule 354 of the Nagaland Public Works Department Code.

CHAPTER – II

ECONOMIC SECTOR

CHAPTER - II

ECONOMIC SECTOR

2.1 Introduction

This Chapter of the Audit Report for the year ended 31 March 2013 deals with the findings on audit of the State Government units under Economic Sector.

The names of the State Government departments and the total budget allocation and expenditure of the State Government under Economic Sector during 2012-13 are given below:

Table No. 2.1.1

(₹ in crore)

Name of the departments	Total Budget Provision	Expenditure
Agriculture	193.29	184.54
Horticulture	30.34	17.47
Soil and Water Conservation	47.41	44.41
Veterinary and Animal Husbandry	91.31	96.78
Fisheries	38.49	34.7
Land Resources	16.59	15.20
Cooperation	30.11	30.30
Civil Supplies	21.75	21.52
Rural Development	141.05	133.21
SIRD	6.23	6.16
Sericulture	15.43	14.66
Land Records and Survey	19.50	14.18
Irrigation and Flood Control	169.65	132.55
Power	437.09	428.07
New and Renewable Energy	14.56	14.20
Industries and Commerce	95.65	86.85
Geology and Mining	26.96	22.92
Roads and Bridges	763.50	523.26
Science & Technology	3.88	3.85
Tourism	28.73	18.22
Economics and Statistics	31.88	29.35
Legal Metrology and Consumer Protection	13.27	10.62
Planning and Coordination Department	596.91	204.66
Evaluation	8.03	8.02
Department of Under Developed Areas	149.31	88.37
Information Technology & Communication	15.07	9.58
Forest, Ecology, Environment and Wildlife	93.23	99.91
Road Transport	80.58	73.95
Total number of departments=28	**3179.80**	**2367.51**

Besides the above, the Central Government has been transferring a sizeable amount of funds directly to the Implementing agencies under Economic Sector to different

departments of the State Government. The major transfers for implementation of flagship programmes of the Central Government are detailed in the following table:

Table No. 2.1.2

(₹ in crore)

Name of the Department	Name of the Scheme/Programme	Implementing Agency	Amount of funds transferred during the year
Land Resources	National Bamboo Mission	Nagaland Bamboo Development Agency (NBDA)	16.60
Rural Development	Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGA)	District Rural Development Agencies (DRDAs)	443.87
	Indira Awas Yojana (IAY)	District Rural Development Agencies (DRDAs)	39.37
Roads and Bridges	Pradhan Mantri Gram Sadak Yojana (PMGSY)	Nagaland Rural Roads Development Agency	194.88

(Source: Central Plan Scheme Monitoring System)

2.2 Planning and Conduct of Audit

Audit process starts with the assessment of risks faced by various departments of Government based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of overall internal controls and concerns of stake holders.

After completion of audit of each unit on a test check basis, Inspection Reports containing audit findings are issued to the heads of the departments. The departments are to furnish replies to the audit findings within one month of receipt of the Inspection Reports. Whenever replies are received, audit findings are either settled based on reply/action taken or further action is required by the auditee for compliance. Some of the important audit observations arising out of the Inspection Reports are processed for inclusion in the Audit reports, which are submitted to the Governor of the State under Article 151 of the constitution of India for laying on the table of the Legislature.

During the year, test check of audits involving expenditure of ₹ 1542.95 crore (including funds pertaining to previous years audited during the year) of the State Government under Economic Sector were conducted. This chapter contains four Performance Audits and five compliance audit paragraphs.

RURAL DEVELOPMENT DEPARTMENT

2.3 Implementation of Indira Awaas Yojana (IAY) in Nagaland

During 2002 an integrated performance audit of the Rural Housing Scheme of the Rural Development Department, Government of Nagaland (GON) was taken up which was incorporated in the Report of the Comptroller and Auditor General (CAG) for the year ended 31 March 2002, inter-alia covering Indira Awaas Yojana (IAY). The audit findings were discussed by the Public Accounts Committee (PAC) of the State Legislature in September 2011 and May 2012. To assess the impact of implementation of IAY and to evaluate the action taken by the Department on the recommendation, performance audit of IAY scheme was taken up during April to August 2013. The performance audit revealed that the objectives of the Scheme could not be entirely achieved due to lack of proper planning, poor monitoring, vulnerability to frauds etc., despite being pointed out in earlier audit. The major observations noticed are highlighted below:

Highlights

There was no documentary evidence in support of distribution of 28038 bundles of CGI sheets valued at ₹ 12.77 crore.

(Paragraph 2.3.9.1(B))

In two selected villages of Mon district IAY was not implemented as CGI sheets worth ₹ 30.51 lakh did not reach the beneficiaries. Short distribution of 1198 bundles of CGI sheets costing ₹ 55.53 lakh was reported during interview of 935 beneficiaries of four selected districts.

(Paragraph 2.3.10.4 and 2.3.10.5)

Annual Accounts of 11 DRDAs exhibited inflated expenditure figure of ₹ 2.37 crore on procurement of CGI sheets resulting in possible misappropriation of scheme funds.

(Paragraph 2.3.11.6)

The Department did not take any initiative to correspond with other line departments for convergence of IAY programme. Poor monitoring and internal control mechanism had adversely affected the overall implementation of the scheme.

(Paragraphs 2.3.12 and 2.3.13)

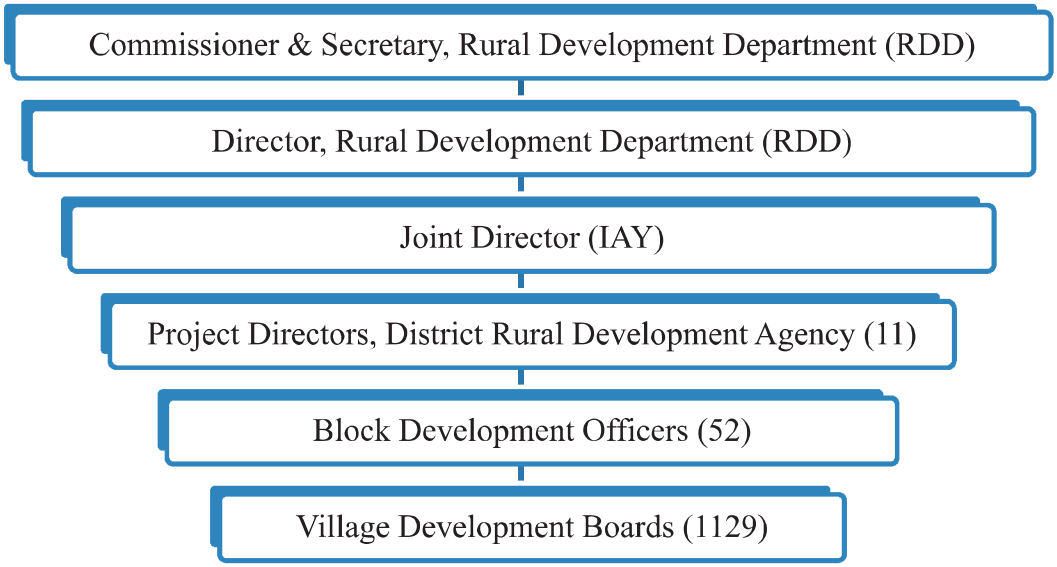
2.3.1 Introduction

Indira Awaas Yojana (IAY) was launched in the State as a Centrally Sponsored Scheme in 1985-86 with the objective of providing assistance for construction of houses to shelterless rural people living below the poverty line (BPL) and belonging primarily to the Scheduled Castes (SCs), Scheduled Tribes (STs) and freed bonded labour, widows and next of-kin to defence personnel killed in action. Implementation of IAY in Nagaland was restricted to providing housing materials in the form of CGI

sheets during the period 2008-13. During the last five years period (2008-09 to 2012-13) the Government of Nagaland received ₹ 217.17 crore against which an expenditure of ₹ 214.21 crore had been incurred leaving an unspent balance of ₹ 2.96 crore.

2.3.2 Organisational set up

The organisational setup for implementation of IAY in the State is given below:



2.3.3 Scope of Audit

The implementation of IAY in the State of Nagaland for the period from 2008-09 to 2012-13 was reviewed as a follow up to the CAG Report on Rural Housing (Indira Awaas Yojana) for the year ended March 2002 through a test check of records in the Directorate of Rural Development Department, Project Directors (District Rural Development Agency), Block Development Officers and Village Development Boards concerned and interview of selected beneficiaries at the village level.

Implementation of Indira Awaas Yojana in the State during 2008-09 to 2012-13 was reviewed in audit during April to August 2013 by a test check of records of Directorate of RD Department, 4 DRDAs[1] out of 11 and 8[2] BDOs out of 52 in the State. An expenditure of ₹ 105.41 crore representing 49 *per cent* of the total expenditure (₹ 214.21 crore) was test checked.

The present performance audit covered four districts, four DRDAs, eight BDOs and 80 VDBs out of 1129 in the State by adopting sampling methods of "Probability Proportional to Size With Replacement (PPSWR) and Simple Random Sampling Without Replacement (SRSWOR).

[1] DRDA Kohima, Dimapur, Tuensang and Mon
[2] BDO, Chiephobozou, Kohima, Kuhuboto, Medziphema, Longkhim, Noklak, Tizit and Tobu.

2.3.4 Audit objectives

The objectives of the performance audit were to assess whether:

(i) planning, identification and selection of beneficiaries conform to the scheme provisions;

(ii) targets and achievements and technology of constructions correspond to the quality and financial parameters ;

(iii) the allocation and release of funds under IAY were made in an adequate and timely manner and utilised economically and efficiently;

(iv) convergence of the IAY activities with other programmes and non-governmental stakeholders as envisaged was effectively achieved and ensured availability of a complete functional dwelling unit; and

(v) the mechanism in place for monitoring and evaluation of the outcomes of the programme were adequate and effective.

2.3.5 Audit criteria

The performance was assessed with reference to the following sources of criteria:

- Guidelines of IAY issued by the Ministry of Rural Development ;
- Outcome budget of the Ministry of Rural Development;
- Periodical reports/returns prescribed by State Government;
- Circulars/instructions issued by the Department of Rural Development, GoI and State;
- Reports of National Level Monitors with the Ministry;
- Studies conducted by the Planning Commission and various agencies at Central level.

2.3.6 Audit methodology

The performance audit commenced with an entry conference (April 2013) with the Commissioner & Secretary, RDD and other departmental officers to discuss the audit objectives. The audit findings were discussed in an exit conference held on 28 October 2013. The replies furnished by the Government have been appropriately incorporated in the report.

2.3.7 Previous audit findings

A review of implementation of IAY scheme for the period 1997-98 to 2001-02 revealed that the Department embarked upon the scheme without collecting the information about the shortage of houses in the State. The scheme was launched with effect from 1985-86 in the State but a survey of the population living below the poverty line (BPL) was conducted only during 1997-98. The coverage of non-BPL group still continues. The Department provides only 5 bundles of corrugated galvanised iron sheet (CGI), roofing material to each beneficiary without considering other required elements for construction of house as per guidelines which amounts to denial of full benefit of the housing scheme to the poor people. The implementation of

the scheme suffered due to procurement of roofing materials at high cost from local suppliers instead of from manufacturers. The performance reported by the Department was not based on facts. The achievement figures were inflated.

The audit findings were discussed by the Public Accounts Committee vide its 100th Report adopted on 6th September 2011 and presented to the House on 15th September 2011.

2.3.8 Acknowledgement

The office of the Accountant General (Audit), Nagaland places on record our sincere appreciation for the co-operation of the Rural Development Department, the Store Keeper Central Godown, Officers and staff of District Rural Development Agencies, Block Development Officers and Secretaries of Village Development Boards.

Audit findings

2.3.9 Planning

Audit objective 1: To ascertain whether planning, identification and selection of beneficiaries conform to the scheme provisions

2.3.9.1 Identification and Selection of Beneficiaries

According to para 2.1 of IAY guidelines, District Rural Development Agencies (DRDAs) shall decide the number of houses to be constructed during a particular financial year. The beneficiaries will be selected by the Village Development Boards (VDBs) from the Permanent IAY Waitlists prepared on the basis of BPL lists in order of seniority in the list. The Gram Panchayats may draw out the shelterless families from the BPL list strictly in the order of ranking in the list.

(A) Assessment of housing shortage was not done in the State by any of the test checked DRDAs. The DRDAs prepared a Permanent Waitlist during 2007 basing on the BPL Census 2002-2007. Regular updation of the Permanent Waitlist was also not done in the test checked districts.

During scrutiny of records of four test checked districts the following irregularities were noticed:

(i) Selection of beneficiaries outside permanent waitlist:

8259 bundles of CGI sheets worth ₹ 3.78 crore were distributed to 1,378 beneficiaries of 76 VDBs covering 8 blocks of 3 districts outside the list of BPL. Names of those beneficiaries were also not traceable in the IAY permanent waitlist. The details are shown in **Appendix-2.3.1**).

(ii) Selection of beneficiaries from APL category:

In 16 VDBs of 3 Blocks at 2 districts 80 Above Poverty Line category (APL) persons were given the benefit of IAY scheme in contravention of IAY guidelines. As a result, 524 bundles of CGI sheets worth ₹ 0.25 crore were distributed to non-entitled beneficiaries. The details are shown in **Appendix-2.3.2**).

(iii) Multiple allotment to the same beneficiaries

3760 bundles of CGI sheets worth ₹ 1.76 crore were distributed to 693 beneficiaries on multiple occasions in 255 Village Development Boards covering 7 blocks of 3 districts as detailed in **Appendix-2.3.3.** This was despite the fact that each beneficiary was entitled to receive the benefits only once.

The above irregularities are indicators of the fact that the permanent waitlist was not strictly adhered to while selecting beneficiaries as envisaged in the Scheme guidelines. Allotment of IAY houses to beneficiaries who were not listed in the permanent wait list, APL category households and multiple allotments to same beneficiaries resulted in denial of IAY benefits to other eligible persons who were listed in the permanent wait list.

(B) During scrutiny of records it was noticed that six District Rural Development Agencies made allocation and issued 28,038 bundles of CGI sheets stating it to be Assembly Constituency/District Rural Development Agency/Block allocations. VDBs did not have any records of receipt and distribution of the CGI sheets as they were neither intimated nor involved in selection of those beneficiaries.

There was no visible evidence and documents in support of actual distribution of 28,038 bundles of CGI sheets valued at ₹ 12.77 crore at the village level **(Appendix-2.3.4).**

Thus, selection of beneficiaries in contravention to the guidelines had frustrated the objective of the scheme to that extent.

The Department stated (November 2013) that the villagers approached their elected representatives for assistance under the scheme and their applications were forwarded to the DRDAs/Blocks. The recommendations were screened out and eligible applicants were assisted. However, the recommendations of elected members were taken into account strictly on the basis of the beneficiary being BPL.

The reply was not tenable as the authority for selection of beneficiaries lies solely on the Village Development Boards and permanent waitlist was prepared at the VDB level in consultation with the villagers/their representatives. Hence, approaching of the elected representatives by the villagers for selection of their names as beneficiaries of IAY scheme without involving VDBs was beyond the scheme guidelines.

2.3.9.2 Priority in selection of beneficiaries

As per para 2.2 of IAY guidelines prioritisation of beneficiaries will be given to (i) Freed bonded labourers, (ii) SC/ST households, (iii) Families/widows of personnel from defence services/paramilitary forces, killed in action, (iv) Non- SC/ST BPL households and (v) Physically and mentally challenged persons. The selection of the beneficiaries will be subject to the condition that the households of all the above categories except (iii) are Below Poverty Line (BPL).

Out of 68,805 IAY dwelling units constructed in the State during the period 2008-13, 65948 dwelling units were allotted to male, 806 allotted to female beneficiaries and 2051 to physically or mentally challenged persons, as shown in the following table:

Table No. 2.3.1

Year	Female	Male	Physically or mentally challenged persons	Families/widows of personnel from defence services/paramilitary forces, killed in action	Total
2008-09	233	18234	574	--	19041
2009-10	81	10786	348	--	11215
2010-11	182	14333	485	--	15000
2011-12	134	12889	339	--	13362
2012-13	176	9706	305	--	10187
Total	**806**	**65948**	**2051**	**--**	**68805**

(Source: Utilisation Certificates of 11 DRDAs)

The Department furnished (November 2013) a list claiming coverage of 2,051 beneficiaries under the category of physically or mentally challenged persons. The list furnished by the Department was not supported with documentary evidence to substantiate that the beneficiaries were physically challenged persons.

Further, the Department had also failed to consider categories of beneficiaries under families of military/paramilitary forces who died in action. The Department accepted the fact that the beneficiaries under this category were not identified while fixing the target of IAY housing.

Thus, the Department did not adhere to the provision of guidelines which envisages priority in selection of beneficiaries.

2.3.9.3 Training

Para 5.7 of the guidelines envisage that officers dealing with the IAY in the State, District and Block levels must be trained in various disaster resistant features to be adopted in the houses and they should ensure that this is complied with during their field visits. In addition, local carpenters and masons should be trained for skill upgradation and use of low cost technology and local material under the SGSY. The awareness among the beneficiaries must be created about the disaster resistant and environment friendly technology through exhibitions of low cost technologies at the district and block level, seminars, workshops etc. The services of State Institutes of Rural Developments (SIRDs), Extension Training Centres may be obtained for this purpose.

The Department stated (September 2013) that during the period 2008-09 to 2012-13 no formal training had been conducted. The Department further stated that matters relating to implementation of IAY were briefed to the VDB secretaries during Annual Conference held at the district level. The reply of the Department is not tenable as the training should have been imparted to the beneficiaries, carpenters and masons. The Department also could not furnish any documentary evidence with regard to the discussion of IAY matters during such conference.

2.3.10 Target and achievements

Audit objective 2: To ascertain whether targets and achievements and technology of constructions (constructions of new houses, renovation, providing land etc.) correspond to the quality and financial parameters

2.3.10.1 Type design, amenities and cost effectiveness

The State Rural Department approved type design of IAY houses[3] with a plinth area of 50.69 sqm. The approved type design includes the additional amenities of a kitchen, smokeless chulla, sanitary facilities (toilets). However, this type of design was not followed. The Department also did not insist the beneficiaries to follow this type design. During interview the beneficiaries expressed their lack of awareness of the IAY house design.

The unit cost for an IAY house was ₹ 48,500. The Department, however, did not fully release this amount to the beneficiaries. Instead, 7 bundles of CGI sheets costing ₹ 36,000 only was provided to the beneficiaries which was not sufficient for construction of a dwelling unit with additional amenities. Thus, beneficiaries were denied of basic amenities such as sanitary facilities, kitchen, smokeless chullah and drinking water supply.

After providing 7 bundles of CGI sheets all responsibilities of construction activities were left in the hands of the beneficiaries. The beneficiaries had no other option but to construct the house with the locally available raw materials without any technical assistance or supervision from the Department.

Despite being pointed out in the Audit Report of the Comptroller and Auditor General of India for the year ended March 2002, Government of Nagaland (para 3.3.16), the Department still continued with the system of procurement and distribution of CGI sheets to the beneficiaries.

2.3.10.2 Excess achievement by compromising the quality of houses

The year-wise targets of beneficiaries and achievements during the period 2008-09 to 2012-13 are shown in the following table:

Table No. 2.3.2

Year	Target of beneficiaries fixed during the year	No. of beneficiaries achieved	Excess achievement	Percentage of achievement
2008-09	6773	19041	12268	281
2009-10	10793	11215	422	104
2010-11	7730	15000	7270	194
2011-12	7552	13362	5810	177
2012-13	8341	10187	1846	122
Total	**41189**	**68805**	**27616**	

(Source: Information furnished by Directorate of RDD)

There was excess achievement over the target in all the years.

[3] 3 bedrooms, 1 kitchen, 1 store, 1 toilet and verandah costing ₹ 48,500

The Department stated (November 2013) that the excess achievement was due to additional coverage of beneficiaries by utilising the amount saved out of unit cost of ₹ 48,500 which was supposed to be given to each beneficiary.

2.3.10.3 Inflated reporting of 1689 beneficiaries

During cross verification of records relating to coverage of beneficiaries by Directorate and 11 DRDAs it was noticed that there was a difference of 1689 beneficiaries as shown in the following table:

Table No. 2.3.3

Year	Number of beneficiaries covered		Difference	Value		
	Directorate record	DRDA records		No. of bundles per beneficiary	Rate per bundle (₹)	Amount (₹)
2008-09	19188	19041	147	5	4380	3219300
2009-10	11645	11215	430	7	4380	13183800
2010-11	15514	15000	514	7	4380	15759240
2011-12	13362	13362	0	7	4990	0
2012-13	10785	10187	598	7	4990	20888140
Total	**70494**	**68805**	**1689**			**53050480**

(Source: Information furnished by Directorate of RDD)

Taking the figures of DRDA (Implementing Agency of IAY scheme) as base it was seen that the Directorate has shown excess coverage of 1689 beneficiaries. This indicate that there was lack of coordination and proper scrutiny of records in the Department and exhibit that CGI sheet for 1689 beneficiaries valuing ₹ 5.31 crore did not have any accounting at DRDA level which need investigation.

The Department furnished (November 2013) a statement showing corrected numbers of beneficiaries.

The statement was not acceptable as the figure does not tally with the UC figures of 11 DRDAs. Moreover, the Department cannot make subsequent corrections to the UCs already furnished to the Ministry.

2.3.10.4 Non implementation of IAY scheme in two selected VDBs

There are 18 VDBs in Tizit Block (Mon district) out of which 10 VDBs were selected for detailed check in performance audit. During scrutiny of stock register of BDO, Tizit it was noticed that 661 bundles of CGI sheets valued at ₹ 30.51 lakh (**Appendix-2.3.5)** were issued to two VDBs (Neitong and Ngangting) during the period 2008-09 to 2012-13.

However, during field visit the VDB Secretaries stated that they had not received any CGI sheets under IAY during the aforementioned period. Certificates to this effect had been furnished by the concerned Secretaries.

This had resulted in non-implementation of IAY scheme in the two villages and the possibility of the materials worth ₹ 30.51 lakh being misappropriated cannot be ruled out. The matter therefore, requires further investigation.

The Department stated (November 2013) that the present VDB Secretaries were appointed during 2012 and the detailed records had not been received from the former VDB Secretaries. Hence, the responses made to the auditor were out of ignorance.

The reply was not tenable as the VDB Secretaries had already furnished (8 and 13 July 2013) in writing stating that the village did not receive any CGI sheet during the last 5 (five) year (2008-09 to 2012-13) under IAY scheme. Moreover, the authorities of the two villages could not show any IAY house to the audit team during visit.

2.3.10.5 Short procurement of 5285 bundles of CGI sheets and short distribution of CGI sheets to beneficiaries of selected VDBs

The Department of Rural Development identified 68,805 beneficiaries during 2008-13. For those number of beneficiaries 4,43,553 bundles of CGI sheets were required to be procured (5 and 7 bundles per beneficiary). However, the Department had procured 4,38,268 bundles of CGI sheets only during the period 2008-09 to 2012-13 as shown in the following table:

Table No. 2.3.4

Year	No. of beneficiaries achieved	No. of CGI sheet bundles per beneficiary	Required No. of CGI bundles	CGI sheets actually procured (bundles)	Difference (Col. 4-5)
1	2	3	4	5	6
2008-09	19041	5	95205	96035	(+) 830
2009-10	11215	7	78505	93758	(+) 15253
2010-11	15000	7	105000	104195	(-) 805
2011-12	13362	7	93534	71521	(-) 22013
2012-13	10187	7	71309	72759	(+) 1450
Total	**68805**		**443553**	**438268**	**(-) 5285**

Scrutiny revealed that short procurement of 5,285 bundles of CGI Sheets was due to less distribution in quantity of CGI sheets against the actual entitlement to show more achievement of beneficiaries. This had resulted in short distribution of CGI sheets to some beneficiaries against their due entitlement. The fact was also confirmed during interview of selected beneficiaries as discussed below.

Physical verification conducted in eight Blocks of four districts revealed that 555 beneficiaries out of the selected 935 beneficiaries received 2,635 bundles of CGI sheets against their due share of 3,833 bundles **(Appendix-2.3.6)**. The beneficiaries were given 2 to 5 bundles of CGI sheets only against the entitlement of 5 (2008-09) and 7 (2009-13) bundles of CGI sheets per beneficiary. This had resulted in short distribution of 1198 bundles costing ₹ 55.53 lakh. Thus, due to short release of CGI sheet the beneficiaries could not construct their houses with attached kitchen and toilet as per the approved house design.

The Department stated (November 2013) that during the period 2008-13 actual beneficiaries assisted were 70,494 and not 68,805 and total number of CGI sheet procured were 4,50,112 bundles and not 4,38,268 bundles which have been indicated in the Annual Progress Report and Utilisation Certificate.

The reply was not tenable as the records of allocation of CGI sheets, purchase vouchers, annual accounts and UCs furnished to audit showed achievement of 68,805 beneficiaries and procurement of 4,38,268 bundles of CGI sheets.

2.3.10.6 Doubtful construction of IAY houses

During joint inspection of 935 (audit team with the Departmental officers) reported to be constructed IAY houses it was noticed that-

- the houses were not constructed as per the approved type design set for an IAY house. Permanent IAY logos were not displayed at the houses;
- complete inventory of constructed IAY houses was not maintained;
- the VDBs and beneficiaries stated that no departmental officers at any level had ever supervised the construction work in the village;
- completion certificates were neither furnished by the VDBs nor were insisted by the BDOs.

In addition, many of the houses constructed during 2008-13 and shown to audit had rusted roofs as shown in photograph No. 2.3.1 below:

Photograph No. 2.3.1



Photographs taken on 29/05/13 and 30/05/13

Under the circumstances stated above, it could not be confirmed in audit whether the houses shown to Audit team during inspection were genuine IAY houses.

The Department stated (November 2013) that local inventory of constructed houses should have been maintained by VDBs for which instructions had been notified.

2.3.10.7 Non-Maintenance of Records

The following records were not maintained by the concerned authorities:

1 **Directorate of Rural Development**

State Annual Plan (2012-13), Records pertaining to conduct of training programmes and field visits.

2 **District Rural Development Agencies**

Survey reports and IAY wait list (2008-13), Records pertaining to training programmes and Inventory of houses.

3 **Block Development Offices**
Records pertaining to conduct of survey to identify housing shortage for preparation of permanent IAY wait list, conduct of field inspection, conduct of training programmes, Inventory of houses and conduct of Social Audit.

4 **Village Development Boards**
Survey to identify housing shortage for preparation of permanent IAY wait list, List of the beneficiaries selected on recommendation of VIPs, Completion certificate and Inventory of houses and records pertaining to conduct of Social audit.

Non maintenance of the basic records at various levels indicate that there was no effective internal control system in the Department in implementation of the IAY scheme. It also revealed that prescribed guidelines, rules and regulations were not strictly adhered to.

The Department accepted (November 2013) the fact.

2.3.11 Funds management

Audit objective 3: To ascertain whether allocation and release of funds were made in an adequate and timely manner and that these were utilised economically and efficiently.

2.3.11.1 Financial position

The Indira Awaas Yojana was funded on cost sharing basis between the Government of India and State Government in the ratio of 75:25 upto 2008-09 and thereafter 90:10 respectively.

During the period from 2008-09 to 2012-13 an amount of ₹ 215.77 crore (₹ 196.24 crore by MoRD + ₹ 19.53 crore by the State Government) was released to the State under IAY scheme out of which an expenditure of ₹ 214.21 crore was incurred as shown in the following table:

Table No. 2.3.5

(₹ in lakh)

Year	Allocation			Release			Opening Balance	Misc. & Interest Receipts	Total funds available	Expenditure	Closing Balance
	Central	State	Total	Central	State	Total					
2008-09	1955.65	651.88	2607.53	4005.37	627.94	4633.31	83.08	3.37	4719.76[4]	4524.93	194.83
2009-10	2936.92	236.32	3173.24	2863.07	172.46	3035.53	194.83	29.45	3259.81[5]	3139.33	120.48
2010-11	3374.01	374.89	3748.90	4888.26	647.19	5535.45	120.48	9.42	5665.35[6]	5237.11	428.24
2011-12	3296.27	366.25	3662.52	4225.81	303.31	4529.12	428.24	14.75	4972.11[7]	4670.49	301.62
2012-13	3641.79	404.64	4046.43	3641.79	202.32	3844.11	301.62	0.00	4145.73[8]	3848.80	296.93
Total	**15204.64**	**2033.98**	**17238.62**	**19624.30***	**1953.22**	**21577.52**		**56.99**	**22762.76**	**21420.66**	

*Central releases include ₹ 4419.66 lakh being additional and stimulate packages which are not included in the allocation.

(Source: Sanction orders, UC and Annual Accounts of 11 DRDAs)

[4] ₹ 316.12 lakh (GoI: ₹ 141.12 and State: ₹ 175.00 lakh) related to 2007-08 received and accounted for in 2008-09
[5] ₹ 77.12 lakh (GoI: ₹ 77.12 lakh) related to 2008-09 received and accounted for in 2009-10
[6] ₹ 1336.56 lakh (GoI:₹ 1063.37 and State: ₹ 273.19 lakh) related to 2009-10 received and accounted for in 2010-11
[7] ₹ 777.48 lakh (GoI: ₹ 777.48 lakh) related to 2010-11 received and accounted for in 2011-12
[8] ₹ 202.32 lakh (State: ₹ 202.32 lakh) related to 2011-12 received and accounted for in 2012-13

The Government of India released second installment of funds during March almost every year due to late submission of utilisation certificate and proposal for second installment by the Department and as a result funds for the relevant year were accounted for in subsequent years.

The Department accepted (November 2013) the fact.

2.3.11.2 Release of State Share

The State Government released its share in the last month of the financial year which resulted in accumulation of unspent balance. During 2012-13, the State Government did not release its due share of ₹ 4.05 crore. Details are shown in **Appendix-2.3.7**. In this connection, the Department stated that proposal had been sent to the State Government for releasing the backlog amount during the current year (2013-14).

2.3.11.3 Deduction of Central share due to short release of State share

The Government of India, Ministry of Rural Development imposed deduction of ₹ 3.03 crore due to short release of State Share, as shown in the following table:

Table No.2.3.6

(₹ in lakh)

Year	Name of release	No. of release	No of district	Allocation	Amount released			Deduction imposed (Col.5-col.8)
					1st instt.	2nd instt.	Total	
1	2	3	4	5	6	7	8	9
2008-09	2nd installment	4	8	1372.14	686.07	534.23	1220.30	151.84
2009-10	2nd installment	5	10	2580.88	1290.44	1139.47	2429.91	150.97
Total				**3953.02**	**1976.51**	**1673.70**	**3650.21**	**302.81**

(Source: GoI Sanction orders)

The Department stated (November 2013) that deduction of ₹ 151.84 lakh by the MoRD during 2008-09 was due to short release of State share during 2007-08. The deduction of ₹ 150.97 lakh imposed by MoRD during 2009-10 was due to short release of State share: ₹ 16.77 lakh during 2008-09. This was subsequently released by the State Government as backlog for 2008-09.

The fact remains that the State Government lost Central assistance of ₹ 3.03 crore which would have extended benefit of IAY to additional 1185[9] beneficiaries during 2008-09 and 2009-10.

2.3.11.4 Reconciliation of Accounts

All the funds released by the Centre and State for implementation of IAY scheme are credited into respective bank accounts of DRDAs. Reconciliation of accounts is being

9

Year	Cost of 5 bundles (2008-09) and 7 bundles (2009-10)	Amount deducted by GOI	Additional beneficiaries that could have been covered during the year
2008-09	21900	15183700	693
2009-10	30660	15097000	492
Total		**30280700**	**1185**

done with banks regularly. However, due to lack of proper scrutiny in reconciliation the Department failed to account for Government releases amounting to ₹ 0.46 crore in the Annual Accounts and Utilisation Certificate during 2008-09 and 2010-11 as shown in the following table:

Table No. 2.3.7

Name of DRDA	Sanction order No. & date	Pertaining year	Amount (₹ in lakh)	Purpose
Mokokchung	F.No.J-12029/1/2008-RH(A/C)/189/Nagaland dated 29.07.2008	2007-08	37.50	Additional Central Assistance under 5% of IAY funds earmarked for Natural Calamities
Longleng	DRDA/ACCTT-4/2006-07 dated 27.9.2010	2009-10	8.83	2nd instalment State Share
Total			**46.33**	

(Source: Sanction orders, UC and Annual Accounts of 2 DRDAs)

The Department accepted (November 2013) the fact.

2.3.11.5 Lack of monitoring the quality of CGI sheets received

The Department of Rural Development, Nagaland procured 4,38,268 bundles of CGI sheet for a total amount of ₹ 200.76 crore (excluding VAT, carriage and incidental charges) under Indira Awaas Yojana during the period 2008-13. The year-wise details of quantity, specifications and rates (per bundle) of CGI sheets are shown in the **Appendix-2.3.8**.

A joint physical verification was conducted along with the departmental officers at the Central Godown, Dimapur on 19.4.2013. Stock held then was 8484 bundles. During physical verification it was noticed that there was weight variation between specification in the supply orders and actual supply. The details are shown in the following table:

Table No. 2.3.8

Sl. No.	Particulars	Specification as per supply order	Specification found during physical verification	Variation
1	**2**	**3**	**4**	**5**
1.	Brand	JINDAL	JINDAL	NIL
2.	Weight (kg/bdl)	50	41.500	8.500
3.	Length (ft)	10	10	NIL

On audit query the Store Keeper of the Godown stated that CGI sheets of the specification mentioned against column 4 only were received during the period 2008-09 to 2012-13.

This fact was initially accepted by the Department. However, after liquidation of the available stock, the Department contested the fact and requested for re-inspection/re-weighing (26.6.2013). Accordingly, the audit team alongwith the departmental officers inspected the stock at Godown on 6.9.2013.

Photograph No.2.3.2



Audit team alongwith departmental officer inspecting weight of CGI sheet per bundle



Stock of 250 bundles of CGI sheets as on 6.9.2013

The stock held by the Department then was 250 bundles only. The weight found by the joint inspection team was 48.00 kg per bundle. Thus, there was variation in weight of 8.5 kg (1st inspection) and 2 kg (2nd inspection).

The Department, however, started procuring CGI sheet weighing 48 kg per bundle from 2013-14.

2.3.11.6 Inflated expenditure figure of ₹ 2.37 crore on procurement of CGI sheets

As per annual accounts of 11 districts, an expenditure of ₹ 214.21 crore was incurred on procurement of CGI sheets during the last 5 years (2008-13). However, scrutiny of CGI sheets procurement records (district wise allocation, supply orders, godown receipts etc.) revealed that during the period the Department procured 438268 bundles of CGI sheets at a total cost of ₹ 211.77 crore as shown in the following table:

Table No. 2.3.9

(₹ in lakh)

Year	Cost of CGI sheets as per Annual Accounts	Quantity of CGI sheets procured (in bundles)	Actual value of 438268 bundles of CGI sheets						Difference (Col.2-9)
			Cost	Vat (4%)	Carriage	Incidental charge		Total (Col. 4 to 8)	
						Rate (per bundle)	Amount (Col. 3*7)		
1	2	3	4	5	6	7	8	9	10
2008-09	4524.93	96035	4206.33	168.25	40.86	₹ 10	9.60	4425.04	93.45
2009-10	3139.32	93758	4106.60	164.26	39.89	₹ 10	9.38	4320.13	(-) 1180.81
2010-11	5237.11	104195	4563.74	182.55	71.48	0	0	4817.77	419.34
2011-12	4670.49	71521	3568.90	142.76	49.38	0	0	3761.04	909.45
2012-13	3848.80	72759	3630.67	172.46	49.81	0	0	3852.94	(-) 4.14
Total	**21420.65**	**438268**	**20076.24**	**830.28**	**251.42**		**18.98**	**21176.92**	**237.29**

(Source: Allocation, Supply orders, Bills, Annual Accounts and Godown receipt records) VAT during 2012-13= 4.75 per cent

Thus, there was an inflated expenditure figure of ₹ 2.37 crore which could amount to misappropriation of scheme funds.

The Department stated (November 2013) that during the period 2008-09 to 2012-13 actual CGI sheets procured were 450112 bundles and not 438268 bundles as stated by audit.

The reply is not tenable as records relating to allocation of CGI sheets and purchase vouchers showed procurement and distribution of 438268 bundles of CGI sheets during 2008-13.

2.3.11.7 Differential Rate of Interest Scheme

According to para 3.1 and 3.3 of the guidelines, in addition to the assistance provided under the scheme, an IAY beneficiary can avail a loan up to ₹ 20,000/- per housing unit under Differential Rate of Interest (DRI) scheme at an interest rate of 4 *per cent* per annum. It will be the responsibility of the State Governments/DRDAs concerned to coordinate with the financial institutions to make available the credit facility to those interested beneficiaries.

In Nagaland, no beneficiary had availed the benefit of DRI scheme during the period 2008-13. During interview the beneficiaries stated that they were not aware of the existence of such facility.

The Department stated (November 2013) that DRI was not implementable in the State due to non-availability of banking facilities.

2.3.12 Convergence with other schemes

Audit objective 4: To ascertain whether convergence of the IAY activities with other programmes and non-governmental stakeholders was effectively achieved and ensured availability of a complete functional dwelling unit.

According to provisions laid down in para 5.11 of the guidelines- the District Rural Development Agencies (DRDAs) will make concerted efforts to identify the programmes/schemes being implemented by various Ministries/ Departments of the Government of India which could be dovetailed with Indira Awaas Yojana so as to ensure that IAY beneficiaries also avail the benefits of those schemes intended for rural BPL households.

The following programmes/schemes implemented by various Ministries/Departments of Government of India are operational in Nagaland:

(i) Total sanitation campaign (TSC) and National Rural Water Supply Programme (NRWSP):- Public Health Engineering Department

(ii) Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) to provide free electricity connection to BPL families:- Power Department

(iii) Loan under Differential Rate of Interest (DRI) Scheme to enable the beneficiaries to complete construction of the house:- Nationalised Banks in Nagaland

However, the Department of Rural Development did not take any initiative to correspond with other line Departments for convergence of IAY programme. During interview, the beneficiaries also stated that they were unaware of such convergence facilities.

The Department stated (November 2013) that the matter regarding convergence of IAY scheme with other schemes was being taken up.

2.3.13 Monitoring and evaluation

Audit objective 5: To ascertain whether the mechanism in place for monitoring and evaluation of the outcomes of the programme were adequate and effective.

2.3.13.1 Monitoring and evaluation framework

Officers dealing with the IAY at the State headquarters should visit districts regularly and ascertain through field visits whether the programme was being implemented satisfactorily and whether construction of houses was in accordance with the prescribed procedure. Likewise, officers at the district and block levels must closely monitor all aspects of the IAY through visits to work sites. A schedule of inspection which prescribes a minimum number of field visits for each supervisory level functionary from the State level to the block level should be drawn up and strictly adhered to. The State Government should prescribe the periodical reports/returns through which it should monitor the performance of IAY in the districts and also get appropriate reports and returns prescribed, to be collected by the DRDAs. The monitoring of the programme at the State Level would be the responsibility of State Level Vigilance and Monitoring Committee for Rural Development Programmes. A representative or nominee of the Ministry of Rural Development, Government of India should invariably be invited to participate in the meetings of the Committee. The reporting of complete and comprehensive data at all levels of implementation of the scheme should be uploaded through Indira Awaas Yojana-Management Information System (IAY-MIS) only. A web-based MIS Programme Software 'AWAASSoft' to capture beneficiary-wise data to monitor the IAY Scheme was also launched on 16.7.2010.

To deal with complaints, an effective Complaint Monitoring System with adequate staff should be set up at the State level which can independently visit the regular execution wing and give a report to the implementing agencies about the shortcomings/shortfall for effective redressal.

The States/UTs may conduct Evaluation Studies on their own regarding the implementation and impact of the programme in their State.

2.3.13.2 State Level Monitoring and Evaluation

The monitoring of the IAY scheme at the State Level will be the responsibility of State Level Vigilance and Monitoring Committee (SLV&MC) for Rural Development Programmes. A representative or nominee of the Ministry of Rural Development, Government of India should invariably be invited to participate in the meetings of the Committee. Accordingly, SLV&MC held its meeting once in a year. However, during the last five years (2008-09 to 2012-13) no representative of the Ministry of Rural Development, Government of India had attended the meeting.

No SLV&MC meeting minutes except for the year 2009-10 could be made available to audit. Hence, details of points discussed in the meeting and action taken thereof for 2008-09 and 2010 -13 could not be ascertained by Audit.

The Department accepted (November 2013) the fact.

2.3.13.3 Internal Verification of Works at Field Level

The Department stated (July 2013) that field inspections to oversee the implementation of the IAY scheme were being carried out by the departmental officers at various levels from time to time. However, scheduled programmes of the field visits and inspection reports etc. were not maintained. In the absence of those vital supporting documents the genuineness of field visits or inspections could not be vouchsafed by audit. During interview, the selected beneficiaries confirmed the fact of non-inspection by departmental officers at any stage of the IAY implementation.

The Department in reply stated (November 2013) that special conference of Project Directors and Block Development Officers was convened in November 2013 which would be followed by official directive.

2.3.13.4 Deployment of National Level Monitors

National Level Monitors (NLM) were deployed to inspect the implementation of rural development programmes in the State once in a year. However copies of the inspection reports were not available with the Department. In the absence of inspection reports actual findings of the monitors and follow up actions taken there against by the Department could not be checked by Audit.

Department forwarded (November 2013) a copy of NLM Report for the year 2009-10 in respect of Phek district which was not selected for detailed check.

2.3.13.5 District Level Vigilance and Monitoring Committee

The District Level Vigilance and Monitoring Committee (DLV&MC) is responsible for monitoring the implementation of various rural development programmes at the district level. Necessary corrective measures, if any, could be taken up and any discrepancies at any level shall be noted down for further discussion and to take follow up action with the concerned ministry.

The minutes provided to audit revealed that status of funds and target achievements of various programmes were only reported in the meeting without taking up the main issues of vigilance and monitoring for effective implementation of the programmes. Hence, the functioning of the Vigilance and Monitoring Committee failed to contribute positive impact for improvement in the implementation of the IAY scheme.

The Department forwarded (November 2013) the copy of minutes of DLV&MC which had already been furnished to audit during July 2013 without any comments.

2.3.13.6 Transparency and Accountability

According to para 6.3.1 of the guidelines all vital information should invariably be made available to people to bring about greater transparency at village, block and district levels.

In the course of performance audit, the following cases of non-observance of transparency and accountability at all levels were noticed.

VILLAGE LEVEL:

(i) Selection of beneficiaries was based on the BPL list prepared during 2002-07. Periodical survey for updation was not done. Permanent IAY Waitlists was not displayed for public discourse.

(ii) Type design set for an IAY house was not made available to the beneficiaries. Inclusion of desired features was not insisted.

(iv) Lists of selected beneficiaries were not displayed at public places.

(v) Provisions of the guidelines were not made available to the villagers.

(vi) Permanent Indira Awaas Yojana signboards/logos were not displayed on the allotted houses.

(vii) Beneficiaries under VIP allocations were not in the knowledge of VDBs.

BLOCK LEVEL:

(i) Inventory of IAY houses constructed giving details of the date of start and the date of completion of construction of dwelling unit, name of the village and block in which the house is located; occupation and category of beneficiaries and other relevant particulars was not maintained.

(ii) Details of village-wise distribution of CGI sheets along with list of beneficiaries were not displayed for public to see.

DISTRICT LEVEL:

(i) Position of funds received and allocation, physical and financial progress etc., were not placed in the public domain stating that the MIS for IAY was not functional.

The Department stated (November 2013) that IAY logo was compulsorily displayed on all houses constructed under IAY. But the fact remains that the same was not found in the houses physically verified.

Selection of beneficiaries and implementation of the programme had been decentralised to the VDBs. Hence, inventory was maintained at the village level.

The reply was not tenable as the audit team found that the selected VDBs maintained only the records of receipt and distribution of CGI sheets.

2.3.13.7 Social Audit

The system of social audit as envisaged in para 6.3.5 of the guidelines was not conducted. The Department stated that there was no necessity for conducting social audit since no monetary transactions were involved in the implementation of IAY scheme at the village level.

However, the concept of social audit covers not only monetary transaction but also all activities involved in the process of planning, selection of beneficiaries, distribution of roofing materials, actual construction of the houses etc. Hence, the Department failed to maintain transparency and accountability due to non conduct of social audit.

2.3.13.8 Impact Assessment

Other than annual visit by the National Level Monitors (NLM) no other body/organisation at any level had ever conducted survey to assess the impact of IAY implementation in the State. The NLM annual visit reports were also not available with the Department.

The Department did not conduct periodical survey to identify the shelterless rural poor for updating permanent waitlist and preparation of Annual Plan. In the absence of evaluation reports, regularly updated Waitlists and annual plans, actual status and impacts of the implementation could not be assessed.

The Department assured (November 2013) that the audit observations would be complied henceforth.

2.3.13.9 Information, Education and Communication (IEC) activities

Information, Education and Communication activities in the State had not been taken up till the date of the performance audit. The Government of Nagaland stated that AWAASSOFT could not be made operational in the State as only 23 out of 52 Blocks (45 *per cent*) had banking facilities.

On audit query, the Department stated (September 2013) that correspondence with GoI, to relax the process of reporting the information under Fund Transfer Format of the software and allowing submission of the reports in hard copy till such time proper alternative mechanism is worked out or to review the IAY-MIS software and suitably modify it to enable uploading data as per the prevailing conditions in Nagaland, had been made.

The reply of the Department was not satisfactory as the Department has not taken any initiative to act upon the GoI instructions of February/March 2013 to convene a meeting with representatives of banking institutions and post office to extend banking facilities at the village level. Moreover, only CGI sheet roofing material was provided to the beneficiaries in lieu of cash grant. As such opening of bank account by the beneficiaries was not necessary to avail the benefit of IAY scheme. To make the IAY-MIS software operational, the Department needs to adopt cash payment through bank as envisaged in the IAY guidelines instead of distributing CGI sheets.

2.3.14 Conclusion

Strategic planning process in the Department was inadequate as periodical survey to identify the shelterless rural poor for updating permanent waitlist and preparation of annual plan was not conducted. Selection of beneficiaries without the knowledge of VDBs was noticed. Selection of beneficiaries was not adhered to the IAY permanent waitlist. Actual status and impacts of the implementation could not be assessed as the Department followed the waitlist prepared on the basis of BPL census of 2002-2007.

The Department failed to provide complete habitable dwelling unit to the beneficiaries as they were denied admissible due share under the scheme. The quality of IAY house was compromised to project higher achievement figures. Deprivation of beneficiaries was noticed as a result of pilferage of CGI sheets.

There was poor financial control mechanism in the Department which resulted in deduction of GoI share, non-accountal of funds, non-submission of utilisation certificates and avoidable expenditure on procurement of CGI sheets.

Beneficiaries were denied the basic amenities such as, sanitary facilities, kitchen, smokeless chullah, drinking water supply etc., as the Department failed to converge IAY with other schemes.

The Department neither conducted field supervision to assess the progress of construction of houses nor extended any technical assistance. Completion certificates from the VDBs were not insisted. Complete inventory of houses were also not maintained. As such, houses shown to audit team during inspection could not be considered as genuine IAY houses.

Besides, the Department also failed to take remedial actions on the points raised in the earlier audit report.

In view of the above, the achievement projected by the State Government was not reliable and therefore, the implementation of the IAY scheme should be strengthened.

2.3.15 Recommendations

- Planning needs to be streamlined with regular updating of permanent waitlist prepared on the basis of BPL list in their order of seniority and preparation of annual plans after conducting proper survey to cover all deserving beneficiaries;
- Regular training and awareness programmes should be conducted;
- Financial control mechanism in the Department needs to be strengthened;
- A systematic mechanism on material management should be evolved to check procurement of inferior quality and receipt of reduced quantity of CGI sheets;
- Maintenance of basic records needs to be ensured at all levels;
- The system of providing only CGI sheets to the beneficiaries needs to be reviewed;
- Monitoring and evaluation system needs to be improved.

AGRICULTURE, HORTICULTURE AND VETERINARY & ANIMAL HUSBANDRY DEPARTMENTS

2.4 Implementation of Rashtriya Krishi Vikas Yojana in Nagaland

Audit of Rashtriya Krishi Vikas Yojana (RKVY)/National Agriculture Development Programme (NADP) was taken up in the State of Nagaland inter-alia covering 18 projects from six sectors and two sub-schemes in Agriculture and allied departments. The major observations are highlighted below:-

Highlights

- Comprehensive-District Agricultural Plan (C-DAP) prepared were devoid of grass-root level planning (Village level plans and Block level plans) and not as per C-DAP Manual of Planning Commission (March, 2008) guidelines for preparation of District Agriculture Plan. There were several impermissible activities/components proposed and approved in C-DAP/ State Agricultural Plan (SAP).

(Paragraphs.2. 4.6.1 to 2.4.6.3)

- Financial management and control of finances was poor at all levels, delay in SLSC sanction resulted in delay in release of funds, incorrect reporting and submission of UCs, delays in funds release ranged from one to 14 months by the State.

(Paragraph 2.4.7)

- Under Horticulture and Veterinary and Animal Husbandry departments, there was excess expenditure of ₹ 76.06 lakh in respect of projects approved by SLSC for 2010-11 and 2011-12.

(Paragraph 2.4.7.4)

- There was short receipt of tools and implements by the beneficiaries for ₹ 56.05 lakh under Agri-Mechanisation (2011-12) and Integrated Development of Major Horticulture Crops during the year 2008-09 in Phek and Kohima district respectively.

(Paragraphs 2.4.8.2 and 2.4.8.6)

- There was wasteful expenditure of ₹ 37.47 lakh due to non-construction of pack house, non-distribution of saplings, abandonment of the plantation and non-functioning of poly houses due to non-installation of Fertigation machine and cooling system.

(Paragraph 2.4.8.8)

- Irregularities in disbursement of assistance under 'Livestock Development' were noticed. Physical verification revealed that the livestock distributed to the beneficiaries was not as per the record maintained in the Veterinary Department.

(Paragraph 2.4.8.11)

2.4.1 Introduction

The Rashtriya Krishi Vikas Yojana (RKVY), also known as National Agriculture Development Programme (NADP) is a Special Additional Central Assistance Scheme (100 *per cent* grant) to State plan, launched during 2007-08 targeted to achieve the growth rate of 4 *per cent* per annum in the agriculture and allied sectors during XI Plan (2007-12) and 2012-13.

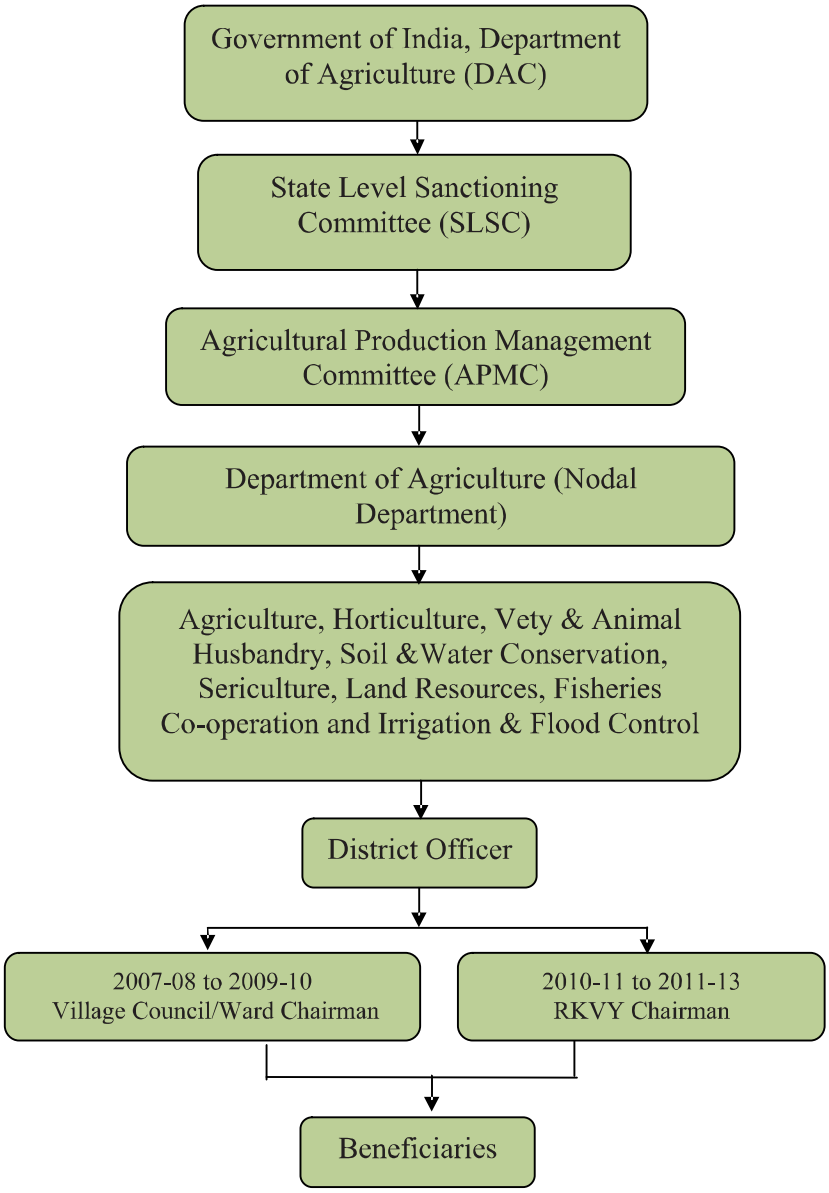
At present, the RKVY scheme is implemented by nine[10] departments including Agriculture in all the eleven[11] districts of the State.

During the period from 2007-08 to 2012-13, 116 projects and six sub-schemes under 18[12] Sectors were implemented involving a total cost of ₹ 16706 lakh including District Agriculture Plan (DAP) funds of ₹ 110 lakh.

[10] Agriculture, Horticulture, Veterinary and Animal Husbandry, Fisheries, Soil and Water Conservation, Land Resources, Sericulture, Irrigation and flood control and Co-operation.

[11] Kohima, Dimapur, Zunheboto, Phek, Kiphire, Mon, Longleng, Wokha, Peren, Tuensang and Mokokchung.

[12] Agriculture Mechanisation, Seed, Integrated Pest Management, Fertilizers and INM, Marketing and Post Harvest Management, Non-farm Activities, Organic Farming/Bio fertilizers, Crops Development, Extension, Horticulture, Animal Husbandry, Fisheries, Micro/Minor Irrigation, Sericulture, Natural Resource Management, Innovative Programmes/Training/Capacity Building/others, Research(Agri/Horti/Animal Husbandry etc) and Co-operative and Co-operation.



At Government of India (GOI) level, Department of Agriculture (DAC) and at the State level, the State Agriculture Department is the nodal Department for implementation of the scheme. At State level SLSC was constituted in February 2008 with Chief Secretary as the Chairman for sanctioning of the projects and to review the implementation of the scheme and its objectives so as to ensure that the projects are implemented in accordance with the guidelines laid down by the GOI. Agriculture Production Management Committee headed by Principal Secretary, Agriculture as Vice Chairman.

At the district level, "District Level Committee (DLC) on RKVY/NADP" comprising District Officers of Agriculture and allied departments under the Chairmanship of Deputy Commissioner (DC) was constituted in April 2008. DLC is responsible for

implementation of the scheme in coordination with the Village Committees. The District Agriculture officer (Horticulture Officer in certain districts) is the nodal officer and is responsible for coordinating with the allied departments in scheme implementation.

2.4.2 Scope of Audit

The instant Audit covered the period from 2007-2013 to ascertain the economy and efficiency in implementation by the departments, transparency and effectiveness of various programmes under RKVY through a test check of records of the Directorates of three departments namely Agriculture, Horticulture and Veterinary and Animal Husbandry along with their subordinate offices in the five selected/sampled districts during May to August 2013 including visits to 37 villages.

Out of 18 sectors and six sub-schemes implemented, six sectors[13] and two sub-schemes were covered for performance audit and three projects were selected from each sector using Probability Proportional to Size Without Replacement (PPSWOR) method for test check. Simple Random Sampling Without Replacement (SRSWOR) method was adopted for selection of five[14] out of 11 districts. In each district, minimum of two to seven villages having implemented more than two or more common selected sectors was picked for test check and physical verification.

2.4.3 Audit Objectives

The main audit objectives were to assess whether:

- Planning process of the implementation of the scheme was effective and according to the guidelines;
- Financial management ensured adequate and timely availability of funds and their effective and economic utilisation;
- Projects were implemented in economical, efficient and effective manner.
- Internal control mechanisms were put in place to ensure efficient and effective monitoring and control over implementation; monitoring mechanism at each level was adequate.
- The objectives of maximising returns to the farmers in Agriculture and allied sectors were achieved and the State could achieve four *per cent* growth in the agricultural sector during the XIth Plan period.

2.4.4 Audit Criteria

The audit findings were benchmarked against the criteria obtained from the following sources:

- Guidelines stating the implementation principles of RKVY in the department of Agriculture and allied departments.

[13] Agriculture Mechanisation, Fertilizers and INM, IPM, crop development, Horticulture and Animal Husbandry

[14] Kohima, Dimapur, Zunheboto, Mon and Phek

- Instructions/guidelines issued at State/District level for implementation of RKVY
- Comprehensive District/State Agricultural Plan (C-DAP/SAP).
- General financial and accounts rules of the State
- Website of RKVY scheme titled 'rkvy.nic.in'
- Reports of Planning Commission.
- Evaluation studies by NIRD or any other agencies nominated by the State.

2.4.5 Audit coverage and Methodology

Audit plan included the audit objectives, criteria and the plan for field work which was shared with the Government through entry conference held in April 2013 and the audit was conducted from May to August 2013 which included detailed review, issue of questionnaire, gathering of documentary and photographic evidence etc. The findings were discussed in an exit conference held in November 2013 and replies of the Department of Agriculture and Horticulture have been incorporated appropriately in the Report.

Audit findings

2.4.6 Audit Objective: Planning process of implementation of the Scheme was effective and according to RKVY guidelines

2.4.6.1 Preparation and submission of DAP (District Agriculture Plan)/SAP (State Agriculture Plan)

District Agriculture Plan (DAP) is an initiative taken in response to main theme of the 11th Five Year Plan. One of the main aims of RKVY is preparation of the agricultural development plan from Gram Panchayat upwards to district level. This is different from the earlier agriculture planning exercise which broadly followed the top-down approach and began with the State level fixing of the targets which were disaggregated to the districts and down below:

The DAP as envisaged in paragraph 3.1 of the Guideline for implementation of RKVY/NADP (August, 2007) was intended to present the vision for Agriculture and allied sectors within the overall development perspective of the district and would present the financial requirement and the sources of financing the agriculture development plans in a comprehensive way by including the resources available from other existing District, State or Central schemes, etc. and adhere to the guidelines circulated by the Planning Commission for District Planning.

As per paragraph 3.2 of C-DAP Manual of Planning Commission (March, 2008), Agriculture Planning Unit at different levels needs to be constituted involving a group of experts from various disciplines relevant to the needs of the area. Accordingly, District Agriculture Planning Unit (DAPU), Block Agriculture Planning Unit (BAPU) and Village Agriculture Planning Unit (VAPU) was to be established for effective

planning. Where Agriculture Technology Management Agency (ATMA) was established, it should support and supplement all the functions of DAPU/BAPU.

Para 3.3 of C-DAP Manual envisages that DAPU would be responsible for preparation of C-DAP with the help of Technical Support Institution (TSI) and Plan-plus software package from NIC.

C-DAP involve preparation of the agricultural development plan from Gram Panchayat/Village level upwards to district level. The Village level planning is the most important exercise in the preparation of C-DAP. The essential focus of this exercise is to empower grass-root institutions in the planning process and understanding the development initiatives at the grass-root. Participatory preparation of the document can ensure its ownership by all stakeholders, who subsequently may share responsibility to work for making it happen. The C-DAPs so prepared must be approved by the concerned District Planning Committee (DPC).

It was noticed in audit that the C- DAP were prepared for all the districts. The State at the district level had constituted "District Level Committee of NADP/RKVY" comprising Agriculture and allied departments. The Agriculture Planning Unit at the Village and Block level had not been constituted. The C- DAP was prepared by District Agriculture and allied Committee based on the proposals submitted by the Agriculture and allied departments. The C- DAP as approved by the Deputy Commissioner, Chairman District Level Committee of NADP/RKVY was forwarded to the Nodal Agriculture Department.

Further, the districts did not prepare a shelf of projects under Stream-I for posing to the SLSC. Instead all project proposals were prepared from Directorate level of Agriculture and Allied Department based on C-DAP/SAP. The Nodal department compiled such proposals as Action/Annual Plan and placed before SLSC in violation of RKVY guidelines.

Only DAP Kohima was prepared by obtaining the inputs from the members of the District Agriculture and allied Committee and also inputs from Strategic Research and Extension Plan (SREP) of ATMA. The Schemes prepared by the allied departments were further compiled by the District Agriculture officer as per guidelines and submitted to the Nodal department. In respect of preparation of DAPs of other districts this procedure was not followed. Thus, it was evident that the planning process was done at the district level only. The most important exercise in the preparation of C-DAP i.e. the grass-root level planning (Village level plans and Block level plans) was missing due to non existence of VAPU and BAPU which was against the guidelines prescribed for preparation of District Agriculture Plan.

Further, the entire procedure of DAP preparation and approval was made without involvement of the District Planning Committee/District Planning and Development Boards (DPDB) in contravention with the roles and responsibilities of the District Planning Committee as envisaged in Article 243ZD of the Constitution of India.

2.4.6.2 Non-adherence of C-DAP with the format prescribed in C-DAP Manual

Chapter IV of the C-DAP Manual contains the format and the information to be included in the DAP. Scrutiny of the DAPs revealed that none of the DAPs adhered to the format for preparation of the C-DAP. The DAP was more of RKVY scheme proposal than overall agricultural development plan of the district. Though the nodal department had stated that Strategic Research Extension Plan (SREP) of Agricultural Technology Management Agency (ATMA) referred to agro-climatic conditions, availability of technology and natural resources, this report was not included in any of the DAPs except Kohima district. Thus, the District Agriculture Plan could not conform and include all necessary data as envisaged in C-DAP Manual.

The guidelines and minutes of the meeting of "National Conference on Convergence in Agriculture Development" (December 2008) at Serial No. 15 (i), RKVY articulate the need for convergence and integration of various programmes and additional resources should be provided from RKVY wherever any other good scheme has paucity of resources. All States decided to review the C-DAPs/SAP for factoring in convergence with interventions in the rural sector. The plans would adopt the methodology as per the C-DAP Manual brought out by the Planning Commission. Comprehensive and convergent DAPs/SAP was expected from all States/UTs from 2009-10.

As per para 3.3 of C-DAP Manual circulated among the State representatives during April 2008, resources available from various ongoing programmes such as [15]NREGS, BRGF, SGSY, Bharat Nirman, NHM, NFSM, NPCBB, NFDB, RKVY etc. should be considered while preparing C-DAP.

However, no convergence programme with other Central and State programmes were formulated in C-DAP/SAP. It was also observed that C-DAP did not take into consideration the resources available from various ongoing programmes but the Plan projections were prepared solely for RKVY Scheme.

The reply furnished by the Department (November 2013) was not relevant to the audit observation.

2.4.6.3 No vision Statement included in the C-DAP

As per para 2.1 of C-DAP Manual of Planning Commission, Vision document/Statement for development of a district over the next 10 to 15 years was an essential pre-requisite for preparation of a C-DAP. Vision prepared at the district level in consultation with all the stake holders would act as a guide to all concerned in preparation of the DAP.

[15] National Rural Employment Guarantee Scheme, Backward Region Grant Fund, Swarnajayanti Gram Swarozgar Yojana, National Horticulture Mission, National Food Security Mission, National Project for Cattle and Buffalo Breeding, National Fishery Development Board.

However, it was observed that no vision Statement was included in the C-DAP prepared by the Agriculture and allied Departments and thus future growth and development in the agriculture and allied sector could not be envisaged.

The Department while accepting the fact (November 2013) stated that though no vision statement was included in the C-DAP, Perspective Plan for Agriculture development of Nagaland with the objectives and strategies are mentioned in the SAP.

2.4.6.4 Evaluation of C-DAP/SAP by the Additional Economic Advisor (AER)

As per directive of GOI, Ministry of Agriculture (MOA) (June 2009 and January 2010[16]) C-DAP/SAP were to be evaluated by the designated Additional Economic Advisor (AER) latest by 31 September 2009, for ensuring convergences and comprehensiveness. However, evaluation was not done by the designated Additional AERC/AERU, New Delhi. The State Agriculture Department stated that C-DAP/SAP was not submitted to AERC/AERU for evaluation but the same was done by its Statistical wing headed by a Jt. Director.

2.4.6.5 Preparation and submission of C-SAP to DAC

The SAP was prepared by a consultancy firm based in Guwahati, Assam [M/s B.S Consultant (Management and Project Consultants)] at a cost of ₹ 9.75 lakh and submitted to the Ministry of Agriculture (DAC) for examination and approval in December, 2009.

The selection of consultancy firm was not made by constituting a Committee at State level or by short listing the agencies. The selection was made by the Directorate of Agriculture without observing any selection criteria. In fact, the Nodal Department had engaged the services of the consultant without the prior approval from the Government.

As per scheme guidelines, the nodal agriculture department had to forward the final report to the Department of Agriculture (DAC)/Planning Commission for Examination and approval of SAP. It was observed that the DAC entrusted NIRD Hyderabad to review the SAP. However, approval of the SAP was not available in the records of the State agriculture department.

