

**BEFORE**  
**MANIPUR LOKAYUKTA**  
*3<sup>rd</sup> Floor, Directorate Complex, 2<sup>nd</sup> M.R., North AOC, Imphal*

--

**COMPLAINT CASE NO. 6 OF 2021**

*In the matter between:*

Shri W. Shinglai, S/o NG. Shinglai, Profession- Social Activist,  
a resident of Kasom Khullen village Ukhrul/Kamjong, P.O. &  
P.S. Kamjong, Ukhrul District, Manipur- 795149.

... **COMPLAINANT**

-Vs-

- (i) Shri K Dickson, former ADC Chairman;
- (ii) Shri M. Issac, former Vice Chairman (20-Phungyar DCC Segment) & former Executive members of the Executive Committee of ADC. Ukhrul;
- (iii) ~~Shri SP. Mashunngam (13- Shangshak DCC Segment);~~
- (iv) Shri HS. Ngamsung (11-Khamasom DCC, Segment);
- (v) Shri VL. Khayinghor (14-Tuinem DCC Segment);
- (vi) Shri Somimayar Awungshi (21- Shingkap DCC Segment);
- (vii) Shri Kapangpam Zimik (6-Tolloi DCC Segment);
- (viii) Shri Themreishang AS, former ADC Member (3- Chingai segment);
- (ix) Shri S Thotasheng, former ADC Member (23-Kasom Khullen segment);
- (x) Shri H A Vareishang, former ADC Member (10- Ukhrul South segment);

- (xi) Shri Polly Makan, the then CEO;
- (xii) Shri L. Raghmani Singh (EE); and
- (xiii) Shri Kh. Okendro Singh (AE).

..... **RESPONDENTS/OPPOSITE PARTIES**

## **BEFORE**

***Mr. Justice T. Nandakumar Singh, Hon'ble Chairperson  
Mr. Ameising Luikham, Hon'ble Member***

For the Complainants of  
Complaint Case No. 6 of  
2021 :

In person ( W. Shinglai)

For the Respondents of  
Complaint Case No. 6 of  
2021 :

Mr. R.S. Reisang, Sr. Advocate,  
Mrs. S. Panchuila Gangte, Advocate,  
Mrs. Timmiwon Raihing, Advocate  
Mr. Wungpam Yangya, Advocate for  
Respondent Nos. 1, 2, 4, 5, 6, 7, 8, 9  
and 10.

Mr. M. Digendra, Sr. Advocate,  
Mr. Ch. Genius, Advocate,  
Mr. N. Suraj, Advocate,  
Mr. Somorjit, Advocate for Respondent  
No. 11.

Mr. Ajoy Pebam, Sr. Advocate,  
Mr. Rojeshon Singh, Advocate,  
Mr. N. Alex, Advocate,  
Mr. Th. Loyanganba, Advocate,  
Mr. Kh. Suraj, Advocate,  
Mr. S. Apollo, Advocate for Respondent  
Nos. 12 and 13.

**DATE OF ORDER : 20.07.2023**

## **JUDGMENT AND ORDER**

1. This judgment and order is for Complaint Case No. 6 of 2021 for consideration and discussion of the fact of the case and the Preliminary Inquiry Report submitted therein.

2. Heard Mr. W. Shinglai, being the Complainant of Complaint Case No. 6 of 2021 and learned counsels appearing for the respondents of Complaint Case No. 6 of 2021.

3. The present judgment and order is, as provided under Section 20 (3) of the Manipur Lokayukta Act, 2014, for deciding the point as to whether there exists a *prima facie* case and proceed with one or more of the following actions, namely, (a) investigation by any agency; (b) initiation of the departmental proceedings or any other appropriate action against the concerned public servants by the competent authority; and (c) closure of the proceedings against the public servant and to proceed against the complainant under section 47. Even if, this judgment and order is only for the preliminary point, parties have been given sufficient opportunity to submit their written comments and also to submit their oral submissions in the course of the hearing of the present case. Since the present judgment and order is in the nature of interlocutory order and not the final order, very detailed discussions, to the extent as to whether prosecution has proved the prosecution case beyond reasonable doubt that the Respondents had committed the offences mentioned in the Preliminary Inquiry Report dated 06.06.2022 or not, is not required.

4. In the course of the hearing of Complaint Case No. 6 of 2021, a report was received that respondent no.3, Shri SP. Mashunngam (13-Shangshak DCC Segment) had expired. Accordingly, as directed the police

ascertained the facts and reported along with Death Certificate that the respondent No. 3 has expired on 22.02.2022. Hence, by an order dated 01.09.2021 in Complaint Case No. 6 of 2021 the Lokayukta has deleted the name of Respondent No. 3 from the list of the respondents of the present case.

5. We reiterate that we are not passing any judgment and order for convicting the respondents for the offences mentioned in the Preliminary Inquiry Report dated 06.06.2022. At the same time, we are not making any final finding against the respondents in the present judgment and order as it will stand in the way of giving free hand to the investigating agency to investigate the case made out in the detailed Preliminary Inquiry Report.

6. Succinct facts of the case of the complainants sufficient for passing the present judgment and order are briefly noted hereunder:-

(i) Even if, the erstwhile Ukhrul District was bifurcated into two districts namely Ukhrul District and Kamjong District, the newly created Kamjong District is still under the jurisdiction of Autonomous District Council, Ukhrul.

(ii) The Central Government has sanctioned crores of rupees under the 14<sup>th</sup> Finance Commission Award (henceforth referred to as 14 F.C. Award) with the objective of grant in aid/special financial assistance contained in the guidelines for release of grants to, Excluded Areas i.e. areas not covered under Part IX and IXA of the Constitution to use the fund to support and strengthen the delivery of basic civic services including water supply, sanitation including septic tank management of community assets, maintenance of roads, foot paths, street light, burial and cremation grounds and any other basic service within the functions assigned to Autonomous District Councils/designated agencies under relevant legislations. The Government of Manipur under the letter of the Addl. Chief Secretary (Tribal Affairs & Hills), Govt. of Manipur being No.

19/2/2017-CHA/FC dated 26.03.2018 sanctioned the grant to the Chief Executive Officer, Autonomous District Council of Churachandpur/ Chandel/ Kangpokpi/ Senapati/Tamenglong/Ukhrul under the 14<sup>th</sup> Finance Commission for areas not included in Part IX and IX A of the Constitution in respect of Tribal Affairs & Hills Development, Manipur.

6.1 The total amount of fund released for the 6 (six) Autonomous District Councils of the state of Manipur under the said letter dated 26.03.2018 are as follows:

| Sl. No. | Name of ADC     | Total population as per census of India, 2011 | Percentage of total population as per census of India, 2011 | Amount allocation of 90% in rupees |
|---------|-----------------|---|---|------------------------------------|
| (1)     | (2)             | (3)   | (4)   | (5)                                |
| 1       | Churachandpur   | 2,74,143                                      | 22.4%   | Rs. 28,98,40,320/-                 |
| 2       | Tamenglong      | 1,40,651                                      | 11.5%   | Rs. 14,88,01,950/-                 |
| 3       | Senapati        | 2,85,404                                      | 23.4%   | Rs. 30,27,79,620/-                 |
| 4       | Sadar Hills/KPI | 1,93,744                                      | 15.8%   | Rs. 20,44,40,940/-                 |
| 5       | Ukhrul          | 1,83,998                                      | 15.1%   | Rs. 19,53,83,430/-                 |
| 6       | Chandel         | 1,44,182                                      | 11.8%   | Rs. 15,26,83,740/-                 |
|         | <b>G/Total</b>  | <b>12,22,122</b>                              | <b>100%</b>   | <b>Rs. 129,39,30,000/-</b>         |

| Sl. No. | Name of AD      | Area (sq. km) | Amount allocation of 10% as per Area | Total amount in rupees    |
|---------|-----------------|---------------|--------------------------------------|---------------------------|
| (1)     | (2)             | (3)           | (4)                                  | (5)                       |
| 1       | Churachandpur   | 4570          | 22.75%                               | Rs. 3,27,07,675/-         |
| 2       | Tamenglong      | 4391          | 21.86%                               | Rs. 3,14,28,122/-         |
| 3       | Senapati        | 1885          | 9.39%                                | Rs. 1,35,00,003/-         |
| 4       | Sadar Hills/KPI | 1386          | 6.89%                                | Rs. 99,05,753/-           |
| 5       | Ukhrul          | 4544          | 22.61%                               | Rs. 3,25,06,397/-         |
| 6       | Chandel         | 3313          | 16.50%                               | Rs. 2,37,22,050/-         |
|         | <b>G/Total</b>  | <b>20089</b>  | <b>100%</b>                          | <b>Rs. 14,37,70,000/-</b> |

6.2. The complainant Shri. W. Shinglai, RTI/Social Activist from Kasom Khullen Village, Ukhrul district has alleged in the brief facts of the complaint submitted by him that under 14<sup>th</sup> F.C. Award (2015-2020) a fund of Rs. 22,78,89,827/- was sanctioned to the ADC Ukhrul and has alleged that the funds for various departments like Agriculture, Horticulture, Fishery and Animal Husbandry scheme/ project has been blatantly misappropriated/misused by the concerned ADC elected members and the public has not seen the execution of the schemes and projects works.

(i) It was stated by the complainant that the works have not been executed and on the contrary payments for works were made to the so called executing agencies without inspecting and verifying the correctness of the alleged executed works.

(ii) It is also alleged that the respondents in connivance with the executing agency and other officials of the Autonomous District Council, Ukhurul had shown undue favour to the implementing agency in awarding the developmental works despite many default/error in the process of awarding the work and gave to private individuals beneficiaries oriented scheme in private property for development of horticulture farms and fisheries etc. in furtherance of their criminal conspiracy.

(iii) The various developmental works alleged to have been executed by the implementing agency in collusion with the respondents for the Ukhurul district broadly fall under the following categories :-

- a) Development of inter village roads;
- b) Construction of rain water reservoirs;
- c) Construction of public toilets;
- d) Construction of water tanks;
- e) Construction of waiting sheds;
- f) Construction of drainages;
- g) Construction of retaining wall;
- h) Reclamation of heritage sites;
- i) Horticulture farms Kiwi, Parkiaon private land;  
and
- j) Fishing ponds on private land.

