



सत्यमेव जयते

**REPORT
OF THE
COMPTROLLER AND
AUDITOR GENERAL OF INDIA**

FOR THE YEAR ENDED 31 MARCH 1997

GOVERNMENT OF TRIPURA

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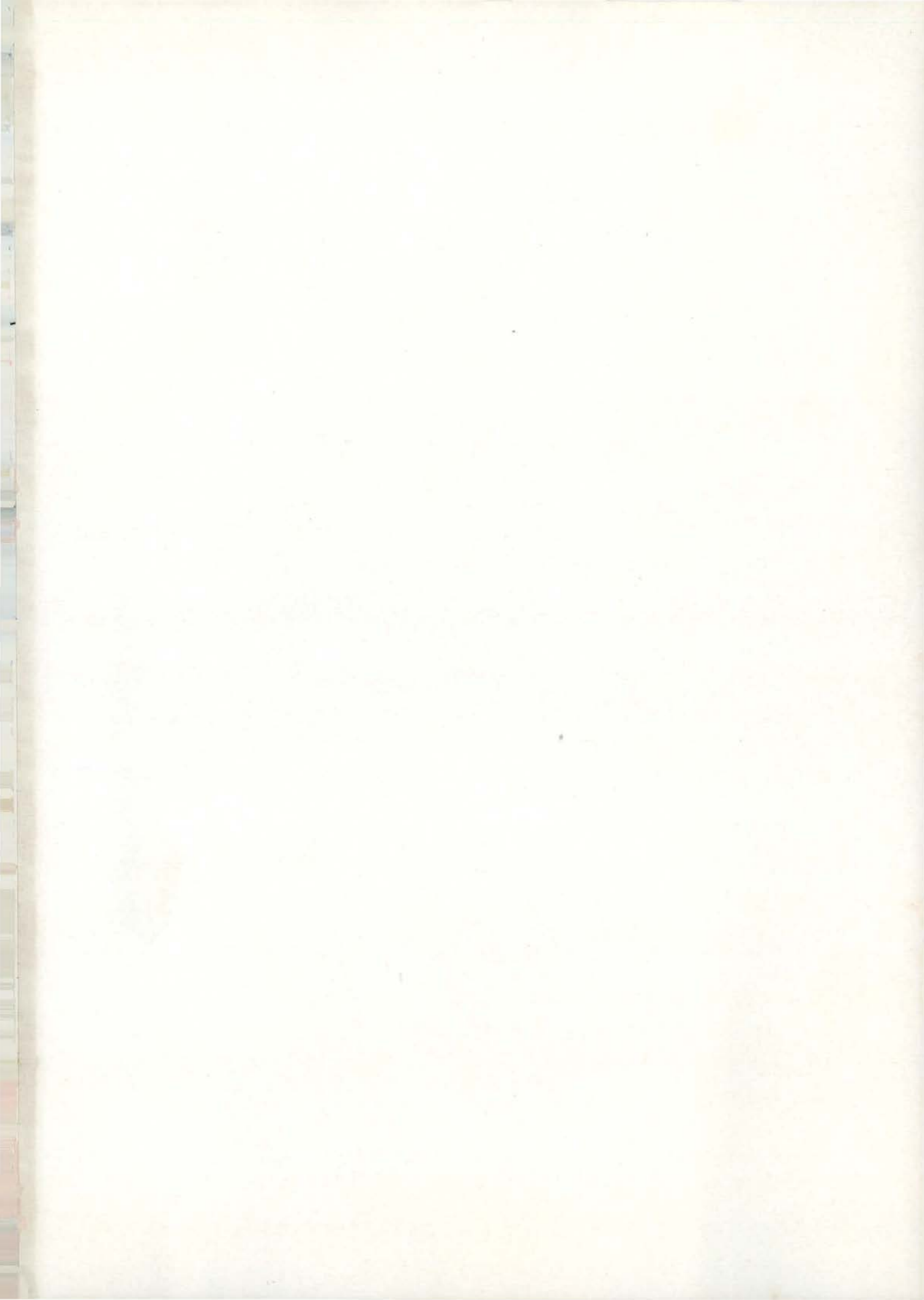
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PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151(2) of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for the year 1996-97 together with other points arising from audit of financial transactions of the Government of Tripura. It also includes certain points of interest arising from the Finance Accounts for the year 1996-97.

2. The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the year 1996-97 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 1996-97 have also been included, wherever necessary.



OVERVIEW

OVERVIEW

This Report includes two Chapters about financial position of the Government of Tripura for the year 1996-97 and Government's overall control over expenditure including a review of Personal Ledger Accounts maintained by various departments of the Government. The remaining six chapters include 9 Audit Reviews on development and welfare programmes and other activities apart from 38 audit paragraphs containing audit comments on various irregularities.

The more important audit findings are presented in this overview.

1. Accounts of the State Government

Assets and liabilities : Assets of the State Government increased by 62 *per cent* from Rs.1049.62 crore in 1992-93 to Rs.1700.50 crore in 1996-97; the liabilities increased by 51 *per cent* from Rs.688.11 crore to Rs.1040.56 crore during the same period.

Revenue Receipts : The revenue receipts of the State Government increased from Rs.937.32 crore in 1995-96 to Rs.1028.92 crore in 1996-97 registering an increase of 10 *per cent* during the same period. The increase was mainly due to higher State's Share of Basic Union Excise Duties, higher share of net proceeds of Taxes on Income other than Corporation Tax, higher receipts under Sales Tax, Interest receipts and State Excise over the previous year. This was partly offset by decline in receipts of grants-in-aid from the Central Government and receipts from Public Works and Power during the same period. Tax revenue raised by the State grew by 26 *per cent* from Rs.47.99 crore in 1995-96 to Rs.60.50 crore in 1996-97 while non-Tax revenue grew by 6 *per cent* from Rs.38.52 crore to Rs.40.66 crore during the same period.

Revenue Expenditure : The revenue expenditure of the State grew by 65 *per cent* from Rs.550.13 crore in 1992-93 to Rs.907.16 crore in 1996-97 against the increase of 46 *per cent* in the Revised Estimates from Rs.650.23 crore to Rs.949.50 crore during the same period. The plan revenue expenditure grew by 67 *per cent* over the level of 1992-93 while the non-plan revenue expenditure grew by 64 *per cent* during the same period.

Fiscal Deficit : Fiscal deficit, being the excess of Revenue and Capital expenditure over the Revenue Receipts, was Rs.121.74 crore during 1996-97 and had increased by 430 *per cent* over the level of 1992-93.

Public Debt and other liabilities : The total liabilities of the Government had increased from Rs.687.60 crore in 1992-93 to Rs.1030.05 crore in 1996-97. Loans from the Government of India constituted the largest component of Public Debt and ranged between 36 and 41 *per cent* of the

total debt of the State Government during the same period. Though the internal debt of the State Government decreased from Rs.88.70 crore during 1992-93 to Rs.34.73 crore in 1996-97, the net inflow of loans was almost nil during 1992-93 and 1995-96 and net outflow of loans in 1993-94, 1994-95 and 1996-97 was 7, 7 and 19 per cent respectively of the total internal debt receipts. Besides, the contingent liability of the Government for guarantees given for repayment of loans taken by Statutory Corporations and Government Companies etc., stood at Rs.68.32 crore as on 31 March 1997.

Investments and return : The State Government invested Rs.23.87 crore during the year in Statutory Corporation (Rs.5.50 crore), Government Companies (Rs.9.15 crore) and Co-operative Bank and Societies (Rs.9.22 crore) with which the total investment of the Government as of March 1997 stood at Rs.145.85 crore. Besides, Government had invested Rs.18.82 crore in the form of long term loans to 6 Government companies as of 31 March 1997. Similar information in respect of Co-operative Banks/ Societies etc. was not made available by the Government. No dividend/interest was received on such investments.

Interest payments : During the year 1996-97, the State Government had paid interest of Rs.20.85 crore on Market Loans and Rs.39.51 crore on Loans received from Central Government which has consumed 100 *per cent* of the fresh Market Loans of Rs.19.71 crore raised during the year and 66 *per cent* of the fresh loans of Rs.60.08 crore received from the Central Government.

Incomplete capital works : As of 31 March 1997, there were 83 works sanctioned between January 1980 and December 1996, at a total cost of Rs.70.84 crore which remained incomplete even after incurring an expenditure of Rs.67.14 crore (95 *per cent* of total cost) and as a result intended benefit had not accrued. In respect of 32 works, actual expenditure (Rs.50.90 crore) had exceeded the sanctioned cost (Rs.34.11 crore) by Rs.16.79 crore (49 *per cent*).

(Paragraph 1)

2. Appropriation Audit and Control over Expenditure

Overall saving/excess : Against the total provision of Rs.1402.17 crore (including supplementary) the actual expenditure during the year was Rs.1265.83 crore. The overall saving of Rs.136.34 crore was the net effect of savings of Rs.162.51 crore in 29 grants and 12 appropriations and excess of Rs.26.17 crore in 15 grants and 4 appropriations. The excess of Rs.26.17 crore required regularisation under Article 205 of the Constitution of India.

Supplementary grants : Supplementary grants of Rs.28.85 crore obtained in 21 grants/appropriations during March 1997 proved unnecessary as the actual expenditure of Rs.491.13 crore was less than the original grant of Rs.555.21 crore. In other 10 grants/appropriations supplementary provisions aggregating Rs.18.79 crore proved inadequate while in 9 other grants/appropriations against the supplementary provision of Rs.24.66 crore obtained, the utilisation was only Rs.12.88 crore leading to saving of Rs.11.82 crore.

Surrender of savings : Though, there were total saving of Rs.162.51 crore under 29 grants and 12 appropriations, only Rs.103.86 crore were surrendered at the fag end of the year (March 1997). In 5 cases, amounts surrendered (Rs.38.70 crore) were far in excess of savings actually available (Rs.19.49 crore) indicating injudicious surrenders made by five Departments.

Reconciliation of departmental figures : The departmental officers were required to reconcile the departmental figures of expenditure with the figures booked by the Accountant General (Accounts and Entitlement) before the closure of accounts for the year. But such reconciliation in respect of expenditure of Rs.87.92 crore had not been carried out by 2 Controlling Officers and partial reconciliation was done by 9 Controlling Officers out of the total 43 Controlling Officers.

Rush of expenditure : The financial Rules require that Government expenditure should be evenly distributed throughout the year to avoid rush of expenditure at the fag end of the year. Contrary to this, 14 departments incurred expenditure of Rs.65.29 crore in March 1997 itself which constituted 28 *per cent* of the total provision and 33 *per cent* of the total expenditure of those departments during the year 1996-97.

(Paragraphs 2.2 and 2.3)

Review of Personal Ledger Accounts : Personal Ledger Accounts (PLAs) are sanctioned by the Government in consultation with the Accountant General (Accounts and Entitlement) on being satisfied that the initial accounts of moneys kept in PLAs are properly maintained and are subject to audit. All PLAs unless created otherwise by special enactment, should be closed at the end of the financial year and funds remaining unspent in PLAs should be credited to the Consolidated Fund of the State by minus debit of the balances to the relevant service heads. A review of PLAs maintained by 26 drawing and disbursing officers out of 97 drawing and disbursing officers revealed the following -

- In all, unspent balance of Rs.34.80 crore was retained by all the 97 drawing and disbursing officers in the PLAs operated by them as of 31 March 1997 in contravention of Rules.

- The Superintending Engineer, Agriculture Department failed to render accounts for Rs.1.09 crore that remained unspent in his PLA as on 31 March 1997.
- The Executive Engineer, Rural Engineering Division, Agartala had drawn Rs.2.72 crore in March 1996 being Central assistance for Accelerated Rural Water Supply Scheme and Other Rural Development Programmes and credited the same to the Consolidated Fund of the State in August 1996 after retaining the funds in his PLA. The amount was, however, shown as spent under the scheme during the year 1995-96 instead of remitting the same back to the Central Government.

(Paragraph 2.4)

3. Audit Reviews on Development/Welfare Programme, etc.

3.1 Production and Distribution of Seeds and Development Schemes for Major Crops

With a view to increasing agricultural production and yield of various crops, the Agriculture Department launched various Centrally sponsored schemes. Of these, major schemes implemented during 1992-93 to 1996-97 were (1) Oil Seed Production Programme (OPP), (2) National Pulses Development Project (NPDP), (3) Integrated Cereals Development Programme (ICDP) and (4) Minikit Programme of wheat and coarse cereals including propagation of new technology.

- Out of Central assistance of Rs.3.13 crore received during the period from 1992-93 to 1996-97, Rs.50.79 lakh remained unutilised as of March 1997 mainly due to release of Central assistance of Rs.45 lakh at the end of March 1997 and shortfall in procurement and distribution of certified seeds.

- Overall coverage of area under rice, pulses and oilseed cultivation fell short of targets by 11 to 21 *per cent*, 15 to 47 *per cent* and 20 to 34 *per cent* respectively while production of major crops fell short of targets by 14 to 31 *per cent*, 20 to 53 *per cent* and 26 to 39 *per cent* respectively during 1992-93 to 1996-97 due mainly to lack of irrigation facilities and non-implementation of certain components.

- There was shortfall of 65 to 99 *per cent* against targets in the distribution of certified seeds and 86 *per cent* of funds (Rs.29.89 lakh) allocated for the purpose remained unutilised.

- Popularising the latest varieties of seeds and production technology amongst the farmers through field demonstrations was not done satisfactorily though an expenditure of Rs.1.76 crore was incurred for the purpose.

- Against the actual achievement of coverage of 553 hectares under Minikit demonstration at a cost of Rs.8.29 lakh during 1993-94 the Department reported the achievement of 2500 hectares at a cost of Rs.49 lakh to Government of India; Rs.22.21 lakh were diverted to other State schemes and Rs.18.50 lakh remained unutilised.
- To promote integrated pest management approach the Department conducted only 84 demonstrations during 1993-94 to 1996-97 at a cost of Rs.3.91 lakh against the target of 219 at a cost of Rs.10.15 lakh representing shortfall of 62 *per cent* due mainly to non-availability of trained personnel. As a result, 61 *per cent* of the funds allocated for the purpose remained unutilised.
- To enable the farmers to develop their resources through improved farm implements, Government of India sanctioned 780 farm implements for distribution to small and marginal farmers at subsidy of Rs.11.70 lakh during 1993-94 to 1996-97. The farmers were however, deprived of the said benefits as the Department had failed to procure the implements reportedly due to non-availability of such implements in the State.
- During the period from 1992-93 to 1996-97, only 703 plant protection equipment were distributed to the small and marginal farmers at subsidised cost of Rs.3.61 lakh against the target of 5679 implements for which funds of Rs.34.51 lakh had been provided.
- Central share of Rs.8.25 lakh (75 *per cent* share) received in December 1993 for construction of 3 oilseed godowns was diverted and utilised for implementation of other components of the programme, without realising 25 *per cent* share of the State Government.

(Paragraph 3.1)

3.2 Total Literacy Campaign Scheme

Total Literacy Campaign (TLC) was a Central Plan Scheme for eradication of literacy in the age group of 06-35 years. In Tripura, TLC programme was taken up in February 1994 with the objective of making the State fully literate by December 1996 covering 6.19 lakh (projected) illiterate population in the age group of 9-45 years as approved by the National Literacy Mission.

- During the period of 1993-94 to 1996-97, against the admissible Central Share of Rs.2.97 crore, Rs.2.22 crore were released and against the State Share of Rs.1.48 crore, Rs.1.35 crore were released. The short release of funds as noticed by Audit was due to non-receipt of utilisation certificates from the Zilla Saksharata Samities in respect of grants given to them in the previous years.

- Against the total outlay of Rs.3.64 crore an expenditure of Rs.2.44 crore was incurred under TLC programme during the period from 1993-94 to 1996-97 leaving an unspent balance of Rs.1.20 crore kept in fixed deposits (Rs.59.24 lakh) and Savings Bank Accounts (Rs.60.63 lakh).
- Against the target of 4.90 lakh learners, 4.10 lakh learners were enrolled, of which the actual number of successful learners was 2.68 lakh representing 55 *per cent* of the target fixed.
- Prior to completion of house to house survey teaching and learning materials in Kokbarok language worth Rs.12.57 lakh were purchased for 2.30 lakh identified Scheduled Tribe learners, of which only 0.14 lakh preferred to learn in Kokbarok language during the period from 1995-96 to 1996-97 and hence materials worth Rs.11.81 lakh became wasteful.
- There was avoidable extra expenditure of Rs.4.78 lakh on purchase of 4.64 lakh Exercise Books and 2.21 lakh wooden pencils at a higher rate from the local suppliers.

(Paragraph 3.5)

3.3 Sanction, procurement and utilisation of various types of vehicles in Government departments

Vehicles play an important role in implementation and co-ordination of various functions and programmes of the State Government. In order to cope with growing socio-economic development activities of the departments, Government provides vehicles to the officers at different levels to improve their mobility so as to enable them to discharge their duties efficiently and effectively.

- As of 31 March 1997, there were 1326 vehicles owned by 23 departments of the State Government. Information relating to the remaining 4 departments⁺ was not made available. Records relating to the period from 1992-93 to 1996-97 of three departments viz., Home (Police Organisation), Public Works and Secretariat Administration were test checked in audit and the important findings are given below :

- Out of the total budget provision of Rs.17.17 crore made during 1992-93 to 1996-97 for fuel, maintenance and repair and purchase of vehicles, the three departments incurred a total expenditure of Rs.27.59 crore resulting in an excess expenditure of Rs.10.42 crore.
- Public Works Department incurred expenditure of Rs.30.62 lakh on purchase of 10 vehicles during 1996-97 though there was no budgetary provision for it.

⁺ Revenue, Panchayat, Rural Development and Urban Development

- Secretariat Administration Department incurred an avoidable expenditure of Rs.2.35 lakh towards payment of Tripura Sales Tax and Central Sales Tax for purchase of 12 vehicles from local dealers during 1990-91 to 1994-95 instead of purchasing them from the manufacturers.
- There was an excess expenditure of Rs.28 lakh over the ceiling limits on the maintenance of 16 vehicles in Secretariat Administration Department (Rs.12.51 lakh) and 20 vehicles of Police Organisation (Rs.15.49 lakh) during 1983-84 to 1996-97. The excess expenditure was not regularised by the competent authority (i.e. Finance Department).
- There was excess consumption of 3.62 lakh litres of petrol (worth Rs.57.96 lakh) beyond the prescribed scale during 1992-93 to 1996-97 in case of 85 vehicles of Police Organisation and 13 vehicles of Public Works Department.
- There was shortage of 18,712 litres of petrol worth Rs.2.81 lakh on 11 occasions between July 1993 and September 1994 and 77,716 litres of diesel (worth Rs.5.05 lakh) during April 1990 to December 1994 in the underground storage tanks of POL by the Police Organisation.
- Public Works Department paid idle salaries of Rs.32.04 lakh to 18 drivers during 1991-92 to 1996-97 without utilising their services for want of vehicles.

(Paragraph 3.10)

3.4 Member of Parliament Local Area Development Scheme

Member of Parliament Local Area Development Scheme was started in December, 1993 with the aim of giving each Member of Parliament, subject to certain restrictions, the choice to suggest small works of capital and developmental nature based on locally felt needs in his constituency within a cost limit of Rs.10 lakh in respect of each work and a total cost ceiling of Rs.1 crore per year in respect of the constituency as a whole.

- The State has four districts and has three seats in the Parliament (two in Lok Sabha and one in Rajya Sabha). The works were to be executed through Government agencies by the District Magistrate and Collectors. As of March 1997, there were 85 Implementing Agencies (65 in West Tripura, 8 each in North Tripura and South Tripura and 4 in Dhalai District) for implementation of the scheme.
- Out of Rs.11.29 crore received during 1993-94 to 1996-97, Rs.8.02 crore were spent for implementation of the scheme and Rs.3.27 crore remained unutilised as of March 1997.

- None of the 4 District Magistrate and Collectors submitted expenditure statements for any of the years since 1993-94 because of non-maintenance/non-compilation of accounts by the Implementing Agencies. As a result, the expenditure could not be verified in audit.
- The State Government retained Rs.15 lakh (released by the Government of India in February 1994) unproductively for 20 months in violation of the guidelines of the scheme.
- The District Magistrate and Collector, West Tripura District, constructed 15 schools at a cost of Rs.58.98 lakh on private land in contravention of the guidelines of the scheme.
- 262 works were executed at a total cost of Rs.1.97 crore between March 1995 and May 1997 without obtaining any administrative approval and expenditure sanction of the competent authority.
- The District Magistrate and Collectors diverted Rs.75.05 lakh for execution of works during the year 1995-96, which were not permissible under the scheme.

(Paragraph 3.13)

3.5 Working of the Printing and Stationery Department

The Printing and Stationery Department consists of two wings viz., 'Press' and 'Forms and Stationery'. While the Press was set up to meet the printing requirements of various departments, the 'Forms and Stationery' wing was to cater to the requirements of all kinds of forms and office stationery of all offices, departments and autonomous bodies of the Government.

- The Press did not compile its profit and loss accounts since 1969-70. However, the Press had sustained operational losses of Rs.10.11 crore during the years 1991-92 to 1996-97. The revenue awaiting collection as of March 1997 was Rs.3.08 crore and the loss of interest on unrealised revenue was Rs.93.54 lakh.
- The Department failed to utilise the installed capacity of the Press optimally in printing and composing sections and as a result 55 *per cent* and 68 *per cent* of the installed capacities in these sections respectively remained unutilised during the years 1991-92 to 1996-97. The Department paid Rs.1.06 crore as overtime allowances despite having manpower much in excess of sanctioned strength during the six years ended 31 March 1997.
- The Press could hardly cater to 36 *per cent* of the printing requirements of the different indenting departments of the Government during the years 1991-92 to 1996-97.

- The Department set up an offset wing in April 1986 at a total expenditure of Rs.75.30 lakh without engaging any qualified staff to operate the machines in the Wing and as a result, attempts for modernisation had not improved the performance of the Press as of March 1997.
- The Department suffered a potential loss of revenue of Rs.2.26 crore because of the under-utilisation of two offset printing machines during the years 1991-92 to 1996-97.
- The Department paid an inadmissible amount of Rs.1.03 crore during the years 1991-92 to 1994-95 towards payment of overtime allowances in total disregard of the provision of the Factories Act, 1948.

(Paragraph 3.14)

3.6 Rajiv Gandhi National Drinking Water Mission

Rajiv Gandhi National Drinking Water Mission was launched in 1986 with the main objectives of providing sustainable drinking water supply to all the uncovered/no source problem villages and to create awareness among the rural people about the hazards of using unsafe water in all the habitations identified as not covered within the Eighth Five Year Plan period.

- Although the scheme envisaged provision of drinking water sources to all the 3469 uncovered/no-sources habitations by the end of Eighth Five Year Plan period (1996-97), 982 of such habitations were not provided with drinking water facilities.
- Though expenditure of Rs.19.70 crore was reported by three Divisions and seven blocks during 1992-93 to 1996-97 to the Central Government, Rs.55 lakh remained deposited in Personal Ledger Accounts, Rs.5.45 crore in current deposit Accounts and Rs.66.34 lakh were retained as cash by the implementing agencies.
- There was an infructuous expenditure of Rs.53.14 lakh on construction of 17 Deep Tube Wells of which nine had been abandoned due to low discharge of water and eight could not be commissioned due to law and order problems in the area.
- Out of 34,374 spot sources, 3119 sources created by Rural Development Department at a cost of Rs.2.92 crore, had remained out of order as of March 1997 mainly due to low discharge of water. As a result 1.45 lakh rural population was deprived of getting drinking water facilities and the whole expenditure of Rs.2.92 crore became unproductive.
- Out of 351 Iron Removal Plants procured during 1990-91 to 1992-93, 348 plants had been damaged due to improper maintenance and prolonged storage in open space. As a result the expenditure of Rs.30 lakh incurred on these plants became infructuous/unfruitful.

- A sum of Rs.41.73 lakh drawn by the Executive Engineer, RD Division, Dhalai from the treasury during November 1996 to June 1997 for manufacturing domestic filters, was not entered in the Cash Book and was kept out of Government Accounts.

- The State Government could not utilise (July 1997) central assistance of Rs.13.84 lakh received in March 1996 under computerisation project as the Government of India had not finalised the agency for procurement of computers.

(Paragraph 4.1)

3.7 Minor Irrigation Programme

Minor Irrigation Programme was launched in the State in April 1978 with the objectives of exploiting ground water resources through construction of Deep Tube Wells and utilisation of surface water through Lift Irrigation Schemes, Diversion Schemes and supply of water to the cultivable Command Area through a net work of pipes and channels.

- The Department incurred a total expenditure of Rs.71.72 crore against the budget provision of Rs.126.95 crore during the years 1990-91 to 1996-97 representing 56 per cent utilisation. This indicated that provision had been made much in excess of actual requirement.

- The Executive Engineers of three Minor Irrigation Divisions (Agartala, Kumarghat and Udaipur) had incurred expenditure of Rs.1.31 crore out of the Consolidated Fund of the State in excess of the amount deposited by the Tripura Tribal Areas Autonomous District Council during the years 1985-86 to 1992-93 for implementation of the programme.

- Twenty six Minor Irrigation Schemes, constructed between 1990-91 and 1996-97 at a total cost of Rs.64.47 lakh, remained incomplete because of non-laying of pipelines etc., as of 31 March 1997 resulting in blocking of funds for 1 to 6 years and denial of irrigation facilities to 865 hectares of land.

- There was no record showing the utilisation of irrigation potential in respect of 53 schemes, constructed and commissioned between 1990-91 and 1996-97 at a total cost of Rs.3.11 crore in Melaghar, Agartala, Bishalgarh and Teliamura sub-divisions of West Tripura District.

- There was inordinate delay of 1 to 18 years as against estimated time of 3 to 12 months, in completion of 32 schemes resulting in cost over run of Rs.3.19 crore and denial of irrigation facilities to 1938 hectares of agricultural land.

- Forty one Minor Irrigation Schemes constructed between April 1991 and November 1996 at a total cost of Rs.1.18 crore to provide assured irrigation to 1576 hectares of land had not been

commissioned as of 31 March 1997 for want of electric connections resulting in locking up of Rs.1.18 crore and denial of irrigation facilities to 1576 hectares of land for 1 to 6 years.

- The Executive Engineer, Minor Irrigation Division - I, Agartala failed to supply cement and construct brick-line distribution canal during the past ten years and as a result, expenditure of Rs.44.50 lakh failed to provide any irrigation facilities to the 160 hectares of land.

- Ninety one schemes constructed and commissioned between April 1979 and March 1996 at a total cost of Rs.3.95 crore covering a cultivable Command Area of 3979 hectares became defunct within 1 to 16 years of their construction, as against normal discharge period of 20 years, because of theft of pumps and motors, inadequate water discharges etc.

- Out of 363 Shallow Tube Wells sunk between April 1979 and March 1985, 123 Tube Wells valued at Rs. 27.06 lakh did not physically exist and 161 Tube Wells (value : Rs. 35.42 lakh) remained defunct since November 1983.

- The Department did not conduct proper land and soil survey before execution of work and as a result, expenditure of Rs.68.88 lakh incurred on construction of a Diversion scheme over the river Sorbhong Cherra at Kunjaban under Teliamura block remained unfruitful.

(Paragraph 4.2)

3.8 Stores and Stock management in Public Works Department

The Stores Division, Agartala was the nodal procuring agency, responsible for assessment, procurement and supply of major items of materials required by 15 working divisions of the Public Works Department. A review of the management of Stores and Stock accounts of the Department for the years 1992-93 to 1996-97 showed that -

- The Executive Engineer, Stores Division, Agartala failed to enforce provisions of the agreement and recover the liquidated damages of Rs.61.82 lakh from the contractor;

- The Division purchased materials worth Rs.1.12 crore much in excess and in advance of actual requirement resulting in locking up of funds for 2 to 12 years;

- The Executive Engineer, Stores Division, Agartala adopted an incorrect formula in calculation of escalation charges and paid to the manufacturer an excess amount of Rs.92.93 lakh.

(Paragraph 5.1)

3.9 Working of Tripura Small Industries Corporation Limited

Tripura Small Industries Corporation Limited was incorporated as a wholly owned Government company in August 1965 with the main objects to finance, protect and promote the

small scale industries in the State. The company had undertaken procurement and distribution of industrial raw materials, automobile parts and started Fruit Canning Factory, Sugar Factory, Pharmaceutical Unit, Timber Treatment Plant, Brick-kilns etc.

- The company had a paid up capital of Rs.6.21 crore as of 31 March 1996 against the authorised capital of Rs.20 crore. The company had allotted 81,416 shares but had not issued any share certificates.

- The company's liability as of 31 March 1997 included Rs.7.02 crore payable to two banks in connection with two money suits.

- The company did not finalise its accounts from 1983-84.

- The production of the Pharmaceutical Unit of the company was stopped from January 1995 due to shortage of fund and non-availability of water. The company paid idle wages of Rs.15.54 lakh from February 1995 to March 1997.

- The company diverted Rs.20.57 lakh to meet its establish cost out of Rs.38.18 lakh received from the North Eastern Council during the years 1983-84 to 1985-86 for construction of a Semi-Mechanised Brick Kiln.

- The company could not operate its brickfields during 1993-94 and 1994-95 for resource crunch. As a result, the company had to pay Rs.52.02 lakh on unproductive wages and land lease premium.

- The Fruit Canning Factory of the company suffered a loss of Rs.38.09 lakh during the years from 1991-92 to 1995-96 on account of excess consumption of raw materials (Rs.2.29 lakh), damaged fruit products (Rs.4.99 lakh), sale below ex-factory price (Rs.22.08 lakh), excess consumption of empty cans (Rs.1.70 lakh), extra benefit to a private party (Rs.0.44 lakh) and non-addition of profit margin to sale price (Rs.6.59 lakh).

- The company purchased Indian Made Foreign Liquor valuing Rs.4.36 lakh without assessing market demand in early 1980s which remained unsold in stock and became unfit for human consumption. The company's liability towards payment of Excise Duty for purchase of these liquor stood at Rs.13.58 lakh.

(Paragraph 8.2)

4. Other topics

(a) Civil

- Agriculture Department awarded (December 1990) the work of "Construction of Sub hall/ Auction platform at Abhaynagar (Nalua)" without ascertaining a clear title to the site (January

1994). As a result, the work had to be stopped after incurring an expenditure of Rs.5.90 lakh without any fruitful results.

(Paragraph 3.2)

- Shortages of fertilizers in stores under the Superintendent of Agriculture, Matabari, Udaipur were above the prescribed limit which resulted in loss of Rs.4.86 lakh to the Government during the period from 1992-93 to 1995-96.

(Paragraph 3.3)

- Animal Resource Development Department failed to implement the Frozen Semen Complex as well as a live-stock farm and a fodder cultivation farm at Dewanpasa under Dharmanagar Sub-Division. This resulted in infructuous expenditure of Rs.39.75 lakh on construction of building and tube well between November 1987 and March 1988, idle investment of Rs.28.38 lakh on procurement of equipment during 1988-89 and loss of Rs.32.20 lakh on production of fodder during 1989-90 to 1996-97 (upto January 1997).

(Paragraph 3.4)

- Decision to continue the Mid-day Meal programme for two and a half months even after introduction of the identical scheme of 'National Programme for Nutritional Support to Primary Education' proved financially imprudent and the delay in discontinuing the old scheme resulted in overlapping of the programmes and extra avoidable expenditure amounting to Rs.21.31 lakh in five Inspectorate of Schools between 15 August 1995 and 31 October 1995.

(Paragraph 3.8)

- Food and Civil Supplies Department failed to maintain store accounts and books properly as per prescribed procedure which led to irregular adjustment of shortages of foodgrains between January 1993 and August 1996 resulting in financial loss of Rs.96.47 lakh.

(Paragraph 3.9)

- Health and Family Welfare Department failed to install the second cobalt machine in time in the Cancer Hospital, Agartala which resulted in blocking of Central assistance worth Rs.25.70 lakh (original sum along with interest earned) for period ranging between 4 to 6 years and additional Central funds worth Rs.1 crore (sanctioned in July 1995) for more than 2 years. Further, as a result of transferring the amount of Rs.25.70 lakh from Bank Account to Personal Ledger Account, the Department sustained avoidable loss of interest amounting to Rs.5.22 lakh. The non-

utilisation of money also deprived the patients of the intended benefits to be derived from installation of the second cobalt machine in the hospital.

(Paragraph 3.11)

- Industries Department sanctioned (February 1989) financial assistance of Rs.30 lakh from National Co-operative Development Corporation to the Tripura Apex Weavers Co-operative Society (a Non-Government Organisation). The Society expressed (February 1990) inability to repay the loan due to its financial constraints. Accordingly, the Department modified its previous sanction order (December 1991) treating the assistance as a fresh share capital loan repayable in 14 equal annual instalments commencing from February 1990. This time also the Society failed to repay the amount. Meanwhile, the Department refunded Rs.40.13 lakh to the Corporation towards repayment of principal (Rs.17.14 lakh), interest (Rs.17.40 lakh) and penal interest (Rs.5.59 lakh). This resulted in an avoidable expenditure of Rs.40.13 lakh and extension of undue financial benefit to the Non-Government Organisation.

(Paragraph 3.12)

- Under the scheme 'Loan assistance from HUDCO', housing loan was to be paid to each selected small and marginal farmer by the Revenue Department in 3 equal instalments and was refundable in 88 quarterly instalments commencing after six months from the date of disbursement of the final instalment. Against the amount available for providing loan to 35 beneficiaries, the Department increased the number of beneficiaries unauthorisedly and paid Rs. 8.40 lakh to 96 beneficiaries as 1st and 2nd instalments only. In the absence of non-release of 3rd and final instalments, the construction of houses remained incomplete. Thus, the very purpose of granting the housing loan was defeated and the expenditure of Rs.8.40 lakh incurred thereon proved unfruitful. Since further chances of recovery of the loan amount were remote due to breach of agreement on the part of the loan sanctioning authority, the entire expenditure of Rs.8.40 lakh incurred was a loss to Government.

(Paragraph 3.15)

- Failure to select proper site prior to approval of the Integrated Jhumia Settlement scheme as also pre-matured drawal of the funds by the Sub-Divisional Officer, Sabroom between March 1989 and March 1990 resulted in locking up of funds amounting to Rs.22.56 lakh for 5 to 6 years

upto December 1995; and Rs.8.98 lakh thereafter in the current deposit account for more than 7 to 8 years.

(Paragraph 3.16)

- Three Minor Irrigation Divisions (Agartala, Kumarghat and Udaipur) neither claimed nor realised service charges of Rs.1 crore for execution of deposit works on behalf of the Tripura Tribal Areas Autonomous District Council and as a result Rs.1 crore was not credited to the State exchequer.

(Paragraph 4.3)

- The Executive Engineer, Amarpur Division failed to enforce the statutory provisions of producing forest clearance certificates by the contractors from the concerned Divisional Forest Officer and to recover the forest royalty amounting to Rs.14.99 lakh in respect of 13 contracts executed between 1993-94 and 1995-96 which not only deprived the Government of the revenue of Rs.14.99 lakh but also extended an undue benefit to the contractors.

(Paragraph 4.4)

- The Executive Engineer, Southern Division-II, Santirbazar awarded road works and procurement of bricks in violation of the manualised provisions which resulted in unauthorised execution of road works of Rs.3.89 lakh and unauthorised procurement of bricks leading to locking up of funds of Rs.7.49 lakh.

(Paragraph 4.5)

- Public Works Department failed to exercise effective supervision of the deposit work 'Construction of Administrative cum Laboratory Building for Indian Council of Agricultural Research at Lembucherra' resulting in unfruitful expenditure of Rs.43.68 lakh on sub-standard work (including a nugatory expenditure of Rs.1.03 lakh on load testing and arbitration award).

(Paragraph 4.11)

- Executive Engineer, Electrical Division - III, Agartala paid Sales Tax @ 12 per cent instead of 7 per cent to a local firm for supply of prestressed cement concrete poles which resulted in excess payment of Rs.7.60 lakh.

(Paragraph 4.12)

- Procurement of Aluminium Conductor Steel Re-inforced (ACSR) 'Panther' from a contractor by the Power Department on the plea to encourage local Small Scale Industries unit and

unusual delay in finalising the lowest tenders received from other manufacturers resulted in avoidable extra expenditure of Rs.17.30 lakh.

(Paragraph 4.13)

- Purchases of Cast Iron pipes of different diameters by the Public Works Department at the fag end of each year proved un-necessary and much in advance of requirement which not only resulted in fictitious stock adjustment thereby inflating the work expenditure by Rs.100 lakh in 1993-94 and Rs.167.74 lakh in 1996-97 but also resulted in locking up of Rs.233.81 lakh and loss of interest of Rs.49.70 lakh thereon.

(Paragraph 5.2)

(b) Revenue

- In 35 assessment cases relating to the years 1989-90 to 1994-95 penalty amounting to Rs.28.90 lakh was non/short levied.

(Paragraph 6.3)

- Under-assessment of Sales Tax of Rs.43.60 lakh resulted in short levy of interest of Rs.37.47 lakh.

(Paragraph 6.4)

(c) Commercial

- The State had 9 Government companies (including one under liquidation) and one deemed Government company with total investment of Rs.95.40 crore (Equity : Rs.76.58 crore and long term loans : Rs.18.82 crore).

(Paragraph 8.1.2.1)

- Accounts of all the companies were in arrears for the periods ranging from 3 to 14 years.

(Paragraph 8.1.2.5)

- According to latest available accounts 5 companies suffered loss for consecutive period ranging from 1 year to 12 years. One of these companies viz., Tripura Jute Mills Ltd. had eroded its paid up capital as its accumulated loss exceeded its paid up capital.

(Paragraph 8.1.2.6.2)

- There was one statutory corporation in the State viz., Tripura Road Transport Corporation with total equity of Rs.42.45 crore (State Government : Rs.38.81 crore and Central Government : Rs.3.64 crore) as on 31 March 1997. The corporation had finalised its accounts upto 1987-88.

(Paragraph 8.1.3)

- Three Electrical Sub-Divisions viz., Sabroom, Belonia and Kumarghat computed energy charges at lower tariff for the period from June 1992 to July 1995 in respect of 3 consumers. This resulted in short realisation of Rs.11.11 lakh of which Rs.0.89 lakh could be realised in February 1996.

(Paragraph 8.3)

- The Sub-Divisional Officers of Dharmanagar and Mohanpur Electrical Sub-Divisions wrongly categorised four and two service connections during the period between April 1993 and March 1996 which resulted in under assessment and short realisation of Rs.5.98 lakh and Rs.34,800 respectively.

(Paragraph 8.4)

- The Sub-Divisional Officer(Electrical), Consumers Service Connection Sub-Division No.II, Agartala did not observe the prescribed checks as envisaged in the Rules resulting in misappropriation of Government revenue of Rs.2.26 lakh.

(Paragraph 8.6)

CHAPTER-I

ACCOUNTS OF THE STATE GOVERNMENT

1.1 Introduction

1.1.1 *Structure of the Government Accounts*

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

Part I - Consolidated Fund

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

Part II - Contingency Fund

The Contingency Fund created under Article 267(2) of the Constitution of India is in the nature of an imprest placed at the disposal of the Governor of the State to meet urgent unforeseen expenditure pending authorisation from the State Legislature. Approval of the State Legislature is subsequently obtained for such expenditure and for transfer of equivalent amount from the Consolidated Fund to Contingency Fund. The corpus of this Fund authorised by the Legislature at the close of the year was Rs.10 crore.

Part III - Public Account

Receipts and disbursements in respect of Small Savings, Provident Funds, Deposits, Reserve Funds, Suspense, Remittances, etc., which do not form part of the Consolidated Fund, are accounted for in Public Account and are not subject to vote by the State Legislature.

1.1.2 *Annual Accounts*

The accounts of the State Government are compiled annually by the Accountant General (Accounts and Entitlement), Tripura. These are prepared in two volumes viz., the Finance Accounts and the Appropriation Accounts. The Finance Accounts present the details of all transactions pertaining to both receipts and expenditure under appropriate classifications in the Government accounts. The Appropriation Accounts on the other hand, present the details of amounts actually spent by the State Government *vis-a-vis* the amount authorised by the State

Legislature in the budget grants. Any expenditure in excess of the authorised grants requires regularisation by the Legislature under Article 205 of the Constitution of India.

1.1.3 Audit Report

The Finance Accounts and the Appropriation Accounts as well as various transactions in these accounts are audited by the Comptroller and Auditor General of India (CAG) in accordance with CAG's (Duties, Powers and Conditions of Service) Act, 1971. CAG certifies the accounts and also submits separate Audit Report to the Governor of the State in terms of Article 151 of the Constitution of India.

CAG's Report in respect of Government of Tripura for the year ended 31 March 1997 has been prepared in one volume containing observations on the transactions of Civil and Works departments, assessment and collection of Revenue Receipts and Commercial and Trading Activities of the Government.