The State was required to place/upload DAPs and SAP on the website of the State Agriculture Department (*www.agringl.nic.in*). However, it was observed that the DAPs and SAP of the State were not uploaded/ hosted on their website. The Department stated that due to network problem in the north eastern region, the Ministry had verbally exempted them from doing so.

Further it was observed that SAP of the State was also not hosted on the Ministry of Agriculture (DAC) RKVY website (*www.rkvy.nic.in*) which indicates that the approved SAP was not available in case of GON.

[16] D.O. letter No.9-4/2008-RKVY/ dated 12.6.2009 and GOI letter No.F.3-49/2009-RKVY(pt.) dated 05.01.2010.

2.4.6.6 Activities proposed in C-DAP/ SAP against the guidelines

Para 4.1 of the scheme guidelines listed the component/activities which would be eligible for project based assistance under the Stream-I of the RKVY. The amount under Stream-II would be available for strengthening the existing State sector schemes and filling the resource gaps.

Scrutiny of DAPs and SAP revealed that there were activities/components proposed which were not directly related to Agriculture and allied sectors and were not permissible under RKVY. Activities such as renovation of office building, purchase of vehicles, purchase of tractors, construction of new staff quarters, construction of suspension bridges, procurement of furniture, construction of farmers hostel, training hall, fencing of residential quarter, appointment of subject matter specialists, rubber, tea plantation etc. though not permissible were included in DAP/SAP as detailed in **Appendix-2.4.1.**

In reply (November 2013) the Nodal Department stated that the approach of bottom up Planning was to take actual assessment of grass root needs and requirements in the present context of the State. The Department further stated that implementation of permissible activities as approved by the SLSC and incorporated in the action plan were only taken up. The reply is not tenable as the scheme guidelines do not permit inclusion of activities/components not directly related with Agriculture and allied sectors.

2.4.6.7 Non-incorporation of project proposal in SAP

Though nine districts submitted project proposals under Department of Irrigation and Flood Control and three districts under Department of Cooperation, the project proposals were not incorporated in SAP. This indicates that the SAP did not envisage the comprehensive projection of Agriculture and allied departments.

2.4.7 Audit Objective: Financial management ensured adequate, timely availability of funds and their effective and economic utilisation.

The funding is 100 *per cent* central grant. During the 11th Plan period (2007-2012) and 2012-13, GOI released ₹ 16596 lakh to the State for implementation of 116 projects pertaining to 18 Sectors and six sub-schemes. Out of this, ₹ 4910 lakh released to 18 projects and two sub-schemes were test checked as detailed in **Appendix-2.4.2**.

Perusal of the SAP revealed that the projections of the funds requirement under RKVY was more than the State plan requirement which indicate improper financial planning and incomplete Agricultural Development Plans. There was large mismatch between estimated budget in SAP and the amount sanctioned by GOI. As against the projected amount (2007-12) of ₹ 82207.69 lakh, GOI sanctioned only ₹ 8021 lakh which was 9.80 *per cent* of the projection made by GON as detailed in the table below. Hence, the impact of the RKVY projects on the overall agriculture and allied sectors of the State would be negligible during XI Plan. The SAP of the State did not cover the year 2012-13.

Table No. 2.4.1

(₹ in lakh)

Year	Estimated budget as per SAP	Actual Approved amount by GOI
2007-08	NA	835.00
2008-09	20725.27	1389.00
2009-10	22959.69	718.00
2010-11	20880.62	1325.00
2011-12	17642.11	3754.00
Total	**82207.69**	**8021.00**
2012-13	Nil	8575.00

As per para 7.1.5 of the guidelines the Department/Nodal Agency shall ensure that Project-wise accounts are maintained by the implementing agencies and are subject to the normal process of statutory audit. An inventory of the assets created under the projects should be carefully prepared and assets that are no longer required should be transferred to the Nodal Department, for its use and redeployment where possible. However, neither project-wise separate accounts were maintained at any level (Nodal department/Implementing departments) nor inventory of assets created was maintained.

According to Rule 160 of the GFR, all government purchases should be made in a transparent, competitive and fair manner. However, there was no competitive bidding system and firms/suppliers were not empanelled by the Department/Government for procurement. Out of the test checked departments (Agriculture, Horticulture and Veterinary and Animal Husbandry), Veterinary and Animal Husbandry Department forwarded supply orders without considering the credentials of the suppliers and selected few suppliers were sent to the Government for approval, while Agriculture and Horticulture Departments approved the selected few list of suppliers at the Directorate level itself. Both at the Government and Directorate levels, reasons for selection/rejection of suppliers for supply of materials such as saplings, fertilizers, livestock, agri-tools etc. were not available. Thus, Departments did not adhere to Financial Rules. There was no transparency in procurement and resultant weak financial controls and management in the Veterinary and Animal Husbandry department.

In reply (November 2013) the Nodal Department stated that procurement was made based on the credentials of the suppliers/dealers approved at Directorate level.

The reply is not acceptable as the process of selection of suppliers as envisaged by financial rules to ensure transparency, economy, efficiency and competitive rates were not followed by the implementing Departments.

2.4.7.1 Receipt of grants and expenditure incurred (Stream 1 and Stream II)

GON received an amount of ₹ 16596.00 lakh from DAC for the period from 2007-08 to 2012-13 under Stream I and II, out of which an amount ₹ 3650.00 lakh (25 *per cent* of the total proposal of the State) was sanctioned directly by DAC for Stream-II projects. However, the State had spent the entire amount under stream-I projects for which they obtained the sanction of SLSC. Details of funds receipt and expenditure is shown in **Appendix-2.4.3**. Perusal of the Appendix revealed that each year there were un-spent balances and at the end of 2012-13 the accumulated unspent balance was ₹ 6665.03 lakh which resulted in delay in completion of the projects as detailed in later paragraphs.

2.4.7.2 Delay in receipt of funds at various levels leading to blockade of funds

As per scheme guidelines, release of funds by the DAC depends on the sanction of projects (Stream-I) by SLSC. The SLSC is responsible for sanctioning the projects under Stream-1, monitoring/reviewing the progress and implementation of the sanctioned projects/schemes as per guidelines, ensuring that no duplication of efforts or resources takes place, commissioning/undertaking field studies, initiating evaluation studies, undertaking any other projects of importance to the State, ensuring no inter-disparities with financial matters and shall meet as often as required but shall meet at least once in a quarter.

The project under RKVY addresses agriculture production and productivity in the rain-fed areas of the State and is extremely important that full scale implementation of projects take place in the Kharif season itself. Any delay in release of funds to the implementing departments had a cascading effect and if the States do not carry out Kharif crops based interventions; the loss cannot be made good in the remaining part of the year.

GON released funds to the Implementing departments directly instead of routing through nodal department during three years (2007-08 to 2009-10). From 2010-11 onwards GON released the funds through nodal department. The delay in release of funds for the first three years to implementing departments ranged from one to 14 months from the date of DAC release. Further, there was also a delay from one to nine months in releasing the funds to the implementing departments from the GON through nodal department for the years 2010-11, 2011-12 and 2012-13 as detailed in **Appendix 2.4.4**. Besides these delays, the funds were also kept in the Civil Deposit (CD) for almost six months during the year 2011-12. In 2012-13, out of ₹ 8575 lakh released by GOI an amount of ₹ 2588 lakh kept under Civil Deposit was not released till 31.08.2013.

Had the nodal department and implementing departments adhered to the calendar of activities as per the departmental guidelines the delay in release of funds could have been avoided. Besides, the delay in release of funds affected the farmers in losing out two seasons of crop cultivation (Kharif and Rabi) especially during the year 2008-09 and non-achievement of the target set.

The Department in reply (November 2013) stated that the accumulated unspent balance was due to delay of release of funds from the State Government. However, project implementation commenced in anticipation of receipt of funds.

2.4.7.3 Short release of funds and its implications on projects

As per scheme guidelines, the State Government was to notify the SLSC within a month after the publication of the scheme guidelines (August 2007). The SLSC was notified for constitution of committee by the State Government towards the end of 2007-08 after a delay of four and half months.

During the year 2007-08 and 2008-09 there was short release of ₹ 626.00 lakh and ₹ 694 lakh respectively by GOI. The reason for short release during 2007-08 was due to the fact that SLSC did not meet since its inception to accord sanction for the projects under Stream-I. During 2008-09, the project under Stream-I was accorded sanction by SLSC only in January 2009. Hence, GOI released an amount ₹ 596.00 lakh as 1st instalment in February 2009 and did not release the second instalment amounting to ₹ 694 lakh. Due to short release of funds, the Department lost one or more crop seasons and target set to be achieved for that year could not be fulfilled.
The Department in reply (November 2013) stated that the delay occurred due to untimely release of funds by the State Government.

2.4.7.4 Excess expenditure without approval of SLSC

During the years 2009-10 to 2011-12, Veterinary and Horticulture departments incurred an expenditure of ₹ 76.06 lakh in excess of the approved project cost in respect of seven projects. The excess expenditure was neither approved nor sanctioned by the SLSC. Further, the departments did not implement one scheme amounting to ₹ 10.50 lakh and in respect of two schemes there was short implementation to an extent ₹ 59.80 lakh as detailed in the table below.

Table No. 2.4.2

(₹ in lakh)

Sl. No.	Name of projects	Year	Approved cost	Actual expenditure	Excess(+)	Less (-)
1	Mushroom production	2009-10	0.00	7.20	(+) 7.20	
2	Farm Handling unit	2010-11	8.60	17.20	(+) 8.60	-
3	Intigrated development of horticulture crops		28.60	35.10	(+) 6.5	-
4	Mushroom production unit		10.50	00.00	-	(-) 10.50
5	Post Harvest Management		150.90	93.10	-	(-) 57.80
6	Animal Health Care	2010-11	0.14	13.70	(+) 13.56	-
7	Fodder development		0.38	18.00	(+) 17.62	-

8	Convergence programme through PPP		68.19	82.61	(+) 14.42	-
9	Livestock development	2011-12	214.50	222.66	(+) 8.16	-
10	Fodder development	2011-12	82.00	80.00	-	(-) 2.00
	Total		**563.81**	**569.57**	**76.06**	**(-) 70.30**

The Department of Horticulture while accepting the facts (November 2013) stated that Revised Action Plan had been chalked out as per the requirement of the farmers/beneficiaries after obtaining prior approval of the Government. The Department further stated that lapses on the part of the Department were noted and therefore, action had been initiated by the Department to obtain ex-post facto approval and sanction of the SLSC.

2.4.7.5 Details of expenditure incurred out of 1 *per cent* share of RKVY funds

The scheme guidelines permit the State to use upto one *per cent* of its total RKVY funds for incurring administrative expenditure that includes payments to consultants, recurring expenses of various kind, staff costs, etc. However, no permanent employment can be created, nor can vehicles be purchased.

The Ministry of Agriculture in 2009 also instructed the State Government that manpower hiring, hiring of vehicles, stationery, computer, POL, TA/DA and other consumables are not to be made part of the project proposal. These items are required to be charged from the available administrative funds with the approval of the SLSC.

However, on scrutiny it was observed that the implementing departments were allotted funds directly by the State for the year 2007-08 to 2009-10 instead of routing through nodal department. No records for deduction/utilisation of one *per cent* administrative expenses could be furnished by the implementing departments. But from 2010-11 onwards the nodal department deducted 1 *per cent* of total RKVY funds amounting ₹ 106.30 lakh (₹ 6.30, ₹ 29.00 and ₹ 71.00 lakh), details of expenditure incurred are given in **Appendix -.2.4.5.**

Agriculture Department incurred an amount of ₹ 18.00 lakh towards monitoring and evaluation, documentation of RKVY and meeting/conference. However, supporting documents such as monitoring and evaluation report, documentation of RKVY and minutes of meeting etc. were not available. Further, an amount of ₹ 31.00 lakh had not been utilised as on 31-03-2013 out of ₹ 106.30 lakh. It was also observed that no administrative funds were allotted to the implementing departments.

The Nodal department in reply (November 2013) stated that supporting documents in the form of cash memos, APRs and list of trainings had been produced to audit.

The reply was not tenable as supporting documents such as monitoring and evaluation report, documentation of RKVY and minutes of meeting were not furnished to audit.

It was also noticed that Horticulture Department in 2011-12 spent an amount of ₹ 3.18 lakh towards procurement of computers and accessories out of ₹ 298 lakh provided for 'Area expansion of Horticulture crop' though this expenditure was to be met from the Administrative cost (one *per cent* of the total project cost) deducted by the nodal department. This resulted in short execution of projects to that extent.

The Department in reply (November 2013) stated that as per section 3.6 of the guidelines the Department had deducted one *per cent* out of the total allocation during the year 2011-12 and utilised it for procurement of stationery, computers, copiers, etc.

The reply is not tenable as the Nodal Department had already deducted one *per cent* from the total State allocation.

2.4.7.6 Non-reconciliation of the expenditure incurred under RKVY

No separate Cash Book or bank accounts were maintained by Agriculture and allied departments during the period of audit. Nodal department reported to GOI that an expenditure of ₹ 16596 lakh has been incurred on the RKVY projects during 2007-08 to 2012-13. However, scrutiny of the departmental Cash Book revealed that the actual expenditure under RKVY was ₹ 9930.97 lakh as on 31.03. 2013 which resulted in inflated reporting of expenditure to GOI by ₹ 6665.03 lakh as detailed in **Appendix 2.4.3.**

The Nodal Department in reply (November 2013) accepted that the funds of ₹ 6665.03 lakh though not expended remained with the Department.

2.4.7.7 Submission of Utilisation Certificates

Nodal department had submitted the Utilisation Certificates (UCs) for the entire funds released by DAC. However, scrutiny of UCs revealed that:

- No funds were released by the State Government during 2007-08. Even then an amount of ₹ 2.09 crore released by DAC was shown as utilised by the State Government.
- There was a huge cash balance at the end of each financial year as per Cash Books of the implementing Departments as detailed in **Appendix 2.4.3** but UCs were furnished to DAC for the entire amount.
- During 2011-12 and 2012-13, an amount of ₹ 18.77 crore and ₹ 25.88 crore was kept in Civil Deposit (CD) up to August 2012 and till March 2013 respectively. However, UCs for the same were furnished.
- There was no system of submission of UCs from field offices of the selected departments except in respect of Veterinary and Animal Husbandry Department.

To conclude, GON was issuing UC to the DAC on the basis of money released to implementing departments instead of actual utilisation of funds on the projects.

The Nodal Department in reply (November 2013) stated that once the funds were released by the Government, UCs were sent to the Union Ministry without actual

utilisation of the funds released on the advice of State Finance Department to receive subsequent releases of funds from the Ministry. The Department further stated that actual implementation and utilisation of funds in the State normally takes time and therefore, the actual fund utilisation statement obtained from the field officers/line departments/ district team/beneficiaries do not match with the figures of the UCs furnished to the Ministry.

2.4.8 Audit Objective: Projects were implemented in economical, efficient and effective manner

Implementation of various projects under agriculture and allied departments was delayed for six to 14 months due to delay in SLSC sanction and late release of funds by the GON. No project was implemented during the year 2007-08. The projects implemented during the year 2008-09, 2009-10 and 2010-11 were spread out thinly over 1129 villages in the eleven districts.

Agriculture and allied departments started implementing the scheme in Compact Area mode[17] from 2011-12. The main objective was to have a visible impact of implementation of various programmes under RKVY. The identification and selection of the Compact Area project was done by ATMA (Agriculture Technology Management Agency) under the chairmanship of Deputy Commissioner.

After introduction of compact area system there was better coordinated efforts between the agriculture and allied departments. It had helped in better monitoring and evaluation of the projects and also identifying the beneficiaries/farmers. However, there were no modalities for selection of beneficiaries either in DAPs/SAP or in Annual Action Plan for the departments (Agriculture and Horticulture). There were no pre-selected beneficiaries before distribution of inputs. The selection of beneficiaries and distribution of inputs was delegated to village council/RKVY member without prescribing any criteria in case of Agriculture Department. While Horticulture Department selected beneficiaries through district officers concerned, Department of Veterinary and Animal Husbandry as per DAPs and Annual Action Plan (2011-12), constituted a Committee for selection of beneficiaries/target groups from selected villages/towns consisting of District Veterinary Officer (DVO) as Chairman, Village Council Chairman, Village Development Board (VDB) Secretary, representative from the Directorate as members and Veterinary Surgeon (VAS) as member secretary. The beneficiaries' selection at the grass-root level was done by the Village Council. The selected beneficiaries as approved by the concerned District Veterinary Officers (DVOs) were sent to the Directorate which in turn forwarded the same to the Government for final approval.

It is evident from the above that the Department of Veterinary and Animal Husbandry constituted a Committee for selection of beneficiaries/target groups from selected

[17] An area measuring approximately 100 ha or more consisting of one or more villages for implementation of RKVY projects by Agriculture and allied Department.

villages/towns. But there was no transparency in the selection of beneficiaries in the Agriculture and Horticulture Department.

2.4.8.1 Agriculture Department

The Department of Agriculture implemented 53 projects under 12 sectors and one sub-scheme with a total project cost of ₹ 6823.60 lakh (41 *per cent* of the total funds). Out of this, four sectors covering 12 projects were test checked in audit as detailed below:-

Table No. 2.4.3

(₹ in lakh)

Year	Project Name	Project cost	Target		Achievement as on 31-03-13	
			Physical	Financial	Physical	Financial
2007-08	Farm Machineries	50.00	30 nos	50.00	8 nos	50.00
2011-12	Agriculture tools,implements, power tillers, pump sets	204.00	11270 nos	204.00	11270 nos	204.00
2012-13	Agriculture tools and implements for hill agriculture	330.00	24712 nos	330.00	24700 nos	330.00
2008-09	Manures and fertilizers	55.00	6595 Ha	55.00	3297 ha	27.50
2009-10	Manures and fertilizers	55.00	1100 Ha	55.00	1075 ha	82.50
2012-13	Soil health management	200.00	650 nos	200.00	650 nos	200.00
2008-09	Integrated pest management	35.00	100 nos	35.00	50 nos	17.50
2009-10	Integrated pest management	25.00	50 nos	25.00	50 nos	42.00
2012-13	Promotion of IPM and plant protection	100.00	4000 Ha	100.00	4000 ha	100.00
2010-11	Integrated dev of major food crops	160.00	720 MT	160.00	720 MT	160.00
2011-12	Procurement of Certified Seeds	400.00	550 MT	400.00	548 MT	400.00
2012-13	Integrated Development of major food crops	500.00	1333 MT	500.00	1332 MT	500.00
Total	**12**	**2114**		**2114**		**2113.5**

Source: Departmental records

2.4.8.2 Short receipt/non-receipt of Agri tools and implements

Scrutiny of Stock Register of tools and implements under Agri-Mechanisation project for 2011-12 of district agriculture office, Phek with the record of RKVY chairman (Phek village) revealed that there was short receipt of agriculture tools and implements by Phek village. It was also noticed that during 2012-13, there was short receipt of 1907 number of agriculture tools out of 2139 numbers by Hovokhu village under Dimapur district. Due to short receipt, the beneficiaries in two villages were deprived of the benefit to the extent of ₹ 21.94 lakh as detailed in **Appendix 2.4.6**

The Department in reply (November 2013) stated that there was no short receipt in case of DAO Dimapur as both offices (DAO and SDO Store) are located in the same area and materials are lifted from the store as and when required for distribution. However, during joint physical verification (July 2013) the Hovukhu Village Council Chairman reported that only 232 agricultural tools were actually received by them

though 2139 numbers of tools and implements were shown in the records of the SDO Store as delivered to Hovukhu Village Council Chairman.

Further, under agriculture tools and implements for hill agriculture for the year 2012-13 the Department through SDO store, Dimapur had shown to have delivered 2139 agriculture tools to District Agriculture Officer (DAO), Phek for implementation of compact area projects at Kami and Zapami villages under Phek district. However, during audit of DAO establishment, it was noticed that the said tools were not received by the district officer concerned resulting in deprivation of farmers of the district to the extent of ₹ 15.86 lakh as detailed in **Appendix-. 2.4.7**.

The DAO Phek in reply to specific audit query (August 2013) stated that the materials had not been received. However, contrary to the DAO reply the Department stated (November 2013) that the materials received were recorded in the stock register but this was not produced to audit.

The reply is not acceptable as the stock register indicating the receipt of the materials was not produced to audit for verification.

2.4.8.3 Procurement through un-authorised dealer

The Fertilizer (Control) Order (FCO) 1985 requires that "Every person including a manufacturer, an importer, a pool handling agency, wholesaler and a retail dealer intending to sell or offer for sale or carrying on the business of selling of fertilizer shall make a Memorandum of Intimation in form "A1" to the Notified Authority as per the terms and conditions specified therein alongwith the Certificate of Source in form "O" of FCO alongwith the fees prescribed by the concerned State Government. Every Certificate of registration and every Authorisation letter shall, unless renewed, suspended or cancelled, shall be valid for a period of three years from the date of issue. The Certificate of Source was required in case of control items. Only three fertilizers, namely urea, zincated urea and anhydrous ammonia were under the price control items.

Further clause 11(5) of FCO requires that "If an application for renewal of a Certificate of registration or authorisation letter was not made within one month from the date of expiry of their period of validity, the same shall be deemed to have lapsed on the date on which its validity expired and any business carried on after that shall be deemed to have been carried on in contravention of clause 7 of the Fertilizer (Control) Order".

The Department issued supply orders to M/s Farmer Enterprises, Kohima during 2008-09 and M/s L. Duolo and Co, Kohima during 2009-10. Scrutiny of records revealed that the dealer M/s Farmer Enterprises, Kohima was registered with the Agriculture Department during 1992 but had not renewed their registration since then. Their Certificate of Source for control items was not furnished. The registration of dealer M/s L. Duolo and Co, Kohima had expired on 26-08-2008 and they had not renewed their registration since then. The Certificate of Source for Control items revealed that the M/s Assam Fertilizer Corporation (SSI unit), Guwahati Assam

authorised M/s L. Duolo and Co to deal in selling their products with effect from 10-06-2011. Since the dealers were deemed unauthorised due to non-renewal of registration, the supply orders issued by the Department were irregular.

The Department in reply (November 2013) stated that the Department issued supply order to the dealer despite non-renewal of the dealership license as there were no other dealers dealing with fertilizers. The Department however, assured that the suppliers dealership license shall be renewed as advised.

The reply is not factually true and therefore, not acceptable as two other dealers M/s R.L Nelson, Dimapur and M/s Indian Potash Limited, Nagaland were also registered with the Agriculture Department during 2008 to 2010.

2.4.8.4 Unfruitful expenditure on conduct of Season Long Training Programme (14 weeks) for Farmers Field School (FFS)

FFS was a season long programme which was organised in farmer's field by meeting once in a week. It was season long and should last for at least one cropping season (seeding to harvest) (14-15 weeks) so that it covers all the different developmental stages of the crop and their related management practices. The FFS consists of a group of 30 farmers and 5 agriculture extension officers. Bench Mark Survey was to be conducted in the village selected for FFS before commencement of the programme so as to assess the pest problems, level of pesticide usage, varieties grown, size of holding and the social and economic level of the farmers. Tentative programme/action plan for 14 consecutive weeks was to be prepared incorporating all the curriculum activities of IPM. In the FFS, farmers conduct a study comparing IPM strategy with common farmer's practices. They should have an IPM and a Farmer's Practice plot (Non-IPM). At each demonstration site, the facilitator/trainer should maintain a record of all the activities including yield and record in the register, the data of which will be used to work out cost benefit ratio to compare IPM and Non-IPM field. Farmer's Field Day was to be organised after 14 weeks of training wherein detailed discussions among the trainee farmers and the trainer takes place on various aspects including the success story as well as on the points of failures.

During 2008-09, DAO Zunheboto and Mon were allotted three FFS each (including backlog implemented during 2009-10) and an amount of ₹ 0.46 lakh was spent by each district on conduct of season long training programme (14 weeks) FFS at Sheyipu, Asukhomi, Yemishe (Zunheboto) and Techa, Temong, Tesha (Mon) villages respectively.

Scrutiny of attendance register of DAO, Zunheboto revealed that number of weekly demonstration/training ranged from 3 to 5 weeks against the target of 14 weeks. No attendance register for FSS was maintained by DAO, Mon. However, IPM payment register revealed that the number of weekly demonstration/training for each FFS was 10 weeks against the target of 14 weeks. Thus, the FFS did not cover all the different developmental stages of the crop and their related management practices due to non-conduct of weekly (14 weeks) demonstration/training throughout the cropping season (seeding to harvest).

The DAO, Zunheboto Stated that certain weeks were omitted due to farmer's inability to participate as they had to attend to their Jhum field. Proper records on weekly activities were not maintained by the facilitator/trainer due to retirement as well as transfer of field officer in-charge. Further, the Department in reply (November 2013) stated that due to negligence of the concerned officers of the two test checked districts proper recording/attendance register of FFS farmers and weeklong schedules were not properly reflected in the registers.

2.4.8.5 Horticulture

During the period, Department implemented thirteen projects including two Sub-schemes costing ₹ 2216.60 lakh (13.35 *per cent* of total funds). Out of this, three projects from two sectors and one sub-scheme were test checked as detailed in the table below:-

Table No. 2.4.4

(₹ in lakh)

Year	Project Name	Project cost	Target		Achievement as on 31-03-13 (*in percentage*)	
			Physical	Financial	Physical	Financial
2008-09	Integrated development of major horticulture crops	240.00	1. Dev of fruit and Spices crops 538 ha 2. Pack House 2 Units 3. Live Fencing Cattle control 20 ha 4. Hi tech Capsicum Cultivation 2 Units 5. Integrated Horti Model Farm 1 Unit	147.00 30.00 10.00 13.00 40.00	100	100
2011-12	Vegetable cluster for urban areas (Hort)	350.00	1. Open Field cultivation 307 ha 2. Protected Cultivation 20 Units	275.00 75.00	94.28	94.28
2011-12	Area expansion of Horticulture and other crops	298.00	Area expansion of horticulture and other crops 1697.58 acres	222.21	100	100
2012-13	New area development	275.00	New area development 1505.79 acres	257.60	Under progress	Under progress

Source: Departmental records.

Under Integrated Development of Major Horticulture crops the Department targeted to develop an area of 694.351 acres by planting various horticulture crops and setting up of three units of one Pack House, High-tech green house and Integrated Horti-Model Farm by target date of March 2009. However, the same was completed only in December 2010, after a delay of 21 months.

Under area expansion of horticulture and other crops the Department targeted area expansion of 1697.58 acres for development of various horticulture crops and gap filling of projects implemented earlier with cardamom plantation of 286.64 acres area and scheduled to be completed before March 2012. However, the project was completed only in February 2013 after a delay of 11 months.

Under New area development 2012-13, the Department targeted to cultivate horticultural crops in clusters area of 1505.79 acres but the projects were not completed till August 2013.

Under sub-scheme Vegetable cluster 2011-12, the Department targeted to cover 758.58 acres of open field cultivation and 20 units of protected cultivation by providing High-tech poly house in Kohima and Dimapur. However, the Department could achieve 94.28 *per cent* till the August 2013.

2.4.8.6 Short Receipt of materials costing ₹ 18.25 lakh.

The Department set up an Integrated Horti-model farm at Ghukhanyu, Tseminyu (Kohima) at the cost ₹ 40.00 lakh (including tax of ₹ 0.80 lakh) for development of land and providing all required infrastructures such as High-tech poly house, water tank, sprinkler, farm house, vermin-compost, etc. However, on physical verification it was seen that there was a short receipt of eight items by the beneficiary amounting to ₹ 18.25 lakh resulting in less execution of the project to that extent as detailed in **Appendix 2.4.8.**

The Department in reply (November 2013) stated that an amount of ₹ 18.25 lakh was utilised for construction of approach road and bench terracing at the request of the beneficiary. The Department further stated that action had been taken to obtain ex-post facto sanction of the SLSC.

2.4.8.7 Under achievement of target set

The Department targeted to cover 4391.05 acres of land for developing horticulture crops, two units each of Pack House, Hi tech capsicum cultivation, Integrated Horticulture Model farm and Farm Handling unit, 22 numbers of cardamom dryers and 20 units of protected cultivation units. Against the target, Department could cover an area of 3605.26 acres resulting in less achievement to an extent of 17.90 *per cent*.

The Department in reply (November 2013) stated that less achievement (17.90 *per cent*) was due to high mortality rate of saplings which was lower than the normally expected mortality rate of 25 *per cent* under Horticulture Mission for North East and Himalayan States (HMNEH).

2.4.8.8 Wasteful expenditure

Joint physical verification revealed that:-

- Instead of Pack House of pre-fabricated structure costing ₹ 15.00 lakh, a building consisting of three rooms was shown as Pack House in Dimapur District.

  The Department in reply (November 2013) stated that due to high cost (₹ 100.00 lakh) of Pre-fabricated structure of Pack house, three rooms Pack house was constructed within the allocated amount of ₹ 15 lakh.

- Another beneficiary planted approximately 800 orange saplings out of 1500 saplings provided by the department in one ha plot of land. However, only 300 plants were found in existence. The amount of ₹ 0.12 lakh for half moon terracing received was not utilised for the purpose.

The Department in reply (November 2013) stated that the remaining 700 orange saplings costing ₹ 0.07 lakh were planted in scattered pieces of land due to land disputes over the target area. The fund for half moon terracing was utilised for weeding and fencing of the area.

- Under Area Expansion of Horticulture and other crops 2011-12 an amount of ₹ 20.96 lakh was incurred for procurement of saplings/seedlings, maintenance cost/land development/transportation and tools etc. for distribution to 35 beneficiaries in Amaluma village, Dimapur. Scrutiny however, revealed that an amount of ₹ 0.54 lakh was paid to only one beneficiary and the balance amount of ₹ 20.42 lakh as detailed in **Appendix 2.4.9** remained wasteful as saplings were not lifted and utilised by the beneficiaries as shown in the photograph given below:-



The Department in reply (November 2013) stated that the beneficiaries were not interested to take up the project and therefore, the planting materials were kept unutilised in the office of the DHO.

- The Department paid ₹ 1.50 lakh to two beneficiaries for Kiwi plantation at Kigwema village in Kohima district. During joint physical verification (June 2013) along with departmental officers and RKVY members of the Village it was observed that the plantation area was not maintained and found

abandoned which resulted in wasteful expenditure of ₹ 1.50 lakh. The Department while accepting the facts (November 2013) stated that the projects were abandoned due to lack of time and loss of interest by the beneficiaries.

- Under vegetable cluster, 20 units of High-tech poly house at a cost of ₹ 74.52 lakh were constructed for cultivation of off season vegetable crops of eight poly house in Kohima and 12 poly house in Dimapur districts under protected cultivation. However, during joint physical verification of nine[18] poly house it was seen that none of the poly house inspected had installed Fertigation Machine and Cooling System which were the most important components to control the temperature. This resulted in unfruitful expenditure of ₹ 33.54 lakh.

While accepting the facts, the Department stated (November 2013) that the establishment of the Hi-tech poly houses was overlooked by them while releasing the payment. However after being pointed out by Audit, the installation of the same has since been completed.

2.4.8.9 Abandoned Project

Some of the important factors which determine the success or failure of Cash crops cultivation are agro-climatic condition, quality of the planting material, market demand of the proposed product, marketing facilities, communication, post harvest management facilities etc. Proper feasibility study of the proposed project/site is a prerequisite before project implementation.

During 2008-09 under "Integrated Development of Major Horticulture Crops", three beneficiaries in Phusto village, Dimapur district were provided 2,28,000 Pineapple suckers, 95 Hand Gloves and ₹ 4.94 lakh as land development/maintenance cost. However, the project could not be physically verified as the villagers had abandoned pineapple cultivation during 2012. The Department conveyed the information of the Village chief of Phusto that the pineapple projects were abandoned in 2012 as the approach road to Phusto village was not motorable during monsoon and therefore the harvest/produce from the village could not be transported to the market.

Thus, failure on the part of the Department to undertake feasibility study of the project site before implementation of the project in an inaccessible area and improper selection of beneficiaries led to abandonment of the projects.

The Department in reply (November 2013) stated that they could not foresee that the projects would be abandoned as those projects were successfully implemented during the initial years. With regard to conduct of feasibility study, the Department assured that henceforth, they would ensure that such lapses do not re-occur.

[18] Kohima-2 and Dimapur-7

2.4.8.10 Veterinary and Animal Husbandry

During the period, the Department received an amount of ₹ 2682.32 lakhs (16.15 *per cent* of the total funds) for implementation of 15 projects from two sectors including two sub-schemes. Out of those, three projects and one sub-scheme was test checked as detailed in the table below.

Table No. 2.4.5

(₹ in lakh)

Year	Project Name	Project cost	Target		Achievement	
			Physical	Financial	Physical	Financial
2011-12	Livestock development	214.50	396 units	222.66	396 units	222.66
2011-12	Piggery (Protein supplement)	500.00	1 Nucleus and 32 Satellite Farms	500.00	Under Progress	Under Progress
2012-13	Livestock Production	836.00	990 units	836.00	Under Progress	Under Progress
2011-12	Fodder Development	82.00	200 units	80.00	200 units	80.00
Total		**1632.5**		**1638.66**		

During scrutiny of records it was seen that there was an excess expenditure of ₹ 6 lakh over the approved amount under Livestock Development and re-appropriated from other projects.

During 2011-12 the Department targeted to cover 122 beneficiaries under Livestock Development from General category. Test check of five districts revealed that 86 beneficiaries were recommended by the DVOs/Directorate on the basis of feasibility or capability of the candidates and 75 beneficiaries were recommended at the Government level. Against the recommendation of 86 beneficiaries by the Department, 39 beneficiaries **(Appendix 2.4.10)** were not selected. Thus, the Department diluted the selection process of beneficiaries against the rules framed by the Government.

2.4.8.11 Irregularities in disbursement of assistance Under Livestock Development (2011-12)

During 2011-12, the Department procured 120 pregnant heifers, 1320 piglets, 16800 chicks, 1216 buckets, 880 shovels, 880 feeding troughs, 336 spades and 3,03,615 Kgs feed under piggery, poultry and cattle for free distribution in all the eleven districts of the State.

As per departmental records, each beneficiary under piggery, poultry and cattle was to be provided the following items:

Table No. 2.4.6

Particulars	Livestock (nos)	Bucket (nos)	Shovel/ Spade (nos)	Feed (Kgs)	Feeding Trough (nos)
Piggery	6 Piglets	4	4	797.23	4
Poultry	200 chicks	4	4	1129.34	0
Cattle	2 Pregnant Heifers	0	0	556	0

Joint Physical verification and interaction with the beneficiaries in five districts revealed that:

- Two beneficiaries under piggery and one under poultry in Kohima district received cash amounting to ₹ 23,000 each for piggery and ₹ 24,000 for poultry from the supplier instead of six piglets and 200 chicks plus feed.
- Further, nine beneficiaries (piggery 4, poultry 3 and cattle 2) in Phek District received Cash amounting ₹ 5000 each instead of feed and other materials.
- One beneficiary under cattle in Kohima district received only one pregnant heifer and one beneficiary in Zunheboto district received a matured heifer and a bull instead of two.
- Two beneficiaries received local cross breed cattle instead of pregnant heifer in Mon and Dimapur districts.

Thus, it was evident that the project was not implemented as per the approved action plan and the departmental officials did not monitor the supplies of livestock and feed at the time of delivery by the suppliers. This resulted in deprivation to farmers and undue benefit to the suppliers. Further, the genuineness of the supplier's bill, vouchers/APRs was doubtful.

2.4.8.12 Excess Payment to suppliers

During 2011-12 under the project "Livestock development", Veterinary and Animal Husbandry Department procured livestock, feed and equipment amounting to ₹ 214.52 lakh. Scrutiny of the Actual Payees Receipts (APRs) revealed that the Department made an excess payment of ₹ 9.17 lakh to M/s Benjamin Enterprises (₹ 6.29 lakh) and M/s Neisalie (₹ 2.88 lakh).

2.4.9 Audit Objective: Internal control mechanisms were put in place to ensure efficient and effective monitoring and control over implementation; monitoring mechanism at each level was adequate.

The National Institute of Rural Development (NIRD), Hyderabad was appointed by the Ministry as Consultant for monitoring and evaluation of Rashtriya Krishi Vikas Yojana. NIRD conducted the monitoring and evaluation of RKVY projects during August 2010 and comments and suggestions were forwarded to the GON for corrective action. However, till August 2013 no corrective action as suggested by NIRD were taken by the Government.

As per guidelines, SLSC was responsible for monitoring/review of implementation of projects and evaluation of the same from time to time. SLSC held only six meetings against the target of 24 meetings during the period of audit for sanctioning of the projects only. However, no review meetings on the implementation of the projects (financial/physical progress) were held by SLSC during the period covered as stated by the nodal Department.

As per Para 6.2 of the scheme guidelines, the quorum for the SLSC meeting would not be complete without the presence of at least one representative from the

Government of India. However, it was observed from the meeting minutes of SLSC that no representative from the Government of India attended the SLSC meeting held on 10-04-2008 and 12-01-2009 in contravention of the guidelines.

It was also noticed that lack of monitoring at SLSC/APC level was pointed out by the third party monitoring report submitted by the NIRD. Also, it stated that there was no information about reviews conducted at Government and nodal officer level. Despite that no corrective action was taken by the Department/Government.

There was no Committee set up under APC (Agriculture Production Committee) exclusively for RKVY to review the scheme implementation. However, an "Inter Departmental Working Group" (IDWG) under the chairmanship of APC constituted under Agriculture Technology Management Agency (ATMA) was responsible to review the scheme implementation. Against 72 meetings to be held only seven meetings of APC were conducted which indicate lack of coordination between various implementing departments.

There was no system put in place at any level for monitoring/field visit and Evaluation of RKVY projects in the State. It was also noticed in audit that the nodal department conducted review of implementation of RKVY projects by other implementing departments only thrice during the last six years. Result of the same was not known due to non-documentation.

2.4.9.1 Implementation of web-based management information system

MIS was put into operation to ensure transparency and accuracy of data relating to the scheme and also to provide ready reference of records in the form of reports whenever required for monitoring, evaluation and planning of programmes. One of the important aims of MIS was to collect and disseminate relevant information and data related to each project and also to collect progress and completion details of each project over its life cycle.

It was noticed that the State/Nodal Department did not establish IT based MIS in the first year of its implementation as per the scheme guidelines. The system started only from 2010-11 onwards.

It was also noticed that the State did not attend RKVY- Data-base Management and information System (RDMIS) training conducted by the ministry during 2010-11 which had affected the smooth functioning of the MIS operation to some extent.

2.4.9.2 Analysis MIS data

Analysis of MIS data and physical data of the selected projects revealed physical data did not match with web-based data as detailed in **Appendix 2.4.11**. It was also noticed that even in respect of completed projects many important fields viz. date of completion, actual output, growth impact, etc. were left blank without data entry in the MIS[19]. MIS did not capture the completion details of each project over its life

[19] Source:- Report Menu: Year-wise Approved Project Details from Ministry website www.rkvy.nic.in

cycle due to non-updation of data in RKVY website of DAC. There was no in-built control to avoid blank data entry of important fields for completed projects.

2.4.10 Audit Objective: The objectives of maximising returns to the farmers in Agriculture and allied sectors were achieved and the State could achieve four *per cent* growth in the agricultural sector during the XIth Plan period.

During the SLSC meeting (August 2012) the Agriculture Production Commissioner (APC) pointed out that the Agriculture and allied departments need to work out the contribution made to the GSDP separately through implementation of RKVY programme in the State. However, no efforts had been made to determine the contributions made to the GSDP. Besides, no effective mechanism had been put in place to evaluate the impact of the projects specifically under RKVY scheme. As a result, audit could not conclusively determine and assess the output of the scheme with respect to 4 *per cent* annual growth in agriculture sector.

However, it was seen that the overall average annual growth of Agriculture and allied sectors for 11th plan was 5.19 *per cent* which was an excess of 1.19 *per cent* above National target growth rate. The Agriculture Department alone had achieved 6.14 *per cent* agricultural growth rate during the 11th plan. The State was awarded the "Krishi Karman Award 2011-12 for best State under Total Food-grains Production (Category-III)". The schemes under RKVY were being implemented by nine Departments and the expenditure was thinly spread over the State. Thus, audit could not conclude whether the implementation of RKVY projects contributed to increase of agricultural growth rate in the State.

2.4.11 Conclusion

The RKVY scheme was implemented initially by seven agriculture and allied departments and from 2012-13 two more departments (Irrigation and flood control and Co-operation) were included. The project implementation was practically started from 2008-09 though GOI had released funds during 2007-08 to the State. The State prepared C-SAP out of C-DAP of all the districts. There were many anomalies in C-DAP/SAP which needs to be addressed. Delay and in-adequate SLSC meetings resulted in delay in release of funds from GOI. There was also delay in release of funds from the State to implementing Departments and nodal department which resulted in delay in project implementation. There was no competitive bidding system followed for procurements. Undue benefits were given to select few suppliers and contractors. During project implementation, points such as short/non-supply of materials, wasteful expenditure, non-achievement of target, irregularities in supply of benefits, excess payment to suppliers and abandonment of projects were noticed. Proper mechanism to monitor or evaluate the contribution of production at State level did not exist. Also at the department levels, proper mechanism for post monitoring and evaluation of the projects was absent which resulted in failure to assess the success of the projects.

Though the State of Nagaland achieved an overall average annual growth of 5.19 *per cent* (an excess of 1.19 *per cent)* above national target during 11th plan in Agriculture sectors, audit could not determine whether the implementation of RKVY projects had contributed to increase of agricultural growth rate in the State.

2.4.12 Recommendations

- Planning should be bottom-up approach so as to ensure its ownership by all stakeholders. Prioritisation of projects should be done during sanctioning to allocate resources for addressing all the objectives.
- SLSC meetings should be held timely as per the guidelines so as to avoid delay in release of funds from the Ministry. Calendar of activities in the common guidelines may be followed.
- Streamline the release of funds from the State to Nodal Department and from nodal to implementing departments. UCs should be submitted as per actual utilisation of funds.
- To ensure transparency, economy, efficiency and competitive rates, all procurements should be done after notice inviting tenders (NIT) or from Government empanelled vendors.
- Projects should be implemented by all stakeholders in efficient, economical and effective manner so as to avoid short/non-achievement of targets.
- State Level, district level and Grass-root level supervision, monitoring and evaluation needs to be strengthened as prescribed in the guidelines to achieve the desired outcomes.

PLANNING AND CO-ORDINATION DEPARTMENT

2.5 Implementation of Local Area Development Programme in Nagaland

With a view to having decentralisation of planning process at the grass root level Nagaland Local Area Development Scheme was introduced in 1993-94. The name of the programme was changed to Local Area Development Programme (LADP) from the annual plan 2004-05 covering all the 60 assembly constituencies with the objective of taking up of developmental programmes in critical areas through mass participation of people and to create durable community assets particularly in the pockets which are relatively less developed.

The constituency wise allocation in a year had been enhanced to ₹ 1.00 crore during 2009-10 from ₹ 75 lakh in the 60 Assembly constituencies in the State.

The Performance Audit on Local Area Development Programme (LADP) in Nagaland was conducted to review the systems adopted by the Departments and the efforts of the State Government to ascertain whether objectives of the scheme were met in economical, efficient and effective manner.

Highlights

Instead of decentralising the entire planning process by involving the Village Development Boards in identification of the projects, the Department mostly relied on the recommendations of the elected members. This not only resulted in duplication of projects but also defeated the objective of the planning mechanism.

(Paragraph-2.5.8.4)

Though Technical estimates of the projects were prepared, it was seen that those estimates were either incomplete or deficient indicating that the technical estimates were prepared without appropriate inputs.

(Paragraphs-2.5.8.5)

Joint physical verification of projects in 15 Constituencies revealed that 146 projects taken up at a cost of ₹ 5.18 crore during 2008-2013 were non-existent indicating possible misappropriation to that extent. Besides, overlapping of four works valued at ₹ 0.73 crore under Roads and Bridges were also noticed.

(Paragraphs-2.5.10.4, 2.5.10.6 & 2.5.10.8)

Co-ordination between the Nodal Department and the implementing Department was deficient. Monitoring and evaluation was also not effective.

(Paragraph-2.5.11.1)

2.5.1 Introduction

2.5.1.1 The Scheme

According to the LADP guidelines of the State, the funds were to be utilised in four categories of scheme *viz*, individual Base Scheme, Community Project, Augmentation and Employment Promotion Project and Common Pool Scheme to develop critical areas in various sectors by decentralised planning to involve mass participation of people at grass root level in order to create durable assets and income and employment generating projects in 60 Assembly constituencies in the State.

Individual Base Schemes: Individual Base Schemes restricted to 20 *per cent* of the total constituency wise outlay was in the nature of Grants-in-Aid and Swarnajayanti Gram Swarojgar Yojana (SGSY) schemes of Rural Development Department.

Community Project: Community project were mandatory for implementation of Major Community Projects with a minimum of 35 *per cent* of constituency wise allocation upto 2009-10 and the projects categorised under this programme should be completed within a maximum period of two years. The sector allocation was enhanced to 40 *per cent* since July 2010.

Augmentation and Employment Promotion Project: This category was to cover income and self-employment generation or the programme already initiated by the Developmental department but could not be completed due to paucity of funds. Under this programme 20 *per cent* of allocation of constituency was earmarked for assisting

groups of un-employed professionals also. The sector allocation was enhanced to 25 *per cent* since July 2010 from 20 *per cent*.

Common Pool Scheme: Under Common Pool Fund a minimum of 25 *per cent* in each constituency was earmarked in the District/Sub-Divisional Planning and Development Board (DPDB/SDPDB) for formulating schemes of the under privileged section of people and neglected areas which are identified by the chairman of DPDB. The sector allocation was reduced to 15 *per cent* since July 2010.

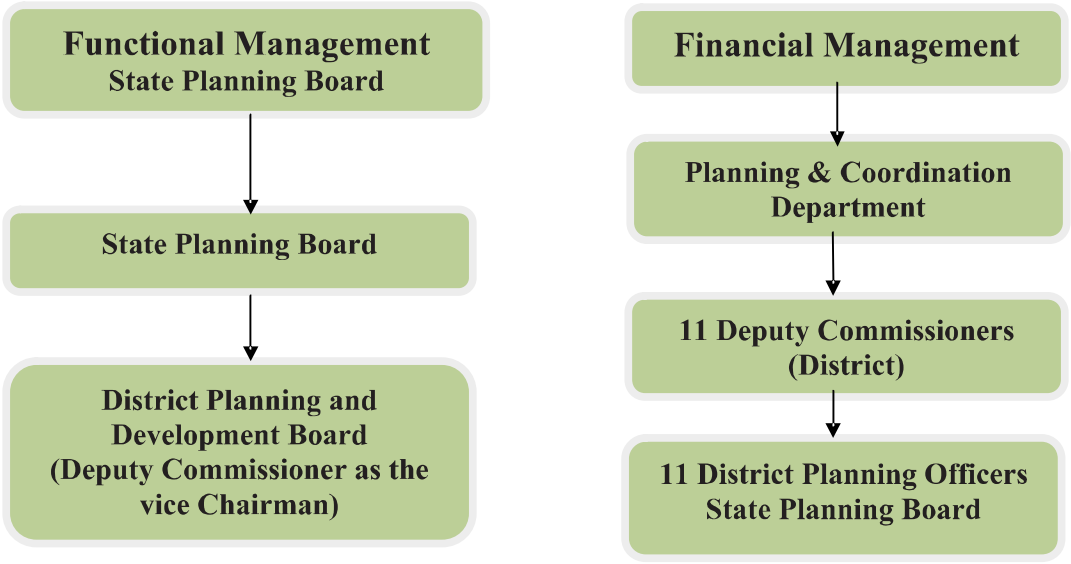
2.5.2 Organisational Setup

2.5.2.1 Institutional Arrangements for LADP

The Planning and Coordination Department, Government of Nagaland is responsible for implementation and monitoring of the scheme at the State level. The District Planning Officers (DPOs) are the nodal officers at the district level under the chairmanship of Deputy Commissioner to monitor the scheme implementation at districts.

Organisational setup both functional and financial:

Chart-2.5.1



2.5.3 Scope of Audit

The Performance Audit covered the period from 2008-09 to 2012-2013 through test check of records of the Development Commissioner, Department of Planning and Co-ordination, 4 Deputy Commissioners out of 11, four DPOs out of 11 during April to August 2013.

2.5.4 Audit Objectives

The broad objectives of the performance audit were to assess whether:

- the planning process was adequately devised to create durable community assets by formulating appropriate schemes to fill the developmental gaps.
- adequate funds were released in a timely manner and utilised for specific purposes.
- the projects were executed efficiently, effectively and economically to achieve the intended objectives and;
- the monitoring mechanism with the Department was effective.

2.5.5 Audit Criteria

The main criteria used for the performance audit were:

- Scheme guidelines and instructions issued by the State Government/Commissioner and Planning Commission of India.
- General Financials Rules.
- Technical estimates approved for implementation of projects.
- Provisions of agreements governing execution and maintenance of assets.

2.5.6 Audit Methodology

The performance audit began with an entry conference (22 April 2013) with management of the State Government to discuss the audit objectives and scope of Performance Audit in detail. Audit findings were communicated to the management and a presentation made on the findings which were also discussed in an exit conference held on 12 September 2013. The replies of the Department furnished in September 2013 have duly been incorporated in the Report at appropriate places.

Audit methodology was further based on:

(i) Audit sampling

Minimum of 25 *per cent* districts (four districts[20] out of eleven districts) to scrutinise the records of Deputy Commissioners and DPOs have been selected based on Probability Proportional to Size (PPS) without replacement method of sampling. Within the selected districts minimum of 25 *per cent* (a total of 15 constituencies[21] out of 60 in the State) and 25 *per cent* of projects were selected on Simple Random Sampling Without Replacement (SRSWOR) method.

[20] Kohima, Dimapur, Mon and Tuensang

[21] Kohima Town, Northern Angami- II, Southern Angami-I, and Tseminyu out of seven constituencies in Kohima district, Dimapur-I, Dimapur-III and Ghaspani-I out of five constituencies in Dimapur district, Aboi, Mon Town, Phomching and Wakching out of nine constituencies in Mon district and Noksen, Shamator-Chessore, Tuensnag Sadar I and Tuensang Sadar-II out of seven constituencies in Tuensang district.

(ii) Examination/verification of records

Scrutiny of records was conducted in the Department of Planning and Co-ordination, Deputy Commissioners and DPOs including the projects completed at villages under the 15 constituencies.

(iii) Physical verification of projects

In addition to scrutiny of records 430 works executed in 15 selected constituencies were jointly verified in audit in coordination with Departmental Officers.

(iv) Beneficiary survey

Audit conducted a beneficiary survey in 15 constituencies by interviewing Village Development Board (VDB) members and Village Council (VC) members in villages under 15 constituencies. A total of 75 members were interviewed and views are incorporated in appropriate paragraphs.

2.5.7 Acknowledgment

The Office of the Accountant General (Audit), Nagaland places on record our sincere appreciation for the co-operation of the Commissioner and Secretary, Development Commissioner, Planning and Co-ordination Department, Nagaland and designated Officers under General Administration and Planning Department at district level.

AUDIT FINDINGS

Audit Objective - 1

2.5.8 Whether the planning process was adequately devised to create durable community assets by formulating appropriate schemes to fill the developmental gaps.

Selection and compilation of LADP projects at district level was scheduled to be finalised by 30 July and the selected projects by the District Planning and Development Board (DPDB) was to be forwarded to Planning and Co-ordination Department by 16 August every year. Examination and approval by the State Planning Board (SPB) ought to be completed by 10 September in order to issue the Administrative approval of GON by 20 September every year followed by the implementation of scheme.

2.5.8.1 Constitution of Developmental Boards at different levels.

The Planning and Development Boards at State as well as at district levels were constituted in 2005 to select, compile and approve the LADP projects according to the date line fixed in the Calendar of Action for implementation of LADP. The District Planning Boards headed by Chairman[22] constituted at districts should be the Nodal

[22] Elected member of Legislative Assembly

Agencies to scrutinise the schemes to ensure the strict conformity as well as to coordinate and supervise the implementation of LADP schemes in consultation with qualified technical person drawn from Civil Administrative Works Division (CAWD)/District Rural development Agency (DRDA) or from the allied Rural Development Department. The DPO was assigned to forward the selected projects to the Department of Planning and Co-ordination for scrutiny and compilation after the approval of the DPDB. The compiled projects shall be examined by the State Planning Board (SPB) headed by Hon'ble Chief Minister before its approval.

Technically qualified personnel were required to render technical and expert guidance at various stages of project implementation. However, scrutiny revealed that the services of the technical experts were limited to preparation of estimates and verification/certifying the project completion in order to release payments to the beneficiaries. Thus, the technical guidance was not provided during the time of project implementation to improve the quality of developmental activities.

The DPO, Dimapur while accepting the audit observation stated (September 2013) that technically qualified services were not utilised in some implemented schemes. The DPO, Mon and Tuensang replied (September 2013) that technical personnel rendered guidance during the various stages of the implementation of the scheme in co-ordination with DPO. But the fact remained that technical personnel was not involved during the implementation of the scheme. Thus, services of the technical experts were limited to preparation of estimates and certification of projects completion only.

2.5.8.2 Village profile

The District Planning and Development Boards (DPDBs) would prepare village profile of every village by obtaining data through the concerned Departments with the help of Department of Economics and Statistics, Geographical Information System and National Informatics Centre network to identify critical areas to bridge developmental gaps to eradicate poverty in the villages and these data need to be updated every year to include the achievements of the previous year.

It was noticed in audit that the village profile was not created to identify the critical areas wherein development were required in the four test-checked districts. Also, district profile available in the district annual plan did not disclose the missing developments in order to bridge the developmental gaps in the less developed areas to eradicate poverty.

In the absence of village profile, the projects were selected randomly by elected members and due to the deficiencies in the haphazard selection of projects by the elected members, many projects were not executed and overlapping of the projects were also noticed in audit as discussed in **Paragraphs 2.5.10.4 and 2.5.10.6.**

DPO, Dimapur and Mon accepted (September 2013) audit findings and the DPO, Kohima and Tuensang were silent on the facts.

2.5.8.3 Calendar of action plan

The Department of Planning and Coordination was assigned to frame the calendar of Action Plan every year to append various stages for selection, compilation, preparation of Technical estimates, approval from DPDB/SPB, clearance of SPB, issue of expenditure sanction, issue of work order, verification, release of funds, handing over the assets created to the user groups with responsibility for maintenance, etc.

Though the calendar of Action Plan was framed by the Department every year, criteria and time schedule for selection of beneficiaries to award the work order and the time schedule for handing over of the assets to the user groups with responsibility for maintenance were not incorporated in the action plan. As a result, the beneficiaries were selected without following any criteria and the assets created through LADP scheme were not handed over to the user groups for maintenance.

The DPO, Dimapur while accepting the facts (September 2013) stated that the planning process would be streamlined. DPO, Kohima and Tuensang were silent on audit findings.

2.5.8.4 Selection and compilation of projects

Para 6 (a) of the guidelines for district plan issued by the Planning Commission, GOI prioritised (August 2008) LADP programme on need basis as well as setting the goals for a five year period and the draft plan of projects. This programme should emerge from either Gramsabha/Village Development Board or Panchayat /Village Council level. Guidelines of LADP further envisage that every recognised village should be covered in LADP and projects identified on priority basis in the village should be discussed in open meetings. Heads of the development Departments in the districts should submit Annual Works Programme/Action Plan for information and reference of the members with a view to avoid duplication and overlapping of the schemes.

Implementing agency (DPO) at district level should select and compile the projects out of the draft plan prepared by the Gramsabha/VDB or Panchayat/VC according to need and set the goals. Scrutiny of records of four DPOs revealed that such draft plans neither emerged from Village Development Boards nor from Village Councils. Instead, all the projects catogorised under community scheme, individual scheme and augmentation and employments promotion projects were included only as per the recommendations made by the elected members from the respective Legislature Assembly (constituencies) in the Annual Plans of LADP programme during 2008-09 to 2012-13. The common pool projects were selected by the chairman of the DPDB. The fact of non-involvement of Village Development Board or Village Council in identification of projects was confirmed in the beneficiary survey.

Further, the heads of the departments at district level did not furnish works programme to discuss the concerned works programme in detail to avoid duplication of works, in the DPDB meeting.

Due to the selection of projects by the elected members instead of originating through the Gramsabha/VDB to bridge the developmental gaps by involving the people at grass-root to create durable community assets the objectives of the entire planning process of the programme was defeated.

Scrutiny further revealed following deficiencies in planning process:

- Heads of the development departments neither furnished any works programmes to DPDB nor discussed in the meeting to avoid duplication of works.
- Nodal officer, LADP programme did not collect annual works plan/action plan from other allied development departments.

Instead of decentralising the planning process by involving the Gramsabha/Village Development Boards in identification of projects selection and identification of projects were done on the basis of recommendation by the elected members. Further, duplication of project implementation was noticed as discussed in ***Paragraph 2.5.10.6*** due to non-observance of compilation of works programme of the allied departments by the DPDB.

The DPO, Dimapur while accepting the facts (September 2013) stated that steps would be taken to avoid duplication and overlapping of schemes in future. The DPO, Kohima was silent on audit findings and the replies furnished by the DPO, Tuensang and Mon were not relevant to the audit findings.

2.5.8.5 Technical estimates to support the calendar of action plan.

Technical estimate of the list of projects under the LADP should be prepared in order to assess the technical feasibility of the project as well as to propose the fund required for each project. Technical person drawn from CAWD/DRDA or from the allied Department were entrusted for preparation of technical estimates. The technical estimate so prepared by the experts would be scrutinised by the DBDP while finalising the project at the district level. The final list of works approved by the DPDB would be forwarded to Department of Planning and Co-ordination for approval. Technical estimates prepared by the expert group should normally be endorsed with history/background of the project, name of the village, location, nature and scope of development of the project along with socio economic progress to be achieved in support of sectoral lay out, project summary of quantum of work, quantities along with material and labour cost separately in terms of financial analysis, schedule of execution of projects etc.

Clause 9 of the guidelines, further, stipulated the purchase of materials by the DPDB in the case of construction/building projects wherein material components were involved. Planning and Coordination Department standardised funding scale of schemes under LADP in respect of 43 items of model schemes under individual based schemes.

The technical experts should prepare estimates considering all the aforementioned facts while preparing the technical estimate for proper utilisation of funds to create durable assets to fill developmental gaps in the village.

Test check of 430 technical estimates prepared and approved for implementation of LADP projects out of 3185 Technical estimates in 15 Assembly constituencies revealed following deficiencies:

- Specific location of the projects to be implemented was not available in the technical estimates
- Technical estimates neither disclosed the background nor the history of the required projects to describe the intended benefit out of the projects.
- Sectoral layout of the project was not prepared to support the technical estimates
- Technical estimates were not supported by detailed estimates. Instead the estimates were prepared to accommodate the allocated LADP funds applying the Schedule of rates applicable from time to time.
- The technical estimates were not approved as per the financial powers delegated to the competent authorities.
- Technical estimates did not provide separate data for material cost to be procured and issued to the work by DPDB.
- Technical estimates were not prepared in accordance to the standardised funding scale of schemes in respect of 43 items of model schemes under *individual based schemes.*

Thus, the technical estimates prepared and approved were incomplete or deficient indicating that the technical estimates were prepared without appropriate inputs.

Due to the lack of aforementioned data available in the technical estimates for the LADP, location of work, achievement of socio-economic progress, quality of work executed, quantum of labour component and material component involved in the project, etc. could not be analysed in audit.

In addition to this, in the absence of above particulars, the location of the project executed, component or the part of the infrastructure assisted through LADP and non-execution of projects could not be ascertained in audit. Inadequate technical estimates also resulted in short execution, diversion of projects, overlapping of projects as discussed in **Paragraphs 2.5.10.4, 2.5.10.5 and 2.5.10.6.**

DPO, Dimapur and Mon while accepting the facts (September 2013) stated that steps would be taken to streamline the process of preparation of technical estimates. The DPO, Kohima and Tuensang were silent on audit findings.

2.5.8.6 Irrelevancy of Technical estimates

As per the calendar of action plan, preparation of technical estimates should be completed by July to commence the work by September every year. However, scrutiny of technical estimates (150) approved during 2011-13 (two years) in Tuensang district revealed that the proposal for preparation of technical estimates was forwarded to Assistant Engineer, CAWD in February 2012 and January 2013 against the stipulated dateline of July 2011 and July 2012 whereas the DPO, Tuensang issued work orders as per the timeframe (October 2011 & 2012) and also submitted the progress reports in November 2011 & 2012 after the verification of *50 per cent* of projects by the Verification Committee in order to confer release of funds to the beneficiaries. This corroborated that the technical estimates were prepared even after the release of funds to the beneficiaries and the technical estimates were only a formality to get the LADP funds.

The DPO, Tuensang while accepting the facts (September 2013) stated that the weather condition, lack of proper infrastructure and time bound nature of works compelled them to prepare the technical estimate at later date in certain cases and assured that corrective measures would be taken to avoid such discrepancies in future.

2.5.8.7 Clearance from District Planning and Development Board (DPDB)

DPDBs were constituted since 2005 under the chairmanship of Members of Legislative Assembly (MLA), Deputy Commissioners as Vice-Chairman and DPOs as member in the four test checked districts to scrutinise the projects selected followed by its clearance, issue of work orders and nominating the verification committee for project verification. As per the calendar of action plan, DPDB had to meet at least thrice in a year to scrutinise and approve (August) the projects selected for the year concerned, issue (September) the work orders and certify the completion (February) of projects pertaining to the year concerned.

Scrutiny of the records of four test checked DPOs revealed that the committee in each sampled district met once a year to discuss the LADP activities against the norms of at least thrice in a year. Thus, there was a shortfall in conducting DPDB meetings in all the test checked districts by 67 *per cent* every year.

The DPO, Dimapur while accepting the facts (September 2013) stated that the DPDB meets and approves schemes in a single sitting. DPO, Kohima, Tuensang were silent on audit findings and the DPO, Mon stated that DPDB reviewed the LADP projects during all the monthly meetings. However, nothing in this regard was found in the minutes of the monthly meeting of DPDB of Mon district.

Audit Objective - 2

2.5.9 Whether adequate funds were released in a timely manner and utilised for specific purposes

2.5.9.1 Expenditure sanctions

LADP fund for programme implementation were placed by the Department through Budget provisioned by the State. Allocation per constituency in the state was ₹ 75.00 lakh till 2008-09 and was revised to ₹ 1.00 crore during 2009-10 and continued as of March 2013.

LADP funds were released to the respective DPO through drawal authorities in two equal installments as per the calendar of action plan approved by the SPB. During the last five years GON released ₹ 279.30 crore to the District Planning Machinery. Financial outlay and expenditure of LADP funds given in the table below:

Table No. 2.5.1

(₹ in lakh)

Year	No. of MLAs	Funds provided in the Budget	Funds drawn by the Department of Planning	Funds released to DPOs	Expenditure reported by the DPOs	Expendi-ture made by other agencies	Total Expenditure
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*
2008-09	60	3920.20	3920.20	3779.40	3779.40	140.80	3920.20
2009-10	60	6000.00	6000.00	5985.00	5985.00	15.00	6000.00
2010-11	60	6000.00	6000.00	5891.50	5891.50	108.50	6000.00
2011-12	60	6000.00	6000.00	5985.00	5985.00	15.00	6000.00
2012-13	60	6000.00	6000.00	2992.50	2992.50	00	2992.50
Total	**60**	**27920.20**	**27920.20**	**24633.40**	**24633.40**	**279.30**	**24912.70**

(Source: Departmental figures)

It could be seen from the table above that:

- Against the provision of ₹ 45.00 crore[23] for the year 2008-09, GON released ₹ 39.20 crore resulting in short allocation of ₹ 5.80 crore against the LADP programme. This reduced the constituency wise allocation to ₹ 0.65 crore instead of ₹ 0.75 crore. It was noticed from the records of Department of Planning and Coordination that the deducted funds were transferred to Rural development Department being the State share of NREGA.
- Out of the total funds of ₹ 60.00 crore drawn during 2012-13 the Planning and Coordination Department did not release the second instalment of ₹ 29.92 crore to 11 DPOs in the State as of March 2013 due to the Assembly election (February 2013). The fund was kept in Civil Deposit and released to eleven DPOs during May/June 2013.

[23] ₹ 75 lakh x 60 constituencies = ₹ 45 crore

2.5.9.2 Funds allocation and Expenditure in four test checked districts

LADP guidelines stipulated ₹ 15 lakh out of the total allocation of ₹ 60 crore to meet administrative expenditure of the scheme implementation and the administrative expenditure applicable was deducted by the Planning and Coordination Department at the time of release of funds to the DPO.

Out of the total release and expenditure of ₹ 246.33 crore to 11 DPOs to meet the LADP programmes in 60 constituencies, four test checked DPOs received ₹ 129.67crore[24] (53 *per cent*) for scheme implementation in 28 constituencies. Against that, the DPOs incurred expenditure of ₹ 127.83 crore[25] (99 *per cent*) leaving balance of ₹ 1.84 crore[26] with the three DPOs as of July 2013.

Scrutiny of records (June 2013) of DPO, Mon revealed that out of the funds (₹ 41.42 crore) received for LADP, ₹ 1.59 crore was incurred for administrative expenses (details were not made available to audit) in violation to the scheme guidelines resulting in non-execution of projects to that extent.

The DPO, Mon while replying (September 2013) stated that ₹ 1.59 crore was utilised for administrative expenditure to meet staff honorarium, technical allowances, verification allowances, stationeries, etc. However, the fact remained that the administrative expenditure for all such activities had already been deducted by the Planning and Coordination Department at the time of release of funds to DPO. Further, the genuineness of the administrative expenditure for ₹ 1.59 crore could also not be verified in audit.