7. After careful perusal of the facts alleged in the complaint and also the supporting documents we were of the considered view that a Preliminary Inquiry against the respondents and the Members of Autonomous District Council, Ukhul to ascertain if there exists a prima facie case for proceeding in the matter as provided under Section 20 (1) of the Manipur Lokayukta Act, 2014 is required and accordingly, we directed the Inquiry Wing, Manipur Lokayukta to conduct a Preliminary Inquiry and submit the report within the period provided under section 20 (1) of the Manipur Lokayukta Act, 2014. While passing our order dated 02.11.2020 for conducting a Preliminary Inquiry on the facts alleged in the complaint against the respondents, we stressed that in view of the settled position of law that for initiating the machinery of criminal investigation, the First Information Report need not be encyclopaedia of the events. It is not necessary that all the relevant and irrelevant facts in details should be stated therein (reference: SCC in **Bishna alias Bhiswadeb Mahato & Ors. Vs. State of West Bengal AIR 2006 SC 302**). Relevant portion i.e. Para 47 of the AIR in Bishna's case (supra) read as follows:

***“47. The First Information Report, it is well settled, need not be encyclopaedia of the events. It is not necessary that all the relevant and irrelevant facts in details should be stated therein. ....”***

8. Considering some technicality involved in verifying as to whether the works alleged to have been executed, by the Members of the Autonomous District Council, Ukhul through their implementing agency in collusion with the other respondents, is in compliance with the condition and specification required for executing the works under the different work orders and guidelines issued by the Government of Manipur as well as the Central Government in this regard, we on the prayer of the Inquiry Officer, passed an order dated 02.07.2021 and on 23.08.2021 in Misc. Case No. 1 of 2021(Ref. : Complaint Case No. 6 of 2021) for constituting a Technical team to assist the Inquiry Officer in ascertaining as to whether the works have been properly executed or not and also as to whether the

measurement of the works alleged to have been executed have been entered properly in the Measurement Books (MB) passed orders dated 02.07.2021 and 23.08.2021 and the relevant paras are reproduced below:-

**“3. In Complaint Case No. 6 of 2021 allegations similar to that of Complaint Case No. 3 of 2020 have been made in respect of the Autonomous District Councils, Ukhrul. In Complaint Case No. 6 of 2021, the complainant could pinpoint the works which were not properly executed but the funds which had already been misused. In the present case i.e. Complaint Case No. 6 of 2021, we are of the considered view, similar to that of our view vide order dated 15.01.2021 and 03.02.2021 passed in Misc. Case No. 1 of 2021(Reference: Complaint Case No. 3 of 2020).”**

**“4. For the foregoing reasons, a Technical Team consisting of i) Mr. N. Khelemba, SW/ACE-II (from PWD, Manipur) and ii) Mr. Maibam Raju Singh, Executive Engineer of DRDA, Imphal ( from the RD& PR Department, Govt. of Manipur) is constituted to assist the Inquiry Officer in ascertaining as to whether the works had been properly executed or not and also as to whether measurement of the works alleged to have been executed had been entered properly in the Measurement Book (MB) or not.”**

The order dated 23.08.2021 regarding replacement of members of the Technical Team is as given below:-

**“3. Chief Engineer cum E.O., Rural Engineering Department/Manipur State Rural Roads Development Agency under his letter dated 02.02.2021 had nominated 3 (three) Executive Engineers of Rural Engineering Department/MSRRDA namely, (i) Ph. Bimol Singh, EE-PIU-I Thoubal, (ii) L. Ibochouba Singh, EE-PIU-I Imphal West – C/4/21 and (iii) T. Shivdutta Singh, EE-PIU-II Thoubal for consideration in constitution of Technical Team/Committee in the cases pending before Manipur Lokayukta. Mr. N. Khelemba Meitei, Surveyor of Works to ACE-II, PWD, Manipur, who was appointed for three times as Member of the Technical Team/Committee is replaced by Mr. Ph. Bimol Singh, EE-PIU-I, Thoubal (from RED/MSRRDA). Accordingly, a Technical Team/Committee consisting of (i) Mr. Ph. Bimol Singh, EE-PIU-I, Thoubal (from RED/MSRRDA) and (ii) Mr. Maibam Raju Singh, Executive Engineer of DRDA, Imphal from (RD&PR Department, Govt. of Manipur) is constituted to assist the Inquiry Officer in ascertaining as to whether the works had been properly executed or not and also as to whether measurement of the works alleged to have been executed had been entered properly in the Measurement Books( MB) or not.”**



9. We have also taken extreme care to comply with the provisions prescribed in the procedure in respect of the Preliminary Inquiry more particularly the time period for completing certain stage of inquiry which are directory in nature. In the procedure prescribed for conducting the Preliminary Inquiry under Chapter VII of the Manipur Lokayukta Act, 2014 there is no penal consequences or consequences for not strictly following the period prescribed for completing certain stage of inquiry nor there is provision for not allowing the Manipur Lokayukta to extend the time period which is directory in nature on exceptional circumstances. We are also of the clear opinion that on non-completion of the Preliminary Inquiry at certain stage within the stipulated period mentioned in the said procedure part under Chapter VII of the Manipur Lokayukta Act, 2014 no right has been accrued to the respondents nor right and liberty of the respondents have been violated inasmuch as the respondents were never in the custody of the Inquiry Officer while conducting the Preliminary Inquiry.

10. The question that may arise is, whether there can be exception while considering extension of period provided under Section 20 (2) of the Manipur Lokayukta Act, 2014. We can take the judicial notice of the abnormal circumstances where the normal life of the citizens has been seriously affected because of the Covid-19 pandemic in the State of Manipur and the state government had passed many order for imposing curfew and certain restriction to the denizens of Manipur, some of which are as under:

| Sl. No. | Order Date                   | File No.   |
|---------|------------------------------|--|
| 1       | 23 <sup>rd</sup> March, 2020 | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 2.      | 30 <sup>th</sup> April, 2020 | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 3.      | 3 <sup>rd</sup> May, 2020    | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 4.      | 6 <sup>th</sup> May,2020     | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 5.      | 19 <sup>th</sup> May,2020    | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 6.      | 1 <sup>st</sup> June,2020    | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 7.      | 8 <sup>th</sup> June, 2020   | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 8.      | 15 <sup>th</sup> June, 2020  | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 9.      | 20 <sup>th</sup> June, 2020  | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 10.     | 30 <sup>th</sup> June,2020   | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 11.     | 4 <sup>th</sup> July, 2020   | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 12.     | 10 <sup>th</sup> July,2020   | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |

|     |                                 |  |
|-----|---------------------------------|--|
| 13. | 13 <sup>th</sup> July,2020      | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 14. | 23 <sup>rd</sup> July, 2020     | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 15. | 30 <sup>th</sup> July,2020      | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 16. | 15 <sup>th</sup> August, 2020   | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 17. | 25 <sup>th</sup> August, 2020   | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 18. | 1 <sup>st</sup> October, 2020   | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 19. | 31 <sup>st</sup> October, 2020  | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 20. | 27 <sup>th</sup> November, 2020 | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 21. | 22 <sup>nd</sup> December, 2020 | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 22. | 30 <sup>th</sup> December, 2020 | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 23. | 11 <sup>th</sup> February, 2021 | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 24. | 19 <sup>th</sup> February, 2021 | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 25. | 23 <sup>rd</sup> February, 2021 | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 26. | 9 <sup>th</sup> March, 2021     | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 27. | 31 <sup>st</sup> March, 2021    | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 28. | 12 <sup>th</sup> April, 2021    | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 29. | 15 <sup>th</sup> Arpil, 2021    | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 30. | 18 <sup>th</sup> April, 2021    | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |
| 31. | 21th April, 2021                | NO. 9/6(1)/2020-H(pt) order by Governor of Manipur |

10.1. Accordingly extension of time for submission of Preliminary Inquiry Report requested by the I.O. was allowed by orders of the Lokayukta.

11. In the course of the Preliminary Inquiry, the Inquiry Officer requisitioned a number of documents, particulars of which are mentioned in the Preliminary Inquiry report as under:

| Sl. No. | Particulars of Documents/Files  | Page Nos. |
|---------|---|-----------|
| 1.      | INQUIRY REPORT  | 1-40      |
| 2.      | Proceedings of the Executive Committee  | 41-42     |
| 3.      | <u>Sanction Letter</u> : Letter no. 19/2/2017-CHA/FC dated 26/3/2018.             | 43        |
| 4.      | Copy of 14 <sup>th</sup> FC Award (Ukhrul Block) (Register no.4 )                 | 44-46     |
| 5.      | 14 <sup>th</sup> FC Award (Chingai Block) (Register no.2 )                        | 47-49     |
| 6.      | 14 <sup>th</sup> FC Award (Kasom Block) 2018-19 (Register no.3 )                  | 50-53     |
| 7.      | Cheque Register 2018-19 (Register no.1 )  | 54-63     |
| 8.      | List of name of work with Measurement Books and Relevant File/ Note sheet entries | 64-65     |

|     |   |         |
|-----|---|---------|
| 9.  | <u>Work order</u> : Letter no. 04/1/PWD/14 <sup>th</sup> FC/ADC/Ukl-2018 Construction of IVR from Local to Langcha at Sahaphung village dated 3 <sup>rd</sup> April, 2018 | 66      |
| 10. | <u>Work order</u> : Letter no. 04/1/PWD/14 <sup>th</sup> FC/ADC/Ukl-2018 (21) Construction of suspension bridge at Marung   | 67      |
| 11. | File no. 04/1/PWD/14 <sup>th</sup> FC/ADC/Ukl-2018/1 (14 <sup>th</sup> FC 2017-18)Construction of IVR   | 68-71   |
| 12. | Completion report IVR (14 <sup>th</sup> FC)   | 72-74   |
| 13. | Running account bill for Construction of IVR from Local to Langcha at Sahaphung village dated 25.06.2018  | 75-80   |
| 14. | Completion report for the construction of IVR from Phunyo Cemetry Eastern Road to Konghangyi road under 14 <sup>th</sup> FC   | 81-83   |
| 15. | <u>Work order for construction of water reservoir at Greenland, Ukhrul</u> letter no. 04/1/PWD/14 <sup>th</sup> FC/ADC/Ukl-2018 dated 03.04.2018/ Running account bill    | 84-87   |
| 16. | <u>Work order</u> for construction of water tank at Sikhor village dated 03.04.2018/ Running account bill   | 88-94   |
| 17. | Running account bills for kiwi/ parkia plantation at Nungbi Khullen   | 95-98   |
| 18. | Completion report/ Running Account bill for construction of retaining wall at Navaolou field at Challou village.  | 99-105  |
| 19. | Running account bill for construction of toilet at Phungreitang with work order, abstract of cost/details of measurement  | 106-118 |
| 20. | Running account bill for construction of fishery pond at Shangpungram Kasom Khullen   | 119-120 |

|     |  |         |
|-----|--|---------|
| 21. | Running account bill/ Abstract of cost/details of measurement for Construction of fishery pond and fencing at Nungbi village | 121-130 |
| 22. | Running account bill for Construction of waiting shed at Challou village with abstract of cost and details of measurement    | 131-141 |
| 23. | Running account bill for Construction/reclamation of Heritage site at Poi village  | 142-143 |
| 24. | Running account bill for Construction of drainage at Seikhor village with details of measurement                             | 144-146 |
| 25. | Requisition of documents dated 02.12.2021  | 147     |
| 26. | Recording of Statements of Complainant/ Opposite party   | 148-175 |
| 27. | Utilization Certificate dated 8/2/19   | 176-77  |
| 28. | Technical team examination report of MBs for 14 <sup>th</sup> FC, ADC, Ukhrul dated 28/12/21                                 | 178-182 |
| 29. | Completion report for Reclamation of Heritage Site at Poi village  | 183-84  |
| 30. | Written Comments from competent authority  | 185-194 |
| 31. | Inspection memo/Rough sketch map of sites of Inspection/Collection Memo  | 195-214 |
| 32. | Copies of CPWD Manual/copies of MBs collected  | 215-229 |
| 33. | Govt of Manipur Documents/ Guidelines/Acts   | 230-252 |
| 34. | 14 <sup>th</sup> FC Guidelines   | 253-258 |
| 35. | Copies of Cheques of accounts of ADC Ukhrul Office   | 259-260 |
| 36. | Letters for Requisition of documents   | 261-268 |
| 37. | Copy of Note sheet entry for Construction of fishery pond@ Shangpunram   | 269     |
| 38. | Copy of 2 <sup>nd</sup> R/A Bill of Register no 8/ register no 9   | 270-275 |
| 39. | List of ADC Members  | 276     |
| 40. | Complaint Copy   | 277-319 |

|     |                     |         |
|-----|---------------------|---------|
| 41. | Completion Reports  | 320-327 |
| 42. | Final Bill payments | 328-339 |

11. The Inquiry Officer also recorded the statements of 26 (twenty six) individuals in connection with the present case.

12. In the course of the Preliminary Inquiry, the Inquiry Officer was assisted by the team of experts constituted under our order dated 02.07.2021 and 23.08.2021 in their visits to the sites of the works for ascertaining as to whether the works had been properly executed or not and also as to whether the measurement of the works alleged to have been executed have been entered properly in the Measurement Books (MB) or not and also the alleged works under different work orders had been actually executed or not.