1.2 Summarised financial position

The financial position of the Government of Tripura as on 31 March 1997, emerging from the Appropriation Accounts and the Finance Accounts for the year 1996-97 supplemented by the additional information collected separately, and the abstract of Receipts and Disbursements for the year is given in the following statements :

STATEMENT - I

I - Statement of financial position of the Government of Tripura as on 31 March 1997

(Rupees in crore)

Liabilities			Assets			
Amount as on 31 March 1996		Amount as on 31 March 1997	Amount as on 31 March 1996			Amount as on 31 March 1997
254.60	Internal Debt (Market Loans, Loans from Life Insurance Corporation of India and Others)	281.33	1386.23	Gross capital outlay on Fixed Assets		1627.90
				121.98 (i) Investment in Government Companies and Statutory Corporations, etc.	145.85	
333.22	Loans and Advances from Central Government	377.62		1264.25 (ii) Other Capital Outlay on General, Social and Economic Services	1482.05	
	14.53 (i) Pre- 1984-85 Loans	13.15				
	158.18 (ii) Non-Plan Loans	172.98	42.49	Loans and Advances by the State Government		44.30
	142.98 (iii) Loans for State Plan Schemes	168.85		35.50 (i) Other Development Loans	34.91	
	0.28 (iv) Loans for Central Plan Schemes	0.31		6.99 (ii) Loans to Government Servants and Miscellaneous	9.39	
	4.31 (v) Loans for Centrally Sponsored Plan Schemes	8.56	1.20	Other Advances		1.23
	1.41 (vi) Ways and Means Advances	1.42	3.08	Suspense and Miscellaneous Balances		0.13
	11.53 (vii) Loans for Special Schemes	12.35	10.97	Remittance Balances		2.13
			48.24	Cash Balance		24.81
262.22	Small Savings, Provident Funds, etc.	316.75		Nil* (i) Cash in Treasuries	Nil*	
86.96	Deposits not bearing interest	54.35				
10.00	Contingency Fund	10.00		1.48 (ii) Departmental Cash Balance including permanent advances	1.67	
0.54	Reserve Fund	0.51		31.17 (iii) Cash balance investment	54.03	
544.67	Surplus on Government Account	659.94		15.59 (iv) Deposits with Reserve Bank of India	(-) 30.89**	
1492.21		1700.50	1492.21			1700.50

* As the amounts in the table are shown in crore of rupees, the balance under this head being Rs.1353 only has been taken as nil.

** Minus balance was the net difference between receipts and disbursement of the State Government for the year 1996-97 after incorporating all adjustments made by RBI for the year 1996-97 upto 25th April 1997.

Explanatory Notes :

1. The summarised financial statements are based on the Finance Accounts and the Appropriation Accounts of the State Government and are subject to notes and explanations contained therein.
2. Government accounts being mainly on cash basis, the revenue surplus has been worked out on cash basis. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts.
3. Finance Accounts contain information on progressive capital expenditure outside the revenue account. Prior to rationalisation of accounting classifications, small expenditure of capital nature was also met out of revenue. Information on such capital expenditure being unavailable, is not reflected in the accounts.
4. Although a part of the revenue expenditure (grants) and the loans are used for capital formation by the recipients, its classification in the accounts of State Government remains unaffected by end use.
5. There was a net difference of Rs. 8.50 crore between the figures reflected in the accounts (debit : Rs. 30.89 crore) and that intimated by the Reserve Bank of India under "Deposits with Reserve Bank" (debit : Rs. 22.39 crore). The difference is under reconciliation (November 1997).

STATEMENT - II

II - Abstract of Receipt and Disbursements for the year 1996-97

(Rupees in crore)

Receipts				Disbursements				
SECTION - A - REVENUE								
I.	Revenue Receipts		1028.92	I.	Revenue Expenditure			907.16
						Non-plan	Plan	Total
	(i) Tax Revenue	60.50			(i) General Services	288.24	2.79	291.03
	(ii) Non-Tax Revenue	40.66			(ii) Social Services	219.57	154.14	373.71
	(iii) State's Share of Union Taxes	318.78			(iii) Economic Services : (a) Agriculture and Allied Activities	40.41	41.97	82.38
	(iv) Non-Plan Grants	201.67			(b) Rural Development	12.87	51.19	64.06
	(v) Grants for State/Union Territory Plan Schemes	320.63			(c) Special Areas Programme(NEC)	-	0.32	0.32
	(vi) Grants for Central Plan Schemes	5.07			(d) Irrigation and Flood Control	3.13	7.64	10.77
	(vii) Grants for Centrally Sponsored Schemes	67.79			(e) Energy	49.70	0.18	49.88
	(viii) Grants for Special Plan Schemes (NEC)	13.82			(f) Industry and Minerals	3.77	8.55	12.32
	(ix) Aid Material and Equipment	Nil			(g) Transport	8.03	0.49	8.52
					(h) Communication	3.30	0.29	3.59
					(I) Science, Technology and Environment	-	0.71	0.71
					(j) General Economic Services	2.83	2.02	4.85
					(iv) Grants-in-aid and contributions	5.02	-	5.02
						636.87	270.29	907.16
				II.	Revenue Surplus (carried over to Section B)			
Total Section - A - Revenue			1028.92		Total Section - A - Revenue			1028.92

(Rupees in crore)

Receipts				Disbursements					
SECTION - B - OTHERS									
II.	Opening Cash Balance including permanent advance and cash balance investment		48.24	III.	Opening overdraft from Reserve Bank of India				NIL
				IV.	Capital outlay				241.68
III.	Recoveries of Loans and Advances		4.47			Non-plan	Plan	Total	
	(i) From Government Servants	0.67			(i) General Services	...	21.16	21.16	
	(ii) From others	3.80			(ii) Social Services	...	79.02	79.02	
					(iii) Economic Services:				
IV.	Public debt Receipts		94.80		(a) Agriculture and Allied Activities	(-) 12.26	9.25	(-) 3.01	
	(i) Internal Debt Other than Ways and Means Advances	34.72			(b) Rural Development	...	3.39	3.39	
					(c) Special Areas Programme	...	45.62	45.62	
	(ii) Loans and Advances from Central Government	60.08			(d) Irrigation and Flood Control	...	9.42	9.42	
					(e) Energy	...	39.24	39.24	
	(iii) Ways and Means Advances from the Reserve Bank of India	NIL			(f) Industry and Minerals	...	7.01	7.01	
					(g) Transport	0.63	36.68	37.31	
V.	Revenue Surplus carried over		121.76		(h) Science, Technology and Environment	...	0.34	0.34	
					(i) General Economic Services	...	2.18	2.18	
						(-) 11.63	253.31	241.68	

(Rupees in crore)

		Receipts		Disbursements			
SECTION - B - OTHERS							
VI.	Public Accounts Receipts		617.68	V.	Loans and Advances Disbursed		6.28
	(i) Small Savings and Provident Funds	124.75			(i) To Government Servants (ii) To others	3.07 3.21	
	(ii) Reserve Fund	NIL		VI.	Repayment of Public Debt		23.68
	(iii) Deposits and Advances	132.27			(i) Internal Debt other than Ways and Means Advances	8.00	
	(iv) Suspense and Miscellaneous	32.32			(ii) Ways and Means Advances	NIL	
	(v) Remittances	328.34			(iii) Repayment of Loans and Advances to Central Government	15.68	
VII.	Closing overdraft from Reserve Bank of India		NIL	VII.	Public Accounts Disbursements		590.50
					(i) Small Savings and Provident Funds	70.21	
					(ii) Reserve Fund	0.03	
					(iii) Deposits and Advances	164.91	
					(iv) Suspense	35.85	
					(v) Remittances	319.50	
				VIII.	Cash Balance at end		24.81
					(i) Cash in Treasuries	NIL*	
					(ii) Departmental Cash Balance including permanent advance	1.67	
					(iii) Cash Balance investment	54.03	
					(iv) Deposit with Reserve Bank of India	(-) 30.89	
Total Section - B - Others			886.95	Total Section - B - Others			886.95

* Rs.1353 only.

STATEMENT - III
III. Sources and Application of Funds for the year 1996-97

		Amount
I.	Sources	(Rupees in crore)
	1. Revenue Receipts	1028.92
	2. Recoveries of Loans and Advances	4.47
	3. Increase in Public Debt	71.12
	4. Net Receipts from Public Account	27.18
	(i) Increase in Small Savings and Provident Funds	54.54
	(ii) Decrease in Reserve Funds	(-) 0.03
	(iii) Decrease in Deposits and Advances	(-) 32.64
	(iv) Decrease in Suspense Balances	(-) 3.53
	(v) Increase in Remittance Balances	8.84
	Total - I - Sources :	1131.69
II.	Applications	
	1. Revenue Expenditure	907.16
	2. Capital Expenditure	241.68
	3. Lending for development and other purposes	6.28
	4. Decrease in cash balance including permanent advances, departmental cash balance and cash balance investment	(-) 23.43
	Total - II - Application :	1131.69

Based on these statements and other supporting data, the following paragraphs in this Chapter present an analysis of the management of the finances of the State Government during 1996-97, relating it to the position obtaining in the preceding four years.

1.3.1 Assets and Liabilities of the State Government

The assets comprising capital investments and loans advanced and the total liabilities of the State Government at the end of the last five years were as under :

Year	Assets	Liabilities
	(Rupees in crore)	
1992-93	1049.62	688.11
1993-94	1121.45	760.19
1994-95	1249.67	862.33
1995-96	1492.21	947.54
1996-97	1700.50	1040.56

Assets of the State Government had increased (by Rs.650.88 crore) from Rs.1049.62 crore in 1992-93 to Rs.1700.50 crore in 1996-97 registering an increase of 62 per cent while the

liabilities increased by Rs.352.45 crore (51 *per cent*) from Rs.688.11 crore to Rs.1040.56 crore during the same period. The increase in assets was mainly due to more investment by Government in share capital of Statutory Corporations/Government companies (Rs.59.27 crore), more capital outlay on General, Social and Economic services (Rs.617.73 crore), more loans and advances for development purposes (Rs.7.60 crore), more advances to developmental officers (Rs.0.34 crore) and improvement in the cash balance position of the State Government (Rs.24.52 crore). The increase in assets by Rs.709.46 crore was, however, partly offset and reduced to Rs.650.88 crore due to decrease in suspense and miscellaneous balance by Rs.46.21 crore and remittance balance by Rs.12.37 crore.

The liabilities had increased mainly due to raising of more loans from the open market (Rs.95.34 crore), obtaining more loans and advances from the Central Government (Rs.94.73 crore), increased deposits under Small Savings and Provident Funds (Rs.169.86 crore), enhancement of the corpus of the Contingent Fund by the State Legislature in 1994-95 (Rs.9.50 crore) and creation of Reserve fund (Special Fund for Compensatory Afforestation) by the Forest Department (Rs.0.51 crore). The increase of Rs.369.94 crore in the liabilities was partly offset and reduced to Rs.352.45 crore due to decrease in Civil Deposits (Rs.17.49 crore).

1.3.2 Financial position of the State

(i) Financial position of the State Government during 1996-97 as emerged from the Finance Accounts revealed that revenue receipts of the State Government were Rs.1028.92 crore against which revenue expenditure was Rs. 907.16 crore, thus resulting in a Revenue surplus of Rs.121.76 crore constituting 12 *per cent* of the revenue receipts.

(ii) The revenue receipts of the State Government comprised tax revenue (Rs. 60.50 crore), non-tax revenue (Rs.40.66 crore), State's share of Union taxes and duties (Rs. 318.78 crore) and grants-in-aid from the Central Government (Rs. 608.98 crore). The main sources of tax revenue were Sales Tax (59 *per cent*), and State Excise (21 *per cent*). Non-tax revenue came mainly from Power (35 *per cent*) and Interest Receipts (19 *per cent*).

(iii) The revenue expenditure of Rs.907.16 crore was incurred for providing General Services (32 *per cent*), Social Services (41 *per cent*), Economic Services (26 *per cent*) and on payment of Grants-in-aid/ contributions (1 *per cent*) to Local Bodies and Panchayati Raj Institutions.

(iv) The capital expenditure of the State Government was Rs.241.68 crore which was shared by General Services (9 *per cent*), Social Services (33 *per cent*), and Economic Services (58 *per cent*).

(v) The Public Debt of the State Government increased by Rs.71.12 crore during 1996-97 thereby pushing up the burden of interest, payment and servicing of debt. The interest payments (Rs.72.78 crore) constituted 8 *per cent* of the revenue expenditure of the State.

1.3.3 Consolidated Fund

The receipts and expenditure under the Consolidated Fund of the State for 1996-97 alongwith previous financial year were as under :

Receipts			Expenditure		
1995-96		1996-97	1995-96		1996-97
(Rupees in crore)					
Revenue Account					
937.32	Revenue Receipts	1028.92	786.46	Revenue Expenditure	907.16
-	Revenue Deficit	-	150.86	Revenue Surplus	121.76
937.32	Total	1028.92	937.32	Total	1028.92
Capital Account					
-	Capital Receipts	-	183.39	Capital Expenditure	241.68
0.87	Recoveries of Loans and Advances	4.47	2.25	Loans and Advances Disbursed	6.28
75.49	Receipts booked as Public Debt	94.80	25.85	Repayment of Public Debt	23.68
135.13	Capital Deficit	172.37	-	Capital Surplus	-
211.49	Total	271.64	211.49	Total	271.64
-	Deficit in Consolidated Fund	50.61	15.73	Surplus in Consolidated Fund	-

Receipts in the Consolidated Fund of the State increased from Rs.1013.68 crore in 1995-96 to Rs.1128.19 crore in 1996-97 and registered an increase of 11 *per cent*. Receipts from Public Debt constituted 8 *per cent* of the Consolidated Fund of the State during the year 1996-97.

During 1995-96, the net surplus available in the Consolidated Fund of the State after adjusting the Capital deficit of Rs.135.13 crore was Rs.15.73 crore. The total deficit (Revenue *plus* Capital) during the year 1996-97 was Rs.50.61 crore.

1.4 Revenue Receipts

1.4.1 Trend of revenue receipts during the period of five years (1992-97) was as under :

Year	Budget Estimates	Actual Receipts	Increase(+)/ Decrease(-) over the previous year	Percentage of increase(+)/decrease(-)
(Rupees in crore)				
1992-93	625.53	604.11	(+) 40.91	(+) 7
1993-94	670.00	642.74	(+) 38.63	(+) 6
1994-95	776.21	741.33	(+) 98.59	(+) 15
1995-96	897.50	937.32	(+) 195.99	(+) 26
1996-97	1048.44	1028.92	(+) 91.60	(+) 10

Revenue Receipts increased by 10 *per cent* from Rs.937.32 crore in 1995-96 to Rs.1028.92 in 1996-97. The increase was mainly due to higher State's share of Basic Union Excise Duties (Rs.81.65 crore), share of net proceeds of Taxes on Income other than Corporation Tax (Rs.8.84 crore), higher receipts under Sales Tax (Rs.8.33 crore), Interest Receipts (Rs.5.60 crore) and State Excise (Rs.3.25 crore) over the previous year. At the same time, receipts under grants-in-aid from Central Government, Public Works and Power registered a decline by Rs.13.44 crore, Rs.2.54 crore and Rs.2.12 crore respectively during the year.

1.4.2 Tax revenue

The growth of Tax Revenue mobilised by the State Government during the last five years (1992-97) was as under :

Year	Budget Estimates	Actual Receipts	Percentage of growth over the previous year	Percentage of Tax revenue to total revenue receipts
	(Rupees in crore)			
1992-93	28.69	33.74	17	6
1993-94	38.87	37.12	10	6
1994-95	44.39	43.47	17	6
1995-96	50.24	47.99	10	5
1996-97	59.62	60.50	26	6

Tax revenue increased by 26 *per cent* from Rs.47.99 crore in 1995-96 to Rs.60.50 crore in 1996-97. As compared to the growth of tax revenue of 112 *per cent* during the period from 1987-88 to 1991-92, it was 79 *per cent* during the period from 1992-93 to 1996-97.

1.4.3 Non-Tax Revenue

The growth of Non-Tax Revenue during the last five years was as under :

Year	Budget Estimates	Actual Receipts	Percentage of growth over the previous year	Percentage of Non-Tax revenue to total revenue receipts
	(Rupees in crore)			
1992-93	20.17	21.35	20	4
1993-94	20.60	25.13	18	4
1994-95	34.34	25.96	3	4
1995-96	33.20	38.52	48	4
1996-97	37.29	40.66	6	4

Non-Tax revenue increased by 6 *per cent* from Rs.38.52 crore in 1995-96 to Rs.40.66 crore in 1996-97. As compared to the growth of Non-Tax revenue of 19 *per cent* during the period from 1987-88 to 1991-92, it was 90 *per cent* during the period from 1992-93 to 1996-97.

1.4.4 State's share of Union Taxes and Duties and grants-in-aid from the Central Government

Trend of State's share of Union Taxes and Duties and grants-in-aid from the Central Government for the last five years was as under :

Year	State's share of			Grants-in-aid	Aid material and equipment	Total Receipts from the Central Government	Percentage of total Receipts from the Central Government to	
	Net proceeds of Taxes on Income other than Corporation Tax	Union Excise Duties	Total				Revenue Receipts	Revenue Expenditure
	(Rupees in crore)							
1992-93	18.42	196.09	214.51	334.51	-	549.02	91	100 *
1993-94	23.35	195.95	219.30	361.19	-	580.49	90	90
1994-95	25.94	220.09	246.03	425.87	-	671.90	91	95
1995-96	42.32	185.97	228.29	622.42	0.10	850.81	91	108
1996-97	51.16	267.62	318.78	608.98	-	927.76	90	102

* Actual percentage was 99.79

Total Receipts from the Central Government increased by 9 *per cent* from Rs.850.81 crore in 1995-96 to Rs.927.76 crore in 1996-97. As compared to the increase of 81 *per cent* during the period from 1987-88 to 1991-92, it was 69 *per cent* during the period from 1992-93 to 1996-97.

1.4.5 Arrears of revenue

Position of arrears of revenue, pending collection as on 31 March each year in respect of Sales Tax and Agricultural Income Tax as per information made available by the Department, for the last five years was as under :

Arrears pending collection as on	Heads of revenue		
	Sales Tax	Agricultural Income Tax	Total
	(Rupees in crore)		
31 March 1993	5.45	0.13	5.58
31 March 1994	4.73	0.18	4.91
31 March 1995	6.22	0.19	6.41
31 March 1996	6.19	0.09	6.28
31 March 1997	8.44	0.09	8.53

Out of arrears of Sales Tax of Rs.8.44 crore as on 31 March 1997 recoveries amounting to Rs.1.73 crore had been stayed by courts, Rs.0.65 crore by Government, demands for Rs.4.57 crore had been covered by recovery certificates and Rs.1.49 crore were in different stages of recovery.

Out of arrears of Rs.0.09 crore of Agricultural Income Tax as on 31 March 1997, demands for Rs.0.04 crore had been covered by recovery certificates, recoveries amounting to Rs.0.03 crore had been stayed by courts and Rs.0.02 crore were in different stages of recovery.

1.5 Revenue Expenditure

Trend of revenue expenditure of the State during the five years period ending 1996-97 was as under :

Year	Revised Estimates			Actuals			Increase(+)/ decrease(-)
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
	(Rupees in crore)						
1992-93	213.18	437.05	650.23	161.75	388.38	550.13	(-) 100.10
1993-94	191.88	439.26	631.14	176.40	466.59	642.99	(+) 11.85
1994-95	221.76	487.80	709.56	220.26	485.52	705.78	(-) 3.78
1995-96	290.95	561.77	852.72	238.50	547.96	786.46	(-) 66.26
1996-97	286.15	663.35	949.50	270.29	636.87	907.16	(-) 42.34

The revenue expenditure grew by 65 *per cent* by the end of 1996-97 over the level of 1992-93 against the increase of 46 *per cent* projected in the Revised estimates of corresponding period. The revenue expenditure during 1996-97 was Rs.907.16 crore against the Revised estimates of Rs.949.50 crore disclosing a shortfall in expenditure of Rs.42.34 crore. The reasons for variation are given in Chapter-II of this Report; further details are available in the Appropriation Accounts for the year 1996-97 - Government of Tripura.

The non-plan expenditure grew by 64 *per cent* by the end of 1996-97 over the level of 1992-93 while the corresponding increase in the plan expenditure was 67 *per cent*.

The percentage of plan expenditure to total revenue expenditure increased from 29 *per cent* in 1992-93 to 30 *per cent* in 1996-97 while in the non-plan sector the expenditure decreased from 71 *per cent* to 70 *per cent* during the corresponding period.

The following table shows the details of Sector-wise Plan and Non-Plan revenue expenditure where there have been significant increase or decrease over the last five years :

Sl. No.	Sector	1992-93		1996-97		Percentage of increase(+)/ decrease(-)	
		Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
	General Services	(Rupees in crore)					
1.	Organs of State	0.01	7.14	0.04	15.41	300	116
2.	Fiscal Services	0.12	5.35	0.95	8.54	692	60
3.	Interest Payment and Servicing of Debt	...	58.72	..	110.21	...	88
4.	Administrative Services	0.38	78.50	1.80	109.26	374	39
5.	Pension and Miscellaneous General Services	...	22.41	...	44.81	...	100
	Social Services						
6.	Education, Sports, Art and Culture	23.47	101.34	58.75	147.25	150	45
7.	Health and Family Welfare	11.39	15.59	22.75	30.08	100	93
8.	Water Supply, Sanitation, Housing and Urban Development	7.29	6.58	7.33	11.44	01	74
9.	Information and Broadcasting	1.69	1.11	1.97	1.73	17	56
10.	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	32.66	3.33	50.35	4.00	54	20
11.	Labour and Labour Welfare	0.73	1.31	0.82	2.02	12	54
12.	Social Welfare and Nutrition and Others	7.81	11.50	12.17	23.05	56	100
	Economic Services						
13.	Agriculture and Allied Activities	40.58	24.69	41.98	40.40	03	64
14.	Rural Development	18.69	8.00	51.19	12.87	174	61
15.	Special Areas Programme	0.66	...	0.32	...	(-)52	...
16.	Irrigation and Flood Control	6.59	2.89	7.64	3.13	16	08
17.	Energy	...	20.26	0.18	49.70	100	145
18.	Industry and Minerals	7.76	2.72	8.54	3.78	10	39
19.	Transport	0.03	9.77	0.50	8.03	1567	(-) 18
20.	Communication	0.25	2.19	0.29	3.30	16	51
21.	Science, Technology and Environment	0.56	...	0.71	...	27	...
22.	General Economic Services	1.09	1.99	2.02	2.83	85	42
23.	Grants-in-aid and Contributions	...	2.97	...	5.02	...	69
	Total	161.76	388.37	270.30	636.86	67	64

1.5.1 Interest payments

Trend of interest payments during the last five years was as under :

Year	Interest paid on					Percentage of interest payments with reference to Tax Revenue
	Internal Debt	Loans received from the Central Government	Small Savings, Provident Funds, etc.	Others	Total	
	(Rupees in crore)					
1992-93	16.38	27.67	14.67	-	58.72	174
1993-94	20.60	30.38	17.09	-	68.07	183
1994-95	23.07	33.28	19.41	-	75.76	174
1995-96	29.70	36.64	22.32	-	88.66	185
1996-97	33.27	39.51	37.43	-	110.21	182

Total interest payments increased from Rs.88.66 crore in 1995-96 to Rs.110.21 crore in 1996-97, which constituted 12 *per cent* of the revenue expenditure. The percentage growth of interest payments from the year 1992-93 to 1996-97 was 88 *per cent* whereas the percentage growth of revenue expenditure was 65 *per cent* during the same period.

Over a period for five years, the payment of interest on loans received from the Central Government increased from Rs.27.67 crore in 1992-93 to Rs.39.51 crore in 1996-97 showing an increase of 43 *per cent*.

During the year 1996-97, the State Government had paid interest of Rs.20.85 crore on Market Loans and Rs.39.51 crore on Loans received from Central Government which has consumed 100 *per cent* of the fresh Market Loans of Rs.19.71 crore raised during the year and 66 *per cent* of the fresh loans received from the Central Government (Rs.60.08 crore). Similarly the interest of Rs.12.39 crore paid on other loans raised from various Insurance Corporations, NABARD, NCDC and Rural Electrification Corporations etc., has wiped out the fresh loans (Rs.15.02 crore) to the extent of 82 *per cent*. The overall percentage of interest paid (Rs.72.75 crore) on various loans was 77 *per cent* of the total fresh loans of Rs.94.80 crore received during the year 1996-97.

1.5.2 Financial assistance to local bodies and others

The quantum of assistance provided to different local bodies, etc. during the period of five years ended 1996-97 was as under :

Local bodies/others	Quantum of assistance				
	(Rupees in crore)				
	1992-93	1993-94	1994-95	1995-96	1996-97
1. Universities and Educational Institutions	12.66	10.27	11.65	55.15	14.89
2. Municipal Corporations and Municipalities	3.80	1.46	2.05	0.14	1.51
3. Zilla Parishads and Panchayati Raj Institutions	3.70	4.41	4.78	0.16	5.02
4. Development Agencies	18.55	21.64	10.68	10.96	11.20
5. Other Institutions	20.07	14.36	20.09	46.57	56.98
Total	58.78	52.14	49.25	112.98	89.60

Trends :

	1992-93	1993-94	1994-95	1995-96	1996-97
Percentage growth of assistance over previous year	89	(-) 11	(-) 6	129	(-) 21
Revenue raised by the State (Rupees in crore)	55.09	62.25	69.43	86.51	101.16
Percentage of assistance to Revenue raised by the State	107	84	71	131	89
Revenue Expenditure (Rupees in crore)	550.13	642.99	705.78	786.46	907.16
Percentage of assistance to Revenue Expenditure	11	8	7	14	10

Financial assistance to local bodies and others increased from Rs.58.78 crore in 1992-93 to Rs.89.60 crore in 1996-97. The increase was due mainly to increase in assistance to educational and other institutions.

It would appear from the above table that in 1992-93 and 1995-96 the assistance to local bodies etc., exceeded by 7 and 31 *per cent* respectively of the revenue raised by the State.

Where grants are sanctioned for specific purposes, the sanctioning authorities are required under the financial rules of the Government to furnish utilisation certificates to the Accountant General (Accounts and Entitlement) within one year from the date of sanction unless specified otherwise. Out of 4641 utilisation certificates amounting to Rs.428.54 crore as many as 2700 certificates amounting to Rs.350.40 crore had not been received as on 30 September 1997. Details are given in para 7.1.2 of this Report.

1.5.3(i) Loans and advances by the State Government

The State Government have been advancing loans to Government Companies, Corporations, Autonomous bodies, Co-operatives, Non-Government Institutions, etc., for developmental and non-developmental activities. The position of such loans for the five years from 1992-93 to 1996-97 is given below :

Year	Opening balance	Advanced during the year	Recovered during the year	Closing balance	Net increase(+)/ decrease(-)	Interest received and credited to Government	Net receipt from long term borrowings
(Rupees in crore)							
1992-93	36.32	1.11	0.74	36.70	(+)0.38	0.17	41.53
1993-94	36.70	1.68	0.61	37.77	(+)1.07	0.17	31.43
1994-95	37.77	4.06	0.73	41.11	(+)3.33	0.18	37.87
1995-96	41.11	2.25	0.87	42.49	(+)1.38	0.04	49.64
1996-97	42.49	6.28	4.47	44.30	(+)1.81	3.96	71.12

The net loans and advances disbursed during the five years ranged between 1 and 9 per cent of the net receipts from long term borrowings of the State Government.

(ii) Recovery in arrears

In respect of Loans and Advances, the detailed accounts of which are maintained by the Accountant General (Accounts and Entitlement), there was no amount overdue for recovery at the end of March 1997.

In respect of loans the detailed accounts of which are maintained by the departmental officers, all such departmental officers are required to furnish to the Accountant General (Accounts and Entitlement) each year the details of arrears (as on 31 March) in recovery of loans, the detailed accounts and interest thereon. Information about arrears as on 31 March 1997 had not been received (November 1996) from any of these officers.

1.6 Capital Expenditure

1.6.1 Assets are created mostly out of capital expenditure. In addition, financial assets arise from moneys invested in institutions or undertakings outside Government (i.e. Public Sector Undertakings(PSUs), corporations, etc.) and loans and advances. Trend of capital expenditure for the last five years was as under :

Year	Revised Estimates	Capital expenditure			Percentage increase(+)/ decrease(-) over the previous year	Percentage of capital expenditure with reference to total expenditure
		(Rupees in crore)				
		Plan	Non-Plan	Total		
1992-93	90.34	89.48	(-)12.89*	76.59	(-) 28	12
1993-94	106.97	107.64	2.04	109.68	43	15
1994-95	150.03	138.11	4.15	142.26	30	17
1995-96	196.48	183.06	0.33	183.39	29	19
1996-97	258.27	253.31	(-)11.63*	241.68	32	21

* Minus figure was due to more receipts and recoveries than expenditure.

The capital expenditure during 1996-97 was Rs.241.68 crore against the revised budget estimates of Rs.258.27 crore disclosing a shortfall in expenditure of Rs.16.59 crore. The main reasons for shortfall are given in Chapter-II of this Report; further details are available in Appropriation Accounts for 1996-97 - Government of Tripura.

The proportion of capital expenditure to the total expenditure increased from 12 *per cent* in 1992-93 to 21 *per cent* in 1996-97.

The capital expenditure under plan sector increased by 183 *per cent* while under non-plan sector it decreased by 10 *per cent* by the end of 1996-97 over the level of 1992-93.

The following table shows the details of Sector-wise Plan and non-Plan capital expenditure where there have been significant increase/decrease over the last five years :

Sl. No.	Sector	1992-93		1996-97		Percentage of increase(+)/ decrease(-)	
		Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
		(Rupees in crore)					
1.	General Services	2.91	...	21.16	...	627	...
	Social Services						
2.	Education, Sports, Art and Culture	2.27	...	4.73	...	108	...
3.	Health and Family Welfare	3.04	...	3.93	...	29	...
4.	Water Supply, Sanitation, Housing and Urban Development	12.17	...	70.24	...	477	...
5.	Social Welfare and Nutrition	0.09	...	0.12	...	33	...
	Economic Services						
6.	Agriculture and Allied Activities	2.15	(-) 12.83	9.26	(-) 12.26	331	(-) 4
7.	Rural Development	3.39	...	100	...

Sl. No.	Sector	1992-93		1996-97		Percentage of increase(+)/ decrease(-)	
		Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
		(Rupees in crore)					
8.	Special Areas Programme	3.25	...	45.61	...	1303	...
9.	Irrigation and Flood Control	10.91	...	9.42	...	(-) 14	...
10.	Energy	23.17	(-) 0.09	39.24	...	69	100
11.	Industry and Minerals	5.67	...	7.01	...	24	...
12.	Transport	22.20	...	36.68	0.63	65	100
13.	Science, Technology and Environment	0.34	...	100	...
14.	General Economic Services	1.65	0.04	2.18	...	32	(-) 100
	Total	89.48	(-) 12.88	253.31	(-) 11.63	183	(-) 10

1.6.2 Investments and return

With the fresh investment of Rs.23.87 crore during the year in different concerns, the total investment of the Government in shares and debentures on 31 March 1997 stood at Rs.145.85 crore. The details of the investment and return thereon during 1996-97 alongwith figures for the preceding four years are given below :

Investment of Government in						
Year	Statutory Corporation	Government Companies	Co-operative Banks, Societies, etc.	Total	Total investment upto the end of the year	Dividend/ interest received
(Rupees in crore)						
1992-93	3.04	7.03	1.93	12.00	86.58	Nil
1993-94	3.30	5.12	1.05	9.47	96.05	Nil
1994-95	2.92	5.41	1.35	9.68	105.73	Nil
1995-96	5.28	8.61	2.36	16.25	121.98	Nil
1996-97	5.50	9.15	9.22	23.87	145.85	Nil

The investment of the Government in different concerns increased by 47 *per cent* from Rs.16.25 crore in 1995-96 to Rs.23.87 crore in 1996-97. As compared to the growth of investment of 119 *per cent* during the period from 1987-88 to 1991-92, it was 68 *per cent* during the period from 1992-93 to 1996-97.

Besides, Government had invested Rs.18.82 crore in the form of long term loans with 6 Government Companies as of March 1997. Information regarding investment in the form of long term loans with Co-operative Banks and Societies etc., was not made available by the Government.

The State had 9 Working Government companies including one deemed Company. Accounts of all the 9 companies were in arrears for periods ranging from 4 to 14 years as of 1 August 1997. None of the 9 Government companies had finalised its accounts for the year 1996-97. The cumulative loss in respect of 7 loss making companies was Rs.14.76 crore as on the date of finalisation of the respective accounts by these companies.

1.7 Deficit

1.7.1 Revenue deficit/surplus

The revenue deficit is the gap between revenue receipts and revenue expenditure. Trend of revenue deficit/surplus for the last five years was as under :

Year	Budget Estimates	Revised estimates	Actual revenue deficit(-)/ Surplus(+)	Revenue deficit(-)/ Surplus(+) as a percentage of fiscal deficit
1992-93	(-) 5.35	(+) 26.90	(+) 53.98	(+) 235
1993-94	(+) 7.16	(+) 53.80	(-) 0.25	(-) 2
1994-95	(+) 54.62	(+) 42.23	(+) 35.55	(+) 323
1995-96	(+) 0.39	(+) 173.18	(+) 150.86	(+) 445
1996-97	(+) 65.35	(+) 93.07	(+) 121.76	(+) 100

The State of Tripura which had a revenue surplus of Rs.53.98 crore in 1992-93 has closed to a revenue surplus of Rs.121.76 crore in 1996-97. The revenue receipts of the State Government increased by Rs.424.81 crore in 1996-97 over the level of 1992-93 registering an increase of 70 *per cent* due mainly to more receipts (Rs.378.74 crore) from the Central Government.

1.7.2 Fiscal deficit

The fiscal deficit may be defined as the excess of revenue and capital expenditure (including net loans given) over the revenue receipts (including grants-in-aid received).

Position of fiscal deficit for the last five years was as under :

Year	Fiscal deficit (Rupees in crore)
1992-93	22.99
1993-94	111.00
1994-95	110.04
1995-96	33.91
1996-97	121.74

The fiscal deficit shows an increasing trend since 1992-93. It rose from Rs.22.99 crore in 1992-93 to Rs.121.74 crore in 1996-97 registering an increase of 430 *per cent* during the period of five years.

1.8 Public Debt

Public Debt comprises internal debt. It has a vital link with all aspects of public finance, taxation and expenditure policies, budget surplus and deficits, development expenditure and economic growth.

The Constitution of India provides that a State may borrow within the territory of India, upon the security of Consolidated Fund of the State within such limits, if any, as may from time to time, be fixed by an Act of Legislature of the State. No law has been passed by the State Legislature laying down any such limit.

The details of the total liabilities of the Government at the end of March 1996 with those of the preceding four years are given below :

		Balance at the end of				
		1992-93	1993-94	1994-95	1995-96	1996-97
		(Rupees in crore)				
(i)	Internal debt of the State Government	185.98 (27)	204.30 (27)	224.69 (26)	254.60 (27)	281.33 (27)
(ii)	Loans from Central Government	282.98 (41)	296.01 (39)	313.48 (37)	333.22 (36)	377.62 (37)
(iii)	Small Savings, Provident Funds, etc.	146.89 (21)	180.48 (24)	220.77 (26)	262.22 (28)	316.75 (31)
(iv)	Non-interest bearing deposits	71.84 (11)	78.85 (10)	93.34 (11)	86.96 (9)	54.35 (5)
Gross debt and other obligations at the end of the year		687.60 (100)	759.64 (100)	852.28 (100)	937.00 (100)	1030.05 (100)

Figures in brackets represent percentage of individual liability to gross debt obligations.

The total liabilities of the Government increased by 50 *per cent* from Rs.687.60 crore in 1992-93 to Rs.1030.05 crore in 1996-97.

In the five years' period ending 1996-97, loans from Central Government constituted the largest component of public debt and accounted for 36 to 41 *per cent* of the State Government's total gross debt liabilities at the end of March each year.

1.8.1 Internal Debt

Position of internal debt for the last five years was as under :

Year	Addition during the year	Debt servicing + payment of interest			Percentage of Col.5 to Col.2
		Principal	Interest	Total	
1	2	3	4	5	6
(Rupees in crore)					
1992-93	88.70	72.05	16.38	88.43	100
1993-94	33.80	15.49	20.60	36.09	107
1994-95	38.00	17.61	23.07	40.68	107
1995-96	42.51	12.60	29.70	42.30	100
1996-97	34.73	8.00	33.27	41.27	119

The internal debt receipt of the State Government decreased from Rs.88.70 crore in 1992-93 to Rs.34.73 crore in 1996-97 registering a decrease of 61 *per cent* over the five year period. The net inflow of loans was almost nil in 1992-93 and in 1995-96 and there was net outflow of loans in 1993-94, 1994-95 and in 1996-97 by 7, 7 and 19 *per cent* respectively.

1.8.2 Other liabilities

Apart from the borrowing accounted for in the Consolidated Fund of the State, there are Small Savings, Provident Funds, Reserve Funds and Deposits which are kept in a separate Public Account. The balances of Public Account are carried forward annually. These amount add substantially to the liability of the State Government.

Trend of these liabilities for the last five years was as under :

Year	Addition during the year	Debt payment + interest			Percentage of Col.5 to Col.2
		Principal	Interest	Total	
1	2	3	4	5	6
(Rupees in crore)					
1992-93	150.45	108.82	14.67	123.49	82
1993-94	160.85	120.21	17.09	137.30	85
1994-95	194.54	139.78	19.40	159.18	82
1995-96	224.03	188.44	22.32	210.76	94
1996-97	243.60	221.71	37.43	259.14	106

Other liabilities of the State Government increased from Rs.150.45 crore in 1992-93 to Rs.243.60 crore in 1996-97 registering an increase of 62 *per cent* over the period of five years. The net inflow of these funds was 18, 15, 18 and 6 *per cent* in 1992-93, 1993-94, 1994-95 and 1995-96 respectively and there was outflow of 6 *per cent* in 1996-97.

1.8.3 Loans and Advances from the Central Government

Position of loans and advances from the Government of India for the last five years was as under :

Year	Additions during the year	Repayment + interest			Net flow	Percentage of Col.5 to Col.2
		Principal	Interest	Total		
1	2	3	4	5	6	7
(Rupees in crore)						
1992-93	43.74	24.46	27.67	52.13	8.39	119
1993-94	33.80	20.68	30.38	51.06	17.26	151
1994-95	37.73	20.25	33.28	53.53	15.80	142
1995-96	32.98	13.24	36.64	49.88	16.90	151
1996-97	60.08	15.68	39.51	55.19	(-) 4.89	92

The receipts under loans and advances from the Central Government increased from Rs.43.74 crore in 1992-93 to Rs.60.08 crore in 1996-97 registering an increase of 37 *per cent* over the five year period but the increase could not add up in the State Government's resources as the repayment of loan and payment of interest was much higher than the receipts during the period from 1992-93 to 1995-96 and ranged between 119 and 151 *per cent* of the fresh loans received during these years. The net inflow was only 8 *per cent* in 1996-97.

1.8.4 Guarantee given by the Government

The contingent liability for guarantee given by the State for repayment of long term loans etc., by Statutory Corporations, Government Companies and Co-operative Institutions etc., on 31 March 1996 as against the maximum amount guaranteed is given below alongwith corresponding figures for the preceding four years :

As on 31st March	Maximum amount guaranteed	Sum guaranteed outstanding		
		Principal	Interest	Total
		(Rupees in crore)		
1993	58.05	*	*	39.08
1994	46.46	29.81	11.90	41.71
1995	63.81	47.15	11.90	59.05
1996	84.86	30.29	11.83	42.12
1997	67.01	36.72	31.60	68.32
* Details not available				

The maximum amount guaranteed and sum guaranteed outstanding relate to 2 Statutory Corporations, 7 Government Companies, 8 Co-operative Institutions and Banks and 4 Local Bodies (including the Notified Area Authorities). Guarantee relating to 1[§] Statutory Corporation, and 4[§] Companies are under high risk category. Accounts of Co-operative Institutions and Banks and the other Statutory Corporations are not under the purview of Audit. Accounts of the Local Bodies are yet to be completed. Risk analysis of the Co-operative Institutions and Banks and the Local Bodies, therefore, could not be done.

No law under Article 293 of the Constitution had been enacted by the State Legislature laying down the limits within which the Government may give guarantee on the security of the Consolidated Fund of the State. The Government has not framed rules to levy any fee or charge

[§] Statutory Corporation : Tripura Road Transport Corporation.

Companies: Tripura Forest Development and Plantation Corporation, Tripura Small Industries Corporation, Tripura Jute Mills Limited, Tripura Rehabilitation and Plantation Corporation Ltd.

for the amount guaranteed nor has it set up any fund for meeting the liabilities which may arise on invocation of guarantees. No guarantee was invoked during the year.

1.9 Ways and Means Advances and Overdraft

Under an agreement with the Reserve Bank of India, the State Government has to maintain with the Bank minimum cash balance of Rs. 10 lakh. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking Ways and Means Advances/Overdraft from the Bank or by re-discounting Government of India Treasury bills. The limit of normal Ways and Means Advances was Rs. 5.60 crore.

The extent to which the Government maintained the minimum balance with the Bank during 1992-93 to 1996-97 was as under :

		1992-93	1993-94	1994-95	1995-96	1996-97
1	Number of days on which the balance was maintained					
	(a) Without obtaining any advance	113	348	352	363	NIL
	(b) by obtaining Ways and Means Advances	132	5	13	3	NIL
2	Number of days on which there was shortfall even after availing of Ways and Means Advances but without taking overdraft	100	12	Nil	Nil	NIL
3	Number of days on which overdrafts were obtained	Nil	Nil	Nil	Nil	NIL
4	Number of days on which the holding of the Government of India Treasury Bills were re-discounted to make up the deficiency in the minimum cash balance	74	166	172	176	NIL

The position of Ways and Means Advances and overdrafts taken by the Government of Tripura and interest paid thereon during 1992-93 to 1996-97 was as under:

	1992-93	1993-94	1994-95	1995-96	1996-97
	(Rupees in crore)				
Ways and Means Advances					
(a) Opening balance	5.60	Nil	Nil	Nil	NIL
(b) Advances taken during the year (gross)	61.91	5.83	9.76	8.40	NIL
(c) Advances repaid during the year (gross)	67.51	5.83	9.76	8.40	NIL
(d) Advances outstanding at the end of the year	Nil	Nil	Nil	Nil	NIL
(e) Interest paid	0.57	0.04	0.01	*	NIL
Overdrafts					
(i) Overdrafts taken during the year (gross)	Nil	Nil	Nil	Nil	NIL
(ii) Overdrafts outstanding at the end of the year	Nil	Nil	Nil	Nil	NIL
(iii) Interest paid	Nil	Nil	Nil	Nil	NIL

* Rs. 0.38 lakh only

¹⁰ During the year 1996-97, the State Government has maintained the minimum cash balance of Rs.10 lakh with the Bank on all days. Hence, there was no question of making Ways and Means Advances by the Bank.