Audit Objective - 3

2.5.10 Whether the projects were executed efficiently, effectively and economically to achieve the intended objectives

2.5.10.1 Programme execution- an overview

During 2008-09 to 2012-13, the Department of Planning and Coordination selected and executed 28749 LADP programmes in four categorised programmes in the State for ₹ 270.42 crore (97 *per cent* of funds allocation) against the funds allocated for ₹ 279.20 crore as shown below:

[24] Kohima- ₹ 32.92 crore, Dimapur- ₹ 23.01crore, Mon-₹ 41.42 crore and Tuensang –₹ 32.32 crore

[25] Kohima- ₹ 32.07 crore, Dimapur- ₹ 23.01crore, Mon-₹ 41.27 crore and Tuensang –₹ 31.48 crore

[26] Kohima-₹ 0.85 crore, Mon-₹ 0.15 crore and Tuensang –₹ 0.84 crore

Table No. 2.5.2

(₹ in crore)

Year	Community schemes		Individual schemes		Augmentation & employment generation		Common Pool		Total	
	No. of schemes	Expenditure	No. of schemes	Expenditure	No. of schemes	Expenditure	No. of schemes	Expenditure	No. of schemes	Expenditure
2008-09	799	13.73	604	6.49	491	6.90	425	9.05	2319	36.17
2009-10	15932	26.03	946	8.75	643	9.50	500	14.49	18021	58.77
2010-11	1159	25.85	1022	11.88	663	11.42	287	8.69	3131	57.84
2011-12	858	26.49	917	11.22	707	12.01	270	9.11	2752	58.83
2012-13	693	25.37	938	10.63	570	14.06	325	8.75	2526	58.81
Total	**19441**	**117.47**	**4427**	**48.97**	**3074**	**53.89**	**1807**	**50.09**	**28749**	**270.42**

(Source: Departmental figures)

It can be seen from the above table that the break-up of total expenditure furnished by the Department shows an amount of ₹ 270.42 crore whereas the total expenditure of the Department as furnished to audit shows an amount of ₹ 249.13 crore. Hence, it is evident that the figures furnished by the Department were not reliable and requires reconciliation.

Scrutiny revealed that the LADP programmes were not executed as per the approved sectoral distribution of fund provisions envisaged in the guidelines except under common pool scheme as detailed below:

- *Community projects* were mandatory and funds had to be utilised for implementation of Major Community Projects with a minimum of 35 *per cent* of constituency wise allocation upto 2009-10 which was revised to 40 *per cent* and such projects categorised under this programme should be completed within a maximum period of 2 years. It was noticed that Department expended 41 *per cent* of total constituency allocation on community projects upto 2009-10 and 44 *per cent* thereafter against the stipulated provision of 35 and 40 *per cent* respectively.

- *Individual Base Schemes was* restricted to 20 *per cent* of the total constituency wise outlay by way of Grants-in-Aid and SGSY schemes of Rural Development Department. However, it was seen that Department expended only 18 *per cent* on this component against the provision of 20 *per cent*.

- *Augmentation and Employment Promotion Project* category was to cover the Augmentation of projects relating to income and self-employment generation or the programme already initiated by the Developmental department which could not be completed due to paucity of funds. The 20 *per cent* of the total constituency wise outlay year-marked for assisting groups of un-employed professionals upto 2009-10 was enhanced to 25 *per cent* since 2010-11 onwards. It was noticed that Department expended 17 *per cent* of total constituency allocation upto 2009-10 and to 21 *per cent* thereafter against the stipulated provision of 20 and 25 *per cent* respectively.

From the above, it is evident that the sectoral distribution of funds were not observed in accordance with the prescribed norms to implement the programme to fill the developmental gaps in the State except under common pool scheme. The Department focused more attention to community projects than individual based schemes and augmentation & employment promotion project.

The DPO, Dimapur and Mon accepted (September 2013) the facts and DPO, Kohima and Tuensang were silent on the audit findings.

2.5.10.2 Programme execution in test checked districts

During 2008-09 to 2012-13, four test checked DPOs executed 6439 LADP programmes (22 *per cent*) in four categories and spent ₹ 129.19 crore (48 *per cent*). Out of the 6439 programmes, the DPOs executed 2459 infrastructure development programmes & supply oriented programmes for ₹ 61.88 crore under community schemes, 3097 employment promotion schemes, individual based schemes for ₹ 43.28 crore and 883 schemes under common pool for ₹ 24.03 crore. Audit conducted detailed scrutiny of 469 projects[27] in infrastructure development schemes & supply oriented programmes and employment generation schemes in four test checked districts. In addition to this the 79 projects[28] implemented through Common Pool were also selected for detailed scrutiny. The results of audit are discussed in succeeding paragraphs:

2.5.10.3 Unfruitful expenditure on Individual based schemes

Out of 26 individual based schemes in two districts[29], three stone crusher projects were awarded to three individuals in two districts with a view to improve employment generation in rural area. During the joint physical verification of these three projects, it was noticed that two stone crushers were not operational sincle last few years as detailed below.



Closed Stone crusher unit

An amount of ₹ 8.00 lakh was granted to Shri Adivile in 14 Southern Angami Assembly Constituency, Kohima district to purchase stone crusher under individual based scheme during 2009-10. However, during joint physical verification (May 2013) of the project, it was noticed that the unit stopped functioning since the last three years (Photograph 2.5.1). Thus, financial benefit to generate employment through individual based scheme could not be achieved due to closure of unit after its settting up.

During 2008-09, ₹ 5.00 lakh was granted to Smt. Thepfizhale Mera in 14 Southern Angami Assembly Constituency, Kohima district to purchase stone crusher under individual based scheme and the verification committee certified the utilisation of project funds (₹ 5.00 lakh) for purchase of crusher. However, during joint physical

[27] Kohima- 138 infrastructure and 13 individual base programmes, Dimapur-97 infrastructure and 13 Individual base programmes, Mon –88 infrastructure and 10 individual base programmes and Tuensang-107 infrastructure and 3 individual base programmes

[28] Kohima -28, Dimapur-18, Mon-12 and Tuensang-21

[29] Dimapur (13) and Kohima (13)

verification (May 2013) of the project, it was noticed that the unit was very old and not operational since last eight years which was authenticated by the DPO, Kohima and all the parts of machineries were also rusted (Photograph 2.5.1). Thus, the financial assistance granted out of individual based scheme was not actually invested to generate self or group employment as per the status of the unit.

The DPO, Kohima accepted (September 2013) the facts and stated that second hand machines were purchased instead of new machines due to the insufficient funds allocated out of the LADP funds and assured that the beneficiaries would revamp the units at the earliest.

2.5.10.4 Infrastructure development programme

Creation of durable assets and strengthening the livelihood resource base of the rural poor is an important objective of the Scheme. Provision of regular inspection and supervision of works to be taken up under the scheme shall be made to ensure proper quality of work as well as to ensure that the completion of the work commensurate with the quality and quantity of work done.

During 2008-13, 3165 works were executed in 15 constituencies in four DPOs for ₹ 56.18 crore. Joint physical verification of 430 projects (infrastructure development) revealed that 116 projects sanctioned and allocated remained unexecuted though payments of ₹ 3.86 crore were made and reported as completed. There was short execution in approved items of work in 42 infrastructure development projects implemented by the DPOs, valued at ₹ 3.90 crore. Four DPOs allowed execution of 22 non- permissible works valued at ₹ 0.44 crore which were outside the purview of the guidelines. Details are given in the **Appendix-2.5.1 (a) to (c)** and the analysis is shown in table No.2.5.3

Table No. 2.5.3

(₹ in lakh)

Name of the test checked DPO	Name of Constituency	Total project executed	Physical verification conducted	No. of un-executed projects	Cost of un-executed projects	No. of projects noticed as short in execution	Cost of short in executed projects	No. of non-permissible projects	Cost of non-permissible project
Kohima	Kohima Town	841	30	20	19.76	1	0.80	0	0
	Northern Angami- II	185	39	3	9.00	1	5.15	0	0
	Southern Angami-I	287	33	13	45.63	1	2.62	2	1.75
	Tseminyu	419	36	19	53.55	2	5.95	0	0
Dimapur	Dimapur-I	132	31	8	15.25	3	5.40	0	0
	Dimapur-III	42	34	0	0	0	0	0	0
	Ghaspani-I	128	32	3	3.90	0	0	4	27.00
Mon	Aboi	240	22	5	20.30	5	44.94	1	1.00
	Mon Town	197	26	10	46.55	6	39.31	0	0
	Phomching	139	11	3	16.50	5	40.99	0	0
	Wakching	254	29	10	34.40	2	7.62	15	14.25
Tuensang	Noksen	83	26	9	32.00	3	47.68	0	0
	Shamator-Chessore	131	48	4	6.50	3	40.80	0	0
	Tuensnag Sadar I	46	17	7	47.20	4	60.99	0	0
	Tuensang Sadar-II	41	16	2	35.00	6	87.42	0	0
Total		**3165**	**430**	**116**	**385.54**	**42**	**389.67**	**22**	**44.00**

(Source: Departmental figures)

It can be seen from the above table that 116 projects amounting to ₹ 3.86 crore stated to be completed did not exist physically indicating possibility of misappropriation of ₹ 3.94 crore in 15 test-checked constituencies alone. Short execution in respect of 42 works valued at ₹ 3.90 crore and execution of 22 non-permissible works valued at ₹ 0.44 crore were noticed during joint physical verification. The above observations were authenticated by the DPOs during joint physical verification.

Thus, non-execution as well as short execution of projects hampered the creation of durable assets and defeated the basic objective of the scheme to create durable community assets.

The DPO, Dimapur stated (September 2013) that the findings are partially accepted but did not furnish any rebuttal. The DPO, Mon stated that the programmes were executed as per the approved work plan. The DPO, Kohima stated (September 2013) that no works were left unexecuted as per the records of the DPO and short execution was due to topography of the site and communication problems involving variations in fund utilisation. The DPO, Tuensang stated (September 2013) that many projects were damaged due to heavy rains in the region and completed works could not be identified as the joint physical verification was done after a gap of three/four years.

However, the fact remained that all the unexecuted, short executed and non-permissible projects were duly authenticated by the DPOs concerned during joint physical verification of projects.

During 2012-13, DPO Tuensang estimated ₹ 0.55 crore[30] for renovation of 10 school buildings and 7 PHC/SC at Thonoknyu subdivision under 57 Thonoknyu Assembly constituency and released ₹ 0.55 crore[31] to Shri Alemshi and Shri Sangtsoi in two equal installments. However, Sub-Divisional Educational Officer (SDEO), Noklak reported that no repair/maintenance or renovation was carried out in respect of ten primary schools under Thonoknyu during 2012-13 out of LADP fund. Similarly, Chief Medical Officer, Tuensang also authenticated that the works were executed through the funding agencies other than LADP.

The DPO, Tuensang accepted (September 2013) the audit finding and stated that the fund was released to DPO in June 2013 and reported that the renovation work was completed recently.

2.5.10.5 Diversion of development programmes

Out of 430 projects jointly verified along with Departmental officers, it was noticed that sixteen projects for ₹ 0.54 crore were diverted and executed outside the approved plan in four test checked districts **(Appendix 2.5.2 (a))**

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[30] Renovation of primary school building at Thonoknyu village/town, Chilliko, Peshu, Sangloa, Wui, Thoktsun, Pang, Chiphur and Kingjong for ₹ 0.34 crore and Renovation of PHC/SC at Thonoknyu,Panso, Sangloa, Wui, Pang Chiphur and Tsuwao for ₹ 0.21 crore.

[31] Renovation of primary school building at Thonoknyu village/town, Chilliko, Peshu, Sangloa, Wui, Thoktsun, Pang, Chiphur and Kingjong for ₹ 0.34 crore and Renovation of PHC/SC at Thonoknyu,Panso, Sangloa, Wui, Pang Chiphur and Tsuwao for ₹ 0.21 crore.

In addition to above, Department carried out twenty eight income generating projects/activities[32] under LADP in seven constituencies in three districts during 2008-09 to 2011-12 for ₹ 1.42 crore. However, during joint physical verification of those projects, it was noticed and affirmed that 28 activities certified as completed for income generation could not yield any outcome due to switching over of crops from year to year in respect of horticulture activities, demolition of the hall during the same year in respect of community hall and non- availability of buyers for finished goods in respect of other activities. Thus, 28 projects completed for ₹ 1.42 crore **(Appendix 2.5.2 (b))** could not generate any income resulting in unfruitful expenditure and this was duly authenticated by the three DPOs.

The DPO, Dimapur and Tuensang accepted (September 2013) the audit finding. DPO, Kohima and Mon did not comment on the audit findings.

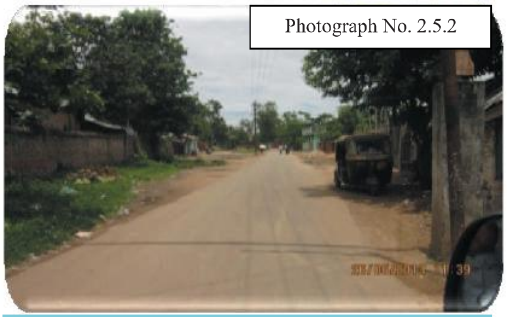
2.5.10.6 Overlapping in infrastructure development programmes

Guidelines of LADP envisages that heads of the development departments in the districts should submit Annual Works programme/Action Plan for information and reference of the members with a view to avoid duplication and overlapping of the schemes during the selection of LADP projects.

Scrutiny of the records of four DPOs revealed that information on the works programmes were not referred to the members to discuss and avoid duplication or overlapping of works with LADP schemes. Further, scrutiny of the works programme and execution by Public Works Department (Roads and Bridges) revealed that the Public Works Department carried out four improvement/ construction of road in different locations in Dimapur & Kohima districts during 2012-13 for ₹ 2.30 crore against the estimated cost of ₹ 3.99 crore. However, same works were also carried out in same locations through LADP for ₹ 0.73 crore by the implementing agencies authorised by the DPDB resulting in overlapping of works between two departments **(Appendix 2.5.3)**. Due to non-adherence to the guiding principle in selection of projects by the DPDB with reference to the Annual Works programme of Public Works Department, overlapping of road works to the tune of ₹ 0.73 crore was observed in audit.

An instance of overlapping of road constructed at Dimapur by two implementing agencies[33] is depicted in Photograph No 2.5.2.

Photograph No. 2.5.2



Blacktopped (200m) LADP road -GHHS half Nagarjan to Supermarket, Dimapur for ₹ 5 lakh

The DPO, Dimapur stated (September 2013) that maintenance works may have been taken up in the same road. The reply is

[32] Horticulture (21), renovation of council hall (1), dairy farm (1), fishery (2), bio diesel plant (2) and stone crusher (1)

[33] DPO, Dimapur and Executive Engineer, R&B, Dimapur

not tenable as the black topping was carried out by the PWD during 2012-13 and question of maintenance of road during the same year does not arise.

2.5.10.7 Supply oriented programmes

Supply oriented schemes were banned as per clause 9 of the guidelines of LADP. Further, material required for construction/building project should be procured directly by the DPDB in order to avoid third party involvement in the scheme.

Scrutiny of the records of four test checked DPOs revealed that Department carried out supply oriented programmes[34] through the beneficiaries by awarding work orders though it was banned. Further, the materials required for the construction/building projects were also assigned to the beneficiaries in their work orders instead of procuring directly by the DPDB.

Four test checked DPDBs issued 23 work orders to beneficiaries for procurement of 2605.25 units of CGI sheets (₹ 2.63 crore) and 235 MT rice (₹ 0.57 crore) as detailed in **Appendix 2.5.4.**

Thus, an expenditure of ₹ 3.20 crore was incurred on supply oriented schemes even though clause 9 of the LADP guidelines specifically banned incurring expenditure on supply oriented schemes.

The DPO, Dimapur and Tuensang accepted (September 2013) the audit finding and stated that supply oriented schemes were encouraged due to necessity, poor economic condition and bad monsoon in the districts and the same emerged from the grass root to meet the exigency. The reply furnished by the DPO, Kohima was not tenable as procurement of material were banned as per the guidelines of the programme and the DPO, Mon did not comment on the audit findings.

During 2011-12 and 2012-13 DPO, Dimapur, issued work order to Shri Khriesali Angami and Shri Jatin Dimasa for purchase of 1605 units of CGI sheets for ₹ 0.64 crore[35] for distribution of CGI sheets @ 10 units to 160 households in 11 villages in 3 Dimapur III constituency and the Verification Committee also certified the utilisation of the CGI sheets in 11 villages. However, the Village council of seven villages[36] out of 11 villages authenticated the receipt of eight units of CGI sheets against the 860 units pertaining to them. Thus, it is evident that 852 units of CGI sheets valued at ₹ 0.34 crore was misappropriated out of LADP funds by obtaining fraudulent verification certificate from the Committee assigned for it.

The DPO, Dimapur while accepting (September 2013) the audit finding stated that the lapses were due to unavoidable situations.

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[34] Supply of CGI sheets, supply of rice and supply of furniture

[35] Shri Khriesali Angami (2011-12) for ₹ 0.39 crore to supply 980 units of CGI sheets in Bade (6 households), Shikavi (8 households), Kushiabill (13 households), Padumpukhuri (22 households), Deizephe (10 households) Phapijan(13 households), Puranabazar (26 households); and Shri Jatin Dimasa (2012-13) for ₹ 0.25 crore to supply 625 units of CGI sheets in Doyapur (18 households), Amauluma(19 households), Hazaidesa (14 households), Manglumuk (11 households)

[36] Bade, Shikavi, Deizephe, Doyapur (4 units), Amauluma (4 units), Hazaidesa and Manglumuk

2.5.10.8 Activities under Common pool

Funds allocation for Common Pool was meant for formulating schemes for the benefit of common interest of the district as a whole and focused on inter district link roads, rest houses, tourist lodges, hostels, Holiday Homes, commercial buildings, sports infrastructure, financial assistance to small and cottage Industries and sick industrial units undertaken by Government or Private, urban development programmes etc.

Scrutiny of the developmental activities in the four test checked districts revealed that Department awarded maximum attention to infrastructure developmental activities. Out of 3165 works executed during 2008-13 in four districts at a cost of ₹ 56.18 crore Audit conducted joint physical verification of 79 projects under Common Pool. It was noticed that 30 sanctioned projects remained unexecuted. There was short execution in approved items of work in 15 infrastructure development projects implemented by the DPOs. Two DPOs allowed execution of 4 non- permissible works outside the purview of the guidelines. Details are stated in **Appendix- 2.5.5(a) to (c)** and the analysis is shown below:

Table No. 2.5.4

(₹ in lakh)

Name of the test checked DPOs	Physical verification conducted	No. of un-executed projects	Cost of unexecuted projects	No. of projects noticed as short execution	Cost of short in executed projects	No. of non-permissible projects	Cost of non-permissible projects
Kohima	28	2	8.24	6	37.23	0	0
Dimapur	18	7	38.70	3	26.41	0	0
Mon	12	5	28.00	1	4.55	1	7.00
Tuensang	21	16	57.50	5	25.15	3	17.00
Total	**79**	**30**	**132.44**	**15**	**93.34**	**4**	**24.00**

(Source: Departmental figures)

It can be seen from the table above that 30 Common Pool projects amounting to ₹ 1.32 crore reported as completed did not exist physically indicating possibility of misappropriation of ₹ 1.32 crore in four test-checked districts. Short execution by diverting the amount to non-permissible works in respect of 15 works valued at ₹ 0.93 crore and execution of four non-permissible works valued at ₹ 0.24 crore were also noticed during joint physical verification. The above observations were authenticated by the DPOs during joint physical verification.

Supply oriented programme was carried out for purchase of CGI sheets, furniture, medicine, syntex water tank etc. for ₹ 0.41 crore in violation of the scheme guidelines **(Appendix 2.5.5 (d))**.

Thus, the non-execution as well as short execution of projects hampered the creation of durable assets and also defeated the basic objective to formulate schemes of common interest.

The DPO, Dimapur accepted (September 2013) the facts and figures. The DPO, Mon stated that the programmes were executed as per the approved work plan. The DPO, Tuensang stated (September 2013) that many projects were damaged due to heavy

rain in the region and completed works could not be identified as the joint physical verification was done after a gap of three/four years.

2.5.10.8.1 Unfruitful expenditure on Common pool schemes

During 2009-10, ₹ 17.00 lakh was sanctioned (Novemeber 2009) for Construction of summer house –cum-dining hall (*Gazebo*) at DC's official residence Tuensang in hill type structure with a basement of 1150 sqft under Common Pool of LADP funds for Tuesang District in order to provide dining facilities at DC's official residence. However, joint physical verification of the building revealed that basement was 660 sqft with half brick masonry wall continued with wooden superstructure and dining hall was not constructed (Photograph 2.5.3) to meet the objective of the project. Thus, the *Gazebo* constructed for ₹ 17.00 lakh could not yield any improvements in the structure to function as summer house-cum-dining hall.

Photograph No. 2.5.3



Gazebo at DC's official residence, Tuensang for ₹ 17 lakh

While accepting the audit finding, the DPO, Tuensang stated (September 2013) that massive land development and huge stone masonary works were carried out to provide a panoramic view of *Gazebo* and for this purpose construction was limited to the basement for 660 sqft to commensurate with the funds earmarked for the work.

During 2009-10 DPDB, Kohima approved ₹ 10.25 lakh[37] for construction of water reservoir tank and water supply programme at local ground to improve drinking water facility in Kohima Town under Common Pool of LADP fund. However, during the physical verification (May 2013) of the project, it was noticed that the drinking water reservoir tank only had an inlet to store the water as indicated in the photogrpah 2.5.4 and was without any outlet to pump out the stored water for drinking purpose and the construction was made at the place where the garbage was amassed (Photograph 2.5.4). Hence, the expenditure for the construction of water reservoir became wasteful.

Photograph No. 2.5.4



Water Reservoir Tank at Kohima Local Ground

The DPO, Kohima while accepting (September 2013) the audit finding stated that though the water reservoir was constructed for public welfare and the maintenance was to be borne by the ground management and funds for maintenance was not earmarked under LADP.

[37] Shri Neizo Angami for ₹ 8.75 lakh and Smt Neikietuonuo for ₹ 1.50 lakh

2.5.10.9 Measurement of works

Release of payment against work executed should be measured and certified by the technical expert group by recording the accurate measurements in the Measurement Book in order to prepare the bill in the Running Account or by other means by the DPOs. Though the expert technical persons drawn from CAWD/Blocks/ DRDA were entrusted for preparation of estimates and also assigned to render technical expert guidance at various stages of programme implementation, services were limited to preparation of estimates as per SOR limiting to the fund allocated for the project and those groups certified the work as completed in order to release the payment.

Thus, the work certified as completed by the Verification committee was without recording measurement in the measurement books. The DPOs released the payments as per the recommendations furnished by the technical group instead of releasing the payments through appropriate bills to ascertain the item wise work executed and actual measurement carried out and recorded by the technical experts.

Scrutiny of the payment made through bank transactions against the work executed in two test checked DPOs revealed that payments were made to the persons other than beneficiaries to whom the work orders were issued for execution of the works. Unauthorised payments made to the unidentified beneficiaries are given below:

Table No. 2.5.5

(₹ in lakh)

Year	DPO	Constituency	No. of approved Work programm/ No. of beneficiaries	Cost of Works programme (1st or 2nd installment)	Payment made to Shri	Funds released	Cheque No. reference
2011-12	Dimapur	1Dimapur I	27	41.95 (1st)	Kheheko Chishi	41.95	27937
		2 Dimapur II	39	41.95 (1st)	Temsu Aier	41.95	27938
		3 Dimapur III	04	41.95 (1st)	Tohoshe	41.95	27939
		4 Ghaspani I	21	41.95 (1st)	Kiyehe Awomi	41.95	27940
2012-13	Mon	41Tizit	15	39.03 (2nd)	L Wangnok	39.03	154858 to 154872
		55Tobu	39	35.16 (2nd)	Neangba	35.16	339929 to 339947 and 339951 to 339971
Total			**145**	**241.99**		**241.99**	

(Source: Departmental figures)

Thus, by releasing the funds (₹ 2.42 crore) to unauthorised persons other than those identified by the DPDB, developmental projects were noticed as unexecuted during the joint physical verification as discussed in **Paragraphs 2.5.10.4 and 2.5.10.8** and this further point towards the lack of financial and physical monitoring mechanism within the Department.

While accepting the audit finding, the DPO, Dimapur and Mon stated (September 2013) that payments were released to the persons as authorised by the beneficiaries. The fact however, remained that the said authorisation could not be furnished to audit for verification.

2.5.10.10 Physical and financial progress of the programme

Quarterly progress report of the projects on physical and financial progress was required to be submitted to the Planning and Coordination Department to facilitate effective monitoring on the progress of implementation of the scheme and for information to the members of SPB.

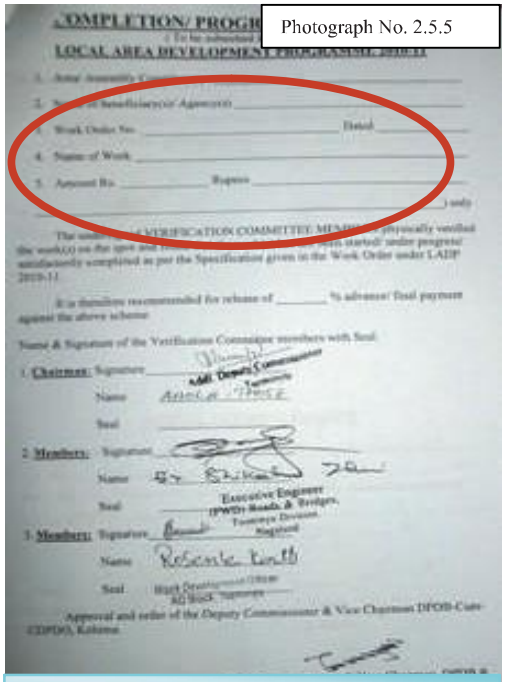
Scrutiny (June-July, 2013) of records of four test checked DPOs revealed that Quarterly progress reports were not prepared in four test-checked DPOs. Instead progress report on the utilisation of first installment (50 *per cent* of the funds) was only forwarded to Planning Department for the release of second installment. Thus, in the absence of quarterly progress reports, progresses in scheme implementation could not be discussed in monthly meetings of DPDB and monitoring mechanism by the members of SPB also became ineffective.

While accepting the audit finding, the DPO, Dimapur stated (September 2013) that the lapses would be streamlined and three remaining DPOs were silent on the audit finding.

2.5.10.11 Quality of work assessed/verified by the Verification Committee

Though the DPDB appointed verification committee for assessing the work execution in two stages as per the time frame fixed in the Calendar of action plan, the verification committee issued certificate and recommended in order to release the payment to the beneficiaries. Scrutiny of the verification report revealed that neither the measurements in actual nor the quality of work executed was assessed by the verification committee while certifying the project as completed. The verification report of the committee was only a formality to observe the procedure and the Department used this certificate of evidence for the release of subsequent installments to utilise the LADP funds.

Photograph No. 2.5.5



A specimen copy of Blank completion certificate/progress report

Thus, it is evident that the completion/progress report was an instrument to obtain subsequent installment of LADP funds.

The DPO, Dimapur accepted (September 2013) the audit findings and remaining three DPOs were silent on the audit findings.

Ten horticulture projects approved during 2010-11 for ₹ 2.10 lakh was awarded to ten beneficiaries in Tsemenyu Assembly Constituency, Kohima under individual based

schemes. However, the completion certificate/progress reports of those 10 projects were blank and were endorsed with the signatures of members of verification committee only. A specimen of blank completion/ progress report duly certified by the verification Committee stating that the work has been satisfactorily completed as per the specification under LADP is given in photograph No.2.5.5.

While accepting the audit finding, the DPO, Kohima stated (September 2013) that the committee had overlooked a sheet of completion certificates.

Audit Objective - 4

2.5.11 Whether the monitoring mechanism with the Department was effective

2.5.11.1 Monitoring and evaluation

Department designed identification, execution and verification of LADP projects through the calendar of action plan every year. DPO, the nodal officer was to coordinate and oversee the work in consultation with technical experts at the various levels of scheme implementation.

As per the notification (July 2004) issued by the Planning and Coordination Department, DPDB constituted at districts should review progress of the schemes of all developmental programmes in the district for effective implementation once a month in the district Planning Board meetings.

However, scrutiny revealed that verification of works under LADP were assigned to the *Verification Committee* in two stages according to the release of funds. The duties of the Committee assigned for verification was limited to certify according to the status of work in order to recommend release of payment to the beneficiaries.

Scrutiny of the minutes of monthly meetings of the DPDB revealed that the progress of developmental programmes under LADP was not reviewed in the meetings for effective implementation.

Department restricted the monitoring mechanism with the verification committee by assigning the duties for verification and recommendations in order to avail subsequent releases of funds. Thus, the nodal officer of the scheme did not oversee the work in coordination with expert group by way of conducting inspection of the projects.

As a result of ineffective coordination in monitoring and evaluation of projects at the level of nodal officer and deficient verification done by the verification committee, many projects were noticed as unexecuted, short executed, deviated from approved plan and overlapping nature were observed in audit as discussed in **Paragraphs 2.5.10.4, 2.5.10.5 and 2.5.10.6.**

The DPO, Dimapur accepted (September 2013) the audit finding and stated that the progress reports/completion certificates submitted by the verification committee were taken as authenticated reports to release the 2nd installment. Remaining three DPOs were silent on the audit findings.

2.5.12 Conclusion

Village profile was not created to identify the critical areas wherein developments were required. Decentralised policy in selection of projects was not adopted which resulted in random selection of projects by elected members. Inadequate technical estimates approved by DPDB resulted in short execution, diversion of projects and overlapping of projects. Several instances of un-executed projects were noticed and execution of non-permissible projects outside the purview of scheme guidelines had defeated the purpose for which the scheme was designed. Verification committee certified works without recording measurement to support the nature of assets created. During the period 2008-13 an amount of ₹ 270.42 crore was spent on four categorised LADP programmes in the State. Test-checked revealed 146 non-existent projects worth ₹ 5.18 crore indicating possible misappropriation to that extent. Neither nodal officer nor the technical expert group at districts monitored the projects during the execution to assess the quality of LADP funded works.

2.5.13 Recommendations

- Village profile needs to be framed to identify critical areas to bridge developmental gaps to eradicate poverty in the villages.
- Identification and selection of projects should be streamlined in order to ensure inputs from the grass root level as envisaged in the guidelines.
- Guidelines need to be devised to structure planning process, selection criteria of beneficiaries and preparation of technical estimates at appropriate levels to achieve fruitful results.
- Quantity and quality control mechanism of the projects needs to be strengthened.
- Monitoring and evaluation mechanism needs more attention and impact analysis of the scheme should be undertaken.

PUBLIC WORKS (ROADS & BRIDGES) DEPARTMENT

2.6 Audit on Roads & Bridges projects funded by Non-Lapsable Central Pool of Resources (NLCPR) and North Eastern Council (NEC) in Nagaland

The Performance Audit of Roads & Bridges funded by Non-Lapsable Central Pool of Resources (NLCPR) and the North Eastern Council (NEC) in Nagaland was attempted to review the systems adopted by the departments and the efforts made by the State Government to ascertain whether objectives of the scheme were met in an economical, efficient and effective manner.

Inadequate transport facility due to lack of Roads and Bridges was a serious drawback that crippled the development of the region. The NEC commissioned the National Council of Applied Economic Research (NCAER) to carry out a Regional Transport Survey to formulate a better transport system especially for inter-State connectivity for the region based on the recommendations of a Committee of Secretaries of the

Government of India (GOI). The major findings of the Performance Audit are detailed below:

Highlights

- Concept papers forwarded to the Ministry did not contain focus areas for developmental and economic activities to develop road infrastructure in the State.

(Paragraphs – 2.6.8.1)

- GON deducted ₹ 18.10 crore at source towards departmental charges/work charge establishment by violating the order of Ministry resulting in short execution of items of work.

(Paragraphs – 2.6.10.2 and 2.6.10.3)

- The Department released ₹ 6.42 crore against un-executed items of work by recording fraudulent measurements in the Measurement Books. The Department also provided undue benefit of ₹ 2.81 crore to contractors by revising the Bill of Quantity, overpayment and escalating the rates from the approved cost.

(Paragraphs – 2.6.11.5.2; 2.6.11.5.8; 2.6.11.5.9 and 2.6.11.5.10)

- The Department incurred excess expenditure for ₹ 10.52 crore over the approved DPRs. The Department further diverted ₹ 17.38 crore for items outside the approved DPRs.

(Paragraphs – 2.6.11.5.1; 2.6.11.5.3;2.6.11.5.4; 2.6.11.5.5; 2.6.11.5.8; 2.6.11.5.11 and 2.6.11.5.12)

- State functionaries carried out only 15 inspections (5 *per cent*) against the required 320 inspections.

(Paragraph No. 2.6.14.2)

2.6.1 Introduction

GOI created a **Non Lapsable Central Pool of Resources (NLCPR)** in the Union Budget for the year 1998-99 in the public account titled "Central Resource Pool for Development of NER" for funding specific programmes for economic and social upliftment of North Eastern States to ensure speedy development of Roads and Bridges in NER and also to develop the physical and social infrastructure for providing support under the Central Pool.

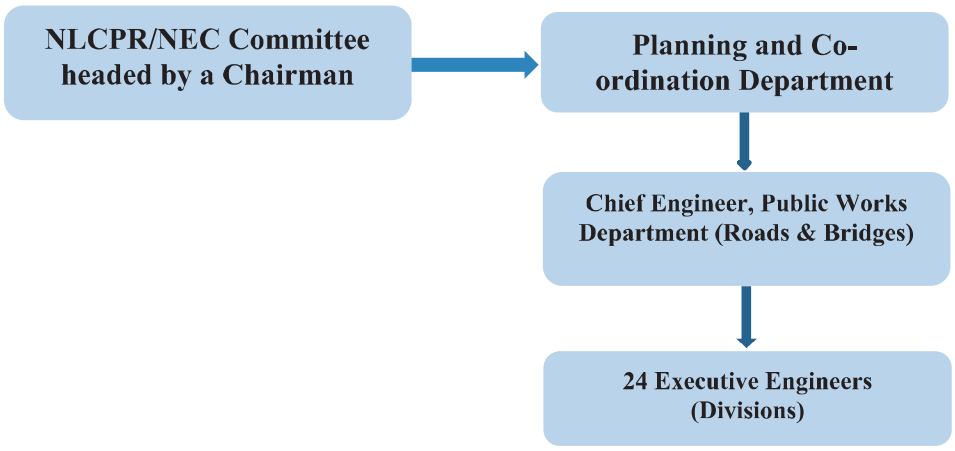
The North East has essentially depended on Central funding for development works. All the States in the NER are Special Category States whose Development Plans are centrally financed on the basis of 90 *per cent* grant and 10 *per cent* loan.

The North Eastern Council (NEC), constituted in 1971 by an Act of the Parliament is the nodal agency for the economic and social development of the North Eastern Region which consists of the eight states and has marked the beginning of a new chapter of concerted and planned efforts for the rapid development of the Region. Over the last thirty five years, NEC has been instrumental in setting in motion a new economic endeavour aimed at providing the basic facilities.

2.6.2 Organisational Setup

There shall be a committee called 'NLCPR/NEC Committee' to administer NLCPR/NEC Scheme headed by a Chairman. The organisational structure for implementation of NLCPR/NEC funded projects on Roads and Bridges in Nagaland is structured below:

Chart No.2.6.1



2.6.3 Scope of Audit

The Performance Audit covered the period from 2008-2013 through test check of records of the Chief Engineer, Public Works (Roads & Bridges), 14 Divisions out of 24 headed by Executive Engineers,16 projects out of 42[38] NLCPR projects and 4 out of 8 NEC funded projects in the State during April 2013 to August 2013. Further, audit also checked the remedial action taken by the State Government on the audit observations made by the Comptroller and Auditor General of India in the Union Report (2007-08) and State Report (2010-11).

2.6.4 Audit Objectives

The broad objectives of the Performance Audit on roads and bridges were to assess whether:

- There was a critical assessment of needs in each of the infrastructural areas and that the individual projects were planned appropriately.

[38] 32 projects sanctioned during 2008-13 and 10 ongoing projects sanctioned prior to 2008-09.

- The mechanism in place for approval of the projects was strictly adhered to and appropriate checks applied at each stage, prior to approval and after release of funds.
- Adequate funds were released in a timely manner and utilised for specific purpose.
- Projects were executed efficiently and economically to achieve intended objectives.
- Impact of the scheme was analysed at various levels.
- The Department took action on the recommendations made by the PAC.
- There was a mechanism for adequate and effective monitoring and evaluation of projects.

2.6.5 Audit Criteria

The audit criteria for the purpose of this Performance Audit were derived from the following sources:

- Guidelines of the GOI in respect of NLCPR/NEC funded scheme;
- Detailed Project Reports;
- Conditions and norms for release of funds;
- Performance indicators relevant to the sectors under which projects were executed; and
- Prescribed monitoring mechanism.

2.6.6 Audit Methodology

The Performance Audit commenced with an entry conference with the officers of the Public Works (Roads and Bridges) Department to discuss the objectives, scope, methodology etc. on 17 April 2013. A total of 20 Projects (16 out of 42 NLCPR and 4 out of 8 NEC) were selected on Probability Proportional to Size Without Replacement (PPSWOR) method.

Scrutiny of records in audit was done at the Office of the Chief Engineer, Public Works Department (Roads & Bridges), Nagaland and 14 Divisions out of 24 Divisions headed by Executive Engineers (R&B). All the 20 selected projects covering 14 Divisions were physically verified by audit along with the Departmental officers. The Audit findings were discussed in an exit conference held on 3 October 2013. The replies of the Department have duly been incorporated in the Report at appropriate places.

2.6.7 Acknowledgment

The office of the Accountant General (Audit), Nagaland places on record our sincere appreciation for the co-operation of the Chief Engineer, PWD (R&B) and designated Officers under Public Works Department in the various divisions.

AUDIT FINDINGS

Audit Objective - 1

2.6.8 Critical assessment of needs in each of the infrastructural areas and planning of projects

2.6.8.1 Preparation of concept note

NLCPR guidelines provides that the Annual priority list of projects should be supported with "Concept papers" for all the projects elaborating the problems to be addressed through the project at local and State level detailing the nature and magnitude of the problems, the development objective proposed to be achieved, benefits likely to accrue in terms of population and other parameters. It should also contain the ongoing initiative taken by the State Government to avoid duplication and synergy created through the proposed projects, economic parameters to justify the funding and social infrastructure and socio-economic analysis, estimated cost, financial and physical phasing, timeframe etc. for implementation of the projects. Issues relating to sustainability including operation and maintenance of assets after project completion and subsequent issues should also be elaborated while formulating the concept paper. In addition, the Union Ministry had circulated a District Infrastructure Index (DII) in September 2009 in order to help in better targeting of schemes and projects within NER. This was to be followed by all the States under NER.

Department did not furnish to audit the list of projects proposed along with the concept note pertaining to 2008-09 though the Ministry sanctioned 12 projects during the year. Out of 139 projects included in the priority list pertaining to 2009-10 to 2012-13, Ministry sanctioned 20 projects (14 *per cent*). Scrutiny of list of projects forwarded and approved by the Ministry during 2009-10 to 2012-13 revealed that three projects were sanctioned outside the priority list. Details are given below:

Table No. 2.6.1

Year	Date of submission of Priority list	No. of R&B projects included in Priority list	No. of concept notes available	Total projects sanctioned by the Union Ministry	No. of projects selected from the priority list	No. of projects outside the priority list
2009-10	06.08.2009	17	16	5	3	2
2010-11	25.05.2010	33	33	6	5	1
2011-12	13.05.2011	37	20	7	7	0
2012-13	15.06.2012	52	21	2	2	0
TOTAL		**139**	**90**	**20**	**17**	**03**

(Source: Departmental figures)

Scrutiny (June 2013) revealed that 90 concept papers only were available against the priority list of 139 projects prepared and forwarded to Ministry resulting in failure in gap analysis for preliminary survey in respect of 49 projects. The concept paper only focused on estimated cost and briefed the requirement of transportation as per the remoteness of the village in order to improve the living standards of the people

surrounding that area. Thus, the important areas wherein more developmental and economic activities to accrue benefits in terms of socio-infrastructure developments required to be focused as per the guidelines were not available in the concept paper forwarded to the Ministry. Besides, the District Infrastructure Index (DII) method was also not adopted to correctly identify the Roads and Bridges projects required for the State.

The Department accepted (October 2013) the audit findings and stated that the contents of the Concept Papers would be improved by incorporating all the required aspects justifying the need for the road works.

2.6.8.2 Delay in submission of priority list

As per the time frame fixed by the Ministry, each State would propose through its Nodal Department, an annual profile of projects under the NLCPR in terms of priority list latest by 31 December every year for the next financial year.

However, scrutiny (June 2013) revealed that during the period from 2009-13, the Department submitted the list of projects from May to August of the subsequent year resulting in a delay ranging from five to eight months which consequently affected the implementation of the projects.

Department accepted (October 2013) the audit findings and stated that the submission of priority list was delayed due to the time consumed at the State Government level to finalise the list of projects.

Audit Objective - 2

2.6.9 The mechanism in place for approval of the projects was strictly adhered to and appropriate checks applied at each stage prior to approval and after release of funds.

2.6.9.1 Project formulation through Detailed Project Report

A detailed project report (DPR) should be prepared for each project proposal. The DPR should be accompanied by a socio-economic feasibility report and must establish technical and economic viability such as its rationale, cost, finances available from other sources and detailed technical specification, etc. In addition to this, the DPR should clearly laydown Critical Path Method (CPM) and Programme Evaluation and Review Technique (PERT) chart, year-wise phasing of input, project monitoring indicators, quarterly and year-wise physical output to be achieved, project implementation schedule and all regulatory and statutory clearances etc.

Scrutiny (June 2013) revealed that the DPRs pertaining to all the 20 selected projects were available in two volumes *viz.* Technical Report and Costing Report. In the Technical Report technical viability of the project was discussed in addition to the socio-economic benefits and in the costing report, cost analysis of the project was done. However, CPM and PERT chart, year-wise phasing of input, project monitoring indicators, quarterly and year-wise physical output to be achieved, project

implementation schedule and all regulatory and statutory clearances etc. were not incorporated as per the model DPR incorporated in the guidelines of the Ministry.

Thus, in the absence of above adequate data in the DPR, there was irregular release of funds, poor project monitoring mechanism, time over run and deviations from the objectives framed for the projects were also noticed as discussed in **paragraph No. 2.6.11.5.**

The Ministry communicated (January 2011) the deficiencies noticed in the DPRs to the Chief Engineer, PWD (R&B) to ensure that the DPRs were free from common mistakes and deficiencies enabling the competent authority to pass the proposals quickly.

The Department accepted (October 2013) the deficiencies in DPRs pointed out by audit and assured that care would be taken henceforth to frame the DPRs according to the norms prescribed by the Ministry.

2.6.9.2 Cost of preparation of DPRs

While awarding the Administrative approval of the projects, the Ministry directed the State Government to pay the remuneration for vetting the DPRs of the projects either to the State Technical Agency (STA), Jorhat Engineering College, Jorhat or to the empanelled consultants of the Ministry. It further restricted that the provision of 3 *per cent* contingencies was not to be utilised for any charges towards consultancy.

Scrutiny (May to July 2013) of the records revealed that the DPRs prepared during 2008-09 to 2012-13 (29 NLCPR projects) were not vetted by the State Technical Agency, Jorhat Engineering College, Jorhat. Instead, all the formalities were completed at the level of the Chief Engineer, PWD, R&B, Nagaland.

It was further noticed that the Department also released ₹ 1.64 crore to four agencies out of the contingencies provisioned in the scheme towards the cost of consultancy charges for preparation of DPRs as detailed in the following table:

Table No. 2.6.2

(₹ in lakh)

Sl. No.	Name of the agency entrusted for preparation of the DPRs	Approved cost of the Project	Name of the Projects	Amount released to Agencies
1	M/s Fast Track, Kohima	2572.67	Construction of road from Razeba to Chizami via Thetsumi (NLCPR)	25.72
2	M/s Nihol & Sons, New Ministers Hill, Near South Police station, Nagaland, Kohima.	544.41	Construction of T-Beam girder Double Lane Bridge of IRC Class 'A' loading over Dzu-U on Rusoma Kijumetuma Road in Nagaland(NLCPR)	29.99
3	M/s R&S Design Engineers Pvt Ltd, Kohima	2917.21	Construction and upgradation of road from Old Phek via Khuza to Satakha Road(NLCPR)	55.00
		6527.00	Construction of Viswema-Kidima-Zuketsa-Tadubi Road (NEC)	14.56
4	M/s Mats Design, P/R Hill Kohima.	4913.00	Longding-Nokjan Road(NEC)	38.70
TOTAL				**163.97**

(Source: Departmental figures)

Thus, it is evident from above that the release of ₹ 1.64 crore to the consultants out of the contingencies was in violation of the orders issued by the Ministry.

Department stated (October 2013) that in some cases vetting had been carried out by the STA while in other cases, vetting could not be done due to time constraints. However, the DPRs which were not vetted had also been approved by the Ministry of DoNER without any comments.

2.6.9.3 Technical estimates

As per the manual for survey, investigation and preparation of road projects published by the Indian Road Congress (IRC), pre-feasibility study, preliminary project report preparation feasibility study and detailed engineering and plan of construction should be prepared on the basis of reconnaissance survey by collecting information on the present status of the road, deficiency/distress identification, development potential, environmental impact, traffic data (present and future) and approximate estimation of cost. The economic analysis may involve traffic allocation studies, assessment of resource generation potential, funding pattern and risk. Location of toll plaza may also need to be identified. The feasibility study was intended to establish soundness of engineering design. The Detailed engineering would include topographical survey, location survey, soil survey, drainage study and environment management action plan. The comprehensive study would be the background of the DPR design report required for technical and financial sanction.

Scrutiny (May to July 2013) of the technical estimate incorporated in the DPRs of selected projects revealed that the points viz. Soil survey, Drainage study, Environment management action plan and Future traffic data analysis were not analysed as per the standards prescribed by the IRC.

In the absence of the above data, the Divisional Executive Engineers revised the items in the DPRs as well as estimates approved by the Ministry. This further resulted in cost escalation of items approved by the Ministry and time over run of the projects.

The aforementioned deficiencies in the technical estimates were highlighted (December 2010) by the Ministry of Roads and Transport.

While accepting (October 2013) the audit findings, the Department stated that due to shortage of time awarded for preparation of DPRs all the technical procedures could not be followed.

2.6.9.4 Deviations from the approved Detailed Project Reports

While approving the projects, the Ministry laid down the condition that the funds shall be utilised within specified time and strictly for which they were sanctioned and no diversion of funds was allowed.

GOI approved (June 2011) a project namely "Improvement and up-gradation of road from Border road (19 Km) to Changlangshu in Mon district" under NLCPR at an estimated cost of ₹ 6.11 crore and work was awarded for ₹ 5.99 crore as per the rates quoted (SOR 2008).

Scrutiny (January 2013) of the records of Chief Engineer, PWD (R&B), Kohima revealed that the Department revised (November 2011) the items and rates of the bill of quantity through a corrigendum and stipulated the total cost of the project at ₹ 5.99 crore based on the Schedule of Rates (SOR 2010) by excluding one item of work (construction of protection wall works for ₹ 1.21 crore) approved by the Ministry. Thus, the cost escalation of revised items was met by compromising one major item of work approved by the GOI.

While replying to audit findings the Department stated (October 2013) that the DPR was framed based on the rates of SOR 2008 whereas the approval was conveyed in 2011 only and by that time SOR 2008 had been updated to SOR 2010. Therefore, in order to carry out the work within the sanctioned amount, some items were deleted as per the site conditions. The reply was not tenable as Ministry did not communicate approval for the deviation.

Audit Objective - 3

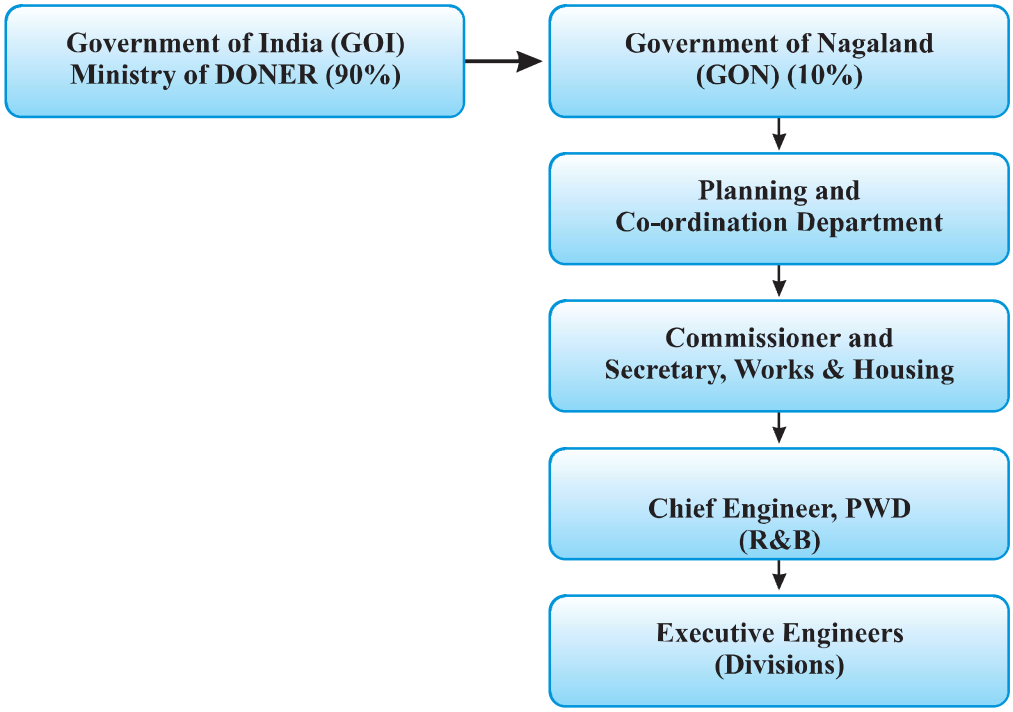
2.6.10 Adequate funds were released in a timely manner and utilised for specific purpose

2.6.10.1 Release of funds from GOI and GON

Funds under NLCPR would be released in three installments comprising of 40, 40 and 20 *per cent* of the approved project cost and would be shared in the ratio of 90:10 between Central and State.

Funding pattern for NLCPR/NEC project in Nagaland is given in the following chart:

Chart No. 2.6.2



2.6.10.2 NLCPR projects

GOI approved 59 Roads and Bridges projects under NLCPR since March 2000 at an approved cost of ₹ 873.58 crore in Nagaland. Out of total 59 projects, 32 projects[39] were sanctioned during 2008-2013 at an approved cost of ₹ 478.42 crore. Audit selected 16 projects funded through NLCPR for detailed scrutiny and noticed that:

- Against the approved cost of ₹ 392.97 crore for 16 projects shared between GOI (₹ 353.67 crore) and GON (₹ 39.30 crore), GOI and GON released ₹ 317.95 crore and ₹ 28.60 crore respectively leaving a balance of ₹ 35.72 crore and ₹ 10.70 crore which had not been released by GOI and GON respectively.
- As per the financing pattern, 10 *per cent* of the matching grant should be released by GON along with the funds released by the GOI to the implementing agencies. However, GON released ₹ 28.60 crore against the required matching share of ₹ 35.33 crore[40] resulting in short release of ₹ 6.73 crore.
- GOI, while conveying the administrative and financial approval for financial assistance for NLCPR provides contingency ranging from 2 *per cent* to 3 *per cent*. The contingency charges should be reimbursed on submission of

[39] 29 projects under PWD (R&B) (₹ 426.45 crore), 2 projects under Department of Geology and Mining (₹ 47.07 crore) and one project under department of Tourism (₹ 4.90 crore)

[40] ₹ 317.95 crore/9 = ₹ 35.33 crore.

documents on actual contingency expenditure and this expenditure should not be utilised for cost of establishment, audit and accounts, O&M, departmental charges, T&P charges, quality control and purchase of vehicles. Scrutiny revealed that the GON deducted ₹ 10.27 crore **(Appendix-2.6.1)** at source towards departmental charges/work charge establishment by violating the order of Ministry resulting in short execution of items of work in the projects to that extent.

Department replied (October 2013) that the proposals for required matching share from GON would be made to complete the ongoing projects.

2.6.10.3 NEC Projects

GOI approved 9 Roads and Bridges projects under NEC since March 2003 at an approved cost of ₹ 291.44 crore in Nagaland. Out of 9 projects in the State, 7 projects were approved during 2003-08 at an approved cost of ₹ 175.04 crore and 2 projects[41] were sanctioned during 2008-13 at an approved cost of ₹ 116.40 crore. Audit selected 4 projects funded through NEC for detailed scrutiny and noticed the following:

- Against the approved cost of ₹ 210.59 crore for 4 projects shared between GOI (₹ 189.53 crore) and GON (₹ 21.06 crore), GOI and GON released ₹ 157.45 crore and ₹ 16.15 crore respectively leaving a balance of ₹ 32.07 crore and ₹ 4.91 crore respectively which had not been released by GOI and GON respectively.
- As per the financing pattern, 10 *per cent* of the matching share should be released by GON along with the funds released by the GOI to the implementing agencies. However, GON released ₹ 16.15 crore against the required matching share of ₹ 17.49 crore[42] resulting in short release of ₹ 1.34 crore.
- Scrutiny revealed that the GON deducted ₹ 7.83 crore **(Appendix-2.6.1***)* at source towards departmental charges/work charge establishment by violating the order of Ministry resulting in short execution of items of works on the projects to that extent.

Department replied (October 2013) that the proposal for required matching share of ₹ 1.34 crore from GON would be made in due course.

2.6.10.4 Delay in release of funds to implementing agencies

Funds released from the central pool must be transmitted to the implementing agency/project authority[43] by the State Government within 15 days of date of release of the funds from the GOI and a certificate to that effect also should be sent to the Ministry by the State Planning Department.

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[41] Construction of Viswema-Kedima-Tadubi road (36.40 Km) for ₹ 67.27 crore and Longding-Nokjan (46.35 Km) for ₹ 49.13 crore.

[42] ₹ 157.45 crore/ 9 = ₹ 17.49 crore.

[43] Executive Engineers, PWD (R&B) at Divisions.

Scrutiny (June-July 2013) revealed that there was delay by the Planning and Coordination Department in release of funds ranging from 1 to 10 months in respect of 20 test checked NLCPR/NEC projects during 2008-09 to 2012-13.

Department replied (October 2013) that there was no delay from the end of Department of Public Works (R&B). However, the fact remained that the delay in release of funds to implementing agencies resulted in delay in implementation of projects to that extent.

Audit Objective - 4

2.6.11 Projects were executed efficiently and economically to achieve intended objectives.

2.6.11.1 Overview of the projects sanctioned

Out of 27 Roads and Bridges projects sanctioned under NLCPR during March 2000 to March 2008, the Department could complete 9 projects[44] as of March 2008. Out of the remaining 18 ongoing projects since March 2008, the Department completed 13 projects as of March 2013. The remaining 5 projects[45] were incomplete due to paucity of funds from Ministry.

GOI sanctioned 32 Roads and Bridges projects during 2008-09 to 2012-13 under NLCPR programme. Out of those 24 projects were scheduled to be completed by March 2013 but only 9 projects were completed till March 2013 leaving 23 ongoing projects.

Thus, a total of 28 projects (49 *per cent*) remained ongoing/incomplete against the 59 sanctioned Roads and Bridges projects in the State as detailed in **Appendix-2.6.2**.

Similarly, NEC, GOI sanctioned seven projects as of March 2008 and out of those, two projects were completed within March 2008, three projects were completed during 2008-13, one project was ongoing though scheduled to be completed in November 2008 and one project was scheduled to be completed only in April 2014. During 2008-2013, GOI sanctioned two projects which were scheduled to be completed after March 2013.

2.6.11.2 Projects completed with cost overrun

Scrutiny revealed that Department forwarded cost escalation for ₹ 48.01 crore[46] in respect of three NEC projects and was awaiting the approval from Ministry. However,

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[44] 8 projects PWD (R&B) and 1 project Department of Tourism.

[45] (1).Mokokchung-Dikhu Chare road in Tuensang District(28.02.2001); (2).Replacement of Hamilton bridge on Dikhu Chare road (21.03.2003); (3).Improvement of roads in Mon district under PM's package (18.10.2005); (4).Construction of 2 lane RCC bridge over Dhansiri river (05.02.2007); (5).Construction of road from Phek to Chozuba (31.12.2007)

[46] Construction/upgradation of Longleng-Ladigarh road (from ₹ 51.53 crore to ₹ 79.49 crore), Construction of Longding-Nokjan road (from ₹ 49.13 crore to ₹ 54.45 crore) and Upgradation of Kedima-Viswema-Zuketsa-Tadubi road (from ₹ 65.27 crore to ₹ 80 crore).

during the verification (March 2011) of those three projects, Executive Engineer, NEC cautioned that the expenditure beyond sanctioned amount should be borne by the State in respect of two projects.

2.6.11.3 Projects completed with time overrun

Out of 31 projects completed under NLCPR, 18 projects were completed with time overrun ranging from 12 to 86 months.

Department while accepting (October 2013) the audit finding stated that time overrun was due to various reasons particularly less working season in a year.

2.6.11.4 Discontinued projects

Out of five incomplete NLCPR projects sanctioned prior to March 2008, construction and upgradation of road from Old Phek to Satakha via Khuza (69.067 Km) sanctioned (February 2006) at ₹ 29.17 crore was discontinued since June 2009 due to public complaints followed by vigilance case on account of poor workmanship. The road remained in earthen/sub-base status (fair weather standard) instead of all-weather standard even after incurring an expenditure of ₹ 27.38 crore (94 *per cent*) on the project.

2.6.11.5 Execution of projects

NLCPR funded projects

2.6.11.5.1 Upgradation of Dimapur-Khupanala-Jalukie-Peren Road

GOI sanctioned (February 2006) ₹ 36.73 crore for Upgradation of Dimapur-Khupanala-Jalukie-Peren Road and the cost was to be shared between GOI (₹ 33.06 crore) and GON (₹ 3.67 crore). Work order was issued to four contractors[47] in two divisions at a total cost of ₹ 35.47 crore.

GOI released ₹ 33.06 crore in four installments and GON released ₹ 3.67 crore as matching share. Dimapur Division received ₹ 14.47 crore and Peren Division received ₹ 17.46 crore upto September 2011 against the value of work of ₹ 14.47 and ₹ 21.00 crore respectively. However, Peren division further received (May 2012) ₹ 3.19 crore for clearance of pending liability in respect of two contractors which included ₹ 1.31 crore meant for ongoing project 'NH-61 to Doyang Hydro project Phase I' under NLCPR of Wokha Division. However, the amount of ₹ 1.31 crore was diverted for clearance of liability of upgradation of Dimapur – Khupanala-Jalukie-Peren road.

Photograph No.2.6.1



Dimapur-Khopanala-Jalukie-Peren Road at 26th Km.

[47] M/s Chabou & Co (EE, Dimapur) for ₹4.93 crore, M/s North East Enterprises (EE, Dimapur) for ₹9.54 crore, M/s Panesar & Son(EE, Peren) for ₹15 crore and Charlie Sekhose (EE, Peren) for ₹ 6 crore

Joint physical verification revealed that the road was badly damaged as could be seen at photograph No. 2.6.1 due to non-maintenance. The blacktop structure was not visible in 50 *per cent* of the stretch.

The Department accepted (October 2013) the audit findings and stated that the Department could not maintain the road after its completion due to fund constraints.

2.6.11.5.2 Construction and upgradation of the road from Old Phek via Khuza to Satakha (69 Km)

GOI sanctioned (February 2006) ₹ 29.17 crore for the construction and upgradation of the road from Old Phek via Khuza to Satakha (69 Km). The fund was shared between GOI (₹ 26.25 crore) and GON (₹ 2.92 crore). The work was awarded (March 2006) to three contractors[48] under two divisions at a total cost of ₹ 24.60 crore to be completed by September 2007.

GOI released ₹ 25.49 crore and GON released matching share of ₹ 1.89 crore for project implementation. Out of this amount, Phek Division received ₹ 16.73 crore against the work order value of ₹ 17.50 crore and the division paid ₹ 16.73 crore to the two contractors as of December 2007.

Photograph No.2.6.2



Old Phek via Khuza to Satakha Road at zero point.

However, joint physical verification (April 2013) of the project revealed that Water Bound Macadam (WBM) Grade-III was not utilised at all and surface course upto 45 Km was not completed (photograph No. 2.6.2) though the division released the payment against those items to the contractor and the project remained discontinued since June 2009. However, the Department furnished (March 2010) completion certificate to the Ministry.

Scrutiny revealed that the Phek division released ₹ 2.45 crore[49] towards un-executed WBM and surfacing course work.

The Department stated (October 2013) that the project was under investigation of the Vigilance Department and the action taken report from the Vigilance Department was awaited.

2.6.11.5.3 Construction of road from Razeba to Chizami via Thetsumi (25.30 Km)

GOI sanctioned (December 2008) ₹ 25.72 crore for construction of road from Razeba to Chizami via Thetsumi (25.30 Km) out of which ₹ 23.15 crore and ₹ 2.57 crore was to be shared between GOI and GON respectively.

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[48] M/s Vascon for ₹ 8.97 crore from 0-24 km, M/s Tectonics ₹ 8.53 crore from 24-45 Phek Division and Built Tech ₹ 7.10 crore from 0-24 Km under Zunheboto Division

[49] WBM (₹ 0.88 crore) and surfacing (₹ 1.57 crore)

GOI and GON released ₹ 23.15 crore and ₹ 2.57 crore respectively in three installments to Pfutsero division. The division paid ₹ 23.90 crore to the contractor in three Running Account bills and the work was completed in December 2011.

Joint physical verification (April 2013) revealed that the length of the road was actually 22.70 Km from Razeba village to Chizami via Thetsumi instead of 25.30 Km as provisioned in the project. However, payment was released for 25.30 Kms. The fact was authenticated by the EE, Pfutsero division.

Thus, release of paymnt for 25.30 Kms. formation cutting and pavement work instead of 22.70 Km stretch resulerd in excess expenditure of ₹ 2.13 crore.

2.6.11.5.4 Upgradation of road from Rusoma to Kijumetuma (36 Km)

GOI sanctioned (December 2007) ₹ 21.85 crore for Upgradation of road from Rusoma to Kijumetuma (36 Km) out of which ₹ 19.66 crore and ₹ 2.19 was to be shared between GOI and GON respectively. Work order was issued (February 2007) to M/s T. Tachu & Co, Kohima for ₹ 19.60 crore.

GOI released ₹ 19.66 crore and GON released ₹ 2.18 crore in four installments for project implementation. An amount of ₹ 2.18 crore was deducted as departmental charges. The Department paid an amount of ₹ 19.66 crore to the contractor.

Photograph No.2.6.3



Rusoma to Kijumetuma road at 5th Km.

Joint physical verification (May 2013) revealed that the length of the road was actually 25 Km from Rusoma to Kijumetuma instead of 36 km as provisioned in the project. Further, poor standard of work execution, large number of potholes and water logging were noticed as shown in the photograph No. 2.6.3 and this fact was authenticated by the Divisional Engineer. The earth formation cutting, sub-base and surfacing work for 11 Km valued at ₹ 3.41 crore [50] was not executed from 25 Km to 36 Km.

Thus, the Department incurred an excess expenditure of ₹ 3.41 crore for formation cutting, sub-base and surfacing.

Department replied (October 2013) that the deviation in quantities of items of work was done as per site requirement limiting to the approved cost of project in conjunction with the letter from the Ministry. The reply was not tenable as the fact remained that the Department incurred expenditure for 11 Km of road which was not constructed.

[50] Earth formation cutting (8049.95 cum) for ₹ 1.38 crore, Sub-base work (6187.50 cum) for ₹ 1.22 and surfacing work (12750 sq. m) for ₹ 0.81 crore.

2.6.11.5.5 Improvement and up-gradation of road from Longkhum-Aliba via Mangmetong (34 Km)

GOI sanctioned (February 2006) ₹ 17.81 crore for improvement and up-gradation of road from Longkhum-Aliba via Mangmetong (34 Km) shared between GOI (₹ 16.03 crore) and GON (₹ 1.78 crore). The Department issued (March 2006) the work to M/S M.B. Panesar & Sons for ₹ 16.88 crore.

GOI released ₹ 15.56 crore in three installments[51] for implementation of the project.

The Mokokchung Division proposed (November 2009) to revise the project cost to ₹ 25.66 crore from ₹ 16.88 crore on the basis of deviation of items due to heavy monsoon resulting in sinking of 10 Km length of road during the progress of the work.

Photograph No.2.6.4



Bailey bridge constructed at 30th Km of Longkhum-Aliba via Mangmetong road.

GON released ₹ 11.15 crore against the additional proposal for ₹ 8.78 crore to repair the damages of project. Out of the released amount, ₹ 11.02 crore was met out of the restoration of departmental charges deducted against the project under NLCPR/NEC/CSS schemes implemented in the State and remaining ₹ 0.13 crore out of the State fund. Thus, the GON diverted the deducted funds of ₹ 11.02 crore to the present project resulting in short allocation of funds to other ongoing projects funded by NEC/NLCPR/CSS to that extent.

Joint physical verification (July 2013) of the project revealed that Bailey bridge (Photograph 2.6.4) having a span of 70 ft was constructed at ₹ 1.65 crore against the approval of RCC bridge (48 meter span) provisioned at ₹ 3.10 crore and the division diverted remaining amount of ₹ 1.45 crore for construction of slab culverts, CD works and retention wall outside the approved items of work.