13.1. The Autonomous District Council, Ukhurul in its proceeding held on 28.02.2018 at the Chamber of the Chairman, ADC, Ukhurul with Shri K. Dickson, Hon'ble Chairman in the Chair passed a Resolution. For convenience, proceeding of 28.02.2018 is quoted hereunder:

**“Proceedings of the  
Committee sitting held on 28.02.2018 in the office Chamber of the  
Hon'ble Chairman at 1:00 p.m. with Shri K. Dickson, Hon'ble  
Chairman ADC, Ukhurul in the chair.**

**Members Present:**

| Sl. No. | Name              | Designation      |
|---------|-------------------|------------------|
| 1.      | M. Issac          | Vice-chairman    |
| 2.      | SP. Mashunngam    | Executive Member |
| 3.      | HS. Ngamsung      | -do-             |
| 4.      | VL. Khayinghor    | -do-             |
| 5.      | SomimayarAwungshi | -do-             |
| 6.      | KapangpamZimik    | -do-             |

**Agenda No. 1. 14<sup>th</sup> Finance Commission:** The members present discussed and resolved to release 80% of the total fund as first instalment for all developmental programmes/works under 14<sup>th</sup> Finance Commission.

It is also resolved that the remaining 20% of fund will be released on fulfilling the conditions laid down for implementation of the 14<sup>th</sup> Finance Commission.

To avoid fraudulent withdrawals, the concerned DCC member should identify and countersign at the time of payment.

The meeting ended with thanks from the Chair.

Sd/-  
(Polly Makan)  
CEO, ADC, Ukhurul

Sd/-  
(K. Dickson)  
Chairman, ADC, Ukhurul

**Memo No. 01/46/HQ-EM-Mt./ADC-Uki/2010(Pt-I)  
Ukhurul, 28/02/2018**

**Copy to:**

1. The P.S. to Chairman, ADC, Ukhurul.
2. The Vice-Chairman, ADC, Ukhurul.
3. All Hon'ble EMs, ADC, Ukhurul.
4. The Under Secretary (TA & Hills), Govt. of Manipur.
5. The Relevant File."

13.2. Some of the important decisions taken in the meeting dated 28.02.2018 was to release 80% of the total funds of any given project as first instalment and release the remaining 20% of fund upon fulfilling the conditions laid down for implementation of 14<sup>th</sup> FC.

14.1. The approved works for ADC, Ukhurul under 14<sup>th</sup> Finance Commission consists of 354 works in 7 blocks of the Ukhurul ADC (consisting of 2 districts i.e. Ukhurul and Kamjong). As the numbers of works were numerous it was advised to the complainant to select a manageable number of works for conducting physical inspection especially in view of the restrictions in movement due to the Covid pandemic. Of the total the complainant submitted a list of 15 works (available at page 5 of Preliminary Inquiry Report). It is clear from Preliminary Inquiry Report that the approved works were executed by the implementing agency nominated by different Members of ADC, Ukhurul, in other words, the respondents who are the Members of ADC, Ukhurul are executing the different approved works in their constituency through their agency. The Inquiry Officer collected the list of the approved works executed by the agency of the respondents/members of the ADC, Ukhurul. For convenience the list of the approved works, and name of agency who had executed the approved works are reproduced hereunder:

| Sl. No. | Name of work refer to ADC Ukhurul                                 | Village            | Block with Sl. No. of works proposal            | Amount in lakh | Name of work Agency |
|---------|---|--------------------|---|----------------|---------------------|
| 1.      | Construction of IVR from village to water reservoir.              | Itham              | Kamson Khullen Sl.No. 24 (Page. 15 of P.I.R)    | 2              | R. Shangreingam     |
| 2.      | Construction of fishery pond.                                     | Shangpunram        | Kasom Khullen Sl. No.25 (Page. 16 of P.I.R)     | 1              | S. Thanthing        |
| 3.      | Retaining wall at Ngavaolu.                                       | Challou            | Chingai Sl. No. 10 (Page. 17 of P.I.R)          | 5              | HAS. Dearson        |
| 4.      | Construction of waiting shed.                                     | Challou            | Chingai Sl. No.9 (Page. 16 of P.I.R)            | 5              | AS. Aso             |
| 5(a)    | Kiwi Plantation.  | NungbiKhullen      | Chingai Sl. No.28 (Page. 16 of P.I.R)           | 5              | K. Phaningshung     |
| (b)     | Parkia Plantation   | NungbiKhullen      | Chingai Sl. No.29 (Page. 16 of P.I.R)           | 5              | Pamei               |
| (c)     | Construction of fishery pond and fencing.                         | NungbiKhullen      | Chingai Sl. No.30 (Page. 16 of P.I.R)           | 10             | AS. Lovejoy         |
| (d)     | Construction of suspension bridge and footpath over Marung river. | NungbiKhullen      | Chingai Sl. No.31 (Page. 16 of P.I.R)           | 15             | K. Yaolei           |
| 6.      | Construction of IVR from Local to Langcha.                        | Sahangphung        | Kamjong Sl. No. 16 (Page. 15 of P.I.R)          | 10             | Vareichung Shimray  |
| 7.      | Reclamation of heritage site.                                     | Poi                | Chingai Sl. No.7 (Page. 17 of P.I.R)            | 10             | S. Edward           |
| 8 (a)   | Construction of water tank.                                       | Seikhor            | LM Block Sl. No.19 (Page. 16 of P.I.R)          | 4              | V.S. Mathotmi       |
| (b)     | Construction of Drainage.   | Seikhor            | LM Block Sl. No.20 (Page. 16 of P.I.R)          | 4              | V.S. Ringlem        |
| 9 (a)   | Construction of Rain Water Reservoir.                             | Greenland          | Ukhurul Block SI No. 77 (Page. 16 of P.I.R)     | 10             | AS. Pammayo         |
| (b)     | Construction of IVR from Phungyo Cemetry of Kongkhangngayi.       | Greenland          | Ukhurul Block SI. No. 80 (Page. 15 of P.I.R)    | 5              | AS. James           |
| 10.     | Construction of Public toilet.                                    | Phungreitan g West | Ukhurul Block SI. No. 83 (1)(Page. 16 of P.I.R) | 5              | Y. Ringmi           |

**Additional fact(s) and supporting documents.**

15.1. Under Rule 95 of the Manipur (Hills Areas) District councils Rules, 1972, it is provided that no work exceeding Rs. 5,000/- in value shall be allotted except on the basis of tender.

**“95. Tenders:- (1) No tenders shall be called for if the work is under taken by the Council departmentally  
(2) Subject to the provisions of sub-rule (1) no work exceeding Rs. 5,000/- in value shall be allotted except on the basis of tender.”**

However, it is seen that no tender was resorted to by the ADC.

15.2. Further, guidelines issued by Government of India, Ministry of Finance, Department of Expenditure, Finance Commission Division vide F. No. 13(34)/FFC/FCD/2017-18 dated 20.10.2017, which is reproduced below, appears to have been ignored and not considered:-

**“Fund flow mechanisms and release of Grants**

***Grant-in-aid will be released by the Ministry of Finance, Department of Expenditure to State Government for the Excluded areas. The State Govts. are required to transfer the Grants received from Central Government to such areas (ADCS/designated agency as per established procedure) within 15 days of it being credited to their account. It is to be ensured that in no case should funds be credited in the personal account of any functionary of these Councils. There should not be any deductions from the grants due to the Excluded areas. In case of delay, the State Government shall release the grant along with interest at the bank rate of Reserve Bank of India for the period of delay from the date of grant received in the State’s Treasury Account and shall e paid from its own funds. A certificate on this effect from the State Government Finance Department duly signed by Secretary, Finance reflected in the Grant Transfer Certificate shall be furnished by the State Government. Penal interest amount transferred by the concerned State Govt. will also be utilized for the same purpose as mention under ‘Objective of Grants-in-aid/special financial assistance.***

***The concerned ADCs/designated agency may decide to channelize the funds to local village councils for ensuring the proper, efficient and effective implementation of the projects/works and maintain full accountability and transparency.***



**Maintenance of Accounts**

***The Autonomous District Council/designated agency shall be responsible for maintenance of the books of accounts for funds allotted and disbursed to Village Council as per the norms and procedure as prescribed under the relevant Rules and guidelines of CAG/AG of the State concerned.***

**Inspection of Works**

***In order to ensure expected level of quality, works undertaken should be regularly inspected by a team of officers as decided by the Autonomous District Council/designated agency as per the norms and procedure as laid down by the Central/State Government.***

15.3. Under the caption “Fund flow mechanism and release of Grants” it is stated in the second para that “The concerned ADCs/designated agency may decide to channelize the funds to local village councils for ensuring the proper, efficient and effective implementation of the projects/works and maintain full accountability and transparency.”

15.4. In spite of the existence of guidelines issued by Government of India, Ministry of Finance, Department of Expenditure, Finance Commission Division vide F. No. 13(34)/FFC/FCD/2017-18 dated 20.10.2017, the Department of Tribal Affairs & Hills issued an Office Memorandum being No. 22/202/2018-(Hills) dated 09.11.2018 issued by the Department of Tribal Affairs & Hills, Government of Manipur. For easy reference, the said Office Memorandum dated 09.11.2018 is reproduced hereunder:

**“GOVERNMENT OF MANIPUR  
SECRETARIATE: HILLS DEPARTMENT**

**OFFICE MEMORANDUM  
Imphal, the 9<sup>th</sup> November, 2018**

***Subject: Implementation/execution of work under State Fund, State Finance Commission and Central Finance Commission Grant to 6 ADC Manipur.***

***No.22/202/2018- (HILLS): Having felt the need to utilize the fund granted from the State Fund, State Finance Commission and Central Finance Commission in a rational way and to achieve optimal welfare of hill people. It is crucial to streamline effective method of implementation of the grant in the line of the guideline of the State Finance Commission and Central Finance Commission.***

- 1 **The Autonomous District Councils shall be responsible for identification, planning and implementation of projects/works for creation of durable community assets based on locally felt needs.**
- 2 **The Autonomous District Councils shall submit identified works/projects to the Government for approval.**
- 3 **In no case, Autonomous District Councils shall change the identified and approved works /projects without prior approval of the Government.**
- 4 **The Autonomous District Councils, as usual, shall have the flexibility to select appropriate Agency/Individual from the local areas through which the work shall be executed under the supervision of respective technical staff of the councils.**
- 5 **The Senior-most Technical Officer, PWD of respective Autonomous District Councils shall perform all duties, responsibilities and function as the Executive Engineer and shall have technical sanctioning power not exceeding Rs.50 (fifty) lakh.**
- 6 **The Autonomous District Councils shall maintain proper Register for the funds allocated to Agencies/Individuals. All Agencies/Individuals who execute works/projects shall promptly submit Completion Report so that the Councils may submit Utilization Certificate to the Government on time.**
- 7 **This O.M. shall be strictly adhered to for the time being in force.**