1.10 Incomplete capital works

As of 31 March 1997 there were 83 works costing Rs.25 lakh and above that remained incomplete (List of incomplete capital works appended as Additional Financial Statement in the Finance Accounts for the year 1996-97).

Scrutiny of the list of works showed that -

- 83 works sanctioned between January 1980 and December 1996 at a total cost of Rs.70.84 crore remained incomplete even after incurring an expenditure of Rs.67.14 crore (95 *per cent*); as a result the intended benefits had not been accrued.
- there was delay ranging from one year to more than 10 years in respect of 32 works (Below one year : 17 works, above one year but below 10 years : 11 works and more than 10 years : 4 works) even after incurring an expenditure of Rs.50.90 crore as against sanctioned amount of Rs.34.11 crore i.e., with a cost overrun of Rs.16.79 crore (49 *per cent*);
- 4 works sanctioned between May 1994 and October 1996 at a cost of Rs.2.75 crore had not been taken up (November 1997) for execution, reasons for which had not been adduced by the Department.

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 Introduction

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

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

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

This chapter contains observations on the audit conducted in respect of Appropriation Accounts prepared by the Accountant General (Accounts and Entitlement) for the year 1996-97.

2.2 General (Budget demands and expenditure)

The summarised position of actual expenditure during 1996-97 against budget provision was as under :-

		Original grant/ appr- opriation	Supplementary grant/ appr- opriation	Total	Actual expendi- ture	Variation Saving(-)/ Excess (+)
(Rupees in crore)						
I.	Revenue- Voted <i>Charged</i>	912.03 <i>104.07</i>	35.53 <i>0.06</i>	947.56 <i>104.13</i>	839.89 <i>115.25</i>	(-) 107.67 <i>(+) 11.12</i>
II.	Capital - Voted	282.43	37.26	319.69	280.73	(-) 38.96
III.	Public Debt - <i>Charged</i>	<i>6.15</i>	<i>15.72</i>	<i>21.87</i>	<i>23.68</i>	<i>(+) 1.81</i>
IV.	Loans and Advances - Voted	8.38	0.54	8.92	6.28	(-) 2.64
GRAND TOTAL		1313.06	89.11	1402.17	1265.83	(-) 136.34

Actual expenditure of Rs.1265.83 crore (Gross) includes amounts kept unutilised in Personal Ledger Accounts, Civil Deposits, in Banks and in the form of cash by the Departmental Officers. Government was requested (August 1997) to ascertain the unspent balance lying with the Departmental officers as on 31 March 1997 and to direct all the heads of Departments to intimate the same to Audit. Information had not been supplied by the Government as of December 1997.

However, test-check of records relating to 17 Drawing and Disbursing Officers disclosed that there was unspent balance of Rs.2.80 crore out of drawals made by them during 1996-97 and was kept in Personal Ledger Account (Rs.1.33 crore), cash at Bank (Rs.0.82 crore) and cash in hand (Rs.0.65 crore) as of 31 March 1997. The main defaulters were : Director, Handloom, Handicrafts and Sericulture (Rs.61.12 lakh), BDO, Bishalgarh (Rs.41.37 lakh), Education Inspectorate, Bishalgarh (Rs.31.61 lakh), Executive Engineer, Agartala, Division-IV (Rs.25.49 lakh), Director, Animal Resource Development Department (Rs.25.42 lakh) and SDO, Sadar (Rs.20 lakh).

2.3 Result of Appropriation Audit

Broadly the following results emerge from Appropriation Audit.

2.3.1 Saving/excess over provision

There was a net saving of Rs.136.34 crore during the year which was the result of total savings of Rs.162.51 crore in 29 grants and 12 appropriations and total excess of Rs.26.17 crore in 15 grants and 4 appropriations. The excess of Rs.26.17 crore in 15 grants and 4 appropriations as shown in **Appendix-1** required regularisation under Article 205 of the Constitution of India.

2.3.2 Unutilised provision

In the following grants/appropriations, the expenditure fell short by more than Rs.25 lakh each and more than 10 per cent of the total provision :

Sl. No.	Number and name of grant	Amount of saving and its percentage to the provision	Reasons for saving
	Revenue Section (Voted)	(Rupees in lakh)	
1.	4- Election Department	250.21 (34)	Saving of Rs.85.00 lakh was anticipated and surrendered. Reasons for final saving had not been intimated (December 1997).
2.	6- Revenue Department	658.40 (22)	Saving of Rs.555.00 lakh was anticipated and surrendered. Reasons for final saving had not been intimated (December 1997).
3.	12- Co-operation Department	96.45 (26)	Saving of Rs.72.47 lakh was anticipated and surrendered. Reasons for final saving had not been intimated (December 1997).
4.	15- Irrigation and Flood Control Department	3180.91 (57)	Saving of Rs.2714.00 lakh was anticipated and surrendered. Reasons for final saving had not been intimated (December 1997).
5.	19- Tribal Welfare Department	1328.58 (12)	Saving of Rs.734.18 lakh was anticipated and surrendered. Reasons for final saving had not been intimated (December 1997).
6.	20- Welfare of Scheduled Castes Department	671.99 (17)	Saving of Rs.592.86 lakh was anticipated and surrendered. Reasons for final saving had not been intimated (December 1997).
7.	21- Food and Civil Supplies Department	71.42 (15)	Saving of Rs.74.02 lakh was anticipated and surrendered. Reasons for final saving had not been intimated (December 1997).
8.	25- Handloom, Handicraft and Sericulture Department	246.90 (33)	Reasons for final saving had not been intimated (December 1997).
9.	28- Horticulture Department	212.72 (21)	Saving of Rs.35.09 lakh was anticipated and surrendered. Reasons for final saving had not been intimated (December 1997).
10.	29- Animal Resource Development Department	426.30 (30)	Saving of Rs.0.29 lakh was anticipated and surrendered. Reasons for final saving had not been intimated (December 1997).
11.	38- Printing and Stationery Department	75.33 (21)	Reasons for final saving had not been intimated (December 1997).
12.	42- Sports and Youth Programme Department	159.14 (24)	Saving of Rs.27.46 lakh was anticipated and surrendered. Reasons for final saving had not been intimated (December 1997).
13.	43- Finance Department	863.18 (16)	Saving of Rs.1029.00 lakh was anticipated and surrendered. Reasons for final saving had not been intimated (December 1997).
	Revenue Section (Charged)		
14.	13- Public Works Department	56.19 (11)	Reasons for final saving had not been intimated (December 1997).
	Capital Section (Voted)		
15.	5- Law Department	63.18 (47)	Reasons for final saving had not been intimated (December 1997).
16.	10- Home Department	127.69 (64)	Saving of Rs.8.00 lakh was anticipated and surrendered. Reasons for final saving had not been intimated (December 1997).

Sl. No.	Number and name of grant	Amount of saving and its percentage to the provision	Reasons for saving
	Capital Section (Voted)	(Rupees in lakh)	
17.	12- Co-operation Department	188.61 (16)	Saving of Rs.12.70 lakh was anticipated and surrendered. Reasons for final saving had not been intimated (December 1997).
18.	13- Public Works Department	868.13 (15)	Saving of Rs.2268.54 lakh was anticipated and surrendered. Reasons for final saving had not been intimated (December 1997).
19.	19- Tribal Welfare Department	1099.54 (37)	Saving of Rs.253.21 lakh was anticipated and surrendered. Reasons for final saving had not been intimated (December 1997).
20.	20- Welfare of Scheduled Castes Department	601.21 (38)	Saving of Rs.177.78 lakh was anticipated and surrendered. Reasons for final saving had not been intimated (December 1997).
21.	21- Food and Civil Supplies Department	914.40 (35)	Saving of Rs.660.60 lakh was anticipated and surrendered. Reasons for final saving had not been intimated (December 1997).
22.	23- Panchayat Raj Department	134.50 (39)	Reasons for final saving had not been intimated (December 1997).
23.	27- Agriculture Department	324.15 (29)	Reasons for final saving had not been intimated (December 1997).
24.	35- Local Self Government Department	104.15 (25)	Reasons for final saving had not been intimated (December 1997).
25.	39- Higher Education Department	98.46 (47)	Reasons for final saving had not been intimated (December 1997).
26.	43- Finance Department	192.97 (38)	Reasons for final saving had not been intimated (December 1997).
	Capital Section (Charged)		
27.	13- Public Works Department	37.62 (16)	Reasons for final saving had not been intimated (December 1997).

Though savings of Rs.88.66 crore were available in these cases and could have been surrendered well in time before the close of the year, savings of Rs.58.74 crore only (66 per cent) were anticipated and surrendered by the Departments concerned resulting in lapse of grants of Rs.29.92 crore. Reasons for final savings/not surrendering these savings were not intimated (December 1997).

2.3.3 Significant cases of savings under Plan schemes

In the following 20 cases, substantial savings not less than Rs.25 lakh each had occurred owing to non-implementation or slow implementation of Plan schemes :

Sl.No.	Number and name of grant	Name of the scheme	Total provision	Amount of final savings	Percentage of savings to the provision
	Revenue Section (Voted)			(Rupees in lakh)	
1.	6- Revenue Department	(i) Social Security and Welfare- Social Welfare (Plan)	50.00	41.61	83
2.	16- Health and Family Welfare Department	(i) National Aids Programme (100% CSS) Project of World Bank assistance	138.14	82.42	60
		(ii) Family Welfare (CSS) Training	461.90	27.25	5
		(iii) Maternity and Child Health	65.36	49.61	76
3.	20- Welfare of Scheduled Castes Department	(i) Welfare of Scheduled Castes - Education (CSS) (Plan)	114.74	76.66	67
		(ii) Rural Employment Other Programme Jawahar Rozgar Yojana (CSS) (80:20)	60.00	60.00	100
		(iii) Surface Water Lift Irrigation (Plan)	32.86	32.86	100
4.	25- Handloom, Handicraft and Sericulture Department	(i) Village and Small Industries Handloom Industries (CSS)	414.59	203.69	49
		(ii) Handicrafts Industries (CSS)	51.00	51.00	100
5.	28- Horticulture Department	(i) Scheme for Watershed Development Project in shifting Cultivation Area (100% Central Plan)	217.00	79.85	37
6.	29- Animal Resource Development Department	(i) Piggery Development Breeding Operation (CSS) (Plan)	71.96	49.49	69
		(ii) Dairy Development Project (CSS 100%) (Plan)	284.90	276.48	97
7.	31- Rural Development Department	(i) Rural Employment Other Expenditure (Plan) SREP, grants to Panchayati Raj Institutions	145.63	105.63	73
		(ii) Innovation Project under JRY (CSS) (80:20)	29.75	29.75	100
		(iii) Employment Assurance Scheme (CSS) (80:20)	864.22	75.12	9
8.	35- Local Self Government Department	(i) Urban Development Slum Area Improvement (Plan) Assistance to Local Bodies/ Corporation etc.	39.00	39.00	100
9.	40- School Education Department	(i) Teachers and other services Government Primary School (Central Plan 100%)	293.31	263.75	90
		(ii) Teachers and Other Services (CSS) (Plan)	59.59	25.33	43
10.	42- Sports and Youth Programme Department	(i) Physical Education (Plan)	549.16	135.32	25
	Capital Section (Voted)				
11.	5- Law Department	(i) Capital outlay on other Administrative Services Other Expenditure (Plan) (CSS, 50:50)	134.00	63.18	47

Sl.No.	Number and name of grant	Name of the scheme	Total provision	Amount of final savings	Percentage of savings to the provision
	Capital Section (Voted)			(Rupees in lakh)	
12.	10- Home Department	(i) Capital outlay on Housing - Government Residential Building Police Housing (Plan)	133.13	93.38	70
13.	12- Co-operation Department	(i) Investment in Credit Co-operatives (CSS)	123.10	116.60	95
		(ii) Loans to credit Co-operatives (CSS)	84.00	84.00	100
14.	15- Irrigation and Flood Control Department	(i) Capital outlay on water supply and sanitation Accelerated Water Supply Scheme, Construction (CSS) (Plan)	900.00	385.33	43
		(ii) Rural Water Supply (State Plan, MNP)	156.65	30.67	20
15.	16- Health and Family Welfare Department	(i) Drug Control (State Drug Control Machinery) (CSS) (Central Share)	41.30	26.30	64
16.	20- Welfare of Scheduled Castes Department	(i) Sewerage and Sanitation Rural Water Supply (Plan)	154.27	96.09	62
		(ii) Capital outlay on Housing Rural Housing, Other Expenditure (CSS) (80:20) Indira Awas Yojana	435.22	136.12	31
17.	23- Panchayat Raj Department	(i) Capital outlay on other Rural Development Programme, Panchayat Raj (Plan) Awarded by the 10th Finance Commission	348.00	134.50	39
18.	31- Rural Development Department	(i) Capital outlay on Housing Rural Housing, Other Expenditure, Indira Awas Yojana (CSS) (80:20) (Plan)	445.20	88.75	20
19.	35- Local Self Government Department	(i) Capital outlay on Housing Other Expenditure (Plan) Construction of Model Housing Colony	239.50	119.63	50
		(ii) Assistance to Agartala Municipality (Plan) Awarded by the 10th Finance Commission	26.00	26.00	100
20.	39- Higher Education Department	(i) Capital outlay on Education - Sports, Art and Culture - University and Higher Education (Plan)	127.75	87.93	69
		(ii) Technical Education Engineering/Technical College (Plan)	57.00	57.00	100

2.3.4 Persistent savings

Persistent savings exceeding 10 *per cent* of the provision and Rs.25 lakh each were noticed during the last 3 years in the following voted grants :

Sl. No.	Number and name of grant	Amount of savings (percentage of savings)		
		1994-95	1995-96	1996-97
	Revenue Section(Voted)		(Rupees in lakh)	
1.	20- Welfare of Scheduled Castes Department	112.94 (16)	96.33 (11)	671.99 (17)
	Capital Section (Voted)			
2.	12- Co-operation Department	252.36 (60)	370.88 (62)	188.61 (16)

2.3.5 Significant cases of excess

In the following grants/appropriations, the expenditure during the year exceeded the approved provision by more than Rs.25 lakh and more than 10 *per cent* of the total provision :

Sl. No.	Number and name of grant	Amount of excess and its percentage to the provision	Reasons for excess
	Revenue Section (Voted)	(Rupees in lakh)	
1.	33- Science and Technology Department	27.12 (36)	Reasons for final excess had not been intimated (December 1997).
	Revenue Section (Charged)		
2.	5- Law Department	274.41 (350)	Reasons for final excess had not been intimated (December 1997).
3.	43- Finance Department	940.95 (11)	Anticipated excess was stated to be due to re-assessment of requirement on the basis of actuals. Reasons for final excess had not been intimated (December 1997).
	Capital Section (Voted)		
4.	31- Rural Development Department	225.94 (17)	Anticipated excess was stated to be based on actual requirement. Reasons for final excess had not been intimated (December 1997).
5.	33- Science and Technology Department	53.74 (200)	Reasons for final excess had not been intimated (December 1997).
6.	34- State Planing and Co-ordination Department	269.02 (20)	Reasons for final excess had not been intimated (December 1997).
7.	42- Sports and Youth Programme Department	26.02 (16)	Reasons for final excess had not been intimated (December 1997).
	Capital Section (Charged)		
8.	12- Co-operation Department	221.95 (143)	Reasons for final excess had not been intimated (December 1997).

2.3.6 Unnecessary, inadequate and excessive supplementary grants

2.3.6.1 A few instances where supplementary grants aggregating Rs.28.85 crore obtained proved unnecessary as the actual expenditure was less than even the original grants are tabulated below :

Sl. No.	Number and name of grant	Final grant O-Original S-Supplementary	Actual expenditure	Savings (-)
	Revenue Section (Voted)	(Rupees in crore)		
1.	3- Chief Minister's Secretariat and S.A. Department	O- 7.93 S- 0.37	7.59	0.71
2.	5- Law Department	O- 4.42 S- 0.02	4.24	0.20
3.	6- Revenue Department	O- 28.44 S- 0.86	22.72	6.58
4.	7- Administrative Reforms Department	O- 0.33 S- 0.02	0.32	0.03
5.	11- Transport Department	O- 0.90 S- 0.10	0.86	0.14
6.	19- Tribal Welfare Department	O- 110.40 S- 2.93	100.04	13.29
7.	20- Welfare of Scheduled Castes Department	O- 39.41 S- 0.16	32.85	6.72
8.	21- Food and Civil Supplies Department	O- 4.68 S- 0.07	4.04	0.71
9.	25- Handloom, Handicraft and Sericulture Department	O- 7.23 S- 0.34	5.10	2.47
10.	28- Horticulture Department	O- 8.82 S- 1.40	8.10	2.12
11.	29- Animal Resource Development Department	O- 11.69 S- 2.45	9.88	4.26
12.	30- Forest Department	O- 12.56 S- 0.30	12.06	0.80
13.	31- Rural Development Department	O- 23.93 S- 0.25	23.14	1.03
14.	40- School Education Department	O- 164.20 S- 3.00	151.90	15.30
15.	42- Sports and Youth Programme Department	O- 6.58 S- 0.10	5.09	1.59
16.	43- Finance Department	O- 53.79 S- 0.04	45.20	8.63
	Capital Section(Voted)			
17.	12- Co-operation Department	O- 10.42 S- 1.02	9.55	1.89
18.	16- Health and Family Welfare Department	O- 2.90 S- 0.25	2.84	0.31
19.	19- Tribal Welfare Department	O- 20.48 S- 9.14	18.63	10.99
20.	20- Welfare for Scheduled Castes Department	O- 10.30 S- 5.72	10.01	6.01
21.	21- Food and Civil Supplies Department	O- 25.80 S- 0.31	16.97	9.14
	Total	O- 555.21 S- 28.85	491.13	92.93

2.3.6.2 In the following grants supplementary grants of Rs.18.79 crore were obtained which proved inadequate :

Sl. No.	Number and name of grant	Final grant O-Original S-Supplementary (Rupees in crore)	Actual expenditure	Excess (+)
	Revenue Section (Voted)			
1.	10- Home Department	O- 79.53 S- 4.33	84.05	(+) 0.19
2.	17- Information, Cultural Affairs and Tourism Department	O- 4.47 S- 0.25	4.93	(+) 0.21
3.	26- Fisheries Department	O- 5.34 S- 0.50	5.99	(+) 0.15
	Capital Section (Voted)			
4.	6- Revenue Department	O- 0.32 S- 0.08	0.43	(+) 0.03
5.	11- Transport Department	O- 4.95 S- 0.30	5.50	(+) 0.25
6.	15- Irrigation and Flood Control Department	O- 24.01 S- 4.87	31.32	(+) 2.44
7.	24- Industries and Commerce Department	O- 6.55 S- 0.70	7.65	(+) 0.40
8.	25- Handloom, Handicraft and Sericulture Department	O- 0.26 S- 0.72	1.10	(+) 0.12
9.	31- Rural Development Department	O- 7.03 S- 6.64	15.92	(+) 2.25
10.	42- Sports and Youth Programme Department	O-1.21 S-0.40	1.87	(+) 0.26
	Total	O- 133.67 S- 18.79	158.76	(+) 6.30

2.2.6.3 Some instances where supplementary grants obtained proved excessive were as shown below :

Sl. No.	Number and name of grant	Final grant O-Original S-Supplementary (Rupees in crore)	Actual expenditure	Savings (-)
	(Revenue - Voted)			
1.	16- Health and Family Welfare Department	O- 44.30 S- 8.60	48.26	(-) 4.64
2.	22- Rehabilitation Department	O- 10.62 S- 5.58	15.67	(-) 0.53
3.	24- Industries and Commerce Department	O- 6.60 S- 0.70	6.73	(-) 0.57
4.	35- Local Self Government Department	O- 9.27 S- 1.38	10.48	(-) 0.17
5.	41- Social Education Department	O- 23.26 S- 1.00	23.83	(-) 0.43

Sl. No.	Number and name of grant	Final grant O-Original S-Supplementary	Actual expenditure	Savings (-)
	Capital Section(Voted)	(Rupees in crore)		
6.	5- Law Department	O- 0.50 S- 0.84	0.71	(-) 0.63
7.	14- Power Department	O- 77.92 S- 3.20	78.34	(-) 2.78
8.	35- Local Self Government Department	O- 2.31 S- 1.86	3.13	(-) 1.04
9.	39- Higher Education Department	O- 0.61 S- 1.50	1.12	(-) 0.99
	Total	O- 174.39 S- 24.66	188.27	(-) 11.78

2.3.7 Unnecessary/inadequate re-appropriation

Re-appropriation is transfer of funds within a grant, from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Re-appropriation is permissible where there is a definite or reasonable possibility of saving under the unit from which funds are proposed to be re-appropriated. Scrutiny of re-appropriation orders revealed non-fulfilment of this requirement in certain cases. Instances of such re-appropriation of funds amounting to Rs.20 lakh or more which resulted in unnecessary savings/excesses are detailed in **Appendix-2**. Some instances of inadequate re-appropriation involving Rs.20 lakh or more are shown in **Appendix-3**.

2.3.8 Surrender of savings

(a) The Rules require that all anticipated savings should be surrendered as soon as the possibility of savings is envisaged. Though the total savings under 29 grants and 12 appropriations were Rs.162.51 crore, Rs.103.86 crore were surrendered at the fag end of the year (March 1997).

(b) Instances, where amounts were partly surrendered/not surrendered though there was saving exceeding Rs.50 lakh in each case, are given below :

Sl.No.	Number and name of grant	Total grant	Total saving	Amount not surrendered (percentage of total saving)
	Revenue Section (Voted)	(Rupees in lakh)		
1.	3- Chief Minister's Secretariat and S.A. Department	830.43	71.45	71.45 (100)
2.	4- Election Department	736.14	250.21	165.21 (66)
3.	6- Revenue Department	2930.19	658.40	103.40 (16)
4.	12- Co-operation Department	372.60	96.45	23.98 (25)
5.	15- Irrigation and Flood Control Department	5559.80	3180.91	466.91 (15)

Sl.No.	Number and name of grant	Total grant	Total saving	Amount not surrendered (percentage of total saving)
	Revenue Section (Voted)	(Rupees in lakh)		
6.	16- Health and Family Welfare Department	5290.09	464.36	464.36 (100)
7.	19- Tribal Welfare Department	11332.27	1328.58	594.40 (45)
8.	20- Welfare of Scheduled Castes Department	3957.51	671.99	79.13 (12)
9.	22- Rehabilitation Department	1620.03	53.26	53.26 (100)
10.	23- Panchayat Raj Department	1865.99	70.50	20.30 (29)
11.	24- Industries and Commerce Department	730.22	57.46	49.88 (87)
12.	25- Handloom, Handicraft and Sericulture Department	756.77	246.90	246.90 (100)
13.	27- Agriculture Department	2251.99	197.15	98.06 (50)
14.	28- Horticulture Department	1022.29	212.72	177.63 (83)
15.	29- Animal Resource Development Department	1414.29	426.30	426.01 (99)
16.	38- Printing and Stationery Department	358.29	75.33	75.33 (100)
17.	40- School Education Department	16720.49	1530.51	1322.68 (86)
18.	42- Sports and Youth Programme Department	668.01	159.14	131.68 (83)
	Revenue Section (Charged)			
19.	13- Public Works Department	497.00	56.19	56.19 (100)
	Capital Section (Voted)			
20.	5- Law Department	134.00	63.18	63.18 (100)
21.	10- Home Department	198.41	127.69	119.69 (94)
22.	12- Co-operation Department	1144.06	188.61	175.91 (93)
23.	14- Power Department	8112.13	278.25	278.25 (100)
24.	19- Tribal Welfare Department	2962.19	1099.54	846.33 (77)
25.	20- Welfare of Scheduled Castes Department	1602.47	601.21	423.43 (70)
26.	21- Food and Civil Supplies Department	2611.00	914.39	253.79 (28)
27.	23- Panchayat Raj Department	348.00	134.50	134.50 (100)
28.	27- Agriculture Department	1100.00	324.15	324.15 (100)
29.	35- Local Self Government Department	417.50	104.15	104.15 (100)
30.	39- Higher Education Department	210.79	98.46	98.46 (100)
31.	43- Finance Department	503.75	192.97	192.97 (100)

(c) In the following five cases the amounts surrendered were far in excess of the savings actually available for surrender indicating injudicious surrenders made by the controlling officers of these departments :

Sl. No.	Number and name of grant	Total savings	Total amount surrendered	Amount surrendered in excess
		(Rupees in lakh)		
	(Capital - Voted)			
1.	13- Public Works Department	868.13	2268.54	1400.40
	(Revenue - Voted)			
2.	21- Food and Civil Supplies Department	71.42	74.02	2.60
3.	31- Rural Development Department	103.30	407.91	304.61
4.	41- Social Education Department	42.77	90.25	47.48
5.	43- Finance Department	863.18	1029.00	165.82
	Total	1948.80	3869.72	1920.92

(d) In the following grants, amount was surrendered though expenditure exceeded the total provision :

Sl. No.	Number and name of grant	Total excess	Amount surrendered
		(Rupees in lakh)	
	(Revenue - Voted)		
1.	26- Fisheries Department	14.75	2.14
2.	33- Science and Technology Department	27.12	5.43
	(Capital - Voted)		
3.	31- Rural Development Department	225.94	79.23
4.	33- Science and Technology Department	53.74	2.59
	(Revenue - Charged)		
5.	43- Finance Department	940.95	67.66

(e) In the following grants, expenditure of Rs.1608.67 lakh had been incurred for execution of various schemes/works although no budget provision was available during the year 1996-97 :

Sl. No.	Number and name of grant	Head of Account	Amount spent
			(Rupees in lakh)
1.	12- Co-operation Department	(i) 6003- Internal Debt of the State Government 105- Loans from National Bank for Agricultural and Rural Development	315.32

Sl. No.	Number and name of grant	Head of Account	Amount spent (Rupees in lakh)
2.	13- Public Works Department	(i) 4202- Capital outlay on Education, Sports, Art and Culture (Plan) 01- General Education 202- Secondary Education (ii) 203- University and Higher Education (iii) 800- Other Expenditure (iv) 02- Technical Education 104- Technical Education (v) 03- Sports, Youth Services and Stadia 800- Other Education (vi) 4210- Capital outlay on Medical and Public Health 80- General 800- Other Expenditure (vii) 4211- Capital outlay on Family Welfare 800- Other Expenditure	153.92 16.48 3.24 0.50 3.24 88.01 2.07
3.	14- Power Department	(i) 4801- Capital outlay on Power Projects (Plan) 052- Machinery and Equipment (ii) 799- Suspense	2.66 7.26
4.	15- Irrigation and Flood Control Department	(i) 2215- Water Supply and Sanitation 01- Water Supply 799- Suspense (ii) 4215- Capital outlay on Water Supply and Sanitation 01- Water Supply 102- Rural Water Supply - Basic Minimum Services	123.83 852.05
5.	19- Tribal Welfare Department	(i) 2406- Forestry and Wildlife 01- Forestry 001- Direction and Administration	27.22
6.	20- Scheduled Castes Welfare Department	(i) 2406- Forestry and Wildlife 01- Forestry 001- Direction and Administration (ii) 101- Forest Conservation and Development and Re-generation	8.61 4.26
		Total	1608.67

Reasons for incurring expenditure without any budget provision were not intimated (December 1997).

2.3.9 Reconciliation of departmental figures

In order to ensure effective control over expenditure and to detect cases of possible fraudulent/irregular withdrawal from treasuries, the Departmental Officers are required to reconcile periodically and before the close of the account for a year, the departmental figures of expenditure with those booked in the office of the Accountant General (Accounts and Entitlement). Out of the 43 Controlling Officers, 9 Controlling Officers carried out partial reconciliation and 2 Controlling Officers did not carry out the reconciliation during 1996-97 involving expenditure of Rs.87.92 crore.

2.3.10 Trend of recoveries and credits

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

During 1996-97, such recoveries were estimated at Rs.68.25 crore (Revenue : Rs.33.00 crore and Capital : Rs.35.25 crore). Actual recoveries during the year were, however, Rs.87.03 crore (Revenue : Rs.47.98 crore and Capital : Rs.39.05 crore).

A few significant cases of shortfall/excess in recoveries are detailed below :

Sl. No.	Number and name of grant	Budget Estimates	Actuals	Amount of Shortfall(-)/ Excess(+) as compared to estimates
		(Rupees in crore)		
1.	13- Public Works Department (Revenue)	12.00	26.82	(+) 14.82
2.	14- Power Department (Revenue)	12.00	12.87	(+) 0.87
3.	15- Irrigation and Flood Control Department (Revenue and Capital)	9.00	8.50	(-) 0.50
4.	19- Tribal Welfare Department (Revenue)	-	0.04	(+) 0.04
5.	21- Food and Civil Supplies Department (Capital)	24.15	27.38	(+) 3.23
6.	27- Agriculture Department (Capital)	11.00	9.60	(-) 1.40
7.	28- Horticulture Department (Capital)	0.10	-	(-) 0.10
8.	35- Local Self Government Department (Revenue)	-	1.82	(+) 1.82

2.3.11 Non-receipt of explanation for savings/excesses

After the close of each financial year, detailed appropriation accounts showing the final grants/appropriations, the actual expenditure and the resultant variations are sent to the Controlling Officers, requiring them to explain the variation in general and those under important sub-heads in particular. It was, however, seen that for the Appropriation Accounts 1996-97, explanations for variations were not received (October 1997) from 20 out of 43 Controlling Officers.

2.3.12 Rush of expenditure

The Financial Rules require that Government expenditure be evenly phased out throughout the year as far as practicable. Rush of expenditure at the close of the year can lead to infructuous, nugatory or ill-planned expenditure. Notwithstanding this, expenditure was found to be substantial only in the month of March 1997 in the following cases indicating that the purpose was to prevent lapse of funds.

SL. No.	Number and name of grant	Total provision	Total expenditure	Expenditure during March	Percentage of expenditure during March to.	
					Total provision	Total expenditure
	(Revenue Section)			(Rupees in lakh)		
1.	3- Chief Minister's Secretariat and S.A. Department	830.43	758.97	195.10	23	26
2.	5- Law Department	522.28	776.75	335.68	64	43
3.	11- Transport Department	99.63	85.57	44.55	45	23
4.	16- Health and Family Welfare Department	5290.09	4825.73	1396.72	26	29
5.	18- Political Department	35.83	26.18	12.20	34	47
6.	20- Welfare of Scheduled Castes Department	3957.51	3285.52	949.93	24	29
7.	22- Rehabilitation Department	1620.03	1566.76	631.14	39	40
8.	33- Science and Technology Department	75.59	102.71	28.98	38	28
9.	35- Local Self Government Department	1065.11	1048.35	378.35	36	36
10.	43- Finance Department	5383.53	4520.34	1338.74	25	30
	(Capital Section)					
11.	5- Law Department	134.00	70.82	71.51	53	100
12.	19- Tribal Welfare Department	2962.19	1862.65	566.66	19	30
13.	23- Panchayat Raj Department	348.00	213.50	91.52	26	43
14.	27- Agriculture Department	1100.00	775.85	431.12	39	56
15.	39- Higher Education Department	210.79	112.33	56.77	27	50
	Total	23635.01	20032.03	6528.97	28	33

FINANCE DEPARTMENT

2.4 Personal Ledger Accounts

2.4.1 Introduction

Treasury Rules prescribe that Personal Ledger Accounts (PLAs) may be sanctioned by Government after consultation with the Accountant General and that the Government should not agree to the opening of PLAs unless it is satisfied that the initial accounts of moneys kept in PLAs are properly maintained and are subject to audit. Since all appropriations and unspent funds lapse at the close of the financial year and are not available for utilisation in the following years, withdrawing funds from the Consolidated Fund by charge to the respective service head, keeping them unutilised in PLAs or in the form of cash in banks constitutes an infringement of codal provisions. Further, except for discharge of Government liabilities arising out of special enactments, PLAs created by debit to the Consolidated Fund should be closed at the end of the financial year by *minus* debit of the balances to the relevant service heads in the Consolidated Fund.

2.4.2 Organisational formation

As of 31 March 1997 there were 97 drawing and disbursing officers (DDOs) who had a balance of Rs.34.80 crore in their PLAs in 5 Treasuries of the State (details are given in **Appendix-4**). All these PLAs were opened between 1985-86 and 1996-97 by the Government after consultation with the Accountant General (Accounts and Entitlement).

2.4.3 Audit coverage

Of the 97 DDOs, PL Accounts of 26^W DDOs involving deposits of Rs.22.71 crore were reviewed (July to September 1997) and results thereof are incorporated in the succeeding paragraphs.

^W Land Acquisition Officer, West Tripura; Executive Officer, Agartala Municipality; Director of School Education; Director of Industries; Director of Health Services; Secretary, Tripura Wakf Board; Secretary, State Institute of Education; BDO, Jampuijala; Executive Engineer, Rural Development Division(West), Agartala; Executive Engineer, Education Department, Agartala; BDO, Dukli; Secretary, Board of Secondary Education, Agartala; Head Librarian, Bir Chandra Public Library; Director of Urban Development; Medical Superintendant, GB Hospital, Agartala; Superintending Engineer, Agri-Engineering Cell, Agartala; Housing Commissioner, Tripura Housing Board; Additional Director of Handloom & Handicrafts Development Department, Agartala; State Council for Science and Technology; Accounts Officer, Tribal Rehabilitation Programme; Deputy Director of Animal Husbandry, Agartala; Deputy Soil Conservation Officer, Agartala; Executive Engineer, Agartala PW Division No.IV; Land Acquisition Collector (North) and Block Development Officer, Teliamura, Sub-Divisional Officer, Sadar, Agartala.

2.4.4 Highlights

- The Treasury Rules require that funds remaining unspent in the PL Account at the end of the year should be credited by *minus* debit of the balance to the relevant service heads in the Consolidated Fund. But Rs.34.80 crore were lying unspent in 97 PL Accounts in the State as on 31 March 1997 in contravention of Rules.

(Paragraphs 2.4.2 and 2.4.5.4)

- The Director of Industries, Agartala retained Rs.1.46 crore unproductively in his PL Account for more than 3 years.

(Paragraph 2.4.5.1)

- The Land Acquisition Collectors, North and West Districts, retained Rs.3.67 crore unnecessarily in their PL Accounts for periods ranging from 2 to 9 years. Similarly, the Director of Urban Development, Agartala drew (March 1996) Rs.2.38 crore much in advance of requirements and retained the amount in his PL Account as of October 1997.

(Paragraphs 2.4.5.2(ii) and 2.4.5.2(iii))

- The Superintending Engineer, Agriculture Department could not render accounts (viz., sources from and purpose for which amount was received etc.) for Rs.1.09 crore that remained unspent in his PL Account as on 31 March 1997.

(Paragraph 2.4.5.2(iv))

- The Executive Engineer, Rural Development Division, Agartala retained Central assistance of Rs.2.72 crore in his PL Account unnecessarily for six months from March to August 1996 and thereafter credited the same to the State Consolidated Fund instead of remitting it back to the Central Government in March 1996 itself by closing the PLA.

(Paragraph 2.4.5.3(i))

2.4.5.1 Idle investment and unutilised balance

- (i) Tripura Natural Gas Company Ltd. (TNGC) was set up in July 1990 to supply natural gas to the domestic and industrial consumers through pipe lines at Agartala. The Tripura Industrial Development Corporation (TIDC) and a Guwahati based firm-A were the promoters of TNGC. The project cost was Rs.8.25 crore of which Rs.3.12 crore were in the form of equity to be borne equally by the TIDC and the firm. Accordingly, the Industries Department paid Rs.1.44 crore to the TIDC between March 1991 and March 1993 of which the TIDC invested Rs.0.41 crore with

the TNGC and retained the balance amount of Rs.1.03 crore in different Banks till February 1994 and thereafter transferred (March 1994) it to the PL Account of the Director of Industries.

Meanwhile, the firm 'A' lost interest in the project mainly due to non-establishment of Vanaspati Project and the Growth Centre Scheme which were the main Industrial consumers of the project. As a follow-up measure the TIDC signed a Memorandum of Understanding in June 1995 with a Gujarat based firm-B to finalise modalities of business and transactions. The Project, however, did not make (October 1997) any head way as the Department could not arrange supply of natural gas to the firm 'B' at concessional price (Rs.600 per cubic metre in place of normal price of Rs.1000 per cubic metre) for want of approval from the Government of India to whom the matter was referred (April 1992 to February 1996). Approval from the Government of India was, however, awaited (October 1997).

Thus, as a result of making investment without ensuring availability of basic infrastructural facilities, the Department made an idle investment of Rs.0.41 crore and retained Rs.1.03 crore unproductively in PL Account for more than three years.

(ii) Similarly, with a view to setting up a vanaspati plant at Uttarchampamura, another joint sector project viz. 'Tripura Vanaspati and Allied Industries Ltd.' (TVAIL) was incorporated in April 1989. Mention regarding unproductive investment of Rs.67.44 lakh in the TVAIL had been made in Paragraph 7.3 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1995.

It was, however, noticed in audit that out of Rs.1.10 crore paid by the Industries Department between March 1991 and March 1993 the TIDC invested Rs.0.67 crore between March 1991 and March 1994 for purchase of land and construction of building thereon for the establishment of TVAIL and deposited (March 1994) the balance amount of Rs.0.43 crore in the PL Account of the Director of Industries. The proposed Plant also could not be established (October 1997) as the co-promoter backed out of the project. A legal proceeding was instituted (February 1997) against him by the Department. The Government, while accepting the facts, stated (October 1997) that as the investment of Rs.67.44 lakh could not produce the desired result because the co-promoter could not keep his part of the agreement, the Government had no option but to keep the balance in PLA hoping to revive the company later. But as there was no prospect of revival of the company, the Government decided (October 1997) to refund the amount in the relevant receipt head. The final credit was, however, awaited (November 1997).

As the unspent balances of Rs.1.46 crore (Rs.1.03 crore + Rs.0.43 crore) had been kept in PL Accounts by charging them as final expenditure against the budget provision for purposes approved by the Legislature, the Appropriation Accounts of the Government were distorted to that extent. Moreover, of the total balance of Rs.5.99 crore lying in the two PLAs of Director of Industries as of March 1997, Rs.4.53 crore pertained to the year 1992-93 and earlier years for which detailed analysis like sources from which, purpose for which amount was received and reasons for their remaining unutilised in PLA during all these years were not made available by the Department and all these amounts were being carried over to the successive financial years in contravention of codal provisions and remained unutilised as of November 1997.

2.4.5.2 Unutilised balances

(i) It was noticed in the Directorate of Health Services, Agartala that pursuant to the Government of India's proposals (November 1996 and January 1997), the Tripura Government constituted (March 1997) a Society to provide financial assistance to the patients living below poverty line and suffering from life-threatening diseases from the State Illness Assistance Fund (SIAF) created in March 1997, for getting treatment in certain super-speciality hospitals/institutes. As per the scheme the Central Government would provide 50 *per cent* of the grants made by the State Government in a year subject to a maximum of Rs.2 crore for Tripura.

The Department drew Rs.4 crore being the State's share to the SIAF on 31 March 1997 and transferred the amount to the PLA of the Director of Health Services, Agartala. On 17 July 1997 the amount was transferred back to the SIAF. Scrutiny of records showed that the drawal was made in March 1997 only to get the Central Share of Rs.2 crore which was also drawn by the Department in August 1997 and credited to the SIAF.

The Department identified (July 1997) 4 diseases (Cancer, Kidney, Heart and Brain diseases) and 30 referral hospitals for the purpose. Of these, only 4 hospitals accepted (August 1997) the Department's proposal for providing treatment to the referred patients but as no agreement was executed with these referral hospitals, the Department could not implement the scheme despite receiving 19 applications for such treatment.

Thus, drawal of Rs.4 crore on 31 March 1997 and its retention in PLA even before finalising the basic modalities of the scheme like formation of societies, execution of agreements with the referral hospitals etc., indicated that funds were drawn much in advance and in excess of requirements to avoid lapsing of budget grants and to obtain central assistance in contravention of

rules. Also as a result of booking the amount as final expenditure which had actually remained unutilised, the Finance and Appropriation Accounts for the year 1996-97 were distorted to that extent.

(ii) Departments of State and Central Governments acquire land for various purposes and all requisite formalities (verification of title, valuation of land, making of award and payment of compensations etc.) are finalised by the Land Acquisition Collector (LAC) of the district in which such land is located. After finalisation of the award, funds for making payment of compensation to the land-owners are placed by the departments requiring land with the LAC as per his demand.

Pursuant to the demands placed by the LACs the Border Road Organisation (BRO) placed Rs.7.71 crore between March 1988 and May 1995 with the LAC (North) Kailashahar (Rs.2.61 crore) and LAC (West) Agartala (Rs.5.10 crore) being the land compensation money to be paid in different areas along the Indo-Bangladesh Border of the North and West Districts. Of this, Rs.4.04 crore were paid as land compensation and the balance amount of Rs.3.67 crore had been lying unutilised in the PLAs of the LAC (North), Kailashahar (Rs.1.41 crore) and LAC (West), Agartala (Rs.2.26 crore) for period ranging from 2 to 9 years as of October 1997.