Department accepted (October 2013) that the specification/span of the bridge was changed due to the change in the bridge location. The other items of work were incorporated as per the site conditions out of the savings of the cost of the bridge. The reply was not tenable as the fact remained that the Division diverted the funds provided for RCC bridge for construction of Bailey bridge and execution of other unapproved items.

2.6.11.5.6 Construction and up-gradation of Phek- Chozuba Road (44.36 Km)

GOI sanctioned (December, 2007) Construction and up-gradation of Phek- Chozuba Road (44.36 Km) at ₹ 17.47 crore which was to be shared between GOI (₹ 15.72 crore) and GON (₹ 1.75 crore). The work order was issued (December 2007) to M/s. K.K. Chire for ₹ 15.78 crore.

[51] ₹ 5.45 crore (March 2006), ₹ 7 crore (November 2006), ₹ 3.11 crore (November 2007)

GOI released ₹ 14.50 crore and GON released ₹ 1.61 crore in three installments for project implementation. Out of this, the division (EE, Phek) incurred ₹ 14.93 crore for earth work, Sub-base, drainage and protection work instead of carrying out approved items[52] of work. The Department proposed (November 2008) to revise the estimate to ₹ 27.69 crore to complete the approved items of work. However, Ministry did not approve the revised estimate whereas the EE furnished (February 2011) progress report of the project stating that the project was completed to the extent of 94 *per cent* covering all the approved items of work. Joint physical verification (April 2013) of the project revealed that the road remained in earthen status with WBM (Grade I and II) and without any bituminous and carpeting works.

Department replied (October 2013) that the requirement of earthwork was over looked at the time of preparation of DPR. The existing road was very narrow and without widening through earthwork, surfacing work could not be done. So, the contractor was allowed to widen the road by formation cutting in place of black topping in violation of approved DPR.

But the fact remained that the Department could not achieve the objective of the project due to the deviation from the approved DPR and also furnished false progress report on fund utilisation to the Ministry.

2.6.11.5.7 Construction of RCC T- Beam girder double-lane bridge over river Tezu on Lanye to Meluri

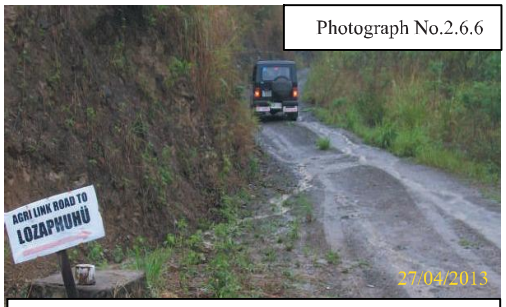


RCC T-Beam girder double-lane bridge over river Tezu on Lanye to Meluri, Phek

GOI sanctioned (June 2011) ₹ 9.00 crore for construction of RCC T- Beam girder double-lane bridge over river Tezu on Lanye to Meluri, Phek District under NLCPR. The work was awarded (July 2011) to M/s T. Tachu & Co. for ₹ 8.83 crore.

GON released ₹ 7.19 crore[53] in two installments (GOI ₹ 6.47 crore and GON ₹ 0.72 crore). Out of this, EE (Phek division) incurred ₹ 6.84 crore for project implementation.

Joint physical verification (April 2013) of the T-beam bridge revealed that the bridge under construction (photograph No. 2.6.5) was to connect the Agri-link road (over Tezu river) constructed under Mahatma



Agri-link road under MGNREGA

[52] WBM grading, pucca side drain, bituminous works cross drainage and protection work.

[53] ₹ 3.597 crore (November 2011), ₹ 3.597 crore (November 2012)

Gandhi National Rural Employment Guarantee Act (MGNREGA) (photograph No. 2.6.6). However, the agri-link road was not handed over to the PWD by the Rural Development (RD) Department which was mandatory for PWD before taking up the project. Further, EE, Phek stated that the alignment of another road to connect the bridge (under construction) had not been identified through survey. Thus, the Department obtained funds from Ministry for construction of bridge in advance without taking over the charge of link road or identifying another road to connect the bridge and incurred an expenditure of ₹ 6.84 crore as of April 2013.

Department replied (October 2013) that though the proposal to construct a road (47 Km) in new alignment including the bridge over Tezu river was submitted to the Ministry in 2008, the Ministry sanctioned bridge in first instance. In anticipation of further sanction of the road project from the Ministry, the bridge construction work had started.

NEC projects:

2.6.11.5.8 Construction and improvement of road from Tuensang-Longleng-Ladaigarh (107.36 Km)

GOI sanctioned (September 2006) ₹ 51.53 crore[54] (₹ 48.00 lakh per Kilometer) shared between GOI (₹ 46.38 crore) and GON (₹ 5.15 crore) for construction and improvement of road from Tuensang-Longleng-Ladaigarh (107.36 Km) under NEC, Ministry of DoNER and the work was to be completed within 24 months from the date of issue[55] of work order.

GOI released ₹ 36.26 crore[56] and GON also released ₹ 3.79 crore in 8 installments as matching share for implementation of the project.

Scrutiny of the project implementation and achievement as of March 2013 revealed following irregularities:



Photograph No.2.6.7

Abutment work of bridge at 50th Km of the road without weep holes.

- Although a road of 7.5 mtr width with 3.75 mtr carriage way in blacktopped status was available for 11.5 Km[57] upto Yongshei village, the Department awarded inadmissible new earth formation cutting in 3.5 Km in new alignment and released the payment of ₹ 0.37 crore.

[54] Earthwork and WBM work ₹ 26.00 crore, Side drain ₹ 10.47 crore, CD Work ₹ 2.27 crore, Bridge ₹ 1.80 crore, Protection work and Kilometer stones ₹ 1.73 crore and ₹ 9.26 crore for Maintenance, Quality control, Agency charges etc.

[55] All the work orders were issued in November 2006

[56] ₹ 1.00 crore (September 2006), ₹ 2.00 crore (October 2007), ₹ 2.00 crore (March 2008), ₹ 2.50 crore (March 2009), ₹ 11.76 crore (December 2009), ₹ 2.00 crore (March 2009), ₹ 10.00 crore (June 2010), ₹ 5.00 crore (March 2011).

[57] Longleng –Yongyah road (7.3 Km post) to Yongshei village

Further, the Department provisioned for another new formation cutting in another new alignment for 4.6 Km road from Yongshei village and paid ₹ 3.06 crore to the contractor which was also inadmissible.

- Sub-base item of work executed in the stretch of 50.6 Km of road out of 107.36 Km road during the joint physical verification revealed that sub-base item valued ₹ 2.93 crore[58] was not physically available in different stretches of road though the Division released the payment recording the measurement in MB fraudulently.
- Out of ₹ 5.81 crore spent for construction of baily bridge, the Division released ₹ 1.00 crore for construction of super structure. However, during joint physical verification (July 2013), it was noticed that the super structure work was not carried out (photograph No.2.6.7) and this fact was also reported (March 2011) by the EE, NEC during inspection of the project.
- Weep holes were required to be provisioned to protect the stability of the abutments of the bridge. Joint physical verification revealed that the weep holes were not constructed (photograph No.2.6.7) in the abutment/wings though an amount of ₹ 3.55 lakh was paid to the contractor as the cost of construction of weep holes. In the absence of weep holes in the abutment, there was a possibility of the collapse of the wing wall due to pressure of the weight of heavy vehicles.
- Ministry provisioned an amount of ₹ 0.45 crore for the maintenance cost of road during the construction. However, the Division incurred ₹ 2.00 crore for maintenance during the execution of project resulting in excess expenditure of ₹ 1.55 crore over the prescribed limit. Even after the utilisation of maintenance funds, bushy jungle had grown on the carriageway of the road (photograph No. 2.6.8).

Thus, it would be seen from the above that the division incurred an excess expenditure for new formation cutting and maintenance cost of ₹ 4.98 crore. Division also made payments for ₹ 3.97 crore[59] against un-executed items of work.

Though the project was to be completed by November 2008, physical progress of the work was only 72 *per cent* as of March 2013 due to poor response from the contractors.

Photograph No.2.6.8



Bushy jungle at 45th Km of NEC road (Sector-B)

[58] Under sector A : Grade I (24.5 Km to 31Km) for 2838.4 cum @₹1111.47=₹ 31.55 lakh; Grade II (24.5 Km to 31Km) for 2253 cum @ ₹ 1167.64= ₹ 26.31 lakh; Grade III (0 to 36 Km) for 9304.5 cum @ ₹ 1314.96 =₹ 122.35 lakh, Under Sector B: Grade III (0 to 36 Km) for 8552.25 cum @ ₹ 1314.96=₹ 112.46 lakh.

[59] ₹ 2.93 crore (sub-base work) + ₹ 1 crore (superstructure) + ₹ 0.04 crore(weep holes)= ₹ 3.97 crore

Department replied (October 2013) that the extra cost and delay in completion was due to public interference for diversion of alignment of the road. The cost of bridge was estimated on lump sum basis and detailed estimate for revision of cost of bridge was with the NEC. Weep holes were provided but these were covered by mud during construction and could be opened after completion of the bridge. Project was in progress and no excess payment was made towards un-executed items of work. However, the fact remains that the joint physical verification confirmed excess and un-executed items of works valued at ₹ 8.95 crore.

2.6.11.5.9 Construction of road from Viswema-Kedima—Zuketsa-Tadubi (36.4 Km)

GOI sanctioned (August 2010) ₹ 65.27 crore for construction of road from Viswema-Kedima—Zuketsa-Tadubi (36.4 Km) and was to be shared between GOI (₹ 58.74 crore) and GON (₹ 6.53 crore). Work was awarded to M/s T Tachu & Co and M/s Vilelie Khamo at ₹ 63.99 crore.

GOI released ₹ 41.00 crore[60] in four installments to the State and GON also released matching share of ₹ 3.44 crore for implementation of the project by two[61] divisions.

Scrutiny (April-August 2013) of the project records revealed that:

- Out of ₹ 31.14 crore received by the South Division, Kohima, an amount of ₹ 1.79 crore was paid to the contractors for WBM Grading III for a length of 18 Km road (₹ 1.56 crore) and reinforcement cement concrete in super structure (₹ 0.23 crore). However, the joint physical verification of the project (May 2013) revealed that those items of works were not executed. Thus, the EE, R&B, Kohima South division paid ₹ 1.79 crore to the contractors against the un-executed items of work by recording fraudulent measurements in the MBs.

- Work order for ₹ 25.49 crore was issued to the contractors for the construction of road for 13.8 Km under Pfutsero Division. Joint physical verification (April 2013) of the road revealed that the earth formation cutting of the road had been completed for 8.7 Km length and it was connected to the road constructed by South Division, Kohima. Thus, only 8.7 Km road was required to be constructed by Pfutsero Division instead of the approved estimated length of 13.8 Km. Thus, the estimate in the DPR was approved for an excess length of 5.1 Km road resulting in

Photograph No.2.6.9



Construction of Box Type Culvert at 8.7 Km Viswema-Kedima—Zuketsa-Tadubi road

[60] ₹ 5.00 crore (August 2010); ₹ 16 crore (June 2011); ₹ 10 crore (January 2012); and ₹ 10 crore (May 2012).

[61] South Division, Kohima (0 to 22.6 km= 22.6 Km) for ₹ 38.50 crore and Pfutsero Division (22.6 Km to 36.4 km=13.8 Km) for ₹ 25.49 crore

excess approval of ₹ 8.87 crore[62] towards cost of construction of road. The work order was also issued for the said excess length of road.

Further, RCC bridge (20 mtr span) was approved for ₹ 2.00 crore. However, the Division started the construction (photograph No.5.3.9) of 6 m span box type culvert at an estimated cost of ₹ 0.27 crore. Thus, there would be a saving of ₹ 1.73 crore towards the cost of construction of bridge.

Thus, it is evident from above that South Division, Kohima paid undue benefit of ₹ 1.79 crore to the contractors against the un-executed items of work and an excess sanction was obtained and work order isued for ₹ 10.60 crore against 5.10 Km excess length of road and RCC bridge.

Department accepted (October 2013) the audit findings and agreed to review various items of work commented upon.

2.6.11.5.10 Construction of road from Longding to Nokjan (46.35 Km)

GOI sanctioned (March 2010) ₹ 49.13 crore to be shared between GOI (₹ 44.21 crore) and GON (₹ 4.92 crore) for construction of road from Longding to Nokjan (46.35 Km). The Department awarded (August 2010) the works to M/s M.S. Panesar & Sons, Dimapur at ₹ 44.86 crore. The work was to be completed within 36 months under the supervision of EE, Mon division.

GOI and GON released ₹ 40 crore[63] and ₹ 4.44 crore respectively for programme implementation.

Scrutiny revealed that EE, Mon division released ₹ 0.72 crore being the excess payment for an un-approved quantity of 4535.71 cum of WBM Grade -I sub-base work. Further, rate of WBM Grade-III sub-base was ₹ 1795 per cum as per the approved DPR. However, the division paid at the rate of ₹ 2021 per cum to the contractor for 13065.23 cum WBM Grade-III sub-base work which resulted in excess payment of ₹ 0.30 crore[64].

Thus, the Division provided undue benefit of ₹ 1.02 crore to the contractor against un-approved WBM (Grade I) work and by enhancing the approved rate of WBM (Grade III).

The Department stated (October 2013) that excess amount would be recovered from the subsequent Running Account bills.

2.6.11.5.11 Construction of road from Medzipheme-Jalukie-Athibung (58.67 Km)

GOI sanctioned (January 2006) ₹ 44.66 crore to be shared between GOI (₹ 40.19 crore) and GON (₹ 4.46 crore) for construction of road from Medzipheme-Jalukie-

[62] ₹ 1.74 crore x 5.1 Km = ₹ 8.87 crore (The Department has calculated per Km cost of the road to ₹ 1.74 crore)

[63] ₹ 10 crore (May 2010); ₹ 15 crore (May 2011) ₹ 10 crore (January 2012) and ₹ 5 crore (July 2012).

[64] 13065.23 x (₹ 2021 - ₹ 1795) = ₹ 29.52 lakh

Athibung (58.67 Km). The Department awarded (January 2006) work orders to two contractors in two divisions[65] for ₹ 39.01 crore.

GOI released ₹ 40.19 crore[66] in four installments to the State for execution of project in Peren Division for construction of road.

NEC while sanctioning the project accepted the estimated cost based on SOR of Nagaland (2004-05) including 7.5 *per cent* cost index per year over the SOR. Scrutiny revealed that the Department revised (March 2010) the cost of work from ₹ 32.51 crore to ₹ 56.47 crore in respect of Peren Division without obtaining approval from NEC. The Division received ₹ 54.46 crore out of which ₹ 3.00 crore was diverted from another project of construction of Pukhungri-Avankhu Layshi project sponsored by NEC.

Thus, the Department diverted ₹ 3.00 crore from construction of Pukhungri-Avankhu Layshi project (NEC) to meet the revised cost of the project.

Department replied (October 2013) that the revision of the estimate was not permitted by NEC. Therefore, the estimate was revised to ₹ 56.47 crore and sanctioned by the GON to complete the project.

2.6.11.5.12 Improvement of road from Chiephobozou to Tuophema via Chiethu (9 Km)

GOI approved (March 2007) ₹ 4.48 crore for improvement of road from Chiephobozou to Tuophema via Chiethu (9 Km). Construction of RCC/Steel Bridge (20 meters span) across Chudreu River at 5th Km at a cost of ₹ 60 lakh was one of the 63 approved items of work.

Work was awarded (April 2007) to M/s Hexad Syndicate, Kohima at ₹ 3.99 crore. While releasing the funds in three installments for ₹ 3.80 crore[67], NEC stipulated the utilisation of funds for earmarked purpose only. GON released their matching share of ₹ 0.20 crore.

Scrutiny (February 2013) of the records of Executive Engineer, Chiephobozou division[68] revealed that the division utilised (June 2012) the total funds released (₹ 4.00 crore) for the improvement of the road. However, the approved bridge across the Chudreu River at 5th Km of the road in 20 meters span was not constructed for ₹ 0.60 crore.

Department stated (October 2013) that the funds provided for the bridge were utilised by the Department for landslide clearance and construction of retaining walls. However, the fact remained that the objective of the project was defeated due to the diversion of ₹ 60.00 lakh for execution of other items of the project.

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[65] M/s Pele Khezhie for ₹ 6.5 crore under Dimapur Division for 10.41 Km and M/s M S Panessar & Sons for ₹ 32.51 crore under Peren Division for 48.28 Km.

[66] ₹ 10 crore (May 2010); ₹ 15 crore (May 2011) ₹ 10 crore (January 2012) and ₹ 5 crore (July 2012).

[67] March 2007 (₹ 1.80 crore), September 2007 (₹ 1.00 crore), and September 2009 (₹ 1.00 crore)

[68] Pilot study of the scheme

Audit Objective - 5

2.6.12 Impact of the scheme was analyzed at various levels

Out of the 32 NLCPR projects[69] taken up by the Public Works Department (29 projects), Department of Tourism (1 project) and Department of Geology and Mining (2 projects) during 2008-09 to 2012-13, 9 projects (eight roads and one bridge) were completed as of March 2013 leaving 23 ongoing projects (21 roads and two bridges).

As per the physical progress report, roads of 404.44 Km[70] (74 *per cent*) length were completed against the approved stretch of 535 Km.

2.6.12.1 Status of all-weather standard roads

The broad objective of the NLCPR scheme was to ensure speedy development of roads and bridges infrastructure in North Eastern Region with a long term vision to improve economic well being of the people in the region. Accordingly, the GOI allocated funds for the projects identified by the State to create all weather standard roads.

The Department of Public Works stated that by utilising NLCPR funds of ₹ 1022.56 crore since inception of the scheme, roads of 1196.7 Km length were constructed in the State out of which 1141.34 Km (95 *per cent*) length of roads got blacktopped and roads of 55.36 Km (5 *per cent*) length remained without blacktop as of June 2013.

Audit conducted joint physical verification of 18 projects wherein 26 roads in 11 divisions[71] were covered for a total length of 794.54 Kms. Out of 794.54 Km of roads, as per the administrative and technical sanction, 765.54 Kms stretch was required to be blacktopped. Joint physical verification (April to August 2013) revealed that only 277.67 Km (36 *per cent*) stretch was blacktopped to meet the all-weather standard resulting in 64 *per cent* of un-surfaced road in the 11 test checked divisions as detailed in **Appendix 2.6.3**. This indicated that the data provided by the Department of Public Works did not match with the ground reality.

2.6.12.2 Development of transportation sector in accordance with socio economic factor- Maintenance of the assets created

Post implementation management issues relating to sustainability including stakeholder commitment, operation and maintenance of assets after project completion and other related issues should be addressed in "sustainability" section of DPR.

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[69] 29 roads and 3 three bridges.

[70] 182.14 Km (230) road were constructed in MDR standard and 222.3 Km (305) length ODR standard road.

[71] (1). PM Package/ Tuensang; (2). PM Package/ Mon, (3) PM Package/ Wokha, (4). NLCPR/ Constn. Division, Chiephobozou, (5). NLCPR/ Dimapur, (6). NLCPR/Pfutsero, (7). NLCPR/ Phek, (8). NLCPR/ Zunheboto, (9). NEC/ Longleng, (10). NEC/Kohima (South), and (11).NSMDC, Kohima.

The State Government while submitting the concept paper along with the priority list to the Ministry should discuss the issues relating to sustainability including operation and maintenance of assets after project completion.

Scrutiny of the concept papers revealed that the issues relating to sustainability including operation and maintenance of assets after project completion were not discussed. Further, no specific funds were allocated for the maintenance of assets created which resulted in the poor status of the roads and bridges created out of the NLCPR funds. The Department of Public Works did not carry out any survey to identify the benefits extended to the public as envisaged in the approved DPR. Hence, the quantum of benefit availed through the assets created under NLCPR funds could not be ascertained in audit.

2.6.12.3 Improvement/upgradation of existing roads and bridges constructed under NLCPR/NEC projects

While formulating the concept papers for priority projects, the Department had to incorporate the issues relating to sustainability including operation and maintenance of assets after project completion and related issues. However, the Department neither incorporated such issues nor prepared any DPR for maintenance of roads constructed under NLCPR/NEC projects.

Scrutiny revealed that the Department sanctioned (March 2012) ₹ 2.89 crore under State Plan for only one road viz. "Maintenance of road from Medziphema to Athibung" constructed under NEC. The following observations were noticed in the execution of the maintenance work:

Photograph No.2.6.10



Medziphema-Jalukie-Athibung road at 7th Km.

The Executive Engineer, Dimapur Division received (March 2012) ₹ 2.74 crore for project implementation. The Division incurred (March 2012) an expenditure of ₹ 2.61 crore and the measurement was recorded in the MB (No. 1158) in the same month whereas this MB was issued to the work in May 2012 only. However, joint physical verification[72] (March 2013) revealed that no work was executed on the said road (photograph No 2.6.10) pointing towards the payment of ₹ 2.74 crore against un-executed items of work.

Department replied (October 2013) that the Measurement Book was issued in February 2012. The reply was not tenable as the MB No. 1158 was issued in May 2012 as per the register of MB maintained by the division.

[72] Pilot study of the scheme

2.6.12.4 Quality control mechanism

Qualitative assessment of the project implementation describing follow-up action of issues highlighted in the previous quarter, major constraints/problems encountered and suggestive remedial action taken by the Department of Public Works had to be reported through progress report for every quarter to the Ministry. Scrutiny of progress reports furnished to audit revealed that the qualitative assessment of the project was limited to the specifications approved by the Ministry. Thus, the quality control mechanism was not effective as observed during the joint physical verification of the projects (photographs No. 2.6.11 to 2.6.12).

Photograph No.2.6.11



Longleng –Ladigarh NEC road at 26th Km

Photograph No.2.6.12



Razeba to Chizami road at 7th Km

Further, Department of Public Works did not have any laboratories at Divisions to test soil, stone, bitumen etc. All the material brought to the site by the Contractors were being put to use in the projects without testing. Resultantly, the quality of the works in the projects was compromised as shown in the photographs above.

Department replied (October 2013) that quality control board was constituted for quality control mechanism in the review meeting (September 2013).

Audit Objective - 6

2.6.13 Action taken by the Department of Public Works on the recommendations made by PAC on previous Audit Reports

2.6.13.1 Status of audit finding and corrective measures taken by the Department

Photograph No.2.6.13



Bridge across the Dhansiri river (October 2008)

Performance Audit on NLCPR was last conducted in the year 2008 and the audit findings were incorporated in the Report of the Comptroller and Auditor General of India on Government of Nagaland for the year 2007-08 which were discussed by the Public Accounts Committee (PAC) in May 2012 but the Action Taken Note (ATN) had not been submitted by the Department. Performance Audit on Public

Works Department (R&B) was also incorporated in the Report of the Comptroller and Auditor General of India on Government of Nagaland for the year 2010-11 containing findings of NLCPR projects. Though the PAC discussed the finding in September 2012, ATN had not been submitted by the Department.

The present Performance Audit on Roads & Bridges funded by NLCPR and NEC in Nagaland covered 20 projects. Out of 20 projects, comments on eight projects were already discussed in earlier Reports of Comptroller and Auditor General of India. The present status of seven projects as of March 2013 are discussed in paragraph Nos. 2.6.11.5.1, 2.6.11.5.2; 2.6.11.5.4; 2.6.11.5.5; 2.6.11.5.6; 2.6.11.5.8 and 2.6.11.5.11.

The present position in respect of construction of one road is detailed below:

Photograph No.2.6.14



Bridge across the Dhansiri river

The project to construct Kohima –Bokajan Road was approved for ₹ 21.62 crore. The work was awarded (April 2007) to M/s Pabscon to be completed by December 2008. A bridge across Dhansiri river was to be constructed in the stretch of Kohima - Bokajan Road. During joint physical verification[73] (March 2013), it was noticed that the Department constructed only two slabs over the piers since October 2008 and two slabs (photographs No 2.6.17 and 18) had not been constructed (March 2013). It could be seen from the photograph No.2.6.19 that only light vehicles could pass through the hanging bridge which was located parallel to the RCC Bridge under construction. This defeated the objective of the project to connect Kohima with Bokajan.

Photograph No.2.6.15



Present transportation of vehicles across Dhansiri river through hanging bridge

Department replied (October 2013) that corrective measures were being taken up appropriately with respect to the earlier Audit Reports.

[73] Pilot study of the scheme

Audit Objective - 7

2.6.14 Mechanism for adequate and effective monitoring and evaluation of projects

2.6.14.1 Quarterly Review meetings

The project wise progress of implementation should be reported on a quarterly basis. The Chief Secretary should hold quarterly meetings to review the progress of implementation of the ongoing projects under NLCPR and summary of such meetings should be made available to the Ministry of DoNER. State would carry out project inspection periodically and the quarterly review report should contain distinct section on the finding of the project inspection. State would also nominate a nodal officer for each project who would be responsible for project implementation and monitoring. The monitoring and evaluation mechanism would also be undertaken through impact studies, social audit and evaluation conducted by Government or through independent agencies.

The Department of Public Works could carry out monitoring and evaluation of only 8 projects[74] (25 *per cent*) out of 32 projects funded by NEC/NLCPR. In the absence of project inspection report, audit could not even analyse the outcome of the evaluation of 8 projects carried out by the Department. The Department did not carry out any survey to ascertain the efficacy and effectiveness of the operation of infrastructure created to measure the impact on the targeted population as per the objective projected in the DPR. Further, evaluation through independent agencies was not carried out to analyse the results of the infrastructure created out of NLCPR/NEC funds.

2.6.14.2 Inspection at supervisory level

As envisaged in the guidelines of the scheme, the State Government should carry out periodical inspection at various levels for an effective system of reporting and monitoring of the projects. The results of the inspection reports of the projects should be discussed in the quarterly review meetings of the Committee headed by the Commissioner and Secretary to the GON, Public Works Department.

Though the Department of Public Works replied that the quarterly review meetings were conducted for analysing the progress of the projects, documentary evidence (minutes of the meetings) were not furnished to audit.

While conveying the administrative sanction, the Ministry stipulated that the ground inspection of the projects should be carried out at least once in a quarter and the physical progress report should be submitted within 2 weeks after the close of every

[74] NLCPR : 4 projects; and NEC : 4 projects.

quarter. The Department furnished 15 inspection reports[75] (5 *per cent*) against a minimum of 320 inspection reports which were required to be furnished during 2008-09 to 2012-13.

Department stated (October 2013) that a Quality Control Board would be constituted to carry out inspection to improve the monitoring mechanism.

2.6.14.3 Transparency and Publicity of Information

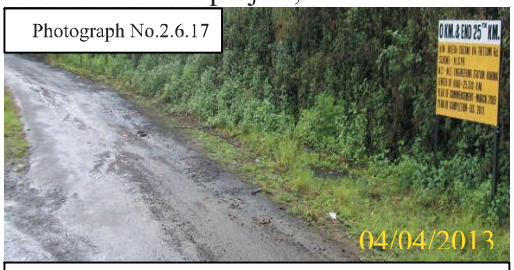
In order to ensure that the information about developmental schemes being financed through NLCPR reaches the ultimate beneficiaries, there is a need to ensure greater transparency and publicity of information. For this purpose, all the projects supported through central pool should be given wide publicity through local media. In addition to this, the State Government should display a project site board indicating the date of sanction of the project, likely date of completion, estimated cost of the project, source of funding, name of the contractor and the physical target. After completion of projects, a permanent display on site like plaque on the wall etc. should be made.

Photograph 2.6.16



NLCPR road-Rusoma-Kiumetoma

Photograph No.2.6.17



NLCPR road connecting between Razeba-Chizami

Out of 20 projects physically verified, boards were displayed in only two projects (photograph Nos. 2.6.16 and 2.6.17) indicating the particulars of the programme for public information. Remaining 18 projects (90 *per cent*) remained without such display. Though funds for traffic sign boards and Kilometer stone were provisioned by the GOI, sign boards and kilometer markings were not displayed in these 18 physically verified projects.

Department assured (October 2013) that publicity of information mechanism through sign boards/ display boards etc. would be enforced.

[75] 1.Construction of road from NH150 to Chokriba via Thipuzu dt 28/3/12; 2. Construction of road from Pughoboto to Satakha, 29/2/12; 3.Tuophema to Pughoboto via Kasha, 7/01/13; 4. Zero Point Sanis to Woroku 16/4/2012; 5. Upgradation of Border road to Changlangshu, 5/4/13; 6. RCC girded double lane bridge over Tizu river, 4/4/13; 7. Diezephie to Razaphe via Vidima, 3/1/13; 8. Chozuba Border Road Jn. to Kijumetuoma via Khusami, 25/3/13; 9. Coco Doyang road 7/1/13; 10. Zhekiye to Hokiye via Satoi 28/2/12; 11. Noklak to Thonoknyu 23/6/2011; 12. Tamlu Administrative to Shemnyuching, 13/1/13; 13. Kephore to Kitsukir, 5/1/13; 14. Zhekiye to Satoi 27/2/12; 15. NH150 to Thiphuzu, 28/3/13;

2.6.15 Conclusion

Planning process adopted by the Department of Public Works was inadequate for long term perspective plan. DPRs and technical estimates prepared were not based on adequate survey and investigation reports resulting in deviation from the approved DPRs and many items of works remained un-executed. Due to delay in transfer of funds to executing divisions as well as un-authorised deduction of funds by Finance Department, many projects remained incomplete. Undue benefit to the contractors was provided through revisions of approved DPRs and payment for un-executed items of work. Due to lack of adequate monitoring mechanism and sub-standard workmanship, quality of works executed remained poor.

2.6.16 Recommendations

- Planning needs to be streamlined as envisaged in the guidelines.
- Transparency in tendering process and awarding of works should be adopted.
- Financial management should be reinforced to provide funds timely to the implementing agencies.
- Release of payments should be streamlined to control excess payment to the contractors.
- Monitoring and inspection mechanism should be strengthened to avoid false measurements.
- Efforts should be made to complete the projects in time and a mechanism should be put in place to maintain the assets created.

LEGAL METROLOGY AND CONSUMER PROTECTION DEPARTMENT

2.7 Excess/Fictitious payments

The Controller of Legal Metrology and Consumer Protection Department spent ₹ 136.84 lakh against two unexecuted items of work[76] on the basis of fabricated records. The Controller also paid an excess amount of ₹ 64.12 lakh to contractors against five other works.

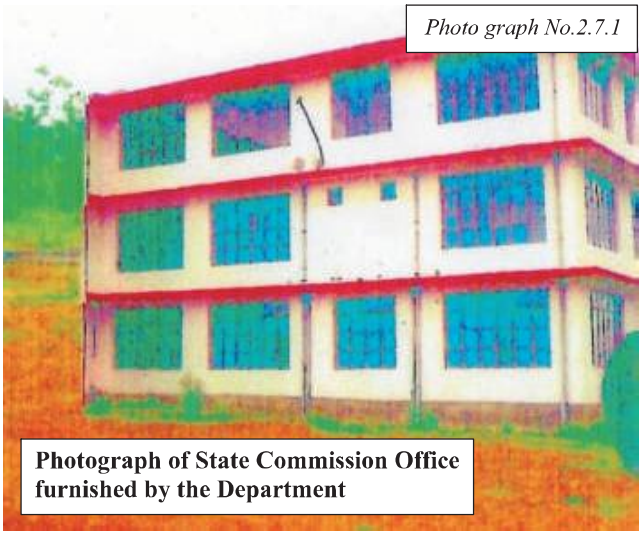
A. Fictitious payments

(i) Ministry of Consumer Affairs (MoCA), Government of India (GoI) released ₹ 4.08 crore in two equal installments (October 2010 & July 2011) under the scheme 'Strengthening of Consumer Fora' for construction of one (1) State Commission Office at Kohima and construction of five district offices of Consumer Fora at Kohima, Dimapur, Wokha, Mokokchung and Phek. The fund was released by the Ministry on the basis of estimates for construction submitted by the Department.

[76] State Consumer Dispute Redressal Commission & Working Standard Laboratory at Zunheboto

Scrutiny of records (October 2012) revealed that Controller, Legal Metrology & Consumer Protection (LM&CP) awarded (August-October 2011) the above works to six contractors with a stipulation to complete the works within six months from the date of commencement. Subsequently, the Department drew ₹ 408 lakh (December 2011) and paid to the contractors (March - August 2012), on the basis of the completion certificates issued (March-November 2012) by the Assistant Controllers of the respective district and the consultant engaged for the purpose. The Department also furnished (July 2012) Utilisation Certificate in form GFR 19-A to MoCA certifying the completion of all the six buildings and utilisation of the amount for the purpose for which it was sanctioned. The Department also produced (January 2013) photograph of the building to audit.

Photo graph No.2.7.1



Photograph of State Commission Office furnished by the Department

As the State Commission Office at Kohima against which ₹ 114.56 lakh was paid (August 2012) could not be located, audit made further enquiries to which the Department replied that the construction of the said building was not started due to non-availability of suitable land and the Department had approached the Government for allotment of land which was under process by District Administration.

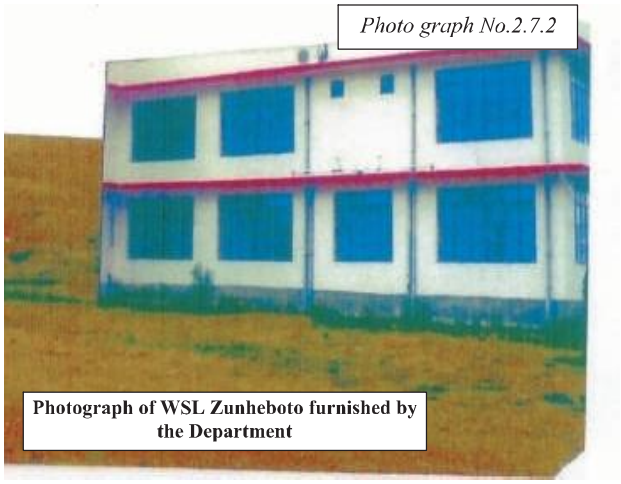
Thus, it was evident that the Department paid ₹ 114.56 lakh fictitiously against the unexecuted work besides submitting false Utilisation Certificate/completion Certificate to the GoI.

(ii) Similarly, MoCA sanctioned (August 2011) ₹ 82 lakh for construction of two Working Standard Laboratories (WSL) at Zunheboto and Phek and two Calibration Towers at Kohima and Dimapur.

Scrutiny of records (October 2012) revealed that the Controller LM & CP issued work orders for construction of WSL Phek in August 2011 and Caliberation Towers & WSL Zunheboto in January 2012 to three different contractors. The construction of WSL at Phek and Zunhboto were completed in March 2012 and February 2012 respectively as per the completion certificates submitted by the Assistant Controllers of LM & CP of the concerned districts. The works of Caliberation Towers had not been completed. Subsequently, the Controller LM &CP drew ₹ 72.57 lakh[77] (March 2012) and paid (March-August 2012) the contractors.

[77] After deduction of Departmental Charges at source.

Photo graph No.2.7.2



Photograph of WSL Zunheboto furnished by the Department

However, Audit observed that the Completion Certificate was given within 10 days of issue of Work Order and that the photograph of the WSL, Zunheboto (₹ 21.48 lakh) furnished to audit was a portion of (Ground & First Floors) of the photograph of State Commission at Kohima referred in paragraph A(i). Therefore, audit conducted a joint physical verification (February 2013) and the verification revealed that no building was constructed at Zunheboto for WSL due to non availability of land though the building at Phek was completed.

Thus, it is evident that the Department fraudulently spent ₹ 21.48 lakh against construction of WSL building at Zunheboto without actually executing the work on the basis of fabricated records.

B. Excess payment

According to Government of Nagaland Finance Department Office Memorandum (OM) (September 2000) all the estimates of capital works to be executed by any Department in the State shall include a levy of 13 *per cent* as Departmental charges irrespective of the fact whether such works are taken up under Centrally Sponsored Scheme or Non-lapsable Pool of funds or Loan funds. The order further stated that the Departments shall ensure that payments to the contractors/suppliers are to be released only after deduction of the Departmental charges from the gross amount due for payment. The essence of the above office memorandum was again circulated in December 2005, January 2008 and in May 2011.

Scrutiny of records (October 2012) of Controller LM & CP revealed that the estimates for construction of district offices of Consumer Foras mentioned at paragraph A (i) above inter alia included a provision of 13 *per cent* for Departmental charges, 5 *per cent* for Work-charged establishment & Contingencies besides provision for civil works and allied services. The Controller awarded (August-October 2011) the above works to five contractors for the entire amount of estimate with a stipulation that the Departmental charges as specified in the estimates would be deducted from the gross amount as per Government Standing order. The work orders were issued (August-October 2011) and works executed by the Department itself by engaging a consultant without involving PWD (Housing) division.

Scrutiny further revealed that the Department released ₹ 274.94 lakh (March to August 2012) excluding 4 *per cent* Works Contract Tax (WCT) deducted at source, to the contractors without deducting the percentage charges provided in the estimate amounting to ₹ 45.26 lakh (**Appendix 2.7**) which led to excess payment to that extent.

Thus, there was an overall fictitious payment of ₹ 136.84 lakh and excess payment of 45.26 lakh.

The Department in reply (September 2013) stated that no payments were released to contractors against the construction of Sate Commission Office at Kohima (₹ 114.56 lakh) and WSL at Zunheboto (₹ 21.48 lakh) as the works could not be commenced due non-availability of land and the money drawn was deposited in the bank. While admitting excess payment of ₹ 45.26 lakh, the Department stated that the contractors were asked to refund the excess amount received by them.

The reply of the Department that no payments were released against the above two works were not true as payments against those works were released in August 2012 as per the Cash Book. Further, the Department also did not furnish the statement of the bank account for the relevant period despite audit requisition to establish the claim of the Department that the money was kept in the departmental bank account. Moreover, the Department in its reply to the Inspection Report (January 2013) claimed completion of construction of the above buildings and confirmed the release of payments.

PUBLIC HEALTH ENGINEERING DEPARTMENT

2.8 Excess expenditure

Incorrect inclusion of Central Excise duty on cost of Galvanized Iron Pipes of 250 mm outer diameter resulted in excess expenditure of ₹ 105.49 lakh.

Government of India, Ministry of Finance, Department of Revenue in its Notification No 6/2006-CE dated 1st March 2006 stipulated that, pipes and pipe fittings of outer diameter exceeding 20 cm are exempted from payment of Excise Duty w.e.f 1 March 2007, when such pipes are integral part of water supply projects. This exemption was further extended to pipes of outer diameter exceeding 10 cm vide notification dated 4 December 2009.

Government of India (GOI) sanctioned (January 2004) the project for 'Augmentation of water supply to Kohima Town' under 10 *per cent* Lumpsum provision scheme for North Eastern Region including Sikkim at an estimated cost of ₹ 32.35 crore. The scheme was to tap surplus monsoon run-off of Dzuna stream by constructing artificial balancing reservoir. However, the project could not take off due to non-availability of land and therefore, the State Government made an alternate proposal to tap the water from another source at a project cost of ₹ 44.37 crore which was again abandoned due to land related issues. Finally, GoI approved (July 2011) a project for bringing water from Mima Village located south of Kohima by two-stage pumping at an approved cost of ₹ 46.73 crore. The funds released against the initial projects were to be utilised for the present project which was under implementation. The project was to be implemented by the Public Health Engineering Department (PHED), Urban Division, Kohima.

Scrutiny of records revealed that GOI released ₹ 19.41 crore[78] in two installments (January 2004 and June 2008) out of ₹ 32.35 crore sanctioned initially against the project. The Chief Engineer (CE), PHED procured (November 2005) 19741 meters of 250 mm GI pipes from one supplier at a cost of ₹ 9.14 crore through the Executive Engineer, PHED Store division out of the first installment of ₹ 970.52 lakh.

Again in October 2008, the CE procured 13510 Meters of 250 mm GI pipes from two different suppliers[79] for ₹ 899.80 lakh from the second installment of ₹ 970.52 lakh released by GOI (June 2008) . Further scrutiny of those supply orders (issued in October 2008) and the Suppliers' bills revealed that the amount paid to the suppliers were inclusive of Central Excise Duty amounting to ₹ 105.49 lakh[80] charged at the rate of 14.42 *per cent* on the basic cost though pipes of outer diameter exceeding 20 cm attracts no Excise Duty as per the above notification.

Thus, inclusion of Central Excise duty on the cost of the GI pipes without taking cognizance of the Central Excise duty exemption notification resulted in excess expenditure of ₹ 105.49 lakh.

While admitting that ₹ 105.49 lakh was paid as excise duty through the EE, PHED Urban Division, the Department stated (October 2013) that it was not aware about the exemption of excise duty on GMS pipes which are integral part of the water supply project. Moreover, inclusion of Central Excise duty on the cost of GI pipes cannot be reckoned as a loss to Government, rather the Government had earned revenue on account of Central Excise duty. The Department further stated that it did not receive any circular or instruction in this regard neither from Government of India nor State Government as such on receipt of the draft paragraph, clarification was sought from the concerned departments.

The reply of the Department that it was unaware of exemption of excise duty on pipes was not acceptable as the responsibility for obtaining all the relevant information/data on the relevant rates of various taxes, etc before issuing supply orders, especially in case of huge purchases lies with the procurement authority. Moreover, the argument of the Department that the Government has earned revenue also do not hold any substance as the procurement was made from a supplier rather than a manufacturer and the claim was not supported by any documentary evidence regarding remittance of excise duty by the supplier.

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[78] Ist installment-₹ 970.52 lakh & 2nd Installment - ₹ 970.52

[79] Shri Paul Metha & Sons (6755 Mtrs -₹ 449.90 lakh), Kohima & Shri T Sema (6755 Mtrs -₹ 449.90 lakh)

[80] Basic cost (13510 mtrs of pipe @ ₹ 5414.96 per Mtr)= ₹ 731.56 lakh. 14.42 *per cent* of ₹ 736.56 lkah= ₹ 105.49 lakh

PUBLIC WORKS (ROADS AND BRIDGES) DEPARTMENT

2.9 Fictitious payment

The Executive Engineer, PWD (R&B) South Division spent ₹ 36.95 lakh provided under Thirteenth Finance Commission Grants on the basis of fabricated records against an unexecuted item of work i.e. Upgradation of laboratory attached to Chief Engineer's office.

A High Level Monitoring Committee (HLMC) headed by the Chief Secretary approved (September 2011) Action Plan of Thirteenth Finance Commission (TFC) grants amounting to ₹ 34 crore for maintenance of roads and bridges during 2011-12. Out of this, ₹ 50 lakh was earmarked for up-gradation of Laboratory attached to Chief Engineer's (CE) office, Public Works (Roads & Bridges) and was approved by the CE in March 2012 based on estimates forwarded by EE, PWD(R&B). This item was also included in the Works Programme of the Department for 2011-12 as item No 22. The scope of the work was to repair the existing store, construction of CRSM breast wall, bituminous works, etc.

Scrutiny of records (January 2013) of the EE South Division revealed that the work was awarded (March 2012) to the lowest bidder[81] for ₹ 47.15 lakh with a stipulation to complete the work within two months. As per the First and Final bill, the contractor completed the work and was paid ₹ 41.31 lakh[82] in July 2012. The Utilisation Certificate submitted, if any, was not found on record.

As there was no Laboratory in the CE's office building/complex and the Department reported that the work was executed in the Store compound of the South Division located at AG Point, Kohima, audit conducted a joint physical verification along with the divisional staff (January 2013). During verification it was found that no work was executed in the Laboratory by the contractor as recorded in the Measurement Book/bill.

Thus, it is evident that the Department spent ₹ 41.31 lakh by recording false measurements and certifying completion of an un-executed item of work, which needs further investigation.

In reply (July 2013), the Government stated that due to space constraints in the CE's office complex, the laboratory was established in the store compound of the South Division which was within the administrative control of the CE. While admitting that the payment was made in advance in anticipation of completion of work, the Government further stated that some items of work which had not been carried out as per estimate at the time of Joint inspection were being carried out and was expected to be completed at the earliest.

However, a second joint physical verification (October 2013) revealed that contrary to the claim of the Department, construction of only 10 meters of Retaining wall at an

[81] Shri V Adu Kin

[82] After deducting Security Deposit of ₹ 3.77 lakh and other statutory deductions of ₹ 2.07 lakh

estimated cost of ₹ 4.36 lakh was carried out as per the measurement shown in the bill/Measurement book.

Thus, the Department spent ₹ 36.95[83] lakh by recording false measurements and certifying completion of un-executed items of work.

PUBLIC WORKS (ROADS AND BRIDGES) DEPARTMENT

2.10 Diversion of funds

The Department diverted ₹ five crore sanctioned for construction of 0-11 Km of Botsa to Zeizou road for earth-cutting of remaining 18 Km without completing the sanctioned work after the road was decided to be taken over by Border Road Organisation to be developed as General Staff Road. Further, the department's failure to handover the road led to construction of road in a different alignment by BRO resulting in further financial burden to the Department on account of maintenance.

Ministry of Road Transport and National Highways (MoRTH), Government of India (GOI) under the Economic Importance Scheme sanctioned (March 2006) construction of 0 Km to 11 Km of road from Botsa to Zeizou via Seihema at an estimated cost ₹ 13.53 crore to be shared in the ratio of 50:50 between the Centre and the State Governments. The above work was a portion of the project with an estimated cost of ₹ 33.36 crore having a total length of 28.5 Km. An amount of ₹ 10.66[84] crore was released against the project upto July 2011.

Scrutiny of records (February 2013) of Executive Engineer (EE), Construction Division revealed that the work was awarded (April 2006) to one contractor[85] at an approximate cost of cost of ₹ 12.81 crore with a stipulation to complete the work within 36 months. The contractor commenced (April 2006) Phase–I of the work and completed metalling work upto Grade –I against which an amount of ₹ 4.88 crore was paid to the contractor in four Running Account Bills (August 2011). The Department also spent ₹ 78.10 lakh for consultancy, contingencies etc, thus, making the total expenditure on Phase –I at ₹ 5.66 crore and leaving the balance amount of ₹ 5.00 crore with the Department.

While the work was in progress, Ministry of Defence (MoD) included (Jan 2009) the road Botsa –Zeizou-New Ralan-Bokajan of length 60 Km under long term perspective plan to be developed as General Staff road and accorded Priority-I. Accordingly, MoRTH communicated (January 2009) to the Government of Nagaland (GON) to handover the road to Border Road Organisation (BRO) by March 2009. In September 2009, a joint meeting was held (July 2009) between GON and the BRO where in it was decided to handover the road to BRO by April 2010 after all the ongoing

[83] ₹ 41.31 lakh (Bill amount)-₹ 4.36 lakh (Amount of work executed)
[84] GoI -₹ 6.16 crore, GON ₹ 4.50 crore
[85] M/s Chabou & Co.

construction works. However, the road was not handed over to the BRO (January 2013) by the GoN and the BRO had started the work in a different alignment.

Further scrutiny (February 2013) revealed that the EE prepared a working estimate for construction of road (Earthwork/formation cutting without metalling and black topping) from 12 Km to 28.5 Km for ₹ 5.94 crore, which was approved by the Chief Engineer. No approval from the MoRTH or GON was obtained for this work. The work was subsequently awarded to the same contractor by splitting up the work into two phases, i.e. Phase II[86] -12 Km to 22 Km (November 2010) and Phase III[87]- 22 Km to 28.5 Km (September 2011). The contractor completed the work as per work order and he was paid ₹ five crore (Phase II-₹ 2.89 crore and Phase III-₹ 2.11 crore) as of November 2011. EE also submitted Utilisation Certificate for the entire amount of ₹ 10.66 crore sanctioned against Phase –I by GoI & GoN stating that the expenditure had been incurred on sanctioned works only.

Thus, the Department diverted ₹ 5.00 crore sanctioned for Phase I of the work towards execution of unsanctioned portion (phase II & III) of work by leaving the sanctioned work incomplete. Further, due to not handing over the road to the BRO to be developed as General Staff Road, the responsibility of maintenance of the road remained with the Department leading to further unnecessary financial burden to the GoN.

In reply (July 2013), the EE stated that although sanction was for 11 Km, the contractor was permitted to construct the road upto 29 Km as per verbal instruction of higher authority in anticipation of sanction. EE further stated that while the work was in progress, 4 Km of the road was black topped by other schemes during 2008-09 to improve the road since there was no clear picture as to whether the road would be taken over by BRO. The EE also stated that fund was not diverted to other road but was utilised for the same road beyond the sanctioned length and admitted that the work of Phase II and Phase III was taken up without approval thereby committing procedural lapses. However, no reason was assigned to submission of UC indicating completion of work as per sanction.

The reply is not tenable as taking up another portion of work without proper approval was a clear violation of para 9.1 of the technical note which stipulated that no work beyond the scope of the sanctioned estimate leading either to increase in the scope of the work or change in specification should be undertaken without obtaining prior written approval of the Ministry. Further, taking up a portion of an ongoing work awarded to a contractor in another scheme was irregular and duplication of work.

The matter was reported to the Government (July 2013), reply had not been received (January 2014).

[86] Work Order Amount -₹ 2.89 crore

[87] Work Order Amount -₹ 2.11 crore

STATE INSTITUTE OF RURAL DEVELOPMENT

2.11 Diversion of funds

Director, State Institute of Rural Development, Nagaland diverted ₹ 0.83 crore from the Backward Region Grant Fund for other purposes contrary to the provisions of scheme guidelines.

Backward Regions Grant Fund (BRGF), a Centrally Sponsored Scheme implemented by Ministry of Panchayati Raj, Government of India (GoI), is designed to redress regional imbalances in development. The objectives of the scheme was to provide financial resources for supplementing and converging existing developmental inflows into the identified districts of Mon, Tuensang, Longleng, Kiphire and Wokha in Nagaland so as to bridge critical gaps in local infrastructure and other development requirements that are not being adequately met through existing inflows and to strengthen Panchayat and Municipality level governance with more appropriate capacity building, to facilitate participatory planning, decision making, implementation and monitoring, to reflect local felt needs, etc.

State Institute of Rural Development (SIRD), received ₹ 14.70[88] crore during October 2008 to February 2012 from GoI for capacity building of Panchayati Raj Institutions (PRIs) [89]in the above five districts of Nagaland under BRGF.

Scrutiny of records (August 2012) of the Directorate of SIRD revealed that out of ₹ 14.70 crore received, an amount of ₹ 83 lakh meant for capacity building programme in the above five districts were diverted by the Directorate for other activities such as expenses for State level Village Development Board's (VDB's) and Communitisation Conference (₹ 50 lakh) conducted at Ganesh Nagar, Dimapur (30th November to 1st December 2009) and purchase of five Vehicles (₹ 33 lakh).

When pointed out, the Director in reply stated (April 2013) that ₹ 50 lakh was given to the organising committee for VDB's conference as per the verbal instructions of the higher authority. However, the name of the higher authority was not communicated. Regarding purchase of vehicles, the Director stated that the Department purchased vehicles from the scheme funds for transportation of faculty members as the BRGF districts were located far and wide having remote locality and no fund was provided by the State Government and the Ministry of Rural Development for many years though approached by the Department.

It is evident from the reply that the Department irregularly utilised ₹ 50.00 lakh for VDBs conference in violation of the scheme guidelines. Department's reply that the

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[88] October 2008 -₹ 3crore, November 2009-₹ 6 crore, March 2011-₹ 2 crore, June 2011 -₹ 1 crore and February 2012 - ₹ 2.70 crore

[89] Village Development Boards(VDBs) in Nagaland

vehicles were utilised for transportation of the faculty members are also not acceptable as the guidelines does not provide for purchase of vehicles and the vehicles were used by the Officers stationed at Kohima for attending the office and not for training purposes as claimed.

Thus, the Department irregularly diverted ₹ 83 lakh for unauthorised purposes leading to non- fulfilment of the intended objective of Capacity Building of PRIs.

The matter was reported to the Government (June 2013), reply had not been received (January 2014).

CHAPTER – III

ECONOMIC SECTOR

(PUBLIC SECTOR UNDERTAKINGS)

CHAPTER III

ECONOMIC SECTOR (PUBLIC SECTOR UNDERTAKINGS)

3.1 Introduction

3.1.1 The State Public Sector Undertakings (SPSUs) consist of State Government Companies and Statutory Corporations. The SPSUs are established to carry out activities of commercial nature keeping in view the welfare of people. In Nagaland there were six SPSUs (all Government companies) of which, one Government company was non-working[1]. The working SPSUs registered a turnover of ₹ 6.75 crore as per their latest annual accounts finalised as of November 2013. The turnover was 0.05 *per cent* of State (GDP)* for 2012-13. The working SPSUs incurred an overall loss of ₹ 1.01 crore in aggregate for 2012-13 as per their latest finalised accounts as on 30 November 2013. The five working SPSUs had 625 employees as on 31 March 2013. During 2012-13, neither any new SPSU was established nor was any existing SPSU closed down.

3.2 Audit Mandate

3.2.1 Audit of Government Companies is governed by Section 619 of Companies Act, 1956. As per Section 617 of the Companies Act 1956, a Government company is one in which not less than 51 *per cent* of paid up capital is held by Government. 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. However, there was no 619-B company in Nagaland.

3.2.2 The accounts of the State Government companies (as defined in Section 617 of Companies Act, 1956) are audited by Statutory Auditors, who are appointed by Comptroller and Auditor General of India (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.

3.3 Investment in SPSUs

3.3.1 As on 31 March 2013, the investment of State and Central Government (Capital and long term loans) in six SPSUs was ₹ 98.04 crore as per details given below:

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[1] The accounts of non-working Company viz., Nagaland Sugar Mills Company Limited are in arrears for the last 35 years.

* The State GDP for 2012-13 was ₹ 13,321.61 crore (advance estimate).

Table No. 3.1

(₹ in crore)

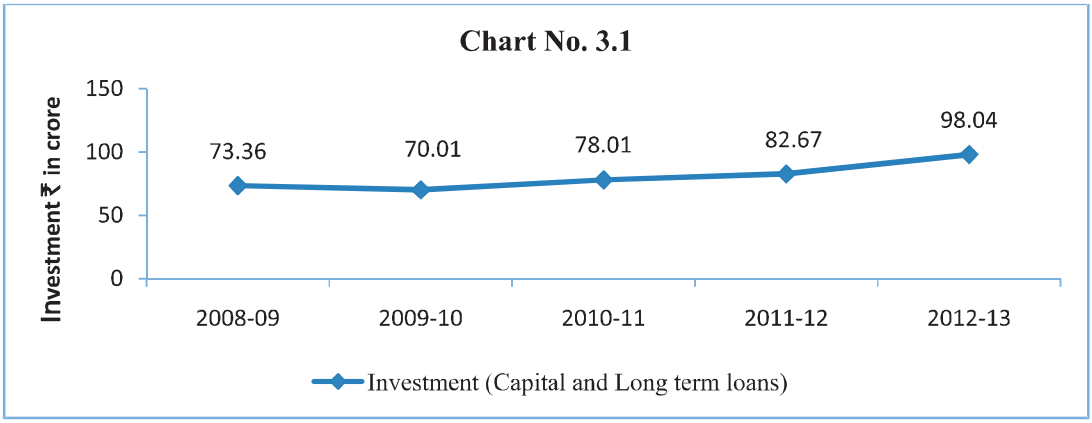
Type of SPSUs	Government Companies		
	Capital	Long term loans	Total
Working SPSUs	31.62	61.46	93.08
Non-working SPSUs	4.96	0	4.96
Total	36.58	61.46	98.04

A summarised position of Government investment in SPSUs is detailed, in **Appendix - 3.1.**

3.3.2 As on 31 March 2013, of the total investment in SPSUs, 95 *per cent* was in five working SPSUs and remaining 5 *per cent* was in one non-working SPSU. The total investment consisted of 37 *per cent* towards capital and 63 *per cent* in long term loans.

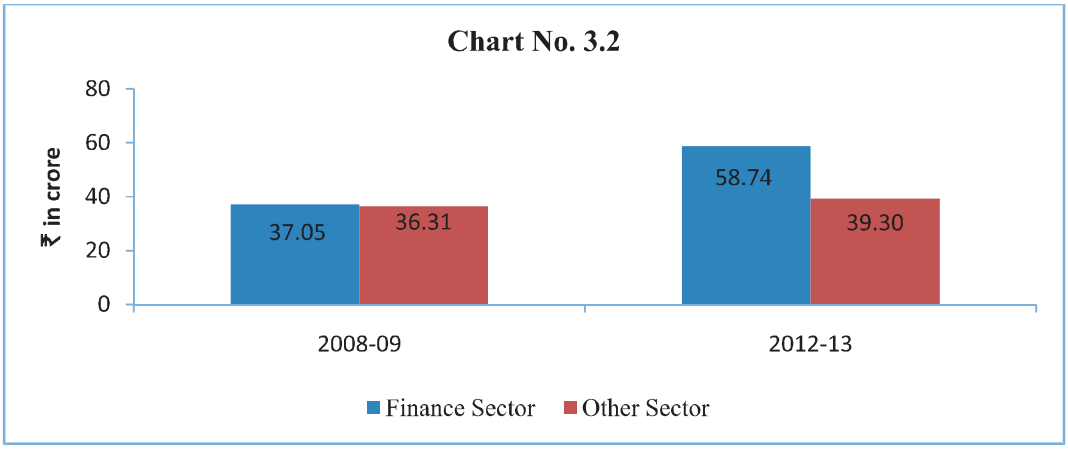
The investment has grown by 33.64 *per cent* from ₹ 73.36 crore in 2008-09 to ₹ 98.04 crore in 2012-13 as shown in graph below:-

Chart No. 3.1



3.3.3 The investments in various sectors at the end of 31st March 2009 and 31st March 2013 are indicated below in the bar chart.

Chart No. 3.2



It may be noticed that as compared to the investment in 2008-09, investment in 2012-13 has increased in Finance Sector by ₹ 21.69 crore (58.54 *per cent*). Investment in Other

Sectors has also increased marginally by ₹ 2.99 crore (8.23 *per cent*) during the said period.

3.4 Budgetary outgo, grants/subsidies, guarantees and loans

3.4.1 The details regarding budgetary outgo towards equity, loans grants/subsidies, guarantees issued, loans written off, loans converted into equity and interest waived in respect of SPSUs are given in **Appendix-3.2.** The summarised details for three years ended 2012-13 are given below:

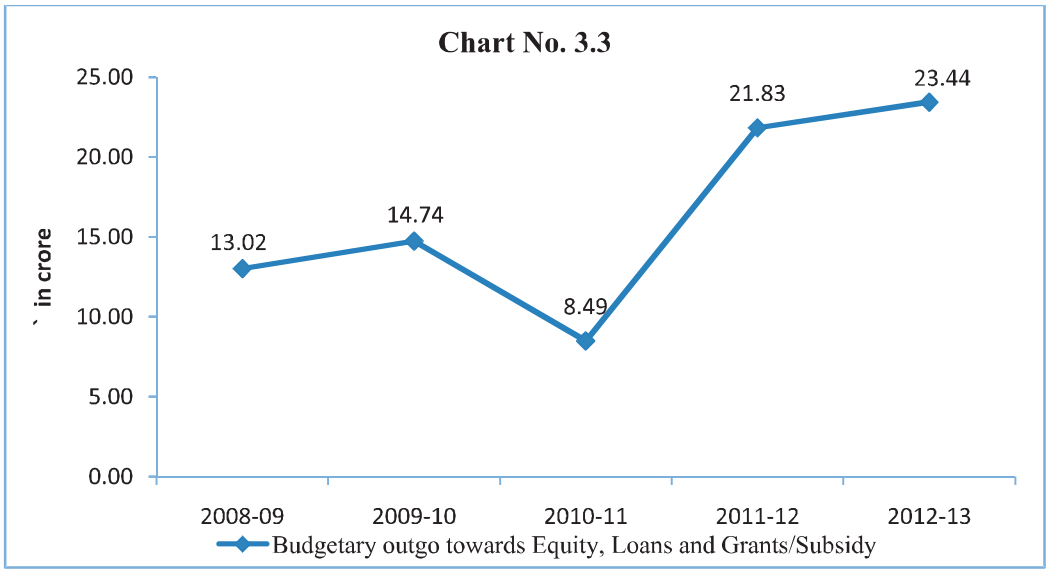
Table No. 3.2

(₹ in crore)

Sl. No	Particulars	2010-11		2011-12		2012-13	
		No. of SPSUs	Amount	No. of SPSUs	Amount	No. of SPSUs	Amount
1	Equity capital outgo from budget	3	1.45	2	1.60	2	2.40
2	Loans outgo from Budget	--	--	1	7.81	1	6.59
3	Grants/subsidy outgo	3	7.04	4	12.42	5	14.45
4	**Total outgo (1+2+3)**		**8.49**		**21.83**		**23.44**
5	Loans written off	--	--	--	--	--	--
6	**Total waiver (5 above)**	--	--	--	--	--	--
7	**Guarantees issued**	2	46.24	1	7.81	2	11.59

3.4.2 The details regarding budgetary outgo towards equity, loans and grants/subsidies for past five years are given in the following graph:

Chart No. 3.3



The chart above indicated that the the budgetary outgo of the state government towards equity, loans and grants were in an increasing trend every year beginning from ₹ 13.02

crore in 2008-09 upto ₹ 23.44 crore in 2012-13 excepting 2010-11 when it was reduced to ₹ 8.49 crore from ₹ 14.74 crore in 2009-10. However, during the next year *i.e.* 2011-12 it was increased by ₹ 13.34 crore (157 *per cent*) from ₹ 8.49 crore (2010-11) to ₹ 21.83 crore.

3.5 Reconciliation with Finance Accounts

3.5.1 The figures in respect of equity, loans and guarantees outstanding as per records of SPSUs should agree with that of figures appearing in the Finance Accounts of the State. In case, the figures do not agree, the concerned SPSUs and the Finance department should carry out reconciliation of differences.

The position in this regard as at 31 March 2013 is stated below:

Table No.3.3

(₹ in crore)

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of SPSUs	Difference
Equity	168.69	30.31	138.38
Loans*	Nil	0.73	0.73
Guarantees*	59.53	Nil	59.53

3.5.2 Audit observed that the differences in equity investment occurred in respect of all SPSUs and the differences were pending reconciliation since long. The Government and the SPSUs should take concrete steps to reconcile the differences in a time bound manner.

Efforts are needed to be taken to clear the arrears in accounts and ensure reconciliation between Finance Accounts and the accounts/record of SPSUs as there is a huge difference in figures of Finance Accounts and records of SPSUs.

3.6 Performance of SPSUs

3.6.1 The financial results of SPSUs, financial position and the working results of SPSUs are detailed in **Appendix-3.3**. A ratio of SPSUs turnover to State GDP shows the extent of SPSUs activities in the State economy. Table below provides the details of working SPSUs turnover and State GDP for the period 2008-09 to 2012-13.

* SPSU-wise figure of lons/guarantee not available in the Finance Accounts of the State.

Table No. 3.4

(₹in crore)

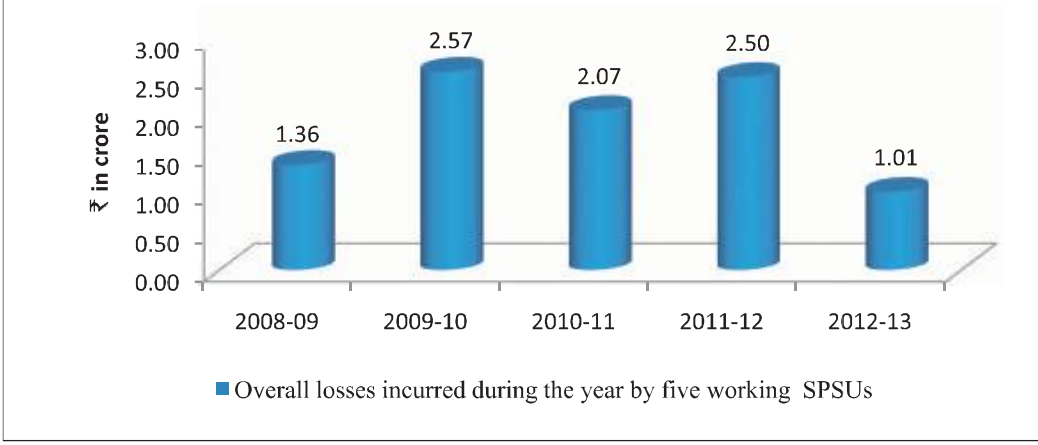
Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Turnover *	3.51	4.06	18.06	5.36	6.75
State GDP	9436.07	10526.77	11315.13 (P)[2]	12272.15 (Q)[3]	13321.61 (A)[4]
Percentage of turnover to State GDP	0.04	0.04	0.16	0.04	0.05

(Source: Information furnished by the Directorate of Economics and Statistics and Appendix 3.3)

From the table, it may be noticed that excepting 2010-11, the percentage of SPSUs turnover to State GDP ranged between 0.04 and 0.05 *per cent* all the years under reference due to proportionate increase in the turnover of SPSUs and State GDP of respective years. During 2010-11, the percentage of SPSU turnover was exorbitabtly high at 0.16 *per cent* mainly due to abnormal increase in the turnover of one SPSU (namely, Nagaland Industrial Raw Material Supply Corporation Limited). The turnover of said SPSU was increased mainly because of the subsidy extended as per the central policy on supply of industrial raw material through Government agencies. The SPSU could not maintain the pace of the increased turnover in subsequent years due to presence of private enterpreneurs in the business of supplying raw materials to industries and a a result, its turnover after 2010-11 was reduced.