**Sd/-**  
**(Letkhogin Haokip)**  
**Additional Chief Secretary (Tribal Affairs & Hills)**  
**Government of Manipur**

**Copy to:**

- 1 **Secretary to Her Excellency, Governor of Manipur, Raj Bhavan, Imphal**
- 2 **PPS to Hon'ble Dy. Chief Minister, Manipur**
- 3 **PPS to Hon'ble Minister (TA &H), Manipur**
- 4 **PS to all Hon'ble Chairman, ADC (CDL, SPTI, TML, CCPUR, KPI, UKL), Manipur**
- 5 **Accountant General, Manipur**
- 6 **Director (Ptg & Sty), Manipur for publication in the Manipur Gazette (Extraordinary)**
- 7 **All Chief Executive Officer, ADC (CDL, SPTI, TML, CCPUR, KPI, UKL), Manipur**
- 8 **All Treasury Officers/Sub-Treasury Officer, Manipur**
- 9 **Guard file."**

15.5. From the reading of the two communications namely guidelines issued by Government of India, Ministry of Finance, Department of Expenditure, Finance Commission Division vide F. No. 13(34)/FFC/FCD/2017-18 dated 20.10.2017 and Office Memorandum being No. 22/202/2018-(Hills) dated 09.11.2018 issued by the Department of Tribal Affairs & Hills, Government of Manipur, it is clear that the latter

OM, particularly para 4, appears to have ignored the advice which stated that ***“The concerned ADCs/designated agency may decide to channelize the funds to local village councils for ensuring the proper, efficient and effective implementation of the projects/works and maintain full accountability and transparency.”***

16.1 The Technical Team constituted by the Lokayukta which had conducted examination of MBs and documents of various works taken up by the ADC Ukhru out of 14<sup>th</sup> FC Award fund has stated that:-

- (a) Most of the MBs do not contain entries name of work, work order/agreement no. and name of agency.
- (b) There is no record of the competent authority stating that the work is actually executed as per schedule with signature of the certifying Officers.
- (c) On checking the bills, it was found that huge advance payment of more than 80% were given for each work and that there is no guidelines which allows such huge advance payment.
- (d) That only two works inspected by them namely (i) an IVR and Rain water harvesting situated at Greenland Ukhru the quality appears to be satisfactory.

16.2. The Government of India guidelines for implementation of 14<sup>th</sup> FC award of 2017-18 dated 20.10.2017 provides for inspection of works by a team of Officers to ensure expected level of quality, but the Preliminary Inquiry Report indicates that inspections were not carried out and this allegation is supported by the non-entry of measurements of any details of construction in the MBs.

16.3. The Technical Team report indicates that huge advance payment of more than 80% were given for each work before the start of any work and the payment of such liberal advance payment is not supported by any Rules/Govt. instruction.

16.4. There is no document to indicate how the work agencies were selected and a transparent process seems to be absent. Further, the records do not indicate any attempt to channelize the funds to the local village councils for ensuring proper, efficient and effective implementation of the projects/works and maintain full accountability and transparency.

16.5. All the above discussions, read with the GOI guideline dated 20.11.2017 indicates a number of failures and lapses on the part of the Department of TA & Hills, Govt. of Manipur in the implementation of the 14<sup>th</sup> FC Award.

17. Para nos 45 to 49 of the Preliminary Inquiry Report had mentioned the accountabilities of the officials/public servants and irregularities and lapses on the part of the respondents including the violation of different instructions and guidelines issued by the Government of Manipur in executing different approved works of the ADC, Ukhrul. These paras in the Preliminary Inquiry Report mentioning the accountabilities of the officials/public servants and irregularities and lapses including the violation of different instructions and guidelines are reproduced hereunder:

***“45. The Executive Committee for the implementation of the 14<sup>th</sup> Finance Commission Award 2017-18 consisted of Shri K. Dickson, Hon’ble Chairman ADC , Ukhrul; the then Vice Chairman (Shri M. Issac) & Executive members of the Executive Committee of ADC, Ukhrul (Shri Sp. Mashunngam (13-Shangshak DCC Segment), Shri HS. Ngamsung (11-Khamasom DCC Segment), Shri VL. Khayinghor (14-Tuinem DCC Segment), Shri Somimayar Awungshi (21-shingkap DCC Segment), Shri Kapangpam Zimik (6-Tolloi DCC Segment)) with the then CEO Polly Makan. The Committee oversaw the implementation process and yet failed to implement 100% completion because out of 11 works/projects inspected, 8 (eight) projects were not implemented or failed to meet required specifications. The Executive Committee is in violation of CCs (Conduct) Rules, 1964 Rule no 3 (1) (xii) [ Every Govt. servant shall at all times take decisions solely in public interest and use or cause to use public resources efficiently, effectively and economically]. The Executive Committee where decisions has been taken by the Chairman (K. Dickson) and the CEO (Polly Makan) has not planned and executed the works in accordance with FFC guidelines of the 14<sup>th</sup> FC 2017-18. 80% Advance Payment is given to the work***

agencies. The Final Bills of all Running Accounts of 14<sup>th</sup> FC 17-18 have been paid without referring to the relevant MBs and with no inspection of works.”

“46. The concerned EE & AE of ADC, Ukhru are responsible to undertake inspection of the works as directed by the CEO and preparation of running account bills. But no inspection of works was carried out for the projects being implemented as shown by the absence of inspection entries in the MBs. The Government servants have failed to perform their duty violating CCS (Conduct) Rules, 1964 Rule no 3(1) (ii). [Every Govt. servant shall at all times maintain devotion to duty]. They are also guilty of connivance of misappropriation of funds with other higher officials.”

“47. Transfer of money from the Development account to DDO account is in violation of Govt Orders as stated. Agency Charges/ Departmental Charges have not been paid. 1% labour cess has not been paid by the CEO Office. Therefore, the alleged public servants have released the 14<sup>th</sup> FC sanctioned amount without verifying the execution of the works. There is no official document/ record to show that GST deductions were deposited in Govt. accounts during the tenure thereby causing loss to the State and Central Government. These activities point to official misconduct by the CEO.”

“48. For non-completion of works, the ADC member is responsible as work agencies are nominated by the ADC members from the district council constituency (DCC). They are known to the ADC member and are verified and authenticated by them as work agencies to carry out the projects.”

**IRREGULARITIES AND OFFENCES COMMITTED BY THE OFFICIALS/PUBLIC SERVANTS**

“49. From the Inquiry proceedings for the alleged non-completion of the 15 (fifteen) projects as mentioned in the complaint, it is concluded that the following works/ projects enlisted below have not been carried out as per procedure (Table 17)-

| Sl. No. | Name of work   | Village/ Block             | ADC Member   | Remarks   |
|---------|--|----------------------------|--------------|---|
| 1       | Construction of IVR from village to water reservoir. | Itham, Kasom Khullen       | S Thotasheng | No Construction has been carried out                  |
| 2       | Construction of fishery pond.                        | Shangpunram, Kasom Khullen | S Thotasheng | Construction of Fishery Pond has not been carried out |

|   |   |                           |                 |   |
|---|---|---------------------------|-----------------|---|
| 3 | Construction of fishery pond and fencing. | Nungbi Khullen, Chingai   | K Dickson       | The Fishery Pond is constructed in private areas not utilised for public purposes and doesnot meet any Specifications. No Fencing Work Is Carried Out |
| 4 | Construction of water tank.               | Seikhor, LM               | V L Khayinghor  | No Construction has been carried out  |
| 5 | Construction of Public toilet.            | Phungreitang West, Ukhrul | H A Vareishang  | No Construction has been carried out  |
| 6 | Reclamation of heritage site @Poi village | Chingai Block             | Themreishang AS | No Redevelopment/conservation measures are carried out on inspection.   |

1. **Shri. K. Dickson, Former Chairman, ADC, Ukhrul: He is in violation of CCS (Conduct) Rules,1964 Rule no3 (1) (xii) for failing to perform his administrative duty. He is also guilty of misappropriation of public money award under 14<sup>th</sup> FC 2017-18 due to the Non-completion of project work i.e. Construction of fishery pond and fencing @ Nungbi khullen awarded to his nominated work agencies**
2. **The Vice Chairman (Shri M. Issac) & Executive members of the Executive Committee of ADC, Ukhrul (Shri SP. Mashunngam (13-Shangshak DCC Segment), Shri HS. Ngamsung (11-Khamasom DCC Segment), Shri VL. Khayinghor (14-Tuinem DCC Segment), Shri Somimayar Awungshi(21-Shingkap DCC Segment), Shri Kapangpam Zimik (6-Tolloi DCC Segment)) failed to implement 100% completion and submitted completion report for FFC award 2017-18 thereby these individuals are in violation of CCS(Conduct) Rules,1964 Rule no3 (1) (xii)**
3. **Smt. Polly Makan, the then CEO: Transfer of money from the A/C No Development account to DDO account is violation of Govt. Orders as stated in para 1-9. Agency Charges/ Departmental Charges have not been paid. 1% labour cess has not been paid by the CEO Office. This is substantiated by the official letter from the Labour Office (enclosed here as page 230). The officer allowed 1st Advance payment of 80% on the start of work. Fresh Preparation of 2<sup>nd</sup> RA Bill registers which are fraudulent in nature was signed by the officer. As a result, Final Bill work amount entered in the bill registers are higher as compared to the actual value prepared in MBs and cleared in the corresponding office files. Moreover, final bill settlement without inspection of works and referring to MBs has been carried out. These action attracts criminal misconduct by a public servant and is guilty of being part of the conspiracy and misappropriation of public funds**
4. **Shri L. Raghmani Singh (EE) & Shri Kh. Okendro Singh (AE) belonging to the Engineering Cell, ADC, Ukhrul are violating CCS(Conduct) Rules,1964 Rule no 3 (1) (ii) and connived with the higher ups in misappropriation of public funds by not taking up inspection of works.**
5. **ADC Member Shri.S Thotasheng has not completed the project works i)Construction of IVR from village to water reservoir @ ltham & ii) Construction of fishery pond @ Shangphunram awarded to work agencies nominated by him under 14<sup>th</sup> FC 17-18 in his segment. So**

*he is guilty of misappropriation of public funds meant for development work*

6. *ADC Member Shri. Themreishang AS has not completed the project work Reclamation of heritage site @Poi awarded to his nominated agency under 14<sup>th</sup> FC 17-18. So he is guilty of misappropriation of public funds meant for development work*
7. *ADC Member Shri. V L Khayinghor has not completed these project work i.e. Construction of water [tank@ Seikhor](#) in his segment as was awarded to his nominated work agencies under 14<sup>th</sup> FC 17-18. So he is guilty of misappropriation of public funds meant for development work*
8. *ADC Member Shri. H A Vareishang has not completed the project work Construction of Public toilet@ Phungreitang West in his segment awarded to his nominated agency under 14<sup>th</sup> FC 17-18. So he is guilty of misappropriation of public funds meant for development work.”*

#### **WRITTEN COMMENTS FROM COMPETENT AUTHORITY**

*“49. The care taker Chairman Dr. Yaronsha Ngalung made the following remarks in his written comments dated 2.2.2022 that....”It is beg to submit that after the lapse of more than two years Shri W. Shinglai filed the present complaint case whereas all the project under 14<sup>th</sup> Finance Commission had been already completed and the utilization certificate in this regard had been already submitted to the state government vide letter No.04/1/PWD/14<sup>th</sup> FC/ADC-2018 dated 08-03-2019. And that till today there is no objection against this Utilization Certificate from any quarter which was already approved and accepted by the competent authority and therefore there is no prima facie made out in this complaint case in as much as the Utilization Certificate still survived.....There is an Engineering cell in the Autonomous District Council and accordingly the concerned staff of the department had monitored the progress of the work from time to time. Instead of approaching the appropriate forum for redressal of their grievances, the complainant along with their party used the social media to defame the District Councils in many occasions. As such, the present complaint is not maintainable on the ground of false, frivolous and vexatious allegation but purely motivated by personal vendetta.”*

#### **“53. Conclusions:**

Therefore, from the evidence on record, prima facie evidence of criminal conspiracy and misappropriation of sanctioned amount by the public servants and officials namely (i) former ADC Chairman Shri K Dickson (ii) former Vice Chairman Shri M. Issac (20-Phungyar DCC Segment) & former Executive members of the Executive Committee of ADC, Ukhrul i.e.(iii) Shri SP. Mashunngam (13-Shangshak DCC Segment), (iv) Shri HS. Ngamsung (11-Khamasom DCC Segment), (v) Shri VL .Khayinghor (14-Tuinem DCC Segment), (vi) Shri Somimayar Awungshi(21-Shingkap DCC Segment), (vii) Shri Kapangpam Zimik(6-Tolloi DCC Segment) & (viii) former ADC Member Shri Themreishang AS (3-Chingai segment) (ix) former ADC Member S Thotasheng (23-Kasom khullen segment) (x) former ADC Member Shri H A Vareishang (10- Ukhrul South segment) (xi)the then CEO Polly Makan, (xii) Shri L Raghmani Singh (EE) &(xiii) Shri Kh. Okendro Singh (AE) has been well established and are hence charged for offence punishable u/s 13 PC Act, 120-B/34 IPC.”