Moreover, the unspent balance in the PLA of the LAC (West) Agartala included -

- an unutilised amount of Rs.0.76 crore deposited by the District Magistrate and Collector (West) Agartala (Rs.0.28 crore) and the Divisional Forest Officer, Sepahijala (Rs.0.48 crore) in March 1983 and between March 1989 and March 1993 respectively; and
- unclaimed deposit of Rs.0.71 crore and unclassified balance of Rs.0.67 crore lying unspent from March 1983, for which no record could be made available by the Department. D.M and Collector, West Tripura District stated (August 1997) that steps had been taken to classify the amount (Rs.0.67 crore) and that he would furnish the analysis as soon as completed. Further reply from the collector was awaited (October 1997).

All these unspent balances were not credited back to the Consolidated Fund by *minus* debit to the relevant service heads as required under the rules and carried over to the next years in contravention of codal provision.

These cases of unproductive blockage of funds were mainly due to mobilisation of funds by the Land Acquisition Collectors much in advance and in excess of actual requirements as the LACs were to ask for funds only after the award of compensation was finalised. Neither did the

LACs return the surplus funds to the requiring departments nor did the latter insist on the refund (November 1997).

(iii) Pursuant to the State Government's proposal (February and August 1995), the Government of India sanctioned (September 1995) special central assistance of Rs.10.50 crore for improvement of municipal services in Agartala. Of this, the Director, Urban Development drew (March 1996) Rs.4.48 crore (Rs.1.10 crore for Solid Waste Management and Rs.3.38 crore for improvement of drainage system) and the balance amount of Rs.6.02 crore was drawn directly by the Public Works Department for construction, repairs and maintenance of roads in Agartala Municipal area. Of Rs.4.48 crore, drawn in March 1996, the Urban Development Department remitted Rs.2.10 crore to Agartala Municipality in February 1997 for Solid Waste Management (Rs.1.10 crore) and for construction of drains (Rs.1.00 crore) after retaining the amount unproductively in PLA from March 1996 to January 1997. The balance amount of Rs.2.38 crore, however, remained in the PLA of the Director, Urban Development Department since its drawal in March 1996 till date of audit (October 1997).

The Government stated (July 1997) that as no requisition for funds was received from the Agartala Municipality for construction of drains, the amount (Rs.2.38 crore) had to be retained in PLA. Department, however, could not explain as to why funds were drawn and retained unproductively much in advance and in excess of actual requirement.

(iv) Mention had been made in paragraph 3.1.5.1 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1994 of irregularities in the administration of Personal Ledger Accounts by the Superintending Engineer, Agriculture Department, Agartala. Despite this, the Superintending Engineer could not furnish the detailed accounts of Rs.15 lakh deposited in PL Account and of Rs.255.10 lakh withdrawn from it during the years 1994-95 to 1996-97 (source of receipt, purpose for which money was received/utilised and reasons for unproductive retention) and of Rs.1.09 crore remaining unutilised in his PLA as on 31 March 1997.

2.4.5.3 Irregular retention of funds received under Central Assistance

Under the extant financial rules, no money can be drawn from the treasury at the fag end of the year to avoid lapse of budget grants as all appropriations remaining unspent at the close of the financial year shall lapse and are not available for utilisation in the succeeding year(s).

It was, however, noticed during audit that contrary to the above -

(i) an amount of Rs.2.72 crore being the Central assistance for purchase of materials under the Accelerated Rural Water Supply Scheme and other Rural Development Programme was drawn by the Executive Engineer, Rural Development Division, Agartala through three Abstract Contingent bills in March 1996 and retained in his Personal Ledger Account till 31 August 1996 though the entire amount of Rs.2.72 crore was shown as spent under the scheme in the accounts for the year 1995-96. The amount was credited to the Consolidated Fund of the State in August 1996 instead of remitting it back to the Central Government in March 1996 itself by closing the PLA.

As a result, the Finance and Appropriation Accounts for the year 1995-96 were distorted to that extent. The Divisional Officer stated (November 1997) that deposits were made as per orders of the Government, reasons for which were not known to him.

(ii) Rupees 4.73 crore being the Special Central Assistance for formulation of project reports for externally aided projects (Rs.0.52 crore)^{*} and improvement of municipal services in Agartala (Rs.4.21 crore)⁺, were drawn by the Executive Engineer, Public Works Division (PWD) No.IV and Executive Engineer, Public Health Engineering (PHE) Division No.1, Agartala in March 1995 (Rs.0.52 crore) and March 1996 (Rs.4.21 crore) and deposited in the PL Account of the Housing Commissioner, Tripura Housing Board, Agartala as none of these two Drawing Officers had any PLA in their names. In both the cases the amounts were shown as final expenditure. As a result, the Finance and Appropriation Accounts of the Government for the years 1994-95 and 1995-96 were distorted to the extent of Rs.0.52 crore and Rs.4.21 crore respectively.

Test check of records of the above officers showed that the entire amount of Rs.4.73 crore was returned by the Board to the depositors between March 1996 and March 1997 after retaining the amount in five short term deposits between October 1995 and July 1996. The interest of Rs.0.24 crore earned on the term deposits was, however, not returned by the Board to the depositor and resulted in undue benefit to the Board.

Scrutiny of records further showed that of Rs.4.73 crore, Rs.0.25 crore were lying unspent as of 31 March 1997 with the PW Division No.IV, Agartala.

(iii) Test-check of records also showed that Rs.4.67 crore received by the four Block Development Officers (Teliamura, Mohanpur, Dukli and Bishalgarh) from the Government of

^{*} Rs.0.52 crore : Drawn by the Executive Engineer, Public Works Division No.IV, Agartala in March 1995.

⁺ Rs.4.21 crore : Rs.1.62 crore drawn by the Executive Engineer, Public Works Division No.IV and Rs.2.59 crore by the Executive Engineer, Public Health Engineering Division No.1 Agartala in March 1996.

India for implementation of nine Central Sector Schemes[^] during the year 1996-97 was drawn and deposited initially in their Personal Ledger Accounts opened with the consent of the Accountant General. The entire amount (Rs.4.67 crore) was booked as final expenditure in the accounts and withdrawn subsequently from the PLAs and deposited in current/savings accounts in Banks for incurring expenditure from them.

Details of the expenditure incurred from these Bank accounts together with payees' receipts and utilisation certificates in support of them were not made available to Audit. As a result diversion of funds, if any, for purposes other than the intended ones could not be verified.

(iv) With a view to providing subsistence allowance and economic rehabilitation to the surrendered extremists, Rs.0.80 crore was drawn (March 1995) by the Director of Welfare for Scheduled Tribes, Tripura and deposited (31 March 1995) in the Personal Ledger Account of the Managing Director, Tripura Scheduled Tribe Co-operative Development Corporation Limited., Agartala, showing the amount as final expenditure in the accounts for the year 1994-95.

Scrutiny of records of the Corporation showed that the entire amount was drawn from the PL Account and invested in the Savings Bank Account with the Tripura Gramin Bank, Agartala Branch. Test-check of records further showed that except the expenditure of Rs.14 lakh incurred by the Corporation in 1996-97, funds of Rs.0.66 lakh had remained unutilised as of March 1997.

On this being pointed out by Audit, the Department stated (November 1997) that in view of the trend of surrender, it was expected that the entire amount would be required for distribution in the succeeding years and hence funds were drawn to avoid lapse of budget grant. But due to some disputes among the 'returnees', the proposals could not be considered and funds had to be retained. The reply is not acceptable to Audit as it did not explain why the unutilised funds were not credited to the Government account.

2.4.5.4 The rules require that PLAs created by debit to the Consolidated Fund should be closed at the end of the financial year by *minus* debit of the balance to the relevant service heads in the Consolidated Fund, the PLAs being opened next year again, if necessary, in the usual manner.

[^] 1) Employment Assurance Scheme (Rs.2.50 crore); Jawahar Rojgar Yojana (Rs.0.98 crore); Indira Awas Yojana (Rs.0.82 crore); Rural Sanitation Programme (Rs.0.06 crore); Million Well Scheme (Rs.0.13 crore); CREPF (Rs.0.08 crore); Ganga Kalyan Yojana (Rs.0.03 crore) and Basic Minimum Service (Rs.0.07 crore).

2) Rs.1.23 crore by the BDO, Teliamura; Rs.0.98 crore by the BDO, Dukli; Rs.1.23 crore by the BDO, Mohanpur and Rs.1.23 crore by the BDO, Bishalgarh.

None of the PLAs was, however, closed at the end of the financial years and balances held therein were carried over to the subsequent years in infringement of codal provisions.

2.4.5.5 Periodic reconciliation of balances as per books of PLA holders was not done with balances as per Treasury accounts. As a result Treasuries were submitting incorrect figures to the Government, as shown below -

Name of Treasury	Actual balance as on 31 March 1997	Balance shown to the Government
(In lakh of rupees)		
Agartala Treasury No.I	2272.30	2264.51
Agartala Treasury No.II	515.74	519.66

Moreover, excepting Agartala Treasury No.II none of the other four Treasuries (Agartala Treasury No.I, Udaipur, Kailasahar and Kamalpur) submitted Plus and Minus Memoranda monthly to the Accountant General (Accounts and Entitlement) and as a result closing balances as per Finance Accounts (Rs.21.46 crore) as of March 1997 differed by Rs.13.34 crore from the balances (Rs.34.80 crore) maintained by the departmental/Treasury officers.

2.4.5.6 In order to monitor the pattern of balances that remained in PL Accounts and to take decisions regarding release of funds to various departments, the Government introduced (August 1993) submission of monthly statements to the Finance Department by the Treasuries in the proforma prescribed. None of the five Treasuries submitted any such report till date of audit and as a result the monitoring of the funds held in PL Accounts remained ineffective.

The matter was reported to the Government in November 1997; reply had not been received (December 1997).

CHAPTER - III

CIVIL DEPARTMENTS

AGRICULTURE DEPARTMENT

3.1 Production and Distribution of Seeds and Development Schemes for Major Crops

3.1.1 Introduction

With a view to increasing agricultural production and yield of various crops, the Agriculture Department launched various centrally sponsored schemes. Of these, major schemes of crop development and seed production implemented during 1992-93 to 1996-97 were as under :

- i) Oil Seed Production Programme (OPP),
- ii) National Pulses Development Project (NPDP),
- iii) Integrated Cereals Development Programme(ICDP),
- iv) Minikit Programme of wheat and coarse cereals including propagation of new technology.

The following were the major components of OPP, NPDP and ICDP :

- a) Production of breeder seeds, foundation seeds and distribution of certified seeds of improved varieties,
- b) Organising field demonstration on farmers' field,
- c) Distribution of seed minikits,
- d) Integrated Pest Management (IPM) demonstrations,
- e) Subsidised supply of improved farm implements, sprinkler, power tillers, gypsum/pyrite, Rhizobium culture etc.,
- f) Seed village scheme.

3.1.2 Organisational set up

At the State level these programmes were implemented by the Director of Agriculture(DA), assisted by 4 Deputy Directors of Agriculture (DDA) (State Level : 1, District level :3) and 17 Superintendents of Agriculture (SA).

3.1.3 Audit coverage

The implementation of these programmes in the State during the period from 1992-93 to 1996-97 was reviewed by Audit between November 1996 and April 1997 through test check of records of the Directorate of Agriculture, 3 Deputy Directors of Agriculture (DDA) and 9^o out of 17 Superintendents of Agriculture (SA) in-charge of Agriculture Sub-Divisions.

^o SAs : Panisagar, Kumarghat, Jirania, Moahanpur, Teliamura, Bishalgarh, Melaghar, Matabari and Bagafa.

3.1.4 *Highlights*

- Out of the central assistance of Rs.3.13 crore (including spill over fund of Rs.0.31 crore) received under OPP, NPDP, ICDP and Minikit Programme of maize during the period from 1992-93 to 1996-97, Rs.0.51 crore remained unutilised as of March 1997. Release of central assistance of Rs.0.45 crore at the end of March 1997 and shortfall in procurement and distribution of certified seeds were the reasons for non-utilisation of funds.

(Paragraph 3.1.7)

- Seeds worth Rs.0.34 crore procured under the Oil Seed Production Programme were diverted to other State schemes like Agriculture Extension Service/Training, Project for dryland/rainfed agriculture etc., during the period from 1992-93 to 1994-95. Similarly, an amount of Rs.0.08 crore meant for construction of godown under OPP was diverted to other components of this scheme.

(Paragraph 3.1.7.1)

- Overall coverage of area under rice, pulses and oilseeds fell short of target by 11 to 21 per cent, 15 to 47 per cent and 20 to 34 per cent, while production fell short of target by 14 to 31 per cent, 20 to 53 per cent and 26 to 39 per cent respectively during the period from 1992-93 to 1995-96. The shortfall under pulses was as high as 47 and 53 per cent in respect of area and production during 1995-96.

(Paragraph 3.1.8.1)

- There was a shortfall of 65 to 99 per cent against targets in the distribution of certified seeds and 86 per cent (Rs.29.89 lakh) of funds allocated for the purpose remained unutilised during the period from 1992-93 to 1996-97.

(Paragraph 3.1.8.2)

- Though an expenditure of Rs.1.76 crore was stated to have been incurred on conducting field demonstrations in 15381 hectares under OPP, NPDP and ICDP during 1992-93 to 1996-97 for popularising the latest varieties of seeds and production technology amongst the farmers, the results of these demonstrations were not analysed, evaluated and given wide publicity through distribution of leaflets and use of other mass-communication media. Thus, the very objective of the scheme was not fulfilled.

(Paragraph 3.1.8.3)

- Although the Director of Agriculture informed GOI that minikit demonstration were conducted in 2500 hectares under OPP at a cost of Rs.49 lakh in 1993-94, records showed that the Department had conducted demonstrations only to the extent of 553 hectares at a cost of Rs.8.29 lakh; Rs.22.21 lakh were diverted to other State schemes and Rs.18.50 lakh remained unutilised during that year.

(Paragraph 3.1.8.5)

- Only 84 Integrated Pest Management demonstrations were conducted at a cost of Rs.3.91 lakh against the targets of 219 demonstration (cost : Rs.10.15 lakh) indicating shortfall of 62 per cent during the period from 1993-94 to 1996-97.

(Paragraph 3.1.8.7)

- Against the target of distributing 780 improved farm implements, like seed cum fertiliser drills, harvesters of ground nut etc., only 353 Hand Compressor (HC) sprayers which did not fall under the specified category of farm implements were distributed to the farmers during 1993-94 to 1996-97.

(Paragraph 3.1.8.8(a))

- Only 703 plant protection equipment (12 per cent) were distributed to the small and marginal farmers at subsidised cost of Rs.3.61 lakh against the target of 5679 implements for which funds of Rs.34.51 lakh had been provided during the period from 1992-93 to 1996-97. The shortfall during 1992-93 to 1993-94 ranged between 86 and 100 per cent.

(Paragraph 3.1.8.10)

- Though central assistance of Rs.8.25 lakh (75 per cent share) was received in December 1993 for construction of 3 oilseed godowns, the works were not taken up by the Department on the ground that the funds released for the purpose were not sufficient. But the State Government had not released its 25 per cent share of Rs.2.75 lakh and neither were any estimates prepared nor any additional fund sought for the purpose from the Central Government.

(Paragraph 3.1.9)

3.1.5 *Planning*

The programme envisaged preparation of Annual Action Plans by the Department to ensure that the allocation of funds and provision for supporting services were communicated well

in time to the district and block level functionaries. No Annual Action Plans had been prepared, upto 1993-94. However, these were prepared by the Department from the year 1994-95 onwards.

3.1.6 *Funding Pattern*

Expenditure under OPP, NPDP and ICDP was to be shared by the Central and State Governments on 75:25 basis. 100 *per cent* central assistance was available under Minikit Programme of wheat and coarse cereals. Specific funds for the benefit of Scheduled Castes (SC) and Scheduled Tribes (ST) farmers were to be allocated on the basis of SC/ST population in the State.

3.1.7 *Financial performance*

The Budget provisions, funds released by the Central and State Governments and expenditure incurred under OPP, NPDP, ICDP and Minikit Programme of wheat and coarse cereals during the period from 1992-93 to 1996-97 as furnished by the Department were as follows :

Programme	Year	Budget Provision (Revised)	Fund released			Expenditure			Excess (+) savings(-)	Percentage of Excess(+) Savings(-)
			Central Government	State Government	Total	Central share	State share	Total		
			<i>(Rupees in lakh)</i>							
OPP	1992-93	16.00	15.47	10.97	26.44	11.43	10.97	22.40	(+)6.40	(+)40
	1993-94	89.66	67.28	18.23	85.51	54.70	18.23	72.93	(-)16.73	(-)19
	1994-95	30.00	11.50	7.50	19.00	20.44	7.50	27.94	(-)2.06	(-)7
	1995-96	68.84	21.09	11.16	32.25	25.63	11.16	36.79	(-)32.05	(-)47
	1996-97	47.96	33.92	43.79	77.71	21.46	43.79	65.25	(+)17.29	(+)36
	Total	252.46	149.26	91.65	240.91	133.66	91.65	225.31		
NPDP	1992-93	7.35	4.26	5.16	9.42	5.88	5.16	11.04	(+)3.69	(+)50
	1993-94	30.74	6.00	5.91	11.91	17.72	5.91	23.63	(-)7.11	(-)23
	1994-95	9.33	7.00	3.68	10.68	4.40	3.68	8.08	(-)1.25	(-)13
	1995-96	9.32	9.00	3.52	12.52	4.75	3.52	8.27	(-)1.05	(-)11
	1996-97	23.75	35.00	23.44	58.44	2.00	23.44	25.44	(+)1.69	(+)7
	Total	80.49	61.26	41.71	102.97	34.75	41.71	76.46		
ICDP	1992-93	52.05	14.29	32.09	46.38	39.05	32.09	71.14	(+)19.09	(+)37
	1993-94	37.51	8.00	5.73	13.73	17.19	5.73	22.92	(-)14.59	(-)39
	1994-95	13.49	14.53	3.37	17.90	5.75	3.37	9.12	(-)4.37	(-)32
	1995-96	13.04	11.00	2.39	13.39	6.17	2.39	8.56	(-)4.48	(-)34
	1996-97	46.20	22.76	13.31	36.07	25.76	13.31	39.07	(-)7.13	(-)15
	Total	162.29	70.58	56.89	127.47	93.92	56.89	150.81		
Minikit Programme										
Wheat	1992-93	0.30	0.23	-	0.23	0.23	-	0.23	(-)0.07	(-)23
	1993-94	0.18	0.05	-	0.05	0.05	-	0.05	(-)0.13	(-)72
	1994-95	0.43	0.43	-	0.43	0.43	-	0.43	--	--
	1995-96	0.31	0.31	-	0.31	0.31	-	0.31	--	--
	1996-97	0.34	0.34	-	0.34	0.34	-	0.34	--	--
	Total	1.56	1.36		1.36	1.36		1.36		

Programme	Year	Budget Provision (Revised)	Fund released			Expenditure			Excess (+) savings(-)	Percentage of Excess(+) Savings(-)
			Central Government	State Government	Total	Central share	State share	Total		
			<i>(Rupees in lakh)</i>							
Rice	1992-93	0.02	0.02	-	0.02	0.02	-	0.02	--	--
	1993-94	0.05	0.18	-	0.18	0.18	-	0.18	(+)0.13	(+)260
	1994-95	0.50	0.18	-	0.18	0.18	-	0.18	(-)0.32	(-)64
	1995-96	0.45	0.45	-	0.45	0.45	-	0.45	--	--
	1996-97	0.26	0.26	-	0.26	0.26	-	0.26	--	--
	Total	1.28	1.09	-	1.09	1.09	-	1.09		
Maize	1992-93	0.80	0.60	-	0.60	-	-	-	(-)0.80	100
	1993-94	1.24	-	-	-	-	-	-	(-)1.24	100
	1994-95	0.35	-	-	-	-	-	-	(-)0.35	100
	1995-96	0.37	-	-	-	-	-	-	(-)0.37	100
	1996-97	-	-	-	-	-	-	-	--	--
	Total	2.76	0.60	-	0.60	-	-	-		

(Expenditure figures shown in 1996-97 are unreconciled)

Significant savings against the budget provisions occurred in the years 1993-94 to 1995-96 under OPP, NPDP and from 1993-94 to 1996-97 under ICDP. The shortfall in expenditure was mainly due to short procurement of farm implements, plant protection equipment, distribution of certified seeds to the farmers at subsidised cost, non-implementation of seed village programme and partial implementation of IPM demonstrations as discussed in succeeding paragraphs.

Out of the central assistance of Rs.313.12 lakh (including spill over fund of Rs.31.42 lakh) received under 4 programmes during the period from 1992-93 to 1996-97, Rs.50.79 lakh remained unutilised as of March 1997 as detailed below :

Central assistance of Rs.50.79 lakh remained unutilised due to shortfall in procurement and distribution of certified seeds.

	OPP	NPDP	ICDP	Minikit (Maize)	Total
	(Rupees in lakh)				
Unutilised fund of 1991-92	1.15	0.78	29.49	...	31.42
Funds received during 1992-93 to 1996-97	149.26	61.26	70.58	0.60	281.70
Total fund available	150.41	62.04	100.07	0.60	313.12
Expenditure incurred during 1992-93 to 1996-97	133.66	54.74	93.92	...	262.33
Unutilised balances as of March 1997	16.75	27.29	6.15	0.60	50.79

The non-utilisation was mainly due to release of central assistance of Rs.45 lakh^Ω at the end of March 1997 and shortfall in procurement and distribution of certified seeds under ICDP during 1996-97. The programme of Maize production had not been implemented so far.

3.1.7.1 *Diversion of funds*

Test check of records of the offices of Deputy Directors of Agriculture of West Tripura District, South Tripura District and North Tripura District and 9 Agri Sub-Divisions revealed that 110.87 tonnes of ground nut worth Rs.25.03 lakh and 42.40 tonnes of mustard seed worth Rs.8.99 lakh procured under the OPP had been utilised for implementation of other schemes like Agricultural Extension Services/training, Project for dryland/rainfed agriculture etc. during the period from 1992-93 to 1994-95 (details are given in **Appendix-5**). Similarly, Rs.8.25 lakh released by GOI in December 1993 for construction of godowns under OPP were diverted and utilised for other components of this scheme.

Seeds worth Rs.34.02 lakh were diverted to other State level schemes. Besides, Rs.8.25 lakh meant for construction of godown under OPP were also diverted to the other components of the scheme.
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3.1.7.2 *Irregular expenditure*

GOI approved two oilseed crops viz. : groundnut and mustard for cultivation under the OPP in the State. Test check of records of 2 district offices revealed that the DDAs had spent Rs.2.56 lakh for purchase of 8.18 tonnes of sesamum under the programme as detailed below :

Name of District	Year	Quantity purchased (in tonnes)	Expenditure (Rupees in lakh)
South Tripura	1994-95	1.48	0.38
	1996-97	1.20	0.58
North Tripura	1994-95	4.30	1.02
	1996-97	1.20	0.58
Total		8.18	2.56

Such expenditure was irregular as the sesamum crop was neither approved by GOI nor selected by the State Level Sanctioning Committee to be covered under the OPP in the State.

3.1.8 *Physical performance*

The component-wise physical targets and achievements under OPP, NPDP, ICDP and Minikit Programmes during the period from 1992-93 to 1996-97 are given in **Appendices-6,7,8 and 9** respectively. Important points in this regard have been discussed in detail in the succeeding paragraphs.

^Ω OPP : Rs.25.00 lakh, NPDP : Rs.20.00 lakh.

3.1.8.1 *Production of major crops*

As per records of the Department, the physical achievement in area coverage and production of major crops viz., rice, pulses and oilseeds against the targets fixed during the period from 1992-93 to 1996-97 in the State were as shown in **Appendix-10**.

It would be seen from Appendix-10 that the coverage of area under rice, pulses and oilseed cultivation fell short of targets by 11 to 21 *per cent*, 15 to 47 *per cent* and 20 to 34 *per cent* while production of major crops fell short of the targets by 14 to 31 *per cent*, 20 to 53 *per cent* and 26 to 39 *per cent* in respect of Rice,

Lack of irrigation facilities, adopting traditional method of cultivation and non-implementation of some components resulted in shortfall in production.

Pulses and Oil seeds respectively during the period from 1992-93 to 1995-96. The shortfall under pulses was as high as 47 and 53 in

respect of area as well as production during 1995-96. The shortfall was attributed to erratic and irregular rainfall leading to poor production and damage of substantial quantity of various crops. However, the review in audit disclosed that the shortfall was also due to lack of irrigation facilities and non-implementation/partial implementation of some components viz., seed village programme, IPM demonstrations, distribution of certified seeds, supply of improved farm implements etc., under OPP, NPDP and ICDP.

3.1.8.2 *Distribution of certified seeds*

The OPP and ICDP provided distribution of certified seeds of improved varieties to the farmers at subsidised cost at varied rates.

The targets and achievements of distribution of certified seeds under these programmes during the period from 1992-93 to 1996-97 as furnished by the department were as shown in **Appendix-11**.

It would be seen from the **Appendix-11** that there was a shortfall of 65 to 99 *per cent* against targets and the funds allocated remained unutilised to the extent of 86 *per cent* (Rs.29.89 lakh) during the period from 1992-93 to 1996-97.

Rs.29.89 lakh remained unutilised as poor farmers were unable to purchase certified seeds even at subsidised cost.

The DA stated (January 1997) that shortfall in achievement was due to poor economic condition of the farmers of the State who were not in a position to purchase seed even at subsidised cost. This only indicated that the scheme was poorly planned without taking into account the economic condition of the farmers and the ground realities existing in the State.

3.1.8.3 *Field demonstration*

Provision of field demonstration had been made under OPP, NPDP and ICDP for popularising the latest high yielding hybrid varieties of seeds and production technology amongst the farmers for increasing production of various crops.

Demonstrations held and assistance (inputs) provided for this purpose to the farmers under such programmes during the period from 1992-93 to 1996-97 were as follows :

Year	OPP		NPDP		ICDP	
	Demonstration held	Assistance provided	Demonstration held	Assistance provided	Demonstration held	Assistance provided
	(in hectare)	(Rupees in lakh)	(in hectare)	(Rupees in lakh)	(in acre)	(Rupees in lakh)
1992-93	3000(mustard)	22.40	264	4.68	-	-
1993-94	2000(mustard)	18.00	255	2.80	-	-
1994-95	2070(mustard)	18.63	455	5.00	40	0.80
1995-96	2070(mustard)	18.63	455	5.00	40	0.80
1996-97	1330(groundnut)	46.55	3482	31.95	80	1.60
Total	10470	124.21	4911	49.43	160	3.20

The Department did not fix year wise targets of number of small and marginal farmers to be benefited through demonstrations. No information was available with the DA regarding the total number of farmers on whose fields demonstrations were held and total number of farmers actually benefited from the demonstrations during the last five years. The DA also did not obtain the details of per hectare yield in the demonstration plots from the Extension Functionaries. Hence, the yield in fields covered by such demonstrations could not be compared with the average yield of the State.

The objective of popularising the latest varieties of seeds and production technology amongst the farmers through field demonstrations was not fulfilled though an expenditure of Rs.1.76 crore was incurred for this purpose.

Further no scientist from local research centre of the Department was involved during demonstrations for providing technological support to the farmers. The results of each demonstration were also not analysed, evaluated and given wide publicity through distribution of leaflets and other mass-communication media. The impact of demonstrations could not reach the greater portion of the farmers. Thus, popularising the latest varieties of seeds and production technology amongst the farmers through demonstrations was not carried out satisfactorily.

Test check of records of 9 Agri Sub-Divisions revealed that the Extension Functionaries had not maintained demonstration registers properly and in many cases such records were not maintained at all. Thus, the total number of demonstrations conducted under OPP and NPDP in

these Agri Sub-Divisions during the period from 1992-93 to 1996-97 could not be ascertained. In respect of Sub-Divisions test checked it was noticed that there was no production in 249 demonstration plots (cost Rs.0.65 lakh) out of 614 demonstrations under OPP and NPDP, while the average yield per hectare was 355 kilograms (Kgs) in 252 plots (oilseeds) and 211 Kgs in 113 plots (pulses) against State average yield of 720 kgs and 550 kgs per hectare respectively.

Further according to Superintendent of Agriculture, Matabari demonstrations were found to be unsuccessful mainly due to late receipt of inputs; improper selection of beneficiaries; delay in selection of beneficiaries; lack of irrigation facilities; and non-availability of plant protection chemicals in time. Thus, the expenditure of Rs.0.65 lakh incurred on 249 demonstration plots had become unproductive as there was no production in these plots.

3.1.8.4 Inspection of field demonstration

As per Departmental norms, every DDA (district level), SA and Agri-Sector Officer(ASO) was to inspect 10 *per cent*, 30 *per cent* and 75 *per cent* respectively of total number of demonstrations every year.

No officer maintained records of inspection during the last 5 years.
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It was, however, observed (January 1996) by the Government that the Inspecting Officers had not been inspecting the demonstration plots/field activities. As a result, there was an adverse effect on the field activities of the department. With a view to improving the position of field activity, a schedule of inspection prescribing the number of monthly field visits for each supervisory level functionary from district to sector level was set (January 1996) by the Department. According to the revised schedule of inspection, 2 demonstration plots were to be inspected by every DDA, 5 plots by every SA and 15 plots by every ASO per month. All Inspecting Officers were also required to submit inspection report every month to the DA.

Test check of records of 3 district offices and 9 Agri Sub-Divisions revealed that no officers maintained records in respect of inspection of field demonstrations during the last five years. In absence of any records in support of inspection of field demonstrations, it was not possible for audit to verify whether prescribed inspections were conducted at all.

Two DDAs (West Tripura and North Tripura) and 5 SAs (Jirania, Mohanpur, Matabari, Bagafa and Kumarghat) stated that they had inspected field demonstrations every year but formal records were not maintained. The officers also stated that they could not achieve the target of field demonstration due *inter-alia* to :

- attending several scheduled/unscheduled meetings every month and

conducting of physical verification/inspection of huge number of seed and fertilisers stores/sub-stores spread out district to circle level.

However, the Department stated (October 1997) that instructions had been issued to give special attention to demonstration plots.

3.1.8.5 Minikit demonstration

Based on a proposal of the DA sent in September 1993, the GOI sanctioned (November 1993) an additional programme under OPP for holding minikit demonstrations on mustard in 2000 hectares and on groundnut in 500 hectares at a cost of Rs.49 lakh. Each demonstration was to cover 0.2 hectare area and cost thereof was to be borne by the Department at the rate of Rs.1500 per hectare on mustard and Rs.3800 per hectare on groundnut. GOI released its share of Rs.36.75 lakh in December 1993. However, the State Government accorded administrative approval and expenditure sanction in March 1994 by reallocating the funds to 3 DDAs as under :

Name of DDAs	Fund allocated	Purpose
1. DDA, West Tripura	Rs.14.70 lakh	For organising minikit demonstration on mustard in 600 hectares and on groundnut in 150 hectares.
2. DDA, South Tripura	Rs.14.70 lakh	- do -
3. DDA, North Tripura	Rs.19.60 lakh	For organising minikit demonstration on mustard in 800 hectares and on groundnut in 200 hectares.
Total	Rs.49.00 lakh	

The physical and financial progress report for 1993-94 under OPP furnished by the DA to GOI (May 1994) showed that the entire fund of Rs.49 lakh was utilised by organising minikit demonstration on mustard in 2000 hectares and on groundnut in 500 hectares during 1993-94.

Scrutiny of records of the 3 DDAs, however, revealed as follows :

i) Out of Rs.14.70 lakh allocated to the DDA, West Tripura, Rs.4.96 lakh were utilised for conducting minikit demonstration on mustard in 331 hectares. Rs.5.04 lakh were diverted to State plan scheme and balance amount of Rs.4.70 lakh was not drawn and utilised during 1993-94.

ii) Of the funds of Rs.19.60 lakh allocated to DDA, North Tripura, Rs.2.43 lakh were utilised for organising minikit demonstration on mustard in 162 hectares and Rs.17.17 lakh were diverted for implementation of various State plan schemes such as Agricultural Extension Services, Farmers training, Drought Relief Programme etc., during 1993-94.

iii) Out of Rs.14.70 lakh allocated to DDA, South Tripura, Rs.0.90 lakh were utilised for conducting minikit demonstration on mustard in 60 hectares and Rs.13.80 lakh were not drawn and utilised due to short supply of mustard and groundnut seeds during 1993-94.

Thus, the Department failed to utilise funds to the extent of Rs.18.50 lakh; only a meagre amount (Rs.8.29 lakh) was utilised for demonstration purpose and the balance (Rs.22.21 lakh) was diverted to other schemes of the State. Further, against the actual achievements of coverage of 553 hectares at a cost of Rs.8.29 lakh, the department reported the achievements of 2500 hectares at a cost of Rs.49 lakh on minikit demonstration to GOI.

On this being pointed out in audit, the DA stated (October 1997) that due to late receipt of the programme from GOI seeds/funds were utilised under other State Schemes.

3.1.8.6 *Distribution of minikits*

Minikits and package of practices printed in regional language were contemplated to be supplied to the farmers at a nominal cost (roughly about 10 *per cent* of the cost of seed kit). These minikits would be used for conducting demonstrations on their fields. Only certified seeds of latest varieties were to be supplied through minikits.

Altogether 54629 seed kits worth Rs.51.80 lakh were distributed to the farmers under OPP, NPDP and Minikit Programme of wheat and coarse cereals during the period from 1992-93 to 1996-97. Year-wise and programme-wise details are given in **Appendix-12**.

The Department did not evolve any procedure for identification of beneficiaries in respect of distribution of minikits. In absence of any records in respect of selection of beneficiaries audit could not ascertain whether minikits were distributed to the eligible farmers.

Mustard minikits required to be distributed by 7th October every year were belatedly distributed (between November and January).
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As per Action Plan of the Department mustard seed was to be distributed to the farmers by the 7th of October every year. Test check of records of 9 Agri Sub-Divisions revealed that 11,117 minikits (mustard) worth Rs.4.45 lakh were distributed to the farmers between the month of November and January during the years 1993-94 to 1995-96. Package of practice in regional language was not supplied with the minikits. Field functionaries also did not maintain proper records whether the farmers had sown the seeds of minikits in their fields. Thus the department could not prove that expenditure of Rs.4.45 lakh on procurement of minikits was fruitful.

3.1.8.7 *IPM demonstration*

In order to promote integrated pest management approach, total funds of Rs.10.15 lakh were allocated under ICDP (Rs.9.72 lakh) and OPP (Rs.0.43 lakh) for organising 219 IPM demonstrations (ICDP : 180, OPP: 39) during the period from 1993-94 to 1996-97 against which

only 84 demonstrations (ICDP : 83, OPP: 1) were conducted at a cost of Rs.3.91 lakh (ICDP : Rs.3.90 lakh and OPP : Rs.0.01 lakh) during that period. Thus, there was a shortfall of 62 *per cent* in achievement of targets and funds allocated remained unutilised to the extent of 61 *per cent* (Rs.6.24 lakh) during the period from 1993-94 to 1996-97.

The DA stated (January 1997) that shortfall in achievement was due to non-availability of trained personnel in the State for conducting such demonstrations. However, GOI had arranged training programme for resource personnel on the subject in 1996-97.

3.1.8.8 *Distribution of improved farm implements*

To enable the farmers to develop their resources through improved farm implements and machinery, incentives (50 *per cent* of cost limited to Rs.1500 per implement per farmer) were provided on identified improved bullock drawn/manually operated farm implements under OPP, NPDP and ICDP.

(a) GOI sanctioned 780 farm implements (seed-cum-fertilizer drills, harvester of groundnut etc.) for distribution to the small and marginal farmers at subsidy of Rs.11.70 lakh during the period from 1993-94 to 1996-97 under OPP against which only 353

Hand Compressor sprayers (which do not fall under the category of farm implements) were distributed to the farmers at subsidy of Rs.2.33 lakh during 1995-96 and 1996-97. Thus, 780 small and marginal

780 small and marginal farmers were deprived of improved farm implements as the Department failed to procure them.
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farmers were deprived of the benefits of improved farm implements at subsidised cost and the expenditure of Rs.2.33 lakh incurred on 353 HC sprayers was irregular as it did not fall under the specified category of improved implements under OPP.

The DA stated (January 1997) that improved farm implements could not be distributed to the farmers as there was no agency in the State which could supply them and agencies of other States were also not interested in supply of such small quantity of implements due to transportation problems.

However, details of the agencies of other States which the Department contacted to purchase/procure such implements could not be produced to audit. Further, the Department did not take the unutilised funds in to account while formulating the scheme.

(b) GOI sanctioned 815 Paddy Thrashers (PTs) for distribution to the farmers at a cost of Rs.10.44 lakh during the period from 1993-94 to 1996-97 under ICDP against which 527 PTs (65 *per cent*) were distributed to the farmers at a cost of Rs.6.47 lakh during that period.

Reasons for shortfall in achievement were not stated to Audit.

3.1.8.9 *Distribution of power tiller*

Distribution of power tiller was a component under ICDP. Subsidy provided per power tiller was 25 per cent of cost limited to Rs.12,000. The rate of subsidy had been increased to 50 per cent of cost limited to Rs.30,000 per power tiller from 1996-97.

Against the target of 330 power tillers at subsidy of Rs.54 lakh, 349 power tillers were distributed to the farmers at a subsidy of Rs.56.28 lakh during the period from 1992-93 to 1996-97.

Excess expenditure of Rs.2.28 lakh was met by diverting funds from other components of the programme.

Although the SAs, Matabari and Bagafa reported to the DDA, South Tripura that 15 power tillers (Matabari : 10, Bagafa : 5) were distributed to the farmers during 1996-97 at subsidy of Rs.4.50 lakh (at the rate of Rs.30,000 per power tiller) it was seen from the records that the SAs had drawn subsidy amount in March 1997 and amount so drawn (Rs.4.50 lakh) was lying in their cash as of 31st March 1997. No records could be produced to audit in support of distribution of power tillers to the farmers (April 1997). Thus the expenditure reported in respect of the Sub Divisions was incorrect.

3.1.8.10 *Distribution of plant protection equipment*

The OPP, NPDP and ICDP provided distribution of plant protection equipment to the small and marginal farmers at subsidised cost. The rate of subsidy provided per equipment was Rs.600.

The targets and achievements of distribution of such equipment to the farmers under these programme during the period from 1992-93 to 1996-97 (excluding 1994-95 and 1995-96 when there was no provision for the purpose) as furnished by the Department were as follows :

Out of targeted 5679 small and marginal farmers, 4976 farmers were deprived of plant protection equipment despite funds being available.

Year	Programme	Physical		Shortfall (Percentage)	Financial	
		Targets	Achievement		Allocation	Expenditure
		(In number)			(Rs. in lakh)	
1992-93	NPDP	222	--	100	1.11	--
	ICDP	2500	342	86	15.00	1.45
1993-94	NPDP	125	--	100	1.00	--
	ICDP	2500	179	93	15.00	1.07
	OPP	117	--	100	0.70	--
1996-97	NPDP	125	92	26	1.00	0.55
	OPP	90	90	--	0.70	0.54
	TOTAL	5679	703		34.51	3.61

During 1992-93 and 1993-94 there was huge shortfall which ranged between 86 and 100 *per cent* and resulted in denial of benefits to 4943 farmers during that period despite availability of funds. The shortfall during 1996-97 was 26 *per cent* as only 182 farmers were covered against 215. The DA stated (October 1997) that equipment was distributed to the farmers as per their requisition. However, no records in respect of requisition received from the farmers justifying that shortfall was due to less receipt of requisition could be shown. The Department had taken steps to achieve the target by 1997-98.

3.1.8.11 *Seed village programme*

Under OPP and NPDP, GOI contemplated organisation of seed villages in each district for ensuring timely availability of seed and reducing the handling cost.

Total funds of Rs.4 lakh were allocated under OPP for organisation of seed villages for production of 2000 quintals certified seed (mustard) during the period from 1993-94 to 1996-97.

Rs.4 lakh allocated for seed village programme remained unutilised as Seed Certification agency in the State was not established.

But the programme was not implemented in the State. Thus, funds so allocated remained unutilised.

The DA stated (January 1997) that the programme could not be implemented as there was no seed certification agency in the State. He also stated that preparatory work had been done to establish seed certification agency in the State. However, even the tentative date by which it would be established had not been decided.

3.1.9 *Construction of oil seed godown*

Based on a proposal of the DA sent in September 1993, GOI sanctioned (November 1993) the construction of 3 oil seed godowns (one each for 3 districts) at a cost of Rs.11 lakh under OPP. Expenditure on the construction was to be shared between Central and State Governments in the ratio of 75:25. GOI released its share of Rs.8.25 lakh in December 1993. The works were scheduled to be completed by 31 March 1994. But, the Department did not take up the work on the ground that the funds allocated for the purpose were insufficient.

Central Share of Rs.8.25 lakh for construction of 3 godowns was utilised for implementation of other components of the programme.

The DA stated (January 1997) that as per opinion of engineers Rs.7 lakh to 8 lakh were required to construct one godown. The Department neither prepared any estimate for the work nor approached the GOI for further funds for this purpose.

The fund already released for the purpose was diverted and utilised for implementation of other components of the programme in subsequent years.

3.1.10 *Monitoring and evaluation*

Proper monitoring of the programmes was not undertaken at the State level as well as at the district level. Although regular monthly meetings were held in State to Sub-Divisional level offices, detailed guidelines and instructions for implementation of OPP were not issued (except IPM demonstration) to the Implementing Officers (SAs) on how to implement the programmes. As a result, Implementing Officers were deprived of working knowledge of the programmes. The nodal agency i.e. the DA did not obtain monthly inspection reports on field demonstration from the Inspecting Officers for assessing the position of field activities. The DA also did not furnish district-wise consolidated reports on results and impact of demonstrations conducted under OPP to GOI during the period from 1993-94 to 1995-96. The programmes implemented during the period from 1992-93 to 1996-97 were not evaluated by the Department or any other agency.