3.6.2 Losses incurred by working SPSUs during 2008-09 to 2012-13 are given below in a bar chart.

Chart No. 3.4



The lossess of working SPSUs during 2008-09 to 20012-13 showed a mixed trend. The overall losses incurred by five working SPSUs were increased from ₹ 1.36 crore (2008-09) to ₹ 2.57 crore (2009-10) and again from ₹ 2.07 crore (2010-11) to ₹ 2.50

[2] P=Provisional Estimate ,
[3] Q=Quick Estimate
[4] A= Advance Estimate
* Turnover of working SPSUs as per the latest finalised accounts as of September of the respective year.

crore (2011-12). The losses were, however, at the lowest in five years at ₹ 1.01 crore during 2012-13.

3.6.3 Some key parameters pertaining to SPSUs are given in the following table:

Table No. 3.5

(₹ in crore)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Return on capital employed (*per cent*)	*	*	*	*	0.63
Debt	44.11	39.09	45.64	47.69	61.46
Turnover	3.51	4.06	18.06	5.36	6.75
Debt/Turnover ratio	12.57:1	9.63:1	2.53:1	8.90:1	9.11:1
Accumulated losses	28.63	34.02	33.62	48.53	51.38

*Negative Figures

From the above it may be noticed that excepting 2010-11, the accumulated losses had shown increasing trend during five years period. The return on capital employed was negative throughout the period of five years except during 2012-13 when the Government got marginal returns of 0.63 *per cent*.

Thus, steps are needed to be taken for better management, operation and monitoring of the activities of the working SPSUs to arrest the gradual deterioration of their financial results.

3.7 Arrears in finalisation of Accounts

3.7.1 The accounts of the companies for every financial year are required to be finalized within six months from the close of the relevant financial year under section 166, 210, 240, 619 and 619-B of Companies Act, 1956. The table below provides details of progress made by working SPSUs in finalisation of accounts by September 2013.

Table No.3.6

Sl. No.	Particulars	2009-10	2010-11	2011-12	2012-13
1	No. of working SPSUs	5	5	5	5
2	No. of accounts finalized	12	15	34	21
3	No. of accounts in arrears	85	75	46	30
4	Average arrear per SPSU (3/1)	17.0	15	9.4	6
5	No. of working SPSUs with arrears in accounts	5	5	5	5
6	Extent of arrears (in years)	6 to 26	5 to 21	1 to 13	1 to 9

3.7.2 From the table, it may be seen that there had been a significant improvement in the arrear position of the accounts of SPSUs after 2009-10 mainly due to constant increase in the number of accounts finalised by the SPSUs each year. As a result, the average arrear per SPSU has also reduced from 17 (2009-10) to 6 accounts (2012-13). It may, however, be observed that none of the working SPSUs had finalisedup to date accounts and as of September 2013 total 30 accounts relating to 5 working SPSUs were still in arrears.

Thus, concrete steps should be taken by the SPSUs for preparation of accounts as per the statutory requirements with special focus on clearance of arrears in a time bound manner.

3.7.3 In addition to above, the accounts of the only non-working SPSU in the state were also in arrears for 35 years.

3.7.4 The Administrative departments have responsibility to oversee the activities of these entities and to ensure that the accounts are finalised and adopted by these SPSUs within the prescribed period.During the year 2012-13 the Accountant General has written (26 November 2013)to the Companies for early finalisation of accounts. The matter on arrears in finalisation of accounts was also addressed (08 August 2013) to the Chief Secretary, Government of Nagaland.

3.7.5 In view of above state of affairs, it is recommended that the Government should monitor and ensure timely finalisation of accounts in conformity with the provision of the Companies Act, 1956.

3.8 Accounts Comments and Internal Audit

3.8.1 Five working companies forwarded their 17 audited accounts to the Accountant General during the period October 2012 to September 2013. Of these, 4 accounts were selected for supplementary audit, 10 accounts were issued 'Non Review Certificates', while remaining 3 accounts were pending for selection for supplementary audit/ issue of Non-Review certificate.

3.8.2 Out of 17 accounts received during the year, the Statutory Auditor had given adverse opinion on 3 accounts, qualified certificates to 3 accounts and balance 11 accounts received unqualified certificates.

The details of aggregate money value of comments of Comptroller and Auditor General of India in respect of accounts finalised during 2011-12 and 2012-13 are given below:

Table No. 3.7

(₹ in crore)

Sl. No.	Particulars	2011-12		2012-13	
		No. of Accounts	Amount	No. of Accounts	Amount
1	Increase in loss	1	0.39	1	3.43
2	Increase in profit	--	--	2	0.38
3	Decrease in loss	--	--	2	1.80
4	Decrease in profit	1	0.22	1	0.26
5	Errors of classification	1	0.39	--	--
Total		**3**	**1.00**	**6**	**5.87**

3.8.2.1 Some of the important comments in respect of accounts of the PSUs audited during 2012-13 are detailed below:

Nagaland Industrial Development Corporation Ltd. 2011-2012

- Some assets were created out of the grants; the proportionate amount of depreciation should have been recouped from the reserve and surplus head by way of reorganizing an equal amount as income in the profit and loss account as per AS-12. Non compliance with AS-12 has resulted in overstatement of loss for the year by ₹ 3.43 crore.
- Long term loans and advances categorised by the management as "doubtful recovery". Non-provisioning against this loans and advances resulted in overstatement of loans and advances and understatement of loss by ₹ 1.45 crore.

Nagaland State Mineral Development Corporation 2003-04

- Short accountal of sales resulted in understatement of sales and sundry debtors ₹ 0.20 crore with corresponding understatement of profit by the same amount.

Nagaland Hotels Ltd. 2003-04

- Non-provisioning of service charges amounting to ₹ 0.04 crore resulted in understatement of expenditure as well as current liabilities with corresponding overstatement of profit to that extent.

INDUSTRIES AND COMMERCE DEPARTMENT

Nagaland Industrial Development Corporation

3.9 Idle infrastructure

Infrastructure created at a cost of ₹ 19.91 crore under EPIP and SEZ remained unutilised due to unrealistic assessment of users requirement and potential number of interested entrepreneurs for the schemes.

Government of India (GOI), approved (May 1999) Export Promotion Industrial Park (EPIP) Scheme for providing adequate infrastructure facilities of high standard in the State of Nagaland at a project cost of ₹ 12.50 crore so as to involve the State Government in export efforts. The project was to be completed within 24 months (viz., upto May 2001) and the project cost was to be shared by the GOI and Government of Nagaland (GON) in the ratio of 80:20 (GOI: ₹ 10 crore, GON: ₹ 2.50 crore). The GON provided 100 acres of land in Dimapur for setting up the project and appointed Nagaland Industrial Development Corporation Limited (Company) as the implementing agency for the project. The project envisaged to build total saleable area of 2.01 lakh square meter consisting of Industrial plots, Factories, Sheds, etc under Industrial sector and Mini market, Post office, Banks, etc under commercial sector. As per the project report, 100 *per cent* occupancy was projected within 5 and 3 years under Industrial Sheds/Factories and Commercial & other facilities respectively with projected revenue of ₹ 86.81 lakh as lease rent, etc. from fifth year.

GOI and GON had released an aggregate amount of ₹ 13.56[5] crore to the Company during 1999-00 to 2005-06 for setting up of EPIP. The work was commenced in September 2001 and the Company had completed development of infrastructure facilities valued at ₹ 14.64 crore by the end of July 2006. The infrastructure facilities so created under EPIP were, however, not availed by any of the entrepreneur till 2009.

In the meantime, the Special Economic Zones (SEZ) Act, 2005 was passed by the Parliament in May 2005 with an objective to generate additional economic activity of an earmarked exporting area/zone by promotion of exports and investment from domestic and foreign sources, creation of employment opportunities and development of infrastructure facilities. As there was no entrepreneurs to take up the projects under EPIP, the Company proposed (July 2009) to GOI for conversion of EPIP into an SEZ in Agro-Food processing Sector. GON also allotted another 50 acres of land adjacent to

[5] GOI -₹ 11.06 crore and GON ₹ 2.50 crore

EPIP in addition to 100 acres of land earlier allotted. The proposal was approved (July 2009) by the GOI at an estimated cost of ₹ 35 crore, which included the infrastructure created for EPIP. The project besides creating employment opportunities for 3000 persons was also expected to earn ₹ 2 to ₹ 5 crores from exports in the initial years and ₹ 10 to ₹ 20 crores per annum after achieving optimum capacity utilisation.

Scrutiny (April 2013) of records revealed that the Company received ₹ 17.50[6] crore during 2007-08 to 2011-12 for development of additional infrastructure facilities, of which an amount of ₹ 5.27 crore was utilised. It was, however, observed that the Company could not find entrepreneurs who were interested to set up industrial units/factories in the project area developed under EPIP and SEZ schemes till date (April 2013). This was indicative of the fact that the projects were initiated without assessing the user requirement or availability of interested entrepreneurs.

Thus, due to unrealistic assessment of users requirement and potential number of interested entrepreneurs, the infrastructure facilities developed by the Company for EPIP and SEZ schemes at a consolidated cost of ₹ 19.91 crore remained unproductive since 2001 defeating the scheme objectives.

In reply, the Management stated (April 2013) that apprehensions of law and order situation, security concerns and worsening power situation in the State were the deterent factors affecting investment decisions of the entrepreneurs.

The reply is not acceptable as the situation on these fronts were more or less same when the proposal for setting up of EPIP and conversion of EPIP to SEZ was initiated by the Company. Further, the reply also confirms the fact that the development works under the two schemes were initiated without conducting proper feasibility study of the project.

The matter was reported to the Government (July 2013); their replies had not been received (January 2014).

[6] GOI (ASIDE) -₹ 8.50 crore + GON - ₹ 9 crore

CHAPTER – IV

REVENUE SECTOR

CHAPTER - IV

REVENUE SECTOR

4.1 General

4.1.1 Trend of revenue receipts

The tax and non-tax revenue raised by the Government of Nagaland during the year 2012-13, the State's share of net proceeds of divisible Union taxes and grant-in-aid received from the Government of India during the year and the corresponding figures for the preceding four years are mentioned below:

Table No. 4.1

(₹in crore)

Sl. No.	Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
I	Revenue raised by the State Government					
	• Tax revenue	156.02	180.51	227.32	303.88	339.95
	• Non-tax revenue	180.55	126.35	183.14	232.95	207.17
	Total I	**336.57**	**306.86**	**410.46**	**536.83**	**547.12**
	Percentage of increase over previous year	**34.17**	**(-) 8.83**	**33.76**	**30.79**	**1.92**
II	Receipt from the Government of India					
	• States share óf net proceeds of divisible Union taxes	421.84	434.03	689.46	803.20	917.14
	• Grants-in-aid	2642.48	2978.87	3900.07	4246.35	4740.03
	Total II	**3064.32**	**3412.90**	**4589.53**	**5049.55**	**5657.17**
III	Total receipts of the State Government (I+II)	3400.89	3719.76	4999.99	5586.38	6204.29
	Percentage of I to III	10	8	8	10	9

Thus, growth of revenue during 2012-13 over previous year was at 1.92 *per cent* against 30.79 *per cent* in the year 2011-12. Further, during the year 2012-13, the revenue raised by the State Government (₹ 547.12 crore) was nine *per cent* of the total revenue receipts against 10 *per cent* in the preceding year. The balance 91 *per cent* of receipts during 2012-13 was from the Government of India.

4.1.2 The following table presents the details of tax revenue raised during the period 2008-09 to 2012-13.

Table No. 4.2

(₹ in crore)

Sl No.	Head of revenue	2008-09	2009-10	2010-11	2011-12	2012-13	Percentage of increase (+) or decrease (-) in 2012-13 over 2011-12
1	Sales Tax/VAT	114.70	132.22	167.22	231.12	257.21	(+)11
2	State Excise	3.34	3.13	3.00	3.36	3.73	(+)11
3	Stamps and Registration Fees	1.01	1.19	1.35	1.85	1.58	(-)15
4	Taxes and duties on Electricity	0.03	0.11	0.05	0.04	0.05	(+)25
5	Taxes on vehicle	14.14	16.73	23.92	34.58	41.59	(+)20
6	Taxes on Goods and Passengers	2.34	3.96	6.62	4.85	6.71	(+)38
7	Other taxes on Income and expenditure	19.86	22.54	24.57	27.03	27.22	(+)01
8	Other taxes and duties on Commodities and Services	0.00	0.00	0.00	0.37	1.14	(+)208
9	Land Revenue	0.60	0.63	0.59	0.68	0.72	(+)06
	Total	156.02	180.51	227.32	303.88	339.95	(+)12

The reasons for variations were not reported by the departments.

4.1.3 The following table presents the details of Non-tax revenue raised during the period from 2008-09 to 2012-13.

Table No. 4.3

(₹ in crore)

Sl, No.	Head of revenue	2008-09	2009-10	2010-11	2011-12	2012-13	Percentage of increase (+) or decrease (-) in 2012-13 over 2011-12
1	Interest Receipts	11.57	10.02	14.35	9.62	5.90	(-)39
2	Housing	2.97	3.43	3.63	4.38	5.12	(+)17
3	Water Supply & Sanitation	0.98	0.94	1.29	1.62	1.74	(+)7
4	Forestry and Wildlife	4.78	7.70	10.18	8.87	7.76	(-)13
5	Education, Sports Art and Culture	0.55	0.43	8.74	12.16	45.57	(+)275
6	Miscellaneous General Services	28.05	7.04	12.43	29.01	6.60	(-)77
7	Power	111.49	75.17	74.01	94.28	102.83	(+)9
8	Medical & Public Health	0.17	0.09	0.09	0.21	0.35	(+)67
9	Co-operation	0.79	3.15	0.34	3.54	1.13	(-)68
10	Public Works	0.10	0.54	0.72	0.69	0.18	(-)74
11	Police	0.61	0.44	34.21	30.65	7.34	(-)76
12	Other Administrative Services	1.21	1.42	2.90	2.38	3.22	(+)35
13	Crop Husbandry	0.11	0.13	0.16	0.20	0.16	(-)20
14	Others	17.17	15.85	20.09	35.34	19.27	(-)45
	Total	180.55	126.35	183.14	232.95	207.17	(-)11

The reasons for variation were not stated by the departments.

4.1.4 Variation between the budget estimates and actuals

The variation between the budget estimates and actuals of revenue receipts under the principal heads of Tax and Non-Tax revenue for the year 2012-13 are mentioned in the following table:

Table No. 4.4

Sl. No.	Head of revenue	Budget Estimates (₹ in crore)	Actuals Receipts (₹ in crore)	Variation Increase (+) Decrease (-)	Percentage of variation
	Tax Revenue				
1	Sales Tax/VAT	220.55	257.21	(+)36.66	17
2	State Excise	4.30	3.73	(-)0.57	(-)13
3	Stamps and Registration fees	1.39	1.58	(+)0.19	14
4	Taxes on vehicles	29.95	41.59	(+)11.64	39
5	Taxes on Goods and Passengers	3.01	6.71	(+)3.7	123
6	Land revenue	0.96	0.72	(-)0.24	(-)25
	Non – Tax Revenue				
7	Interest Receipts	6.50	5.90	(-)0.6	(-)9
8	Other Administrative Service	4.87	3.22	(-)1.65	(-)34
9	Medical & Public Health	0.24	0.35	(+)0.11	46
10	Public Works	0.74	0.18	(-)0.56	(-)76
11	Forestry & Wildlife	11.88	7.76	(-)4.12	(-)35
12	Education, Sports, Art and Culture	0.38	45.57	(+)45.19	11892
13	Power	120.00	102.83	(-)17.17	(-)14

Source: Receipt Budget and Finance Account for the year 2012-13.

The reasons for variations were not stated by the departments.

4.1.5 Cost of Collection

The gross collection in respect of major revenue receipts, expenditure incurred on collection and the percentage of such expenditure to gross collection during the period from 2010-11 to 2012-13 along with the relevant all India average percentage of expenditure on collection to gross collection for the year 2011-12 are as mentioned in the following table.

Table No. 4.5

Sl. No	Head of revenue	Year	Collection(₹ in crore)	Expenditure on collection of revenue(₹ in crore)	Percentage of Expenditure on collection of revenue	All India average percentage for the previous year
1	Sales Tax/VAT	2010-11	167.22	5.59	3.34	0.83
		2011-12	231.12	6.10	2.64	
		2012-13	257.21	5.75	2.24	
2	Taxes on Vehicles	2010-11	23.92	3.20	13.38	2.96
		2011-12	34.58	3.70	10.70	
		2012-13	41.59	4.25	10.22	
3	Stamp Duty and Registration Fees	2010-11	1.35	0.25	18.52	1.89
		2011-12	1.85	0.25	13.51	
		2012-13	1.58	0.72	45.57	

Source: Finance Accounts

The cost of collection in respect of Sales Tax/VAT, Taxes on Vehicles and Stamp Duty and Registration Fees was considerably higher than the All India Average during the year 2012-13 which needs to be looked into by the concerned departments.

4.1.6 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2013 in respect of principal Heads of Revenue as reported by the departments was ₹ 2.37 crore of which ₹ 1.19 crore (50.21 *per cent*) was outstanding for more than five years as per details mentioned in the following table:

Table No. 4.6

(₹in crore)

Sl. No	Head of Revenue	Amount outstanding as on 31 March 2013	Amount outstanding for more than for five years	Remarks
1	Taxes/ VAT on Sales, Trades etc.	2.37	1.19	-

4.1.7 Arrears in assessment

The details of Sales tax/ VAT assessment cases pending at the beginning of the year 2012-13, cases which were due for assessment during the year, cases disposed of during the year and number of cases pending at the end of the year 2012-13 as furnished by Deputy Commissioner of Taxes are mentioned in the following table:

Table No. 4.7

Head of Revenue	Opening Balance as on 1st April 2012	New cases due for assessment during 2012-13	Total assessment due	Cases disposed of during 2012-13	Balance at the end of the 31st March 2013	Percentage of cases disposed to the total assessment
1	2	3	4	5	6	7 (5 to 4)
Taxes /VAT on Sales, Trades etc.	330	4347	4677	3952	725	84.50

The arrear in assessment increased from 330 to 725 cases with the addition of another 4347 cases which became due for assessment during the year 2012-13 and 3952 cases got disposed during the year. The percentage (84.50) of cases disposed during the year was encouraging and needs to be maintained.

4.1.8 Response of the Departments/Government towards audit

Transactions and maintenance of important accounts and other records of the departments are test checked and Inspection Report containing audit findings is issued to the Head of the Office so audited for comments and/or compliance. Audit findings of serious nature are processed into draft paragraph and forwarded to the Administrative Head of the concerned Department through demi-official letter drawing their attention to the audit findings with a request to furnish their response within six weeks. The response of the Departments /Government towards audit is discussed in succeeding paragraphs.

4.1.8(a) Failure of senior officials to enforce accountability and protect the interest of the State Government

The Accountant General (Audit), Nagaland (AG) conducts periodical inspection of the Government Departments to test check the transactions and verify the maintenance of important accounts and other records as prescribed in the rules and procedures. These inspections are followed up with the Inspection Reports (IRs) incorporating irregularities detected during the inspection and not settled on the spot, which are issued to the Heads of the Offices inspected with copies to the next higher authorities for taking prompt corrective action. The Heads of the Offices/Government are required to promptly comply with the observations contained in the IRs, rectify the defects and omissions and report compliance through initial reply to the AG within one month from the date of issue of the IRs. Serious financial irregularities are reported to the Heads of the Departments and the Government.

Inspection Reports issued upto June 2013 disclosed that 344 paragraphs involving ₹ 80.49 crore relating to 89 IRs remained outstanding as mentioned in the following table along with the corresponding figures for the preceding two years.

Table No. 4.8

	June 2011	June 2012	June 2013
Number of outstanding IRs	80	81	89
Number of outstanding audit observations	306	295	344
Amount involved (₹ in crore)	51.93	51.78	80.49

The Department-wise details of the IRs and audit observations outstanding as on 30 June 2013 and the amount involved are mentioned in the following table:

Table No. 4.9

Sl. No.	Name of Department	Name of Receipts	No. of outstanding IRs	No. of Outstanding Audit Observations	Money Value Indicated (₹ in crore)
1	Finance	Taxes / VAT on Sales, Trade etc	27	164	58.52
2	Finance	Miscellaneous General Services/Lottery	04	18	2.59
3	Transport	Taxes on Vehicles /Taxes on Goods & Passengers	27	70	12.25
4	Forest & Environment	Forest & Wildlife	31	92	7.13
Total			**89**	**344**	**80.49**

Even the first replies required to be received from the Heads of Offices within one month from the date of issue of the IRs were not received for two IRs issued upto June 2013. This large pendency of IRs due to non-receipt of replies is indicative of the fact that the Heads of offices and Heads of departments failed to initiate action to rectify the defects, omissions and irregularities pointed out by us in the IRs.

It is recommended that the Government takes suitable steps to install an effective procedure for prompt and appropriate response to audit observations as well as take action against officials / officers who fail to send replies to IRs /paragraphs as per prescribed time schedules and also fail to take action to recover loss / outstanding demand in a time bound manner.

4.1.8(b) Departmental Audit Committee Meetings

In order to expedite settlement of the outstanding audit observations contained in the IRs, Departmental Audit Committees are constituted by the Government. These Committees are chaired by the Secretaries of the concerned Administrative Department and attended by the concerned officers of the State Government and officers of the Accountant General (AG). The audit committees need to meet regularly in order to expedite clearance of the outstanding audit observations.

During 2012-13, no audit committee meeting was convened to clear the outstanding audit observations.

The Government may ensure holding of frequent meetings of these committees for ensuring effective action on the audit observations leading to their settlement.

4.1.8(c) Response of the Departments to the draft audit paragraphs

Three draft paragraphs proposed for inclusion in the Audit Report of the Comptroller and Auditor General of India for the year ending March 2013 were forwarded (June-

July 2013) to the Secretary/Commissioner of the Department through demi-official letter. The Administrative Secretary/Commissioner furnished replies (July 2013) in respect of one draft paragraph.

4.1.8(d) Follow up on Audit reports – summarised position

As per the recommendations made by the High Powered Committee (HPC) which were also accepted by the State Government in October 1993, *suo moto explanatory* notes on corrective remedial measures taken on all paragraphs included in Audit Reports are required to be submitted by the departments duly vetted by Accountant General to PAC in three months from the date of placing of Audit Reports in the Legislature.

However, *suo moto* explanatory notes were not received (January 2014) either from the departments or through the Nagaland Legislative Assembly Secretariat in respect of paragraphs/reviews appeared in the Audit Reports.

4.1.8(e) Compliance with the earlier Audit Reports

In the Audit Reports 2007-08 to 2011-12, cases of under assessments, evasion / non/short levy of taxes / penalty, loss of revenue, failure to raise demands etc., involving ₹ 5.41 crore were reported. As of March 2013, the departments concerned have accepted observations of ₹ 0.59 crore and recovered ₹ 0.16 crore which was 27 *per cent* of accepted money value. Audit Report wise details of cases accepted and recovered are given in the following table:

Table No. 4.10

(₹ in crore)

Year of Audit Report	Total Money Value	Accepted money value	Recovery made
2007-08	3.59	0	0
2008-09	0.22	0	0
2009-10	0.97	0.16	0.16
2010-11	0.43	0.43	0
2011-12	0.20	0	0
Total	**5.41**	**0.59**	**0.16**

4.1.9 Analysis of mechanism for dealing with the issues raised by Audit

In order to analyse the system of addressing the issues highlighted in the Inspection Reports/Audit Reports by the Department/Government the action taken on the paragraphs and Performance Audits included in the Audit Reports of the last five years in respect of one Department is evaluated and included in each Audit Report.

The succeeding paragraphs 4.1.9(a) and 4.1.9(b) discuss the performance of Taxation Department in dealing with the cases detected in the course of local audit conducted during the last five years and also the cases included in the Audit Reports for the years 2008-09 to 2012-13.

4.1.9(a) Position of Inspection Reports

A summarised position of Inspection Reports issued during the last five years, paragraphs included in these Reports and their status as on 30th June 2013 are given in the following table.

Table No. 4.11

Year	Opening Balance			Addition during the year			Clearance during the year			Closing Balance during the year		
	IRs	Paras	Money Value (₹ in crore)	I Rs	Paras	Money Value (₹ in crore)	IRs	Paras	Money Value (₹ in crore)	IRs	Paras	Money Value (₹ in crore)
2008-09	33	166	24.61	2	27	13.73	0	4	0.03	35	189	38.31
2009-10	35	189	38.31	0	0	0	1	2	0.06	34	187	38.25
2010-11	34	187	38.25	1	2	0	3	14	0.62	32	175	37.63
2011-12	32	175	37.63	1	1	0	0	0	0	33	176	37.63
2012-13	33	176	37.63	1	2	0.03	0	10	0.22	34	168	37.44
Upto June 2013	34	168	37.44	1	4	0.98	0	0	0	35	172	38.42

We reminded the Department periodically to furnish the replies to the outstanding audit observations.

4.1.9(b) Assurances given by the Departments/Government on the issues highlighted in the Audit Reports

4.1.9(b)(i) Recovery of accepted cases

The position of paragraphs included in the Audit Reports of the last five years and those accepted by the departments and the amount recovered are mentioned in the following table:

Table No. 4.12

Year of Audit Report	No. of paragraphs included	Money value of the paragraphs (₹ in crore)	No. of paragraphs accepted	Money value of accepted paragraphs (₹ in crore)	Amount recovered during the year (₹ in crore)	Cumulative position of recovery of accepted cases
2007-08	2	0.44	0	0	0	0
2008-09	1	0.03	0	0	0	0
2009-10	0	0	0	0	0	0
2010-11	0	0	0	0	0	0
2011-12	1	0.20	0	0	0	0
Total	**4**	**0.67**	**0**	**0**	**0**	**0**

From the above table, it is seen that during the last five years nil amount was accepted. Consequently, there was nil amount recovered by the departments.

4.1.9(b)(ii) Action taken on the recommendations accepted by the Departments/Government

The draft Performance Audit (PAs) conducted by the AG are forwarded to the concerned Departments/Government for their information with a request to furnish their replies. These PAs are also discussed in the Exit Conference and the

Department's/Government's views are included while finalising the PAs for the Audit Reports.

During the period from 2002-03 to 2011-12, two Performance Audits in respect of Finance (Taxation) Department were featured in the Audit Report – 2008-09 and 2010-11. Details are given in the following table:

Table No. 4.13

Year of Audit Report	Name of the review	No. of recommendations	Details of the recommendations accepted
2008-09	Transition from Sales Tax to Value Added Tax	7	-
2010-11	Performance Audit on 'Utilisation of declaration forms in Inter State Trade'	5	-

4.1.10 Results of audit

4.1.10(a) Position of local audit conducted during the year

Test check of the records of 7 units of Transport, Forest and Finance (Taxes) departments conducted during the year 2012-13 revealed underassessment/short levy/loss of revenue/non-realisation of outstanding revenue aggregating ₹ 1.87 crore in 20 cases.

4.1.10(b) This Report

This Report contains three paragraphs involving financial effect of ₹ 1.20. The reply to one paragraph has been received (January 2014). The audit findings are discussed in succeeding paragraphs.

FINANCE (TAXATION) DEPARTMENT

4.2 Evasion of tax

Laxity on the part of the Assessing Authority to ensure the correctness of the information contained in the Return from other relevant records of the dealer led to evasion of tax amounting to ₹ 20.45 lakh. Besides, an amount of ₹ 8.57 lakh was also not levied as interest.

Section 32 of the Nagaland Value Added Tax (NVAT) Act, 2005 requires that the appropriate Assessing Authority (AA) on the basis of the information contained in the Return filed by the dealer scrutinise the correctness of the tax assessed by the dealer himself. Section 58 of the Act further states that where in any particular year, the gross turnover of a dealer exceeds forty lakh rupees, then such dealer shall get his accounts in respect of that year audited by an accountant[1] within six months from the end of that year and obtain a report of such audit in the prescribed form duly signed

[1] Chartered Accountant

and verified by such accountant and setting forth such particulars as may be prescribed. A true copy of such report shall be furnished by such dealer to the Commissioner by the end of the month after expiry of the period of six months during which the audit would have been completed. Further as per Section 29 of the Act *ibid,* interest at 2 *per cent* per month is payable from the date the tax payable had become due to the date of its payment or to the date of order of assessment, whichever is earlier. Further under Section 57 of the NVAT Act, the Commissioner may for any purpose related to the administration or enforcement of the provisions of this Act, by notice, require any person to provide the Commissioner any information or additional information including return under this Act.

During scrutiny of Auditor's Report (Annual Accounts) of a registered dealer[2], dealing in medicines, submitted to audit for obtaining Audit Certificate[3] it was seen that the dealer had sold medicines valued at ₹ 11.17 crore during 2009-10 to 2012-13. In order to ascertain the status of payment of NVAT, assessment records of the dealer were called for from the Deputy Commissioner of Taxes (DCT), Kohima. Further, audit observed that the firm had neither submitted any Returns nor paid any tax during the above period. Hence, it was pointed out in audit that there was an evasion of tax by the dealer.

On being pointed out by audit (April 2013) the dealer was served notice (May 2013) under various sections[4] of the NVAT Act. As reported by the AA, the dealer appeared before the AA (May 2013) and furnished Returns along with all books of accounts such as sales & purchase registers and purchase bills. On the basis of those records, the dealer was assessed and levied ₹ 2.70 lakh as tax and ₹ 0.40 lakh as penalty (June 2013) after allowing Input Tax Credit (ITC) of ₹ 26.80 lakh by the AA as shown in the following table. However, the accounts audited by the Chartered Accountant was neither called for nor submitted by the dealer.

Table No. 4.14

Year	Gross Turn Over (₹)	Tax payable @ 4% for 2009-10 & 2010-11 and 4.75% for 2011-12 & 2012-13 (₹)	Input Tax Credit allowed (₹)	Output tax payable (₹) (col 3-4)	Penalty levied (₹)	Amount deposited (₹) (Col 5+6)
1	2	3	4	5	6	7
2009-10	13560475	542419	493072	49347	10000	59347
2010-11	14323814	572953	520863	52093	10000	62093
2011-12	15692128	745376	676999	68377	10000	78377
2012-13	21101052	1089411	989181	100230	10000	110230
Total	**64677469**	**2950159**	**2680115**	**270047**	**40000**	**310047**

Cross verification of the Returns &Trading Accounts submitted by the dealer to the AA with the Annual Accounts submitted to audit revealed that the dealer concealed GTO/Sales amounting to ₹ 4.70 crore resulting in evasion of tax to the tune of ₹ 20.45

[2] Bethel Medical Centre, Kohima.
[3] Upgradation of Infrastructure at Bethel Medical Centre funded by North Eastern Council (NEC)
[4] Section 35,36,37 and 39

lakh. Further, an amount of ₹ 8.57 lakh was also payable by the dealer as interest under Section 29 of the Act as shown in the following table:

Table No. 4.15

Year	GTO as per Return (₹)	Sales/GTO as per Annual Accounts (₹)	Amount of Sales escaped assess-ment (₹)	VAT payable on sales escaped assessment (₹)	Month of assessment	Period of interest	Interest @ 2 per cent per month on amount at col 5 + amount at *col 5 of table 4.14 above* (₹)
1	2	3	4	5	6	7	8
2009-10	13560475	26322905	12762430	510497	May 2013	1/5/2010 to 15/5/2013 (36.5 Months)	408686
2010-11	14323814	26903224	12579410	503176		1/5/2011 to 15/5/2013 (24.5 months)	272082
2011-12	15692128	28618395	12926267	613998		1/5/2012 to 15/5/2013 (12.5 months)	170594
2012-13	21101052	29877659	8776607	416889		1/5/2013 to 15/5/2013 (0.5 months)	5171
Total	**64677469**	**111722183**	**47044714**	**2044560**			**856533**

Thus, failure of the AA in ascertaining the correctness of the information furnished as per the Annual Return from Annual Accounts and other records of the dealer as required under the Act led to evasion of tax amounting to ₹ 20.45 lakh by the dealer by concealment of taxable turnover. Besides, an amount of ₹ 8.57 lakh was also payable as interest.

The matter was reported to the Government (July 2013). Reply had not been received (January 2014).

FINANCE (TAXATION) DEPARTMENT

4.3 Evasion of tax

Laxity on the part of the Assessing Authority to ensure the correctness of the information contained in the Annual Return from other relevant records of the dealer led to evasion of tax amounting to ₹ 15.51 lakh. Besides, an amount of ₹ 8.53 lakh was also not levied as interest.

Section 32 of the NVAT Act provides that the appropriate Assessing Authority (AA) on the basis of the information contained in the return filed by the dealer should scrutinise the correctness of the tax assessed by the dealer himself. For this purpose, the AAs may require the dealer to produce any account, documents or any other evidence as may be deemed necessary. Further as per Section 29 of the Act ibid, interest at 2 *per cent* per month is payable from the date the tax payable had become due to the date of its payment or to the date of order of assessment, whichever is earlier.

During scrutiny of Auditor's Report (Annual Accounts) of a registered dealer[5] dealing in medicines submitted to audit for obtaining Audit Certificate[6] it was seen that the dealer had sold medicines valued at ₹ 387.97 lakh during 2009-10 to 2011-12. In

[5] M/s Oking Hospital and Research Clinic Pvt. Ltd.
[6] Upgradation of Infrastructure at Oking Hospital & Research Clinic funded by NEC

order to examine the status of payment of Value Added Tax, assessment records of the dealer from the Assistant Commissioner of Taxes, Kohima were called for. From the records obtained from the AA, it was observed that the dealer had submitted Annual Returns in all the three years and the AA completed scrutiny under Section 32 and completed assessment during September 2011 and April 2013. Cross verification of those records (Return in Form VAT-4 and Trading Accounts) with the Annual Accounts furnished to audit by the dealer showed that there was understatement of sales by ₹ 341.73 lakh during the period leading to evasion of tax amounting to ₹ 15.51 lakh as shown below:

Table No. 4.16

Year	Sales as per the firm's Annual Accounts (₹)	Gross Sales as per VAT Return (₹)	VAT levied) (₹)	Amount of Sales escaped assessment (2-3) (₹)	VAT payable on sales escaped assessment (2009-11 4%) 2011-12 4.75%) (₹)
1	2	3	4	5	6
2009-10	5099618	233399	29175	4866219	194649
2010-11	5062714	252768	31596	4809946	192398
2011-12	28634565	4137905	38553[7]	24496660	1163591
Total	**38796897**	**4624072**	**99324**	**34172825**	**1550638**

Source:-Annual Accounts and assessment file of the dealer.

When the matter was brought to the notice of the Department (April 2013) the Superintendent of Taxes, Kohima served (April 2013) a demand notice to the dealer directing him to pay the remaining amount of tax within one month. However, the dealer sought (May 2013) extension of time for another one month which was further extended upto July 2013 and the matter was pending upto January 2014.

Further, an amount of ₹ 8.53 lakh was also leviable as interest @ 2 *per cent* of the tax amount payable, per month from the last date for filing the return[8], till the date of passing the AO as per provisions contained in section 29 of the NVAT Act detailed in the table below:

[7] Excluding Input Tax Credit of ₹ 182728 allowed at 4.75 % on VAT paid sales of 3846909

[8] 30th April of the succeeding year

Table No. 4.17

Year	VAT payable on sales escaped assessment (Ref Col 6 of above table) (₹)	Month of reassessment	Period of interest	Amount of interest (₹)
2009-10	194649	April 2013	May 2009 to April 2013 (47 months)	182970
2010-11	192398		May 2010 to April 2013 (35 months)	134679
2011-12	1163591		May 2011 to April 2013 (23 months)	535252
Total				**852901**

Source:-Annual Accounts and assessment file of the dealer.

Thus, failure of the AA in ascertaining the correctness of the information furnished as per the Annual Return from Annual Accounts and other records of the dealer as required under the act led to evasion of tax amounting to ₹ 15.51 lakh by the dealer due to concealment of taxable turnover. Besides, an amount of ₹ 8.53 lakh was also payable as interest.

The matter was reported to the Government (June 2013); their replies had not been received.

GEOLOGY AND MINING DEPARTMENT

4.4 Loss of revenue

The Department's failure to revise the rate of royalty on coal in time resulted in a loss of revenue of ₹ 0.67 crore.

Government of India (GOI) Introduced[9] the Mines and Minerals Development Regulations (MMDR) Act in 1957 for regulation of mines and the development of minerals under the control of the Union. This Act extends to the whole of India. Sub-section 3 of section 9 of the Act empowers GOI to levy, amend, enhance or reduce the rate of royalties payable by the licensee or prospecting licensee in respect of any mineral with effect from such date as may be specified in the notification. The Act *inter-alia* also provides that the Central Government shall not enhance the rate of royalty in respect of any mineral more than once during any period of four years.Based on the above MMDR Act, GOI[10] fixed (August 2002) the royalty rate for coal at ₹ 165 per tonne which was subsequently enhanced (August 2007) to ₹ 230[11] per tonne.

[9] 1st June 1958 vide notification number SRO 432 dated 29th May 1958.

[10] G.S.R. 572 (E) dated 16th August 2002.

[11] calculated in formula R=a+bp where R is the royalty rate, **a** = ₹ 130, **b** is 5 *per cent* and p is the pithead value of coal i.e. ₹ 2000. Thus the value of R in Nagaland is ₹ 230 per ton.

Government of Nagaland also introduced (July 1993) "The Nagaland Ownership and Transfer of Land and its Resources (NOTLR) Act, 1990" to provide, in public interest, for the ownership and transfer of land and its resources in the State of Nagaland, for the imposition of tax on mineral right. Section 15 of NOTLR, empowers State Government to make rules in respect of minerals and sub-section 2(h) stipulates that "the fixing and collection of rent, royalty, cess, dead rent, fines or other charges and the time within which and the manner in which these shall be payable". The NOTLR Act *inter-alia* provides that the State Government shall not enhance the rate of royalty in respect of any mineral more than once during any period of two years.

On the basis of NOTLR Act, Government of Nagaland introduced[12] "The Nagaland Coal Mining Rules, 2006" and adopted the rates fixed by GoI for levying royalty on extracted coal @ ₹ 165 per tonne[13] and continued to levy royalty at this rate till 2011-12 even though GOI had enhanced the royalty from ₹ 165 to ₹ 230 per tonne in August 2007.

During 2009-10 to 2011-12, the State extracted 1,03,666 MT of coal through 61 private coal extractors and received royalty of ₹ 1.71 crore from the private parties at the rate of ₹ 165 per tonne. Thus, non-revision of royalty as notified by GOI resulted in loss of Government revenue amounting to ₹ 0.67 crore (1,03,666 x ₹ 65 per tonne). In January 2014, the State Cabinet decided to enhance the existing coal royalty rate from ₹ 165 per tonne to ₹ 290 per tonne as fixed by GoI.

The Department replied (April 2013) that no Act of Parliament in respect of (i) Religious social practice of the Nagas, (ii) Naga Customary law and procedures,(iii) Administration of Civil and Criminal justice involving decisions according to the Naga Customary law and (iv) Ownership and transfer of land and its resources shall apply to State of Nagaland unless Legislative Assembly by a resolution so decides. Accordingly NOLTR Act 1990 was enacted and coal mining rules are framed and royalties are collected. It is true that State levied royalty on coal as per the NOLTR Act, 1990 but while fixing the royalty rate it followed the GOI's gazette notification due to which royalty rates were fixed at ₹ 165 per tonne in 2006. The Government further stated that Section 10(3) of the NOLTR Act shall not allow enhancement of royalty more than once during the period of two years and the Act does not mandate any specific time frame for revision of royalty.

[12] No. GM-21/coal/1/2005 dated Kohima, the 18th March 2007.

[13] This royalty rate was based on the rate introduced by the GOI in 2002.

The fact however, remained that the Department could have revised the rate of royalty after a lapse of two years i.e.in 2009 as permissible under the Act. The Department by delaying the enhancement of royalty therefore, lost the opportunity to raise an amount of ₹ 0.67 crore from the coal extracted during 2009-10 to 2011-12.

CHAPTER – V

GENERAL SECTOR

CHAPTER - V

GENERAL SECTOR

5.1 Introduction

This Chapter of the Audit report for the year ended 31 March 2013 deals with the findings on audit of the State Government units under General Sector.

The names of the State Government departments and the total budget allocation and expenditure of the State Government under General Sector during 2012-13 are given below:

Table No. 5.1.1

(₹ in crore)

Name of the departments	Total Budget allocation	Expenditure
State Legislature	43.84	38.93
Head of State	4.23	4.23
Council of Ministers	9.98	9.83
Law & Justice	37.41	35.76
Election	21.45	21.32
Public Service Commission	4.57	4.41
Civil Secretariat	116.66	116.06
District Administration	173.75	113.55
Treasuries and Accounts	28.79	28.11
Police	874.74	849.33
Police Engineering Project	123.06	57.98
Village Guards	40.93	35.49
Jails	28.09	26.68
Stationery & Printing	16.10	15.09
Public Works(Housing)	103.89	133.25
CAWD	58.24	56.79
Mechanical Engineering	33.30	33.70
Home Guards	18.79	18.29
Vigilance Commission	4.51	4.48
Administrative Training Institute	4.97	4.75
Fire and Emergency Services	18.90	13.97
State Guest Houses	9.88	10.02
State Information Commission	1.25	1.23
Finance Department	3527.44	3502.20
Land Revenue	0.72	0.62
State Excise	15.61	15.60
Sales Tax	17.95	14.60
Taxes on Vehicles	13.64	14.71
State Lotteries and Small savings	2.0	2.0
Total number of departments=29	**5354.69**	**5182.98**

5.2 Planning and Conduct of Audit

Audit process starts with the assessment of risks faced by various departments of Government based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of overall internal controls and concerns of stake holders.

After completion of audit of each unit on a test check basis, Inspection Reports containing audit findings are issued to the heads of the departments. The departments are to furnish replies to the audit findings within one month of receipt of the Inspection Reports. Whenever replies are received, audit findings are either settled based on reply/action taken or further action is required by the auditee for compliance. Some of the important audit observations arising out of these Inspection Reports are processed for inclusion in the Audit reports, which are submitted to the Governor of State under Article 151 of the constitution of India for being laid on the table of the Legislature.

During the year, test-check of audits involving expenditure of ₹1288.69 crore (including funds pertaining to previous years audited during the year) of the State Government under General sector were conducted. This chapter contains findings of audit on Procurement and Distribution of Ration in Police Department and three compliance audit paragraphs.

HOME (POLICE) DEPARTMENT

5.3 AUDIT ON PROCUREMENT AND DISTRIBUTION OF RATION

Highlights:

Estimation and provisioning were not commensurate with the actual feeding strength which had resulted in excess expenditure of ₹ 29.20 crore without corresponding benefits to the personnel. There were instances of payments without actual receipt of materials by the Police Central Store and in the selected units.

(Paragraphs 5.3.6.1 to 5.3.6.7)

Budgeting was unrealistic as in all the years from 2008-09 to 2012-13 the actual expenditure exceeded the original budget ranging from 19 *per cent* to 91 *per cent*. The actual expenditure also exceeded the revised estimates by 77 per cent and 40 *per cent* in 2011-12 and 2012-13 respectively.

(Paragraph 5.3.7)

Against the actual liability of ₹ 12.16 crore for procurement of ration during 2008-09 to 2011-12, an amount of ₹ 16.45 crore was incurred resulting in fictitious clearance of liability to the tune of ₹ 4.29 crore.

(Paragraph 5.3.7.1)

The contracts were awarded based on limited tender involving very few contractors. Hence, competitive rates were not obtained which indicate possibility of cartelization.

(Paragraphs 5.3.8.3)

The Department did not devise any system for evaluation of the quality and quantity of ration supplied to the personnel. Audit survey indicated that the personnel were not fully satisfied with the quality of ration issued and the frequency of issue was also found to be erratic. The samples of dry rations were never sent to the laboratory for testing. The storage facilities in all the selected units were found to be in dilapidated condition.

(Paragraphs 5.3.9.1 to 5.3.9.4)

5.3.1 Introduction

The Government of Nagaland, Home Department was providing free ration to the personnel till January 1993. It was thereafter dis-continued and a monthly ration allowance paid in lieu of free ration. However, the Government re-introduced the scheme for providing rations to the armed personnel from April 1998[1]. The Director General of Police is entrusted with the responsibility of providing rations to the Nagaland Armed Police and the India Reserve Battalion by engaging contractors for supply of ration items. The items of rations are divided into two categories namely dry and wet. Dry items comprise of rice, atta, dal, sugar, tealeaf, ghee and dry chilly etc., whereas items like vegetables, meat, milk etc., constitute wet rations. It was the primary responsibility of the Home (Police) Department to provide wholesome and nutritious food to armed personnel to meet their calorific and nutritional requirements. While the Commandants were authorised to procure 12 dry and wet items at their level, four major items such as milk powder, vegetable ghee, dry chilly and tealeaf were procured centrally by the Police Headquarter. During the period from 2008-09 to 2012-2013, an amount of ₹ 167.58 crore was spent for procurement of rations.

5.3.2 Scope of Audit

The Audit was carried out in the Office of the Director General of Police and four Battalion Headquarters of the Nagaland Armed Police[2] and two India Reserve Battalions[3] out of 15 Armed Battalions. Besides, records maintained in the Central Store and the Nagaland Armed Police Training Centre was test checked. The selection of Battalions was determined through sampling considering the factors like feeding strength and the proportion of expenditure incurred. An entry conference was held on 18 April 2013 which was attended by Deputy Inspector General of Police and officials from the Home Department. On completion of the audit, an exit conference attended by the Special Secretary Home, Government of Nagaland, Inspector General of Police (Hqr) and Officers of the Department was held on 23 September 2013 to discuss the findings of audit. The report was finalised after incorporating the replies of the Department at appropriate places.

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1 Vide Notification No.FIN/ROP/1/1998 dated 19 February 1998

2 1st NAP, 2nd NAP, 6th NAP and 7th NAP

3 9th IRB and 13th IRB

5.3.3 Audit Objectives

The audit of the Procurement of Rations was carried out to assess whether:

- the system of provisioning of rations ensured realistic estimation of requirement without significant over or under procurement and stocking;
- budget estimates were reliable and the financial management was adequate and effective;
- the management of contracts was done in an efficient manner to ensure effectiveness and economy without compromising the quality.
- there exist an effective and well defined distribution system as per the prescribed scales, variety and qualitative standards. The storage facilities are adequate and were also in good condition.

5.3.4 Audit Criteria:-

The audit objectives were bench- marked against the criteria obtained from the following sources:

- Financial Rules
- Instructions/circulars/orders issued by the Government
- Police manuals
- Tender documents
- Quarterly and annual returns of the commanding officers

5.3.5 Acknowledgement

The Accountant General (Audit), Nagaland gratefully acknowledges the co-operation extended by the officers of the Director General of Police and the Commanding Officers.

5.3.6. Audit Findings

5.3.6.1. Provisioning and estimation of ration

Objective :1-The system of provisioning ensured realistic estimation of requirement for rations without significant over or under procurement and stocking.

Provisioning is the process of estimation of the annual demand for rations for which procurement is made. In view of the large feeding strength coupled with limited shelf life of the rations provided, correct estimation of requirement is a very important task. Realistic provisioning becomes extremely important from the point of view of inventory management as unrealistic provisioning can lead to over provisioning, which in turn causes wastage and leads to excess expenditure. The primary parameters for provisioning is the annual feeding strength taking into account the level of posted strength such as personnel on leave, retirement and the closing stock. During audit we found that the provisioning was done without considering the opening balance of stock, personnel on leave and personnel due for retirement.

During the period from 2008-09 to 2012-13 the total feeding strength in Nagaland Armed Police worked out to 2,82,86,449 mandays. However, during the same period estimation of funds was done taking into account the feeding strength as 2,88,62,375 which was in excess by 5,75,926 mandays as detailed in the table below:-

Table No. 5.3.1

Year	Feeding strength taken for estimation of funds	Actual Feeding strength	Excess feeding strength
2008-09	5182635	**4983416**	199219
2009-10	5919935	**5651623**	268312
2010-11	5919935	**5844898**	75037
2011-12	5919935	**5896249**	23686
2012-13	5919935	**5910263**	9672
Total	**28862375**	**28286449**	**575926**

Source: Departmental figure

The impact due to excess projection of mandays are discussed in the succeeding paragraphs.

The Department stated (September 2013) that the feeding strength projected is the sum average.

A. Dry Ration

5.3.6.2 Centrally procured dry ration

As per scale of ration per personnel per day the requirement of centrally procured dry rations such as Milk Powder, Ghee, Tea Leaf and Dry Chilly for the entire 16 units for the period from 2008-09 to 2012-13 is worked out as under:-

Table No. 5.3.2

Year	Centrally procured dry Ration		
	Quantity procured (in MT)	Quantity actually required (in MT)	Difference in quantity
2008-09	415.04	525.75	(-)110.71
2009-10	1363.04	596.25	766.79
2010-11	621.68	616.64	5.04
2011-12	958.01	622.05	335.96
2012-13	750.23	623.53	126.70
Total	**4108**	**2984.22**	**1123.78**

Source: Departmental records

As could be seen from the table above, against the actual requirement of 2984.22 MT dry ration during the last five years, the Department procured 4108 MT valued at ₹ 44.95 crore resulting in excess procurement of 1123.78 MT dry ration valued at ₹ 11.54 crore.

The Department in reply (September 2013) stated that the feeding strength projected by the Department stands correct. The reply is not based on facts and therefore, not acceptable as the actual monthly feeding strength obtained from all the 16 units is less than that projected by the Department.

5.3.6.3 Dry ration procured by units

During the period from 2010-13, the seven selected units required 4884.85 MT of three dry ration items such as Rice, Atta and Sugar. Against the requirements, the selected units procured 5073.40 MT resulting in excess procurement by 188.55 MT as detailed below:-

Table No. 5.3.3

Year	Dry Ration procured by units		
	Quantity procured (in MT)	Quantity actually required (in MT)	Difference in quantity
2010-11	1615.08	1600.61	14.47
2011-12	1738.41	1652.83	85.58
2012-13	1719.91	1631.41	88.50
Total	**5073.40**	**4884.85**	**188.55**

Source: Departmental records

The excess procurement of dry rations by the seven selected units resulted in excess expenditure of ₹ 4.25 crore.

The Department in reply (September 2013) stated that the feeding strength projected by the Department stands correct and also the feeding strength is never static considering the last ration certificates (LRCs) issued and received by the units and to base any findings on the feeding strength of one month would be erroneous and faulty. But the fact remains that the observation was based on the feeding strength of all the battalions for all the months in a year and was not based on the feeding strength of one month as mentioned by the Department in their reply.

B. Wet Ration

5.3.6.4 Shortfall in procurement

Similarly, the requirement and procurement of six wet ration items i.e. Dal, Potato, Onion, Fresh vegetables, MOH/Khasi and Pork in seven selected units during 2010-2013 were assessed in audit which revealed the following as detailed in **Appendix 5.3.1**.

As could be seen from the **Appendix 5.3.1** during the year 2010-13, against the requirement of 3552.66 MT of six wet ration items by five (6^{th} NAP,7^{th} NAP,9 IRB,13 IRB and NAPTC) out of the seven selected units, only 3419.33 MT were procured resulting in shortfall of 133.33 MT. Thus, the possibility of the personnel being deprived of their entitled scale of wet ration cannot be ruled out.

In reply (September 2013) the Department while assuring that the matter will be looked into to ensure correct provisioning and procurement in future stated that the personnel availing leave, retirements and last ration certificates issued to other units should be considered.

The fact remains that assessment by the Department were done on static feeding strength whereas, audit assessments of the actual requirements were done purely on the basis of personnel available in respect of the seven test checked units after

considering the LRCs received from other units and also LRCs issued by the respective units to other units.

5.3.6.5 Excess procurement

During 2010-13, two out of the seven selected units procured excess wet rations as detailed below:-

Table No. 5.3.4

(Quantity in metric Tonnes and ₹ in lakh)

Name of the Battallion	Year	Name of the items																		
		DAL			Potato			Onion			Veg			MOH Khasi			Pork		
		Required	Purchase	Shortfall/ Excess	Required	Purchase	Shortfall/ Excess	Required	Purchase	Shortfall/ Excess	Required	Purchase	Shortfall/ Excess	Required	Purchase	Shortfall/ Excess	Required	Purchase	Shortfall/ excess
1NAP	2010-11	30.01	28.46	-1.55	38.84	36.30	-2.54	19.42	18.16	-1.26	88.27	82.37	-5.90	35.31	32.45	-2.86	26.48	24.82	-1.66
	2011-12	31.92	32.11	0.19	41.31	53.40	12.09	20.66	29.69	9.03	93.89	104.93	11.04	37.56	39.29	1.73	28.17	30.98	2.81
	2012-13	33.16	41.40	8.24	42.91	53.14	10.23	21.45	26.54	5.09	97.52	120.72	23.20	39.01	48.61	9.60	29.26	36.10	6.84
Sub-Total		**95.09**	**101.97**	**6.88**	**123.06**	**142.84**	**19.78**	**61.53**	**74.39**	**12.86**	**279.68**	**308.02**	**28.34**	**111.88**	**120.35**	**8.47**	**83.91**	**91.90**	**7.99**
2NAP	2010-11	21.17	26.35	5.18	27.40	34.05	6.65	13.70	17.02	3.32	62.26	88.68	26.42	24.91	35.47	10.56	18.68	23.22	4.54
	2011-12	22.53	42.10	19.57	29.16	49.27	20.11	14.58	24.90	10.32	66.27	103.00	36.73	26.51	57.50	30.99	19.88	36.29	16.41
	2012-13	23.20	38.20	15.00	30.02	58.83	28.81	15.01	27.20	12.19	68.23	124.75	56.52	27.29	48.70	21.41	20.47	43.20	22.73
Sub-Total		**66.90**	**106.65**	**39.75**	**86.58**	**142.15**	**55.57**	**43.29**	**69.12**	**25.83**	**196.76**	**316.43**	**119.67**	**78.71**	**141.67**	**62.96**	**59.03**	**102.71**	**43.68**
Grand Total of six items		161.99	208.62	46.63	209.64	284.99	75.35	104.82	143.51	38.69	476.44	624.45	148.01	190.59	262.02	71.43	142.94	194.61	51.67
Total of six items for three years in respect of two units												**Actual requirement**			**Actually procured**			**Difference**	
												1286.42			**1718.20**			**431.78**	

Source: Departmental records

As would be seen from above, against the requirement of 1286.42 MT of six wet ration items by the two units (1st NAP and 2nd NAP), 1718.20 MT were procured resulting in excess procurement of 431.78 MT involving ₹ 1.98 crore.

The Department in its reply (September 2013) stated that initially LRCs for personnel deployed in Delhi were issued against 1st and 2nd NAP. The reply is not acceptable as the requirements were assessed purely on the feeding strength of the units on that particular day/month which is inclusive of the LRCs received from other units and excluding LRCs issued by respective units. The feeding strength obtained from the 1st and 2nd NAP also did not indicate any abnormal increase in the feeding strength during that period.

5.3.6.6 Payment without actual receipt

The Director General of Police centrally procures four dry items as per the feeding strength of each respective battalion. Test check of records revealed that the Director General of Police procured 4107.99 MT of four items involving a total expenditure of ₹ 44.69 crore for the units during the last five years as detailed below:-

Table No. 5.3.5

(Quantity in Metric Tonnes)

Year	Total Quantity procured and paid as per bill				Quantity actually received by the Police Central Store, Chumukedima.			
Year	V.Ghee (Rasoi/ Jindal)	Milk Powder (Gold/Nova)	Tea Leaf	Dry Chilly	V.Ghee (Rasoi/ Jindal)	Milk Powder (Gold/Nova)	Tea Leaf	Dry Chilly
2008-09	191.46	134.15	33.53	55.89	311.73	178.87	44.12	69.89
2009-10	670.75	367.10	77.22	247.97	325.93	89.14	34.98	81.38
2010-11	248.92	265.56	40.20	67.00	355.08	196.66	53.28	88.80
2011-12	503.30	242.11	101.60	111.00	355.34	196.81	53.28	88.80
2012-13	425.16	225.83	32.64	66.60	353.95	196.08	53.28	88.80
Total	**2039.59**	**1234.75**	**285.19**	**548.46**	**1702.03**	**857.56**	**238.94**	**417.67**
Total of four items	**4107.99**				**3216.20**			

Source: Departmental records

As could be seen from the above table, against the total procurement of 4107.99 MT of four items of dry ration, only 3216.20 MT of these four items valued at ₹ 33.26 crore were received by the Officer-in-Charge, Police Central Store (PCS). This resulted in excess payment of ₹ 11.43 crore without actual receipt of 891.79 MT of dry ration.

The Department in its reply (September 2013) stated that payments were made inclusive of the liability from the preceding financial year.

The reply is not acceptable as the total receipts during the year should be equal to the quantity actually paid as certified in the body of the supplier's bill even though payments were made in the subsequent year.

5.3.6.7 Discrepancy between issue by PCS and receipt by the units.

Out of 3216.20 MT received by the Officer-in-Charge, PCS, Chumukedima during 2008-09 to 2012-2013, a total of 1411.74 MT dry ration were distributed to the seven units test checked as per issue register of the Officer-in-Charge, PCS. Cross verification of the stock register maintained by the test checked units however, revealed that 1478.75 MT of these items were actually received by the seven units as detailed below:-.

Table No. 5.3.6

(Quantity in Metric Tonnes)

Year	Quantity issued by PCS to the seven selected units				Quantity actually received by the selected seven units.			
	V.Ghee (Rasoi/ Jindal)	Milk Powder (Gold/Nova)	Tea Leaf	Dry Chilly	V.Ghee (Rasoi/ Jindal)	Milk Powder (Gold/Nova)	Tea Leaf	Dry Chilly
2008-09	130.13	80.23	21.67	32.56	138.90	88.51	18.31	36.48
2009-10	146.37	76.97	25.96	33.87	173.16	88.20	22.57	37.18
2010-11	131.18	74.95	22.71	37.93	134.65	82.90	21.24	36.65
2011-12	153.54	83.37	22.96	39.37	153.01	83.23	21.25	36.10
2012-13	150.86	86.58	23.56	36.97	154.39	90.39	23.68	37.95
Total	**712.08**	**402.10**	**116.86**	**180.70**	**754.11**	**433.23**	**107.05**	**184.36**

Source: Departmental records

As could be seen from the table above, there is inconsistency between the items issued by the PCS and actually received by the test checked units as discussed below:-

(i) During the last five years, the PCS actually issued 712.08 MT of Ghee against which the seven test checked units recorded receipt of 754.11 MT i.e. excess of 42.03 MT. Similarly against the actual issue of 402.10 MT of Milk Powder by the PCS, the seven test checked units recorded receipt of 433.23 MT i.e excess of 31.13 MT. The seven test checked units also recorded an excess receipt of dry chilly by 3.66 MT.

(ii) In respect of Tea Leaf against the actual issue of 116.86 MT by the PCS, the seven test checked units recorded receipt of 107.05 MT resulting in short receipt of 9.81 MT.

The discrepancies in distribution and receipt inter-alia indicated absence of proper accounting and management system in the Department.

The Department in reply (September 2013) stated that there is no discrepancy between issue by the PCS and receipts by the units. The Department further stated that due to law and order problem loans are provided for emergency duties. The Department also stated that failure of the units to keep proper records resulted in understatement/overstatement of ration actually issued.

The reply is factually incorrect as there were visible discrepancies between quantity issued by PCS and received by the units. Further the stock ledger of the PCS and the units indicated that loans given to the units were subsequently adjusted after deducting the quantity of loan given as and when rations were issued in the following months. As such, the discrepancies are not a result of the loan given but due to system failure.

5.3.7. Budgeting and financial management

Objective 2:-Budget estimates were reliable and the financial management was adequate and effective.

According to Note 3 of Appendix 3 under Rule 48 of General Financial Rules 2005, which is also being followed by the Government of Nagaland, the framing of the revised estimates for the current year should always precede estimation for the ensuing year. The revised estimate should be framed with great care to include only those items which are likely to materialise for payment during the current year. The budget estimates for the ensuing year should be prepared on the basis of what is expected to be paid under proper sanction during the ensuing year including arrears of previous years, if any.

While the actual feeding strength increased by 668207 and 193275 mandays over the previous year in 2009-10 and 2010-11due to raising of two battalions, the feeding strength increased marginally by 51351 and 14014 mandays over the previous year in 2011-12 and 2012-13.

However, the position of budget estimates and the expenditure showed a mixed trend not commensurate with the feeding strength during the period covered in audit as shown below:-

Table No. 5.3.7

(₹ in crore)

IYear	Original Budget	Revised Budget	Actual Expenditure (₹ in crore)	Excess(+)Savings(-) over revised estimates	Percentage increase of expenditure over the original budget
2008-09	17.93	21.00	21.25	(+) 0.25	**19**
2009-10	20.52	39.26	39.26	0	**91**
2010-11	20.52	32.03	32.03	0	**56**
2011-12	20.52	20.52	36.34	(+) 15.82	**77**
2012-13	27.62	27.63	38.70	(+) 11.07	40
	107.11	**140.44**	**167.58**	**(+) 27.14**	**57**

Source:- Demands for Grants and Appropriation accounts

In all the years from 2008-09 to 2012-13 the actual expenditure incurred exceeded the original budget ranging from 19 to 91 *per cent* indicating that budgeting was unrealistic.

During the year 2011-12 and 2012-13 there was substantial increase of expenditure over the revised estimates by ₹ 15.82 crore (77 *per cent*) and ₹ 11.07 crore (40 *per cent*). The variations in expenditure were due to nominal increase in prices, incorrect estimation coupled with un-necessary excess procurement which contributed to increase in actual expenditure as discussed in paragraph 5.3.6.1 and in succeeding paragraphs.

The Department while accepting the facts (September 2013) stated that the budget provided by the Government was always less than the original projection and hence, this problem arose.

5.3.7.1 Fictitious liability

According to Rule 53 of General Financial Rules 2005, in order to maintain proper control over expenditure, a Controlling Officer should obtain from the spending authorities liability statements in Form GFR 6 every month, starting from the month of October in each financial year. The Controlling Officer should also maintain a Liability Register in Form GFR 6.

The Department did not maintain a liability register in Form GFR-6 as laid down in the rules. The position of liability cleared during the period from 2008-13 is detailed below:-

Table No. 5.3.8

(₹ in crore)

Year	Actual opening balance of liabilities of previous year (₹ in crore)	Liability for the year as per departmental record (₹ in crore)	Actual liability with reference to fund availability and feeding strength for the year	Difference between actual liability and liability created (Col 3-Col.4)
1	2	3	4	5
2008-09	0	7.30	7.13	(+)0.17
2009-10	7.13	0	0	0
2010-11	0	3.60	0.65	(+)2.95
2011-12	0.65	5.55	4.38	(+)1.17
Total	**7.78**	**16.45**	**12.16**	**4.29**
2012-13	4.38	7.22	2.77	+4.45 (Liability for the year yet to be cleared)

Source: Departmental record

As could be seen from the table above, against the actual liability of ₹ 12.16 crore during 2008-09 to 2011-12 an amount of ₹ 16.45 crore[4] was cleared by the Department which resulted in fictitious clearance of liability to the tune of ₹ 4.29 crore.

In addition, during 2012-13 the actual liability worked out to ₹ 2.77 crore. However, the Department furnished records indicating that the liability for that year was ₹ 7.22 crore which was in excess by ₹ 4.45 crore. Thus, an additional liability of ₹ 4.45 crore was created.

However, the veracity of the purported liabilities could not be vouchsafed as records indicating the period and details could not be made available. The liability created was also not justified as the arrears of the previous year were already included in the revised estimates for the ensuing year.

The Department in reply (September 2013) stated that the records were inadvertently misplaced during re-organisation of the rooms and therefore, efforts were being made to trace the missing files. If the records are traced, it would be made available to audit at a later date.

The fact however, remains that liability for 2008-09 to 2011-12 amounting to ₹ 16.45 crore was cleared without any supporting records. The matter needs further investigation.

[4] ₹ 7.30 crore +₹ 3.60 crore + ₹ 5.55 crore

5.3.8 Contract Management

Objective 3:- The management of contracts was done in an efficient manner to ensure effectiveness and economy without compromising the quality.

5.3.8.1 Bulk purchase.

While the Director General of Police procures four items of dry ration for the entire armed battalions, wet rations were procured in a decentralised manner by the respective Commanding Officers at their level after inviting tenders. Notice Inviting Tenders (NITs) for procurement of four centrally procured items were issued from time to time by the PHQ. On receipt of the tender papers from the interested firms it was examined by the State Level Purchase Board (SLPB) and the suppliers were selected based on the recommendation of the SLPB.

Scrutiny of NITs revealed that Brands for Vegetable Ghee and Milk Powder were pre-determined which was evident from the fact that brands were indicated in the NITs. However, instead of procuring directly from the manufacturer, the Department procured the materials from local firms. Thus, the Department failed to avail the benefits of bulk purchase.

The Department in reply (September 2013) stated that bulk purchase from the manufacturers was not possible as the manufacturers insist for advance payment.

The fact remains that sufficient funds were provided by the Government for the purpose and therefore, placement of funds should be made by the Department in advance for the interest of State exchequer. Besides, the Department did not initiate any efforts to procure the material from the manufacturers at least in a staggered manner.

5.3.8.2 Transparency in bidding process

The Government of Nagaland, Home Department issued an office order[5] directing the DGP and the Commanding Officers to submit the quotations without recommending any bidders/firms for supply of dry and wet ration. Accordingly, on receipt of the quotations from the interested firms, the commanding officers prepared the comparative statements and submitted the same without any recommendations to the Government through DGP for approval.