17.1. The objectives of the Guideline dated 20.10.2017 issued by the Ministry of Finance, Department of Expenditure, Finance Commission Division, Government of India in respect of grants issued to 'Excluded Area' i.e. areas not covered under Part IX & IXA of the Constitution is reproduced hereunder:

**“Objective of Grant-in-aid/special financial assistance:-**

**The Grant for excluded areas is intended to be used to support and strengthen the delivery of basic civic services including water supply, sanitation including septic management, sewage and solid waste management, storm water drainage, maintenance of community assets, maintenance of roads, footpaths, street-lighting, burial and cremation grounds and any other basic service within the functions assigned to Autonomous District Councils/ designated agency under relevant legislations.”**

17.2. It may be seen that in spite of the objectives of the 14<sup>th</sup> FC award of grant in aid/special financial assistance contained in the guidelines for release of grants to excluded areas i.e. areas not covered under part IX and IX A of the constitution to use the fund to support and strengthen the delivery the **basis civic services** including water supply, sanitation including supplies tank management of community assets, maintenance of roads, footpaths street light and cremation grounds **and any other basic service**, the Preliminary Inquiry Reports shows that the funds have been used to benefit individual beneficiaries by giving them horticulture farm (Kiwi and Parkia plantation) and fishery pond. Some of such cases of individual beneficiaries are as given under:

| Sl. No. | Name of Work (ADC Ukhrul)                | Work site/Village                           | Block with Sl. No. of works proposal | Name of Agency | Work value (in Rs.) | 1 <sup>st</sup> Advance bill (in Rs.) | Final bill (inRs.) |
|---------|--|---|--------------------------------------|----------------|---------------------|---------------------------------------|--------------------|
| 1.      | Construction of fishery pond and fencing | NungbiKhullen/<br>LongpiKajui and<br>Kuirei | Chingai<br>Sl. No. 30                | AS.<br>Lovejoy | 7,71,499/-          | 7,18,965/-                            | 52,534/-           |



|    |                   |  |                       |                        |            |            |              |
|----|-------------------|--|-----------------------|------------------------|------------|------------|--------------|
| 2. | Kiwi plantation   | NungbiKhullen/<br>Kalhang                  | Chingai<br>Sl. No. 28 | K.<br>Phanin<br>gshung | 4,81,000/- | 4,04,855/- | 76,145/-     |
| 3. | Parkia plantation | NungbiKhullen/<br>Marem/<br>Luireishimpung | Chingai<br>Sl. No. 29 | Pamei                  | 4,81,000/- | 4,04,855   | 7<br>6,145/- |

17.3. Such projects/works as well as benefits accruing to individuals would not fall within the objective of the 14 FC award for support and strengthening the delivery of basic civic services and any other basic service within the function assign to ADC/designated agency under relevant legislations. The clarification given by the Department of Tribal Affairs and Hills (hereby referred to as Department of TA & H), Government of Manipur being unsatisfactory, a reference was made to the Ministry of Finance Department of Expenditure, Finance Commission Division, Government of India on 06.02.2023 and reminders on 27.02.2023, 13.03.2023 and 25.03.2023, but a response is yet to be received till date. It would appear that there has been a violation of the guideline, for release of grants to Excluded areas i.e. items not covered under Part IX and IX A of the constitution for the Financial year 2017-19-8 inasmuch that the funds have benefited some individuals and deprived the excluded areas of providing basic civic services.

17.4. The Guidelines for release of Grants to 'Excluded Areas' i.e. areas not covered under Para IX & IXA of the Constitution of the Government of India issued vide F.No.13(34)/FFC/FCD/2017-18 dated 20.10.2017 provides under caption "Fund flow mechanism and release of grants that "The concerned ADCs/designated agency may decide to channelize the funds to local village councils for ensuring the proper, efficient and effective implementation of the projects/ works and maintain full accountability and transparency". This part of the guidelines implies that the ADC/ designated agency have the option to decide for implementation of the works through local village councils. However on the contrary the Department of TA &

Hills vide Office Memorandum No. 22/202/2018(Hills) dated 09.11.2018 has stated under para 4 as follows:-

***“4. The Autonomous District Councils, as usual, shall have the flexibility to select appropriate Agency/Individual from the local areas through which the work shall be executed under the supervision of respective technical staff of the Councils.”***

17.5. This particular instruction dated 09.11.2018 appears to have ignored the government of India guidelines dated 20.10.2017 providing for the ADC concerned to consider implementation through village councils in which case the requirement for the ADC to follow the tender process as provided under Rule 95 of the Manipur (Hills Areas) District Council Rule,1972 which reads as follows may not be attracted :-

***“95. Tenders:- (1) No tenders shall be called for if the work is under taken by the Council departmentally***

***(2) Subject to the provisions of sub-rule (1) no work exceeding Rs. 5,000/- in value shall be allotted except on the basis of tender.”***

17.6. The GOI guidelines dated 20.10.2017 lays down elaborate guidelines for implementation of 14 FC award for 2017-18 and it appears that some important guidelines listed below were not followed properly :-

- (a) Under caption “Modalities for planning and execution” states about a committee in the ADC for identification planning and implementation of projects/works with the CEO given the task of preparation of shelf of projects/works. The documents do not indicate such process being followed, but many works were taken up without due process. Had this part of the guidelines been adhered to, the award of individual beneficiary scheme may not have taken place as the objective of the FC award under caption “Objective of grant-in-aid/special financial assistance” states that the objective is for providing basic civic services.

(b) Under caption "Fund flow mechanism and release of grants" states that "***The concerned ADCs/designated agency may decide to channelize the funds to local village councils for ensuring the proper, efficient and effective implementation of the projects/works and maintain full accountability and transparency.***" This particular guideline was ignored and a new ambiguous guidelines under OM dated 09.11.2018 was issued by the Department of TA&H which provided under para 4 that "**The Autonomous District Councils, as usual, shall have the flexibility to select appropriate Agency/Individual from the local areas through which the work shall be executed under the supervision of respective technical staff of the councils.**" The flexibility to select appropriate Agency/Individual enabled the ADC to unqualified private individuals who may not be authorised contractors to execute the work.

(c) Under the caption "Monitoring" the guidelines provide for a state level Nodal Department for overall coordination and monitoring of the works/projects. This would be the Department of TA&H. It also provides for the state government to constitute a High Level Committee (HCL) headed by the Chief Secretary/ senior official of the state government with members from the Finance Department and the Nodal Department for overall monitoring of the developmental activities. It has not been clarified whether any such committees were constituted or meetings held and without any supervision or monitoring the ADCs were left to carry on with their own devices.

(e) Advanced payment for work awarded made upto more than 80% before start of work which is considered very high without any work being executed.

(f) Under caption “Inspection” of GOI guidelines dated 20.10.2017, besides the CPWD manuals, it is incumbent upon the ADCs to carry out inspection of works as per the norms and procedure as laid down by the Central/State government. This aspect of the job of officials and engineers appears not to have been carried out properly resulting in none execution of work, sub-standard work etc.

17.7. Further, there has been non-adherence of guidelines, CPWD manuals, instructions, Acts and rules and it appears that some important guidelines/instructions/norms etc. listed below were not followed properly :-

- (a) There is a lack of diligence on the part of the officers/engineers concerned at different levels i.e. state, department and ADC. This would require closer scrutiny and examination to avoid such administrative, financial and execution lapses taking place in future besides fixing accountability etc. for misuse of government funds.
- (b) Estimates were not framed or properly framed as a result there was nothing to be referred to in terms of the dimensions/specifications of the assets to be created with no measurable outcomes. The construction if carried out was left totally to the devises of the work agency who were arbitrarily awarded the project/work. These being the situation the MBs have no details for entry of estimates and measurements to quantify and arrive at the amount to be paid resulting in lump sum payment of funds in most of the works.

18.1. As the Complaint Cases against improper implementation and corruption in respect of the ADCs of Ukhrul, Senapati and Tamenglong are similar in terms of the alleged misuse of funds of the Finance Commission Award and the State Commission Award, an Order was already issued by the Lokayukta in regard to Complaint Cases of Senapati ADC which is also

relevant to Ukhrul ADC. The order dated 27.03.2023 and the letter sent to the department of TA&H seeking clarification is reproduced below:-

**“COMPLAINT CASE NO. 1 OF 2021**  
**WITH**  
**COMPLAINT CASE NO. 4 OF 2020**  
**AND**  
**COMPLAINT CASE NO. 5 OF 2020**

**27.03.2023**

**1. Complainant(s) appeared in person. The learned counsels for the Respondents are also present.**

**2. Submissions of the learned counsels appearing for the Respondents and the Complainant(s) are heard at length.**

**3. Sections 21 of the Manipur Lokayukta Act, 2014 provides that at any stage of the proceeding, if the Lokayukta considers it necessary to inquire into the conduct of any person other than the accused; or is of opinion that the reputation of any person other than an accused is likely to be prejudicially affected by the preliminary inquiry, the Lokayukta shall give to that person a reasonable opportunity of being heard in the preliminary inquiry and to produce evidence in his defence, consistent with the principles of natural justice. Further, Section 22 of the Manipur Lokayukta Act, 2014 clearly provides that Lokayukta may require any public servant or any other person who, in its opinion, is able to furnish information or produce documents relevant to such preliminary inquiry or investigation, to furnish any such information or produce any such document. For easy reference Sections 21 and 22 of the Manipur Lokayukta Act, 2014 are quoted hereunder:**

***“21. If, at any stage of the proceeding, the Lokayukta-***

***(a) Considers it necessary to inquire into the conduct of any person other than the accused; or***

***(b) Is of opinion that the reputation of any person other than an accused is likely to be prejudicially affected by the preliminary inquiry.***

*the Lokayukta shall give to that person a reasonable opportunity of being heard in the preliminary inquiry and to produce evidence in his defence, consistent with the principles of natural justice.*

*22. Subject to the provisions of this Act, for the purpose of any preliminary inquiry or investigation, the Lokayukta or the investigating agency, as the case may be, may require any public servant or any other person who, in its opinion, is able to furnish information or produce documents relevant to such preliminary inquiry or investigation, to furnish any such information or produce any such document."*

**4. Office Memorandum of the Government of Manipur dated 09.11.2018 issued by the Additional Chief Secretary (Tribal Affairs & Hills), Government of Manipur under the subject – Implementation/execution of work under State Fund, State Finance Commission and Central Finance Commission Grant to 6 ADC, Manipur clearly provides among other that :**