Director of Agriculture did not obtain monthly inspection reports on field demonstration from the Inspecting Officers on field activities.
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3.2 *Unfruitful expenditure on construction of building over a disputed site*

Para 4.21 read with 5.1 of CPWD Manual Vol.II requires that immediately on receipt of technical sanction, action is to be initiated for taking possession of the land acquired by the Government for the purpose, and preparation of draft notice inviting tenders taken in hand. This implied that construction of Government building should be taken up only on a land over which Government has a clear and undisputed title.

Test check (September 1996) of records of Executive Engineer, Department of Agriculture, Udaipur revealed that the work of sub hall/Auction Platform at Abhaynagar, Nalua (estimated cost Rs.2.72 lakh) was awarded (1 December 1990) to a contractor at a cost of Rs.6 lakh with stipulation to complete the work within 90 days from the date of handing over the site. The work was started on 29 November 1991 after the site was handed over that very day. The First Running Account Bill of the contractor was paid on 31 March 1992 for Rs.4.82 lakh. Besides, cement and GCI sheets valued at Rs.0.22 lakh and Rs.0.86 lakh respectively were also issued (between April 1992 to January 1994) from the departmental stores. No further progress of the work was available on record. Subsequently the contractor complained (January 1994) that the work had to be stopped by

Construction of a sub-hall at a disputed site resulted in an unfruitful expenditure of Rs.5.90 lakh.
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him due to dispute over the ownership of the land. The fact was confirmed (August 1996) by the Executive Engineer who further intimated (July 1997) that against a Court case filed by the land owner the matter was referred to an Arbitrator with whom the case was pending (November 1997).

Thus, due to taking up the work over a disputed site, the work had to be stopped after incurring expenditure of Rs.5.90 lakh without any fruitful results.

The matter was referred to Government in August 1997; reply had not been received (December 1997).

3.3 Loss in storage of fertilizers

As per norms, maximum permissible shortages in respect of handling fertilizers in Government Stores was 5 *per cent* in case of Urea and 2 *per cent* for other fertilisers.

Test-check (June 1996) of the records of Superintendent of Agriculture, Matabari, Udaipur revealed that during the period from 1992-93 to 1995-96, shortages of 62.3 tonnes of urea and 54.8 tonnes of other fertilizers were recorded in handling 2727 tonnes of Urea and 3200.4 tonnes of other fertilizers above the permissible shortages. This resulted in loss of Rs.4.86 lakh to the Government (Rs.1.94 lakh in respect of Urea and Rs.2.92 lakh in respect of others).

Director of Agriculture, while admitting the fact of abnormal shortages stated (May 1997) that the major part of the shortages occurred due to frequent handling of stores in transit from production out-let to down Sub-seed Stores at Panchayat level. The losses were also attributed to piecemeal distribution and poor storing facilities. The reply is, however, not tenable since the very allowance for loss upto the prescribed limit was aimed at covering all such handling losses.

Shortage of fertilizers in excess of the permissible limit resulted in loss of Rs.4.86 lakh.
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Moreover, nothing was spelt out as regards steps taken, if any, to minimise the losses.

The matter was referred to Government in August 1997; reply had not been received (December 1997).

ANIMAL RESOURCE DEVELOPMENT DEPARTMENT

3.4 Wasteful expenditure on construction and loss on fodder production in proposed Frozen Semen Complex, Dharmanagar

For establishing a Frozen Semen Complex and a live stock farm and fodder cultivation farm, 100 acres of khas land was allotted by Revenue Department to Animal Resource

Development Department at Dewanpasa under Dharmanagar Sub-Division in August 1985. Government accorded (March 1985) administrative approval for Rs.37.15 lakh for civil work in the complex. Rs.35.38 lakh were expended through Public Works Department on construction works and the buildings were handed over to the department between November 1987 and March 1988. Further expenditure of Rs.4.37 lakh was incurred by the department in 1987 for constructing 2 deep tube wells within the complex.

Test-check (March 1994 and February 1997) of records of the Deputy Director, Animal Resource Development Department, North Tripura revealed that the Semen Plant was not made functional till June 1995, when it was intimated to audit that Government had decided to shift the Plant-site from Dewanpasa to RK Nagar Farm Complex (adjacent to Agartala). Equipment procured at a cost of Rs.28.38 lakh during 1988-89 were also transferred to RK Nagar Farm. But as per departmental records there was no indication of creation of the proposed Live-stock Farm; nor were bulls purchased and all the buildings constructed at the Dewanpasa complex were lying vacant. The tube wells also could not be utilised due to non-availability of power supply in the complex. The Department, however, had posted one Assistant Director, one Stock-man and one Fodder Officer in the complex since August 1986 to supervise the work of State Rural Employment Programme(SREP) Workers engaged for clearing jungle, production of fodder etc., till the date of Audit (February 1997). Test-check revealed that an amount of Rs.0.23 lakh only was earned as revenue being sale-proceeds of fodder produced in the complex during the period from 1989-90 to 1996-97 (upto January 1997) against the expenditure to the tune of Rs.32.43 lakh incurred towards salaries and wages of the staff paid for the period from April 1989 to January 1997. In December 1996, the Department agreed to hand over 40 acres of vacant land in the complex to Industries Department.

Lack of proper planning resulted in infructuous expenditure of Rs.39.75 lakh, idle investment of Rs.28.38 lakh and a loss of Rs.32.20 lakh.

Thus, failure on the part of the Department to establish the Frozen Semen Complex as well as the Live-stock Farm at Dewanpasa resulted in infructuous expenditure of Rs.39.75 lakh on construction of building and tube wells, and idle investment of Rs.28.38 lakh on procurement of equipment. Besides, loss of Rs.32.20 lakh was sustained by the Department on production of fodder. The decision for shifting of the project elsewhere after lapse of 10 years and that too after incurring huge expenditure proved financially unsound and indicated lack of proper planning on the part of the Department.

While admitting the fact Government stated (December 1997) that production of Frozen Semen Doses could not be taken up as per the work programme for want of clearance from Government of India for procurement of essential machinery which was purely an 'imported' item. It was further intimated that Government did not consider the project economically viable because of availability of Frozen Semen doses from commercial as well as Government of India Undertakings at reasonable cost. Regarding the money expended on Civil Works, Government expected to get reimbursement from the Industries and Commerce Department to whom they had agreed to hand over the entire complex. In respect of SREP workers being rendered surplus, Government proposed to re-locate them for optimum utilisation. However, it was not spelt out as to why the economic viability of the project was not assessed before hand.

EDUCATION DEPARTMENT

3.5 Total Literacy Campaign Scheme

3.5.1 Introduction

Total Literacy Campaign (TLC) was a Central Plan Scheme for eradication of illiteracy in the age group of 06-35 years. The objective of the TLC was to achieve 80-85 *per cent* literacy in each of the target/focus group i.e. separately among women and men, scheduled castes and scheduled tribes by imparting functional literacy to all the illiterate persons in the above mentioned age-group.

In Tripura, the TLC programme was taken up in February 1994 with the object of making the State fully literate by December 1996 and accordingly separate Project Reports for 3 districts covering the entire State of Tripura were formulated to launch the TLC programme covering 6.19 lakh (projected) illiterate people in the age-group of 9-45 years as approved by the National Literacy Mission within the time span mentioned against each project indicated below :-

Name of district	Number of illiterate population in the age group of 9-45 years	Date of approval of the Project Report by the National Literacy Mission(NLM)	Target dates for completion
	(In lakh)		
1. West Tripura	2.30	March 1994	January 1994 to May 1995
2. South Tripura	2.89	March 1994	December 1993 to December 1994
3. North Tripura	1.00	December 1993	January 1994 to January 1995
Total	6.19		

Simultaneously, as indicated in the Project Report efforts were also to be made to enroll the illiterates in the age group of 6 to 9 (i.e. ages 7 and 8) in the Primary Schools. Subsequently a new District, Dhalai, was created in May 1995 out of the areas from the North and South Tripura District and a Committee was formed in December 1995 to implement the TLC programme in the new district with the share of grants received by the North and South Tripura District on behalf of the illiterate population of the newly created district.

3.5.2 Organisational set up

At the State level, Directorate of Social Welfare and Social Education under the Education Department was the nodal functionary for launching the Total Literacy Campaign programme. At the district level, the programme was implemented by the Zilla Saksharata Samiti (ZSS), a Non-Government Organisation registered under the Societies Act., under overall supervision and control of the District Magistrate and Collector. At the block level, the programme was implemented by the Block Development Officers (BDOs) through Block Saksharata Samities (BSSs) with the assistance of the Gaon Panchayats/ Village Panchayats. Committees constituted at the State, district and project levels oversaw the implementation of the programme.

Besides the above, a State Literacy Mission Authority (SLMA) was constituted in September 1994 with 24 members under the chairmanship of Chief Minister to review and monitor the implementation of the TLC programme.

3.5.3 Scope of Audit

Implementation of the programme was reviewed by Audit during April-July 1997, based on a test check of the records of the Directorate of Social Welfare and Social Education. Out of 4 ZSS, 3^{*} ZSSs, out of 27 BSS, 10[▼] BSSs and the State Resource Centre under Bharat Gyan Vigyan Samiti, Tripura were test checked. Important points noticed in course of review are mentioned in the succeeding paragraphs.

3.5.4 Highlights

- During the period from 1993-94 to 1996-97, against the admissible Central Share of Rs.296.67 lakh, Rs.222.45 lakh was released. Against the State Share of Rs.148.33 lakh,

^{*} 3 = Paschim Zilla Saksharata Samiti(PZSS), Dakshin Zilla Saksharata Samiti(DZSS), Uttar Zilla Saksharata Samiti(UZSS).

[▼] 10 = Melagarh Block, Bishalgarh Block, Jirania Block, Mohanpur Block, Matabari Block, Satchand Block, Bagafa Block, Kadamtala Block, Panisagar Block and Kumarghat Block.

Rs.134.94 lakh was released. Shortfall in release of funds by the Central Government and State Government was 25 per cent and 9 per cent respectively

(Paragraph 3.5.6.1)

- Rupees 5.45 lakh being the State share of TLC grant for the year 1994-95 retained by the DM and Collector, South Tripura was transferred to TLC Account in June 1997 at the instance of audit.

(Paragraph 3.5.6.1)

- The Project Report of DZSS duly approved by the NLM (GOI) was inflated by 1.06 lakh learners resulting in excess release of funds to the extent of Rs.34.39 lakh by the NLM and the State Government.

(Paragraph 3.5.6.2)

- Against the total outlay of Rs.3.64 crore an expenditure of Rs.2.44 crore was incurred under TLC programme during the period from 1993-94 to 1996-97 leaving an unspent balance of Rs.1.20 crore kept in fixed deposits (Rs.59.24 lakh) and Saving Bank Account (Rs.60.63 lakh).

(Paragraph 3.5.6.3)

- Against the target of 4.90 lakh learners, the actual achievement was 2.68 lakh learners this represented 55 per cent only of the target. There were dropouts of 0.84 lakh learners and 0.80 lakh learners were not even covered under TLC programme. The percentage achievements under the 4 groups viz. women, men, SC and ST ranged between 55 and 65 per cent of targets.

(Paragraph 3.5.8 and 3.5.8.1)

- Thirty thousand learners in Dhalai district were declared successful by the Department without evaluation by IIM, Calcutta and the number of successful learners were inflated by the ZSSs in North and South Tripura districts 1000 each due to incorrect compilation.

(Paragraph 3.5.8.1)

- For coverage of 0.55 lakh learners of North Tripura district, UZSSs incurred an excess expenditure of Rs.4 lakh during 1994-95 to 1996-97 under TLC programme over the prescribed ceiling of NLM.

(Paragraph 3.5.10.1)

- While 3 ZSSs purchased teaching and learning materials in Kokborak language at a cost of Rs.12.57 lakh for 2.30 lakh scheduled tribe learners only 0.14 lakh scheduled tribe learners opted to learn in Kokborak language making the expenditure of Rs.11.81 lakh for 2.16 lakh scheduled tribe learners wasteful.

(Paragraph 3.5.10.2(a))

- For purchase of 4.64 lakh Exercise Books and 2.21 lakh wooden pencils from the local market at a higher rate, the 3 ZSSs had incurred an extra avoidable expenditure of Rs.4.78 lakh.

(Paragraph 3.5.10.2(b))

- Three ZSSs purchased 1.45 lakh copies of Primer-I from local market at the rate of Rs.4.80 per copy instead of purchasing the same at the rate of Rs.3.70 per copy from M/S. Silpa Barta Printing Press Ltd. This had led to an extra avoidable expenditure of Rs.1.60 lakh.

(Paragraph 3.5.10.2(c))

- 15731 learners declared to have achieved NLM norm in final evaluation had not been supplied with the requisite primer (Bengali Primer-II and Kokborak Primer-III) during 1994-95 to 1996-97.

(Paragraph 3.5.10.5)

3.5.5 *Funding of the Scheme*

The cost of each project was borne by the Central and the State Governments in the ratio of 2:1. For districts under Tribal Sub-Plan areas, the ratio was 4:1 between the Central and the State Government. However, ZSSs did not prefer claims for higher allocation under Tribal Sub-Plan areas in their respective project reports, reasons for which were not furnished.

3.5.6 *Financial target and achievement*

3.5.6.1 *Financial outlay and release of fund*

The approved project cost *vis-a-vis* its share between the Central and the State Government, release of funds and its actual receipt by the Zilla Saksharata Samities(ZSSs) during the period from 1993-94 to 1996-97 were as under :-

Shortfall in release of funds.

Name of district/ ZSS	Approved Project cost	Central share 2/3 rd of the total project cost	Fund released by the Central Government and actually received by the ZSSs with percentage of release of its share	State share 1/3rd of the total project cost i.e. total budget	Funds released by the State Government	State share of grant actually received by the ZSSs with percentage of its share
<i>(In lakh of rupees)</i>						
1. West Tripura/ Paschim ZSS	161.73	107.82	80.85(75%)	53.91	50.37(93%)	38.89(72%)
2. South Tripura/ Dakshin ZSS	208.27	138.85	104.10(75%)	69.42	62.16(90%)	56.71(82%)
3. North Tripura/ Uttar ZSS	75.00	50.00	37.50(75%)	25.00	22.41(90%)	23.04(92%)
Total	445.00	296.67	222.45(75%)	148.33	134.94(91%)	118.64(80%)

Reasons for short release of funds by the Central Government(25 *per cent*) as well as State Government (9 *per cent*) could not be furnished by the Department (August 1997). It was however, noticed by Audit that this was due to non-receipt of utilisation certificates from the ZSSs in respect of previous grants.

The year-wise release of funds by the Central and the State Government and the variation between the release and actual receipt of State Government grant were as under :

Name of district/ZSSs	Year	Funds released by the Central Government	Funds released by the State Government to ZSSs	State share of funds actually received by the ZSSs	Difference (-) Short receipt (+) Excess receipt
<i>(In lakh of rupees)</i>					
1. West Tripura/ Paschim ZSS					
	1994-95	80.85	4.40	-	-
	1995-96	-	24.00	28.40	-
	1996-97	-	21.97	10.49	(-) 11.48
Total		80.85	50.37	38.89	(-) 11.48
2. South Tripura/ Dakshin ZSS					
	1994-95	104.10	5.45	-	(-) 5.45
	1995-96	-	30.88	30.88	-
	1996-97	-	25.83	25.83	-
Total		104.10	62.16	56.71	(-) 5.45
3. North Tripura/ Uttar ZSS	1993-94	37.50	0.10	0.10	-
	1994-95	-	2.46	13.58	-
	1995-96	-	11.12		
	1996-97	-	8.73	9.36	(+) 0.63
Total		37.50	22.41	23.04	(+) 0.63
Grand Total		222.45	134.94	118.64	(-) 16.60

In West Tripura District, against release of Rs.21.97 lakh by the State Government in 1996-97, an amount of Rs.10.49 lakh only was actually received by the Paschim ZSS during that year. The balance amount of Rs.11.48 lakh was however, not drawn due to non-receipt of sanction, leading to lapsing of the grants.

An amount of Rs.5.45 lakh was released by the State Government to South Tripura District in 1994-95. Though the amount was drawn by the DM and Collector on 7 March 1995 but it was not placed with the DZSS as of May 1997. The records revealed that out Rs.5.45 lakh drawn, an amount of Rs.4.68 lakh was invested (23 June 1995) by the DM and Collector in term deposits with the Tripura Gramin Bank, Udaipur branch instead of crediting to the account of the DZSS. Of the balance of Rs.0.77 lakh, Rs.15,874 was spent for TLC programme upto March 1997 and Rs.61,126 irregularly utilised towards contingent expenditure of the DM and Collector which was later refunded to TLC account in June 1997 at the instance of Audit. The DM and Collector, South Tripura also transferred Rs.5.60 lakh including interest of Rs.0.92 lakh to DZSS in June 1997 at the instance of Audit (June 1997).

State share of fund was not fully released by State Government to the ZSSs.

3.5.6.2 Approval of project on inflated number of learners

Government of India, Ministry of Human Resource Development, Department of Education sanctioned the project cost of South Tripura district to the tune of Rs.208.27 lakh for the inflated 2.89 lakh illiterate population in the age group of 9-45 years whereas survey conducted by DZSS in January 1995 under TLC programme identified 1.83 lakh illiterates only. Thus, the number of beneficiaries shown in the Project Report was inflated by 1.06 lakh¹.

As per NLM norm, the project cost for 1.83 lakh learners was Rs.131.87 lakh. Against this, funds of Rs.166.26 lakh (Rs.104.10 lakh by NLM and Rs.62.16 lakh by State Government) had already been released during 1994-95 to 1996-97. Due to inflated number of 1.06 lakh learners in the Project Report, the project cost also went up by Rs.76.40 lakh². This resulted in excess release of funds to the extent of Rs.34.39 lakh³. The excess funds released remained unspent with the DZSS.

¹ Rs.2.89 lakh - Rs.1.83 lakh = Rs.1.06 lakh.

² Rs.208.27 lakh - Rs.131.87 lakh = Rs.76.40 lakh.

³ Rs.166.26 lakh - Rs.131.87 lakh = Rs.34.39 lakh.

The variation in the size of illiterate population was attributed (June 1996) by the DM and Collector (South) to survey conducted by the untrained officials and non-inclusion of three blocks (Amarpur, Karbook and Rajnagar) in the survey - coverage. The contention was, however, not acceptable to Audit as it was not explained as to why survey was not conducted in these three blocks and why the excess funds had not been refunded back to the Government of India.

3.5.6.3 Total outlay and actual expenditure

Against the total outlay of Rs.3.64 crore an expenditure of Rs.2.44 crore was incurred under TLC programme during the period from 1993-94 to 1996-97 leaving an unspent balance of Rs.1.20 crore in fixed deposits; (Rs.59.24 lakh⁴) and Savings Bank Accounts; (Rs.60.63 lakh⁵) as indicated in **Appendix-13**.

The amount remaining unspent was attributed by the Department to slow progress in implementation of the projects due to frequent elections in the State and delay in releasing the staff deputed for TLC programme by the parent departments.

Scrutiny of Monthly Reports showed that receipts and expenditure in respect of the UZSS were not reported correctly. In the monthly progress report for the month of March 1997, the fund released by the State Government upto March 1997 was shown as Rs.84 lakh against the actual release of Rs.22.41 lakh. This happened due to wrong booking of the expenditure of Rs.61.59 lakh on account of the pay and allowances of staff brought on deputation to TLC from other departments as receipt of State share of grant. Accounts of UZSS have not yet been finalised and furnished to audit (July 1997).

Wrong reporting of receipts from State Government.
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Similarly against the actual expenditure of Rs.49.70 lakh up to the end of March 1997, expenditure of Rs.105.16 lakh was reported to the Director of Social Welfare and Social Education, Government of Tripura while Rs.49.05 lakh was reported to the Directorate of Adult Education, Government of India, New Delhi by the UZSS through Monthly Progress Reports for the month of March 1997. This indicates that checks were not exercised either at district level or the State level office.

Wrong reporting of expenditure.

3.5.7 Survey and identification of learner

Wide variation was noticed between the number of illiterates (belonging to the age group of 9-45 years) projected to be covered under the scheme and number of illiterates surveyed. While

⁴ PZSS : Rs.19.24 lakh, DZSS : Rs.30 lakh, UZSS : Rs.10.00 lakh.

⁵ PZSS : Rs.7.39 lakh, DZSS : Rs.47.29 lakh, UZSS : Rs.5.95 lakh.

as per the Project Reports for the TLC, 6.19 lakh[§] illiterates were projected to be covered under the scheme, only 4.90 lakh[¶] such people were identified during the survey conducted by the Department to be brought under the benefits of the scheme.

This variation has resulted in release of excess funds, as discussed in para 3.5.6.2. Conduct of survey in South Tripura covering illiterates in the age group of 6-45 years instead of 9-45 years as envisaged in the scheme, contributed substantially to this variation.

Test check of the records of Panisagar Block under North Tripura District revealed that 6244 persons were identified under TLC programme whereas the UZSS recorded 7676 persons as identified to be brought under TLC Programme against that block. As a result, number of beneficiaries identified in North Tripura District was inflated by 1432 learners.

3.5.8 Physical Targets and achievements

The year-wise targets for bringing the illiterate population in the age-group of 9-45 years under TLC programme were not fixed and annual achievements were also not recorded. Instead, cumulative achievements for each project were recorded against the number of illiterates identified i.e. targets. The target for TLC was to bring all the identified 4.90 lakh persons under the literacy programme. Against the target of 4.90 lakh learners, 4.10 lakh learners only were enrolled under TLC programme and 0.80 lakh learners which constituted 16 per cent of the total identified learners were deprived of the benefits under the scheme. Reasons for non-enrolment of 0.80 lakh learners were not furnished by the Department. Against enrolment of 4.10 lakh learners, evaluation was made in respect of 3.26 lakh for achieving the National Literacy Mission norm and 3 lakh were declared successful upto the end of March 1997 which represented 73 per cent of the total enrolment as reported by the District Literacy Societies/ ZSSs. Since 1.64 lakh (4.90 lakh - 3.26 lakh) identified learners could not be brought under TLC scheme, it was apparent that no steps were taken to adjust the scheme to suit the beneficiaries. The dropouts of 0.84 lakh learners represented 20 per cent of the total enrolment. Minutes of the meeting of State Literacy Mission Authority (SLMA) held on 5 August 1996, indicated that

Learners not covered under TLC programme.

Dropout among learners numbered 0.84 lakh or 20 per cent of enrolled.

[§] Number of illiterateates (9-45 years) as per Project Report was 2.30 lakh in West district, 2.89 lakh in South district and 1.00 lakh in North district.

[¶] Number of illiterates (9-45 years) as per Survey Report was 2.16 lakh in West district, 1.83 lakh in South district and 0.91 lakh in North district. Figures of South Tripura and North Tripura included 0.36 lakh and 0.22 lakh for Dhalai district.

reasons for dropouts were lack of motivation, engagement in agricultural operation during harvesting and plucking seasons in tea garden areas, migration of villagers for livelihood etc. The overall achievement against the target worked out to 61 per cent as shown below :

Name of district	Number of illiterates identified, i.e. target	Number of learners enrolled	Number of learners remained uncovered/unenrolled	Number of learners appeared in final evaluation	Dropout of learners	Number of learners achieved NLM norm	Percentage of achievement against the target
(Figures in lakh)							
1. West Tripura	2.16	1.86	0.30	1.43	0.43	1.38	64
2. South Tripura	1.47	1.32	0.15	1.13	0.19	0.97	66
3. North Tripura	0.69	0.55	0.14	0.38	0.17	0.35	51
4. Dhalai	0.58	0.37	0.21	0.32	0.05	0.30	52
Total	4.90	4.10	0.80	3.26	0.84	3.00	61

Number of successful learners was, however, inflated by 0.32 lakh as discussed in succeeding para and as such actual number of successful learners was 2.68 lakh which represented 55 per cent of the target fixed.

Actual achievement was 55 per cent against the target.

3.5.8.1 Exhibition of inflated number of successful learners :

As per TLC guidelines the learners could not be declared successful unless their external evaluation was carried out by the Indian Institute of Management (IIM), Calcutta at the instance of the State Government, Directorate of Social Welfare and Social Education. Scrutiny of the records revealed that 0.30 lakh learners of Dhalai District were declared successful as of March 1997 on the basis of concurrent evaluation conducted by an Evaluation Sub-Committee constituted by the State Government. But since external evaluation was yet to be carried out by the IIM Calcutta, declaration of 0.30 lakh learners as successful in Dhalai District by the State Sub-Committee was in contravention of the TLC guidelines.

Learners declared successful without conducting external evaluation.

The number of successful learners was incorrectly reported by the Uttar Zilla Saksharata Samiti. As per records of the Kadamtala and Panisagar blocks, the number of successful learners was 9093 and 5191 respectively whereas the number of learners declared successful against these blocks was shown as 9510 and 5298 respectively by the Uttar Zilla Saksharata Samiti. Thus, number of successful learners in North Tripura District was inflated by 524 learners.

Learners declared successful on the basis of incorrect statistical data.

Scrutiny of the records of the South Tripura district also revealed that as against the enrolment of 14248 ST learners in Amarpur Block, the number of successful learners were shown as 15,196. As a result the number of successful learners was inflated by 948 number.

In all, the number of successful learners was inflated by 0.32 lakh (0.30 + 0.01 + 0.01) in Dhalai, North Tripura and South Tripura Districts.

The achievements against the target groups i.e. women, men, scheduled castes and scheduled tribes were 65, 56, 64 and 55 *per cent* respectively as detailed in **Appendix-14**.

Non completion of projects resulted in poor achievement in literacy of members in target groups ranging from 55 *per cent* to 65 *per cent* against the target of 80 *per cent* to 85 *per cent* as envisaged in the guidelines of the TLC scheme.

3.5.9 Delay in implementation of the projects

Although the time schedule for completion of the projects was upto May 1995, there was inordinate delay in commencement of teaching and learning operations which actually started from January 1995 and as such none of the project could be completed within the stipulated time. However, extension of time for completion of the projects was granted by the National Literacy Mission (NLM) upto December 1996. Even then none of the projects could be completed (June 1997). Delay in completion of the projects was attributed by the department to frequent elections in the State, non-release of deputed staff by their parent departments, lack of people's participation, frequent dropouts among Voluntary Trainers (VTs) and shortage of VTs and Master Trainers (MTs). The TLC programme was totally closed down at the end of March 1997 and preparatory work for Post Literacy Campaign (PLC) was started though the projects were not approved by the NLM (June 1997).

3.5.10 Other points

3.5.10.1 Excess expenditure over the approved cost of TLC learners

An outlay of Rs.75 lakh was approved by the NLM under TLC programme for coverage of one lakh learners in the North Tripura district. The cost per learner was thus fixed at Rs.75 only. For coverage of 0.55 lakh enrolled learners the Uttar Zilla Saksharata Samiti (UZSS) had spent Rs.45.25 lakh^{*} during 1994-95 to 1996-97, giving the cost per learner at Rs.82.27 which exceeded the prescribed ceiling by Rs.7.27. Thus, for coverage of 0.55 lakh learners the UZSS had spent an

^{*} Total expenditure vide Annexure-A Rs.49.70 lakh - Rs.4.45 lakh paid to Dhalai district.

excess expenditure of Rs.4 lakh beyond the prescribed ceiling. Reasons for excess expenditure were not stated by the UZSS.

3.5.10.2 Wasteful expenditure on purchase of teaching and learning materials

(a) The Zilla Saksharata Samities (ZSSs) conducted (between October 1994 and July 1995) house to house survey to identify the illiterates in the age-group of 9-45 years and also to classify them in terms of mother tongue to formulate a perspective plan for centralised procurement of teaching and learning materials in different languages.

Prior to completion of house to house survey, the State Literacy Mission Authority (SLMA) decided (July 1994) to teach 2.30 lakh[♥] scheduled tribes learners in Kokborak language and accordingly teaching and learning materials worth Rs.10.44 lakh[▲] were procured by the concerned ZSSs between August and December 1994 from M/S Silpa Barta Printing Press, a Government of West Bengal Undertaking. Primers in Kokborak language valued at Rs.2.13 lakh[♦] were also printed by the ZSSs at the local printing press during the period from 1995-96 to 1996-97 for distribution among the Scheduled Tribe learners.

Scrutiny of records disclosed that out of 2.30 lakh identified Scheduled Tribe learners, only 0.14 lakh learners preferred to learn in Kokborak language. Hence materials worth Rs.11.81 lakh including primers in Kokborak language purchased for 2.16 lakh Scheduled Tribe learners became a waste.

Wasteful expenditure of Rs.11.81 lakh on the purchase of teaching and learning materials for Kokborak learners.

(b) Avoidable extra expenditure on procurement of materials

With a view to providing teaching and learning materials to each learner under TLC programme, the State Literacy Mission Authority, based on the approved project reports of all the three ZSSs, procured 6 lakh Exercise Books of 64 pages and 6 lakh Wooden Pencils from M/S. Silpa Barta Printing Press Ltd., a Government of West Bengal Undertaking at a cost of Rs.13.41 lakh between August and December 1994. Estimate was not prepared before making the purchase. The rate of Exercise Book and Wooden Pencil of M/S. Silpa Barta Printing Press, Calcutta was Rs.1.53 per copy and Re.0.62 each pencil respectively plus carrying charges.

♥ PZSS - 1.00 lakh, DZSS - 0.80 lakh and UZSS - 0.50 lakh.

▲ PZSS - Rs.4.54 lakh, DZSS - Rs.3.65 lakh and UZSS - Rs.2.25 lakh.

♦ PZSS - Rs.1.84 lakh and UZSS - Rs.0.29 lakh.

As per guidelines of the scheme each learner was to be supplied by the ZSSs with one slate and two pieces of chalk. Instead the learners were actually provided with one additional copy of Exercise Book and an extra Wooden Pencil. No authority in support of the above change was made available to Audit. All the 3 ZSSs purchased additional quantity of 4.64 lakh Exercise Books of 64 pages each and 2.21 lakh Wooden Pencils from a single local firm in each district at a higher rate than that of M/S. Silpa Barta Printing Press, Calcutta varying from Rs.2.10 to Rs.3.50 per copy of Exercise Book and the Wooden pencils at the rate varying from Re.0.93 to Rs.1.10 each from the local markets without observing codal provisions.

Had proper planning for procurement of entire quantities of Exercise Books and Wooden Pencils from the Government of West Bengal Undertaking been made, the ZSSs could have avoided an extra expenditure of Rs.4.78 lakh^Ω against those purchases.

Extra	avoidable
expenditure	of
Rs.4.78 lakh.	

The DM and Collector, North Tripura stated (August 1997) that there was shortage of Exercise Books due to coverage of learners of the newly created Dhalai District. In view of urgency it was felt necessary to purchase Exercise Books from the local market as per resolution of the District Executive Committee. M/s. Silpa Barta Printing Press, Calcutta was contacted over telephone and they expressed their inability to carry out the supply. The reply is however not tenable since the number of learners in Dhalai district was already included in the total number of learners identified in the State.

DM and Collector, North Tripura, however, did not state the reasons for non-observance of codal formalities (i.e. invitation of tender etc.) and making purchase from a single firm without verifying the rates of other firms.

(c) Extra expenditure on splitting of orders for purchase of books in Bengali language

While the financial rules provide for making purchase in the most economical manner in accordance with the definite requirements of public service. Test check of the records further revealed that the State Literacy Mission Authority (SLMA) purchased 3.30 lakh copies of Primer-I, (Saksharata Pratham Path) in Bengali language between August and December 1994 @Rs.3.70 per copy from M/S. Silpa Barta Printing Press Ltd., Calcutta, a Government of West Bengal Undertaking without ascertaining the actual requirement. As a result ZSSs, (PZSS, DZSS and UZSS) had to purchase 1.45 lakh copies of the same book at a higher rate of Rs.4.80 per copy

^Ω PZSS - Rs.1.52 lakh, DZSS - Rs.1.46 lakh and UZSS - Rs.1.80 lakh.

from the local markets during the period from July 1995 to November 1996 leading to an extra expenditure of Rs.1.60 lakh^β.

The DM and Collector, North Tripura, Vice President of UZSS stated (August 1997) that in view of the inability conveyed over phone by M/S Silpa Barta Printing Press, Calcutta, purchases had to be made locally.

The reply of the DM and Collector, North Tripura is not tenable because the ZSSs did not assess the requirement of books correctly in 1994 and if this had been done properly, the entire requirement of books could have been purchased from M/S Silpa Barta Printing Press, Calcutta at their quoted rate of Rs.3.70 per copy to avoid an extra cost of Rs.1.60 lakh. Replies from PZSS and DZSS were not received (August 1997).

3.5.10.3 *Diversion of funds*

Test check of the records revealed that the DM and Collector, South Tripura District incurred an expenditure of Rs.1.37 lakh out of the TLC funds for procurement of Electronic Duplicating Machine (Rs.0.54 lakh), cordless telephone (Rs.0.05 lakh), furniture and conference table (Rs.0.78 lakh) for the Conference Hall of his office during the period from 1994-95 to 1996-97 though there was no scope/provision for purchase of those articles out of TLC funds in the Project Report.

Diversion of fund for procurement of telephone, conference table, electronic machine etc.

In reply to an audit query, the Joint Convenor of DZSS stated (June 1997) that the articles were required for TLC purpose and hence these were purchased with the approval of the Chairman, DZSS. The reply of the Joint Convenor DZSS is not convincing as there was no provision for purchase of those articles in the TLC guidelines nor in the Project Report nor in the minutes of discussions held in TLC meetings.

3.5.10.4 *Outstanding interest on Fixed Deposits*

The records disclosed that the Dakshin Zilla Saksharata Samiti (DZSS) invested Rs.30 lakh, being the unspent balance of TLC funds with the banks on Fixed Deposits at 10 *per cent* annual interest as per details given below :-

^β PZSS - Rs.0.55 lakh; DZSS - Rs.0.61 lakh and UZSS - Rs.0.44 lakh.

Name of Bank	Amount invested	Date of investment
	(Rupees in lakh)	
1. UBI, Udaipur Branch	7.00	24-1-95
2. Tripura Gramin Bank, Udaipur Branch	15.00	24-1-95
3. Tripura State Co-operative Bank, Udaipur Branch	8.00	28-1-95
Total	30.00	

Although the Fixed Deposits were renewed from time, to time the interest due thereon as of March 1997 amounting to Rs.6.50 lakh was neither realised nor re-invested (June 1997) by the DZSS resulting in less exhibition of interest in the annual accounts.

3.5.10.5 *Non-supply of primers*

According to the programme, every learner should be provided with a set of primer designed in Integrated Pace and Contract of Learning (IPCL) method along with other learning materials. Test check of the records revealed that 15,731 learners (PZSS : 6714, DZSS : 5304 and DZSS : 3713) who were declared to have achieved NLM norm in final evaluation had not been supplied with the requisite primer (Bengali Primer-II - 11,122 learners and Kokborak Primer-III - 4609 learners) during the period from 1994-95 to 1996-97.

It was stated by the Department that when the campaign was launched in full swing, each and every learners could not be provided with a set of primers due to delay in supply of primers. Hence learners had to share their primers and that was a temporary phenomenon in some centres only.

The reply of the Department is not convincing as there were 45,980 copies of Primer-II in stock during October 1996 to March 1997 but the copies were not distributed to the learners, the specific reasons for which were not furnished to Audit (July 1997).

3.5.10.6 *Non-disclosure of bank interest in the monthly progress reports*

The records revealed that bank interest of Rs.22.30 lakh⁹¹ received by the ZSSs on Fixed Deposits as well as on Savings Bank Deposits during the period from 1994-95 to 1996-97 was not shown in the monthly progress reports. Non-disclosure of such a huge amount of bank interest the actual financial position of the ZSSs was not reflected in the Monthly Progress Reports on the basis of which funds were to be released to the ZSSs by the NLM and State Government. As a

⁹¹ PZSS : Rs.10.23 lakh, DZSS : Rs.7.31 lakh and UZSS : Rs.4.76 lakh.

result the possibility of excess release of funds by the NLM/State Government beyond approved project cost can not be ruled at.

3.5.11 Monitoring and evaluation

Against the prescribed 10 quarterly State level meetings, only 4 meetings were held in September 1994, August 1996, November 1996 and February 1997 by the SLMA during the period from September 1994 to March 1997. Reports and returns were not sent timely by the district and block offices. Monthly Progress Reports on the performance of the TLC from January 1997 onwards were not sent to the NLM by the Directorate of Social Welfare and Social Education. In the absence of effective monitoring and control mechanism including timely co-ordination at all levels, proper evaluation of the activities under the programme was not possible nor was any attempt made by the nodal agency or by the IIM, Calcutta to evaluate the progress of achievement.

Although, the Indian Institute of Management (IIM) was entrusted with the task of external evaluation of learners and was paid Rs.3.75 lakh in 1994-95, the IIM did not furnish any comprehensive report to the SLMA & ZSSs on the performance so far, of TLC projects in any of the districts.

In the absence of external evaluation of the State report by the IIM the impact of TLC (P) could not be ascertained in the right perspectives.

3.5.12 Post Literacy Campaign (PLC)

The scheme envisaged launching of PLC as a sequel to the TLC but due to partial implementation of the TLC in the State and non-finalisation of the Project Report by the NLM till June 1997, the Post Literacy Campaign could not take off. As a result, 1.15 lakh learners were deprived of having the benefits of the scheme and becoming literate.

The matter was reported to Government (September 1997); reply had not been received (December 1997).

3.6 Unauthorised purchases resulting in excess avoidable expenditure

As per Delegation of Financial Power Rules, Tripura, 1994 (as corrected upto 1.2.95) rates and terms of contract in respect of purchase of stores beyond Rs.1.50 lakh should be recommended and approved by Higher Purchase Committee (HPC) to be constituted by the Department for the purpose.

Inspector of Schools (IS) Dharmanagar issued (May 1995) Notice Inviting Tender (NIT) for supply of furniture for the year 1995-96. Out of 7 (seven) tenderers, Firm 'A' quoted the lowest rate of Rs.110, Rs.280 and Rs.280 each for Armless chair, Joint Bench and Class Table respectively, excluding Sales Tax to be charged separately. But instead of recommending this lowest rate for acceptance by the higher authority, IS Dharmanagar cancelled (August 1995) the tender citing, as an authority, the decision dated 18 August 1995 of the Block Level Standing Committee that furniture should be purchased through Primary Apex Co-operative Societies (PACs) at approved rates of the Department. Subsequently, he issued (September 1995) supply orders to 6 PACs of Dharmanagar Sub-Division at a much higher rate of Rs.265, Rs.440 and Rs.400 each for the above three items respectively with Sales Tax to be charged in addition. None of the PACs was a tenderer on the previous occasion and the rate agreed to was the rate of one of the PACs for the previous year (1994-95) which had no approval whatsoever from any departmental authority. A total payment of Rs.3.90 lakh was made (March 1996) by IS Dharmanagar to the 6 PACs towards cost of 120 Armless Chairs, 600 Joint Benches and 108 Class Tables supplied in November 1995, whereas these would have cost Rs.2.43 lakh only had the purchase been made from Firm A at the lowest quoted rate. Director of School Education categorically rejected (March 1996) the proposal of the higher rate for 1995-96 when IS Dharmanagar had sent the same to him for acceptance, saying that the deal violated "all norms of purchase".

Thus, there was unauthorised purchase of furniture valued at Rs.3.90 lakh resulting in excess avoidable expenditure of Rs.1.47 lakh.

The matter was referred to Government in September 1997; reply had not been received (December 1997).

3.7 Excess payment of House Rent Allowance

On the recommendation of the Third Tripura Pay Commission, the Government in the Finance Department issued order (September 1988) in partial supersession of their earlier order dated 23 March 1985, according to which employees of the Government of Tripura were entitled to House Rent Allowance (HRA) at the following rates from 1 September 1988 :-

(i) For areas within Agartala Municipality	10 <i>per cent</i> of basic pay in the revised scale	Subject to a minimum of Rs.120 and maximum of Rs.350 per month
(ii) For areas outside Agartala Municipality	10 <i>per cent</i> of basic pay in the revised scale	Subject to a minimum of Rs.100 and maximum of Rs.300 per month.

It was, however, noticed (April 1997) in audit that in contravention of the above instructions the Principal, Ramthakur College, Badharghat had allowed HRA to 42 employees (29 teaching staff including the Principal and 13 office staff) at the rates applicable for areas within Agartala Municipality although the college was not situated within Agartala Municipality area. This resulted in an excess payment of HRA to the tune of Rs.1.54 lakh for the period from September 1988 to March 1997. Neither was any step to recover the excess payment taken nor was the payment of house rent allowance at higher rate discontinued as of July 1997.

The matter was reported to Government (July 1997); reply had not been received (December 1997).

3.8 Avoidable expenditure due to delay in discontinuing Mid-day Meal Programme

Mid-day Meal (MDM) Programme, a State Scheme for providing mid-day-meal to primary school children, was being implemented uninterruptedly throughout the State since March 1980 till introduction of the new Central Scheme viz. National Programme for Nutritional Support to Primary Education (NPNSPE) in the State with effect from 15 August 1995. As per Government of India's guidelines dated 3 August 1995, the purpose of the new scheme was to bring about qualitative change in primary education by "increasing enrolments, retention and attendance and simultaneously impacting on nutrition of students in primary classes". The old MDM Programme was also intended to raise the nutritional standard of the students of age group of 6 to 11 attracting more students to schools particularly from the poorer sections of the population which would improve general attendance and prevent drop-outs. The two schemes were thus aimed at identical objectives and the situation naturally demanded immediate discontinuation of the old MDM Scheme. The State Government, however, decided (October 1995) to discontinue the MDM Programme from 1 November 1995 instead of 15 August 1995 without specifying any reasons for such delay and allowed the Implementing Agencies to incur expenditure on both the schemes simultaneously during the period from 15 August 1995 to 31 October 1995. Thus, there was overlapping of expenditure on the same group of beneficiaries under the identical schemes.