As the Commanding Officers were directed not to recommend any firm irrespective of being the lowest bidder, the mechanism of entrusting the commanding officers of calling for quotations was more of a formality. Further, finalisation of tenders at the Government level yielded no tangible results as instances of variation of accepted rates were noticed as discussed in Paragraphs **5.3.8.3 (B)** and **5.3.8.4.**

The Department accepted the facts (September 2013).

[5] No.POL/GEN/1/RTN/98 dated 3 February 2009.

5.3.8.3 Selection of Suppliers

A. Centrally procured items

(i) During the year 2008-09 out of four participants for supply of vegetable ghee, three firms were awarded the supply order on the rate quoted by L1 at ₹ 75 including two firms (L2) who quoted the same rate at ₹ 91.

(ii) Similarly, in 2012-13 out of seven firms who participated in the bid for supply of vegetable ghee, the supply order was issued to six L2 bidders after rejecting the L1 bidder. The L1 bidder was rejected on the ground that he had not mentioned the name of the brand to be supplied in the tender papers.

(iii) During 2010-11 out of 12 firms who participated in the bid for supply of vegetable ghee, the supply order was awarded to four firms who quoted the second lowest uniformly at ₹ 75 instead of the firm who quoted the lowest ₹ 72 without assigning any reason. This resulted in avoidable excess expenditure of ₹ 15.53 lakh. Similarly, out of ten bidders, three firms who quoted the third lowest at ₹ 171 were selected for supply of Milk Powder instead of the L1 and L2 who quoted at ₹ 155 and ₹ 162 respectively without assigning any reasons. This resulted in avoidable excess expenditure of ₹ 47.80 lakh.

(iv) During 2012-13, ten firms participated in the bid for supply of Milk Powder. Of which one firm quoted the lowest at ₹ 171, the second and the third lowest quoted ₹ 180 and ₹ 190 respectively and the remaining seven firms quoted at same rate of ₹ 190.90. The L1 bidder was rejected on ground that the brand name was not specified in the tender papers. The supply works were awarded to all the remaining nine firms at ₹ 190.90 quoted by the highest seven bidders instead of the L2 rate. This resulted in avoidable excess expenditure of ₹ 28 lakh.

The contracts were awarded based on limited tender involving very few contractors. Hence, competitive rates were not obtained which indicate possibility of cartelization.

The Department in reply (September 2013) stated that quotations below market rate were summarily rejected.

The reply was not acceptable as no survey was conducted to assess the market rate. Besides, there were no records which indicated that the bidders were rejected on the ground that the rates quoted were below the market rate.

B. Ration procured by units

The Government authorised (January 2006) the Commanding Officers to procure three items of dry ration *viz*., Rice, Atta and Sugar directly from the open market as per the rate approved by the Deputy Commissioner (DC) of the District. However in 2012-13, the then Hon'ble Home Minister on the basis of an application received from a firm recommended for procurement of rice from a single contractor at a uniform rate of ₹ 20.50 stating that the firm will deliver the ration to the battalion

headquarters. Accordingly, the supply order was issued (June 2012) to the firm as recommended by the then Hon'ble Home Minister without mentioning that the material should be supplied to the battalion headquarters. In the same month (June 2012) the DGP however directed all the Unit Commanders to lift rice from the supplier based at Dimapur which indicated that rice was not delivered to battalion headquarters as recommended.

Audit observed that during the same period seven battalions based at Dimapur district were procuring rice at DC approved rate of ₹ 18. Thus, the Department incurred an avoidable excess expenditure of ₹ 11.51 lakh. This also indicates that the process of selection of suppliers was not transparent.

The Department in reply (September 2013) stated that since it was a directive of the Government, it had no comments.

5.3.8.4 Variation in rates

According to para IV of the minutes of the meeting (March 2010) of the State Level Purchase Board constituted by the Government, the rates of ration for units based in Chumukedima should be uniform. There are presently four battalion's viz. 1st NAP, 13th IRB, 15th IRB and NAPTC which are based in Chumukedima.

During scrutiny of records it was noticed that the rates of rations procured directly by these four unit commanders varied though they were stationed in the same locality which resulted in excess payment of ₹ 41.60 lakh as detailed in **Appendix-5.3.2**.

The Department accepted (September 2013) the observations pointed out by audit.

5.3.8.5 Procurement of Liquefied Petroleum Gas (LPG)

During the period covered by audit altogether six companies of Armed Police drawn from different battalion were deployed in Delhi for security duties. The personnel posted to Delhi were provided LPG in lieu of firewood.

Audit scrutiny revealed that five local suppliers were awarded the work for supply of LPG even though those firms do not possess valid licence to supply LPG in Delhi. LPG being a controlled commodity can be supplied only by authorised dealers of the LPG producing companies where the prices are also decided by the Government of India. As the supply works were awarded to unauthorised dealers at higher rates without considering the prevalent GOI approved rates, the Department incurred an avoidable excess expenditure of ₹ 27.43 lakh.

The Department while accepting the facts (September 2013) stated that procurement of LPG was done from private firms as the deployment of the personnel was unplanned and sudden with no time to prepare the groundwork. The Department further stated that arrangements were being made to procure the LPG from authorised firms.

The fact however, remains that the Department continued to procure LPG from unauthorised firms since February 2009 till December 2012 and therefore, the reply that there was no time to prepare the groundwork was not tenable.

5.3.8.6 Error in computation

During scrutiny of the bills and vouchers for the period from 2010-11 to 2012-13, it was seen that an amount of ₹ 40.42 crore was drawn in 20 bills for procurement of 1123.10 MT of dry and wet ration**.** Further scrutiny of the sub-vouchers revealed that against the actual payable amount of ₹ 9.25 crore in respect of 99 sub-vouchers, the suppliers were paid ₹ 10.29 crore by inflating the actual payable amount which resulted in excess payment of ₹ 1.04 crore (**Appendix-5.3.3)**.

The Department in reply (September 2013) stated further reply would be furnished after examining the bills thoroughly. It was also assured that in the event of any excess payments, it would be recovered from the suppliers concerned.

5.3.9 Delivery, Monitoring and Infrastructure.

Objective 4:- Whether there exist an effective and well defined distribution system and monitoring as per the prescribed scales, variety and qualitative standards. Whether the storage facilities were adequate and are in good condition.

As per the existing scale of ration followed by the Home (Police) Department, both wet and dry ration were to be provided daily. In respect of Meat on Hoof (MoH) and Pork, the personnel were entitled for 250 grams of MoH and 150 grams of pork every alternate day.

5.3.9.1 Survey

The Department had not devised any system to obtain periodic feedback from the personnel regarding the quality and quantity of rations distributed to them.

In an attempt to assess the satisfaction level of the personnel and the quality of rations provided, audit devised a survey format and 259 forms were issued to the personnel in seven selected units. The details of the survey report is given below:-

Table No. 5.3.9

Sl. No	Particulars	A				B			
		Percentage of respondents on Quality of products				Percentage of respondents on Frequency			
		Very good	Good	Average	Poor	Every day	Alternate days	Once in 15 days	Once in a month
1	Rice	3	76	21	0	43	15	1	32
2	Atta	7	56	23	12	43	15	0	29
3	Dal	0	53	39	8	44	14	0	31
4	Ghee	0	28	56	14	44	14	0	25
5	Milk Products	0	23	56	15	44	11	0	22
6	Eggs	7	59	8	0	0	14	24	17
7	Khasi/ Goat/ MoH	12	21	14	8	0	29	25	0
8	Pork	13	58	19	0	13	15	36	19
9	Tinned Fish	0	41	15	6	0	14	21	10
10	Fresh Vegetables	3	41	42	7	38	12	23	14

Source: Survey reports obtained from personnel

(i) As could be seen from the above table, the maximum of 7 *per cent* of the respondents reported that the dry rations provided were very good and 23 to 76 *per cent* graded as good while 8 to 15 *per cent* graded as poor. In respect of wet ration the maximum of 13 *per cent* graded the quality as very good, 21 to 59 *per cent* graded as good and 6 to 8 *per cent* graded as poor.

(ii) As regards the frequency of issue to the personnel, out of six dry and wet rations i.e. rice, atta, dal, ghee, milk powder and fresh vegetables which were to be issued daily only 38 to 44 *per cent* of the respondents reported receipt of the items daily, 11 to 15 *per cent* reported receipt every alternate day and 14 to 32 *per cent* reported receipt once in a month.

(iii) In respect of MoH and pork 15 to 29 *per cent* respondents reported receipt every alternate day, 25 to 36 *per cent* reported receipt once in 15 days and 19 *per cent* reported receipt once in a month.

It appears from the above that there is a need to improve the quality of rations issued to the personnal to enhance the satisfaction level. Besides, there is also a need to improve the frequency of issue of food items.

(iv) Though there was a provision for substitute item such as chicken, eggs and tinned fish in lieu of pork and MoH in the tender documents, the rate quoted by the suppliers in respect of eggs and tinned fish were lower than the rate of pork and MoH. Audit observed that the bills drawn by the units do not indicate procurement of tinned fish and eggs and no expenditure was incurred for procurement of those two items. However, during visits to the store of the selected units it was seen that tinned fish and eggs were provided *(photographs 1 to 4)* to the personnel in lieu of MoH and Pork which could be substantiated by the facts that 7 *per cent* graded the quality of eggs as very good and 59 *per cent* graded as good. In respect of tinned fish 41 *per cent* graded as good. In respect to the frequency in issue of eggs and tinned fish, 14 *per cent* reported receipt every alternate day, 21 to 24 *per cent* reported receipt once in 15 days and 10 to 17 *per cent* reported receipt once in a month.

The Department (September 2013) stated that changes would be adopted after conducting departmental survey.

(Photographs 1 to 4 – refer paragraph 5.3.9.1.(iv))

Photograph 1 taken on 30-05-2013 **Photograph 2 taken on 30-05-2013**

Tin fish stored at battalion store 13 NAP (IR)





Photograph 3 taken on 23-04-2013 **Photograph 4 taken on 23-04-2013**

Eggs and tin fish at 2 NAP





5.3.9.2 Distribution of fresh vegetables

While Audit would like to acknowledge that the volumes, local conditions and seasonal factors affect the availability of vegetable, it is also important to ensure that the bare minimum prescribed mix of vegetables are provided to the personnel to meet their calorific and nutritional requirements so as to enhance their performance. However, the stock registers maintained by the units did not reveal the quantity, variety and type of fresh vegetables indented and supplied by the suppliers. Therefore, audit could not decisively conclude that fresh rations in the prescribed mix and scale were being provided to the personnel.

The Department in reply (September 2013) assured to ensure that vegetables as prescribed under rules shall be distributed to the personnel.

5.3.9.3 Quality control issues

According to sub-clause v of clause 3 of the Agreement, the supplies must be of best quality and as per Government approved samples. Clause X of the terms and conditions of supply stipulated that Vegetable Ghee and Milk Powder should be supplied within three months from the date of manufacture and should have at least six months validity period for consumption at the time of inspection by the Line Committee.

(i) While the Department constitutes Line Committee for each financial year to evaluate and assess the quality and quantity of ration supplied before

accepting from the firms, the suppliers bill do not indicate the brand name, batch number, date of manufacture etc. in respect of vegetable ghee and milk powder (*photographs 5 to 8*). As such audit could not authenticate the certification by the Line Committee that the same brand indented was actually supplied during their shelf life.

(Photographs 5 to 8 –refer paragraph 5.3.4.3)

Photograph No. 5 taken on 27-04-2013
Vegetable Ghee label defaced lying at NAPTC store



Photograph No. 6 taken on 27-04-2013
Expired vegetable ghee stored at NAPTC store



Photograph No. 7 taken on 27-04-2013



Photograph No. 8 taken on 27-04-2013
Milk Powder – without date of manufacture



(ii) Audit also observed that the Line Committee conducts verification of the quality, quantity and specifications of the items supplied by the suppliers and recommends for acceptance. Instances came to notice of audit that the total quantity of materials verified by the Line Committee in a given day ranged between 37.51 MT to 269.14 MT. However, it was observed that the Police Central Store was not equipped with infrastructure such as Weigh Bridge or other heavy duty weighing facilities. As such in the absence of proper weighing facilities the Line Committee could not have actually weighed the entire consignment received by them in a single day which raises doubt of the veracity of the certificates regarding quantity received. This issue was substantiated by the fact that there were short receipt of ration items as discussed in paragraph 5.3.1.5 and 5.3.1.6.

(iii) The Department neither enlisted subject specialist as member in the Line Committee nor were the samples of the ration items supplied sent to any laboratory for testing. In the absence of scientific examination, the quality of the items supplied to the personnel remained un-confirmed.

(iv) According to clause 6 of the terms and conditions of contract, Pork/MoH supplied should accompany certificate from competent authority that the animal is free from illness and fit for human consumption. However, none of the units test checked obtained/ maintained any records about quality test by Veterinary authorities or any other competent authorities. As such, the quality of pork and MoH supplied could not be authenticated by audit.

The Department in reply (September 2013) stated that the main function of the line committee was to ensure selection of the correct brand in the bidding process. The reply is not acceptable as the line committees constituted by the Department had certified in all occasions that the exact quality and quantity of ration intended were received.

5.3.9.4 Infrastructure for storage and distribution

Dry ration items procured centrally were supplied quarterly and other dry items were procured monthly by the units. Wet ration items were procured on weekly and fortnightly basis and stored in the battalions and company stores.

During physical verification of the stores it was observed that none of the seven units test checked had adequate storage facilities at battalion and company levels. The available storage facilities were in a dilapidated condition due to lack of maintenance. A few illustrative cases are shown in the photographs 9 to 12 below:

(Photographs 9 to 12 – refer paragraph 5.3.9.4)

Photograph No. 9 taken on 27-04-2013 – Roof Ceiling at NAPTC



Photograph No. 10 taken on 07-05-2013 - Roof Ceiling at NAP 1



Photograph No. 11 taken on 27-04-2013
Roof Ceiling at NAPTC



Photograph No. 12 taken on 15-05-2013
Seepage in the floor at PCS



This poor storage facility exposes the scope of the ration to rot as well as deteriorate the quality of the rations.

The Department accepted the facts (September 2013) and stated that the resources made available to the Department for repair and renovation was limited. However, efforts are being made to repair the storage facilities.

5.3.9.5 Conclusion

Audit observed that the estimation and provisioning were not commensurate with the actual feeding strength which had resulted in injudicious excess expenditure of ₹ 29.20 crore[6] without corresponding benefits to the personnel. There were instances of payments without actual receipt of materials by the PCS and in the selected units. Budgeting was unrealistic as the actual expenditure incurred exceeded the original budget ranging from 19 per cent to 91 *per cent* during 2008-09 to 2012-13. The Department not only incurred an amount of ₹ 4.29 crore on clearance of fictitious liability but also created an additional committed liability of ₹ 4.45 crore for the future.

The bidding process was not transparent and biased as the lowest bidders were not awarded the supply works resulting in avoidable excess expenditure of ₹ 1.72 crore[7]. The contracts were awarded based on limited tender involving very few contractors. Hence, competitive rates were not obtained which indicate possibility of cartelization.

The Department did not devise any system for evaluation of the quality and quantity of ration supplied to the personnel. Audit survey indicated that the personnel were not fully satisfied with the quality of ration issued and the frequency of issue was also found to be erratic. The samples of dry rations were never sent to the laboratory for testing. The storage facilities in all the selected units were found to be in dilapidated condition.

5.3.9.6 Recommendations

- Steps should be taken to strengthen the procurement procedures so that wide variations between the actual requirement and procurement are avoided.
- Action needs to be taken to review the budgetary process to enable the Government for efficient and effective financial management. Expenditure against liability should be strictly monitored and liability register should be maintained for effective control of expenditure.
- The bidding process should be made transparent and competitive. Market survey should also be conducted periodically to assess the reasonableness of the rates quoted by the bidders. Excess payments made to the supplier due to erroneous computation needs to be recovered.
- The Department should devise a system to obtain periodical feedback from the personnel and remedy any shortcomings. The quality of ration needs to be

[6] ₹ 11.54 crore + ₹ 4.25 crore + ₹1.98 crore + ₹11.43 crore.
[7] ₹ 91 lakh + ₹ 11.51 lakh +₹ 41.60 lakh + ₹ 27.43 lakh

improved and the frequency of distribution should be regulated. The samples should be periodically tested. Storage facilities need immediate repairs and renovations.

HOME (PRISONS) DEPARTMENT

5.4 Excess procurement

The Director General of Prisons procured 5658.02 quintals of rice valued at ₹ 1.21 crore in excess of the actual requirement during 2009-10 to 2012-13 and distributed to various prisons in Nagaland.

As per Assam Jail Manual which is also followed by the Department of Prisons, Nagaland, the prescribed scale of rice per convict per day is 600 grams. As per the information furnished by the Director General (DG) of Prisons, 11 District/Sub jails and one Central jail in Nagaland had a total feeding strength of 795298 prisoners during 2009-2010 to 2012-13 (upto December 2012). Thus, the total requirement of rice for feeding the entire prison population during the period was 4771.79[8] quintals. Rice required by the 12 jails in Nagaland was supplied by the Rice Handling Agents (RHAs) appointed by the Government at the rate fixed by the Government annually. In the absence of adequate storage facilities in jails, the supplies were made monthly/quarterly by the RHAs.

Scrutiny of records (March 2013) of the DG, Prisons revealed that the Department procured 10429.80 quintal of rice valued at ₹ 2.08 crore during 2009-10 to 2012-13 against the actual requirement of 4771.79 quintals of rice from the rice handling agents appointed by the Government at the rate fixed by the Government against 11 District/Sub jails as shown below:

Table No. 5.4.1

Year	Feeding strength for the year	Actual requirement @ 0.600 Kg/ prisoner/day	Quantity procured (in Kilograms)	Quantity procured in excess of requirement	Money value for the excess quantity (in ₹)
2009-10	242229	145337	245200	99863	1932806
2010-11	235709	141425	282630	141205	3035647
2011-12	212483	127490	289850	162360	3506198
2012-13 (upto October 2012)	104877	62926	225300	162374	3587640
Total	**795298**	**477178**	**1042980**	**565802**	**12062291**

Thus, it is evident from the above table that the Department procured excess quantities of rice[9] every year without assessing the actual requirement, which resulted in a consolidated excess procurement of 5658.02 quintals of rice valued at ₹ 1.21 crore during the 2009-10 to 2012-13. As the jails lack adequate storage facilities, the supply and utilisation of rice during the above period remains doubtful.

[8] 795298X0.600 kg/100

[9] excess quantity ranging from 69 *per cent* to 258 *per cent*

In reply (July 2013) the Department stated extra quantities were indented in advance by the Department and stored at respective jails for emergency usage during natural calamities and road blockage. It was also stated that the Department was compelled to store sufficient quantities even though there was shortage of storage facilities and due to this reason huge quantities were also damaged and lost.

The reply of the Department is not tenable as test check of records of three[10] jails revealed short supply of 1942.50[11] quintals (35 *per cent*) of rice out of the total procurement of 5621.50 quintals of rice against those jails. In addition to the shortage, District Jail Kohima reported/accounted 440.48 quintals (38 *per cent*) as wastage without assigning any specific reasons. This indicates that there was huge difference between quantities actually supplied and paid for.

HOME (POLICE) DEPARTMENT

5.5 Fictitious payment

The Project Engineer, Police Engineering Project, Chumukedima fictitiously paid ₹ 1.76 crore to a contractor against three items of work which were not executed. In addition to this, ₹ 0.10 crore was also paid to the contractor in excess of the bill amount.

A. The Chief Engineer, Police Engineering Project (PEP) awarded (September 2010) 'construction of Officer's Mess at Chumukedima' to a contractor[12] at a total cost of ₹ 3 crore as per Schedule of Rate 2010. The construction of Officer's Mess *inter-alia* included construction of boundary wall, retaining wall and cement concrete pavement besides other items.

Scrutiny (May 2013) of records such as Measurement Book (MB) and Running Account (RA) bill in the office of the Project Engineer (PE), Police Engineering project, Chumukedima, revealed that the contractor commenced the work in September 2010 and completed in April 2012. The contractor was also paid (March 2011 to March 2012) an amount of ₹ 3 crore in three RA bills as detailed below:

Table No. 5.5.1

Details of Running bill	Voucher No and Date	Bill amount (₹ in lakh)
First RA bill	143 of 31-3-11	132.20
Second RA bill	7 of 22-6-11	95.00
Third and Final bill	36 of 29-3-2012	73.11
Total		**300.31**

[10] District Jail Kohima, Central Jail Dimapur & Sub-Jail Dimapur.
[11] District Jail Kohima – 338 qtls, Central Jail Dimapur-883 qtls & Sub-Jail Dimapur – 721.50 qtls
[12] M/s Magnum Enterprises, Dimapur

However, during visit (May 2013) audit could not find any construction of boundary wall, retaining wall and cement concrete pavement, though the measurement of those items were recorded in the MB and an amount of ₹ 1.76[13] crore was paid as per final bill. In reply to the query (May 2013), the PE confirmed that no construction work in respect of the three items had been taken up till May 2013.

Hence, it is evident that the PE fictitiously paid ₹ 1.76 crore without actual execution of work.

B. As per the Final bill, total value of the work done by the contractor was ₹ 300.31 lakh of which ₹ 227.20 lakh was paid to him on two RA bills and the contractor was entitled for payment of ₹ 73.11 lakh only as shown in the table above. However, the contractor was paid (March 2012) ₹ 83 lakh[14], resulting in an excess payment of ₹ 9.89 lakh.

Thus, the PE made a fictitious payment of ₹ 1.76 crore against unexecuted items of work besides making an excess payment of ₹0.10 crore.

The Government stated (August 2013) that reply of the P.E was thoroughly examined and found that there was no fictitious payment or misuse of funds. The only loophole on the part of the P.E was that he had shown all the unforeseen works carried out on emergency basis against the Construction of Officers Mess for which payment was made to the same contractor. It was further stated that the P.E was asked to streamline execution of works to avoid such lapses in future. No reason was stated for excess payment of ₹ 0.10 crore.

The fact however, remains that ₹ 1.76 crore (59 *per cent* of total amount) sanctioned for construction of Officers Mess was paid to the contractor by recording false measurement of three items of work which were not executed. Moreover, the unforeseen works against which the money was paid and who authorised the P.E to incur expenditure on unforeseen works from the fund sanctioned for a specific work was also not furnished. The action of the P.E in booking of expenditure on unsanctioned works against sanctioned items of work was also an attempt to suppress the factual position from the authorities who actually authorised the expenditure.

[13] Boundary wall -₹ 86.00 lakh, Retaining Wall-₹ 48.42 lakh and Concrete pavement-₹ 41.64 lakh

[14] Voucher No 36 dtd 29/03/12

HOME (POLICE) DEPARTMENT

5.6 Undue financial aid to contractor

The Project Engineer, Police Engineering Project Chemukedima extended undue benefit of ₹ 3.82 crore to a contractor on account of additional cost escalation, short deduction of Works contract Tax and non deduction of Income tax at source.

A. Irregular payment of additional escalation

The work for construction of Permanent Headquarter for 9th Nagaland Armed Police (India Reserve) Battalion at Saijang consisting of eight different types[15] of residential buildings was awarded[16] (February 2006) to M/s Singh Construction on Turn Key Basis at a negotiated item rate without calling for open tenders at a total cost of ₹ 39.95 crore. The negotiated item rates were 85 *per cent* above Nagaland Schedule of Rates (SOR) 2004 for all items. Subsequently, the Department reverted the Turn-Key basis contract into a normal contract[17] (June 2007) due to the objection raised by the Nagaland Contractors and Supplier's Union. As per the new terms and conditions of contract, the contractor was allowed to execute works at 20 *per cent* above SOR 2004 and also entitled for escalation of cost as per RBI price index for the remaining portion of the amount to be paid w.e.f. from 2006-07 onwards.

Scrutiny (May 2013) of records[18] of the Project Engineer (PE), Police Engineering Project, Chemukedima revealed that the work commenced in March 2006, was completed in October 2008 and the contractor claimed ₹ 39.34 crore (the amount of work done ₹ 32.54 crore and cost of escalation ₹ 6.80 crore) of which an amount of ₹ 39.04[19] crore was paid by the PE in eight bills between April 2006 and December 2010.

Further scrutiny of escalation bills revealed that the admissible cost of escalation to be paid to the contractor on the value of work executed (₹ 32.54 crore) was only ₹ 4.73 crore[20]. However, the PE irregularly paid ₹ 2.07 crore as additional escalation charges which was contrary to the terms of the work order (Work Order stipulates that the payment shall be released as per availability of fund).

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[15] Barracks-11nos;D/Hall and Kitchen-16 nos; Bath & Latrine-16 nos;Type 1 Quarter-134 nos;Type II-60nos;Type IV-18 nos; Type V-6 nos and Type VI-3 nos.

[16] CE/PP/TECH/TURN-KEY/IRB-9/2005-06/25 Dated 20-February 2006.

[17] CE/PP/T-IRB/HUDCO/Saijang/2007-0878 dated 29 June 2007

[18] Measurement Books and Running account Bills, etc

[19] Ist RA- ₹ 3.00 crore, 2nd RA-₹ 5.73 crore, 3rd RA-₹ 4.13 crore (₹ 2.07+₹ 2.06 crore), 4th RA-₹ 19.68 crore & Escalation bills(3Nos)-₹ 6.50 crore

[20]

Sl No of Running Account Bill	Value of work done (in Rupees)	Period of escalation (From–March 06)	Admissible amount of Escalation as per RBI index (claimed in 4th RA bill) (Amount in Rupees)			
			Escalation on material	Escalation on labour	Escalation on POL	Total
2nd RA bill	59756692	03/06to 08/06	1323920	613929	161333	2099182
3rd RA bill	72182724	03/06 to 08/07	2178153	1198069	29380	3405602
4th & Final bill	157377736	03/06 to 08/08	30659038	10119588	978498	41757124
Total Amount of escalation						**47261908**

Thus, the Department paid an excess amount of ₹ 2.07 crore to the contractor due to faulty calculation of cost escalation which needs to be recovered.

B .Short deduction of works contract Tax

Section 92(3) of the Nagaland Value Added Tax (NVAT) Act, 2005 read with the NVAT Rules, 2005, as amended from time to time provides that tax on work contracts should be deducted at source from the contractor's bill at the rate of four per cent on the value of work done, after allowing deduction of 25 per cent on account of labour and other charges. With effect from 24 October 2008, the rate was revised to four per cent without any deduction whatsoever. The NVAT rules further provide that the person making such deductions at source (Drawing and Disbursing Officer) shall deposit the whole amount within ten days from the expiry of each calendar month, into Government Treasury or designated bank through challan.

The contractor executed works valued at ₹ 39.34 crore and as per the above provisions of NVAT Act, 2005 an amount of ₹ 140.52 lakh was to be deducted from the contractor's bill as Work Contract Tax (WCT). However, the division deducted only an amount of ₹ 43.20 lakh resulting in short deduction of ₹ 97.32 lakh as shown below:

Table No. 5.6.1

Sl. No.	Description	Value of work done (₹ in crore)	Rate of WCT	Amount of WCT (₹ in lakh)	Amount deducted (₹ in lakh)	Short deduction (₹ in lakh)
1	Amount of bills paid upto October 2008	16.80	3 *per cent*	50.40	43.20	7.20
2	Amount of bill paid after 24/10/2008	22.54	4 *per cent*	90.12	0.00	90.12
Total		**39.34**				**97.32**

Thus, by not deducting the work contract tax at source from contractor's bill while releasing the payment, the PE extended an undue benefit of ₹ 97.32 lakh to the contractor resulting in a loss to the exchequer to that extent.

C. Non-deduction of Income Tax at source.

According to Section 194 C of the Income Tax Act any person responsible for paying any sum to any resident (hereafter in this section referred to as the contractor) for carrying out any work (including supply of labour for carrying out any work) in pursuance of a contract between the contractor and a specified person shall at the time of credit of such sum to the account of the contractor or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct an amount equal to—

(*ii*) two per cent where the payment is being made or credit is being given to a person, of such sum as income-tax on income comprised therein.

(iii) Where any sum is paid or credited for carrying out any work mentioned in sub-clause (*e*) of clause (*iv*) of the *Explanation,* tax shall be deducted at source.

During scrutiny of records of the PE, it was seen that the contractor was paid ₹ 39.04[21] crore against the construction work. Further scrutiny revealed that the income tax of ₹ 0.78 crore at the rate of 2 *per cent* which was required to be deducted at source was not deducted by the PE during payment. This resulted in undue benefit of ₹ 0.78 crore to the contractor. Non-deduction of income tax at source in violation of the Income Tax Act is fraught with the risk of escaping notice of the tax assessing authority, Government of India.

Thus, there was a consolidated undue benefit/excess payment of ₹ 3.82[22] crore to the contractor in three cases against the project.

In reply (September 2013), the Government stated that the reply furnished by the PE was thoroughly examined by the Government and the State Government has agreed with the reply that there was no irregular payment of additional escalation as the contractor had completed the work within the stipulated time. Regarding short deduction of WCT, the Government stated that short deduction, if any will be deducted from the final bill payment. As for non- deduction of Income Tax, the Government stated the question does not arise since the firm had produced the Income Tax clearance certificate at the time of payment. However, the reply from the PE was not forwarded.

The reply is not tenable as there was no provision for providing escalation for delay in payment of a portion of bill amount in the work order or in Public works Account Code. The claim of the Government that the short deduction, if any, would be deducted from the final payment also hold no substance as the balance amount to be paid to the contractor was only ₹ 30 lakh. The Government's claim about submission of Income Tax clearance Certificate by the contractor at the time of payment was also not true as the Income Tax clearance certificate indicate only the amount of tax paid by the contractor prior to that and it would never include a payment which was due to Contractor. Moreover, the clearance certificate was not shown to audit.

[21] ₹ 32.54 crore paid upto Final Bill/4th RA Bill+ cost of escalation ₹ 6.50 crore

[22] ₹ 2.07 crore+₹ 0.97 crore+₹ 0.78 crore

CHAPTER – VI

FOLLOW UP OF AUDIT OBSERVATIONS

CHAPTER – VI

FOLLOW UP OF AUDIT OBSERVATIONS

6.1 Response of the departments to the recommendations of the Public Accounts Committee (PAC)

Finance Department issued instructions to all departments to submit Action Taken Notes (ATNs) on various suggestions, observations and recommendations made by PAC for their consideration within 15 days of presentation of the PAC Reports to the Legislature. The PAC Reports/recommendations are the principal medium by which the Legislature enforces financial accountability of the Executives to the Legislature and it is appropriate that they elicit timely response from the departments in the form of ATNs.

As of December 2013, out of 1262 recommendations of the PAC, made between 1990-91 and 2012-13, 776 ATNs in respect of the recommendations had been submitted to the PAC and discussed.

6.2 Monitoring

The following Committees had been formed at the Government level to monitor the follow up action on Audit related matters:

State Level Audit and Accounts Committee: State Level Audit and Accounts Committee (SLAAC) had been formed (June 2008) at the State level under the Chairmanship of the Chief Secretary to monitor the response and corrective action on the findings reported by audit to review and oversee the working of Departmental Audit and Accounts Committees (DAACs) and also to hold meetings once in six months.

As of November 2013, only one meeting was held (May 2010) by the SLAAC wherein the necessity of formation of DAACs, training of departmental officers and issues relating to the accumulation of pending Inspection Reports and the ways to reduce pendency were discussed. Though communication had been made with the State Government from time to time to initiate action on formation of DAACs, no intimation in this regard had been received (November 2013).

6.3 Outstanding Inspection Reports

The Accountant General (Audit), Nagaland conducts periodical inspection of the Government departments to test-check the transactions and verify the maintenance of important accounts and other records as prescribed in the rules and procedures. The inspections are followed up with the Inspection Reports (IRs) incorporating irregularities detected during the inspection and not settled on the spot, which are issued to the Heads of the Offices inspected with copies to the higher authorities for taking prompt corrective action. The Heads of the Offices/Government are required to promptly comply with the observations contained in the IRs, rectify the defects and

omissions and report compliance through initial reply to the Accountant General (AG) within one month from the date of the issue of the IRs. Serious irregularities are reported to the Heads of the departments and the Government.

The position of outstanding IRs pertaining to Civil (Expenditure audit including that of Works and Autonomous Bodies), Revenue (Audit of Revenue departments) and Commercial (Audit of Public Sector Undertakings) audit as of September 2013 is shown below:

Table No. 6.1

Year	Civil (including works, Forest and Autonomous Bodies)		Revenue		Public Sector Undertakings	
	No. of IRs	Paragraphs	No. of IRs	Paragraphs	No. of IRs	Paragraphs
Upto 2008-09	1486	8613	72	282	12	103
2009-10	121	875	08	26	2	10
2010-11	59	540	0	0	0	0
2001-12	86	575	02	02	3	31
2012-13	124	896	09	21	2	20
Total	**1876**	**11499**	**91**	**331**	**19**	**164**

This large pendency of IRs is indicative of absence of adequate action to rectify the defects, omissions and irregularities pointed out through IRs by the Heads of offices and Heads of the departments.

It is recommended that the Government look into the matter and streamline the system to ensure proper response to audit observations. Action may be taken against the officials who fail to send replies to IRs/paragraphs as per prescribed time schedule and the loss/outstanding advances/overpayments may be recovered in a time bound manner.

6.4 Departmental Audit Committee Meetings

In order to expedite the settlement of the outstanding audit observations contained in the IRs, departmental audit Committees have been constituted by the Government. These Committees are chaired by the Secretaries of the concerned administrative departments and their meetings are attended by the concerned officers of the State Government and officers from the office of the Accountant General.

During 2012-13, no audit committee meeting was convened to clear the outstanding audit observations.

6.5 Recoveries at the instance of Audit

6.5 (a) State Health Society

Mission Director, State Health Society (SHS), National Rural Health Mission (NRHM), Nagaland paid (November 2011) an amount of ₹ 254.74 lakh instead of ₹ 204.74 lakh to a supplier against the supply of medicines which led to an excess payment of ₹ 50 lakh.

On being pointed out by audit (July 2013), the SHS recovered (October 2013) the excess payment amounting to ₹ 50 lakh from the supplier and deposited it into the Socity's bank account.

6.5 (b) Nagaland Bee Keeping and Honey Mission

The Nagaland Bee Keeping and Honey Mission (NBHM) procured equipment for its mission work without deducting Nagaland Value Added Tax (NVAT) amounting to ₹ 2.34 lakh.

On being pointed out by audit (July 2013), NBHM recovered ₹ 2.34 lakh and deposited it into the Government account.

Kohima **(R. Naresh)**
the **Accountant General (Audit),**
Nagaland, Kohima

Countersigned

New Delhi **(Shashi Kant Sharma)**
the **Comptroller and Auditor General of India**

APPENDICES

APPENDIX - 2.3.1
(Reference to paragraph 2.3.9.1(A) (i), Page 22)
Statement showing distribution of CGI sheets meant for BPL category to beneficiaries who had no BPL Number

Year	Name of district	Name of Block	Name of VDBs	No. of beneficiaries	CGI sheets (bundles)	Rate per bundle (`₹)	Amount (₹)
2008-09	Mon	Tobu	Shinnyu	10	50	4380	219000
2008-09	Mon	Tobu	Changlu	16	80	4380	350400
2008-09	Kohima	Tseminyu	Chunlikha	4	20	4380	87600
2008-09	Kohima	Tseminyu	Ehunu	4	20	4380	87600
2008-09	Kohima	Tseminyu	Gukhanyu	11	55	4380	240900
2008-09	Kohima	Tseminyu	Henbenji	6	30	4380	131400
2008-09	Kohima	Tseminyu	K. Station	7	35	4380	153300
2008-09	Kohima	Tseminyu	Kandinyu	3	15	4380	65700
2008-09	Kohima	Tseminyu	Kashanyishin	3	15	4380	65700
2008-09	Kohima	Tseminyu	Khonibinjun	2	10	4380	43800
2008-09	Kohima	Tseminyu	Logwensunyu	5	25	4380	109500
2008-09	Kohima	Tseminyu	New Sendenyu	3	15	4380	65700
2008-09	Kohima	Tseminyu	Nsunyu	2	10	4380	43800
2008-09	Kohima	Tseminyu	Phensenyu	5	25	4380	109500
2008-09	Kohima	Tseminyu	Phenwhenyu	7	35	4380	153300
2008-09	Kohima	Tseminyu	Rengmapani	3	15	4380	65700
2008-09	Kohima	Tseminyu	Rumesinyu	3	15	4380	65700
2008-09	Kohima	Tseminyu	Sendenyu	4	20	4380	87600
2008-09	Kohima	Tseminyu	Sewanu	6	30	4380	131400
2008-09	Kohima	Tseminyu	Sishunu	7	35	4380	153300
2008-09	Kohima	Tseminyu	Terogunyu New	1	5	4380	21900
2008-09	Kohima	Tseminyu	Terogunyu	4	20	4380	87600
2008-09	Kohima	Tseminyu	Tesophenyu	5	25	4380	109500
2008-09	Kohima	Tseminyu	Tesophenyu New	1	5	4380	21900

2008-09	Kohima	Tseminyu	Thongsunyu	11	10	4380	43800
2008-09	Kohima	Tseminyu	Tseminyu	9	45	4380	197100
2008-09	Kohima	Tseminyu	Tseminyu South	6	30	4380	131400
2008-09	Kohima	Tseminyu	Tsonsa	8	40	4380	175200
2008-09	Kohima	Tseminyu	Tsosinyu	5	25	4380	109500
2008-09	Kohima	Tseminyu	Yikhanyu	7	35	4380	153300
2008-09	Kohima	Tseminyu	Ziphenyu	4	20	4380	87600
2008-09	Kohima	Tseminyu	Zisunyu	10	50	4380	219000
2008-09	Kohima	Kohima	Kohima	3	15	4380	65700
2008-09	Tuensang	Noklak	Nokyau	12	60	4380	262800
Total of 2008-09:				**197**	**940**		**4117200**
2009-10	Kohima	Tseminyu	Chunlikha	4	20	4380	87600
2009-10	Kohima	Tseminyu	Ehunu	1	5	4380	21900
2009-10	Kohima	Tseminyu	Gukhanyu	2	10	4380	43800
2009-10	Kohima	Tseminyu	Henbenji	4	20	4380	87600
2009-10	Kohima	Tseminyu	K. Nyishunyu	4	20	4380	87600
2009-10	Kohima	Tseminyu	K. Station	3	15	4380	65700
2009-10	Kohima	Tseminyu	Kandinyu	5	25	4380	109500
2009-10	Kohima	Tseminyu	Kashanyishin	4	20	4380	87600
2009-10	Kohima	Tseminyu	Kashanyu	3	15	4380	65700
2009-10	Kohima	Tseminyu	Khenyu	4	20	4380	87600
2009-10	Kohima	Tseminyu	Khonibinjun	3	15	4380	65700
2009-10	Kohima	Tseminyu	Logwensinyu	2	10	4380	43800
2009-10	Kohima	Tseminyu	New Sendenyu	4	20	4380	87600
2009-10	Kohima	Tseminyu	New Terogunyu	2	10	4380	43800
2009-10	Kohima	Tseminyu	New Tesophenyu	4	20	4380	87600
2009-10	Kohima	Tseminyu	Nsunyu	4	20	4380	87600
2009-10	Kohima	Tseminyu	Nyasa	20	100	4380	438000
2009-10	Kohima	Tseminyu	Phenshenyu	5	25	4380	109500

2009-10	Kohima	Tseminyu	Phenwhenyu	3	15	4380	65700
2009-10	Kohima	Tseminyu	Rengmapani	2	10	4380	43800
2009-10	Kohima	Tseminyu	Rumensinyu	2	10	4380	43800
2009-10	Kohima	Tseminyu	Sendenyu	3	15	4380	65700
2009-10	Kohima	Tseminyu	Sewanu	1	5	4380	21900
2009-10	Kohima	Tseminyu	Sishunu	4	20	4380	87600
2009-10	Kohima	Tseminyu	Terogunyu	2	10	4380	43800
2009-10	Kohima	Tseminyu	Tesophenyu	11	55	4380	240900
2009-10	Kohima	Tseminyu	Tseminyu	4	20	4380	87600
2009-10	Kohima	Tseminyu	Tseminyu South	2	10	4380	43800
2009-10	Kohima	Tseminyu	Tsonsa	5	25	4380	109500
2009-10	Kohima	Tseminyu	Tsosinyu	4	20	4380	87600
2009-10	Kohima	Tseminyu	Yikhanyu	3	15	4380	65700
2009-10	Kohima	Tseminyu	Ziphenyu	4	20	4380	87600
2009-10	Kohima	Tseminyu	Zisunyu	3	15	4380	65700
2009-10	Kohima	Kohima	Kohima	231	1155	4380	5058900
2009-10	Tuensang	Noksen	Kumpung	1	5	4380	21900
2009-10	Tuensang	Noksen	Litem	1	5	4380	21900
2009-10	Tuensang	Noklak	Nokyan	25	125	4380	547500
2009-10	Mon	Phomching	Longwa	23	115	4380	503700
2009-10	Mon	Phomching	S/Chingyu	20	100	4380	438000
2009-10	Mon	Phomching	S/Tangten	25	125	4380	547500
2009-10	Mon	Phomching	Yuching	17	85	4380	372300
Total of 2009-10:				**474**	**2370**		**10380600**
2010-11	Kohima	Tseminyu	Chunlikha	3	21	4380	91980
2010-11	Kohima	Tseminyu	Gukhanyu	5	35	4380	153300
2010-11	Kohima	Tseminyu	Henbenji	2	14	4380	61320
2010-11	Kohima	Tseminyu	K. Nyishunyu	5	35	4380	153300
2010-11	Kohima	Tseminyu	K. Station	3	21	4380	91980

2010-11	Kohima	Tseminyu	Kashanyishin	3	21	4380	91980
2010-11	Kohima	Tseminyu	Kandinyu	2	14	4380	61320
2010-11	Kohima	Tseminyu	Kashanyu	6	42	4380	183960
2010-11	Kohima	Tseminyu	Khenyu	5	35	4380	153300
2010-11	Kohima	Tseminyu	Khonibinjun	4	28	4380	122640
2010-11	Kohima	Tseminyu	Logwensinyu	2	14	4380	61320
2010-11	Kohima	Tseminyu	New Sendenyu	3	21	4380	91980
2010-11	Kohima	Tseminyu	New Terogunyu	7	49	4380	214620
2010-11	Kohima	Tseminyu	New Tesophenyu	8	56	4380	245280
2010-11	Kohima	Tseminyu	Ngvuphen	4	28	4380	122640
2010-11	Kohima	Tseminyu	Nsunyu	4	28	4380	122640
2010-11	Kohima	Tseminyu	Phenshenyu	4	28	4380	122640
2010-11	Kohima	Tseminyu	Phenwhenyu	3	21	4380	91980
2010-11	Kohima	Tseminyu	Pothambou	1	7	4380	30660
2010-11	Kohima	Tseminyu	Rengmapani	4	28	4380	122640
2010-11	Kohima	Tseminyu	Rumensinyu	5	35	4380	153300
2010-11	Kohima	Tseminyu	Sendenyu	6	42	4380	183960
2010-11	Kohima	Tseminyu	Sewanu	4	28	4380	122640
2010-11	Kohima	Tseminyu	Sishunu	7	49	4380	214620
2010-11	Kohima	Tseminyu	Terogunyu	3	21	4380	91980
2010-11	Kohima	Tseminyu	Tesophenyu	3	21	4380	91980
2010-11	Kohima	Tseminyu	Thongsunyu	7	49	4380	214620
2010-11	Kohima	Tseminyu	Tseminyu	4	28	4380	122640
2010-11	Kohima	Tseminyu	Tseminyu South	12	84	4380	367920
2010-11	Kohima	Tseminyu	Tsonsa	4	28	4380	122640
2010-11	Kohima	Tseminyu	Tsosinyu	4	28	4380	122640
2010-11	Kohima	Tseminyu	Yikhanyu	3	21	4380	91980
2010-11	Kohima	Tseminyu	Ziphenyu	3	21	4380	91980
2010-11	Kohima	Tseminyu	Zisunyu	6	42	4380	183960

2010-11	Kohima	Kohima	Kohima	77	539	4380	2360820
2010-11	Tuensang	Noksen	Kumpung	10	70	4380	306600
2010-11	Tuensang	Noksen	Litem	10	70	4380	306600
2010-11	Tuensang	Sangsangnyu	Momching	1	7	4380	30660
2010-11	Tuensang	Noklak	Nokyan	16	112	4380	490560
2010-11	Mon	Phomching	Longwa	18	126	4380	551880
2010-11	Mon	Phomching	Nyasa	10	70	4380	306600
2010-11	Mon	Phomching	S/Mokok	10	70	4380	306600
2010-11	Mon	Phomching	S/Tangten	10	70	4380	306600
2010-11	Mon	Phomching	Tangnyu	10	70	4380	306600
2010-11	Mon	Phomching	Yuching	10	70	4380	306600
Total of 2010-11:				**331**	**2317**		**10148460**
2011-12	Kohima	Tseminyu	Chunlikha	1	7	4990	34930
2011-12	Kohima	Tseminyu	Gukhanyu	3	21	4990	104790
2011-12	Kohima	Tseminyu	Henbenji	1	7	4990	34930
2011-12	Kohima	Tseminyu	K. Station	1	7	4990	34930
2011-12	Kohima	Tseminyu	Kandinyu	1	7	4990	34930
2011-12	Kohima	Tseminyu	Kashanyishin	2	14	4990	69860
2011-12	Kohima	Tseminyu	Kashanyu	2	14	4990	69860
2011-12	Kohima	Tseminyu	Khenyu	1	7	4990	34930
2011-12	Kohima	Tseminyu	Khonibinjun	3	21	4990	104790
2011-12	Kohima	Tseminyu	Logwensunyu	1	7	4990	34930
2011-12	Kohima	Tseminyu	New Sendenyu	1	7	4990	34930
2011-12	Kohima	Tseminyu	New Terogunyu	3	21	4990	104790
2011-12	Kohima	Tseminyu	New Tesophenyu	3	21	4990	104790
2011-12	Kohima	Tseminyu	Ngvuphen	3	21	4990	104790
2011-12	Kohima	Tseminyu	Nsunyu	1	7	4990	34930
2011-12	Kohima	Tseminyu	Phenshenyu	4	28	4990	139720
2011-12	Kohima	Tseminyu	Sendenyu	2	14	4990	69860

2011-12	Kohima	Tseminyu	Sishunu	4	28	4990	139720
2011-12	Kohima	Tseminyu	Terogunyu	1	7	4990	34930
2011-12	Kohima	Tseminyu	Tesophenyu	8	56	4990	279440
2011-12	Kohima	Tseminyu	Thongsunyu	5	35	4990	174650
2011-12	Kohima	Tseminyu	Tseminyu	1	7	4990	34930
2011-12	Kohima	Tseminyu	Tseminyu South	3	21	4990	104790
2011-12	Kohima	Tseminyu	Tsonsa	1	7	4990	34930
2011-12	Kohima	Tseminyu	Tsosinyu	1	7	4990	34930
2011-12	Kohima	Tseminyu	Yikhanu	3	21	4990	104790
2011-12	Kohima	Tseminyu	Zisunyu	3	21	4990	104790
2011-12	Kohima	Kohima	Kohima	59	413	4990	2060870
2011-12	Mon	Phomching	Longwa	25	175	4990	873250
2011-12	Mon	Phomching	Nyasa	5	35	4990	174650
2011-12	Mon	Phomching	S/Chingyu	10	70	4990	349300
2011-12	Mon	Phomching	S/Tangten	16	112	4990	558880
2011-12	Mon	Phomching	Tangnyu	10	70	4990	349300
2011-12	Mon	Phomching	Yuching	5	35	4990	174650
2011-12	Tuensang	Noklak	Nokyan	22	154	4990	768460
Total of 2011-12:				**215**	**1505**		**7509950**
2012-13	Tuensang	Sangsangnyu	Chendang	2	14	4990	69860
2012-13	Tuensang	Sangsangnyu	Chingmelen	5	35	4990	174650
2012-13	Tuensang	Sangsangnyu	Hakchang	2	14	4990	69860
2012-13	Tuensang	Sangsangnyu	Honya	1	7	4990	34930
2012-13	Tuensang	Sangsangnyu	Kejok	5	35	4990	174650
2012-13	Tuensang	Sangsangnyu	Khudei	5	35	4990	174650
2012-13	Tuensang	Sangsangnyu	Lokong	3	21	4990	104790
2012-13	Tuensang	Sangsangnyu	Maksha	4	28	4990	139720
2012-13	Tuensang	Sangsangnyu	Momching	3	21	4990	104790
2012-13	Tuensang	Sangsangnyu	Nakshou	3	21	4990	104790

2012-13	Tuensang	Sangsangnyu	Ngangpong	2	14	4990	69860
2012-13	Tuensang	Sangsangnyu	Pothambou	4	28	4990	139720
2012-13	Tuensang	Sangsangnyu	Sangsangnyu	3	21	4990	104790
2012-13	Tuensang	Sangsangnyu	Sipongsang	5	35	4990	174650
2012-13	Tuensang	Tuensang	Haak	2	14	4990	69860
2012-13	Tuensang	Tuensang	Helipong	2	14	4990	69860
2012-13	Tuensang	Tuensang	Konya	2	14	4990	69860
2012-13	Tuensang	Tuensang	Nyinyim	2	14	4990	69860
2012-13	Tuensang	Tuensang	Saoshou	1	7	4990	34930
2012-13	Tuensang	Tuensang	Tuensang C	10	70	4990	349300
2012-13	Tuensang	Tuensang	Tuensang K	6	42	4990	209580
2012-13	Tuensang	Tuensang	Tuensang L	3	21	4990	104790
2012-13	Tuensang	Tuensang	Tuensang P	8	56	4990	279440
2012-13	Tuensang	Noklak	Nokyan	6	42	4990	209580
2012-13	Mon	Phomching	Longwa	13	91	4990	454090
2012-13	Mon	Phomching	Nyasa	10	70	4990	349300
2012-13	Mon	Phomching	S/Tangten	10	70	4990	349300
2012-13	Mon	Phomching	S/Chingyu	10	70	4990	349300
2012-13	Mon	Phomching	Tangnyu	10	70	4990	349300
2012-13	Mon	Phomching	Yuching	5	35	4990	174650
2012-13	Kohima	Tseminyu	New Terogunyu	5	35	4990	174650
2012-13	Kohima	Tseminyu	Thongsunyu	4	28	4990	139720
2012-13	Kohima	Tseminyu	Ngvuphen	5	35	4990	174650
Total of 2012-13:				**161**	**1127**		**5623730**

APPENDIX-2.3.2
(Reference to paragraph 2.3.9.1 (A) (ii), Page 22)
Statement showing distribution of IAY CGI sheets meant for BPL category to APL category during 2009-10 to 2012-13

Year	Name of release	Name of allocation	District	Block	VDB	Name of beneficiary	CGI sheets
							Bundle
2009-10		VDB	DIMAPUR	DHANSIRIPAR	AMALUMA	RINGMANON	5
2009-10		VDB	DIMAPUR	DHANSIRIPAR	AMALUMA	SUNNY	5
2009-10		VDB	DIMAPUR	DHANSIRIPAR	BADE	KIESALIE	5
2009-10		VDB	DIMAPUR	DHANSIRIPAR	DHANSIRIPAR	LAKEM	5
2009-10		VDB	DIMAPUR	DHANSIRIPAR	DHANSIRIPAR	RAJEN	5
2009-10		VDB	DIMAPUR	DHANSIRIPAR	DHANSIRIPAR	BIJOY HASUI	5
2009-10		VDB	DIMAPUR	DHANSIRIPAR	GANESHNAGAR	ROTTON	5
2009-10		VDB	DIMAPUR	DHANSIRIPAR	HAZADISA	MODON	5
2009-10		VDB	DIMAPUR	KUHUBOTO	K. XEKIYE	INASHE	5
2009-10		VDB	DIMAPUR	KUHUBOTO	KIYETO	HOLUVI	5
2009-10		VDB	DIMAPUR	KUHUBOTO	KIYETO	ZHKOLI	5
2009-10		VDB	DIMAPUR	KUHUBOTO	KIYETO	TOVISHE	5
2009-10		VDB	DIMAPUR	DHANSIRIPAR	MURISE	SETHRONGCHEM	5
2009-10		VDB	DIMAPUR	KUHUBOTO	SHITOVI	TONIVI	5
2009-10		VDB	DIMAPUR	DHANSIRIPAR	SINGRIJAN	JASHDARJEE	5
2009-10		VDB	DIMAPUR	DHANSIRIPAR	SINGRIJAN	SURESH THAPA	5
2009-10		VDB	DIMAPUR	DHANSIRIPAR	URRA	DEIPO-O	5
2009-10		VDB	DIMAPUR	DHANSIRIPAR	VIDIMA	GYOSA	5
2010-11	State share-II	VDB	MON	PHOMCHING	S/CHINGNYU	NOKJAH	7
2010-11	State share-II	VDB	MON	PHOMCHING	S/CHINGNYU	NGEPPHA	7
2010-11	Additional	VDB	MON	PHOMCHING	NYAHAYA	LIHNON	7
2010-11	Additional	VDB	MON	PHOMCHING	NYAHAYA	WENGNOK	7
2010-11	Additional	VDB	MON	PHOMCHING	NYAHAYA	PHOWANG	7

2010-11	Additional	VDB	MON	PHOMCHING	S/CHINGNYU	NOHPENG	7
2010-11	Additional	VDB	MON	PHOMCHING	S/CHINGNYU	YUOM	7
2010-11	Additional	VDB	MON	PHOMCHING	S/CHINGNYU	GONCHEN	7
2010-11	Additional	VDB	MON	PHOMCHING	S/CHINGNYU	GANJANG	7
2010-11	Additional	VDB	MON	PHOMCHING	S/CHINGNYU	PENMEI	7
2010-11	1st instalment (balance) Central	VDB	DIMAPUR	DHANSIRIPAR	RAZAPHE BASA	DUORILIE	7
2010-11	1st instalment (balance) Central	VDB	DIMAPUR	DHANSIRIPAR	RAZAPHE BASA	VIZERU	7
2010-11	1st instalment (balance) Central	VDB	DIMAPUR	DHANSIRIPAR	RAZAPHE BASA	PEKRIE	7
2010-11	1st instalment (balance) Central	VDB	DIMAPUR	DHANSIRIPAR	RAZAPHE BASA	PUVOTSO	7
2010-11	1st instalment (balance) Central	VDB	DIMAPUR	DHANSIRIPAR	RAZAPHE BASA	KAFU	7
2010-11	1st instalment (balance) Central	VDB	DIMAPUR	DHANSIRIPAR	RAZAPHE BASA	DUOTSU	7
2010-11	1st instalment (balance) Central	VDB	DIMAPUR	DHANSIRIPAR	RAZAPHE BASA	NEIBA-O	7
2010-11	1st instalment (balance) Central	VDB	DIMAPUR	DHANSIRIPAR	RAZAPHE BASA	KHRIEO	7
2010-11	1st instalment (balance) Central	VDB	DIMAPUR	DHANSIRIPAR	RAZAPHE BASA	NEITHO-O	7
2011-12	1st instalment	VDB	MON	PHOMCHING	NYAHNYU	APENG	7
2011-12	1st instalment	VDB	MON	PHOMCHING	NYAHNYU	KHUMWANG	7
2011-12	1st instalment	VDB	MON	PHOMCHING	NYAHNYU	WENGPHO	7
2011-12	1st instalment	VDB	MON	PHOMCHING	NYAHNYU	METLEM	7
2011-12	1st instalment	VDB	MON	PHOMCHING	S/CHINGNYU	MENPA	7
2011-12	1st instalment	VDB	MON	PHOMCHING	S/CHINGNYU	YONYI	7
2011-12	1st instalment	VDB	MON	PHOMCHING	S/CHINGNYU	MENPA	7
2011-12	1st instalment	VDB	MON	PHOMCHING	S/CHINGNYU	KAPA	7
2011-12	1st instalment	VDB	MON	PHOMCHING	S/CHINGNYU	MEMONG	7

2011-12	1st instalment	VDB	MON	PHOMCHING	S/CHINGNYU	LONGCHING	7
2011-12	1st instalment	VDB	MON	PHOMCHING	S/CHINGNYU	MENPEI	7
2011-12	1st instalment	VDB	MON	PHOMCHING	S/CHINGNYU	YOMAN	7
2011-12	1st instalment	VDB	MON	PHOMCHING	S/CHINGNYU	HONKA	7
2011-12	1st instalment	VDB	MON	PHOMCHING	S/CHINGNYU	NGAPNYEI	7
2011-12	2nd instalment	VDB	MON	PHOMCHING	S/CHINGNYU	NOKSA	7
2011-12	1st instalment	VDB	MON	PHOMCHING	S/CHINGNYU	SHOMNAN	7
2011-12	1st instalment (Central)	VDB	MON	PHOMCHING	NYAHNYU	ACHANG	7
2011-12	1st instalment (Central)	VDB	DIMAPUR	DHANSIRIPAR	RAZAPHE BASA	KEVISELIE	7
2011-12	1st instalment (Central)	VDB	DIMAPUR	DHANSIRIPAR	RAZAPHE BASA	VIZOTUOLIE	7
2011-12	1st instalment (Central)	VDB	DIMAPUR	DHANSIRIPAR	RAZAPHE BASA	KHRIEO	7
2012-13	2nd instalment	VDB	MON	PHOMCHING	S/CHINGNYU	CHENGKAI	7
2012-13	2nd instalment	VDB	MON	PHOMCHING	S/CHINGNYU	TANGANG	7
2012-13	2nd instalment	VDB	MON	PHOMCHING	S/CHINGNYU	NYAMPOH	7
2012-13	2nd instalment	VDB	MON	PHOMCHING	S/CHINGNYU	PHOTTHO	7
2012-13	2nd instalment	VDB	MON	PHOMCHING	S/CHINGNYU	PENPHONG	7
2012-13	2nd instalment	VDB	MON	PHOMCHING	S/CHINGNYU	MANZING	7
2012-13	2nd instalment	VDB	MON	PHOMCHING	S/CHINGNYU	PHOTON	7
2012-13	2nd instalment	VDB	MON	PHOMCHING	S/CHINGNYU	LONGSHAH	7
2012-13	2nd instalment	VDB	MON	PHOMCHING	S/CHINGNYU	KHONGHAN	7
2012-13	2nd instalment	VDB	MON	PHOMCHING	S/CHINGNYU	MANNA	7
2012-13	2nd instalment	VDB	MON	PHOMCHING	S/CHINGNYU	XIEPEN	7
2012-13	2nd instalment	VDB	MON	PHOMCHING	S/CHINGNYU	KHEMLONG	7
2012-13	2nd instalment	VDB	MON	PHOMCHING	S/CHINGNYU	CHEMPHE	7
2012-13	2nd instalment	VDB	MON	PHOMCHING	NYAHNYU	KHAIPA	7
2012-13	2nd instalment	VDB	MON	PHOMCHING	NYAHNYU	CHONGLEM	7
2012-13	2nd instalment	VDB	MON	PHOMCHING	NYAHNYU	PHONGPHA	7
2012-13	2nd instalment	VDB	MON	PHOMCHING	NYAHNYU	GANGING	7
2012-13	2nd instalment	VDB	MON	PHOMCHING	NYAHNYU	LONGLEM	7

2012-13	2nd instalment	VDB	MON	PHOMCHING	NYAHNYU	WANGYUH	7
2012-13	2nd instalment	VDB	MON	PHOMCHING	NYAHNYU	MANKHO	7
2012-13	2nd instalment	VDB	MON	PHOMCHING	NYAHNYU	PHONGKAI	7
2012-13	2nd instalment	VDB	MON	PHOMCHING	NYAHNYU	PAWANG	7
2012-13	2nd instalment	VDB	MON	PHOMCHING	NYAHNYU	TONAYEI	7
Total (2009-10 to 2012-13):							524

Year	No. of Beneficiaries	Bundles	Rate/bundle (₹)	Total amount (₹)
2009-10	18	90	4380	394200
2010-11	19	133	4380	582540
2011-12	20	140	4990	698600
2012-13	23	161	4990	803390
Total	**80**	**524**		**2478730**

APPENDIX-2.3.3

(Reference to paragraph 2.3.9.1(A)(iii), page 23)

Statement showing distribution of CGI sheets to the same beneficiaries for the second, third and fourth times under IAY scheme during the period 2008-09 to 2012-13

Name of district	Name of Block	No. of VDBs	No. of selection	No. of beneficiaries	Excess	CGI sheets (average of 5 bundles each)	Average rate per bundle (₹)	Total value (₹)
Kohima	Tseminyu	15	2 times	20	20	100	4685	468500
	Jakhama	12	2 times	96	96	480	4685	2248800
			3 times	8	16	80	4685	374800
Mon	Tobu	17	2 times	66	66	330	4685	1546050
			3 times	7	14	70	4685	327950
	Wakching	7	2 times	12	12	60	4685	281100
Dimapur	Dhansiripar	24	2 times	32	32	160	4685	749600
	Medziphema	105	2 times	229	229	1145	4685	5364325
			3 times	31	62	310	4685	1452350
			4 times	3	9	45	4685	210825
	Kuhuboto	75	2 times	182	182	910	4685	4263350
			3 times	7	14	70	4685	327950
Total		**255**		**693**	**752**	**3760**		**17615600**

APPENDIX-2.3.4
(Reference: Paragraph 2.3.9.1 (B), Page 23)
Statement showing issue of CGI sheets without the knowledge of VDBs

Name of district	Year	Block allocation	Rate per bundle inclusive of VAT 4% (₹)	Amount (₹)
DIMAPUR	2008-09	2010	4555	9155550
	2009-10	2062	4555	9392410
	2010-11	7484	4555	34089620
TUENSANG	2008-09	700	4555	3188500
KOHIMA	2008-09	1295	4555	5898725
	2009-10	4269	4555	19445295
	2010-11	1251	4555	5698305
WOKHA	2010-11	1150	4555	5238250
PHEK	2008-09	2220	4555	10112100
	2009-10	1406	4555	6404330
	2010-11	2478	4555	11287290
ZUNHEBOTO	2008-09	785	4555	3575675
	2010-11	928	4555	4227040
Total		**28038**		**127713090**

Calculation of No. of beneficiaries deprived:

Year	No. of bundles	Entitlement of CGI sheets in bundles per beneficiary	No. of beneficiaries
2008-09	7010	5	1402
2009-10	7737	7	1105
2010-11	13291	7	1899
Total	**28038**		**4406**

APPENDIX - 2.3.5

(Reference: Paragraph 2.3.10.4; page 26)

Statement showing fictitious issue of CGI sheets to Ngangting and Neitong villages of Tizit block under IAY for the period 2008-13

Year	Name of village	Number of units	Number of bundles per unit	No. of CGI sheets (bundles)	Rate per bundle (₹)	Cost (₹)	VAT (4%) (₹)	Total amount (₹)
2008-09	NGANGTING	31	5	155	4380	678900	27156	706056
	NEITONG	26	5	130	4380	569400	22776	592176
2009-10	NGANGTING	7	5	35	4380	153300	6132	159432
		10	7	70	4380	306600	12264	318864
	NEITONG	8	5	40	4380	175200	7008	182208
		8	7	56	4380	245280	9811	255091
2010-11	NGANGTING	10	7	70	4380	306600	12264	318864
	NEITONG	6	7	42	4380	183960	7358	191318
2011-12	NGANGTING	3	7	21	4990	104790	4192	108982
	NEITONG	3	7	21	4990	104790	4192	108982
2012-13	NGANGTING	2	7	14	4990	69860	2794	72654
	NEITONG	1	7	7	4990	34930	1397	36327
Total		**115**		**661**		**2933610**	**117344**	**3050954**

APPENDIX-2.3.6

(Reference: Paragraph 2.3.10.5; page 27)

Statement showing short distribution of CGI sheets to beneficiaries of selected VDBs during 2008-09 to 2012-13

Name of District	Name of Block	No. of beneficiaries	Due share of CGI sheets (bundles)	CGI sheets actually received by beneficiaries (bundles)	Short received	Amount (₹)
DIMAPUR	KUHUBOTO	69	477	339	138	634940
DIMAPUR	MEDZIPHEMA	89	605	373	232	1084480
MON	TIZIT	68	476	339	137	654350
MON	TOBU	93	651	465	186	861040
TUENSANG	LONGKHIM	102	694	471	223	1029810
TUENSANG	NOKLAK	84	588	420	168	773660
KOHIMA	CHIEPHOBOZOU	29	195	125	70	318800
KOHIMA	KOHIMA	21	147	103	44	195770
TOTAL		**555**	**3833**	**2635**	**1198**	**5552850**

(Source: Joint Inspection report)

APPENDIX-2.3.7
(Reference: Para 2.3.11.2 page 30)
Short/non-release of State share to implementing/executing agencies

State	Name of District	By whom short/non-released	Year	Amount (₹ in lakh)
(1)	(2)	(3)	(4)	(5)
Nagaland	KOHIMA	State Government	2012-13	49.15
	DIMAPUR			56.75
	MON			49.06
	TUENSANG			47.52
	ZUNHEBOTO			30.13
	MOKOKCHUNG			37.02
	WOKHA			24.60
	PHEK			35.01
	KIPHIRE			24.06
	LONGLENG			23.17
	PEREN			28.17
Total				404.64

(Source: Information furnished by Directorate of RD)

APPENDIX-2.3.8
(Reference: Paragraph 2.3.11.5; page 31)
Statement showing details of CGI sheets procurements during the last five years

Year	Quantity (in bundles)	Specification of CGI sheets			Brand	Rate (₹ per bundle)	Amount (₹)
		Thickness (mm)	Weight (kg/bdl)	Length (ft)			
2008-09	96035	0.50	50	10	JINDAL	4380	420633300
2009-10	93758	0.50	50	10	JINDAL	4380	410660040
2010-11	104195	0.50	50	10	JINDAL	4380	456374100
2011-12	71521	0.50	50	10	JINDAL	4990	356889790
2012-13	72759	0.50	50	10	JINDAL	4990	363067410
	438268						**2007624640**

APPENDIX-2.4.1
(Reference to paragraph 2.4 6.6; Page 47)
Activities Proposed in DAPs against RKVY Guidelines

Sl. No.	DAP of District	Name of the Department	Project proposal	Page Number in DAP
1	MON	Agriculture	Renovation of Office Building, Quarters	36
2	MON	Horticulture	Purchase of one Mini Truck	50
3	Dimapur	Agriculture	Agri Link Road	6, 32
4	Dimapur	Agriculture	Farmers Training Hall & Farmers Hostel (2 nos)	
5	Kohima	Agriculture	Purchase of TATA mobile, mini trucks	6
6	Kohima	Agriculture	Farmers Hostel cum Training Hall at ATMA District Hq (Purchase of site, site development & Construction of Building	7
	Kohima	Agriculture	Power Tiller Road	8
7	Phek	Agriculture	Repairing of Staff Quarter Type III and Type I at Phek (6 Nos)	NA
9	Phek	Agriculture	Repairing and Maintenance of Old Agriculture link Roads (10 Nos)	NA
10	Phek	Agriculture	Purchase of office furnitures for DAO & SDAOs offices	NA
11	Phek	Agriculture	To Improve the Landscaping of the Office Compound	NA
12	Phek	Agriculture	Repair & Renovation of existing Government Quarters at Phek Town, Pfutsero, Meluri & Chazoba	NA
13	Phek	Agriculture	Construction of Farmers Hostel attach with Conference Hall/Meeting Hall with Furniture	NA
14	Phek	Agriculture	Construction of 15 numbers of New Staff Quarters Type III & Type II with furniture	NA
15	Phek	Agriculture	Construction of DAO office attach with Soil Testing laboratory with proper furniture	NA
16	Phek	Agriculture	Fencing round the present DAO official residential quarter to protect from public encroachment	NA
17	Phek	Horticulture	Construction of Farmers Training Hall (20 unit)	NA
18	Phek	Horticulture	Purchase of Mini Truck for Vegetable Villages (8 unit)	NA
19	Phek	DRDA	Construction of Suspension Bridges	NA
20	Zunheboto	Agriculture	Plantation Crops-Tea & Coffee	NA
21	Zunheboto	Agriculture	Establishment of Tea Nursery	NA
	Zunheboto	Agriculture	Tea Manufacturing Unit	NA
22	Zunheboto	Agriculture	Tractor (Farm Mechanisation)	NA
23	Zunheboto	Agriculture	Establishment of Seed Production Farm (Land Acquisition, Land Development, Farm Machineries & Tools and Implements, Infrastructure-Type III & Type I Quarters, etc	NA
24	Zunheboto	Agriculture	Purchase of Vehicle- Trucks & Pickup Vans	NA
25	Zunheboto	Agriculture	Improvement/Widening of Agri- Link Roads	NA
26	Zunheboto	Agriculture	Renovation of Office Building & Staffs Quarters	NA

Activities Proposed in SAP against RKVY guidelines

Sl. No.	Project proposal	Page Number in SAP
1	Under Capacity Building: Establishment of Training Hall & Farmer Hostel	12
2	Appointment of 2 number Subject Matter Specialist (SMS) per district @ ₹ 8000/month	15
3	Rubber Plantation	37
4	Agriculture Link Road/ Horticulture Link Road	12, 14, 18

APPENDIX-2.4.2
(Reference to Paragraph.2.4.7 ; Page 47)
Lists of selected projects

Year	Project ID	Project Name	Project cost in lakh of Rupees	Sector Name
2011-12	NA/RKVY-ANHB/2012/047	Livestock development	214.50	ANIMAL HUSBANDRY
2011-12	NA/RKVY-ANHB/2012/062	*Piggery (Protein supplement)	500.00	ANIMAL HUSBANDRY
2012-13	NA/RKVY-ANHB/2012/107	Livestock Production	836.00	ANIMAL HUSBANDRY
2011-12	NA/RKVY-ANHB/2012/048	Fodder Development	82.00	ANIMAL HUSBANDRY
2008-09	NA/RKVY-HORT/2010/014	Integrated development of major horticulture crops	240.00	HORTICULTURE
2011-12	NA/RKVY-HORT/2012/061	*Vegetable cluster for urban areas (Hort)	350.00	HORTICULTURE
2012-13	NA/RKVY-HORT/2012/119	New area development	275.00	HORTICULTURE
2011-12	NA/RKVY-HORT/2012/055	Area expansion of Horticulture & other crops	298.00	HORTICULTURE
2007-08	NA/RKVY-AMEC/2012/065	Farm Machineries	50.00	AGRICULTURE MECHANISATION
2011-12	NA/RKVY-AMEC/2012/044	Agriculture tools,implements, power tillers, pump sets	204.00	AGRICULTURE MECHANISATION
2012-13	NA/RKVY-AMEC/2012/101	Agriculture tools & implements for hill agriculture	330.00	AGRICULTURE MECHANISATION
2008-09	NA/RKVY-FINM/2010/010	Manures and fertilizers	55.00	FERTILISERS AND INM
2009-10	NA/RKVY-FINM/2012/083	Manures & fertilizers	55.00	FERTILISERS AND INM
2012-13	NA/RKVY-FINM/2012/099	Soil health management	200.00	FERTILISERS AND INM
2008-09	NA/RKVY-IPMT/2010/009	Integrated pest management	35.00	INTEGRATED PEST MANAGEMENT
2009-10	NA/RKVY-IPMT/2012/082	Integrated pest management	25.00	INTEGRATED PEST MANAGEMENT
2012-13	NA/RKVY-IPMT/2012/097	Promotion of IPM & plant protection	100.00	INTEGRATED PEST MANAGEMENT
2010-11	NA/RKVY-CROP/2011/019	Integrated dev of major food crops	160.00	CROP DEVELOPMENT
2011-12	NA/RKVY-CROP/2012/046	Procurement of Certified Seeds	400.00	CROP DEVELOPMENT
2012-13	NA/RKVY-CROP/2012/093	Integrated Development of major food crops	500.00	CROP DEVELOPMENT
		Grand Total	**4909.50**	

*sub-schemes

Appendix-2.4.3
(Reference to Paragraph 2.4.7.1; Page 49)
Year-wise Receipt and Expenditure for Stream-I & II projects for the period 2007-08 to 2012-13

(Rupees in lakh)

Year	No. of project proposals	Total cost of the projects	Demand for the year	Opening balance	Receipt from DAC	Total funds available	Expend-iture	Closing Balance	Percentage of under-utilisation
2007-08	15	835.00	835.00	0.00	209.00	209.00	0.00	209.00	100
2008-09	13	1389.00	1389.00	209.00	695.00	904.00	211.69	692.31	76.58
2009-10	11	718.00	718.00	692.31	2038.00	2730.31	843.45	1886.86	69.11
2010-11	20	1325.00	1325.00	1886.86	1325.00	3211.86	1781.66	1430.20	44.53
2011-12	23	3754.00	3754.00	1430.20	3754.00	5184.20	1964.43	3219.77	62.11
Total	**82**	**8021.00**	**8021.00**	**4218.37**	**8021.00**		**4801.23**	**3219.77**	
2012-13	40	8575.00	8575.00	3219.77	8575.00	11794.77	5129.74	6665.03	56.51
Total	**122**	**16596.00**	**16596.00**	**7438.14**	**16596.00**		**9930.97**	**6665.03**	

Note: 1. Expenditure shown as per Cash Book maintained by the implementing agency.
2. Percentage of under utilisation calculated with reference to the total funds available.