*(i) The Autonomous District Councils shall be responsible for identification, planning and implementation of projects/works for creation of durable community assets based on locally felt needs.*

*(ii) The Autonomous District Councils shall submit identified works/projects to the Government for approval.*

**5. On bare perusal of the Office Memorandum dated 09.11.2018, it is clear that it is the responsibility of the Autonomous District Councils to identify and implement the project for creation of the durable community assets based on locally felt needs. Further, it is clear from the O.M. dated 09.11.2018 that it is for the Department of Tribal Affairs and Hills to approve the works/projects of the ADC .**

**6. There is also Guideline issued by the Ministry of Finance, Department of Expenditure, Finance Commission Division, Government of India for release of Grants to 'Excluded Area' i.e. areas not covered under Part IX & IXA of the Constitution. The objective of the Guideline is also mentioned therein. For easy reference, of some relevant contents of the Guideline for release of Grants to 'Excluded Areas' mentioned therein are quoted hereunder:**

**“Objective of Grant-in-aid/special financial assistance:-**

**The Grant for excluded areas is intended to be used to support and strengthen the delivery of basic civic services including water supply, sanitation including septic management, sewage and solid waste management, storm water drainage, maintenance of community assets, maintenance of roads, footpaths, street-lighting, burial and cremation grounds and any other basic service within the functions assigned to Autonomous District Councils/ designated agency under relevant legislations.**

**Identification and Prioritization of works/Projects:-**

**The works/projects should cover subjects which have been transferred to the Autonomous District Councils/ designated agency and should mainly focus on delivery of the basic civic services to the people. The works/project should show measurable outcomes. It may be noted that any cost escalation and / or committed liability beyond the funds allocated for the projects shall not be provided by the Central Government.**

**The ADC/designated agency shall ensure that there is not duplication of expenditure on the same project. The expenditure should be incurred as per the prescribed Finance Manual/Guidelines/Rules of the respective State Government applicable for the excluded areas.**

**Fund Flow mechanism and release of Grants**

**.... The Autonomous District Council/designated agency may decide to channelize the funds to local village councils for ensuring the proper, efficient and effective implementation of the project/works and maintain full accountability and transparency.**

**Maintenances of Accounts**

**The Autonomous District Council/designated agency shall be responsible for maintenance of the books of accounts for the funds allocated and disbursed to Village Council as per the norms and procedure as prescribed under the relevant Rules and guidelines of CAG/AG of the State concerned.”**

**7. On bare perusal of the said Guideline, it is crystal clear that the object for Grant-in-Aid is to support and strengthen the delivery of the basic civic services and also the maintenance of account clearly shows that the Autonomous District**

**Councils/designated agency shall be responsible for maintenance of the books of accounts for the funds allocated and disbursed to Village Council.**

**8. On conjoint reading of the said Office Memorandum dated 09.11.2018 and also the said Guideline for release of Grants to 'Excluded Areas' mentioned above, it is crystal clear that it is the responsibility of the Autonomous District Councils to identify and implement project for creation of the durable community assets based on the locally felt needs, it is the duty of the Government to approve work/ project to be identified by the Autonomous District Councils focusing on the delivery of the basis civic services to the people. The Office Memorandum dated 09.11.2018 and the said Guideline clearly laid down that the grant in aid to the Autonomous District Councils would be for the support of the delivery of the basis civic service for the people and not for any individuals.**

**9. In the course of hearing of the present complaint and also on perusal of the Preliminary Inquiry Report, it appears that the Autonomous District Councils while identifying and implementing the project under grant-in-aid, did not comply with the said Office Memorandum dated 09.11.2018 which states that the grant-in-aid is for the creation of the durable community assets based on locally felt needs inasmuch as some of the projects are prepared by the Autonomous District Councils for some individuals and not for community and Government has approved the said plans/projects submitted by the Autonomous District Councils for individuals. It appears that the Government, while approving the said plans/projects submitted by the Autonomous District Councils has lost sight of the said Office Memorandum dated 09.11.2018 of the Government of Manipur more particularly para nos. 1 and 2 of the said Office Memorandum dated 09.11.2018.**

**10. In the above factual circumstances, we by invoking our jurisdiction under sections 21 and 22 of the Manipur Lokayukta Act, 2014 direct the Administrative Secretary (Tribal Affairs & Hills), Government of Manipur to furnish information or produce documents as to how and under what circumstances, the department had approved the plan and project identified by the Autonomous District Councils for individuals under the**



**Grant-in-aid under the State Fund, State Finance Commission and Central Finance Commission within 10 (ten) days from the date of receipt of this order.**

**11. Deputy Registrar, Manipur Lokayukta is directed to communicate this order to the Administrative Secretary (Tribal Affairs & Hills), Government of Manipur for information and necessary action. Also furnish a copy of this order to the complainant(s) as well as the learned counsels appearing for the respondents.**

**12. List this case on 17.04.2023.**

**Sd/-  
MEMBER**

**Sd/-  
CHAIRPERSON**

18.2. The letter dated 28.03.2023 sent to the department of TA&H seeking clarification is reproduced below:-

**“No. 1/Dy. Reg/Corr/Mn.Lokayukta/ 2021  
OFFICE OF THE MANIPUR LOKAYUKTA  
3<sup>rd</sup> FLOOR, DIRECTORATE COMPLEX, 2<sup>nd</sup> M.R., NORTH  
A.O.C, IMPHAL**

**Imphal, 28<sup>th</sup> March, 2023**

**To,**

**The Administrative Secretary (Tribal Affairs and Hills)  
Government of Manipur.**

**Subject: Request for furnishing comment within 10 days of receipt of this letter.**

**Ref: Manipur Lokayukta's order dated 27.03.2023 passed in Complaint Case No. 1 of 2021, Complaint Case No. 5 of 2020 and Complaint Case No. 4 of 2020.**

**Sir/ Madam,**

**I am directed to furnish herewith a copy of the order cited above for information and to request you to kindly furnish your Comment to Manipur Lokayukta within 10 (ten) days from the date of receipt of this letter.**

**Attention is drawn to Para No. [10] of the order which requires the departments concerned to take necessary action.**

**Yours faithfully,**

**Sd/-**  
**(S. Khupboi Aimol)**  
**Deputy Registrar: Manipur Lokayukta.**

**Enclosed : As stated above.**

**Copy to:**

- 1. P.S. to Hon'ble Chairperson, Manipur Lokayukta.**
- 2. P.S. to Hon'ble Member, Manipur Lokayukta.**
- 3. To parties concerned.**
- 4. Guard file."**

18.3. The Office Memorandum being No. 22/202/2018-(Hills) dated 09.11.2018 issued by the Department of Tribal Affairs & Hills, Government of Manipur was furnished by the department vide letter No. TA-701(1)/18/2022-e-TA&H dated 15.12.2022. It is also available in the Preliminary Inquiry Report of Complaint Case No. 4 of 2020 (page No. 143) in respect of Senapati ADC, and this OM is applicable to all ADCs. Considering the need to have more clarity on the matter from the department of TA&H, Lokayukta had passed an order on 04.04.2023 to clarify specific points. Before reply to Lokayukta's letter dated 28<sup>th</sup> March 2023 was received from the ACS (TA&H) the Order of the Lokayukta dated 04.04.2023 was forwarded in a letter to the department of TA&H. They are reproduced below:-

**"No.6/Dy. Reg/Corr/Mn.Lokayukta/2021  
OFFICE OF THE MANIPUR LOKAYUKTA  
3<sup>rd</sup> FLOOR, DIRECTORATE COMPLEX, 2<sup>nd</sup> M.R., NORTH A.O.C, IMPHAL**

**Imphal, 5<sup>th</sup> April, 2023**

**To,**

**The Administrative Secretary, Tribal Affairs & Hills, Government of Manipur**

**Subject: Manipur Lokayukta's order dated 04.04.2023 passed in  
Complaint Case No. 6 of 2021 and seeking clarification thereof.**

**Sir/ Madam,**

**I am directed to furnish herewith a copy of the order cited above information and to request you to furnish the comments of the Department of TA & Hills, Government of Manipur within 14 days of receipt of this letter.**

Yours faithfully,  
Sd/-  
(S. Khupboi Aimol)  
Deputy Registrar: Manipur Lokayukta

**Enclosed : As above**

**Copy to:**

1. P.S. to Hon'ble Chairperson, Manipur Lokayukta.
2. P.S. to Hon'ble Member, Manipur Lokayukta.
3. Guard file.

**Enclosure of order dated 04.04.2023"**

**"COMPLAINT CASE NO. 6 OF 2021**

1. **After the conclusion of hearing of the present case and kept in CAV, while preparing the judgment and order, it has been come to our notice the Office Memorandum being No. 22/202/2018-(Hills) dated 09.11.2018 issued by the Department of Tribal Affairs & Hills, Government of Manipur. For easy reference, the said Office Memorandum dated 09.11.2018 is reproduced hereunder:**

**"GOVERNMENT OF MANIPUR  
SECRETARIATE: HILLS DEPARTMENT**

**OFFICE MEMORANDUM  
Imphal, the 9<sup>th</sup> November, 2018**

**Subject: Implementation/execution of work under State Fund, State Finance Commission and Central Finance Commission Grant to 6 ADC Manipur.**

**No.22/202/2018- (HILLS): Having felt the need to utilize the fund granted from the State Fund, State Finance Commission and Central Finance Commission in a rational way and to achieve optimal welfare of hill people. It is crucial to streamline effective method of implementation of the grant in the line of the guideline of the State Finance Commission and Central Finance Commission.**

- 1 **The Autonomous District Councils shall be responsible for identification, planning and implementation of projects/works for creation of durable community assets based on locally felt needs.**
- 2 **The Autonomous District Councils shall submit identified works/projects to the Government for approval.**

- 3 *In no case, Autonomous District Councils shall change the identified and approved works /projects without prior approval of the Government.*
- 4 *The Autonomous District Councils, as usual, shall have the flexibility to select appropriate Agency/Individual from the local areas through which the work shall be executed under the supervision of respective technical staff of the councils.*
- 5 *The Senior-most Technical Officer, PWD of respective Autonomous District Councils shall perform all duties, responsibilities and function as the Executive Engineer and shall have technical sanctioning power not exceeding Rs.50 (fifty) lakh.*
- 6 *The Autonomous District Councils shall maintain proper Register for the funds allocated to Agencies/Individuals. All Agencies/Individuals who execute works/projects shall promptly submit Completion Report so that the Councils may submit Utilization Certificate to the Government on time.*
- 7 *This O.M. shall be strictly adhered to for the time being in force.*

*Sd/-*

*(Letkhogin Haokip)*

*Additional Chief Secretary (Tribal Affairs & Hills)  
Government of Manipur*

*Copy to:*

- 1 *Secretary to Her Excellency, Governor of Manipur, Raj Bhavan, Imphal*
- 2 *PPS to Hon'ble Dy. Chief Minister, Manipur*
- 3 *PPS to Hon'ble Minister (TA &H), Manipur*
- 4 *PS to all Hon'ble Chairman, ADC (CDL,SPTI,TML,CCPUR,KPI,UKL), Manipur*
- 5 *Accountant General, Manipur*
- 6 *Director (Ptg& Sty), Manipur for publication in the Manipur Gazette (Extraordinary)*
- 7 *All Chief Executive Officer, ADC (CDL,SPTI,TML,CCPUR,KPI,UKL), Manipur*
- 8 *All Treasury Officers/Sub-Treasury Officer, Manipur*
- 9 *Guard file."*