Test check (August 1996 to May 1997) of records of 5(five) Inspector of schools revealed that a total expenditure of Rs.21.31 lakh (Sonamura : Rs.4.70 lakh; Belonia : Rs.3.96 lakh; Udaipur : Rs.4.99 lakh; Kailashahar : Rs.4.54 lakh and Teliamura : Rs.3.12 lakh) had been incurred by them towards the old and continued MDM Programme between 15 August 1995 and

Delay in discontinuance of Mid-day Meal Programme had resulted in avoidable expenditure of Rs.21.31 lakh.
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31 October 1995, while the new scheme of NPNSPE was fully implemented during the same period by these offices. Scrutiny of records in respect of three of the above five Inspectorates however, revealed that a total expenditure of Rs.23.13 lakh was also incurred under the scheme of NPNSPE.

The decision to continue the Mid-day Meal Programme for 2 and a half months after introduction of NPNSPE thus proved financially imprudent and the delay in discontinuing the same resulted in an avoidable expenditure of Rs.21.31 lakh.

Government stated (September 1997) that the delay in discontinuation of the old scheme was due to time taken for completing the urgent and most necessary steps before introduction of the new scheme. The reply is not tenable since on test-check, three Inspectorate of Schools were found to have implemented the new scheme simultaneously with the old scheme prior to its discontinuance.

FOOD AND CIVIL SUPPLIES DEPARTMENT

3.9 Loss due to irregular adjustment of shortages of foodgrains

Director of Food and Civil Supplies had issued (March 1989 - August 1996) instructions to all Sub-Divisional Controllers to ensure maintenance of Bin Cards and Bin Card Registers separately for each stack of foodgrains and to prepare Stock Adjustment Voucher (SAV) for adjustment of shortages/excesses found in physical verification of store depicting clearly therein, *inter alia*, the percentage of shortage, the period of storage of the stock involved and the specific cause of such shortage. In the absence of above records it was hardly possible to ascertain the actual percentage of shortage that occurred during a particular period. As per norms, shortages not exceeding 0.5 *per cent* were acceptable if the particular consignment had remained in store for a period not less than one year. Controlling Officers were further directed to forward SAVs to the Directorate after satisfying themselves about the genuineness of the entries recorded therein.

Test check (April 1997) of the records of Officer-in-charge, Central Stores, Arundhutinagar revealed that the above guidelines were not adhered to by seven Store-keepers responsible for storage and distribution of foodgrains under Public Distribution System

Due to non-adherence of the guidelines and non-maintenance of prescribed records, the Department sustained a loss of Rs.96.47 lakh.

(PDS). It was seen that Bin Cards/Registers were not maintained and SAVs were prepared and accepted as a routine matter adjusting the entire shortages booked between January 1993 and

August 1996, valued at Rs.96.47 lakh, without ascertaining the actual percentage of shortage and the period of storage. These procedural lapses led to undue and unauthorised adjustment of shortage of foodgrains resulting in loss of Government money amounting to Rs.96.47 lakh. In a joint meeting held at the instance of Chief Secretary in August 1996 to review the procedure for allowing shortages in food storage godowns, it was observed that the duration of PDS foodgrains in any particular stock in the godown normally did not go beyond few weeks or months. Therefore, even the permissible shortage of 0.5 *per cent* was not admissible.

Thus, due to non-observance of the prescribed procedure for maintaining store accounts and books properly, Government had to sustain financial loss of Rs.96.47 lakh.

The matter was referred to Government in August 1997; reply had not been received (December 1997).

HOME, PUBLIC WORKS AND SECRETARIAT ADMINISTRATION DEPARTMENTS

3.10 Sanction, procurement and utilisation of various types of vehicles in Government departments

3.10.1 Introduction

Vehicles play an important role in implementation and co-ordination of various functions and programmes of the State Government. In order to cope with growing socio-economic development activities of the departments, Government provides vehicles to the officers at different levels to improve their mobility so as to enable them to discharge their duties efficiently and effectively.

Data collected from 23 departments out of 27 departments of the State Government showed that 1326 vehicles were owned by these departments as of 31 March 1997. Details of vehicles owned by other 4[▼] departments were not made available. Considering the magnitude and volume of expenditure involved in procurement, running and maintenance of these vehicles three departments *viz.*, Home (Police Organisation), Public Works Department (PWD) and Secretariat Administration Department (SAD) were selected for review. The information on vehicles

▼ Revenue Department, Panchayat Department, Rural Development Department and Urban Development Department.

maintained, condemned and number of drivers working during the period from 1992-93 to 1996-97 in these 3 departments is given in **Appendix-15**.

3.10.2 *Audit coverage*

Out of 583 vehicles owned by Police Organisation, records of 175 vehicles of 5 Motor Transport pools out of 7, records of 40 vehicles out of 92 of 13 PW Divisions out of 18 Divisions and records of 35 vehicles out of 86 of SAD relating to the period from 1992-93 to 1996-97 were test checked between May 1997 and July 1997.

The important points noticed during this test check are discussed in the succeeding paragraphs.

3.10.3 *Highlights*

- Out of the total budget provision of Rs.17.17 crore made during 1992-93 to 1996-97 for fuel, maintenance and repair and purchase of vehicles, the three Departments incurred a total expenditure of Rs.27.59 crore resulting in an excess expenditure of Rs.10.42 crore.

(Paragraph 3.10.4)

- Expenditure of Rs.30.62 lakh on purchase of 10 vehicles was incurred by PWD during 1996-97 though there was no budgetary provision for it.

(Paragraph 3.10.5.1)

- The SAD incurred avoidable expenditure of Rs.2.35 lakh towards payment of Tripura Sales Tax and CST in purchase of 12 vehicles during 1990-91 to 1994-95.

(Paragraph 3.10.6)

- The SAD and Police Organisation incurred expenditure of Rs. 61.21 lakh on the maintenance of 36 vehicles during the period from 1983-84 to 1996-97 against the ceiling limit of Rs.33.21 lakh resulting in excess expenditure of Rs.28.00 lakh.

(Paragraph 3.10.8.2)

- There was excess consumption of petrol of 3.62 lakh litres beyond the permissible consumption level during 1992-93 to 1996-97 in the case of 98 vehicles of Police Organisation and PWD.

(Paragraph 3.10.9.1)

- There was shortage of 18,712 litres of petrol (Rs.2.81 lakh) and 77,716 litres of diesel (Rs.5.05 lakh) in the underground storage tanks of Police Organisation during 1990-91 and 1994-95.

(Paragraph 3.10.9.2)

- The PWD paid idle salaries of Rs.32.04 lakh to 18 drivers during 1991-92 to 1996-97 without utilising their services for want of vehicles.

(Paragraph 3.10.10)

3.10.4 *Financial out lay*

The annual budgetary provision made and the actual expenditure incurred against it for purchase, running and maintenance of vehicles by each of the above mentioned three departments were as under :-

Sl. No.	Year	Budget Provision				Actual expenditure				Total Excess(+) Savings(-)
		Purchase of vehicles	Fuel	Maintenance and Repair	Total	Purchase of vehicles	Fuel	Maintenance and Repair	Total	
		(Rupees in lakh)				(Rupees in lakh)				
1. Police Organisation.	1992-93	61.0	204.50	39.25	304.75	4.97	213.18	35.99	254.14	(-) 50.61
	1993-94	0.60	110.00	30.00	140.60	0.42	329.49	133.54	463.45	(+) 322.85
	1994-95	Nil	172.50	38.75	211.25	Nil	484.98	55.91	540.89	(+) 329.64
	1995-96	Nil	225.24	55.44	280.68	Nil	353.98	149.72	503.70	(+) 223.02
	1996-97	Nil	253.00	74.30	327.30	Nil	459.24	112.00	571.24	(+) 243.94
	Total (1)	61.60	965.24	237.74	1264.58	5.39	1840.87	487.16	2333.42	(+) 1068.84
2. P.W. Department.										
	1992-93	8.00	7.20	7.15	22.35	Nil	3.40	17.15	20.55	(-) 1.80
	1993-94	1.30	9.20	9.20	19.70	Nil	6.25	17.45	23.70	(+) 4.00
	1994-95	Nil	9.20	11.20	20.40	Nil	5.61	22.45	28.06	(+) 7.66
	1995-96	Nil	11.50	13.00	24.50	Nil	13.89	9.77	23.66	(-) 0.84
	1996-97	Nil	11.50	12.50	24.00	30.62	20.51	8.40	59.53	(+) 35.53
	Total (2)	9.30	48.60	53.05	110.95	30.62	49.66	75.22	155.50	(+) 44.55
3. S.A. Department.										
	1992-93	8.50	11.00	14.95	34.45	3.47	NA*	NA	32.75	(-) 1.70
	1993-94	10.00	13.00	10.55	33.55	2.03	NA	NA	29.26	(-) 4.29
	1994-95	27.30	41.40	21.45	90.15	7.68	NA	NA	54.54	(-) 35.61
	1995-96	10.20	45.65	28.90	84.75	15.77	NA	NA	65.49	(-) 19.26
	1996-97	24.00	51.68	23.30	98.98	30.47	NA	NA	88.89	(-) 10.09
	Total (3)	80.00	162.73	99.15	341.88	59.42	--	--	270.93	(-) 70.95
Grand Total (1+2+3)		150.90	1176.57	389.94	1717.41	36.01	1890.53	562.38	2759.85	(+) 1042.44

* NA = Not available.

3.10.4.1 The above table indicates that the Police Organisation could not utilise funds of Rs.56.03 lakh provided in 1992-93 towards procurement of vehicles though there was requirement of more vehicles as the department had been hiring 11 vehicles since 1988-89 onwards. However, Department had procured 21 vehicles in 1992-93 out of the funds available under the scheme Modernisation of State Police Force, thus resulting in saving under State Non-Plan Budget during 1992-93. On the other hand there was excess expenditure over the estimates by Rs.323.03 lakh during 1993-94, Rs.329.64 lakh during 1994-95, Rs.223.02 lakh during 1995-96 and Rs.243.94 lakh during 1996-97 on running and maintenance of vehicles. The percentage of excess expenditure during these years was 231, 156, 80 and 75 respectively. It would thus be evident that estimates prepared were not realistic. The excess expenditure of Rs.11.20 crore on running and maintenance of vehicles by Police Department during 1993-94 to 1996-97 had not been got regularised as of November 1997.

<p>The Police Department did not regularise excess expenditure of Rs.11.20 crore incurred on running and maintenance of vehicles.</p>

3.10.4.2 Similarly, the PW Department failed to utilise the amount of Rs.8 lakh in 1992-93 provided for procurement of vehicles although 12 vehicles condemned between 1985 and 1987 required replacement. The reasons for ultimate savings were neither stated nor available on records.

3.10.4.3 Moreover, of the 89 vehicles owned by PWD as of March 1992, 18 vehicles besides 12 vehicles condemned between 1985 and 1987 remained off road during 1992-93 to 1994-95. The expenditure on running and maintenance of 59 on road vehicles was abnormally high during the years 1992-93 to 1994-95 and had exceeded the provision of Rs.27.55 lakh by Rs.29.50 lakh i.e., by 107 per cent. The excess expenditure was attributed by the department to frequent break down of the vehicles due to old age and utilising them without replacement.

3.10.4.4 The SAD could utilise only Rs.59.42 lakh on purchase of vehicles out of the funds of Rs.80 lakh provided in the budget during the years from 1992-93 to 1996-97. The reason for ultimate savings of Rs.20.58 lakh was not stated. Year wise break-up of expenditure on fuels and maintenance and repairs of vehicles in respect of SA Department was not made available.

3.10.5 Sanction of vehicles

3.10.5.1 Codal provision lays down that no expenditure should be incurred without any budgetary provision. However, PWD accorded sanction for Rs.30.62 lakh in June 1996 for purchase of 10

<p>The Public Works Department purchased 10 vehicles in 1996-97 at Rs.30.62 lakh without having any budget provision.</p>

Maruti Gypsy without budgetary provision. The amount was drawn in October 1996 and the vehicles were procured by the department during December 1996 and March 1997.

In reply to audit, the Engineer-in-Chief (PWD) stated (May 1997) that the expenditure was met out of overall savings under the Major Head 2059 Public Works. In the absence of any approved reappropriation specifying the detailed heads of accounts in which savings occurred the reply was not tenable. Moreover the department was not in a position to anticipate overall savings during the middle of the financial year (October 1996) when expenditure was actually incurred.

3.10.5.2 The Government of Tripura (Home Department) sanctioned Rs.23.35 lakh for purchase of 11 vehicles during 1992-93 under the scheme "Modernisation of State Police Force". The sanction accorded in March 1993 did not spell out the types of vehicles to be procured. However, the estimates for the vehicles intended to be purchased were prepared and got approved only in May 1993 after drawal of funds in Abstract Contingent (AC) bill in March 1993. It is evident that sanction was accorded and the amount of Rs.23.35 lakh was drawn in AC bill in 1992-93 to avoid the lapse of budget grant.

3.10.6 *Avoidable expenditure*

Under Section 3 of Tripura Sales Tax (TST) Act, 1976, TST is payable in case of transfer of right on goods purchased, manufactured, processed or procured otherwise, by a dealer. In case of inter-state purchase of vehicles by Government from the manufacturing firm which are not meant for re-sale, TST is not leviable. Further, a rebate on Central Sales Tax (CST) at 6 per cent is available if 'D' form is used by Government department(s) (normally CST is charged at 10 per cent. In case of sales against 'D' form, CST is payable at 4 per cent).

During the period from 1990-91 to 1994-95, SAD procured 12 Ambassador Cars at a cost of Rs.22 lakh which included CST (Rs.1.86 lakh), TST (Rs.1.23 lakh) and transportation cost (Rs.0.27 lakh). It was noticed in audit that indents for supply of vehicles were placed with a local dealer instead of the approved manufacturing firm. As a result, the Department could not avail rebate of 6 per cent on CST payment and had to incur an extra expenditure of Rs.2.35 lakh (TST Rs.1.23 lakh @ 6 per cent on Rs.20.50; CST Rs.1.12 lakh @ 6 per cent on Rs.18.64 lakh). The Department, however, had placed supply orders directly with the firm from 1995-96 onwards, but the reasons for deviation from the codal provision during 1990-91 to 1994-95 which resulted in extra expenditure of Rs.2.35 lakh could not be explained.

The Secretariat Administration Department incurred an extra-expenditure of Rs.2.35 lakh.

3.10.7 *Utilisation of vehicles*

Out of 455 vehicles of the Police Organisation remaining on road during 1992-93 to 1996-97, 260 vehicles were utilised by 20 units and 45 police stations for the purpose of inspection and maintenance of law and order in the State, while 60 vehicles were utilised for VIP security, 60 vehicles deployed as pool cars and 75 cars were utilised by 3 TSR Battalions.

In SAD out of 66 vehicles on the road, 25 vehicles were utilised by Ministers, 25 by Commissioners/Secretaries of the Government, 2 as State cars while 14 only were utilised as pool cars. On the other hand, in PWD out of 92 on-road vehicles, 63 were utilised by various units and Divisions of the department for the purpose of inspection and execution of works and 24 vehicles remained off the road between 1990 and 1996. The remaining 5 vehicles were declared condemned between 1985 and 1987 but remained un disposed of. Result of test check of records relating to their utilisation is brought out below :

3.10.7.1 *Irregular utilisation of vehicles*

The log books of 2 vehicles (TRP 227 and TRP 228) of the Superintendent of Police, Kailashahar indicated that the vehicles were utilised for carrying the staff to and from residence to office and for personal use by the staff not entitled to any Government vehicles during January 1995 to March 1997. The vehicles performed 21,862 km of journey and consumed 4372 litres POL (value : 0.70 lakh) on such journey during the period.

During discussion (October 1997) the Department stated that the log books were not properly written. The vehicles were utilised for carrying the staff from Kailashahar to office and back due to lack of communication facilities. But no proposal was sent by the Department to the competent authority for sanction for such journey. As the vehicles were utilised for private purposes, the incurring of expenditure for such purpose in the absence of any sanction from the Government was irregular.

3.10.8 *Repairs and Maintenance*

Rules and limitations for repair of Government vehicles provide that when the cost of repairs and maintenance exceeds Rs.5000 in each case, the vehicles should invariably be sent to PWD workshops/Industrial Estate/workshop of Tripura Engineering College/Police workshop or in any other workshop recognised by State Government. It is further stipulated that the cost of repair per year per vehicle should not exceed Rs.12,000. The following irregularities were noticed during test check of records relating to repairs and maintenance.

3.10.8.1 Repairs in private workshop

Normally, the repairing works of vehicles of PW Department were got done in the departmental workshops at Agartala and Kumarghat. It was, however, noticed that 2 PW Divisions (Southern Division No.1, Udaipur and Kailashahar Division, Kailashahar) got their vehicles repaired in private workshops though the cost of repair in each case was more than Rs.5000 and the expenditure exceeded the ceiling limit of Rs.12000 per year per vehicle during 1992-93 to 1996-97 as per details given below. Moreover, Certificate of reasonability of rates was also not obtained from PWD workshop.

Name of the Division	Vehicles number	Cost of vehicle	Year of purchase	Cost of repair (Rupees in lakh)					
				1992-93	1993-94	1994-95	1995-96	1996-97	Total
Southern Division No.1 Udaipur	TRA - 1252	NA	NA	NA	0.50	0.54	0.36	0.68	2.08
	TRA - 1253	NA	NA	NA	0.85	0.50	0.88	0.85	3.08
Kailashahar Division, Kailashahar	TRA - 103	NA	NA	0.49	0.85	1.11	0.60	1.03	4.08
	TRA - 1557	NA	NA	0.36	1.11	0.79	1.10	1.00	4.36

The divisions did not maintain the history sheets of the vehicles. Hence the particulars of cost of vehicles and year of purchase were not made available to Audit.

It was seen that though Government framed rules and limitations for repair of Government vehicles but no infrastructural facilities like central stores of spare parts, workshops etc., were provided in the District Headquarters at Udaipur and Kailashahar. As a result, repairing of departmental vehicles had to be done in private workshops. Thus, Government order formulating rules and limitations was defective in as much as it was issued without creating infrastructural facilities at Udaipur and at Kailashahar. However, no orders were obtained from competent authority for incurring such expenditure.

3.10.8.2 Excess expenditure without approval

The Rules and limitations for repairs of Government vehicles provide that the cumulative expenditure should not exceed the ceilings mentioned therein. Test-check revealed that excess expenditure of Rs.28 lakh on repairs of 36 vehicles (16 vehicles of SAD: Rs.12.51 lakh and 20 vehicles of Police Organisation: Rs.15.49 lakh) was incurred by two departments

The Police Department and the Secretariat Administration Department incurred Rs.28 lakh in excess of the prescribed ceiling on maintenance of 36 vehicles.
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during 1983-84 to 1996-97 as per details shown in **Appendix-16**. Excess expenditure was attributed by the Department to frequent repairs of vehicles due to bad road conditions. The formal replies of the Government was, however, awaited (August 1997). The approval of the competent authority i.e. Finance Department to incur excess expenditure for Rs.28 lakh beyond the ceiling limit was not obtained either before incurring the excess expenditures or subsequently . The reasons for not obtaining the approval of Finance Department were, however, not spelt out (August 1997).

3.10.8.3 *Delay in sanctioning expenditure for repair*

As per existing system of repairs in departmental workshop, the SDO/Asstt. Engineers of the workshops prepare estimates for repairs on placement of vehicles in the workshop. The repair works are got done as soon as expenditure sanctions are received from the concerned offices/Divisions. It was noticed in audit that in 12 cases (PWD : 5, SAD : 7) vehicles were detained for repairs unnecessarily for long periods in departmental workshop ranging from 3 months to 28 months.

Retention of the vehicles for long periods and delay in repairs was mainly attributed to delay in receipt of expenditure sanction from the respective divisions/offices . Due to this delay the services of the drivers could not be utilised and the departments had to pay idle salaries of Rs.3.36 lakh to the drivers. During discussion (October 1997) the department stated that the sanctions were delayed due to administrative reasons.

3.10.9 *Petrol, Oil and Lubricants(POL)*

3.10.9.1 *Excess consumption*

The Government of Tripura, Transport Department while fixing (March 1991) the ceiling of the consumption of fuel by all Government vehicles decided that no petrol or diesel should be issued (effective from April 1991) beyond the prescribed scale. It should be the responsibility of the officer maintaining the vehicles to ensure that consumption of fuel did not exceed the prescribed ceilings. In case of any deviation, vehicles should be got checked by the Mechanical Division and corrective measures taken to keep the consumption of POL within ceilings.

Test check of the log books, history sheets and fuel consumption statements of 250 vehicles disclosed excess consumption of petrol by 3,62,273 litres in the case of 98 numbers (Police Organisation : 85 cases,

There was excess consumption of petrol valued at Rs.57.96 lakh in the case of 98 vehicles.
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PWD : 13 cases) of vehicles during the period from 1992-93 to 1996-97 as detailed below. The

value of excess consumption of 3,62,273 litres of petrol beyond the ceiling limit at the average rate of Rs.16 per litre comes to Rs. 57.96 lakh.

Name of Department	Category of vehicles	No. Of vehicle	Age of the vehicles	Ceiling limit in KM/litre	Period of consumption	Distance covered	Petrol consumed in litre	Consumption as per ceiling limit	Excess consumption
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Police Organisation	Maruti Gypsy	41	3 years and above	9.5 km	1992-93 to 1996-97	41,11,867 km	5,46,030	4,32,830 ltr.	1,13,200 ltr.
	Petrol- ¹ Jeep	18	..	6 km	1992-93 to 1996-97	26,20,422 km	5,34,076	4,36,737 ltr.	97,339 ltr.
	Petrol Jeep	20	..	6 km	1992-93 to 1996-97	20,09,077 km	4,23,516	3,34,846 ltr.	88,670 ltr.
	One tonner.	6	..	6 km	1992-93 to 1996-97	8,12,294km	1,62,458	1,35,382 ltr.	27,076 ltr.
PWD									
	Petrol Jeep	11	..	6 km	1992-93 to 1996-97	5,32,872 km	1,21,540 ltr.	88,804 ltr.	32,736 ltr.
	Maruti Gypsy	2	..	9.5 km	1992-93 to 1996-97	1,36,350 Km	17,604 ltr.	14,352 ltr.	3,252 ltr.
	Total	98						Total Excess consumption	3,62,273 ltrs.

The excess consumption of fuels beyond the ceiling limit as reported by the office was mainly due to old age of the vehicles and bad road conditions in hilly areas. But this contention can not be accepted since considering all aspects of age of the vehicles and road conditions in the State, the Government(Transport department) had fixed the ceiling of consumption of fuel. The department failed to show any records to indicate whether any rectificatory measures were taken to contain the excess consumption of POL within the prescribed ceilings.

3.10.9.2 *Shortage of petrol and diesel*

The Central MT Pool (Police Organisation), Agartala maintained 2 underground fuel storage tanks of 15000 litres capacity each fitted with dispensing pump for receipt and issue of petrol and diesel to Government vehicles of Police Organisation.

On examination of fuel stock Registers, it was noticed that there was shortage of 18,712 litres of petrol during July 1993 to September 1994 and of 77,716 litres of diesel during April 1990 to December 1994 as detailed below -

Petrol account in litres				Diesel account in litres for the period from April 1990 to December 1994
Book balance as per evening record of previous day	Date	Stock physically found as per morning measurement	Shortage (percentage)	
11,912	1-8-1993	10,908	1004 (8.43)	Opening balance = 12,287 Total receipt = 46,12,876
9,552	1-9-1993	8,112	1440 (15.98)	Total = 46,25,163
7,244	1-10-1993	4,326	2918 (40.28)	Total issue = 45,37,145
13,728	1-11-1993	12,929	799 (5.82)	Balance = 88,018
15,525	1-3-1994	13,762	1763 (11.36)	Stock physically found = 10,302
9,116	1-4-1994	7,226	1890 (20.73)	Shortage = 77,716
7,086	1-5-1994	5,421	1665 (23.50)	
14,401	1-6-1994	11,329	3072 (21.33)	
8,968	1-7-1994	7,186	1782 (19.87)	
4,425	1-8-1994	3,560	865 (19.55)	
13,745	1-9-1994	12,231	1514 (11.01)	
1,15,702 ltr.		96,990 litres	18,712 ltr.	77,716 litres

The above table indicates that shortage of 18,712 litres of petrol occurred on 11 occasions between 31-7-1993 and 1-9-1994 being the difference of closing stock of previous day and opening stock of next morning. Similarly, shortage of 77,716 litres of diesel was noticed for the period from April 1990 and December 1994.

There was shortage of petrol and diesel valued at Rs.2.81 lakh and Rs.5.05 lakh respectively.

The value of 18712 litres petrol comes to Rs.2.81 lakh^W and that of 77,716 litres of diesel to Rs.5.05 lakh^A.

During discussion (October 1997) the department stated that as per IOC norm, normal loss would be 1 to 1.5 *per cent* of total quantity handled, and the shortage was within the permissible limit. The contention of the department is not acceptable as the shortage was noticed only in the morning measurement on 11 particular days with reference to evening measurements of previous day and the percentage of actual shortages ranged between 5.82 and 40.28 which was abnormally high for a short duration of one night only. On the shortage of diesel, the Department did not make any comment.

^W Calculated at the average rate of Rs.15 per litre.

^A Calculated at the rate of Rs.6.50 per litre.

3.10.9.3 Excess drawal of petrol

In pursuance of Government's directive to effect economy and check misuse of vehicles, the Director General of Police fixed (February 1990 and March 1990) quota of consumption of fuel per month per vehicle. The quota fixed for light vehicles was 250 litres, for van and one tonner 300 litres, for heavy vehicles 400 litres and for vehicles for security duty was 500 litres. In suitable cases, DIG could permit excess consumption by 50 per cent of authorised quota for vehicles deployed for other than security duty. If monthly quota was required to be increased by more than 50 per cent, prior permission of Police Headquarters (PHQ) was required. For security vehicles fuel beyond 500 litres per month was to be issued with the approval of Government.

The statements of monthly consumption of petrol for the period from January 1995 to March 1997 prepared by the Police Organisation indicated that in case of 35 vehicles 5.22 lakh litres of petrol were issued against the admissible quota of 2.70 lakh litres. Value of excess quantity of 2.52 lakh litres of petrol issued beyond the prescribed limit was Rs.45.28 lakh[^]. Details are shown in **Appendix-17**. Comments of the Department had not been received (August 1997).

The Police Department issued petrol valued at Rs.45.28 lakh January 1995 to March 1997 in excess of the prescribed limit.

3.10.10 Idle drivers

Test check of sanctioned strength of drivers *vis-a-vis* men in position with reference to number of vehicles maintained by 8[^] PW Divisions disclosed that 18 drivers of PWD remained idle between 1991-92 to 1996-97 as detailed below :

Name of the Department	Period	Number of vehicles maintained	Number of vehicles remained off road	Number of on road vehicles	Drivers posted	Number of idle driver	Idle salary paid (In lakh)
PWD (For 8 PW Divisions)	1991-92	19	-	19	36	17	3.92
	1992-93	19	-	19	36	17	4.92
	1993-94	19	1	18	36	18	6.09
	1994-95	19	1	18	36	18	6.34
	1995-96	19	1	18	36	18	6.64
	1996-97	24	2	22	31	9	4.12
						Total	32.04

The table indicates that the Department deployed 31 to 36 drivers in 8 PW Divisions against 18 to 22 road worthy vehicles

During the years 1991-92 to 1996-97, the Public Works Department paid idle salaries of Rs.32.04 lakh.

[^] Calculated at the average rate of Rs.18 per litre.

^{*} Agartala Division No.I :3; Agartala Division No.II : 1; Agartala Division No.III : 2; Internal Electrification Division : 2; Southern Division No.II : 3; Kumarghat Division : 2; Ambassa Division : 3 and Teliamure Division :2.

available during the period from 1991-92 to 1996-97. As a result 9 to 18 drivers remained idle leading to payment of salaries of Rs.32.04 lakh during 1991-92 to 1996-97 without assigning any duty to them.

During discussion (October 1997) the Engineer-in-Chief while admitting the fact stated that the problem could not be solved as the Government did not sanction purchase of new vehicles to the extent actually required.

3.10.11 *Replacement and condemnation of vehicles*

3.10.11.1 *Disposal without auction*

As per General Financial Rules (GFRs) vehicles declared condemned should be disposed of to the best advantage of the Government.

However, 18 vehicles of Police Organisation condemned between May 1991 and April 1992 were disposed of to the Tripura National Volunteers (TNV) returnees between May 1992 and August 1992 at the reserve prices amounting to Rs.3.67 lakh without putting the vehicles to open auction. The Government while condemning the vehicles permitted disposal of the vehicles to the TNV returnees thereby extending undue benefit to them in contravention of the provision of General Financial Rules.

3.10.11.2 *Loss due to delay in disposal*

19 vehicles of Police Organisation were declared condemned in 1988 and tenders were called for auction sale between June 1988 and October 1988. Bids above the reserve price though received in certain cases, the vehicles were not disposed of for reasons not on record. Re-assessment of reserve price in case of 12 vehicles was made in March 1992.

However, these vehicles were ultimately disposed of in September 1993 at Rs.0.76 lakh as against bids of Rs.2.61 lakh received between June and October 1988.

Thus, the Departments sustained a loss of Rs.1.85 lakh due to inordinate delay in disposal of condemned vehicles.

3.10.11.3 *Disposal below reserve price*

The condition of the condemned vehicles is evaluated and a Reserve price fixed below which the vehicle can not be disposed of. It was decided by the Government (July 1994) that when the bids are received below reserve price, after 2nd call, the matter should be referred to the Finance Department for decision.

10 vehicles (PWD : 2 ; SAD : 8) condemned between 1985 and 1995 were sold between 1986 and 1995 at Rs.0.46 lakh through auction below the reserve price after 2nd call (Rs.1.28 lakh) without approval of Finance Department. This resulted in loss of Rs.0.82 lakh as shown in **Appendix-18**.

Disposal of vehicles by the Mechanical Division in respect of PW Department and by the SA Department below the reserve price was attributed to non-receipt of satisfactory bids at the time of 2nd call. The reason for disposal without referring these cases to Finance Department was not stated (November 1997).

3.10.11.4 *Delay in condemnation*

As of March 1997, 126 vehicles (PWD : 24; Police Organisation : 102) were lying off road. Out of 102 old vehicles of the Police Organisation 68 vehicles remaining off road between November 1989 and March 1994 were proposed for condemnation in March 1994. The Government constituted a survey committee only in January 1997 for the purpose of condemnation. The survey committee though constituted in January 1997 had not surveyed any vehicles as of July 1997. The condition of the vehicles lying in exposed weather had deteriorated due to unnecessary delay in the process of condemnation and the vehicles may not fetch good returns when put to auction.

24 vehicles of PW Department remaining off road between 1990 and 1996 were lying (July 1997) exposed to open weather and in damaged conditions. No efforts were made by the department to initiate condemnation process. In the absence of replacement of vehicles by new ones the inspection work of many divisions was being carried out with hired vehicles. The reasons for not initiating condemnation process were not stated (August 1997).

3.10.11.5 *Non disposal of condemned vehicles*

Of the 99 vehicles (PWD : 14 ; Police : 85) declared condemned between 1985 and 1993, 68 vehicles were disposed of between 1986 and 1995 and the balance 31 numbers (PWD : 5; Police : 26) remained undisposed. Non-disposal of the 33 vehicles was mainly attributed to non receipt of satisfactory bids instead of inviting tenders repeatedly. No alternate arrangements for reassessment of reserve price and disposal were, however, made by the departments.

3.10.12 *Other points*

3.10.12.1 *Vehicles utilised after condemnation*

Considering the uneconomical cost of running and maintenance of vehicle No TRA 302 of Agartala Division No.II of PW Department, Government declared (April 1985) the vehicle as condemned and ordered to dispose it. It was noticed in audit that the vehicle continued to be utilised during the period from 1985-86 to 1996-97. The Division incurred expenditure of Rs.2.93 lakh towards the cost of 18,317 litres of petrol for the distance 69831 km covered by the vehicle i.e. 3.8 km per litre between 1992-93 and 1996-97 and Rs.1.22 lakh towards repair and maintenance as against ceiling limit of Rs.12000/- per year during the period from 1995-96 to 1996-97. This indicated that running and maintenance of the vehicle was uneconomical. Cost of repair and maintenance incurred during the period from 1985-86 to 1994-95 was not intimated by the Division. The Divisional Officer stated (July 1997) that the condemned vehicle was used as no other substitute vehicle was provided. Comments of the Department had not been received (August 1997).

3.10.12.2 *Improper maintenance of Log Books*

Government of Tripura prescribed standardised format (GI FORM 1) consisting of 12 columns for use as log book for each Government vehicle. Officers using the Government vehicles should note in the log book in their own hand writing the date, time, the kilometre reading and give sufficient particulars to indicate that the journeys performed were official and for bonafide public interest. The log book was to be signed by the officer in the specified column to authenticate the journeys.

Test check of log books in respect of 75 vehicles revealed that in 28 cases (PWD : 13 ; SA Department : 15), specific purposes for which vehicles were utilised were not mentioned. Only a vague term "official" was found on record. Log books being important records if maintained properly, reduced the scope for misuse of vehicles. In most cases columns No.2, 3, 5, 6, 9, 11, 12 of the log books i.e. time, distance covered, period of detention, purpose of journey, number of hours after normal duty and remarks of officer I/C of vehicle were not filled in (Details are shown in **Appendix-19**). The log books were never verified by the officers under whose control the log books were maintained. The Departments (October 1997) stated that the Government would issue instructions to all concerned to maintain the log books properly after filling all the columns as per prescribed formats after utilising Government vehicles.

3.10.12.3 *Non deduction of Income Tax*

Section 194(c) of the Income Tax Act, 1961 as amended from time to time provides that Income Tax @2% shall be deducted at source while making payment to a contractor in connection with any kind of contract. It shall be the responsibility of a DO to deduct Income Tax @ 2% from a contractor's bill while payment is made.

The Police Organisation of the West Tripura District, Agartala hired 44 vehicles during the period from 1989 to 1994 for the purpose of inspection, escort duty and maintenance of law and orders in the State.

Hire charges for Rs.253.98 lakh in 44 bills were drawn and paid to the owners of vehicles during 1995-96 by Commandant (Provisioning) but no Income Tax was deducted at source. The income tax @ 2 per cent on contract payments of Rs.253.98 lakh comes to Rs.5.08 lakh. In reply the department stated (October 1997) that Income Tax was not deducted at source due to misinterpretation of relevant rules. At the instance of audit the department had so far realised Rs.3.68 lakh and the balance of Rs.1.40 lakh would be realised from the bills pending for payment.

The Police Department failed to deduct Income Tax of Rs.5.08 lakh but at the instance of audit realised Rs.3.68 lakh.

3.10.13 *Monitoring and evaluation*

Regulatory aspects of the use and maintenance of Government vehicles required close supervision by the controlling officers but the existing state of affairs at all levels do not indicate any serious compliance of control measures on the part of the controlling officer.

The Government also did not take up any study/review of procurement and utilisation of various types of vehicles in the departments. And in the process, the heads of Departments were not in a position to draw any concrete plan for remedial measures.

The above points were reported to the Government (October 1997); reply had not been received (December 1997).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.11 **Blockage of funds and loss of bank interest on Central Assistance for cobalt machine**

Government of India sanctioned (March 1991) grant of Rs.20 lakh for installation of second cobalt machine in the Cancer Hospital, Agartala with the condition, *inter-alia*, that the money would be utilised within one year and in case of failure to execute or complete the scheme,

the grant was to be refunded back by the State Government forthwith. It was further stipulated that any increase in the price of the equipment above the sanctioned amount was to be provided for by State Government from its own sources. The payment of the grant was made in September 1991 on State Government's acceptance of the above terms and conditions. Test check (January 1997) of the records of Superintendent, Cancer Hospital revealed that while the prescribed time limit for utilisation of the money expired in September 1992, the same was kept in a special term deposit account at SBI Kunjaban Branch till June 1994, whereafter the amount alongwith interest of Rs.5.70 lakh accrued thereon, was transferred to Personal Ledger (PL) Account of Superintendent GB Hospital as per Government's Order (June 1994). During 1994-95, State Government approached Government of India for providing more funds for the second unit, cost of which had by that time increased to Rs.90 lakh due to price escalation as well as devaluation of rupee⁹. Government of India sanctioned (July 1995) a further amount of Rs.1 crore for development of Oncology wing of the Cancer Hospital, of which the proposed machine was an integral part. But State Government again failed to utilise the money and to install the second unit as of November 1997. The LC account which was a pre-requisite for importing such a machine was opened in SBI Agartala Branch on 31 March 1997 only. The delay in the entire process was attributed by the department to resource crunch to make good the differential cost both at the initial stage and after the subsequent price escalation as well as to delay in finalisation of the matter at the level of State Advisory Board (SAB).

Thus, Government's acceptance of central assistance without arranging for adequate matching share of its own and delay in finalisation of the pre-requisites of purchase resulted in blockage of funds worth Rs.20 lakh (original sum) to Rs.25.70 lakh (i.e. the amount along with the interest earned) for period ranging between 4 to 6 years and funds worth Rs.1 crore for more than 2 years. Further, by transferring Rs.25.70 lakh from Bank deposit to PL Account, Government sustained avoidable loss of interest to the tune of Rs.5.22 lakh as computed for 32 months upto 31 December 1996. The non-utilisation of the money also deprived the patients of additional facility of second cobalt machine in the hospital.

<p>Failure to utilise central assistance resulted in blockage of Rs.25.70 lakh for 4 to 6 years, Rs. 1 crore for more than 2 years and loss of Rs.5.22 lakh as interest.</p>
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⁹ In September 1991, the cost of the machine alone was Rs.38 lakh and including installation cost it was Rs.62 lakh.

Government stated (September 1997) that the delay was unintentional and beyond their control. Reasons for acceptance of the grant much in advance of making arrangement for the pre-requisites of its utilisation were not, however, spelt out.

INDUSTRIES DEPARTMENT

3.12 Undue financial benefit to Non-Government organisation

Government approved (September 1988) a proposal of Tripura Apex Weavers Co-operative Society (TAWCS) for financial assistance from National Co-operative Development Corporation (NCDC) through Director of Industries and sanctioned (February 1989), at the instance of NCDC, an amount of Rs.30 lakh in favour of TAWCS as share capital. As per terms and conditions agreed to between Government and NCDC, the amount was repayable to NCDC in 14 equal annual instalments commencing from the first anniversary of the deemed date of payment^Ω. Government's sanction order was, however, silent about mode of recovery of the sum from TAWCS although NCDC had agreed to release the money as loan assistance only (on reimbursement basis). No agreement was actually signed with TAWCS by the Government and as such, no specific enforcing clause requiring TAWCS to repay the money was available on record.

Failure to formulate policy and scheme resulted in an avoidable expenditure of Rs.40.13 lakh.

The sum of Rs.30 lakh paid by Government to TAWCS was reimbursed in full by NCDC in March 1989. When question of recovery first arose, TAWCS expressed (February 1990) inability to do so due to financial constraints. Government modified (December 1991) the previous sanction order treating the paid sum of Rs.30 lakh as a fresh share capital loan repayable in 14 equal annual instalments commencing from 27 February 1990. This time also, Government failed to recover any amount from TAWCS (March 1997). Meanwhile, Government refunded Rs.40.13 lakh^π to NCDC between March 1993 and September 1996.

Thus, lack of timely formulation of Government's policy and non-formulation of any proper scheme aimed at smooth recovery of the loan money received by a non-Government organisation through the mediary of Government and also failure to recover such dues from that organisation even after subsequent modification of Government's order resulted in an avoidable

^Ω Taken as 5th October every year along with interest at 10.75 per cent with provision for rebate of 0.25 per cent for timely repayment as also penal rate of interest of 13.75 per cent in case of default.

^π Repayment of principal (Rs.17.14 lakh), interest (Rs.17.40 lakh) and penal interest (Rs.5.59 lakh) as dues to NCDC from October 1989 to October 1996.

expenditure of Rs.40.13 lakh from public exchequer. This amounted to undue financial benefit to the Non-Government organisation at the cost of the public exchequer.

Government while admitting (June 1997) that the Society could not repay the loan in spite of issuing demand notices attributed it to its failure to generate sufficient income from the refundable share capital given to it by them out of the NCDC loan and they further contended that as it was a loan to the State Government, the principal, interest etc. were being paid by Government itself. Facts, however, remained that payment of loan money to the Society without making due assessment of its repaying capacity and without taking care of the risk involved, resulted in unnecessary burden on the public exchequer.

PLANNING AND CO-ORDINATION DEPARTMENT

3.13 Member of Parliament Local Area Development Scheme (MPLADS)

3.13.1. Introduction

Member of Parliament Local Area Development Scheme (MPLADS) was started in December 1993 by the Government of India (GOI). The aim of the scheme was to give each MP, subject to certain restrictions, the choice to suggest small works of capital and developmental nature based on locally felt needs in his constituency within a cost limit of Rs. 10 lakh in respect of each work and a total cost ceiling of Rs. 1 crore per year in respect of the constituency as a whole. The works were to be executed through Government agencies by the District Collector (in Tripura, the District Magistrate and Collector, or the DM), who was identified as the nodal officer for the scheme and was also made responsible for receipt and custody of the funds released under the scheme by the GOI, routing them through the accounts of the District Rural Development Agency (DRDA).

MPs given choice to suggest works, subject to certain restrictions.