APPENDIX-2.4.4

(Reference to Paragraph 2.4.7.2; Page 49)

Statement of delay in release of funds for the period 2007-08 to 2012-13

(Rupees in lakh)

Year	Receipt of funds by State Government from DAC		Release of funds by State Government to nodal department		Release of funds by nodal department to implementing agency		Delay in release of funds (in months)	
	Sanction no. and date	Amount	Sanction no. and date	Amount	Sanction no. and date	Amount	State to nodal agency	Nodal agency to implementing agency
2007-08								
Stream-I	**Nil**	**Nil**						
Stream-II	**1-32/2007-RKVY DT. 10.01.2007 (10-01-2008)**	**209.00**			AGR/BUD-11/2008 dated 31.10.2008	3.00		**9**
					AGR/BUD-16/2008 dated 20.11.2008	12.50		**10**
					AGR/BUD-22/2008 dated 18.12.2008	12.50		**11**
					AGR/BUD-9/2008 dated 09.01.2009	25.00		**12**
					AGR/BUD-20/2009 dated 27.03.2009	3.00		**14**
					AGR/BUD-21/2008 dated 27.11.2008	6.25		**10**
					AGR/BUD-17/2008 dated 15.12.2008	3.00		**11**
					AGR/BUD-26/2008 dated 09.01.2009	6.25		**12**
					AGR/BUD-10/2008 dated 12.01.2009	2.50		**12**
					AGR/BUD-19/2008 dated 18.12.2008	15.00		**11**
					AGR/BUD-24/2008 dated 11.12.2008	5.00		**11**
					FY/GEN-I/RKVY/2007-08(Pt) dated 06.11.08	15.00		**10**
					SOIL-1/2008/Daps dated 17.12.2008	50.00		**11**
					Sanctioned Order lost by V&AH Dept	25.00		**-**
					HR/CSS/RKVY-5/4/08 DT. 25.03.2009	25.00		**14**
Total		**209.00**				**209.00**		

2008-09								
Stream-I	**1-31/2008-RKVY DT. 02/2009**	596.00						
Stream-II	8-1/2008-RKVY DT 26.06.200	99.00			AGR/BUD-29/2009 dated 28.03.2009	68.00		1 to 7
					AGR/BUD-30/2009 dated 28.03.2009	27.50		
					AGR/BUD-24/2008 dated 28.03.2009	17.50		
					AGR/BUD-28/2009 dated 31.03.2009	17.50		
					AGR/BUD-09/2008 dated 28.03.2009	50.00		
					AGR/BUD-16/2008 dated 28.01.2009	17.50		
					AGR/BUD-31/2009 dated 28.03.2009	27.50		
					SERI/GEN-2/86/2007 dated 27.03.2009	55.00		
					LRD/NBRM-4/2009 dated 26.03.2009	55.00		
					FY/GEN-I/RKVY/2007-08 dated 31.03.2009	57.00		
					SOIL-1/2008/DAPs dated 29.03.2009	100.00		
					AHV/APC-2/2007-08 DT. 30.03.2009	82.50		
					HR/GEN-1/112/2007-08 dt. 31.03.2009	120.00		
Total		**695.00**				**695.00**		
2009-10								
Stream-I	1-10/2009-RKVY DT. 17.12.2009	764.00			AGR/BUD-16/2008 dated 09.03.2010	17.50		2 to 5
	1-10/2009-RKVY DT. 15.01.2010	764.00			AGR/BUD-41/2009 dated 30.03.2010	40.00		
Stream-II	8-1/2009-RKVY DT. 13.10.2009	510.00			AGR/BUD-21/2009 dated 30.03.2010	18.75		
					AGR/BUD-29/2009 dated 30.03.2010	110.00		
					AGR/BUD-30/2008 dated 31.03.2010	70.00		
					AGR/BUD-16/2008 (pt-I) dated 31.03.2010	37.50		
					AGR/BUD-31/2009 dated 31.03.2010	55.00		
					AGR/BUD-16/2008 dated 31.03.2010	34.00		
					AGR/BUD-26/2008 dated 30.03.2010	18.75		

					AGR/BUD-10/2008 dated 30.03.2010	7.50		
					AGR/BUD-28/2009 dated 30.03.2010	24.00		
					AGR/BUD-11/2008 dated 30.03.2010	9.00		
					AGR/BUD-19/2008 dated 31.03.2010	45.00		
					AGR/BUD-29/2009 dated 22.03.2010	68.50		
					AGR/BUD-28/2009 dated 09.03.2010	17.50		
					AGR/BUD-22/2008 dated 31.03.2010	37.50		
					AGR/BUD-17/2008 dated 31.03.2010	9.00		
					AGR/BUD-9/2008 dated 31.03.2010	50.00		
					AGR/BUD-31/2009 dated 15.03.2010	27.50		
					AGR/BUD-9/2008 dated 31.03.2010	75.00		
					AGR/BUD-9/2008(Pt-I) dated 31.03.2010	75.00		
					AGR/BUD-30/2009 dated 09.03.2010	27.50		
					AGR/BUD-41/2009 dated 09.03.2010	17.50		
					AGR/BUD-20/2008 dated 31.03.2010	8.00		
					AGR/BUD-24/2008 dated 30.03.2010	15.00		
					SERI/GEN-2/86/2007 dated 12.01.2010	15.00		
					SERI/GEN-2/86/2007 dated 25.03.2010	40.00		
					LRD/NBRM/RKVY-4/2009(Pt) dated 27.01.10	15.00		
					LRD/RKVI-1/2010(Pt) dated 25.03.10	40.00		
					FY/GEN-I/RKVY/2007-08(Pt) dated 27.03.10	42.00		
					FY/GEN-I/RKVY/2007-08(Pt-I) dt 31.03.10	128.00		
					SOIL-1/2008/DAPs(Pt) dated 31.03.2010	248.00		
					SOIL-1/2008/DAPs dated 22.03.2010	82.00		
					RKVY-6/2009-AHV DT. 27.03.10	60.00		
					CSS-6/RKVY/2009-AHV (Pt-II) DT. 31.03.10	178.00		
					HR/CSS/RKVY-5/4/2008 dt. 31.03.2010	275.00		
Total		**2038.00**				**2038.00**		

2010-11								
Stream-I	1-10/2009-RKVY DT. 02.02.2011	497.00	AGR/RKVY-2/2011 dated 11.08.2010	497.00	By Cheque/cash 26.08.11	202.61	6	0
					By Cheque/cash 26.09.11	133.45		1
					By Cheque/cash 03.10.11	160.94		2
	1-10/2009-RKVY DT. 31.03.2011	497.00	AGR/RKVY-2/2011 dated 31.03.2011	497.00	By Cheque/cash 31.03.11	200.66	0	0
					By Cheque/cash 31.05.11	48.89		2
					By Cheque/cash 02.08.11	61.16		5
					By Cheque/cash 09.09.11	186.29		6
Stream-II	8-1/2010-RKVY DT. 20.07.2010	331.00	AGR/RKVY-1/2011 dated 28.03.2011	331.00	By Cheque/cash 30.03.11	132.40	8	0
					By Cheque/cash 31.05.11	198.60		2
Total		**1325.00**		**1325.00**		**1325.00**		
2011-12								
Stream-I	1-29/2011-RKVY DT. 19.08.2011	1514.00	AGR/RKVY-2/2011 dated 03.12.2011	1877.00	By Cheque/cash 14.12.11	807.97	4	0
					By Cheque/cash 20.12.11	320.03		0
					By Cheque/cash 04.01.12	574.00		1
					By Cheque/cash 09.01.12	175.00		1
	1-29/2011-RKVY DT. 28.02.2012	1514.00	AGR/RKVY-2/2011 dated 30.03.2012	1877.00	By Cheque/cash 23.08.12	804.00	1	0
Stream-II	8-1/2011-RKVY DT. 28.04.2011	363.00			By Cheque/cash 18.09.12	928.00	8	1
	8-1/2011-RKVY DT. 20.12.2011	363.00			By Cheque/cash 28.09.12	145.00	3	1
Total		**3754.00**		**3754.00**		**3754.00**		

2012-13								
Stream-I	1-19/2012-RKVY DT. 21.09.2012	3400.00	AGR/RKVY-1/2011 dated 29.11.2012 *	5175.00	By Cheque/cash 04.12.12	1468.96	2	0
					By Cheque/cash 10.01.13	290.00		1
					By Cheque/cash 19.01.13	500.00		1
					By Cheque/cash 23.01.13	50.00		1
					By Cheque/cash 31.01.13	278.54		1
	1-19/2012-RKVY DT. 06.02.2013	3400.00	AGR/RKVY-1/2011 dated 23.03.2013 **	2280.00			1	
Stream-II	8-1/2012-RKVY DT. 18.06.2012	888.00					5	
	8-1/2012-RKVY DT. 06.07.2012	887.00					4	
		8575.00		**7455.00**		**2587.50**		

Note:

During the year 2007-08 to 2009-10 fund sanctioned by the GON to implementing Agency directly instead of Nodal Department.

As there was no Stream-II project in Nagaland, total fund was utilised for implementation of Stream-I projects.

* ₹ 5175 lakh is included of ₹ 3400 lakh, ₹ 888 lakh & ₹ 887 lakh sanctioned by DAC vide sanctioned order No. 1-19/2012-RKVY dt. 21.09.12, 8-1/2012-RKVY dt. 18.06.12 & 8-1/2012-RKVY dt. 06.07.12 respectively. Out of ₹ 5175 lakh drawn, an amount of ₹ 2587.50 lakh kept in Civil Deposit which was drawn in two installment during March 2013 and yet to disbursed.

** Bill was drawn and kept in Civil Deposit.

APPENDIX-2.4.5
(Reference to paragraph.2.4.7.5; Page 51)
Details of expenditure incurred out of 1% share of RKVY funds

(Amount in Rupees)

Year	Approved amount	Bill No & Date	Amount drawn	Items of expenditure	Amount
2010-11	630000	673 of 30.03.2011	132500	Stationery (M/s Pipi Traders)	323206
		699 of 31.03.2011	199000	Honorarium	200000
		267 of 26.08.2011	298500	Ricoh Digital Photo Copier (M/s Xplore)	95000
				Hotel Bill (GoI) official	3783
				Hotel Bill (GoI) official	8012
				Total	**630001**
2011-12	2900000	636 of 14.12.2011	1450000	Stationery (M/s Pipi Traders)	300000
				Monitoring and Evaluation	350000
				Procurement of Computer, Inverter, Printer, Toner, Hard Disk Drive, Pen Drive (M/s Trax Computer System)	400000
				Honorarium	400000
		816 of 30.03.2012	1450000	Documentation on RKVY Project	500000
				Monitoring and Evaluation	450000
				Meeting/Conference	500000
				Total	**2900000**
2012-13	7100000	405 of 04.12.2012	4000000	Stationery	350000
				Meeting/Conference	600000
				Monitoring/ Evaluation/ Inspection	1000000
				Documentation/RDMIS	1150000
				Repair/Procurement of computer /Printer etc	399950
				Honorarium	500000
				Total	**3999950**

APPENDIX-2.4.6
(Reference to paragraph 2.4.8.2 ; Page 54)

Discrepancy between issue and receipt of District Agriculture office with Phek village RKVY chairman records under the Project "Agriculture tools, implements, power tillers, pump sets 2011-12"

(Amount in Rupees)

Items	Quantity issued as per Delivery Challan of SDO (Store)	Quantity received as per DAO records	Village-wise distribution (Stock Register of Chairman RKVY Phek village)	Difference	Rate/ unit	Amount
Sprayer (Knapsack) 16 ltrs capacity-plastic	105	105	16	89	1850	164650
Hand compression sprayer 6 ltrs	54	54	5	49	3450	169050
Transplanting trowel-steel	90	90	0	90	140	12600
Kodali fork (4 Prong) (T. Hook)	90	90	4	86	180	15480
Shovel (Tata) (lever)	54	54	31	23	334	7682
Water Can with Rose (3 gallon capacity)	120	120	32	88	250	22000
Spade (No.4) (Sharp Spade)	145	145	102	43	250	10750
Wheel Barrow (3 cft, durable wheel, ball bearing)	18	18	0	18	5650	101700
Sickle (Saw blade with wooden handle)	407	407	144	263	140	36820
Pick Axe (2.75 Kg approx) (Hook Spade)	120	120	28	92	300	27600
Garden Rake (10 teeth)	130	130	62	68	145	9860
Digging Fork (Steel Spoon)	90	90	20	70	774	54180
Power Tillar (4 gear) 9 hp with trailer & cage wheel	2	2	2	0	150000	0
Water Pump set (5 hp) with delivery hose pipe & Suction pipe	6	6	5	1	30000	30000
Jamper	35	35	0	35	300	10500
					Grand Total	**672872**

Short receipt Hovokhu Village Dimapur under the project "Agriculture tools & implements for hill agriculture 2012-13"

(Amount in Rupees)

Items	Quantity Issued as per Delivery Challan SDO store Dimapur	Quantity received & distributed as per Hovukhu VC	Balance	Rate/ unit	amount
Sprayer (Knapsack) 16 ltrs capacity-plastic	130	12	118	1900	224200
Hand compression sprayer 6 ltrs	35	0	35	3500	122500
Transplanting trowel-steel	170	0	170	150	25500
Kodali fork (4 Prong)	170	0	170	180	30600
Shovel (Tata)	80	0	80	350	28000
Water Can with Rose (3 gallon capacity)	170	15	155	250	38750
Hoe/Rake/Spade (No.4)	170	39	131	175	22925
Wheel Barrow (3 cft, durable wheel, ball bearing)	30	0	30	6000	180000
Sickle (Saw blade with wooden handle)	450	116	334	160	53440
Pick Axe (2.75 Kg approx)	180	14	166	300	49800
Garden Rake (10 teeth)	180	16	164	150	24600
Digging Fork	180	0	180	850	153000
Seed Drill/Dribble	2	0	2	50000	100000
Water Pump set (5 hp) with delivery hose pipe & Suction pipe	8	0	8	30000	240000
Jamper	180	20	160	300	48000
Wheat/Maize/Paddy Thresher	2	0	2	40000	80000
Maize Sheller	2	0	2	50000	100000
				Grand Total	**1521315**

APPENDIX-2.4.7

(Reference to Paragraph.2.4.8.2; page 55)

Non-receipt of Agri tools by DAO Phek District under the project "Agriculture tools & implements for hill agriculture 2012-13"

(Amount in Rupees)

Items	Quantity issued as per Delivery Challan of SDO (Store) Dimapur	Quantity received as per DAO Phek	Rate/unit	Amount
Sprayer (Knapsack) 16 ltrs capacity-plastic	130	0	1900	247000
Hand compression sprayer 6 ltrs	35	0	3500	122500
Transplanting trowel-steel	170	0	150	25500
Kodali fork (4 Prong)	170	0	180	30600
Shovel (Tata)	80	0	350	28000
Water Can with Rose (3 gallon capacity)	170	0	250	42500
Hoe/Rake/Spade (No.4)	170	0	175	29750
Wheel Barrow (3 cft, durable wheel, ball bearing)	30	0	6000	180000
Sickle (Saw blade with wooden handle)	450	0	160	72000
Pick Axe (2.75 Kg approx)	180	0	300	54000
Garden Rake (10 teeth)	180	0	150	27000
Digging Fork	180	0	850	153000
Seed Drill/Dribble	2	0	50000	100000
Water Pump set (5 hp) with delivery hose pipe & Suction pipe	8	0	30000	240000
Jamper	180	0	300	54000
Wheat/Maize/Paddy Thresher	2	0	40000	80000
Maize Sheller	2	0	50000	100000
			Grand Total	**1585850**

APPENDIX-2.4.8

(Reference to Paragraph.2.4.8.6 ; Page 58)

Short Receipt by Gukhanyu Horti Model Farm, Tseminyu, Kohima under the project "Integrated Development of Major Horti Crops" 2008-09

(Amount in Rupees)

Sl. No.	Items issued	Quantity issued	Quantity receipt by beneficiary	Short receipt	Rate/unit	Monetary value of short receipt
1	Drip Irrigation Set (Standard)	4	2	2	31200	62400
2	Springkler Irrigation set (Standard)	4	2	2	36400	72800
3	Poly House (500sqm & other inputs)	2	2	0	624000	0
4	Poly House(200sqm & other inputs)	4	0	4	312000	1248000
5	Shade Nets (Nursery) Green	20	20	0	10400	0
6	GI Trellies (Barb Wire)	996	996	0	300	0
7	Weed Cutter	4	2	2	50960	101920
8	Soil Augur	4	2	2	67600	135200
9	Nylon Cord	22	1	21	2444	51324
10	Hi Tech Sprayer (16 ltr)	20	20	0	1976	0
11	Fruit Harvester (16 ft)	40	2	38	3000	114000
12	Hi Tech Harvester	20	0	20	1976	39520
					Grand Total	**1825164**

APPENDIX-2.4.9

(Reference to Paragraph 2.4.8.8 ; Page 59)

Item-wise planting materials, equipment, Maintenance cost & inputs distributed as per Stock Register in Amaluma village, Dimapur under the project "Area expansion of Horticulture & other crops 2011-12"

(Amount in Rupees)

Sl. No.	Particulars	No of saplings /seedlings/inputs	Cost per unit	Total Cost
1	Banana	12000	15	180000
2	Mango	7500	50	375000
3	Litchi	7500	50	375000
4	Lime	6000	40	240000
5	Soyabean	600	150	90000
6	Moong	600	160	96000
7	Arecanut	5000	10	50000
8	Knapsack Sprayer	40	2200	88000
9	Hand Gloves	65	100	6500
10	Secateur	25	750	18750
11	Trichoderma	325	200	65000
12	Fruit Harvester	15	1500	22500
13	Land dev/Maintenance cost			488750
			Grand Total	**2095500**

ANNEXURE-2.4.10

(Reference to paragraph 2.4.8.10 Page 61)

Selection of beneficiaries under the project "Livestock Development 2011-12" (General).

District	Particulars	unit allotted	No. of beneficiaries approved by DVOs	Final approval by Govt.	No. of beneficiaries approved by DVOs but not in final list
Kohima	Piggery	19	12	19	7
	Poultry	14	6	14	2
	Cattle	5	5	5	2
Zunheboto	Piggery	9	12	9	6
	Poultry	3	4	3	2
	Cattle	3	4	3	2
Mon	Piggery	11	12	11	4
	Poultry	5	6	5	2
	Cattle	2	2	2	1
Dimapur	Piggery	18	12	18	5
	Poultry	7	6	7	4
	Cattle	6	3	6	2
Phek	Piggery	12	2	12	-
	Poultry	4		4	-
	Cattle	4		4	-
Grand Total		**122**	**86**	**122**	**39**

APPENDIX-2.4.11
(Reference to paragraph 2.4.9.2, Page 63)
Discrepancies between MIS and physical data due to non-reconciliation of data of MIS system by the Department

(Rupees in lakh)

Project Name	Year	Physical Data		MIS Data		Remarks
		Exp amount	No of beneficiary/ Area (Ha)	Exp amount	No of beneficiary/ Area (Ha)	
Farm Machineries (ID No. NA/RKVY-AMEC/2012/065)	2007-08	₹ 50.00	Items procured for ₹ 12.50 lakh consists of Zero Till Drills, Pre-germinated Paddy Seeders, Manual Paddy Trans-planters and for the backlog amount ₹ 37.50 lakh Mini Harvesters, Pump sets, Chain Saws and Improved Cono Weeders. 515 numbers of farmers got benefitted in 11 districts of the state	₹ 12.50	8 Power Tiller were distributed in eleven districts	The physical & financial achievement for backlog amount ₹ 37.50 lakh was not reflected in MIS during the year 2007-08. Though the backlog amount was reflected in another project Farm Mechanisation (ID No.NA/RKVY-AMEC/2009/080 of 2009-10), the physical target & achievement was not taken into account.
Integrated Pest Management (ID No.NA/RKVY-IPMT/2010/009)	2008-09	₹ 34.50	₹ 17.50 lakh was released during 2008-09 and only ₹17.00 lakh was released by the government during 2009-10 as backlog instead of ₹ 17.50 lakh. The department target 64 Farmers Field School (52 FFS during 2008-09 & 12 FFS during 2009-10 on backlog amount).	₹ 35.00	Allotted amount ₹35.00 lakh was received and utilized during 2008-09. Physical target of 100 Farmers Field School was also achieved.	There was misreporting of financial position in MIS amounting ₹ 0.50 lakh. There was overstatement of target & achievement in MIS
Integrated Pest Management (ID No. NA/RKVY-IPMT/2012/082)	2009-10	₹ 24.00	Approved project cost was ₹25.00 lakh, but only ₹ 24.00 was sanctioned by the govt. Target & achievement on FFS was 12 & 11 respectively, Adoption of IPM village in 6 centres	₹ 25.00	Physical target & achievement on number of formation of FFS was 50. The expected & actual outcome on the number of IPM farmers' were 1500 IPM farmers.	There was misreporting of financial position in MIS amounting ₹ 1.00 lakh There was overstatement of target & achievement of FFS in MIS.
Manure & Fertilizer (ID No. NA/RKVY-FINM/2010/010)	2008-09	₹ 55.00	Procured inorganic fertilizer (Urea 100 MT, DAP 70 MT & MOP 29 MT), Green Manure Seed (Dhaincha 10 MT), Biofertilizer (0.6 MT). Financial assistance given for Bio-composting Pit (500 nos), Vermi Compost unit (40 nos), Demonstration & Training (120 nos) and Transportation charge. There was no Physical target in terms of	₹ 55.00	The physical target 6595 Ha to be covered through INM was fully achieved. The expected output was 50 MT Bio-fertilizers of which the department achieved output of 45 MT Bio-fertilizers.	Bio-fertilizer procured by the department was only 0.6 MT

			area (Ha) to be covered through Integrated Nutrient Management (INM) in the Project proposal.			
Manure & Fertilizer (ID No. NA/RKVY-FINM/2012/083)	2009-10	₹ 55.00	Procured inorganic fertilizer (Urea 92 MT, DAP 42.6 MT & MOP 28 MT), Green Manure Seed (Dhaincha 10 MT), Biofertilizer (2.5 MT). Financial assistance given for Bio-composting Pit (400 nos), Vermi Compost unit (40 nos) Demonstration & Training (140 nos). There was no Physical target in terms of area (Ha) to be covered through INM in the Project proposal.	₹ 82.50	Actual expenditure was ₹ 82.50 lakh, which was inclusive of backlog of 2008-09 (₹ 27.50 lakh) project (ID No. NA/RKVY-FINM/2008/010).	Though the backlog amount ₹ 27.50 lakh of 2008-09 released during 2009-10 was already reflected in 2008-09 Manure & Fertilizer Project (ID No. NA/RKVY-FINM/2008/010), the same amount was again reflected in 2009-10 Manure & Fertilizer project (ID No. NA/RKVY-FINM/2009/083). Thus there was double entry of backlog amount in the MIS.
Livestock Development (ID No. NA/RKVY-ANHB/2012/047)	2011-12	₹ 214.50	364 units/ beneficiary were the target and achievement under Piggery, Poultry and Cattles.	₹ 214.50	380 beneficiaries were the target and 281 actual beneficiaries	
Integrated Development of Major Horticulture crops (ID No.NA/RKVY-HORT/2010/014)	2008-09	₹ 240.00	Under plantation of prospective fruits & spices, target was to cover an additional area 554 Ha under Horti crops, of which an area of 554 Ha was covered. Under Post Harvest Management, Pack House was established, each at Dimapur and Mokokchung district. Live fencing (20 Ha) of departmental run Coffee Demonstration Farm, Kiruphema, Kohima. one unit each of High-tech Green House was established at Dimapur and Wokha district for protected Hi-tech Capsicum cultivation. Horti-Model Farm (20 Ha) was established at Gukhanyu, Tseminyu, Kohima.	₹ 240.00	Physical target & achievement on Storage & Extraction unit was 50 & 47 units respectively.	2008-09 backlog amount ₹ 120.00 lakh released during 2009-10 was entered in another project Integrated Development of major Horticulture crops (Project ID NA/RKVY-Hort/2009/087 of 2009-10) resulting in double entry of ₹ 120.00 lakh.

APPENDIX 2.5.1 (a)
(Reference : Paragraph 2.5.10.4, Page 79)
Statement showing unexecuted projects in eight Assembly Constituencies.

Sl. No.	Name of the District	Name of the work	Year of allocation	Name of the Assembly Constituency	Physical Target	Location	Expenditure (₹ in lakh)
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*
1.	Tuensang	Construction of Foot step, Shamator Town	2009-10	58- Shamatore-Chessore	350 metre	Shamator Town	1.50
2.	Tuensang	Repair renovation of GA quarter	2012-13	58- Shamatore-Chessore	I number	Shamator	1.00
3.	Tuensang	Repair & Renovation of GA quarter	2010-11	58- Shamatore-Chessore	I number	Shamator	1.00
4.	Tuensang	Repair & renovation and purchase of furniture at Rest House	2011-12	58- Shamatore-Chessore	I number	Shamator Town	3.00
5.	Tuensang	Const of side Drainage	2009-10	51. Noksen	1 Km	Noksen Vill	1.00
6.	Tuensang	Construction of Water Reservoir Tank	2012-13	51. Noksen	2 Nos	Yali Village	2.00
7.	Tuensang	Const of Side Drainage	2009-10	51. Noksen	2 Kms	Yali Vill	1.00
8.	Tuensang	Const. of Murung	2010-11	51. Noksen	2 Nos	Noksen village.	2.00
9.	Tuensang	Const. of Sector approach road	2011-12	51. Noksen	1 Km	Noksen Town.	2.00
10.	Tuensang	Cash crop farming of chilly	2010-11	51. Noksen	20 Hects	Noksen village	5.00
11.	Tuensang	Horti. Farming Banana	2010-11	51. Noksen	40 Hects	Noksen village	11.00
12.	Tuensang	Construction of RCC culvert	2008-09	51. Noksen	3 nos	Noksen Town	3.00
13.	Tuensang	Construction of Community Latrine	2008-09	51. Noksen	20 nos	Noksen town	5.00
14.	Tuensang	Const. of culvert at S.C. colony	2009-10	53. Tuensang Sadar I	1 No	Old/Med.'A'	1.50
15.	Tuensang	Land Development for new sector	2010-11	53. Tuensang Sadar I	5 Plots	Yungmay Sector	5.00
16.	Tuensang	Retaining Wall below Mt. Carmel School	2012-13	53. Tuensang Sadar I	20 x 50 ft	Bazar A	10.00
17.	Tuensang	Construction of suspension Bridge and drainage.	2008-09	53. Tuensang Sadar I		Bazaar. C, Tuensang Town	1.20
18.	Tuensang	Land development at yumgnang New colony	2009-10	53. Tuensang Sadar I	10 Nos	Officer colony	10.00
19.	Tuensang	F/step and culvert at various sectors at Tsg. town.	2009-10	53. Tuensang Sadar I	5 F/steps 10culverts	St.John'A'	14.50

20.	Tuensang	Construction of fishery ponds at Sikiyu project	2010-11	53 Tuensang Sadar. I	5 nos	Sikiyu project	5.00
21.	Tuensang	Improvement of Drainage & Culvert at Bhaolak Agri-Link Road	2012-13	54. Tuensang Sadar II	6 kms	L/Khel Tuensang Village	20.00
22.	Tuensang	Maintenance & Repair of Aoyou Irrigation Canal	2012-13	54 Tuensang Sadar II	4 Km	HakchangVillage	15.00
23.	Mon	Repairing & extension of Approach road to Church.	2011-12	47. Aboi	3.500 Km	Ngangching	8.00
24.	Mon	Construction of council Hall	2009-10	47. Aboi	1 number	Ngangching	5.00
25.	Mon	Side drain cutting to Aboi – Longleng Road	2012-13	47. Aboi	2 Km	Aboi	3.00
26.	Mon	Construction of Approach road to graveyard	2010-11	47 Aboi	1.5 Km	Aboi	3.30
27.	Mon	Construction of graveyard boundary	2010-11	47 Aboi	50 metre	Aboi Town	1.00
28.	Mon	Construction of play ground at Longzang	2011-12	44.Phomching	1 number	Longzang	6.50
29.	Mon	Construction of irrigation at Halen	2012-13	44. Phomching	1 Km	Longzang	3.00
30.	Mon	Minor irrigation at Humpo	2011-12	44. Phomching	3 ha	Longzang	7.00
31.	Mon	Construction of retaining wall at Pala morung	2011-12	42.Wakching	1 number	Wakching	1.40
32.	Mon	Construction of retaining wall at local ground	2008-09	42. Wakching	1 number	Wakching	4.00
33.	Mon	Construction of latrine shed at wakching village – pla morung	2010-11	42. Wakching	1 number	Wakching	1.00
34.	Mon	Construction of drainage Wakching village	2010-11	42 Wakching	1 number	Wakching	1.50
35.	Mon	Construction of side drain at chingakeng	2009-10	42. Wakching	50 metre	Wanching	1.00
36.	Mon	Rain water tank at Aokiang morung	2010-11	42. Wakching	1 number	Wakching	1.00
37.	Mon	Tea plantatin	2010-11	42. Wakching	5 ha	Wakching	1.50
38.	Mon	Tea plantation	2010-11	42. Wakching	2 ha	Wakching	1.00
39.	Mon	Construction of road from Panla morung to C/Lumpen	2009-10	42 Wakching	1 KM	Wakching	1.25
40.	Mon	Reparing of road – Naginimora to wakching	2012-13	42. Wakching	5 KM	Borjan area	20.75

41.	Mon	Construction of community fishery pond	2009-10	46. Mon town	2 numbers	Leangha	1.50
42.	Mon	Community fishery pond	2010-11	46. Mon town	1 number	Mon town	1.00
43.	Mon	Construction of retaining wall	2010-11	46 Mon town	50 metre	T./Chinga	1.50
44.	Mon	Improvement of road at Coching – Chi junction	2012-13	46. Mon town	2 Km	Mon town	6.00
45.	Mon	construction of public well	2009-10	46- Mon town	1 number	Vety colony	10.00
46.	Mon	Construction of protection wall around KU office	2011-12	46. Mon town	300 metre	Mon town	10.00
47.	Mon	Construction of public well at block colony	2009-10	46. Mon Town	1 number	Block colony	10.05
48.	Mon	Construction of foot step & foot bridge	2012-13	46.Mon Twon	1 number	Defence colony	1.50
49.	Mon	Cardamom plantation at Longkong	2012-13	46. Mon town	5 ha	T/chingkoh	3.00
50.	Mon	Community fishery pond	2012-13	46. Mon town	1 number	T/Chingnyu	2.00
51.	Kohima	Construction of Link Road	2011-12	11 Northern Angami-II	-	Meriema	2.50
52.	Kohima	Construction of Council Hall	2010-11	11 Northern Angami-II	1 No.	Dihoma Village	2.50
53.	Kohima	Construction of Council Hall	2010-11	11 Northern Angami-II	1 No.	Rusoma Village	4.00
54.	Kohima	Construction of A/road	2009-10	12 Tseminyu	2 Km	New Tesophenyu	2.00
55.	Kohima	Construction of A/road	2009-10	12 Tseminyu	2 Km	Sendenyu Village	1.00
56.	Kohima	Construction of A/road	2009-10	12 Tseminyu	2 Km	Tsonsinyu Village	1.00
57.	Kohima	Construction of A/road	2009-10	12 Tseminyu	2 Km	Phenshunyu Village	1.00
58.	Kohima	Construction of A/road	2009-10	12 Tseminyu	2 Km	Khenyu Village	1.00
59.	Kohima	Carpeting of Road	2009-10	12 Tseminyu	1 Km	Ehunu Village	1.00
60.	Kohima	Construction of A/road	2009-10	12 Tseminyu	4 Km	Yikhanyu Village	2.00
61.	Kohima	Construction of Multipurpose building	2009-10	12 Tseminyu	4 Nos.	Tesophenyu Village	2.00
62.	Kohima	Black topping of road	2009-10	12 Tseminyu	3 km	Tseminyu town	3.00
63.	Kohima	Approach Road	2010-11	12 Tseminyu	1.5 Km	Tesophenyu Village	1.00

64.	Kohima	Construction of A/road	2011-12	12 Tseminyu	1 Km	Kanshanyu	1.50
65.	Kohima	Fishery Pond	2011-12	12 Tseminyu	9 Nos	Kandinyu	1.00
66.	Kohima	Community fishery pond	2011-12	12 Tseminyu	8 Nos.	Tesephenyu	1.50
67.	Kohima	Construction of Community latrine	2011-12	12 Tseminyu	3 units	Tseminyu	3.00
68.	Kohima	Black topping of road at Tseminyu	2009-10	12 Tseminyu	10 Km	Tseminyu	10.00
69.	Kohima	Extension of Panchayat Hall	2012-13	12 Tseminyu	1 No	Tseminyu	5.00
70.	Kohima	Purchase of taxi	2012-13	12 Tseminyu	1 No	Tseminyu town	3.55
71.	Kohima	Purchase of furnitures & fixtures	2012-13	12 Tseminyu	15 Nos.	Tseminyu town	4.50
72.	Kohima	Purchase of commercial truck	2012-13	12 Tseminyu	1 No	Tseminyu town	8.50
73.	Kohima	Purchase of stone crusher	2008-09	14 Southern Angami-I	1 No	Kigwema	5.00
74.	Kohima	Improvement of bye pass road	2012-13	14 Southern Angami-I		Kigwema-Mima, Chakabama road	6.00
75.	Kohima	Construction of Community ground	2010-11	14 Southern Angami-I	1 No	Khami, Kigwema	3.50
76.	Kohima	Footpath from Kisama to Mezabo	2012-13	14 Southern Angami-I	200 metre	Kisama	1.00
77.	Kohima	Construction of protection wall	2009-10	14 Southern Angami-I	50 metre	Sikha,Phesama	2.00
78.	Kohima	Land slide protection measures	2012-13	14 Southern Angami-I	3 Nos.	Kigwema	5.00
79.	Kohima	Repair and maintenance of agri link road	2011-12	14 Southern Angami-I	5 Km	Mima Junction, Kigwema	5.00
80.	Kohima	Construction of community toilet	2010-11	14 Southern Angami-I	2 Nos	Kigwema village	1.00
81.	Kohima	Approach road to Whezo at Mima	2009-10	14 Southern Angami-I	2 Km	Mima	2.58
82.	Kohima	Construction of circular road at Mima	2012-13	14 Southern Angami-I	1 Km	Mima	4.00
83.	Kohima	Construction of approach road to Kitsubozou	2012-13	14 Southern Angami-I	0.5 Km	Kitsubozou	7.00
84.	Kohima	Construction of culvert at Napfulezha	2009-10	14 Southern Angami-I	2 Nos.	Napfulezha	1.55
85.	Kohima	Development of Mosambi	2010-11	14 Southern Angami-I	8 units		2.00
86.	Kohima	Retaining wall with slab	2011-12	9. Kohima town	20 metre	Agri farm	1.20
87.	Kohima	Construction of Drainege reaching NH	2011-12	9.Kohima town	45 metre	Old Minister Hill	1.20
88.	Kohima	Constrcution of water Reservoir	2009-10	9.Kohima town	I unit	Naga Bazar	1.00
89.	Kohima	Foot steps to Bridge	2011-12	9.Kohima town	20 metres	Potterlane	1.00
90.	Kohima	Construction of Bridge	2011-12	9.Kohima town	I number	Electrical & Agri colony	1.00
91.	Kohima	Construction of foot steps.	2012-13	9.Kohima town	100 metres	Kohima	1.26
92.	Kohima	Foot step & bridge towards Electrical	2011-12	9.Kohima town	30 metres	Forest colony	1.50

93.	Kohima	Water tank at Lower PR Hill	2011-12	9.Kohima town	I number	Lower PR Hill	1.00
94.	Kohima	Construction of Bridge from lower Agri to ParaMedical	2011-12	9.Kohima town	1 umber	Lower Agri to para Medical	1.00
95.	Kohima	Construction of foot step at electrical colony	2011-12	9.Kohima town	55 metre	Electrical Colony	1.00
96.	Kohima	Construction of foot step at Agri Farm	2011-12	9.Kohima town	33 metre	Agri farm	0.60
97.	Kohima	Construction of foot step	2011-12	9.Kohima town	18 metre	Below jail colony	0.90
98.	Kohima	Construction of foot step at para medical	2011-12	9.Kohima town	18 metre	Para medical	0.90
99.	Kohima	Construction of foot step at para medical	2011-12	9.Kohima town	18 metre	Para medical	0.90
100.	Kohima	Construction of foot step at Minister hill	2011-12	9.Kohima town	18 metre	Minister Hill	0.90
101.	Kohima	Construction of foot step at Minister hill	2011-12	9.Kohima town	18 metre	New Minister Hill	0.90
102.	Kohima	Construction of drainage at Chubala's qtr	2011-12	9.Kohima town	18 metre	Agri	0.90
103.	Kohima	Construction of drainage	2011-12	9.Kohima town	15 metre	Upper chand mari	0.70
104.	Kohima	Water Reservation Tank at NST	2011-12	9.Kohima town	1 unit	Below Suobi's Qtr	0.90
105.	Kohima	Construction of retaining wall Opposite to Vineyard School	2011-12	9. Kohima town	30 metre	Mohonkhola	1.00
106.	Dimapur	Construction of drainage	2011-12	1 Dimapur I	200 metre	Railway bazaar	1.00
107.	Dimapur	Construction of drain	2009-10	1 Dimapur I	800 metre	Ward No. 8	2.00
108.	Dimapur	Construction of A/road	2010-11	1 Dimapur I	800 metre	Netaji colony	1.50
109.	Dimapur	Construction of A/road	2011-12	1 Dimapur I	500 metre	Nepali Basti	1.50
110.	Dimapur	Construction of drainage	2011-12	1 Dimapur I	200 metre	Netaji colony	1.50
111.	Dimapur	Improvement and construction of drainages	2008-09	1 Dimapur I	1500 metre	Hong Kong Market Area	3.50
112.	Dimapur	RCC fencing with barbed wire of water tank	2009-10	1.Dimapur 1	200 metre	NST colony	2.00
113.	Dimapur	Construction of drainage	2012-13	1 Dimapur I	450 metre	Railway colony	2.25
114.	Dimapur	Construction of community hall,	2009-10	4 Ghaspani I	1 No	Chumukedima	1.70

		Sumi council					
115.	Dimapur	Construction of community hall, Konyak Union	2010-11	4 Ghaspani I	1 No	Chumukedima	1.00
116.	Dimapur	Construction of community hall, Sangtam Union	2010-11	4 Ghaspani I	1 No	Chumukedima	1.20
TOTAL							**385.54**

APPENDIX 2.5.1(b)
(Reference : Paragraph 2.5.10.4, Page 79)
Statement showing short executed projects in thirteen Assembly constituencies.

(₹ in lakh)

Sl. No.	Name of the district	Name of constituency	Name of the Village	Year of allocation	Name of the work	Unit estimated for execution	Amount released	Executed in units	Amount require against Col 10	Excess expenditure
1	*2*	*3*	*4*	*5*	*6*	*8*	*9*	*10*	*11*	*12 (Col 9-11)*
1	Dimapur	1. Dimapur I	ward No1	2009-10	Metalling of approach road	1.5 Km	3.00	350 metre	0.70	2.30
2	Dimapur	1.Dimapur I	ward no 1	2009-10	Cementing of road at Rajbari	800 metre	2.00	400 metre	1.00	1.00
3	Dimapur	1.Dimapur I	ward No.4	2008-09	Improvement of approach road and construction of draineges	1 Km	3.00	300 metre	0.90	2.10
4	Mon	42. Wakching	wakching village	2012-13	Drinking Water boring well	3 nos	10.00	1 number	3.33	6.67
5	Mon	42. Wakching	Aokationgsho	2011-12	Cons. of foot step	100 metre	1.90	50 metre	0.95	0.95
6	Mon	44. Phomching	Phomching	2011-12	Improvement & maintenance of road to play ground	10 Km	20.00	3.5 Km	7.00	13.00
7	Mon	44.Phomching	Phomching	2012-13	Maintenance of circular road at Phomching town	5 Km	28.00	1.1 Km	10.51	17.49
8	Mon	44. Phomching	Longwa	2012-13	Con.of link road towards Shongpong	6 Km	6.00	2.5 Km	2.50	3.50
9	Mon	44.Phomching	Longwa	2008-09	Con. of circular road from play ground to Chingsapothen	3 Km	6.00	2 Km	4.00	2.00
10	Mon	44.Phomching	Longwa	2011-12	Con.of link road to Peshak	12 Km	6.00	2 Km	1.00	5.00
11	Mon	46. Mon town	Lokha	2011-12	Tea plantation	8 Ha	2.00	2 Ha	0.50	1.50
12	Mon	46. Mon town	Lokha	2011-12	Tea plantation	8 Ha	2.00	2 Ha	0.50	1.50
13	Mon	46. Mon town	Shamnyu	2012-13	Fencing at leangha water supply-shamnyu ward	1 Km	14.00	0.120 Km	1.68	12.32
14	Mon	46. Mon town	T. Chingo	2010-11	Improvement of road/widening etc	8 Km	20.00	5 Km	9.20	10.80

15	Mon	46. Mon town	Douglas Colony	2009-10	Con. of public well	1 number	10.00	1number	0.14	9.86
16	Mon	46. Mon town	Mon town	2012-13	Con. of retaining wall near Antong residence	60 metre	5.00	20 metre	1.67	3.33
17	Mon	47. Aboi	Aboi town	2008-09	Con.of circular road – Aboi	8 Km	22.00	1.5 Km	4.13	17.87
18	Mon	47. Aboi	Aboi town	2011-12	Con. of Approach road to church	7.5 Km	15.50	0.5 Km	1.04	14.46
19	Mon	47.Aboi	Aboi town	2009-10	Con. of road around ADC Quarter	4 Km	10.60	1.5 Km	3.98	6.62
20	Mon	47. Aboi	Ngangching	2010-11	Con. of Agri Link road at Phangman project	3 Km	5.00	0.5 Km	0.83	4.17
21	Mon	47.Aboi	Aboi town	2009-10	Con. of foot step from AO church to circular road	100 metre	2.00	9 metre	0.18	1.82
22	Tuensang	51.Noksen	ten villages under Noksen	2011-12	Installation of solar light	100 numbers	30.00	24 numbers	7.20	22.80
23	Tuensang	51.Noksen	Noksen	2012-13	Improvement of road - Khudei- Noksen road	25 Km (11111.12 cum)	30.00	3006 cum	8.12	21.88
24	Tuensang	51.Noksen	yali village	2010-11	Con. of Agri link road	6 Km	6.00	3 Km	3.00	3.00
25	Tuensang	53. Tuensang Sadar. I	Longleng Road	2008-09	Con. of fishery ponds	3 nos	5.00	3 nos	3.05	1.95
26	Tuensang	53. Tuensang Sadar. I	khiamngungan colony	2009-10	Con. of circular road	0.235 Km	30.00	0.235 Km	14.08	15.92[1]
27	Tuensang	53. Tuensang Sadar. I	Bakayu	2010-12	Cultivation of orange, banana, ginger	40 Ha	15.00	5 Ha	1.88	13.12
28	Tuensang	53. Tuensang Sadar. I	Durgapooja nallh	2011-12	Con. of road from highway Durga pooja nallah to New Youngmang Colony	5 Km	50.00	2 Km	20.00	30.00
29	Tuensang	54.Tuensang sadar.II	Hakchang	2011-12	Fresh cutting of road from Yojung river to Hakchang village	126.01Cum	50.84	12623.01 Cum	22.60	28.24[2]
30	Tuensang	54.Tuensang sadar.II	3 villages	2012-13	Maintenance of Fishery ponds	9nos	11.00	7 no	5.74	5.26
31	Tuensang	54.Tuensang sadar.II	sangsangyu	2009-10	Widening, soiling metalling of EAC Hq road	4 .69 Km	10.00	0.8 Km	1.68	8.32
32	Tuensang	54.Tuensang sadar.II	sangsangyu	2010-11	Improvement of Sangsangnyu EAC Hq Town road.	3.35 Km	38.00	0.8 Km	8.98	29.02

[1] Due to adoption of inflated rate for earth cutting (sl No. 23,25 and 26)

[2] Rate has been inflated by showing 'E' class soil requiring blasting instead of ordinary/all kind of soil

33	Tuensang	54.Tuensang sadar.II	Maksha	2009-10	Procurement & Plantation of Citrus	21 Ha	25.00	12.14 Ha	9.71	15.29
34	Tuensang	54.Tuensang sadar.II	Maksha	2012-13	Maintenance of Orange Farm	8 Ha	3.75	8 Ha	2.46	1.29
35	Tuensang	58. Shamatore - Chessore	Shamatore	2010-11	Improvement of A/ Road at Shamator towards Chendang khel	1.11 Km	24.00	0.500 Km	10.00	14.00
36	Tuensang	58. Shamatore - Chessore	Shamatore	2011-12	Improvement of A/ Road at Shamatore Town.	0.916 Km	20.00	0.300 Km	6.48	13.52
37	Tuensang	58. Shamatore - Chessore	Muliungkir	2012-13	Improvement of Clearance of land slide	7381.85 Cum	20.00	7381.85 Cum	6.72	13.28[3]
38	Kohima	11 Northern Angami-II	Chiechama	2012-13	Construction of Badminton Hall	1 No	6.00	Under construction	0.85	5.15
39	Kohima	14.southern Angami	Merama, Phesama	2009-11	Construction of foot path	600 metres	5.25	300 metres	2.63	2.62
40	Kohima	12.Tsemenyu	Tsonzun	2010-12	Approach Road	4.5 KM	4.76	1.5 KM	1.59	3.17
41	Kohima	12.Tsemenyu	Teronyu senkhwe	2010-11	Soiling metaling of road	4.5 KM	5.00	2 Km	2.22	2.78
42	Kohima	9. Kohima Town	Upper chandmari	2011-12	Construction of drainage to sumi church	45 metre	1.20	15 metre	0.40	0.80
					TOTAL		**584.80**		**195.13**	**389.67**

APPENDIX 2.5.1(c)
(Reference : Paragraph 2.5.10.4, Page 79)
Statement showing non-Permissible works. taken up in four Assembly Constituencies

Sl. No.	Name of the District	Name of the work	Year of allocation	Name of the Assembly Constituency	Physical Target	Location	Estimated cost (₹`in lakh)
1.	Mon	Erection of Bel tower	2011-12	47. Aboi	1 number	Aboi town	1.00
2.	Mon	Community ornament tree plantation	201213	42 Wakching	2 Ha	Chingphoi	3.00
3.	Mon	Community ornament tree plantation	201213	42 Wakching	1 Ha	Koyimphao	2.00
4.	Mon	Afforestation at Lempong	2010-11	42 Wakching	2 Ha	Lempong wakching	0.75
5.	Mon	Afforestation at oji	2010-11	42 Wakching	3Ha	Wanching	1.00

[3] Instead of adopting the rate of 91 per cum for clearance of land slide, ₹271 per cum was adopted in preparation of estimate.

6.	Mon	Community Afforestation	2010-11	42 Wakching	5Ha	wanching	1.00
7.	Mon	Afforestation	2010-11	42 Wakching	2 Ha	Upper Tiru	0.50
8.	Mon	Forestry	2010-11	42 Wakching	2.hec	Upper Tiru	0.50
9.	Mon	Afforestation at Shanhoi.	2010-11	42 Wakching	2 hec	Wakching Vill.	0.50
10.	Mon	Afforestation at Lower Tiru.	2010-11	42 Wakching	2 hec	Lower tiru	0.50
11.	Mon	Forestry	2010-11	42 Wakching	2 hec	Wanching vill	0.50
12.	Mon	Forestry	2010-11	42 Wakching	3 Hec	Naginimora	1.00
13.	Mon	Forestry	2010-11	42 Wakching	2 hec	Tanhai vill	0.50
14.	Mon	Afforestation	2010-11	42 Wakching	2 hec	Upper Tiru	0.50
15.	Mon	Social forestry at wakching Chingla	2009-10	42 Wakching	1 ha	Wakching chingla	0.50
16.	Mon	Social forestry at Wanching	2009-10	42 Wakching	2 hec	Wanching	1.50
17.	Kohima	Grant-in-aid for a political party	2009-10	14 Southern Angami-I	1 No	Jakhama	0.75
18.	Kohima	Grant-in-aid for a political party	2012-13	14 Southern Angami-I	1 No	Phesama	1.00
19.	Dimapur	Construction of youth office building (of a political party)	2011-12	4 Ghaspani I	1 No	Dimapur town	5.00
20.	Dimapur	Construction of community Hall/Anganwadi bldg (inside a religious campus)	2009-10	4 Ghaspani I	1 No	Yehokhu village	6.50
21.	Dimapur	Construction of rest house (The fund utilized for construction of place of worship)	2011-13	4 Ghaspani I	1 No	K. Hetoi village	11.50
22.	Dimapur	Construction of community hall (The fund utilized for construction of place of worship)	2011-12	4 Ghaspani	1 No	Diphupar B	4.00
		TOTAL					**44.00**

APPENDIX 2.5.2 (a)
(Reference: Paragraph 2.5.10.5, Page 80)
Statement showing Diversion of projects in six Assembly Constituencies.

Sl. No.	Name of the District	Name of the work	Year of allocation	Name of the Assembly Constituency	Physical Target	Location	Estimated cost (₹in lakh	Diverted to	Cost of diverted project (₹ in lakh)
1.	Mon	Construction of foot step to PWD road	2010-11	42 Wakching	20 metre	Wakching village	1.00	Protection wall/retaining wall at wakching village to PWD road	1.00
2.	Mon	Maintenance of road from main road to graveyard	2008-09	42. Wakching	200metre	Wakching HQ	2.00	Protection wall at graveyard	2.00
3.	Mon	Construction of foot step to Khajeewong	2008-09	42 Wakching	50 metre	Wanching	0.70	Approach road of 10 metre at wanching	0.70
4.	Dimapur	Construction of drain at ward No. 2	2009-10	1.Dimapur 1	300 metre	Ward No 2	1.00	Improvement of road near mosque area	1.00
5.	Dimapur	Construction of drain near Manipuri colony	2009-10	1.Dimapur 1	700 metre	Manipuri Colony	2.00	Improvement of road in Manipuri colony	2.00
6.	Dimapur	Banana farming	2009-10	1 Dimapur-I	10 Ha	Thilixu Village	10.00	Utilized for drainage at United North Block-I	10.00
7.	Dimapur	Mango farming	2010-11	1 Dimapur	10 Ha	Chekiye	2.50	Utilized for drainage at United North Block-I	2.50
8.	Dimapur	Mango farming	2010-11	1 Dimapur	10 Ha	Chekiye Village.	2.50	Utilized for drainage at United North Block-I	2.50
9.	Dimapur	Banana Farming	2011-12	1 Dimapur	30 Ha	Chekiye Village	6.00	Utilized for drainage at United North Block-I	6.00
10.	Dimapur	Arecanut farming	2009-10	1 Dimapur I	20 Ha	Chekiye village	5.00	Black topping of road near east PS.	5.00
11.	Dimapur	Construction of pay & use toilet with boring tank	2008-09	1 Dimapur I	-	Chakesang colony	2.00	Cementing of road to Chakesang church	2.00
12.	Tuensang	Soiling of Noksen - yangpi road	2009-10	51.Noksen	2 Km	Yangpi Village	2.50	Frseh cutting of approach road in the village	2.50
13.	Tuensang	Maintenance of Approach road	2010-11	51.Noksen	3 Km	Yangpi village	2.50	Frseh cutting of approach road in the village	2.50
14.	Kohima	Construction of Plaza	2011-12	11 Northern Angami-II	1 No.	Cheichama	6.00	Gallery stand around playground, Cheichama	6.00
15.	Kohima	Black topping of road	2009-10	12 Tseminyu	7 Km	Ngvuphen	7.00	Utilized for construction of A/road in the village- Ngvuphen	7.00
16.	Kohima	Construction of Boy's dormitory	2010-11	14 Southern Angami-I	1 No	Kigwema	1.50	Construction of council hall, Kigwema	1.50
		TOTAL							**54.20**

APPENDIX.2.5.2(b)
(Reference: Paragraph 2.5.10.5, Page 81)
Statement showing Un-fruitful Expenditure in six Assembly Constituencies

Sl. No.	Name of the District	Name of the work	Year of allocation	Name of the Assembly Constituency	Physical Target	Location	Expenditure (₹ in lakh)
1	Tuensang	Horticulture farming in Dikhu Valley	2011-12	51. Noksen	32 Ha	Dikhu Valley	10.00
2	Tuensang	Cash crop farming of Chilly	2010-11	51.Noksen	20 Ha	Noksen Village	5.00
3	Tuensang	Horti farming of Banana	2010-11	51.Noksen	40 Ha	Noksen Village	11.00
4	Tuensang	Horticulture Farming ie banana, Pine apple, peach, Orange etc	2008-09	53. Tuensang Sadar. I	16 Ha	Tuensang Town	4.50
5	Tuensang	Horticulture Farming by women SHG	2008-09	53. Tuensang Sadar. I	20 groups	Tuensang Town	5.00
6	Tuensang	Cash crop farming by Women Group	2008-09	53. Tuensang Sadar. I	25 Groups	Tuensang Town	3.75
7	Tuensang	Plantation of jathropa Curcus Bio Diesel plant	2008-09	54. Tuensang Sadar. II	40 nos	Lopen, Hakchang Area	10.00
8	Tuensang	Plantation of Bio diesel plant	2008-09	54. Tuensang Sadar. II	45 nos	Shuija/ yanking area	12.00
9	Kohima	Orange Plantation	2008-09	11 Northern Angami-II	4 acres	Rusoma	1.50
10	Kohima	Ginger Cultivation	2008-09	11 Northern Angami-II	4 acres	Dihoma	1.50
11	Kohima	Dairy farm	2008-09	11 Northern Angami-II	2 units	Rusoma	2.00
12	Kohima	Banana Cultivation	2009-10	11 Northern Angami-II	3 Ha	Zeizou	0.80
13	Kohima	Banana Plantation	2010-11	11 Northern Angami-II	8 Ha	Chiechama	2.00
14	Kohima	Orange Plantation	2010-11	11 Northern Angami-II	8 Ha	Zhadima	2.00
15	Kohima	Banana Plantation	2012-13	11 Northern Angami-II	9 units	Rusoma	4.50
16	Kohima	Yamchak	2012-13	11 Northern Angami-II	9 units	Rusoma	4.00
17	Kohima	Renovation of Council Hall	2009-10	11 Northern Angami-II	1 No	Dihoma Village	2.00
18	Kohima	Construction of Fishery pond	2008-09	11 Northern Angami-II	1 No.	Cheiphobozou	1.00
19	Kohima	Purchase of stone crusher	2008-09	14 Southern Angami-I	1 No	Near Zapfu college	8.00
20	Dimapur	Pineapple farming	2008-09	3. Dimapur - III	20 Ha	Kiyeto Village	6.30
21	Dimapur	Horticulture farming	2008-09	3. Dimapur - III	29 Ha	Urra Village	6.30
22	Dimapur	Cash crop farming	2008-09	3. Dimapur - III	30 HA	Dhansiripar Area	6.30
23	Dimapur	Cash Crop Farming	2009-10	3. Dimapur - III	30 Hac	Singrijan	5.45
24	Dimapur	Cash Crop Farming	2009-10	3. Dimapur - III	27 Hac.	Deziphe	5.00
25	Dimapur	Pineapple Farming	2009-10	3. Dimapur - III	20 Hac	Kiyeto Village	6.30

26	Dimapur	Pineapple Farming	2009-10	3. Dimapur - III	20 Hac	Razaphe Village	6.30
27	Dimapur	Horticulture Farming	2009-10	3. Dimapur - III	30 Hac	Murise Village	7.35
28	Dimapur	Fishery	2008-09	4 Ghaspani I	2 Nos	Yehokhu village	2.00
TOTAL							**141.85**

APPENDIX 2.5.3

(Reference : Paragraph 2.5.10.6, Page 81)

Statement showing overlapping of projects in Dimapur- & Kohima

Sl. No.	Name of the District	Name of the work under LADP	Year of allocation	Name of the Assembly Constituency	Physical Target	Location	Expenditure (₹ in lakh	Overlapped work	Estimated cost (₹ in lakh)	Expenditure / release till 2012-13 (₹ in lakh)
1	Dimapur	Improvement of Road	2012-13	Common pool-Dimapur	¼ Km	Nagarjan	5.00	Improvement of road GHHS half Nagarjan to Supermarket Dimapur by PWD (R & B) Dimapur	15.00	5.22
2	Dimapur	Improvement of Road	2012-13	Common pool	½ Km.	Chekiye Village	5.00	Improvement & carpeting of road Chekiye weekly market to – Horn bill school PWD (R & B) Dimapur	15.00	6.25
3	Dimapur	Con. of Approach Road	2012-13	Dimapur	10KM	Dimapur	26.50	Improvement & maintenance of Dimapur district HQ roads	300.00	150.00
4	Dimapur	Embankment for flood control and anti-erosion	2008-09	Dimapur	0.60 Km	Yeveto Village	7.00	Flood control embankment at (a)Dhansiri river, Hazidaza/ Doyapur (b) Zubza river,	37.50	37.50

								Hakhuzhe/ Yeveto under MPLADS (RS)		
5	Dimapur	Construction of road Dhansari par village to Kiyeto	2008-09	Dimapr –III	1.5 km	Kiyeto Village	22.55	Renovation and widening of village road Kiyeto NREGS	8.40	8.40
6	Kohima	Widening and construction of drainage	2012-13	14 Southern Angami-I		Kigwema	7.00	Kigwema-Chakabama PMGSY road	23.11	23.11
						TOTAL	**73.05**		**399.01**	**230.48**

APPENDIX.2.5.4

(Reference: Paragraph 2.5.10.7, Page 82)

Statement showing Supply Oriented Programmes in eight Assembly Constituencies.