2. *At present, we are very much concern with para no. 4 of the Office Memorandum dated 09.11.2018 – "Autonomous District Councils, as usual, shall have the flexibility to select appropriate Agency/Individual from the local areas through which the work shall be executed under the supervision of respective technical staff of the councils." In exercise of the powers conferred by section 51 read with section 53 of the Manipur(Hill Areas) District Councils Act, 1971( 76 of 1971), the Governor of Manipur hereby makes the following rules. These rules may be called "The*

**Manipur (Hill Areas) District Councils Rules, 1972.” The Government of Manipur in exercise of the power conferred by Clause (X) of Sub-Section (2) of Section 51 of the Manipur (Hill Areas) District Councils Act, 1971 framed the Rules namely, “The Manipur Grant-in-aid to Autonomous District Councils Rules, 1981” (hereinafter referred to ‘Rules of 1981’). The present case is concerned with the Grant-in-aid under 14<sup>th</sup> Finance Commission and under State Finance Commission during the year 2015-2020. Rule 15 of the Rules of 1981 clearly provides the power to give necessary direction by the Government of Manipur regarding spending of Grant-in-aid by the Councils. Rule 15 of the Rules of 1981 is reproduced hereunder:**

**“15. The grant-in-aid shall be spent by the Councils in accordance with provisions of the Manipur (Hill Areas) District Councils Acts, 1971 and Manipur (Hill Areas) District Councils Rules, 1972 or in accordance with any directive that may be given by the Government of Manipur without prejudice to the aforesaid Act and Rules.”**

- 3. It is well settled law that Executive instruction cannot be issued in derogatory to the Act and Rules but Executive instruction could be issued in supplementing the Act and Rules where there are grey areas in the Act and Rules. Therefore, it is well settled law that Executive instruction cannot be issued in violation of the Act and Rules. Hence, the said directions of the Government of Manipur in the form of Office Memorandum dated 09.11.2018 more particularly para no. 4 cannot be in derogation of the relevant Act and Rules but in supplementary of the Act and Rules. Rule 13 of the Rules of 1981 also provides that grants-in-aid shall be governed by the provisions of the rules 148 to 153 of General Financial Rules, 1963 as amended from time to time and other Orders issued thereunder by the Government of Manipur without prejudice to the Manipur (Hill Areas) District Councils Act, 1971 and the Manipur (Hill Areas) District Councils Rules, 1972. Rule 95 of the Manipur (Hill Areas) District Councils Rules, 1972 mandates that there shall be tenders for the work more than Rs. 5000/- and also the Rule 97 of the Manipur (Hill Areas) District Councils Rules, 1972 further provides that all the CPWD Code, rules and regulation which are applicable for a work undertaken by the Government shall be deemed to be applicable in the case of a work undertaken by the Councils.**
- 4. From the records, it appears that para no. 4 of the Office Memorandum dated 09.11.2018 issued by the Department of Tribal Affairs & Hills, Government of**



3rd Floor, Directorate Complex  
2nd M.R. North AOC, Imphal

**Subject:-**Requesting for furnishing comments within 10 days of receipt of letter; Reply thereof.

**Ref:-** Manipur Lokayukta order dated 27.03.2023 passed in Complaint case No.1 of 2021, complaint case No. 5 of 2020 and complaint case No. 4 of 2020.

Sir,

In inviting a reference to your letter No. 1/Dy.Reg/Corr/Mn./Manipur Lokayukta/2021, dated 28th March 2023, I am directed to submit herewith comments of Tribal Affairs and Hills Department in connection with the above complaint cases;

Whenever allocation of funds under Finance Commission awards are received by the Tribal Affairs and Hills Department, proposals are called from the Autonomous District Councils. Once these proposals are received by Government Department, it is processed for administrative approval. Thereafter, concurrence of Finance Department is sought for issue of Expenditures sanction and release of funds.

It is respectfully submitted that Government has kept in view O.M dated 9.11.2018. The actual documents can be submitted if required by the Manipur Lokayukta.

Yours faithfully,

Sd/-

(V. Vumlunmang)  
Additional Chief Secretary (TA & Hills)  
Government of Manipur

**Copy to:-**

1. PPS to Hon'ble Minister (TA & Hills) Manipur
2. PS to Additional Chief Secretary (TA & Hills) Government of Manipur
3. Chief Executive Officer, ADC, Senapati
4. Office copy."

19.1. The reply from the ACS, Department of TA&H, Govt. of Manipur dated 17.04.2023 was examined and it is clear that the reply has not addressed the issues raised in the order of the Lokayukta dated 27.03.2023. In view of this, the Lokayukta was constraint and compelled to order for the seizure of the file where the decision was taken to issue the OM date 09.11.2018 to understand the rationale and the examination of the matter warranting such OM by the department of TA&H.

19.2. The Lokayukta felt it necessary to make an Order date 07.06.2023 directing the I.O. concerned to seize the particular file wherein the OM dated 09.11.2018 was issued. The Lokayukta's order is reproduced below:-

**“COMPLAINT CASE NO. 6 OF 2021**

**07.06.2023** 1. Administrative Secretary (Tribal Affairs & Hills), Government of Manipur has been requested to furnish clarification as to the para no. 4 of the Office Memorandum dated 09.11.20218 issued by the department of Tribal Affairs & Hills, Government of Manipur. Rule 15 of “the Manipur Grant-in-Aid to Autonomous District Councils Rules, 1981” clearly provides that the Grant-in-Aid shall be spent by the Councils in accordance with provisions of the Manipur (Hill Areas) District Councils Act, 1971 and Manipur (Hill Areas) District Councils Rules, 1972 or in accordance with any directive that may be given by the Government of Manipur without prejudice to the aforesaid Act and Rules. Therefore, any directive given by the Government of Manipur in the matter relating with the spending Grant-in-Aid shall be without prejudice to the Act and Rules i.e. Manipur Grant-in-Aid to Autonomous District Councils Rules, 1981, Manipur (Hill Areas) District Councils Act, 1971 and Manipur (Hill Areas) District Councils Rules, 1972.

2. It appears prima facie that the Office Memorandum dated 09.11.2018 issued by the department of Tribal Affairs & hills, Government of Manipur cannot be read harmoniously with the Act and Rules i.e. Manipur (Hill Areas) District Councils Act, 1971, Manipur (Hill Areas) District Councils Rules, 1972 and Manipur Grant-in-Aid to the Autonomous District Councils Rules, 1981. Accordingly, Manipur Lokayukta vide its order dated 04.04.2023 passed in Complaint Case No. 6 of 2021 sought clarification as to how and under what circumstances the Office Memorandum dated 09.11.2018 had been issued by the Administrative Department (TA& Hills) Government of Manipur.



3. In response to the said order of the Manipur Lokayukta dated 04.08.2022 passed in Complaint Case No. 6 of 2021, the Additional Chief Secretary (TA & Hills), Government of Manipur, Mr. V. Vumlunmang sent a reply vide his letter dated 20.04.2023 to the Deputy Registrar, Manipur Lokayukta. On perusal of the said reply dated 20.04.2023, it seems that it is not a reply to the clarification sought for by the Manipur Lokayukta under its order dated 04.04.2023 passed in the present complaint. In other words, the Administrative Secretary (TA & Hills), Government of Manipur has not given any reply to the clarification sought for by the Manipur Lokayukta under its order dated 04.04.2023.

4. In the above circumstances, we require to see the file having No. 22/202/2018- (HILLS) under which Office Memorandum dated 09.11.2023 had been issued and any other files related with the said Office Memorandum.

5. Under Section 26 of the Manipur Lokayukta Act, 2014, if Manipur Lokayukta has reason to believe that any document which, in its opinion, shall be useful for, or relevant to, any investigation under this Act, are secreted in any place, may authorised an officer who is conducting the inquiry of the related case to search and seize such documents. Further, section 22 of the Manipur Lokayukta Act, 2014 provides that “subject to the provisions of this Act, for the purpose of any preliminary inquiry or investigation, the Lokayukta or the investigating agency, as the case may be, may require any public servant or any other person who, in its opinion, is able to furnish information or produce documents relevant to such preliminary inquiry or investigation, to furnish any such information or produce any such document.”

6. The Administrative Secretary (TA & Hills), Government of Manipur has been given ample opportunity to give clarification to the queries sought for under our order

dated 04.04.2023 passed in Complaint Case No. 6 of 2021 and also to produce related files i.e. file No. 22/202/2018- (HILLS) and other related files for issuing Office Memorandum dated 09.11.202. But as on today, the Manipur Lokayukta is not getting a proper response.

7. In the above factual backdrop, for the ends of justice and also for fair and proper proceeding of the Complaint Case No. 6 of 21021, Shri P. Shanker Singh, Addl. SP, who is conducting the Preliminary Inquiry of the present case is authorised to seize the file being no. No. 22/202/2018- (HILLS) of the department of (TA & Hills), Government of Manipur and other files, if any, relating to Office Memorandum dated 09.11.2023 and submit the file along with necessary report to Manipur Lokayukta on or before 14.06.2023.

8. Registry is directed to furnish a copy of this order to Shri P. Shanker Singh, Addl. SP, Inquiry Officer of Complaint Case No. 6 of 2021 for necessary compliance.

Sd/-  
MEMBER

Sd/-  
CHAIRPERSON”

19.3. Examination of the file indicates that the proposal for issue of guidelines was initiated by the letter addressed to the ACS, TA&H from the CEO/ADC, Senapati vide his letter dated 6<sup>th</sup> November, 2018. In the TA&H department a new file was opened and submitted by the Under Secretary who had discussed the matter without naming the person with whom he had discussed the matter and the file was marked to the Deputy Secretary and ACS (TA&H), Govt. of Manipur. Only the signatures of Shri R.A. Ransing, Under Secretary (TA&H), Shri Letkhogin Haokip, IAS (Rtd) ACS of the Department of Tribal Affairs & Hills, Govt. of Manipur and Shri N. Kayisii Minister (TA&H) are found in the note sheet side of the file, but there is no signature of the Deputy Secretary. The proposal was submitted by the ACS to Shri N. Kayisii, (current MLA) who was the Cabinet Minister of the Department of Tribal Affairs & Hills, Govt. of Manipur at the relevant point

of time and he had approved the proposal. As required under section 20(1) of the Manipur Lokayukta Act, 2014 opportunity has been given to the aforesaid two public servants and the then Hon'ble Minister (Shri N. Kayisii) to give their written reply as to whether there exists a prima facie case against them for proceeding with an investigation.

19.4. The letter addressed to Shri N. Kayisii, (current MLA), Shri Letkhogin Haokip, IAS (Rtd.) and Shri Dr. R.A. Ransing, MSS, Under Secretary, TA&H (now Deputy Secretary) was sent to show-cause within a specified period. The letter dated 26<sup>th</sup> June 2023 is reproduced below:-

**“No. 1/Dy. Reg/Corr/Mn.Lokayukta/2021  
OFFICE OF THE MANIPUR LOKAYUKTA  
3<sup>rd</sup> FLOOR, DIRECTORATE COMPLEX, 2<sup>nd</sup> M.R., NORTH  
A.O.C, IMPHAL**

**Imphal, 26<sup>th</sup> June, 2023**

**To**

- 1. Dr. R.A. Ransing, Deputy Secretary, (TA & Hills)**
- 2. Mr. Letkhogin Haokip (the then Addl. Chief Secretary, (TA & Hills)**
- 3. Mr. N. Kayisii (MLA, Tadubi Assembly Constituency)**

**Subject: Forwarding of Manipur Lokayukta's order dated 22.06.2023 passed in Complaint Case No. 1 of 2021, Complaint Case No.4 of 2020 and Complaint Case No. 5 of 2020.**

**Sir,**

I am directed to issue notice herewith the above cited order for information and further necessary compliance.