3.13.2 Organisational set up

The State has 4 districts (West, North, South and Dhalai) and has three seats, two in Lok Sabha and one in Rajyasabha. The nodal department for implementation of the scheme was Rural Development Department upto December, 1994 and the Planning and Co-ordination Department thereafter. The District Magistrate and Collectors of the West and North districts were the nodal officers, who received funds from the Central Government and were responsible for transfer of funds to the remaining two districts (South and Dhalai) and for submitting periodical

reports/returns to the Government of India. As of March, 1997, there were 85 Implementing Agencies¹⁷ for implementation of the programme.

Besides transfer of the required funds to other DMs wherever necessary, the funds received under the scheme upto March 1996 were distributed by the DM-W among 65 Implementing Agencies including 40 agencies working under the control of the Director of School Education(DSE). The DM-N and the DM-S had selected 8 agencies each and the DM-D 4 agencies to receive funds from them and implement works. Apart from one local body and 2 State level autonomous bodies, the agencies belonged to 8 State Government Departments¹⁸.

3.13.3 Audit coverage

Implementation of the scheme was reviewed by Audit (January to May 1997) through test check of records of 4 DM and Collectors and 46 out of 85 Implementing Agencies relating to the period from 1993-94 to 1996-97 of all the 4 districts.

3.13.4 Highlights

- Out of Rs.1129.40 lakh received during the years 1993-94 to 1996-97, Rs.801.94 lakh were spent for implementation of the scheme and Central assistance of Rs.327.46 lakh remained un-utilised as of March 1997. The expenditure could not be vouch-safed in audit as none of the four District Magistrate and Collectors could submit the expenditure statements for any of the years since 1993-94 because of non-maintenance/non-compilation of accounts by the Implementing Agencies.

(Paragraph 3.13.5.2(i) and (ii))

- Rupees 15 lakh released by the Government of India in February 1994 were retained by the State Government for 20 months unproductively in violation of the guidelines of the scheme. Instead of depositing the funds in Banks, Rs.380.10 lakh received from the Government of India during 1994-95 and 1995-96 were first deposited in the Government account and thereafter released through LOCs.

(Paragraph 3.13.5.2(iii))

¹⁷ 65 in West District, 8 each in North and South districts and 4 in Dhalai District.

¹⁸ Rural Development, Agriculture, Education, Fisheries, Public Works, Irrigation etc., (IFC & PHE), Power and Revenue.

- Depositing of scheme funds in a Current Account instead of Savings Account in Bank resulted in loss of interest of Rs.2.31 lakh.

(Paragraph 3.13.5.5)

- The District Magistrate and Collector, West District, Agartala constructed 15 schools at a cost of Rs.58.98 lakh on private land in contravention of the guidelines of the scheme.

(Paragraph 3.13.6.2)

- 262 works were executed at a total cost of Rs.196.80 lakh between March 1995 and May 1997 without obtaining any administrative approval and expenditure sanction from the competent authority.

(Paragraph 3.13.7)

- The District Magistrate and Collectors diverted Rs.75.05 lakh in execution of works (like creation of assets for individual benefits on private land and in places belonging to religious worship/private institutions, construction of office buildings etc.) which were not permissible under the scheme.

(Paragraph 3.13.9 and 3.13.11(i))

- Prescribed visits and inspections of the works undertaken under the scheme were not conducted. Progress reports required to be sent monthly to the Government of India were sent irregularly.

(Paragraph 3.13.12)

3.13.5 Financial outlay and expenditure

3.13.5.1 The following table shows the year-wise position of funds made available to each of the 4 DMs and funds disbursed by them to the different Implementing Agencies, during the years 1993-94 to 1996-97 :

Year	Opening balance	Allocation	Fund released	Total funds available	Expenditure (by disbursement)	Unspent balance
(Rupees in lakh)						
1993-94	Nil	15.00	15.00	15.00	Nil	15.00
1994-95	15.00	303.00	303.00	318.00	62.10	255.90
1995-96	255.90	437.40	437.40	693.30	557.44	135.86
1996-97	135.86	374.00	374.00	509.86	182.40	327.46
Total			1129.40		801.94	

Following observations are made in this regard :

3.13.5.2(i) Out of the total funds of Rs.1129.40 lakh received during the years 1993-94 to 1996-97, Rs.801.94 lakh were disbursed to the Implementing Agencies (IAs) leaving an unspent balance of Rs.327.46 lakh (29 *per cent*) as of March 1997 indicating that only 71 *per cent* of the total funds released were disbursed for implementation of the programme.

3.13.5.2(ii) As per instructions issued(May 1996) by the Government of India, the respective DMs were to submit expenditure statement for each year to the Accountant General (AG) by 31 May of the following year for conducting the annual audit. But none of the 4 DMs had submitted

Expenditure statements to be submitted by DMs annually to the AG were not submitted.
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the statement for any of the years since 1993-94 to the AG because of non-maintenance/non-compilation of accounts. Moreover, scheme-wise accounts had also not been maintained and the funds placed by the DMs with the different Implementing Agencies had been shown as expenditure by the Department and hence could not be vouch-safed in audit.

3.13.5.2(iii) While releasing an amount of Rs.15 lakh for 3 MPs in February 1994, instructions were issued by the GOI to release the amount immediately to the respective DMs yet the Government released the funds in September 1995 after retaining the same for 20 months reportedly (July 1997) due to certain procedural problems (not specified). In October 1994, the GOI issued instructions to all concerned to retain the funds received under the scheme in a

There was unauthorised retention in, and deposit of funds into, Government account.

separate account to be opened by the DRDA under the administrative control of the DM. But going against the instructions, funds totalling Rs.176 lakh^{*} for 1994-95 and Rs.204.10 lakh[^] for 1995-96 were deposited into Government account and released through letter-of-credits (LOCs) between March 1995 and November 1995. This, along with the parallel process of placement of funds through bank drafts issued by the DRDAs, created a dual system of drawal, receipt and accounting of funds as well as deposit of unutilised balances after completion of work, making the entire procedure unnecessarily complicated.

3.13.5.3 The funds released through LOCs were drawn by the agencies through AC bills. But test check revealed that in a few cases funds were drawn also through grants-in-aid bills, apparently to escape the requirement for submission of adjustment accounts through DCC bills in time which was not permissible under the

Irregular mode of drawal.

^{*} Rs.100.00 lakh for DM(North); Rs.76.00 lakh for DM (West) = Rs.176.00 lakh during the year 1994-95

[^] Rs.79.10 lakh for DM(North), Rs.125.00 lakh for DM(West) = Rs.204.10 lakh during the year 1995-96.

rules. For example, Rs.4.63 lakh were drawn by the BDO, Teliamura, between December 1995 and March 1996, Rs.5.10 lakh by the BDO, Bishalgarh between November 1995 and March 1996 and also Rs.9 lakh by the DM-S in September 1995 through grants-in-aid bills.

3.13.5.4 As a result of non-maintenance of records at the Implementing Agencies' level and failure on the part of the Implementing Officers to

Submission of DCC bills was not watched.

ensure effective Control over the drawal of funds and their utilisation, none of the DMs, could provide any information as to how much of the funds were drawn through grants-in-aid bills and how much through AC bills by the agencies. They were also not watching the timely submission of adjustment accounts in respect of funds drawn through AC bills. For example, Rs.23.82 lakhs were drawn by 4 BDOs, of Dukli, Jirania, Melaghar and Mohanpur in West Tripura District, between June 1995 and March 1996, but evidence of submission of DCC bills against these drawals was not produced by the DM-W when called for in April 1997.

All the District Magistrates, however, stated (July 1997) that Detailed Countersigned Contingent bills were being prepared and would be sent to the Accountant General for necessary action, receipt of the same was, however, awaited (November 1997).

3.13.5.5 According to the instructions issued by the Government of India, the funds under MPLADS were required to be deposited in the banks (Savings Account) and interest earned by such deposit would be the additional funds for the scheme. It was,

however, noticed during audit that Agartala Municipal Council deposited the funds received for the MPLADS in a Current Account during March, 1996 to March, 1997 and suffered a loss of interest of Rs.2.31 lakh.

Loss of interest due to improper holding of funds amounted to Rs.2.31 lakh.

All the District Magistrates stated (July, 1997) that they would initiate action to obtain orders from the Finance Department to open Savings Accounts. Further development of the case was, however, awaited (November 1997).

3.13.6 *Execution of works*

3.13.6.1 Agartala Municipal Council executed two works during 1996-97 : (i) construction of one school building at Bordowali HS School, Agartala at a cost of Rs.2.03 lakh, which was 4.99 *per cent* below TSR 90, and (ii) sinking of tube well at Hrishi colony at a cost of Rs.0.15 lakh

Substandard works were executed on the basis of estimates that were not viable.

(15.03 per cent below TSR 90). Execution of works at these rates which were even below the rates that was prevailing 6 years ago revealed that either the estimates were not technically sound or the quality of the work executed was substandard.

All the DM and Collectors stated (July 1997) that as estimates were approved by a competent authority they did not like to comment on the estimates. Moreover, sometimes works were being done by the contractor in lower rate due to various reasons - say to get works in future.

3.13.6.2 The guidelines on the scheme (December 1994), stipulated construction of buildings for Government aided educational institutions on condition that the ownership of the land was transferred in favour of Government. But the DM-W

Ownership of land lying with Government aided schools was not transferred to Government as per conditions of taking up works.

sanctioned Rs.58.98 lakh to 15 Government aided schools between June 1995 and March 1996 as detailed in **Appendix-20**. In none of these cases, however, the ownership of land lying with the schools was transferred to Government (May 1997) in the manner prescribed in the guidelines.

Director of School Education stated (July 1997) that the Department had already issued (June 1997) circular asking the concerned private schools to hand over the land to the Government.

3.13.6.3 Although the scheme required the DMs to obtain undertakings from the bodies/agencies responsible for upkeep and maintenance of assets, no such undertaking was obtained by the DMs. Moreover, scheme-wise expenditure incurred, if any, on the repairs and maintenance during the years 1993-94 to 1996-97 was also not available with the Implementing Agencies/ DMs and, as such, could not be verified in audit.

While the Director of School Education stated (July 1997) that instructions to make provision for funds for repairs and maintenance of assets created under the scheme had been issued (June 1997) to all the schools, the Director of Planning and Co-ordination Department assured (July 1997) that the matter would be examined and arrangement for making provision in the departmental budget would be made.

3.13.7 Works executed without sanction

As per rule, no work shall be commenced or liability incurred without obtaining administrative approval and expenditure sanction from the competent authority (DM of the district as per the scheme). But it was noticed that 262 works were executed by the Implementing

Expenditure was incurred without administrative approval and expenditure sanction.
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Agencies at a total cost of Rs.196.80 lakh between March, 1995 and May 1997 in the three districts * without obtaining any approval and sanction from the concerned/DMs. All the DMs stated (July 1997) that the matter would be reviewed for taking necessary action. Ex-post-facto approval/sanction of the competent authority had also not been obtained (November 1997).

3.13.8 Account of assets created

As per the scheme, the DM was to maintain a register showing the details of assets created under the scheme (dates of commencement and completion of each work, estimated cost and expenditure incurred etc.). But none of the DMs or the Implementing Agencies, test checked, maintained any such register and as a result details of works taken up for execution and amount spent etc. together with the propriety of expenditure and correctness of payments made were not susceptible of verification. All the DMs stated (July 1997) that action would be taken to maintain the register henceforth.

Asset Registers were not maintained.

3.13.9 Execution of works not permissible under the scheme

As per the scheme, creation of assets for individual benefit, on private land; execution of works for religious/private institutions; construction of office buildings for Central or State Government departments and purchase of inventory or stock of any type were not permissible.

It was, however, noticed that 203 works were executed by the 4 DMs at a total cost of Rs.62.42 lakh (details in Footnote *) in violation of the aforesaid provisions of the scheme during the year 1995-96. This irregular execution of works was done by the DMs, who did not annul the works found not permissible under the scheme from the list of works recommended by the MPs concerned.

* 1) In North Tripura District, 192 works were executed between March 1995 and March 1997 at a cost of Rs.111.10 lakh

2) In Dhalai District, 63 works were executed between April, 1995 and March 1996 at a cost of Rs.27.60 lakh.

3) In South Tripura District, 7 works were executed between April 1996 and May 1997 at a cost of Rs.58.10 lakh..

<u>Nature of work</u>	<u>No. of unauthorised works executed</u>	<u>Money value(in lakh of rupees)</u>
1. Creation of assets for individual benefit on private land	180	19.24
2. Works executed in places belonging to religious worship/private institutions	21	32.21
3. Construction of office building relating to Central/State Government	1	10.00
4. Purchase of inventory or stock	1	0.97
Total	203	62.42

While conceding the lapses all the four DMs stated (July 1997) that all such cases would be examined and results thereof would be submitted to the Government and concerned MPs for appraisal and guidance.

3.13.10 *Non-observance of financial rules*

3.13.10.1 The financial rules of the Government as well as the guidelines of the schemes require that where funds are given for specific purposes, certificates of proper utilisation should be obtained by the departmental officers (District Magistrates for this scheme) from the recipients and after verification these should be forwarded to the Accountant General alongwith copies of certain essential documents[¶] relating to each work. But none of the 4 DMs obtained such certificates and records from the implementing agencies at any stage during implementation of the scheme.

As a result, the DMs, remained unaware of the -

- Diversion of funds (For example - Rs.12.63 lakh were diverted during 1995-96 by the 9 implementing agencies[▲] for purposes other than the intended ones);
- Irregular credit of Central funds to the State exchequer (Rs.9.46 lakh being the unspent amount of the scheme were credited to the Government account by the six implementing agencies[#] during 1995-96 irregularly instead of crediting them to MPs accounts making the balances in the respective accounts of the MPs inaccurate);
- Retention of funds of Rs.32 lakh sanctioned in March, 1996 for six works (One school building and five campus halls) remained unutilised as of April 1997 for lack of initiation on the part of the Directorate of School Education to get the estimates prepared and approved);

[¶] i) In form GFR 19 A

ii) (i) Schedule of works expenditure in form CPWA 64, which was prescribed to be obtained every month till the closure of accounts of the work, upon which the following records would also accompany it to make the accounts complete in all respects and amenable to check; (ii) works obstruct in form CPWA 33; (iii) material-at-site account in form CPWA 35; (iv) muster roll in form CPWA 21; (v) detailed estimate, required as per rule 131 of the GFRs; (vi) quantity and cost estimate for materials and labour, required as per paras 10.3.2 and 10.5.3 of CPWA Code; (vii) detailed completion report in form CPWA 44, required as per Para 10.6.11 of CPWA Code, and (viii) temporary advance cash account in form CPWA 2, when temporary advances against work were made to 'Implementing Officers'. If the agency was PWD and works were done by engagement of contractors, items (i), (v) and (viii) only were to be obtained.

Name of agency	Amount of funds diverted (Rupees in lakhs)	Purpose for which sanctioned	Purpose for which diverted
Agartala PWD Division III	10.00	Construction of gallery	Construction of club-house
BDO, Mclachar	0.26	Expenditure on works	Office expenses
Prachyabharati H.S. School	0.49	Construction of class room	Repair of auditorium
BDO, Mohanpur	0.46	Expenditure on works	Office expenses
Deputy Director of School Education, South Tripura	0.65	Construction of school	Holding of exhibitions
BDO, Rajnagar	0.21	Expenditure on works	Office expenses
BDO, Bagada	0.26	Expenditure on works	Office expenses
BDO, Jirania	0.16	Expenditure on works	Purchase of tools and plant
BDO, Salena	0.15	Expenditure on works	Office expenses
Total	12.63		

To this was to be added Rs.0.11 lakh sanctioned and released by the DM-W for purchase of sanitary articles etc. for his own establishment in February 1996. The expenditure was not based on recommendation from the MP and neither was it within the purview of the scheme.

[#] BDO, Teliamure : Rs.1.58 lakhs; BDO, Kumarghat : Rs.2.44 lakhs; Agartala PWD Divisions II, III and IV : Rs.1.44 lakhs; Rs.0.22 lakh and Rs.3.51 lakhs respectively ; SDO, Kailashahar : Rs.0.27 lakh.

- Non-utilisation of materials as per estimates (In the construction of a sanitary well by the BDO, Melaghar in April 1996 at a cost of Rs.0.30 lakh it was noticed that 245 Kgs. of Mild Steel Rod (MS Rod) were used as against the estimated quantity of 433 Kgs. As a result, the construction works did not conform to the approved specification).

3.13.10.2 As per financial rule, no work can be taken up for execution without getting a detailed design and estimates approved and technically sanctioned. It was, however, noticed in audit that the work regarding construction of a school building at Mahatma Gandhi Memorial Higher Secondary School, Agartala was started (March 1996) without a detailed estimate and as a result the entire funds of Rs.1 lakh released (June 1995) for the work were exhausted (August 1996) when the construction work reached upto plinth level and the work remained suspended thereafter. Moreover, against the normal proportion of 10 *per cent* as per PWD specifications, 51 *per cent* of the total expenditure (Rs.1 lakh) was incurred on MS Rod.

Execution of work without having a detailed estimate thus led to unfruitful expenditure of Rs.1 lakh on incomplete building and denial of class room facilities to the students.

3.13.10.3 As per Treasury Rules, every officer receiving money on behalf of the Government should maintain cash book. Scrutiny of records of 4 BDOs, (Bishalgarh, Mohanpur, Melaghar and Rajnagar) , however, showed that although advances ranging between Rs.0.66 lakh and Rs.8.50 lakh were paid to the different Implementing Agencies (IAs), none of the IAs maintained any cash book/account leaving ample scope for temporary misappropriation of funds.

3.13.11 Monitoring

3.13.11.1 As per the scheme, every work taken up for execution had to be completed within one or two working seasons' and DMs and Implementing Agencies were required to monitor the progress of all such works. But since none of the DMs maintained any consolidated record of assets created (as discussed in para 3.14.8) showing the dates of commencement and completion of each work, their estimated costs *vis-a-vis* expenditure incurred, the internal control mechanism remained grossly ineffective. No basic records in respect of 133 works (out of 197 works taken up) reported (April 1997) to had been completed by the DM-W during 1995-96 were made available to audit and as a result, these works were not susceptible of verification.

The DMs stated (July 1997) that all the information would be furnished to Audit but was still awaited (November 1997).

3.13.11.2 The instructions issued (December 1994) by the Government of India required the DMs to visit and inspect at least 10 *per cent* of the works every year. It was, however, noticed that excepting one work costing Rs.1.46 lakh in North Tripura (visited by the DM-N in April 1996) none of the works were visited and inspected either by the DMs or by the Senior officers of the Implementing Agencies during the period January 1995 to March 1997.

3.13.11.3 As per instructions issued (July 1995), by the Government of India, all the DMs were required to submit monthly progress report in the proforma prescribed by the 10th of the following month. It was, however, noticed that out of 84 reports required to be sent during July 1995 to March 1997, only 18 reports were sent to the Government of India by the 4 DMs and as a result, the Government remained unaware of the progress of the works undertaken.

The laxity in this regard was found to be due to non-maintenance of accounts, records and non-conduct of inspections by the implementing officers.

The matter was reported to Government (July 1997); reply had not been received (December 1997).

PRINTING AND STATIONERY DEPARTMENT

3.14 Working of the Printing and Stationery Department

3.14.1 Introduction

The Printing and Stationery Department consists of two wings *viz.*, 'Press' and 'Forms and Stationery'. While the 'Press' was set up to meet the printing requirements including the printing of Ballot Papers, Budget documents and other secret and confidential documents of various departments, the 'Forms and Stationery' wing was to cater to the requirements of all kinds of forms and office stationery of all offices/departments and autonomous bodies of the Government. The Press was registered (1955) under the Factories Act, 1948. 28 printing machines (23 in Letter Press Wing and 5 in Offset Wing) with a total installed capacity of printing 996.36 lakh impressions purchased between 1938 and 1995 at a total cost of Rs.97.88 lakh were installed in the Press.

3.14.2 Organisational set up

The Department is headed by a Director, who is assisted by two Deputy Directors, one is for Administration and the other for 'Forms and Stationery' wing; and a Deputy Manager, looking after the affairs of the Press.

3.14.3 *Audit coverage*

The working of the Department for the period from 1979-80 to 1985-86 was last reviewed during December 1985 and January 1987 and results thereof were incorporated in Paragraph 3.3 of the Report of the Comptroller and Auditor General of India for the year 1985-86.

The Public Accounts Committee (PAC) in its 52nd report expressed (September 1994) concern over the under-utilisation and idling of machines, low output of printed materials, payment of overtime allowance etc. and recommended investigation of the reasons and submission of a report within 3 months by the Department. However, the Department had not conducted any investigation (May 1997). Reasons for non-compliance though called for (March 1997), had not been furnished.

The present review covering the period from 1991-92 to 1996-97, was conducted during March - May 1997 and results thereof are discussed below.

3.14.4 *Highlights*

- The financial performance of the Press could not be ascertained as the Profit and Loss accounts had not been prepared since 1969-70. However, the Press had incurred operating losses of Rs.10.11 crore during the years 1991-92 to 1996-97. The revenue awaiting collection as of March 1997 was Rs.3.08 crore and the loss of interest on the unrealised revenue amounted to Rs.93.54 lakh.

(Paragraph 3.14.5)

- The capacity utilisation in composing and printing sections declined sharply from 36 to 27 per cent and 57 to 38 per cent respectively during the years 1991-92 to 1996-97. 55 per cent of the installed capacity in composing section and 68 per cent of the installed capacity in printing section also remained unutilised. But Rs.106.48 lakh paid as overtime allowance in these sections during the years 1991-92 to 1996-97 despite having manpower much in excess of sanctioned strength was injudicious and avoidable.

(Paragraph 3.14.6.1)

- Poor performance of the composing and printing sections had resulted in sharp increase (138 per cent) in the pendency of printing jobs. As a result, the press could hardly cater to 36 per cent of the printing requirements of the different indenting departments of Government.

(Paragraph 3.14.6.4)

- As a result of setting up an offset wing at a total expenditure of Rs.0.75 crore in April 1986 without creating infrastructural facilities, the attempts for modernisation has not had any impact on the performance of the press. There was an infructuous expenditure of Rs.17.07 lakh on account of purchase of a Bicolour Offset printing machine.

(Paragraph 3.14.7)

- Under-utilisation of two offset printing machines had resulted in loss of revenue of Rs.2.26 crore.

(Paragraph 3.14.7.1 & 3.14.7.2)

- Huge stocks of paper and stationery sufficient to meet the requirements of 16 to 26 months (paper) and 1 to 15 months (stationery) was retained as closing balance indicating that stores were purchased in excess of requirement resulting in blocking of funds.

(Paragraph 3.14.8)

- Payment of overtime allowance in total disregard of the provision contained in the Factories Act, 1948 had resulted in inadmissible payment of Rs.1.03 crore during the years 1991-92 to 1994-95.

(Paragraph 3.14.9)

- There was short delivery of 1.26 lakh printed books valued at Rs.7.46 lakh.

(Paragraph 3.14.11(a))

- Vital records like history sheets, log books of the machines had not been maintained. Information on number of inspections conducted during the years 1991-92 to 1996-97 was not available with the Department and in the absence of all these records/information, the internal control mechanism remained ineffective.

(Paragraph 3.14.12)

3.14.5 *Provision and Expenditure*

The Departmental orders (July 1969) required that the cost of each job was to be worked out and intimated to the Accounts Section of the Department for ascertaining the Profit and Loss of the press. These accounts were, however, not prepared since 1969-70 and as a result, the financial results of the press was not ascertainable.

The following table indicates the budget provision, expenditure and operational loss incurred by the Department during the years 1991-92 to 1996-97.

Particulars	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	Total
(Rupees in lakh)							
Budget Provision -							
Plan		19.00	31.53	12.50	19.20	20.00	125.23
Non-Plan		209.00	254.92	262.70	266.97	338.29	1548.88
Total	240.00	228.00	286.45	275.20	286.17	358.29	1674.11
Expenditure -							
Plan	15.38	13.99	17.34	6.26	19.20	20.00	92.17
Non-Plan	234.32	214.72	201.90	219.17	258.32	241.15	1369.58
Total	249.70	228.71	219.24	225.43	277.52	261.15	1461.75
Saving(-)/Excess(+)	(+) 9.70	(+) 0.71	(-) 67.21	(-) 49.77	(-) 8.65	(-) 97.14	(-)212.36
Revenue realised	27.73	17.11	17.94	45.19	61.36	98.25	267.58
Revenue outstanding	5.77	73.10	96.24	-	7.95	-	183.06
Total revenue earned	33.50	90.21	114.18	45.19	69.31	98.25	450.64
Operational Loss (expenditure less revenue)	216.20	138.50	105.06	180.24	208.21	162.90	1011.11

Scrutiny of records showed that -

Persistent savings in the years 1993-94 to 1996-97 were due to excess provision mainly under overtime allowance and purchases not being commensurate with the actual requirements. Surplus funds had also not been surrendered by the Department.

The operational loss declined from Rs.216.20 lakh in 1991-92 to Rs.162.90 lakh in 1996-97. This declining trend was mainly due to reduction in payment of overtime allowance (OTA) from Rs.42.61 lakh in 1992-93 to Rs.9.30 lakh in 1996-97 and collection of unrealised revenues. Even then the accumulated operational loss during the years 1991-92 to 1996-97 was Rs.1011.11 lakh. This huge accumulation was mainly due to low utilisation of the installed capacity, idleness of machines and manpower leading to idle wages and payment of OTA etc.

The accumulated operational loss during the years 1991-92 to 1996-97 was Rs.1011.11 lakh. Recovery of Rs.307.67 lakh was awaiting collection as of March 1997.

Ledger accounts showing amounts due from Indenting Departments had not been maintained and as a result the recovery of Rs.307.67 lakh^s awaiting collection as of March 1997 was neither watched nor pursued properly.

The year-wise pendency of the outstanding revenue as shown above indicated that revenue of Rs.9.73 lakh relating to the year 1980--81 was also awaiting realisation (May 1997) even after a lapse of 16 years. The loss of interest on the unrealised revenue, calculated at 5 per cent per annum amounted to Rs.93.54 lakh. Absence of periodic review together with inaction to pursue the arrear

^s Arrear : 1980-81 to 1990-91 was Rs.124.61 lakh and 1991-92 to 1996-97 was Rs.183.06 lakh.

cases vigorously had resulted in such huge accumulations, which if realised timely, could reduce the operational losses.

3.14.6 *Performance appraisal*

3.14.6.1 *Capacity utilisation*

In the Press, while composing was done by hand, printing was done both in 'Letter Press' method and 'Offset' method. The productivity norms of the composing section fixed in May 1969 had not been revised (November 1997). The basis for reckoning productivity norms of printing section (fixed in May 1969 and reassessed in November 1993) and that of sanctioned strength of compositors and operators (fixed in June 1980) had not been made available to audit. As a result, actual assessment of requirements of staff keeping in view the capacities of the machines/productivity norms etc., could not be made in audit.

No norm was prescribed or followed by the Department in deployment of staff. But the actual deployment of staff in composing and printing sections with reference to the sanctioned strength during the years 1991-92 to 1996-97 was found to be high, as shown below -

Particulars	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
I. Composing Section						
Sanctioned strength	44	44	44	44	44	44
Men-in-position	60	60	60	60	60	60
Excess deployment	16	16	16	16	16	16
II. Printing Section						
Sanctioned strength	73	73	73	73	73	73
Men-in-position	80	80	80	80	80	80
Total No. of machines installed	26	26	27	27	27	28
Total No. of machines working	21	20	19	21	17	13
Excess deployment of staff with reference to sanctioned strength	7	7	7	7	7	7

Reasons for entertaining excess staff and the justification for keeping them during the above period was not furnished (November 1997) by the Department. The wages paid to the staff engaged in excess of the sanctioned strength during the years 1991-92 to 1996-97 amounted to Rs.77.02 lakh.

Rs.77.02 lakh was paid during 1991-92 to 1996-97 to staff engaged in excess of sanctioned strength.

The year-wise position of installed capacity of the Press in composing and printing and actual outturn against it during the years 1991-92 to 1996-97 was as under.

Particulars	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	Total
(In lakh ENS)							
I. Composing Section							
Installed capacity	2152.80	2121.60	2137.20	2121.60	2121.60	2152.80	12807.60
Actual Outturn in -							
NH	764.69	1031.08	848.49	1185.36	363.90	379.67	4573.19
OT	-	282.22	225.24	276.40	213.52	197.31	1194.69
Total	764.69	1313.30	1073.73	1461.76	577.42	576.98	5767.88
Percentage of outturn to installed capacity in -							
NH	36	49	40	56	17	18	36
OT	-	13	11	13	10	9	9
Total	36	62	50	69	27	27	45
(In lakh impressions)							
II. Printing Section (Letter Press Wing)							
Installed capacity	756.09	742.54	745.25	739.83	742.54	747.96	4474.21
Targets fixed	380.00	380.00	400.00	400.00	450.00	500.00	2510.00
Actual Outturn in -							
NH	180.88	249.01	255.83	193.51	165.55	179.33	1224.11
OT	35.32	76.67	42.96	14.38	6.06	11.42	186.81
Total	216.20	325.68	298.79	207.89	171.61	190.75	1410.92
Percentage of outturn to -							
Installed Capacity	29	44	40	28	23	26	32
Targets fixed	57	86	75	52	38	38	56

NH = Normal Hours; OT = Overtime; ENS = One single letter of English alphabet.

The above data indicates that -

The capacity utilisation in composing section declined from 36 *per cent* in 1991-92 to 27 *per cent* in 1996-97 excepting in the three years preceding 1995-96 when the percentage of utilisation varied from 50 to 69 *per cent*. The increased outturn in these years was due to getting the work done on over time basis at 11 to 13 *per cent* of the installed capacity.

The targets fixed for printing section were much below the installed capacity and even the lowered targets could not be achieved and percentage of shortfall in achievement had increased from 43 in 1991-92 to 62 in 1996-97.

These poor capacity utilisation in composing section despite having excess (36 *per cent*) manpower in all these years indicated

Lack of co-ordination and monitoring resulted in poor capacity utilisation.

lack of monitoring. The Government stated (September 1997) that effective co-ordination and monitoring in the Department had suffered for want of sufficient technical staff/officers with requisite qualification. Composing being the feeder to printing, low capacity utilisation of the composing section affected the performance of the printing section which was further compounded by the low outturn of the machines because of their old age and lack of repairs and maintenance

resulting in 15 out of 28 machines lying out of order as of 31 March 1997. Moreover, with the introduction of the offset printing where composing is done mechanically/by electronic devices, composing work by the conventional method, as was done in the press became also less popular. Performance of the Offset Wing has been discussed separately.

Thus, while 55 *per cent* of the installed capacity in composing section and 68 *per cent* of the installed capacity in printing section remained unutilised during the years 1991-92 to 1996-97 despite having manpower much in excess of the sanctioned strength, there was payment of Rs.106.48 lakh as overtime allowance in composing section (Rs.55.73 lakh) and printing section (Rs.50.75 lakh).

3.14.6.2 *Utilisation of machine-days*

The table below indicates the position of machine-days available and utilised and analysis of idle machine-days of the printing section during the years 1991-92 to 1996-97.

Particulars	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
Machine-days available	2737	1745	1119	1587	1587	805
Machine-days utilised	2484	1514	841	1244	864	304
Idle machine-days	253	231	278	343	723	501
Percentage of utilisation	91	87	75	78	54	38
Machine-days remained idle on account of -						
absence of machine-men/ operators	29(1)	17(1)	31(1)	16(1)	10(1)	18(2)
power breakdown	12	2	3	5	4	3
machine break down	72(3)	82(5)	74(7)	201(13)	504(32)	374(47)
non-availability of works materials etc.	140(5)	130(7)	170(15)	121(8)	205(13)	106(13)

NOTE - The figures in the brackets indicate the percentage to the total machine-days available.

The above data showed that percentage utilisation of machine-days declined sharply from 91 *per cent* in 1991-92 to 38 *per cent* in 1996-97. This steep fall was mainly due to high incidence of machine break-down due to their old age and lack of repairs and maintenance and non-availability of works because of low outturn in composing section.

Steep fall in utilisation of machine-days was due to lack of repairs, maintenance etc.

In order to record details of defects cropping up from time to time in the machines and repairing thereof, departmental orders (October 1992) required all the machine-men to maintain log books of machines but none of 80 machine-men had maintained the log books properly in the

absence of which there had been no monitoring of the periodical repairs and maintenance of machines.

3.14.6.3 Idle mandays

The information furnished by the Department as tabulated below indicates the position of mandays available *vis-a-vis* mandays utilised etc. during the years 1991-92 to 1996-97.

Particulars	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
I. Total mandays available	84,036	93,006	93,686	92,736	94,392	94,302
Less - Mandays lost on account of leave, holidays etc.	20,256	37,023	33,739	26,153	30,220	19,355
Net mandays available	63,780	55,983	59,947	66,583	64,172	74,947
Mandays utilised	49,110	40,867	44,361	50,603	48,129	53,212
Idle mandays	14,670	15,116	15,586	15,980	16,043	21,735
Percentage of idle mandays to net mandays available	23	27	26	24	25	29
II. Analysis of Idle mandays						
idle mandays due to -						
Power-cut	587 (0.92)	240 (0.43)	208 (0.35)	479 (0.72)	481 (0.75)	322 (0.43)
Machine remaining out of order	2,200 (3.45)	1,512 (2.70)	2,338 (3.90)	3,995 (6.00)	5,134 (8.00)	4,347 (5.80)
Non-availability of works and materials	1,174 (1.84)	452 (0.81)	779 (1.30)	1,279 (1.92)	1,765 (2.75)	1,521 (2.03)
Other reasons (Unspecified)	10,709 (16.79)	12,912 (23.06)	12,261 (20.45)	10,227 (15.36)	8,663 (13.50)	15,545 (20.74)

Note :- The figures in the brackets indicate the percentage to the Net mandays available.

The above data shows that -

While the working mandays available had increased by 18 *per cent* from 1991-92, to 1996-97, the actual utilisation of mandays showed an increase of 8 *per cent* only during this period leading to increase of 48 *per cent* in idle mandays in the corresponding period.

The increase of idle mandays was mainly on account of frequent machine break-down which registered an increase of 98 *per cent* from 1991-92 to 1996-97. In 1991-92, 21 out of 26 machines were in working conditions while in 1996-97, 13 machines were in working condition out of the total 28 machines installed. Thus, while in 1991-92, 19 *per cent* of the total machines installed remained out of order, the percentage of machines remaining out of order in 1996-97 increased to 54 *per cent*.

Idle mandays increased by 48 *per cent* during 1991-92 to 1996-97.

The Department did not take any remedial measures at any stage to check the increasing trend of idle mandays.

3.14.6.4 Execution of printing jobs

The information furnished by the Department in respect of printing orders executed and pending at the end of each year from 1991-92 to 1996-97 was as under :-

Year	Opening balance	Fresh orders received	Total orders received	Orders		Percentage of orders	
				Executed	Pending	Executed to the total orders	Pending to orders received during the year
	(Orders in lakh of copies)						
1991-92	INA	314.87	314.87	100.88	213.99	32	68
1992-93	213.99	160.90	374.89	150.20	224.69	40	140
1993-94	224.69	174.99	399.68	195.26	204.42	49	117
1994-95	204.42	277.57	481.99	217.53	264.46	45	95
1995-96	264.46	154.44	418.90	104.19	314.71	25	204
1996-97	314.71	246.49	561.17	161.49	399.68	29	162
		1329.26	2551.50	929.55	1621.95	36	122

INA = Information not available.

The above data indicates that -

The execution of printing jobs against the total orders had declined from 32 per cent in 1991-92 to 29 per cent in 1996-97.

The cumulative pendency of printing jobs with reference to the total order available for execution during the period 1991-92 to 1996-97 had increased by 87 per cent from 213.99 lakh copies in 1991-92 to 399.68 lakh copies in 1996-97 and ranged between 51 per cent and 75 per cent.

Quantum of Printing orders received for execution had also declined sharply from 314.87 lakh copies in 1991-92 to 154.44 lakh copies in 1995-96. The Department stated (August 1996) that as a result of higher printing charges fixed by the Press, a lot of printing works had been got done by various Offices/Departments from private sources avoiding Government Press. No action was, however, taken by the Department or by the Government to reduce the printing charges in Government Press.

Thus, the press which was set up to meet the printing requirements of the Government Departments could hardly cater to 36 per cent of the printing needs of the different indenting

departments. No periodic review of the pending print orders was carried out by the Department during the years 1991-92 to 1996-97 for their expeditious clearance.

3.14.7 *Modernisation of the Press and Working of offset wing*

As the printing by the conventional 'Letter Press' method was considered inadequate, the Department, as an effort to modernise the press had purchased 5 offset printing machines between April 1986 and March 1997 at a total cost of Rs.75.30 lakh, of which one machine purchased in February 1997 at a cost of Rs.18.33 lakh was awaiting installation (November 1997).

The following table shows the installed capacity *vis-a-vis* actual outturn of the offset wing during the years 1991-92 to 1996-97.

Particulars	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
a) Total No. of machines available	3	3	4	4	4	5
b) Total No. of machines worked	1	1	1	4	3	3
c) Installed capacity (In lakh impressions)	72.54	71.24	71.50	316.68	249.34	248.40
d) Actual outturn (In lakh impressions)	10.26	17.88	24.32	45.66	38.89	39.37
e) Percentage of under utilisation	86	75	66	86	84	84

The Department attributed (April 1997) the low performance of the offset machines to non-availability of qualified operating as well as supervisory staff. Scrutiny of records showed that no post of operators had been sanctioned for the offset wing since its inception in April 1986 and the machines were operated by deputing employees from Letter Press Wing, who were not very conversant with the operation of offset machines. The Department also did not arrange (May 1997) for imparting any training to the employees of Letter Press Wing in operation and maintenance of offset machines.

Scrutiny of purchase records of two of these machines revealed the following -

3.14.7.1 *Bicolour offset machine*

To meet the increased demand for printing, the Government decided (May 1981) to purchase a single colour offset machine at Rs.8.04 lakh from M/S Hindustan Machine Tools (HMT). The purchase could not be made till January 1986 when it was decided to purchase a sheet fed bicolour offset machine at a cost of Rs.17.07 lakh from M/S HMT. Reasons for purchasing a bicolour machine superseding earlier decision to purchase a single colour machine were not on records. The machine was purchased in April 1986 at Rs.17.07 lakh, installed in October 1986 and

put to operation in June 1987 as a vertical camera, essential to run the machine was purchased in February 1987 and the space required for the machine could not be provided till then.

Scrutiny of records showed that not a single bicolour impression had been taken from the machine since its installation in June 1987 and thus, purchase of a bicolour machine at Rs.17.07 lakh

Injudicious purchase of a machine resulted in an avoidable expenditure of Rs.9.03 lakh.

by incurring an avoidable expenditure of Rs.9.03 lakh (Rs.17.07 *minus* Rs.8.04 lakh) had proved injudicious.

As per the productivity norms (7500 impressions per hour), the outturn of the machine in 11843 available working hours during 1991-92 to 1995-96 (the machine did not work in 1996-97 for mechanical problem) should have been 888.23 lakh impressions against which the actual outturn was 72.05 lakh impressions, (8 *per cent*) resulting in shortfall of 816.18 lakh impressions (92 *per cent*)

The Department failed to earn revenue of Rs.2.04 crore due to under utilisation of the machine.

which would have enabled the Department to earn a minimum revenue of Rs.2.04 crore at the rate of Rs.250 per thousand impressions fixed by Press.

3.14.7.2 *Single colour offset machine*

In response to tenders for supply of a single colour Demy Size sheetfed offset machine, 8 tenderers submitted (October 1988) their rates, of which the rate (Rs.3.12 lakh) offered by the Firm 'A' was the lowest. This rate was, however, not considered by the Tender Scrutinising Committee (TSC) on the ground that the Firm was not equipped with modern technology (not specified) and recommended the 2nd lowest rate of Rs.6 lakh offered by another Firm B. The deal was, however, not finalised for reasons not on records.

Tenders for the machine were again invited in October 1990 and 4 firms offered their rates where also the rate (Rs.3.84 lakh) offered by the Firm - 'A' was lowest, but the rate offered by Firm A was not accepted on the ground that the firm was not the manufacturer of the machine and had not submitted the technical literature of the machine. The said literature was, however, already available with the department. The supply order was awarded in January 1991 for Rs.6.20 lakh to Firm - C who was also not the manufacturer of the machine. The machine was received in May 1991 and installed in June 1991.

Thus, due to purchase of machine from Firm - C at abnormally higher rate (99 *per cent*) superseding the lowest rate offered by Firm - A, the department had incurred avoidable extra expenditure of Rs.3.08 lakh.

Scrutiny of records further showed that machine had remained idle since its installation in June 1991 till March 1994 due to some installation defects (not specified) and non-availability of operator. Between April 1994 and March 1997 the machine worked for 5538 hours against 10699 working hours available and the actual outturn was 17.35 lakh impressions against the installed capacity of 106.51 lakh impressions resulting in shortfall of 89.16 lakh impressions and loss of potential revenue of Rs.22.29 lakh reckoned at the rate of Rs.250 per thousand impressions as charged by the Press.

Thus, as a result of setting up an Offset Wing at a total expenditure of Rs.75.30 lakh without creating infrastructural facilities and attempts for modernisation had not resulted in any significant improvement in the performance of the Press.