Sl. No.	Name of the District	Name of the work	Year of allocation	Name of the Assembly Constituency	Physical Target	Location	Expenditure (₹in lakh)
1.	Tuensang	Purchase of CGI sheets under Rural Housing	2008-09	51. Noksen	55 Units	Noksen	10.00
2.	Tuensang	Purchase of CGI sheets under Rural Housing	2009-10	51.Noksen	100 Units	Noksen Area	20.00
3.	Tuensang	Purchase of CGI sheets under Rural Housing	2010-11	51.Noksen	50 Units	Noksen Village	10.00
4.	Tuensang	Purchase of CGI sheets under Rural Housing	2011-12	51. Noksen	50 units	Noksen Village	10.00
5.	Tuensang	Purchase of CGI sheets under Rural Housing	2012-13	51 Noksen	3.25 Units	Noksen Village	3.25
6.	Tuensang	Purchase of CGI Sheet	2009-10	58 Shamator - Chessore	30 Units	Shiponger Village	12.00
7.	Tuensang	Purchase of C.G.I sheet for 15 villages under 54 A/C Tuensang Sadar-II for Rural Housing	2010-11	54 Tuensang Sadar-II	133 Units	Different villages	30.00
8.	Tuensang	Purchase of CGI Sheet (for 8 Village)	2012-13	58 Shamator-Chessore	100 Units	Shamator-Chessore	16.00
9.	Mon	Purchase of CGI Sheet	2010-11	42 Wakching	40 units	Wakching area	4.00
10.	Dimapur	Urban housing – CGI sheet	2009-10	1Dimapur .I	54 units	Dimapur I area	8.25
11.	Dimapur	Urban housing – CGI sheet	2010-11	1Dimapur I	70 units	Dimapur I area	10.00
12.	Dimapur	Purchase of CGI sheets for urban housing	2011-12	1 Dimapur I	78 units	Dimapur I area	16.50
13.	Dimapur	Rural housing – CGI sheet	2009-10	3.Dimapur III	30 units	Dhansiripar area	4.50
14.	Dimapur	Purchase of CGI sheets for rural housing	2010-11	3 Dimapur III	93 units	Dimapur III area	19.65
15.	Dimapur	Purchase of CGI sheets for rural housing 980 bundles for 98 beneficiaries	2011-12	3 Dimapur III	980 units	Urra village	39.20
16.	Dimapur	Purchase of CGI sheets for rural housing 625	2012-13	3 Dimapur III	625 units	Doyapur area	25.00

		bundles for 62 beneficiaries					
17.	Dimapur	Rural housing – CGI sheets	2008-09	4. Ghaspani.I	43 units	Ghaspani.I area	4.60
18.	Dimapur	Rural housing – CGI sheet	2009-10	4. Ghaspani I	21 units	Ghaspani I area	10.40
19.	Dimapur	Rural Housing	2012-13	4 Ghaspani I	50 units	Ghaspan I area	9.43
TOTAL(A)					**2605.25 units**		**262.78**
20.	Mon	Supply of rice for public distribution	2012-13	47. Aboi	250 qtl	Aboi town	5.25
21.	Mon	Supply of rice for public distribution	2012-13	47. Aboi	1300 qtl	47.A/c area	30.00
22.	Mon	Purchase of food grains for public distribution	2011-12	47. Aboi	400 qtl	Aboi town	12.00
23.	Mon	Purchase of rice for public distribution	2010-11	47.Aboi	400 qtl	Aboi area	10.00
TOTAL(B)					**2350 qtl**		**57.25**
GRAND TOTAL(A+B)							**320.03**

APPENDIX 2.5.5 (a)
(Reference : Paragraph 2.5.10.8, Page 83)
Statement showing unexecuted projects in four districts under Common pool.

Sl. No.	Name of the District	Name of the work	Year of allocation	Physical Target	Location	Expenditure (`₹in lakh)
1.	Tuensang	Extension of 2 numbers of Class room at Sao Chang College.	2008-09.	2 rooms	Tuensang Town	1.50
2.	Tuensang	Extension of class rooms- 3 rooms, Sao Chang College	2010-11	3 rooms	Tuensang Town	5.00
3.	Tuensang	Extension of Class room for GHSS. Tuensang	2008-09	-	Tuensang Town	1.50
4.	Tuensang	Maintenance & Repairing of drainage in and around daily bazaar Tuensang Town	2009-10	-	Tuensang Town	5.00
5.	Tuensang	Construction of foot step & community latrines.	2009-10	50 metre & 2 nos	Tuensang Town	2.00
6.	Tuensang	Major Repair & Renovation of Youth Hall & Badminton Stadium at Tuensang Town	2011-12	-	Tuensang Town	10.00
7.	Tuensang	Repairing/maintenance of drainage system in the Public Ground, Tuensang town	2009-10	-	Tuensang Town	2.50
8.	Tuensang	Construction of GB's court, Tuensang	2010-11	80 Sq. ft	Tuensang Town	1.00
9.	Tuensang	Construction of Protection wall . Tuensang Town	2010-11	900 metre	Tuensang Town	10.0
10.	Tuensang	Construction of culvert at Hakchang Village	2011 - 12	4 nos	Hakchang Village	6.00
11.	Tuensang	Renovation of planning Department Quarters	2009-10	2 nos	Tuensang	1.00
12.	Tuensang	Renovation of planning Department Quarters.	2008-09	2 nos	Tuensang	1.00
13.	Tuensang	Maintenance of Rest house.	2009-10	I number	Shamator	2.00
14.	Tuensang	Construction of IRCS office building Phase I	2009-10	I number	Tuensang	1.00

15.	Tuensang	Improvement of village approach road	2009-10	8 KM	4 villages	4.00
16.	Tuensang	Construction of retaining wall near ADC residence	2009-10	500 metre	Tuensang Town	4.00
17.	Mon	Community Land Development at Yuying project	2009-10	5 Ha	Aboi	9.00
18.	Mon	Horticulture farming	2012-13	3 Ha	Phomching	3.00
19.	Mon	Construction of protection wall below DRDA office	2008-09	5 number	Mon Town	5.00
20.	Mon	Construction of protection wall below DC office	2011-12	100 metre	Mon Town	5.00
21.	Mon	Construction of drainage & culvert	2011-12	1 KM	Tsonzun	6.00
22.	Dimapur	Construction of River embankment at Dhansiri	2010-11	100 metre	Purana Bazaar	11.75
23.	Dimapur	Improvement of road	2012-13	1 Km	Super Market	7.00
24.	Dimapur	Construction of embankment of flood control & anti-erosion at Dhansiripar road	2009-10	250 metre	Dhansiripar road	8.95
25.	Dimapur	Construction of drainage	2010-11	100 metre	Railway Colony	2.00
26.	Dimapur	Improvement of road	2010-11	1.3 km	Nagarjan	2.00
27.	Dimapur	Construction of drainage	2009-10	250 metre	Railway Colony	2.00
28.	Dimapur	Improvement of road	2012-13	5 km	Medziphema	5.00
29.	Kohima	Construction of Common latrines	2009-10	5 numbers	Kohima	1.50
30.	Kohima	Construction of water harvesting tank for colonies	2010-11	3 numbers	Kohima	6.74
					TOTAL	**132.44**

APPENDIX 2.5.5 (b)

(Reference : Paragraph 2.5.10.8, Page 83)

Statement showing short executed project in four districts under Common Pool

(₹ in lakh)

Sl. No.	Name of the district	Name of the Village	Year of allocation	Name of the work	Unit estimated for execution	Amount released	Executed in units	Amount require against Col .8	Excess expenditure
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10(Col 7-9)*
1	Mon	Aboi	2011-12	Stream bank erosion at Taphi river	500 metre	5.00	45 metre	0.45	4.55
2	Tuensang	Tuensang Town	2009-10	Improvement of drainage around civil hospital	89 metre	2.50	15 metre	0.38	2.12
3	Tuensang	Tuensang Town	2009-10	Con.of summer House cum dining hall at DC's residence	1150 sqft	17.00	430sqft	10.94	6.06
4	Tuensang	Tuensang Town	2009-10	Garage of DPO Tuensang	1 number	1.00	1 number	0.10	0.90
5	Tuensang	Tuensang Town	2010-11	Purchase of computer set & generator for DPO office.	2 computer and one generator	2.25	0ne inverter	0.18	2.07

6	Tuensang	Tuensang Town	2010-12	Maintenance of Town Roads AR camp to District Hospital	1.4 Km	21.00	1.4 Km	7.00	14.00
7	Kohima	Kohima Town	2009-10	Construction of RCC retaining wall and construction of RCC slab on Dzuvuru river	200 metres	20.00	30 metres	3.00	17.00
8	Kohima	Kohima Town	2009-10	Construction of foot steps	200 metres	3.75	50 metres	0.94	2.81
9	Kohima	Tsemenyu	2012-13	Upgradation of rostrum	Different works	5.00	Non-execution of wood work	3.33	1.67
10	Kohima	Lerie area	2011-12	Widening of road	0.5 KM	5.00	0.2 K M	2.0	3.00
11	Kohima	Kohima local ground	2009-10	Construction of Water Reservation Tank	1 unit with distribution pipes	10.25	1 unit without distribution pipes	1.50	8.75
12	Kohima	Lower AG	2011-12	Widening of road	0.5 KM	5.00	0.1 KM	1.00	4.00
13	Dimapur	Purana bazar	2012-13	Improvement of road	1 KM	18.00	1KM	9.06	8.94
14	Dimapur	Signal basti	2012-13	Improvement of road	1.49 KM	25.00	1.1 KM	11.47	13.53
15	Dimapur	Purana bazar	2011-12	Improvement of road	0.2 KM	11.00	0.20 KM	7.06	3.94
TOTAL						**151.75**		**58.41**	**93.34**

APPENDIX 2.5.5(c)
(Reference : Paragraph 2.5.10.8, Page 83)
Statement showing non-Permissible works taken up in two districts under Common pool

Sl. No.	Name of the District	Name of the work	Year of allocation	Name of the Assembly Constituency	Physical Target	Location	Expenditure (₹ in lakh)
1	Tuensang	Extensions of office chamber – 1 room (one political party)	2009-10	Tuensang – common pool	1 room	Tuensang town	3.00
2	Tuensang	Construction of office building for Tuensang Division (to one political party)	2012-13	Tuensang – common pool	1 number	Tuensang town	4.00
3	Tuensang	Construction of Chang Baptist Lashong Thangyen	2010-11	Tuensang – common pool	I unit	Tuensang town	10.00
4	Mon	Purchase of DC Pool Vehicle	2012-13	Mon Common Pool	1 no.	Mon	7.00
		TOTAL					**24.00**

APPENDIX.2.5.5 (d)
(Reference: Paragraph 2.5.10.8, Page 83)
Statement showing Supply Oriented Programmes in three districts under Common Pool

Sl. No.	Name of the District	Name of the work	Year of allocation	Name of the Assembly Constituency	Physical Target	Location	Expenditure (₹in lakh)
1.	Mon	Rural Housing	2008-09	Mon- Common pool	70 units	Wakching area	10.00
2.	Kohima	Purchase of CG sheets to colonies	2012-13	Kohima – Common pool	60 units	Kohima Town	3.00
3.	Kohima	Purchase of CGI sheets	2010-11	Kohima – Common pool	75 units	Kohima area	3.00
4.	Kohima	Purchase of CGI sheets	2010-11	Kohima – common pool	10 units	Western Angami	1.25
5.	Kohima	Purchase of CGI sheets	2009-10	Kohima – Common pool	10 units	Western Angami area	2.00
6.	Kohima	Purchase of CGI sheets	2009-10	Kohima – Common pool	50 units	Kohima	2.00
7.	Kohima	Purchase of CGI sheets	2008-09	Kohima – Common pool	15units	Kohima	2.00
8.	Kohima	Purchase of CGI sheets for needy people	2008-09	Kohima- common pool	15 units	Western Angami area	1.20
TOTAL(A)					**305 units**		**24.45**
9.	Tuensang	Purchase of furniture for YTC office	2011-12	Tuensang –c ommon pool	NA	Shamatore	1.00
10.	Kohima	Purchase of furniture tent for public distribution	2009-10	Kohima common pool	5 sets	Kohima	1.50
11.	Kohima	Purchase of plastic chairs for colonies	2009-10	Kohima common pool	500 numbers	Kohima	2.00
12.	Kohima	Purchase of plastic chairs and tables	2009-10	Kohima common pool	50 numbers	Kohima	0.30
13.	Kohima	Purchase of plastic chairs for colonies	2008-09	Kohima common pool	1000 numbers	Kohima	2.50
14.	Kohima	Purchase of furniture for DC conference hall	2008-09	Kohima common pool	40 numbers	Kohima	0.80
15.	Kohima	Purchase of furniture for DB Coutrt	2008-09	Kohima common pool	20 numbers	Kohima	0.40
TOTAL(B)							**8.50**
16.	Tuensang	Purchase of medicine in 56 Noklak A/c	2011-12	Tuensang -common pool	NA	Noklak	6.00
17.	Kohima	Purchase of water Syntex for needy people	2008-09	Kohima- common pool	20 numbers	Western Angami area	1.00
18.	Kohima	Purchase of blanket for needy	2009-10	Kohima common pool	30 number	Western Angami area	1.00
TOTAL(C)							**8.00**
GRAND TOTAL (A+B+C)							**40.95**

APPENDIX-2.6.1
(Reference: Paragraph No. 2.6.10.2 and 2.6.10.3; pages 97& 98)
FUND FLOW STATEMENT IN RESPECT OF NLCPR/NEC PROJECTS.

(₹ in lakh)

Particulars of the Scheme	Approved Cost	Share of		Released by			Balance from		Deduction by Finance Deptt.	NET Funds available to the Divisions (Col. 7-10)
		GOI	GON	GOI	GON	TOTAL	GOI	GON		
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*
Con. of road in Tuensang district under NLCPR against PM Package.	4072.11	3664.9	407.21	3282.22	249.01	3531.23	382.68	158.2	72.42	3458.81
Con. of road from Pughoboto to Satakha	3924.04	3531.64	392.4	2823.06	313.68	3136.74	708.58	78.72	86.27	3050.47
Improvement and Up-gradation of Dimapur-Khopanala-Jalukie-Peren road	3673.29	3305.96	367.33	3305.96	367.33	3673.29	0	0	161.29	3512
Con. of road from Chozuba border road to Kijumetuma via Khusami-26km	3435.6	3092.04	343.56	2464.02	136.89	2600.91	628.02	206.67	68.45	2532.46
Up-gradation of Dimapur-Niuland road from ODR to MDR 28 km	2941.08	2646.97	294.11	2595.07	230.68	2825.75	51.9	63.43	46.14	2779.61
Con. and Up-gradation of road from Old Phek via Khuza to Satakha road	2917.21	2625.49	291.72	2549	189	2738	76.49	102.72	53	2685
Con. of road from Razeba to Chizami via Thetsumi	2572.67	2315.4	257.27	2315.4	257.27	2572.67	0	0	73.19	2499.48
Improvement of roads in Mon distt under PM Package	2374.78	2137.3	237.48	1567.34	94.09	1661.43	569.96	143.39	47.45	1613.98
Up-gradation of road from Rusoma to Kijumetuma	2184.57	1966.11	218.46	1966.05	218.44	2184.49	0.06	0.02	175.39	2009.1
Improvement and Up-gradation of Longkhum via Mangmatong-Aliba road	1781	1602.9	178.1	1556	0	1556	46.9	178.1	7.19	1548.81
Con. of road from Phek to Chozuba	1747.13	1572.42	174.71	1450	161.11	1611.11	122.42	13.6	117.8	1493.31
Con. of road from Zhekiye to Hokiye via Satoi (Zhekiye to Ghokhuvi)	1693.61	1524.25	169.36	1120.44	124.49	1244.93	403.81	44.87	33.19	1211.74
Con. of RCC T Beam girder double lane bridge over river Tizu on Lanye-Meluri road	900.26	810.23	90.03	647.46	71.94	719.4	162.77	18.09	35.12	684.28
Improvement of roads in Wokha district under NLCPR against PM Package.	435.42	391.88	43.54	380.12	26.61	406.73	11.76	16.93	49.73	357
Con. of Link road to minerals deposit Areas in Nagaland	2653.91	2388.52	265.39	2341.71	260.19	2601.9	46.81	5.2	0	2601.9
Con. of Tizu bridge & Chizuti bridge at Nimi-Laluri road to Minerals deposit areas	1990.23	1791.21	199.02	1431.59	159.16	1590.75	359.62	39.86	0	1590.75

TOTAL (A) NLCPR	**39296.91**	**35367.22**	**3929.69**	**31795.44**	**2859.89**	**34655.33**	**3571.78**	**1069.8**	**1026.63**	**33628.7**
Con. of Longleng- Ladigarh road	5153	4637.7	515.3	3626	380.26	4006.26	1011.7	135.04	226.67	3779.59
Upgradation of Viswema-Kidima-Zuketsa-Tadubi road	6527	5874.3	652.7	4100	344.43	4444.43	1774.3	308.27	211.12	4233.31
Con. of road from Longding-Nokjan Road	4913	4421.7	491.3	4000	444.43	4444.43	421.7	46.87	98.34	4346.09
Con. and improvement of Medziphema-Jalukie-Athibung road	4466	4019.4	446.6	4019.4	446.6	4466	0	0	246.83	4219.17
TOTAL (B)NEC	**21059**	**18953.1**	**2105.9**	**15745.4**	**1615.72**	**17361.1**	**3207.7**	**490.18**	**782.96**	**16578.16**
GRAND TOTAL	**60355.91**	**54320.32**	**6035.59**	**47540.84**	**4475.61**	**52016.45**	**6779.48**	**1559.98**	**1809.59**	**50206.86**

APPENDIX-2.6.2
(Reference: Paragraph No. 2.6.11.1; page 99)
STATUS OF COMPLETED AND ONGOING NLCPR PROJECTS IN NAGALAND.

Sl. No.	NLCPR Project	Date of Approval	Approved cost in lakh	Status		Implementing Department
				Completed (date of completion)	Ongoing	
1.	Upgradation of Dimapur Khopanala Jalukie Peren Road	21/02/2006	3673	08.05.2009		PWD (R&B)
2.	Construction and Upgradation of road from Old Phek via Khuza to Satakha Road	22/02/2006	2917.21	31/03/2010		PWD (R&B)
3.	Improvement and Upgradation of road from Longkhum via Mangmetong - Aliba	22/02/2006	1781	30.05.2010		PWD (R&B)
4.	Mokokchung-Dikhu-Chare road in Tuensang Dist. (Tuensang Seminar Road)	28/02/2001	870	10.08.2007		PWD (R&B)
5.	Aboi-Tohok, 14 KM	23/10/2001	653	31.3.2007		PWD (R&B)
6.	Kiphire - Pungro Road (Tuensang Seminar Road)	01/04/2001	2900	31.03.2009		PWD (R&B)
7.	Mon-Namotola Road (Mon Seminar Road)	01.10.2001	958	20.05.2006		PWD (R&B)
8.	Tang-Junction to Chenmoho Road (Mon Seminar Road)	01.04.2001	1554	06.01.2011		PWD (R&B)
9.	Tohok-Chenkhao-Wangti,31KM	23/10/2001	818.89	05.10.2011		PWD (R&B)
10.	Dimapur to Ganeshnagar Road	30/01/2003	1212	05.09.2005		PWD (R&B)
11.	Khipire-Amahator-Lukhani Road (Tuensang Seminar Road)	30/01/2003	1952.4	March 2012		PWD (R&B)
12.	Lampong Singha to Phomehing via Changnyu EAC HQ. (Mon Seminar Road)	30/01/2003	878	10.10.2007		PWD (R&B)
13.	Tohok-Chen HQ-Chenlaiso-Wangti,49 KM	12.01.2004	1111.08	02.11.2011		PWD (R&B)
14.	Construction of Road from Purana Bazar (NH-39 Bypass) to Kohima-Bokajan Road	20/09/2004	2117.63	29/09/2006		PWD (R&B)
15.	Improvement and upgradation of District Capital Roads	29/07/2004	2000	31.03.2010		PWD (R&B)
16.	Chantongya - Longleng Road (23 KMs)	03-01-00	423	30/09/2002		PWD (R&B)

17.	Construction of Road to Dimapur Dist. Headquarters at Chumukedima	03-01-00	265	14/08/2003		PWD (R&B)
18.	Improvement of Dimapur Niuland Road	03-01-00	736	31/03/2003		PWD (R&B)
19.	Improvement of Roads in Tuensang District (Under PM's Package)	29/09/2005	4072.11	Dec 2010		PWD (R&B)
20.	Improvement of Roads in Wokha District (Under PM's Package)	29/09/2005	435.42	05.09.2010		PWD (R&B)
21.	Improvement of road from Hezidesa Village to Intanki River Bridge (6.60 km) and upgradation of Road from Mounglumuk to Jalukie Zandi Village (6.30km)	26/09/2007	727	31.03.2010		PWD (R&B)
22.	Upgradation of Road from Rusoma to Kijumetuma (36.00 Km)	31/12/2007	2184.57	14/05/2010		PWD (R&B)
23.	Construction of road from Razeba to Chizami via Thetsumi	18/12/2008	2572.67	Dec 2011		PWD (R&B)
24.	Constructon of T.Beam Girder Double Lane Bridge of IRC Class 'A' loading over river DZU-U on Rusoma to Kijumetuma road	18/12/2008	544.41	14/05/2010		PWD (R&B)
25.	Construction / Improvement of road from Tuophema to Kasha (8.5 km) in Nagaland	26/03/2009	586.82	15.3.2011		PWD (R&B)
26.	Construction of Road Kohima Laike Road junction to old Puilwa -15km in Nagaland	09-04-09	748.93	30.6.2011		PWD (R&B)
27.	Construction of Road from Yangli to Surohoto (17Km) in Nagaland	09-04-09	894.68	10.3.2011		PWD (R&B)
28.	Construction of road from Chuchuyimlang to Mongdikang 20 km in Nagaland	14/10/2009	1106.38	18.5.2012		PWD (R&B)
29.	Improvement and Upgradation of road from NH-61 (Alichen to Mangmetong - 11 Km) to Doyang Hydro Project Phase -I in Nagaland	02-05-10	704.14	Oct 2011		PWD (R&B)
30.	Upgradation of Dimapur-Niuland Road from ODR to MDR (28 Kms) in Nagaland	16/08/2010	2941.08	23.7.2011		PWD (R&B)
31.	Upgradation and Improvement of roads from Tourist Villages from major/minor hubs	03-02-09	489.64	completed		Dept of Tourism
32.	Replacement of Hamilton Bridge on Diku-Chare Road	21/03/2003	160	-	Ongoing	PWD (R&B)
33.	Railway Over bridge at Dimapur	01-01-01	350	-	Ongoing	PWD (R&B)
34.	Improvement of Roads in Mon District (Under PM's Package)	29/09/2005	2374.78	-	Ongoing	PWD (R&B)
35.	Construction of 2 lane RCC Bridge over Dhansiri river	28/06/2007	645.19	-	Ongoing	PWD (R&B)
36.	Construction of Road from Phek to Chozuba (44.36 Km)	31/12/2007	1747.13	-	Ongoing	PWD (R&B)
37.	Construction of Link Roads to Mineral Deposit Areas in Nagaland	16/05/2008	2653.91	-	Ongoing	PWD (R&B)
38.	Construction of road from Ruzhazo to Phek town via Khumvophu	18/12/2008	860.04	-	Ongoing	PWD (R&B)
39.	Construction of road from Tamlu Administrative Hq. to Shemnyuching in Nagaland	03-02-09	1142.95	-	Ongoing	PWD (R&B)
40.	Construction & Improvement of road from Zhekiye to Hokiye via Satoi (Zhekiye to Chokhuvi)-26 km in Nagaland	03-02-09	1693.61	-	Ongoing	PWD (R&B)
41.	Construction of road from NH-150 to Thiphuzu (25 km) in Nagaland	03-02-09	1192.46	-	Ongoing	PWD (R&B)
42.	Construction of road from Kephore to Kituskir (10 km) in Nagaland	03-02-09	749.05	-	Ongoing	PWD (R&B)
43.	Construction of road from Agunato-Samator Road in Nagaland	27/03/2009	1597.3	-	Ongoing	PWD (R&B)
44.	Construction of road from Noklak to Thonoknyu via Sanglao in Nagaland	27/03/2009	844.81	-	Ongoing	PWD (R&B)
45.	Construction of road from Longtho to Governor's Camp at Liphayan 20 km	30/09/2009	1094.56	-	Ongoing	PWD (R&B)
46.	Upgradation of Co-Co Doyang Road (NH-61) to Kitsaki via Atoizu SDO HQ	23/12/2010	1661.12	-	Ongoing	PWD (R&B)
47.	Improvement of road from Zhekiye to Satoi - 70 km (Ghukhuyi upto Satoi Administrative Hq., MDR-21 km)	11-10-10	1438.84	-	Ongoing	PWD (R&B)
48.	Construction of Tizu Bridge & Chizuti Bridge at Nimi-Laluri Road to Mineral Deposit Areas	23/12/2010	2053.93	-	Ongoing	NSMDC

49.	Construction of road from Kohima to Leikie road junction to Tepuiki to Barak - 10 km (MDR)	28/02/2011	968.54	-	Ongoing	PWD (R&B)
50.	Construction of road from Chozuba Border Road to Kijumetuma Junction via Khusami (26 km)	15/03/2011	3435.5	-	Ongoing	PWD (R&B)
51.	Construction of road from Diezephe to Razephe via Vidima - 15 km	19/05/2011	1371.24	-	Ongoing	PWD (R&B)
52.	Improvement & Upgradation of road from Border road to Changlanshu - 19 km	27/06/2011	610.78	-	Ongoing	PWD (R&B)
53.	Construction of RCC T Beam girder double-lane bridge over river Tezu on Lanye to Meluri, Phek Dist	27/06/2011	900.26	-	Ongoing	NSMDC
54.	Construction of road from Zero Point Sanis to Woruku village - 27km (ODR)	19/09/2011	2299.44	-	Ongoing	PWD (R&B)
55.	Construction of road from Pughoboto to Satakha, Zunheboto road, Zunheboto District	19/09/2011	3924.04	-	Ongoing	PWD (R&B)
56.	Construction of road from Tuophema to Pughoboto via Kasha (Kasha to Pughoboto)	19/09/2011	1494.87	-	Ongoing	PWD (R&B)
57.	Construction of road from NH-150 to Chokriba via Thipuzu (10 km) in Phek District	19/12/2011	1167.91	-	Ongoing	PWD (R&B)
58.	Construction of road from Jendang Saddle Noklak Pangsa (Phase II)	24/12/2012	2186.72	-	Ongoing	PWD (R&B)
59.	Construction of road from Kohima to Leikie road junction to Barak (Phase III)	24/12/2012	1911.48	-	Ongoing	PWD (R&B)
Total for Nagaland (59 Projects)			**87358.52**	**31 projects**	**28 projects**	

APPENDIX-2.6.3
(Reference: Paragraph No. 2.6.12.1; Page 110)
STATUS OF ALL-WEATHER STANDARD ROADS.

Sl. No.	Name of the Project	Division	Length of the road (in Km)	Provision for carpeting (in Km)	As per physical verification (in Km)
NEC					
1	Improvement and Upgradation of Tuensang-Longleng-Ladaigarh Road	Longleng	107.36	107.36	15
2	Construction of Viswema-Kidima-Zuketsa-Tadubi Road	Kohima(S) & Pfutsero	36	36	0
3	Improvement and upgradation of Longding-Nokjan Road	Mon	46.35	46.35	14
4	Con. & Improvement of Medziphema-Athibung	Dimapur & Peren	58.67	58.67	58.67
		TOTAL (A)	**248.38**	**248.38**	**87.67**
NLCPR					
5	Construction of road from Chozuba Border Road to Kijumetuma Junction via Khusami	Chiephobozou	26	26	0
6	Upgradation of Dimapur-Niuland Road from ODR to MDR	Dimapur	28	28	28
7	Mineral deposit roads	NSMDC			
	(i) Wazeho to Satuza Road		8	8	0
	(ii) Zipu to Moke Road		9	9	2.8
	(iii) Nimi to Laluri Road		20	20	5.4
8	Construction of road from Razeba to Chizami via Thetsumi Road	Pfutsero	25.30	25.30	25.3
9	Construction of Road from Phek to Chozuba Road	Phek	44.36	44.36	0
10	Construction & Improvement of road from Zhekiye to Hokiye via Satoi (Zhekiye to Chokhuvi) Road	Zunheboto	26	26	26
11	Improvement and upgradation of Dimapur-Khopanala-Jalukie-Peren road	Dimapur /Peren	54.5	54.5	42.5
12	Construction of Pughoboto- Satakha road	Zunheboto/Phek	50	50	0
13	Construction and Upgradation from old Phek to Satakha road via Khuza	Zunheboto/Phek	69	69	0
14	Upgradation of Road from Rusoma to Kijumetuma	Chiephobozou	36	36	25
15	Improvement and Upgradation of Longkhum – Aliba road	Mokokchung	35	35	35
		TOTAL (B)	**431.16**	**431.16**	**190**
PM Package (NLCPR)					
16	Tuensang district				
	(i) Tuensang-Longleng road	Tuensang	24	24	0
	(ii) Chingtang Saddle- Noklak Road	Tuensang	28	13	0
	(iii) Satokur-Y-Auner Road	Tuensang	13.5	13.5	0
	(iv) Longleng to Auching Road	Longleng	15	6	0
17	**Mon district**				
	(i) Tizit to Nokyan Road	Mon	13	8	0
	(ii) Aboi-Longleng Road	Mon	10.5	10.5	0
18	Wokha district				
	(i) Police point to Hospital	Wokha	4	4	0
	(ii) Police Point to SP Police Road	Wokha	4	4	0
	(iii) Church Junction to Midland Colony via Don Bosco School Road	Wokha	3	3	0
		TOTAL (C)	**115**	**86**	**0**
		GRAND TOTAL (A+B+C)	**794.54**	**765.54**	**277.67**

APPENDIX - 2.7
(Reference: paragraph No. 2.7; Page 118)

Statement showing the Estimated Cost, percentage charges, etc and excess amount paid to contractor

Sl. No.	Name of the place and nature of the office building.	Estimated cost (₹ in lakh)	Cost of Civil works including Site & Services (₹ in lakh)	13 *per cent* Departmental charges (₹ in lakh)	5 *per cent* work-charged establishment and contingencies (₹ in lakh)	Gross amount paid to contractor (₹ in lakh)	Excess payment made (₹ in lakh) (Col 3-4)
1	2	3	4	5	6	7	8
2	Construction of district office at Kohima	48.00	40.46	5.52	2.02	47.46	7.54
3	Construction of district office at Dimapur	60.00	50.57	6.90	2.53	60.02	9.43
4	Construction of district office at Mokokchung	60.00	50.57	6.90	2.53	59.88	9.43
5	Construction of district office at Wokha	60.00	50.57	6.90	2.53	59.83	9.43
6	Construction of district office at Phek	60.00	50.57	6.90	2.53	60.81	9.43
	Total	**288**	**242.74**	**33.12**	**12.14**	**288.00**	**45.26**

APPENDIX-3.1

(Reference to paragraph 3.3.1; page 128)

Statement showing particulars of up to date paid-up capital, loans outstanding and Manpower as on 31st March 2013 in respect of Government Companies

(*Figures in column 5(a) to 6(d) are ₹in crore*)

Sl. No.	Sector & name of the Company	Name of the Department	Month and year of incorporation	*Paid up Capital				Loans outstanding at the close of 2012-13**				Debt equity ratio	Manpower (No. of Employees as on (31.03.2013)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total		
1	*2*	*3*	*4*	*5(a)*	*5(b)*	*5(c)*	*5(d)*	*6(a)*	*6(b)*	*6(c)*	*6(d)*	*7*	*8*
A. Working Government Companies													
FINANCE													
1.	Nagaland Industrial Development Corporation Ltd, Dimapur	Industries & Commerce	26.03.70	14.22	-	4.73	18.95	--	--	39.79	39.79	2.10:1	87
	Sector wise total			**14.22**	**--**	**4.73**	**18.95**	**--**	**--**	**39.79**	**39.79**	**2.10:1**	**87**
MANUFACTURING													
2	Nagaland State Mineral Development Corporation Ltd., Kohima	Geology & Mining	21.05.81	1.60	--	--	1.60	--	--	--	--	--	215
	Sector wise total			**1.60**	**--**	**--**	**1.60**	**--**	**--**	**--**	**--**	**--**	**215**
SERVICES													
3	Nagaland Hotels Ltd, Dimapur	Industries & Commerce	17.03.82	1.53	--	0.40	1.93	--	--	8.94	8.94	4.63:1	161
	Sector wise total			**1.53**	**--**	**0.40**	**1.93**	**--**	**--**	**8.94**	**8.94**	**4.63:1**	**161**

Sl. No.	Sector & name of the Company	Name of the Department	Month and year of incorporation	*Paid up Capital				Loans outstanding at the close of 2012-13**				Debt equity ratio	Manpower (No. of Employees as on 31.03.2012)
				State Govern-ment	Central Govern ment	Others	Total	State Govern -ment	Central Govern-ment	Others	Total		
1	*2*	*3*	*4*	*5(a)*	*5(b)*	*5(c)*	*5(d)*	*6(a)*	*6(b)*	*6(c)*	*6(d)*	*7*	*8*
	MISCELLANEOUS												
4	Nagaland Handloom & Handicrafts Development Corporation., Ltd	Industries & Commerce	27.02.79	6.77	1.14	--	7.91	0.73	--	11.96	12.69	1.60:1	130
5	Nagaland Industrial Raw Materials Supply Corporation Ltd., Dimapur	Industries & Commerce	28.03.73	1.23	--	--	1.23	--	--	0.04	0.04	0.03:1	32
	Sector wise total			**8.00**	**1.14**	**--**	**9.14**	**0.73**	**--**	**12.00**	**12.73**	**1.39:1**	**162**
	Total A (All sector wise working Government Companies)			**25.35**	**1.14**	**5.13**	**31.62**	**0.73**	**--**	**60.73**	**61.46**	**1.94:1**	**625**
B.. Non-working Companies													
MANUFACTURING													
6	**Nagaland Sugar Mills Company Ltd., Dimapur	Industries & Commerce	22.03.73	4.96	-	-	4.96	--	--	--	--	--	--
	Sectorwise total			**4.96**	**-**	**-**	**4.96**	**--**	**--**	**--**	**--**	**--**	**--**
	Total B (All sector wise non-working Government Companies			**4.96**	**-**	**-**	**4.96**	**--**	**--**	**--**	**--**	**--**	**--**
Grand Total (A+B)				**30.31**	**1.14**	**5.13**	**36.58**	**0.73**	**--**	**60.73**	**61.46**	**1.68:1**	**625**

* paid up capital includes share application money.
*loan outstanding at the close of 2012-13 represent long-term loans only.
** Figures of 1995-96 have been incorporated as the Company has not furnished information since 1996-97

APPENDIX-3.2

(Reference to paragraph 3.4.1; page 129)

Statement showing grants and subsidy received/receivables, guarantees received, waiver of dues, loans written off and loans converted into equity during the year and guarantee commitment at the end of March, 2013.

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

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 (refinance loan fron FIs)	Central Govern-ment	State Government	others	Total	Received	Commitment[$]	Loans payment 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)*
A. Working Government Companies													
FINANCE													
1	Nagaland Industrial Development Corporation ltd, Dimappur	2.00	6.59	3.63	1.00	--	4.63	6.59	--	--	--	--	--
Sector wise Total		**2.00**	**6.59**	**3.63**	**1.00**	**--**	**4.63**	**6.59**	**--**	**--**	**--**	**--**	**--**
MANUFACTURING													
2	Nagaland State Mineral Development Corporation Ltd., Kohima	--	--	--	5.50	--	5.50	--	--	--	--	--	--
Sector wise Total		**--**	**--**	**--**	**5.50**	**--**	**5.50**	**--**	**--**	**--**	**--**	**-**	**--**
SERVICES													
3	Nagaland Hotels Limited	--	--	--	0.75	--	0.75	--	--	--	--	--	--
Sector wise Total		**--**	**--**	**--**	**0.75**	**--**	**0.75**	**--**	**--**	**--**	**--**	**--**	**--**

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 Govern-ment	State Govern ment	others	Total	Received	Commit ment[$]	Loans payment Written off	Loans converte d 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)*
MISCELLANEOUS													
4	Nagaland Handloom & Handicrafts development Corporation. Ltd	0.40	--	1.32	6.75	--	8.07	5.00	--	--	--	--	--
5	Nagaland Industrial Raw material supply corporation	--	--	--	0.45	--	0.45	--	--	--	--	--	--
Sector wise Total		**0.40**	**–**	**1.32**	**7.20**	**--**	**8.52**	**5.00**	**–**	**--**	**--**	**–**	**–**
Total (A) All Sector wise working Government Companies		**2.40**	**6.59**	**4.95**	**14.45**	**--**	**19.40**	**11.59**	**–**	**--**	**–**	**–**	**–**
B. Non-working Companies													
MANUFACTURING													
Nagaland Sugar Mills Company Ltd		--	--	--	--	--	--	----	--	--	---	--	--
Total		**2.40**	**6.59**	**4.95**	**14.45**	**--**	**19.40**	**11.59**	**–**	**--**	**–**	**--**	**–**

$ Figures indicate guarantees outstanding at the end of the year.

APPENDIX-3.3
(Reference to paragraph 3.6.1; page 130)
Summarised financial results of Government Companies for the latest year for which accounts are finalised.

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

Sl. No.	Sector & Name of the Company	Period of accounts	Year in which finalised	Net Profit (+)/Loss (-)				Turn over	Impact of Accounts Comm Ents	Paid up Capital	Accumulated Profit(+) Loss(-)	Capital Employed @	Return on Capital Employed #	Percentage of return on Capital Employed
				Net Profit/ Loss before interest & depreciation	Interest	Depre-ciation	Net Profit/ Loss							
1	*2*	*3*	*4*	*5(a)*	*5(b)*	*5(c)*	*5(d)*	*6*	*7*	*8*	*9*	*10*	*11*	*12*
A. Working Government Companies														
FINANCE														
1	Nagaland Industrial Development Corporation Ltd	2011-12	2013-14	(+)0.25	1.09	0.70	(-)1.54	3.94	(+)1.84	16.95	(-) 19.17	53.45	(-)0.45	--
Sector wise Total				**(+)0.25**	**1.09**	**0.70**	**(-)1.54**	**3.94**	**(+)1.84**	**16.95**	**(-) 19.17**	**53.45**	**(-)0.45**	--
MANUFACTURING														
2	Nagaland State Mineral Development Corporation Ltd., Kohima	2003-.04	2013-14	(+)1.26	0.09	0.62	(+)0.55	0.63	(-)0.56	1.60	(-) 3.60	(-)1.46	(+)0.64	--
Sector wise Total				**(+)1.26**	**0.09**	**0.62**	**(+)0.55**	**0.63**	**(-)0.56**	**1.60**	**(-)3.60**	**(-)1.46**	**(+)0.64**	**--**
SERVICES														
3	Nagaland Hotels Limited	2003-04	2013-14	(+)0.55	--	0.22	(+)0.33	1.75	(-)0.91	0.40	(-)8.32	(-)3.83	(+)0.33	--
Sector wise Total				**(+)0.55**	**--**	**0.22**	**(+)0.33**	**1.75**	**(-)0.91**	**0.40**	**(-)8.32**	**(-)3.83**	**(+)0.33**	**--**
MISCELLENEOUS														
4.	Nagaland Handloom & Handicrafts Development Corporation. Ltd.,	2009-10	2013-14	(+)0.16	0.16	0.14	(-)0.14	0.28	--	0.83	(-)4.16	13.59	(+)0.02	0.15

Sl. No.	Sector & Name of the Company	Period of accounts	Year in which finalized	Net Profit (+)/Loss (-)				Turn over	Impact of Accounts Comments	Paid up Capital	Accumulated Profit(+) Loss(-)	Capital Employed	Return on Capital Employed	Percentage of return on Capital Employed
				Net profi/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*
5	Nagaland Industrial Raw Materials Supply Corporation Ltd., Dimapur	2004-05	2013-14	(-)0.14	0.06	0.01	(-)0.21	0.15	--	0.10	(-)1.43	(-)0.21	(-)0.15	--
Sector wise Total				**(+)0.02**	**0.22**	**0.15**	**(-)0.35**	**0.43**	**–**	**0.93**	**(-)5.59**	**13.38**	**(-)0.13**	
Total (A) All Sector wise working Government Companies				**(+)2.08**	**1.40**	**1.69**	**(-)1.01**	**6.75**	**(+)0.37**	**19.88**	**(-)36.68**	**61.54**	**(+)0.39**	**0.63**
B. Non-working Government Companies,														
MANUFACTURING														
1	Nagaland Sugar Mills Company Ltd., Dimapur	1977-78	1992-93	--	--	--	--	–	--	4.96	**(-)14.70**	--	--	
Sector wise Total										**4.96**	**(-)14.70**	–	**--**	
Total (B) All Sector wise working Government Companies				–	–	--	--	–	–	**4.96**	**(-)14.70**	–	**--**	
Grand Total (A+B)				**(+)2.08**	**1.40**	**1.69**	**(-)1.01**	**6.75**	**(+)0.37**	**24.84**	**(-)51.38**	**61.54**	**(+)0.39**	**0.63**

#Return on Capital Employed has been worked out by adding profit and interest charged to Profit and Loss account.

@ Capital employed represents the sum of shareholders Fund and Long term Borrowings 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.

APPENDIX-5.3.1.
(Reference to paragraph 5.3.6.4; Page 158)
Statement showing the shortfall in procurement of wet ration.

(Quantity in metric Tonnes)

Name of items	Dal			Potato			Onion			Veg			MOH Khasi			Pork		
Name of Battalion	Required	Purchase	Shortfall	Required	Purchase	Shortfall	Required	Purchase	Shortfall	Required	Purchase	Shortfall	Required	Purchase	Shortfall	Required	Purchase	Shortfall
2010-11																		
13 NAP	30.71	28.30	2.41	39.74	36.63	3.11	19.87	18.31	1.56	90.33	82.94	7.39	36.13	70.41	-34.28	27.10	25.34	1.76
6 NAP	27.65	25.00	2.65	35.78	29.89	5.89	17.89	14.90	2.99	81.31	67.72	13.59	32.52	25.89	6.63	24.39	21.19	3.20
7 NAP	31.97	27.50	4.47	41.37	38.15	3.22	20.69	19.03	1.66	94.03	86.71	7.32	37.61	59.64	-22.03	28.21	25.47	2.74
9 NAP	29.30	26.93	2.37	37.92	34.86	3.06	18.96	17.43	1.53	86.17	79.22	6.95	34.47	31.22	3.25	25.85	24.12	1.73
NAPTC	28.24	23.20	5.04	36.55	32.64	3.91	18.27	16.22	2.05	83.07	74.57	8.50	33.23	27.97	5.26	24.92	23.83	1.09
Sub-Total	**147.87**	**130.93**	**16.94**	**191.36**	**172.17**	**19.19**	**95.68**	**85.89**	**9.79**	**434.91**	**391.16**	**43.75**	**173.96**	**215.13**	**-41.17**	**130.47**	**119.95**	**10.52**

Name of Battalion	Required	Purchase	Shortfall	Required	Purchase	Shortfall	Required	Purchase	Shortfall	Required	Purchase	Shortfall	Required	Purchase	Shortfall	Required	Purchase	Shortfall
2011-12																		
13 NAP	30.97	30.76	0.21	40.08	39.96	0.12	20.04	19.98	0.06	91.09	90.81	0.28	36.44	36.32	0.12	27.33	27.24	0.09
6 NAP	27.79	30.00	-2.21	35.96	35.98	-0.02	17.98	17.99	-0.01	81.73	81.32	0.41	32.69	28.41	4.28	24.52	26.02	-1.50
7 NAP	32.67	27.50	5.17	42.28	42.14	0.14	21.14	21.07	0.07	96.10	95.78	0.32	38.44	40.41	-1.97	28.83	23.60	5.23
9 NAP	30.11	30.05	0.06	38.97	38.88	0.09	19.49	19.44	0.05	88.57	88.37	0.20	35.43	34.88	0.55	26.57	26.87	-0.30
NAPTC	29.35	28.70	0.65	37.98	36.87	1.11	18.99	18.44	0.55	86.33	83.76	2.57	34.53	31.61	2.92	25.90	26.57	-0.67
Sub-Total	**150.89**	**147.01**	**3.88**	**195.27**	**193.83**	**1.44**	**97.64**	**96.92**	**0.72**	**443.82**	**440.04**	**3.78**	**177.53**	**171.63**	**5.90**	**133.15**	**130.30**	**2.85**

Name of Battalion	Required	Purchase	Shortfall	Required	Purchase	Shortfall	Required	Purchase	Shortfall	Required	Purchase	Shortfall	Required	Purchase	Shortfall	Required	Purchase	Shortfall
									2012-13									
13 NAP	30.72	28.27	2.45	39.76	36.59	3.17	19.88	18.3	1.58	90.35	83.17	7.18	36.14	33.22	2.92	27.11	25.05	2.06
6 NAP	28.49	27.5	0.99	36.87	33.58	3.29	18.44	16.79	1.65	83.81	76.31	7.5	33.52	28.55	4.97	25.14	24.36	0.78
7 NAP	33.16	32.09	1.07	42.91	39.06	3.85	21.46	19.53	1.93	97.53	88.77	8.76	39.01	42.25	-3.24	29.26	26.23	3.03
9 NAP	28.82	27.35	1.47	37.29	35.4	1.89	18.65	17.7	0.95	84.76	80.45	4.31	33.9	31.7	2.2	25.43	24.5	0.93
NAPTC	27.41	28.8	-1.39	35.48	36.96	-1.48	17.74	18.48	-0.74	80.63	83.99	-3.36	32.25	31.98	0.27	24.19	27.44	-3.25
Sub-Total	**148.6**	**144.01**	**4.59**	**192.31**	**181.59**	**10.72**	**96.17**	**90.8**	**5.37**	**437.08**	**412.69**	**24.39**	**174.82**	**167.7**	**7.12**	**131.13**	**127.58**	**3.55**
Item wise Total for three years	**447.36**	**421.95**	**25.41**	**578.94**	**547.59**	**31.35**	**289.49**	**273.61**	**15.88**	**1315.81**	**1243.89**	**71.92**	**526.31**	**554.46**	**-28.15**	**394.75**	**377.83**	**16.92**
Total of six items for three years in respect of five units											Total requirement of six items			Actual procurement			Shortfall	
											3552.66			3419.33			133.33	

Source: Departmental records

APPENDIX5.3.2
(Reference to paragraph 5.3.8.4, Page 166)
Statement showing Variation in rates

(Amount in ₹)

2012-13	1 NAP				13 NAP (IR)				NAPTC				14 NAP	15 NAP	lowest quote rate	Unit with lowest quote
Items	Rate	Qty	Diff from lowest	Amount	Rate	Qty	Diff from lowest	Amount	Rate	Qty	Diff from lowest	Amount	Rate	Rate		
Dal	5800	414.00	900	372600.00	5650	282.7335	750	212050.1	5650	288	750	216000	5650	4900	4900	15 NAP
Salt	900	145.50	110	16005.00	900	90.803	110	9988.33	900	105	110	11550	890	790	790	15 NAP
Potato	1800	531.41	310	164737.60	1680	365.9304	190	69526.78	1680	369.55	190	70215.22	1680	1490	1490	15 NAP
Onion	2300	265.35	450	119409.62	2290	182.9652	440	80504.69	2290	184.78	440	81301.79	2300	1850	1850	15 NAP

F/ Vegetables	1400	1207.16	400	482864.00	1170	831.66	170	141382.2	1170	839.89	170	142782.10	1400	1000	1000	15 NAP
Khasi	7300	486.14	0	0.00	7300	332.2198	0	0	7300	319.76	0	0	8300	7400	7300	1 NAP
Chicken	6000		0	0.00	6000		0	0	7000		1000	0	6000	6000	6000	1 NAP
Eggs	350		0	0.00	350		0	0	400		50	0	380	400	350	1 NAP
Tinned fish	6000		0	0.00	6000		0	0	7500		1500	0	6000	6000	6000	1 NAP
Pork	12700	361.00	800	288798.40	12000	250.4522	100	25045.22	12600	274.38	700	192068.8	12400	11900	11900	15 NAP
Firewood	161	9826.38	0	0.00	161	6800.32	0	0	161	6719.2	0	0	161	165	161	1 NAP
Charcoal	420	160.59	0	0.00	420	109.7403	0	0	420	108.27	0	0	420	450	420	1 NAP
LPG			0				0	0			0	0			0	1 NAP
				1444414.61				**538497.30**				**713917.90**				

2011-12	13 NAP (IR)				NAPTC				14 NAP	15 NAP	lowest quote rate	Unit with lowest quote
Items	Rate	Qty	Diff from lowest	Amount	Rate	Qty	Diff from lowest	Amount	Rate	Rate		
Dal	5650	129.48	750	97110	5650	232	750	174000	5650	4900	4900	15 NAP
Salt	900	45.71	110	5028.1	900	90	110	9900	900	790	790	15 NAP
Potato	1680	167.66	190	31855.15	1680	326.403	190	62016.49	1680	1490	1490	15 NAP
Onion	2290	83.829	440	36884.91	2290	162.244	440	71387.36	2290	1850	1850	15 NAP
F/Vegetables	1170	381.04	170	64777.23	1170	745.75	170	126777.4	1170	1000	1000	15 NAP
Khasi Goat/ Sheep	7300	152.4	50	7620	7250	279.706	0	0	7300	7300	7250	NAPTC
Chicken	6000		1000	0	6000		1000	0	5900	5000	5000	15 NAP
Eggs	350		50	0	300		0	0	300	350	300	NAPTC
Tinned fish	6000		100	0	6000		100	0	5900	5900	5900	14 NAP
Pork	12000	114.32	1700	194339.4	12600	238.319	2300	548132.6	12000	10300	10300	15 NAP
Firewood	161	3048.3	0	0	161	5982.74	0	0	161	161	161	13 NAP (IR)
Charcoal	420	50.28	0	0	420	97.34	0	0	420	423	420	13 NAP (IR)
LPG			0	0			0	0			0	1 NAP
				437614.80				**992213.80**				

2010-11	13 NAP (IR)				NAPTC				14 NAP	15 NAP	lowest quote rate	Unit with lowest quote
Items	**Rate**	**Qty**	**Diff from lowest**	**amount**	**Rate**	**Qty**	**Diff from lowest**	**amount**	**Rate**	**Rate**		
Dal	4900	77	0	0	4900	232	0	0	4900	4900	4900	13 NAP (IR)
Salt	790	27.21	0	0	790	90	0	0	800	790	790	13 NAP (IR)
Potato	1490	100.49	40	4019.62	1490	326.4026	40	13056.1	1450	1490	1450	14 NAP
Onion	1850	50.246	0	0	1850	162.244	0	0	1980	1850	1850	13 NAP (IR)
F/Vegetables	1000	228.39	0	0	1000	745.7495	0	0	1000	1000	1000	13 NAP (IR)
Khasi Goat/Sheep	6300	467.38	0	0	6300	279.706	0	0	6400	6300	6300	13 NAP (IR)
Chicken	5000		0	0	5000		0	0	5000	5000	5000	13 NAP (IR)
Eggs	300		0	0	300		0	0	300	300	300	13 NAP (IR)
Tinned fish	5300		0	0	5300		0	0	5300	5300	5300	13 NAP (IR)
Pork	10400	68.513	0	0	10400	238.3185	0	0	10500	10400	10400	13 NAP (IR)
Firewood	140	1827.1	0	0	140	5982.74	0	0	150	1400	140	13 NAP (IR)
Charcoal	380	30.152	130	3919.76	380	97.34	130	12654.2	250	380	250	14 NAP
LPG			0	0			0	0			0	1 NAP
				7939.38				**25710.30**				

Consolidated Report of 3 years on wet ration

Bn	2012-13	2011-12	2010-11
1 NAP	1444414.61		
9 NAP (IR)	0.00	0.00	0.00
13 NAP (IR)	538497.34	437614.80	7939.38
NAPTC	713917.88	992213.80	25710.30
	2696829.83	**1429828.60**	**33649.68**

APPENDIX 5.3.3
(Reference to paragraph 5.3.8.6, Page 167)
Statement showing the excess payment due to computation error

Bill No.	Financial year	Bill Date	Gross amount	Month/ Year	Sub Bill Gross Amount	Suppler Name	Item Name	As per voucher			Actual amount to be billed	Excess billing
								Qty	Rate	Amount		
112	2012-13	18-Mar-13	4263852	12/2012	165084	L. Tajen Imchen	Potato	24.6642	1800	48395	44395.56	3999.44
112	2012-13	18-Mar-13		12/2012	165084	L. Tajen Imchen	Vegetables	56.055	1540	88325	86324.7	2000.3
116	2010-11	28-Jan-11	3120815	08/2010	457740	Nzanbemo Lotha	Moh Khasi	30.156	15000	457740	452340	5400
1233	2010-11	26-Mar-11	89762471	01-2011	153600	Debol Angami	Salt	9	900	8600	8100	500
148	2010-11	24-Mar-11	1514100	09/2010	124710	Tovit Sema	Dal	22	4900	117600	107800	9800
159	2011-12	13-Jul-11	16737870		230658	Nezone Enterprises	Milk Powder	11.99	17100	230658	205029	25629
159	2011-12	13-Jul-11			1408368	Khekato Sema	Dry Chilli	222	6100	1408368	1354200	54168
159	2011-12	13-Jul-11			560965	Nezone Enterprises	Milk Powder	29.16	17100	560965	498636	62329
159	2011-12	13-Jul-11			560965	Nezone Enterprises	Milk Powder	29.16	17100	560965	498636	62329
159	2011-12	13-Jul-11			560965	Nezone Enterprises	Milk powder	29.16	17100	560965	498636	62329
159	2011-12	13-Jul-11			230658	Nezone Enterprises	Milk Powder	11.99	17100	230658	205029	25629
159	2011-12	13-Jul-11			560965	Nezone Enterprises	Milk Powder	29.16	17100	560965	498636	62329
159	2011-12	13-Jul-11			168870	Agami Trading Co.	Vegetable ghee	21.65	7500	168870	162375	6495
159	2011-12	13-Jul-11			410670	Angami Trading Co.	Vegetable ghee	52.65	7500	410670	394875	15795

159	2011-12	13-Jul-11			6353100	Angami Trading Co.	Vegetable ghee	814.5	7500	6353100	6108750	244350
159	2011-12	13-Jul-11			1431068	Kezevi Naleo	Tea leaf	133.2	9550	1431068	1272060	159008
159	2011-12	13-Jul-11			230658	Nezone Enterprises	Milk Powder	11.99	17100	230658	205029	25629
159	2011-12	13-Jul-11			3001440	V.Angami	Vegetable ghee	384.8	7500	3001440	2886000	115440
165	2010-11	07-Jul-10	9594448	04-2010	288796	Tovit Sema	Rice	88	1700	288796	149600	139196
165	2010-11	07-Jul-10		04-2010	22250	Sanjay Atta and Rice Mills	Atta	16	890	22250	14240	8010
165	2010-11	07-Jul-10		04-2010	235200	Tovit Sema	Rice	17	1600	235200	27200	208000
279	2012-13	07-Sep-12	25999088	04-2012	11510	Sanjay Atta and Rice Mills	Atta	13	810	11510	10530	980
321	2012-13	11-Oct-12	12843512	07-2012	11570	Sanjay Atta and Rice Mills	Atta	1	890	11570	890	10680
325	2012-13	10-Nov-12	48801063	03-12	1812123	khekato Sema	vegetable ghee	230.66	7500	1812123	1729950	82173
325	2012-13	10-Nov-12		05-2012	2688044	khekato Sema	vegetable ghee	294.96	8700	2688044	2566152	121892
325	2012-13	10-Nov-12		05-2012	5119480	Vitoi Sumi	milk powder	236.8	19090	5119480	4520512	598968
325	2012-13	10-Nov-12		07-12	2688044	Vitoi Sumi	Vegetable Ghee	294.96	8700	2688044	2566152	121892
325	2012-13	10-Nov-12		05-12	371607	Daniel Kikhi Angami	Dry Chilli	44.4	7990	371607	354756	16851
325	2012-13	10-Nov-12		07-2012	1114821	Daniel Kikhi Angami	Dry Chilli	133.2	7990	1114821	1064268	50553
325	2012-13	10-Nov-12		05-2012	1808110	Paul Metha & Brothers	Tea Leaf	133.2	1200	1808110	159840	1648270
325	2012-13	10-Nov-12		12-2011	2519185	V Angami	Vegetable Ghee	320.66	7500	2519185	2404950	114235
325	2012-13	10-Nov-12		05-12	2688044	V Angami	Vegetable Ghee	294.96	8700	2688044	2566152	121892
325	2012-13	10-Nov-12		07-12	2688044	Nezone Enterprises	Vegetable Ghee	294.96	8700	2688044	2566152	121892

325	2012-13	10-Nov-12		05-12	419417	Nezone Enterprises	milk powder	19.4	19090	419417	370346	49071
325	2012-13	10-Nov-12		04-12	194575	Nezone Enterprises	milk powder	9	19090	194575	171810	22765
325	2012-13	10-Nov-12		04-12	306996	Nezone Enterprises	milk powder	14.2	19090	306996	271078	35918
325	2012-13	10-Nov-12		04-12	147635	Nezone Enterprises	Vegetable Ghee	16.2	8700	147635	140940	6695
325	2012-13	10-Nov-12		05-2012	235122	Nezone Enterprises	Vegetable Ghee	25.8	8700	235122	224460	10662
325	2012-13	10-Nov-12		05-12	319875	Nezone Enterprises	Vegetable Ghee	35.1	8700	319875	305370	14505
325	2012-13	10-Nov-12		05-12	2277948	Angami Trading Co	Vegetable Ghee	249.96	8700	2277948	2174652	103296
325	2012-13	10-Nov-12		07-12	410096	Angami Trading Co	Vegetable Ghee	45	8700	410096	391500	18596
325	2012-13	10-Nov-12		07-12	5119480	Angami Trading Co	milk powder	236.8	19090	5119480	4520512	598968
325	2012-13	10-Nov-12		7-2012	1486428	Veduzo	Dry Chilli	177.6	7990	1486423	1419024	67399
325	2012-13	10-Nov-12		07-12	5119480	Viyito Chishi	milk powder	236.8	19090	5119480	4520512	598968
325	2012-13	10-Nov-12		03-12	3286174	Neirielie Khezhie	milk powder	169.69	17100	3286174	2901699	384475
325	2012-13	10-Nov-12		07-2012	5119480	Neirielie Khezhie	milk powder	236.8	19090	5119480	4520512	598968
325	2012-13	10-Nov-12		07-2012	743213	C K Epnterprises	Dry Chilli	88.8	7990	743214	709512	33702
326	2012-13	11-Oct-12	34091305	07-2012	198101	Tovit Sema	Vegetables	82.0975	1120	96054	91949.2	4104.8
397	2011-12	05-Sep-11	11792862	05-2011	25236	Tovit Sema	Sugar	7.34435	3300	25236	24236.355	999.645
49	2012-13	04-Sep-12	5450138	02/12	67251	L.Tajen Imchen	Charcoal	7.1336	300	2400	2140.08	259.92
49	2012-13	04-Sep-12		03/12	221485	Luin Imchen	Pork	9.345	13000	221485	121485	100000
49	2012-13	04-Sep-12		04/12	78710	Luin Imchen	Firewood	442.04	170	76845	75146.8	1698.2
49	2012-13	04-Sep-12		02/2012	67251	L. Tajen Imchen	Charcoal	7.134	300	2400	2140.2	259.8
49	2012-13	04-Sep-12		03/2012	221485	Luin Imchen	Pork	9.345	13000	221485	121485	100000

546	2011-12	06-Dec-11	12029936	06-2011	22560	Khrietou Angami	Sugar	16	1210	22560	19360	3200
55	2012-13	10-Sep-12	4024370	02-2012	163925	Debol Angami	Salt	9	900	8550	8100	450
55	2012-13	10-Sep-12		02/2012	163925	Debol Angami	Salt	9	900	8550	8100	450
58	2012-13	09-Jul-12	4501459	02-2012	231582	Debol Angami	Vegetables	83.9075	1515	130057	127119.86	2937.14
67	2011-12	01-Sep-11	2658504	04/2011	86543	Nzanbemo Lotha	Vegetables	30.35	1400	52490	42490	10000
67	2011-12	01-Sep-11		05/2011	96055	Nzanbemo Lotha	Potato	13.6719	1500	20798	20507.85	290.15
906	2011-12	28-Mar-12	79456936	08-2011	2272342	Nezone Enterprises	Vegetable Ghee	289.24	7500	2272342	2169300	103042
906	2011-12	28-Mar-12		10-2011	8756998	Nezone Enterprises	Milk Powder	452.19	17100	8756998	7732449	1024549
906	2011-12	28-Mar-12		12-2011	286596	Nezone Enterprises	Vegetable ghee	36.48	7500	286596	273600	12996
906	2011-12	28-Mar-12		12-2011	140941	Nezone Enterprises	Vegetable ghee	17.94	7500	140941	134550	6391
906	2011-12	28-Mar-12		12-2011	157911	Nezone Enterprises	Vegetable ghee	20.1	7500	157911	150750	7161
906	2011-12	28-Mar-12		12-2011	391188	Nezone Enterprises	Milk powder	20.2	17100	391188	345420	45768
906	2011-12	28-Mar-12		12-2011	192496	Nezone Enterprises	Milk powder	9.94	17100	192496	169974	22522
906	2011-12	28-Mar-12		12-2011	214960	Nezone Enterprises	Milk powder	11.1	17100	214960	189810	25150
906	2011-12	28-Mar-12		03-2012	157911	Nezone Enterprises	Vegetable ghee	20.1	7500	157911	150750	7161
906	2011-12	28-Mar-12		03-2012	286596	Nezone Enterprises	Vegetable ghee	36.48	7500	286596	273600	12996
906	2011-12	28-Mar-12		03-2012	214960	Nezone Enterprises	Milk powder	11.1	17100	214960	189810	25150
906	2011-12	28-Mar-12		03-2012	391188	Nezone Enterprises	Milk powder	20.2	17100	391188	345420	45768
906	2011-12	28-Mar-12		03-2012	466327	Nezone Enterprises	Milk powder	24.08	17100	466327	411768	54559

906	2011-12	28-Mar-12		03-2012	192496	Nezone Enterprises	Milk powder	9.94	17100	192496	169974	22522
906	2011-12	28-Mar-12		12-2011	1059917	Anyami Trading Co.	Dry Chilli	126.64	7990	1059917	1011853.6	48063.4
906	2011-12	28-Mar-12		03-2012	798117	Anyami Trading Co.	Dry Chilli	95.36	7990	798117	761926.4	36190.6
906	2011-12	28-Mar-12		10-2011	7557634	Khekato Sema	Vegetable ghee	961.99	7500	7557634	7214925	342709
906	2011-12	28-Mar-12		12-2011	707063	Khekato Sema	Vegetable ghee	90	7500	707063	675000	32063
906	2011-12	28-Mar-12		12-2011	2063614	Khekato Sema	Milk powder	106.56	17100	2063614	1822176	241438
906	2011-12	28-Mar-12		03-2012	1810188	Paul Metha & Brothers	Tea Leaf	133.2	12000	1810188	1598400	211788
906	2011-12	28-Mar-12		10-2012	1810188	Paul Metha & Brothers	Tea Leaf	133.2	12000	1810188	1598400	211788
906	2011-12	28-Mar-12		10-2011	1858035	Unique Traders Dimapur (Nagaland)	Dry Chilli	222	7990	1858035	1773780	84255
906	2011-12	28-Mar-12		12-2011	841248	Neirielie Khezhie	Milk powder	43.44	17100	841248	742824	98424
906	2011-12	28-Mar-12		12-2011	2063614	V. Angari	Milk powder	106.56	17100	2063614	1822176	241438
906	2011-12	28-Mar-12		11-2011	91981	Debol Angami	Vegetables	3.8	1650	52470	6270	46200
906	2011-12	28-Mar-12		11-2011	139500		Dal	25	5200	139500	130000	9500
906	2011-12	28-Mar-12		12-2011	114192	Khekiye Kiba	Firewood	67.172	170	114192	11419.24	102772.76
906	2011-12	28-Mar-12		12-2011	382500	H.Vikugha Chophi	Pork	25.5	12500	382500	318750	63750
906	2011-12	28-Mar-12		01-2012	130180	Khekiye Kiba	Firewood	650.9	170	130180	110653	19527
906	2011-12	28-Mar-12		11-2011	68287	Debol Angami	Firewood	58.14	120	69768	6976.8	62791.2
906	2011-12	28-Mar-12		11-2011	296800	Tovit Sema	Sugar	6	3500	21400	21000	400
909	2011-12	29-Mar-12	33229729	09-2011	139500	Debol Angami	Dal	25	5200	139500	130000	9500
909	2011-12	29-Mar-12		09-2011	135165	Nzanbemo	Pork	9.2715	13500	135165	125165.25	9999.75

						Lotha						
909	2011-12	29-Mar-12		09-2011	102190	Debol Angami	Firewood	598.8	161	102190	96406.8	5783.2
97	2012-13	28-Jan-13	2825184	09/2012	89053	Nzanbemo Lotha	Potato	13.3694	1500	27554	20054.1	7499.9
97	2012-13	28-Jan-13		09/2012	184156	L. Tajen Imchen	Moh Khasi	12.154	14000	184156	170156	14000
97	2012-13	28-Jan-13		09/2012	131817	L. Tajen Imchen	Pork	91.155	1400	131817	127617	4200
999	2012-13	15-Sep-12	5772013	02-2012	109814	Nzanbemo Lotha	Onion	9.58	2001	20118	19169.58	948.42
			408469655					**1121.84**		**102914701**	**92516656.38**	**10398044.60**