Kindly take note of para No. [7] of the above order dated 22.06.2023 which is reproduced hereunder;

- 7. Issue notice to the then under Secretary Dr. R.A. Ransing, MSS now Deputy Secretary (TA & Hills), Government of Manipur; the then Additional chief Secretary (TA & Hills), Government of Manipur (Mr. Letkhogin Haokip), IAS now retired); the then Minister (TA & Hills), Government of Manipur (Mr. N. Kayisii, present MLA Tadubi Assembly Constituency) for submitting their show-**

cause on or before 3 (three) weeks from the date of receipt of this order.

Yours faithfully,

Sd/-  
(Robert Singh Ksh.)  
Secretary: Manipur Lokayukta

Enclosed : As stated above.

Copy to:

4. P.S. to Hon'ble Chairperson, Manipur Lokayukta.
5. P.S. to Hon'ble Member, Manipur Lokayukta.
6. Guard file."

19.5. Individual replies to Lokayukta's letter was received from Shri N. Kayisii, (current MLA), Shri Letkhogin Haokip, IAS (Rtd.) and Shri Dr. R.A. Ransing, Under Secretary, TA&H (now promoted to Deputy Secretary) on 11<sup>th</sup> July it is found that their comments/clarification on the matter are similar in content. One letter is reproduced below:-

"To

The Secretary  
Manipur Lokayukta  
3<sup>rd</sup> Floor, Directorate Complex,  
2<sup>nd</sup> MR, North A.O.C, Imphal

Ref: - Notice No.1/Dy. Reg/Corr/Mn.Lokayukta/2021, dated 23.06.2023 issued by the Secretary, Manipur Lokayukta

Subject: Humble Show Cause Statement to the notice referred above.

Respected Sir,

With reference to the notice referred above, I am submitting the following as my Show Cause Statement.

I have gone through the Order dated 22.06.2023 passed by the Hon'ble Manipur Lokayukta in Complaint Case No. 1 of 2021, Complaint Case No. 4 of 2020, and Complaint Case No. 5 of 2020. By the said order, I was directed to submit my explanation as to how and why the said Office Memorandum dated 09.11.2018 was issued by the State Government.

The Government of India has decided to provide budgetary support for the development of all areas not covered under the ambit of Fourteenth Finance Commission

known as “Excluded Areas” i.e. areas not covered under Part IX and IXA of the Constitution. Accordingly, an Officer Memorandum dated 20.10.2017 was issued by the Ministry Of Finance, Department of Expenditure, Finance Commission Division. The said Office Memorandum deals with the guidelines for release of Grants to “Excluded Areas” i.e. areas not covered under Part IX and IXA of the Constitution.

Para (iii) of the Guidelines under the column Modalities for Planning and Execution states that “the above-mentioned Committee/designated agency will have the flexibility to spend the amount for development activities in these “Excluded Areas”. Para (ii) states that the designated agency should be the Autonomous District Councils/Councils or any other administrative structure available in the excluded areas.

Fund flow mechanisms and release of Grants are elaborately explained under the column “Fund flow mechanism and release of Grants”. In the said column, it has been stated that “the concerned ADCs/designated agency may decide to channelize the funds to local village councils for ensuring the proper, efficient and effective implementation of the projects/works and maintain full accountability and transparency”.

The then Chief Executive Officer, Autonomous District Council, Senapati wrote a letter dated 06.11.2018 to the then Addl. Chief Secretary (TA&Hills), Manipur requesting the Department of Tribal Affairs and Hills, Government of Manipur to formulate a guideline or rules for implementation of the Development Schemes/Programmes by the Autonomous District Councils, Manipur.

For effective implementation of the Development Scheme/Programmes by the ADCs, the then Under Secretary (TA & Hills), open a file and file has been processed to frame a standing guideline for implementation development work under the State Fund, State Finance Commission and central Finance Commission Grant to 6 (six) ADCs, Manipur. As the State fund, State Finance Commission and central Finance Commission Grant have to be utilized in a rational way and to achieve optimal welfare of hill people, the then Under Secretary (TA & Hills) put up the file along with the draft Office Memorandum to then Addl. Chief Secretary (TA & Hills) on 09.11.2018 for approval. The Addl. Chief Secretary (TA & Hills), thereafter, put up the file along with the draft Office Memorandum to me and the same was approved by me on 09.11.2018.

I beg to submit that the Office Memorandum dated 09.11.2018 was issued by the State Government with a motive to streamline effective method of implementation of the grant in the line of the guidelines of State Finance Commission and Central Finance Commission and Para 4 of the Office Memorandum dated 09.11.2018 was added in the line of the guidelines framed by Office Memorandum dated

**20.10.2017 issued by the Ministry of Finance, Govt. of India as guidelines of the 14<sup>th</sup> grants to excluded areas so that the objective of the grants/basic civic services are delivered on the ground to hill people. Further, it is humbly submitted that the OM dated 09.11.2018 does not supersede the principal Acts/Rules of the Manipur (Hill Areas) District Councils Act, 1971, the Manipur (Hill Areas) District Councils Act, 1972, the Manipur Grant-in-Aid to Autonomous District councils Rules, 1981, General Financial Rules (GFR), CPWD Code, and Operational Guidelines of the State and Central Finance Commission Grants and Tender Procedures.**

**In view of the facts stated above, I humbly request the Hon'ble Manipur Lokayukta to accept the explanation given by me in the interest of justice.**

**Dated/Imphal:  
The 11<sup>th</sup> July, 2023**

**Yours faithfully,**

**Sd/-  
(N. Kayisii)  
The then Minister (TA & Hills)  
Government of Manipur  
Now Member of the Manipur  
Legislative Assembly”**

20. Reading OM of Dept. of TA & Hills O.M dated 09.11.2018 along with GOI guidelines issued vide F. No. 13(34)/FFC/FCD/2017-18 dated 20.10.2017, it would appear that the matter has been over-simplified by the Department of TA&H insofar as no reference to the GOI guidelines for implementation of the 14<sup>th</sup> FC Award, the Manipur (Hill Areas) District Council Rules, 1972 and the Rules Governing Grant-in-aid to Autonomous District Councils of Manipur state notified on 20.06.1981 has been made, the requirement for consideration for Implementation by the local village councils was ignored, no reference to the requirement to abide by the provisions of the various rules was mentioned. On the contrary the ADC was allowed to have flexibility to select appropriate agency/individual from the local areas through whom the work would be executed leaving room for indulging in corrupt practises. The O.M dated 09.11.2018 which is not supplementary to the GOI guidelines dated 20.10.2017, makes no reference to the “Manipur (Hill Areas) District Council Rules, 1972” and the “Rules Governing Grant-in-aid to Autonomous District Councils of Manipur

state” gives an impression that the implementation/execution of works under State Fund, State Finance Commission and Central Finance Commission Grant to 6 ADC Manipur is to be done as per the OM dated 09.11.2018 which goes against the GOI guidelines contained in F.No. 13(34)/FFC/FCD/2017-18 dated 20.10.2017, the provisions of the “Manipur (Hill Areas) District Council Rules, 1972” and the “Rules Governing Grant-in-aid to Autonomous District Councils of Manipur state”.

21. For the foregoing reasons and discussion, we are of the considered view that there exists prima facie case for investigation against the persons listed in the Preliminary Inquiry Report i.e. (i) Shri K Dickson, former ADC Chairman; (ii) Shri M. Issac, former Vice Chairman (20-Phungyar DCC Segment) & former Executive members of the Executive Committee of ADC. Ukhrul; (iii) Shri HS. Ngamsung (11-Khamasom DCC, Segment); (iv) Shri VL. Khayinghor (14-Tuinem DCC Segment); (v) Shri Somimayar Awungshi (21- Shingkap DCC Segment); (vi) Shri Kapangpam Zimik (6-Tolloi DCC Segment); (vii) Shri Themreishang AS, former ADC Member (3-Chingai segment); (viii) Shri S Thotasheng, former ADC Member (23-Kasom Khullen segment); (ix) Shri H A Vareishang, former ADC Member (10- Ukhrul South segment); (x) Shri Polly Makan, the then CEO; (xi) Shri L. Raghmani Singh (EE); and (xii) Shri Kh. Okendro Singh (AE) and also against Shri R.A. Ransing, MSS, Under Secretary (TA&H) now Deputy Secretary), the then ACS of the Department of Tribal Affairs & Hills, Govt. of Manipur Shri Letkhogin Haokip, IAS (now Rtd.) and the then Minister for Department of TA&H, Govt. of Manipur Shri N. Kayisii (now MLA from Tadubi AC). Accordingly, we pass the following order by invoking our power and jurisdiction under Sections 20 (3) (a) and 28 of the Manipur Lokayukta Act, 2014:

- A) A direct recruit IPS Officer (non-Local) of the rank not lower than Additional SP serving under the State of Manipur is directed to investigate the present cases by exercising all the powers conferred under the Manipur Lokayukta Act, 2014.

The name of the IPS Officer will be intimated later after receiving a panel of names within 7 (seven) working days from the Chief Secretary, Government of Manipur. The Chief Secretary, Government of Manipur while sending the list of panel of IPS officer may not include IPS officer who is in the Offer List for Central/State deputation for the year, 2023-24.

- B) The Preliminary Inquiry Report of the present cases will be treated as Ejahar for the purpose of registration of the case for investigation. As the Preliminary Inquiry Report of the present case is treated as Ejahar/FIR, the Investigating Officer is not required to confine his investigation within the four corners of the Preliminary Inquiry Report. Where the case is to be registered will be intimated after taking a decision on the panel of names received from the Chief Secretary, Government of Manipur.
- C) The Investigating Officer while conducting the investigation will not be under the supervision of his superior officers of the department or the station where the present case is to be registered. It is also made clear that he/she shall conduct the investigation with full co-ordination with the Director (Inquiry), Manipur Lokayukta and also that the investigation of the present case is in addition to his normal duty as such entrustment of the present case for investigation will not amount to new transfer and posting. The Investigating Officer shall take necessary action to complete the investigation within a period of six months from the date of passing this order or from the date of receiving the records.
- D) Chief Secretary, Government of Manipur and Director General of Police, Manipur shall ensure that the place of posting of the assigned Investigating Officer of these cases



should not be disturbed without the prior consent of Manipur Lokayukta.

- E) A general recommendation is made herein, not necessarily related to this particular complaint case but to all other Complaint cases also before Manipur Lokayukta regarding the omissions and commissions, lapses and violations indicating ignorance, negligence, lack of updation and awareness of various Acts, Rules, Manuals, SOPs, instructions, FR/SR, Guidelines etc. and duties and functions, power, authority mainly of executives and functionaries including engineers and elected representatives of local bodies (Autonomous District Councils, Municipalities/Nagarpalikas) for the State Government to consider imparting refresher courses/workshop to such public servants for proper understanding of various Acts, Rules, Manuals, SOPs, instructions, FR/SR, Guidelines etc. relevant for them for implementation of various programmes, schemes, awards, etc. sanctioned by the Central and State Governments/Central authorities with a view to streamline implementation of various Government activities. The Chief Secretary, Government of Manipur may, in consultation with department concerned/training institutions work out a detailed training programme and implement the same. A copy of the training programme may be shared with the Manipur Lokayukta.

22. Secretary/Deputy Registrar, Manipur Lokayukta is directed to act accordingly by informing the Chief Secretary, Government of Manipur and Director General of Police, Manipur for taking necessary action. He is further directed to furnish a copy of this order to the complainants as well as to the respondents.

23. Await list of IPS Officers from the Chief Secretary, Government of Manipur within 7 (seven) working days from the date of receipt of this order.

**Sd/-  
MEMBER**

**Sd/-  
CHAIRPERSON**