3.14.8 *Inventory control*

The year-wise position of procurement and consumption of paper and office stationery during the years 1991-92 to 1996-97 is given below :-

Year	Paper					Office stationery				
	Opening balance	Quantity Procured	Consumed	Closing balance	Closing balance in terms of months consumption	Opening balance	Procured	Quantity Consumed	Closing balance	Closing balance in terms of months consumption
		(Figures in tonnes)					(Figures in lakh of rupees)			
1991-92	315.64	199.87	173.60	341.91	24	37.12	34.95	31.30	40.77	15
1992-93	341.91	221.51	199.50	363.92	22	40.77	4.96	30.50	15.23	6
1993-94	363.92	4.92	119.75	249.09	25	15.23	18.54	30.48	3.29	1
1994-95	249.09	81.31	103.43	226.97	26	3.29	16.03	8.67	10.65	15
1995-96	226.97	105.73	142.88	189.82	16	10.65	15.88	13.32	13.21	12
1996-97	189.82	126.67	126.31	190.18	18	13.21	19.47	19.54	13.14	8

The above data indicates that huge stock of paper and stationery sufficient to meet the requirements of 16 to 26 months and 1 to 15 months respectively was retained as closing balance during the years 1991-92 to 1996-97 which obviously indicated that the stores were purchased far in excess of requirement resulting in locking up of funds ranging from Rs.3.29 lakh to Rs.40.77 lakh in respect of office stationery alone.

Rs.3.29 lakh to Rs.40.77 lakh were locked up in purchases made in excess of requirements.

The Department had neither fixed the minimum and maximum store level nor introduced (June 1997) maintenance of Bin Cards or Priced stores Ledger. Annual physical verification of

stores had not been done during the years 1991-92 to 1996-97 and in the absence of all these basic records inventory control remained ineffective.

It was also noticed that forms valued at Rs.2.35 lakh printed between May 1990 and February 1995 were lying unutilised (November 1997) as non-moving items. Reasons for holding excessive stocks, making purchase in excess of requirements were not stated (November 1997) by the Department.

3.14.9 Overtime allowance

The payment of overtime allowance (OTA) to the employees of the Press was governed under the provision of the Factories Act, 1948 and rules framed there under. Total amount of OTA paid during the years 1991-92 to 1996-97 was Rs.1.16 crore as against Rs.0.82 crore paid during the years 1985-86 to 1990-91 registering an increase of 41 *per cent*.

Test check of the OTA bills for the years 1991-92 to 1996-97 revealed the following irregularities -

Inadmissible payment

Section 64(4) of the Factories Act, 1948 provided that the total number of hours put in overtime should not exceed fifty during any quarter and no worker should be engaged on duty beyond normal working period without prior permission of the Chief Inspector of Factories.

It was, however, noticed during audit that while the idle machine-days increased from 253 to 343 registering an increase of 36 *per cent* and the idle mandays increased by 9 *per cent* from 14,670 to 15,980 despite having manpower much in excess (20 *per cent*) of the sanctioned strength during the years 1991-92 to 1994-95, OTA of Rs.102.59 lakh was paid to 2773 workers in excess of the prescribed ceiling of 50 hours in a quarter, as would be seen from the table given below. In none of the cases permission of the Chief Inspector of Factories was obtained before engagement of workers on overtime.

Rs.102.59 lakh was paid as over-time allowance in excess of the prescribed ceiling
--

Particulars	1991-92	1992-93	1993-94	1994-95
a) No. of workers engaged to perform OT duties per quarter -				
50 hours - 100 hours	290	225	239	233
101 hours - 150 hours	134	219	149	320
Above 150 hours	460	212	246	46
	884	656	634	599

Particulars	1991-92	1992-93	1993-94	1994-95
b) Total hours of OT done per quarter				
50 hours - 100 hours	18,883	13,126	11,177	8,198
101 hours - 150 hours	17,372	28,002	14,408	38,920
Above 150 hours	93,542	80,529	62,111	7,972
	1,29,797	1,21,657	88,296	55,090
c) Total amount paid (rupees in lakh) as OTA for working				
50 hours - 100 hours	2.57	4.60	3.19	2.57
101 hours - 150 hours	2.37	9.81	4.11	12.22
Above 150 hours	12.74	28.20	17.71	2.50
	17.68	42.61	25.01	17.29

The Government attributed (September 1997) the lax supervision to the shortage of technical and supervisory staff with requisite qualification. The reply, however, did not specify the action taken by the Department to fill up the key post of Manager (Press) which was stated to be lying vacant for last 9 years.

Since unbridled overtime was being allowed to the employees of the press in total disregard of the limit prescribed under Factory Rules, the Department had decided (October 1993) to draw up printing works programme beforehand to reduce the payment of OTA to the minimum. However, no such action plan had been drawn up (November 1997) and payment of OTA continued to be made unchecked.

Section 59 of the Factories Act, 1948 forbids payment of overtime allowance to the persons holding supervisory posts and drawing total monthly salary exceeding Rs.1600.

Test check of OT Bills for July - September, 1993 revealed that in connection with the printing of Budget documents, Nationalised Text Books, Diary etc., 440 employees of the press were engaged to perform overtime works. While according ex-post-facto permission for such engagement, the Chief Inspector of Factories had disallowed (November 1993) the overtime claims of 110 employees whose total monthly salary exceeded Rs.1600.

The Department, however, while submitting the proposal for sanction for Rs.6.26 lakh requested (November 1993) the Government to relax the provision of the Factories Act, 1948 in favour of these ineligible employees since the work had already been done. The Government also while according sanction (February 1994) admitted that all the provision of the Regulations/Act could not be complied with for various reasons (details not specified). The request (February 1995) of the Department for relaxation of the monthly ceiling of Rs.1600 was not acceded to by

the Chief Inspector of Factories and Boiler (March 1995) on the ground that the ceiling prescribed was under a central legislation and the State Government had no power to change or relax it.

Thus, amount of Rs. 102.59 lakh on account of OTA was paid to the employees of the press in total disregard of the statutory provisions of the Factories Act, 1948.

3.14.10 *Pricing policy*

The printing rates fixed by the department in July 1969 had not been approved by the Government. The rates had also not been reviewed and revised (November 1997) by the department. The Government had observed (August 1996) that printing charges proposed by the Press were high and as a result lot of printing had been got done by various departments from outside sources avoiding Government Press.

Information collected by Audit from 3 departments (Health, Information, Cultural Affairs and Tourism, Education) showed that Rs.167.30 lakh had been paid by these departments towards printing charges to the private presses during the years 1991-92 to 1996-97. Had these jobs been executed by the Government Press, the State exchequer would have been accredited with substantial revenue.

The Press failed to earn a substantial revenue for its high printing charges.

Scrutiny of information collected further showed that the cost of three commonly used forms (Pay bill, TA bill and GPF advance bill) in any Government office would have been much less, if got printed at any private press instead of the Government press, as would be seen from the following table :

Description of form	Rate of printing (per thousand copies) if done from the		Difference of cost
	Government Press	Private Press	
a) Pay bill form (TR-22)	Rs.4329	Rs.1040	Rs.3,289
b) TA bill form (TR-25)	Rs.3,601	Rs. 640	Rs.2,961
c) GPF Advance bill form (TR 58 A)	Rs. 945	Rs. 150	Rs. 795

The above data also indicates that no attempt had been made by the department to rationalise its printing charges with the prevailing market rates.

3.14.11 *Other topics*

(a) **Short delivery of books**

Nationalised Text Books (NT Books) were printed in the press on the basis of requisition of the Education Department. Mention regarding short delivery of NT Books was made in Para 3.3.6 of the Report of the Comptroller and Auditor General for the year 1985-86. The PAC had recommended (September 1994) for investigation of the reasons for short delivery of books to fix responsibility for the lapses and to report compliance by December 1994. Investigation had not, however, been conducted as of (November 1997).

It was, however, noticed in audit that between April 1987 and March 1994 (No NT Book was printed by the press thereafter) 36.85 lakh books were printed in the press of which only 35.59 lakh books were delivered to the Education Department resulting in short

There was short delivery of 1.26 lakh books valued at Rs.7.46 lakh to the Education Department.

delivery of 1.26 lakh books valued at Rs.7.46 lakh (excluding cost of paper which was borne by the Education Department). The closing stock of NT Books, however, showed a Nil balance. The Department did not make any investigation to ascertain the reasons for such short delivery although it had been pointed out by Audit earlier.

Annual physical verification of stores had not been done during the years 1991-92 to 1996-97 which, if conducted periodically, could have detected the shortage much earlier.

(b) **Unfruitful expenditure**

Financial rules require that all materials received should be examined before taking delivery by a responsible officer, who would see that quantities were correct, quality good conforming to the approved specification and record a certificate to that effect.

During audit it was noticed that to make the Offset Wing well equipped and to take out print copies, the Department purchased a High Printing Resolute copy printer in March 1995 from a Guwahati based firm at a cost of Rs.3.75 lakh after observing codal formalities.

Scrutiny of records showed that the machine worked intermittently upto July 1995 since its installation in March 1995 and thereafter remained (November 1997) out of order. The Department requested (June 1996) the supplier to replace the machine as it was not received in good condition in March 1995. No such condition of replacement was embodied in the supply order. The machine had, however, not been replaced (November 1997).

Thus, as a result of receiving a defective machine without examining its quality and functioning before procuring it, the whole expenditure of Rs.3.75 lakh proved unfruitful. The Government stated (September 1997) that it was unexpected that such sophisticated machine would be found defective. The reply was not acceptable as it could not explain as to why requisite checks were not exercised before receiving the machine to secure interest of the Government.

3.14.12 *Monitoring*

(a) *Non-maintenance of records*

To monitor the overall performance of the press, the Department had introduced (April and August 1991, June and December 1992) submission of daily and weekly returns showing targets *vis-a-vis* outturn and utilisation of manpower. The Departmental orders (October 1992) also required maintenance of log books for all the machines. Although dockets of outturn were submitted daily by the concerned sections, these were not verified by the departmental officers (Deputy Managers, Manager, Deputy Director and Director) during 1991-92 to 1996-97. Even vital records like history sheets and log books of the machines had not been maintained and in the absence of these records, the internal control mechanism remained grossly ineffective.

The Government while accepting the poor maintenance of records in the Department stated (September 1997) that maintenance of records could not be ensured for want of technical supervisory officers.

(b) *Inspection and supervision*

The Government Orders (April 1994) required that press should be inspected daily by the Superintendents, once in two days by the Deputy Manager and periodically by the Director, who should record their observations on the findings for better management improvement. The Departmental secretary was also required to conduct random checks of the press and convene meetings monthly to assess overall performance and take remedial measures.

The Department, however, could not furnish the number of inspections conducted by the Departmental officers at various levels during 1994-95 to 1996-97. Inspection Notes or minutes in support of such inspections or meetings were also not available with the department.

3.14.13 *Evaluation*

To assess and evaluate the performance of the press, the Government constituted a High Power Committee in March, 1990. The Committee in its Report had suggested (June 1992) measures *inter-alia*, engagement of a team of experts to fix productivity norms, setting up of a

workshop for better maintenance of machines, transfer of pending orders to other departmental presses of Agriculture, Home and Revenue departments, who were having less works, etc.

Action had not been taken (November 1997) by the Department on the suggestions made by the Committee. While accepting the fact, the Department stated (September 1997) that it would draw the attention of the Government on the aforesaid points.

REVENUE DEPARTMENT

3.15 Unfruitful expenditure on housing loans

District Magistrate and Collector, West Tripura released loan amount of Rs.22.04 lakh during 1990-92, to Sub-Divisional Officer, Sadar, for disbursement to selected small and marginal farmers in the Sub-Division under the scheme loan assistance from HUDCO. A loan of Rs.15,000 was payable to each beneficiary in 3 equal instalments - the first on execution of deed/agreement, the second on completion of house upto plinth level (mud-wall) and the third i.e. the final instalment on completion of house upto roof level. The loan was refundable by the loanee in 88 quarterly instalments commencing after six months from the date of disbursement of the third/final instalment. The loan carried the interest at the rate of 7.50 *per cent* per annum.

Test-check (January 1997) of the records of SDO, Sadar, revealed that loans of Rs.6.75 lakh and Rs.9.90 lakh were disbursed by him during 1990-91 and 1991-92 to 45 and 66 beneficiaries respectively, towards full payment of 3 instalments. Thus, an amount of Rs.5.39 lakh was left with him as balance, which could have met the loan requirements of at least 35

Granting of housing loan of Rs.8.40 lakh proved unfruitful and a loss to Government.
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more beneficiaries only. But SDO, Sadar disbursed during 1992-93 the balance amount, along with an additional amount of Rs.3.01 lakh to 96 beneficiaries towards first and/or second instalment only (24 beneficiaries @ Rs.5,000 and 72 beneficiaries @ Rs.10,000 each). This sudden increase in the number of beneficiaries was not approved by the higher authority as per records produced to Audit. No further instalment of loan was paid to these beneficiaries till date, obviously due to non-receipt of further amount from DM and Collector(West). As a result, the beneficiaries could not complete the construction of their houses although as per agreement, the same ought to have been completed within one year from the date of receipt of the first instalment. It was also noticed that no demand for repayment of loan was ever raised against the loanees since last instalment had not been paid at all.

Thus, due to unwarranted increase in the number of beneficiaries and non-observance of the prescribed terms and conditions of disbursement of loans by the department, the very purpose of granting the housing loans was defeated and the entire expenditure of Rs.8.40 lakh incurred under the scheme proved unfruitful. Since further chances of recovery of the loan amount were remote due to breach of agreement on the part of the loan sanctioning authority, the entire expenditure of Rs.8.40 lakh incurred was a total loss to Government.

The matter was referred to Government in August 1997; reply had not been received (December 1997).

DEPARTMENT OF WELFARE FOR SCHEDULED TRIBES

3.16 Locking up of plan funds

Under Integrated Jhumia Settlement Scheme (a Centrally Sponsored Scheme), Director of Welfare for Scheduled Tribes (DWST) approved (February 1989) a list of 93 beneficiaries for their settlement at Chalita Bankul forest, Sabroom. For this purpose, he sanctioned and released an amount of Rs.22.56 lakh between March 1989 and March 1990. Sub-Divisional Officer, Sabroom (the Implementing Officer) had drawn (March 1989) an amount of Rs.8.67 lakh as the first instalment @ Rs.9326 per beneficiary of which Rs.8.58 lakh were placed in 92 joint Savings bank accounts with 92 beneficiaries. Meanwhile, a dispute had arisen in respect of the selected site which happened to be Reserved Forest where deforestation had been banned by Government of India since 1980. Initial effort to shift the site at 'Taichama' also failed due to unwillingness of the beneficiaries. Ultimately, DWST cancelled the site and conveyed (June 1991) the same to SDO, Sabroom, although the second and the third instalments @ Rs.11,596 and Rs.3,347 per beneficiary respectively had been already released and drawn in February 1990 (Rs.3.11 lakh) and March 1990 (Rs.10.78 lakh). The amounts drawn, along with the balance amount (Rs.0.09 lakh) of the 1st instalment were kept in bank in joint current deposit accounts of the SDO and the beneficiaries till the end of December 1995 when the fact was brought to light by Audit. Of late (September 1996), 56 beneficiaries were settled in Taichama and 37 were awaiting settlement in yet another site viz., Uttar Vijoypur. Details of expenditures incurred, though called for in March 1997 had not been received (November 1997).

Premature drawal of funds resulted in locking up of Rs.22.56 lakh for 5 to 6 years and Rs.8.98 lakh for more than 7 to 8 years.

Thus, failure to select proper site prior to approval of the scheme as also pre-mature release and drawal of funds resulted in unnecessary and avoidable locking up of plan funds amounting to

Rs.22.56 lakh for 5 to 6 years upto December 1995; and Rs.8.98 lakh thereafter in respect of 37 beneficiaries which were lying in the Current Deposit account of the SDO unutilised for more than 7 to 8 years.

Government while admitting the facts stated (May 1997) that implementation of the scheme for the remaining 37 families had also been started in later part of 1996-97 after final selection of the new site.

CHAPTER - IV

WORKS EXPENDITURE

PUBLIC WORKS AND RURAL DEVELOPMENT DEPARTMENTS

4.1 Rajiv Gandhi National Drinking Water Mission

4.1.1 Introduction

Various Rural Water Supply(RWS) schemes were launched by the Central and State Governments from time to time since 1954. These were implemented mostly in the easily accessible villages neglecting the problem villages where no safe sources of drinking water were available. A National Drinking Water Mission was launched in 1986 which was renamed (1991) as Rajiv Gandhi National Drinking Water Mission (RGNDWM) with the main objective of providing sustainable safe drinking water supply to all the uncovered/no source problem villages by March 1997 and to simultaneously create awareness among the rural people about the hazards of using unsafe drinking water in all the habitations identified as not covered within the VIII plan period. The thrust of the RGNDWM in the Central sector was to supplement efforts of the State Government through Minimum Needs Programme (MNP). The Mission included Accelerated Rural Water Supply Programme(ARWSP), Sub-Missions, human resource development, research and development, water quality surveillance etc. It aimed at providing 40 litres of drinking water per capita per day (LPCD) for human being, one hand pump or stand post for every 250 persons and water sources within 1.6 Km in the plains and within 100 metres elevation in hilly areas.

The water was defined as safe if it was free from biological contamination (guineaworm, and bacilli causing diseases like cholera, typhoid etc.) and chemical contamination (excess fluoride, brackishness, excess iron, arsenic, nitrate etc.).

4.1.2 Organisational set up

The programme was implemented by both the Public Health Engineering (PHE) wing of Public Works Department (PWD) and the Rural Development (RD) Department. The Superintending Engineer (SE), Monitoring Cell of the PHE wing was the nodal authority for co-ordination and monitoring of the programme. While piped water supply schemes were executed by 3 PHE-Divisions, creation of spot sources (Mark II tube wells, Sanitary wells etc.) was done by 4 Rural Engineering(RE) Divisions (now RD Divisions) and 27 Block Development Officers

(BDOs) working under 4 District Magistrate(DM) and Collectors. Besides, PHE-Division - V, Kumarghat executed the Mini-Mission works of North Tripura District.

4.1.3 Audit Coverage

The implementation of the programme in the State during the period from 1992-93 to 1996-97 was reviewed by Audit between June and August 1997 through test-check of records of the Chief Engineer(CE), PHE wing of PWD, RD Department, SE, Monitoring Cell of PHE Wing, SE, PHE circle, 2 PHE Divisions⁺ out of 3, 4 DM and Collectors, 4 RD-Divisions and 7 BDOs[▼] out of 27.

4.1.4 Highlights

- Although RGNDWM envisaged provision of drinking water sources to all the 3469 uncovered/no-sources habitations by the end of Eighth Five Year Plan period (1996-97), 982 uncovered/no source habitations (28 per cent) were not provided drinking water facilities by the target date.

(Paragraph 4.1.6)

- Out of total expenditure of Rs.1969.84 lakh reported to the Government by 3 Rural Development Divisions and 7 Block Development Officers during the period from 1992-93 to 1996-97, Rs.55 lakh remained deposited in Personal Ledger(PL) Accounts, Rs.545.29 lakh in Bank Accounts and Rs.66.34 lakh were retained as cash.

(Paragraph 4.1.9 (iii))

- There was infructuous expenditure of Rs.53.14 lakh on construction of 17 Deep Tube Wells which had been abandoned due to low discharge of water and law and order problems.

(Paragraph 4.1.10.2)

- Out of 34,374 spot sources^{*}, 3119 sources (9 per cent) created at a cost of Rs.291.94 lakh remained unserviceable as of March 1997 due to low discharge of water. As a result, 1.45 lakh rural population was deprived of getting drinking water facilities and the whole expenditure of Rs.291.94 lakh became unproductive. Besides, out of 13,416 serviceable spot

⁺ PHE- Divisions II Kumarghat and PHE Division IV, Agartala.

[▼] Jirania, Mohanpur, Bishalgarh, Kumarghat, Salema, Matabari and Bagafa.

^{*} Spot sources include Mark-II Tube Wells, Shallow Tube Wells, RCC Wells and Sanitary Wells.

sources in West Tripura, 10993 sources (82 per cent) were resunk/replaced/renovated mainly due to low discharge of water. This indicated that the Department did not resort to scientific identification of sustainable water sources.

(Paragraph 4.1.10.4)

- Twenty Mark-II Tube Wells had not been executed despite issue of materials worth Rs.3.87 lakh to 11 contractors during the period from 1989-90 to 1995-96 nor was the cost of materials recovered from the defaulting contractors leading to unfruitful expenditure.

(Paragraph 4.1.10.5)

- Out of 1168 spot water sources to be constructed in 1074 habitations by March 1994 in North Tripura District, under Mini-Mission project, only 965 sources were constructed in 871 habitations as of March 1997 at a cost of Rs.403.85 lakh. As a result, 203 habitations could not be provided with safe drinking water facility.

(Paragraph 4.1.12)

- Out of 351 Iron removal plants(IRPs) procured during 1990-91 to 1992-93, 348 plants (99 per cent) had been damaged due to improper maintenance and prolonged storage in open space as a result of which expenditure of Rs.30 lakh incurred on these IRPs became infructuous.

(Paragraph 4.1.13.1)

- A sum of Rs.41.73 lakh drawn from the treasury during November 1996 to June 1997 for manufacturing domestic filters, was not entered in the cash book and was kept out of Government Accounts. Besides, proper accounts of such drawals and expenditure incurred thereagainst were also not maintained. Thus the veracity of this expenditure could not be vouchsafed by Audit.

(Paragraph 4.1.13.2 (I))

- Out of 15920 domestic candle filters manufactured by the EE, RD Division, Dhalai during November 1996 to June 1997, 10271 filters were issued to 4 BDOs and other organisations for distribution to the beneficiaries and the balance 5649 filters were stored in open space.

(Paragraph 4.1.13.2 (IV), (V))

- Out of 2353 Rain Water Harvesting structures to be constructed at a cost of Rs.154.96 lakh by March 1994, only 1228 structures were constructed at a cost of Rs.93.85 lakh as of

March 1997. Shortfall (48 per cent) was due to diversion of Rs.33.63 lakh to Mini-Mission project works and because Central assistance released only Rs.27.48 lakh out of Rs.154.96 lakh due to non-submission of physical and financial progress report from 1994-95 onwards by the State Government to GOI.

(Paragraph 4.1.13.3)

- There was an infructuous expenditure of Rs.13.73 lakh on installation of 4 Solar Photo Voltaic Pumping Systems which went out of order within 36 months of their installation and could not be repaired for want of technical know how.

(Paragraph 4.1.14)

- At district level water testing laboratory set up in February 1990 at Kumarghat (cost of Rs.5.33 lakh) bacteriological tests were not conducted for want of equipment. Two Junior Research Assistants attached with the laboratory were also not trained in the line although expenditure of Rs.3.49 lakh was incurred on their salary and Rs.5.33 lakh on the maintenance of the laboratory during the period from 1991-92 to 1996-97. The laboratory had remained non functional since its inception.

(Paragraph 4.1.16)

- Despite creation of Human Resource Development Cell and procurement of computers in July 1996, the Cell could not be made functional due to non-recruitment of staff. As a result, out of Central assistance of Rs.18.13 lakh received for training and other activities during the period from 1995-96 to 1996-97, Rs.8.83 lakh remained unutilised as of March 1997.

(Paragraph 4.1.17 (i))

- State Government could not utilise (July 1997) Central assistance of Rs.13.84 lakh received in March 1996 under computerisation project as the GOI had not finalised the agency for procurement of computers.

(Paragraph 4.1.18)

4.1.5 Planning

For implementation of RWS Schemes, RD Department prepared Annual Action Plan on coverage of habitations in every year from 1994-95 onwards. The activities undertaken were predominantly concerned with setting up a new water supply system and the Department did not

work out any plan for implementation of other components viz., training, health education, awareness campaign, community participation etc., provided under RGNDWM.

4.1.6 Identification and coverage of problem villages/habitations

The topography of the State of Tripura is predominantly hilly and the area of the State is 10,449 square kilometres. As per status survey conducted by the State Government in 1991-93 to identify the status of drinking water source in 7412 problem villages/habitations[#], 3469 habitations (47 *per cent*) were not covered (NC), 1269 habitations (17 *per cent*) were partially covered (PC) and 2674 habitations (36 *per cent*) were fully covered (FC) with sources of drinking water as on 1st April 1992.

During the Eighth Five Year Plan period (1992-93 to 1996-97) the State had targeted coverage of remaining 3469 NC habitations together with augmentation of level of water supply in 1269 PC habitations. However, the Department reported that at the end of Eighth Plan (March 1997) 4030 habitations were fully covered, 2400 habitations were partially covered and 982 habitations were not covered (NC).

Although it was decided by the State Government that the coverage of NC habitations was to be given priority, it was seen from the records that out of total coverage of 2190 habitations during 1996-97, 2002 habitations (91 *per cent*) were covered from PC villages and only 188 habitations (9 *per cent*) were fully covered from NC villages. Thus, no priority was given for coverage of NC habitations during that year. As a result, 982 habitations remained without a single source of drinking water as on 31 March 1997. The Department stated (December 1997) that these NC habitations would be covered during 1997-98.

982 uncovered/no source habitations were not provided with drinking water facilities.

4.1.7 Coverage of category-wise population

As per status survey reports of the State Government, the total rural population in the State was 24.46 lakh of which 23.33 lakh population (95 *per cent*) was covered with drinking water sources upto March 1997.

The Department maintained consolidated figures of coverage of population irrespective of FC and PC habitations. But category-wise coverage of population under FC and PC habitations was not maintained. The Department stated (December 1997) that population covered under FC

[#] Villages without a single sources of water within 1.6 kilometres horizontal distance or 15 metres below the ground or 100 metres vertical distance.

and PC habitations would be identified in the next status survey, but did not indicate any time schedule to do so.

4.1.8 Funding pattern

The allocation of Central assistance under ARWSP was subject to matching provision by the State Government under State-sector MNP for RWS and was not to exceed the provision made under it. The shortfall in actual expenditure under MNP *vis-a-vis* expenditure under ARWSP was to be adjusted while releasing the last instalment of funds under ARWSP. 5 per cent of Annual Plan allocation was to be earmarked for solving specific problem like excess fluoride, excess iron etc., through Sub-Mission and 10 per cent of ARWSP and MNP funds were earmarked for operation and maintenance (O & M) of RWS schemes. Besides, 100 per cent approved cost of Mini-Mission projects, treatment plants and O & M cost of desalination plants for three years were to be met fully from Central assistance. In regard to water testing laboratories, the non-recurring cost of equipment upto Rs.1.87 lakh and recurring cost on technical staff, chemicals etc., for one year subject to a ceiling of Rs.1.62 lakh was to be met from Central assistance for each district level laboratory. Since 1993-94 Central assistance for Sub-Mission was provided at 75 per cent of the approved cost and the remaining 25 per cent being met by the State Governments. The Central assistance for district level laboratories was revised to Rs.1 lakh for building and Rs.3 lakh for equipment. Recurring cost was shared on 50:50 basis by the Centre and the State Governments.

The State Government was to earmark a minimum 25 per cent of the total outlay for Scheduled Castes(SCs) and 10 per cent for Scheduled Tribes (STs) for taking up RWS scheme exclusively for them.

4.1.9 Financial performance

The budget provision, funds released by the Centre and expenditure incurred under ARWSP and MNP during the period from 1992-93 to 1996-97 were as under :

ARWSP				MNP			
Year	Budget provision	Funds released by centre	Expenditure	Excess(+) Savings(-)	Budget provision	Expenditure	Excess(+) Savings(-)
<i>(Rupees in lakh)</i>							
1992-93	445.57	445.57 [*]	235.66	(-)209.91	916.00	968.99	(+)52.99
1993-94	400.00	350.00	385.18	(+)35.18	1011.74	1034.44	(+)22.70

* Excess and saving were calculated with reference to funds released by the Centre.

^{*} Unutilised fund of previous years Rs.142.23 lakh
Fund released during 1992-93 Rs.303.34 lakh
Rs.445.57 lakh

ARWSP				MNP			
Year	Budget provision	Funds released by centre	Expenditure	Excess(+) Savings(-)	Budget provision	Expenditure	Excess(+) Savings(-)
<i>(Rupees in lakh)</i>							
1994-95	899.00	899.00	787.31	(-)111.69	1225.10	1389.74	(+)164.64
1995-96	816.50	760.00	1031.69	(+)271.69	1457.58	1449.86	(-) 7.72
1996-97	543.00	850.00	860.18	(+) 10.18	2504.53	2285.60	(-) 218.93
Total	2961.84	3304.57	3300.02	(-) 4.55	7114.95	7128.63	(+) 13.68

(i) At the end of 1994-95 there was cumulative unutilised Central assistance of Rs.286.42 lakh under ARWSP of which Rs.281.87 lakh had been utilised during 1995-96 to 1996-97. Central assistance of Rs.4.55 lakh (ARWSP) remained unutilised as of March 1997.

(ii) Significant savings against the budget provisions occurred in the years 1992-93, 1994-95 (ARWSP) and 1996-97 (MNP). The shortfall in expenditure was mainly due to slow progress of works like laying of pipes and installation of pump sets in 72 DTWs which were sunk before 1992-93.

(iii) Scrutiny of records of 3 RD Divisions and 7 Blocks revealed that out of total expenditure of Rs.1969.84 lakh reported to Government during the period from 1992-93 to 1996-97, Rs.55

Rs.666.63 lakh remained unspent in PL Accounts, CD Accounts and in Cash.
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lakh remained deposited in Personal Ledger Accounts, Rs.545.29 lakh in Current Deposit Accounts and Rs.66.34 lakh were retained as cash by the implementing agencies. Details are shown in **Appendix-21**.

4.1.10 Physical performance

4.1.10.1 Piped water supply schemes (Deep Tube Wells)

Out of 24.46 lakh rural population in 7412 habitations, 7.36 lakh (30 *per cent*) population in 1477 habitations (20 *per cent*) was provided with drinking water facilities through 339 piped water supply schemes as of March 1997.

Scrutiny of records of PHE circle and 2 PHE Divisions, however, revealed that out of 339 Schemes, 15⁺ schemes constructed between 1975 and 1980 were not functioning for the last four years due to low discharge of water, damage of DTWs by miscreants, theft/burning of motors and

* Excess and saving were calculated with reference to funds released by the Centre.

⁺ Ratacherra, S. Chodhury Para, Promodnagar, Singicherra, Chailengta, Manik Bhandar, Halahali, Srirampur, Asharambari, Ishanpur, Rudhijala, Bampur, Sonaichari, Srinagar, Patni.

other electrical equipment etc. Of the 15 non-functional schemes, 10[♦] schemes were taken up for reconstruction/repair during 1993-94 to 1996-97 and remained incomplete(July 1997). No action was taken by the Department to reconstruct/repair the remaining 5 'schemes' as these schemes were located in difficult/remote areas and for security reasons. The Department stated that 10 schemes taken up for repairing had been completed and commissioned by December 1997. But the expenditure incurred on such works was not intimated to Audit.

4.1.10.2 *Infructuous expenditure on abandoned/non-commissioned schemes*

Test check of records of PHE circle revealed that 17[♥] DTWs constructed between 1986-87 and 1992-93 at a cost of Rs.53.14 lakh had not been commissioned by the Department. Of the 17 DTWs, 9[▲] were abandoned due to low discharge of water and 8[•] DTWs could not be commissioned as these were located in remote and difficult areas. The low discharge of water in 9 DTWs was attributed by the Department to variation in water bearing strata of the locations. The Department did not maintain any records to indicate whether the selection of sites for these projects was made by ascertaining the level of ground water through scientific method. Thus, the amount of Rs.53.14 lakh spent on construction of the 17 DTWs led to infructuous expenditure as the schemes had not functioned at all thereby defeating the very purpose of providing drinking water to the people of those areas. The Department while accepting the fact stated (December 1997) that attempt would be made to utilise the DTWs having low discharged by providing suitable pump sets. It was also stated that 8 DTWs located in remote localities would be commissioned at the earliest possible.

<p>Infructuous expenditure of Rs.53.14 lakh incurred on 17 deep tube wells.</p>
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4.1.10.3 *Delay in commissioning schemes*

21[™] DTWs constructed during 1990-91 to 1992-93 at a cost of Rs.80.41 lakh were awaiting commissioning mainly due to non-completion of other relevant works i.e. laying of pipes, installation of pump sets etc. The delay in commissioning of these schemes resulted in delay in

♦ Chailengta, Manik Bhandar, Halahali, Srinagar, Bampur, Rudhijala, Ishanpur, S.Chowdhury Para, Asharam bari, Srirampur.

♥ Tangibari, Kurtim Choraibari, Balaram, Kamalacherra, Nalicherra, Gachiram Para, Ujan Machmara, Bara Haldi, Krishna Tilla, Betchera Darlong Basti, Ghosh Khamar, Kanchani, Masrambari, Mantala, Manaicherra, West Laxmicherra.

▲ Tangibari, Kurti, Choraibari, Ujan Machmara, Krishna Tilla, Betcherra Darlong Basti, Ghosh Khamar, Masrambari, Mantala.

• Balaram, Kamalacherra, Nalicherra, Gachirampara, Bara Haldi, Kanchani, Monaicherra, West Laxmicherra

™ Jagannathpur, Chulubari, Lalcherra, Nabincherra, Ananda Bazar, Haripur, Jalaya, Durlavnarayan, Rangacherra, Dighalia, Jagatpur, Sardukarkari, Dakshin Gakulnagar, East Kalyanpur, North Gakulnagar, Ramnagar, Rangamala, Jarul Bachai, Gurupada Colony, Jagabandu Para, Sarma.

denial of drinking water facilities to 0.40 lakh rural people of concerned villages, apart from rendering the expenditure of Rs.80.41 lakh incurred on the construction remaining unproductive for periods ranging from 4 to 6 years.

4.1.10.4 *Creation of spot sources*

Records of the RD Department and Monitoring cell showed that 15.97 lakh rural population in 4953 habitations had been provided drinking water facilities through 34374 spot sources* at a cost of Rs.4120.96 lakh as at the end of March 1997.

Test check of records of the RD Department revealed that out of 34,374 spot sources, 3119 sources* (9 per cent) created at a cost of Rs.291.94 lakh had remained out of order as of March 1997 mainly due to low discharge of water. As a result 1.45 lakh people could not get drinking water from these sources and the expenditure of Rs.291.94 lakh incurred on these sources had become unproductive.

Further, it was seen from the records of the DM & Collector, West Tripura that out of 13416 serviceable spot sources in the West Tripura District, 10993 sources (82 per cent) were resunk/replaced/renovated at a cost of Rs.119.94 lakh during last five years (1992-93 to 1996-97) mainly due to low discharge of water. This indicated that most of the spot sources were not sustainable. The Department did not prepare geohydrological maps on the basis of satellite images of the State available with the National Remote Sensing Agency (NRSA), Hyderabad for scientific identification of natural water source and level of ground water. In the absence of such records, the selection of project sites of spot sources was not reliable and had subsequently led to the failure of the schemes in the absence of sustainable source to provide regular supply of water either by gravity or through pumping.

Department did not take recourse to scientific identification of sustainable water resources.

4.1.10.5 *Non-execution of works*

The EE, RD Division, South Tripura District issued materials worth Rs.3.87 lakh to 11 contractors for sinking of 20 Mark-II TWs in different places of South Tripura District during the

* a) Mark II Tube Wells (Tws) :	9758
b) Shallow Tws :	15872
c) Rainforce cement concrete (RCC) Wells :	2742
d) Sanitary Wells :	6002
Total	34,374

* a) Mark - II Tube Wells :	744
b) Shallow TWs :	1654
c) RCC Wells :	494
d) Sanitary Wells :	227
Total	3119

period from May 1989 to February 1996. But neither were the works executed nor materials returned by the contractors(July 1997). The cost of materials of Rs.3.87 lakh had also not been recovered by the Department.

The Department stated (December 1997) that legal proceedings to recover the cost of materials from the defaulting contractors had been instituted.

4.1.11 *Material Management*

In PHE Wing of PWD, Resource Division procured different categories of materials in bulk and issued them to the executing divisions against specific indents, while in RD Department, the EE, RD Division, West Tripura was the central procuring authority in respect of materials required for installation and maintenance of spot sources. Since 1996-97, RD Store Division procured materials for installation and maintenance of spot sources.

Test check of records of the RD Divisions, disclosed the following :

Based on negotiation with a firm in June 1991, the EE, RD Division, West Tripura purchased 48750 leather caps (Buckets) at a cost of Rs.5.35 lakh in 1991-92. During physical verification by the Department it was noticed that entire quantity of buckets supplied by the firm were found to be sub-standard and defective. The RD Department issued orders for sealing the entire stock in June 1992. Meanwhile 18808 buckets had been utilised by different Blocks and remaining 29942 buckets (valued at Rs.3.23 lakh) were sealed by the Department in June 1992, and subsequently these buckets were completely damaged. Thus, the purchase of sub-standard and defective buckets resulted in loss of Rs.3.23 lakh to Government.

Sub-standard and defective leather buckets worth Rs.3.23 lakh were purchased by EE, RD Division, West Tripura.
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4.1.12 *Mini-Mission*

The concept of Mini-Mission was a district based integrated project covering major aspects of rural water supply to attain sustainable water supply on long term basis with close involvement of community and Non-Government Organisations (NGOs) in the implementation, O & M and health education and solution of specific problem of excess fluoride, iron etc. It aimed at adopting appropriate technology and such other techno-scientific inputs as scientific source finding by satellite imagery etc., for sustainable and safe water supply.

GOI sanctioned (May 1988) the North Tripura Mini-Mission project for construction of 721 water sources (Mark-II TWs : 584, RCC Wells : 124 and development of spring sources : 13)

in 643 habitations at a cost of Rs.227.90 lakh. The project was scheduled to be completed by 31st March 1992.

The works were entrusted to the PHE Division-V, Kumarghat. A district level co-ordination committee was also formed (September 1989) for proper monitoring and implementation of the project. The Chairman, District Rural Development Agency (DRDA), North Tripura District and the EE, PHE Division-V, functioned as the Project Director and the Executive Director of the project respectively.

In June 1992, after incurring expenditure of Rs.193.95 lakh (85 *per cent*) and completing 530 sources (74 *per cent*) in 442 habitations, the CE, PHE wing of PWD sent a revised estimate of Rs.673 lakh to GOI for providing in all 1168⁺ water sources in 1074 habitations under the project. The revised estimate was needed due to change in population and habitation pattern in tribal areas of North Tripura District (Mini-Mission Project Area). GOI sanctioned (February 1994) the revised estimate at Rs.467.93 lakh with the condition that the project was to be completed in all respect by 31st March 1994 and no escalation towards cost over run or time over run would be allowed. GOI released Central assistance of Rs.275 lakh upto June 1994 under Mini-Mission Project and balance amount of Rs.192.93 lakh was to be met from ARWSP funds.

Test check of records revealed that total 965 water sources[▼] (83 *per cent*) were completed in 871 habitations against the targets of 1168 sources in 1074 habitations after spending funds of Rs.403.85 lakh (86 *per cent*) by the end of March 1997. There was a shortfall of 17 *per cent* in achievement of targets and fund allocated remained unutilised to the extent of 14 *per cent* at the end of 1996-97. As a result, drinking water facilities could not be provided to 203 habitations (19 *per cent*) even after lapse of 3 years from the scheduled date of completion of the project.

203 habitations could not be covered under Mini-Mission in North Tripura.

It was also seen in audit that after completion of 762 water sources, the PHE Division - V had been wound up in July 1994 and the balance 406 works were entrusted to the EE, RD Division, Dhalai and again in 1995-96 of which 230 works was entrusted to 5 BDOs and RD

^ i) Mark-II TWs	842 Nos
ii) RCC/Masonry wells	320 Nos
iii) Development of spring sources	6 Nos
	1168 Nos

▼ i) Mark II TWs	695 Nos
ii) RCC/Masonry wells	264 Nos
iii) Development of spring sources	6 Nos
	965 Nos

Division, North Tripura. Due to frequent changing of implementing agencies the progress of works during 1994-95 to 1996-97 was very slow. Out of 406 water sources, only 203 sources were completed during that period. It was also seen in audit that the physical and financial progress reports were not furnished to GOI from 1994-95 onwards. The performance progress under Mini-Mission project was neither monitored nor evaluated by the Monitoring Cell of PHE Wing of PWD since 1994-95.

4.1.13 *Sub-Mission*

4.1.13.1 *Iron Removal Plants*

The ground water in the State contained high percentage of iron contents ranging from 1.5 to 35 ppm against the permissible limit upto 1 ppm. With a view to reducing the excess iron content in water, GOI approved (1990-91) the installation of 460 Iron Removal Plants (IRPs) at a cost of Rs.39.68 lakh and placed orders with M/S. Bharat Process and Mechanical Engineers Limited (BPMEL), Calcutta, (a Central Government Enterprise) for supply and installation of these plants in the State. Although BPMEL supplied 351 IRPs (cost Rs.30.27 lakh) upto July 1992, the firm expressed its inability to install these IRPs due to shortage of manpower. However, to expedite the programme the State Government agreed to install these IRPs through Divisional Engineers of RD Department.

Expenditure of Rs.30 lakh on IRPs became infructuous due to long storage of plants in open space.

Test check of records of the RD Division, West Tripura revealed that out of 351 IRPs received from BPMEL, 120 were installed upto March 1993 of which 117 (98 per cent) IRPs had been damaged due to improper maintenance. Remaining 231 IRPs (66 per cent) could not be installed due to short supply of materials such as gravel, filter sand etc., by the firm. These IRPs were damaged due to long storage in open place. Thus the amount of Rs.30 lakh spent on 348 IRPs proved to be wasteful expenditure as it had failed to serve the intended purpose.

4.1.13.2 *Distribution of domestic candle filters*

GOI sanctioned (July 1995) the distribution of 76250 domestic candle filters among the users of 1525 hand pump tube wells having iron concentration between 5 to 35 ppm at a cost of Rs.152 lakh. The expenditure on these filters was to be shared between the Central and the State Governments on 75:25 basis. GOI released Central assistance of Rs.84 lakh during the period from 1995-96 to 1996-97 and the State Government also released Rs.52 lakh for this purpose in 1996-97. The filters were to be distributed by the BDOs on realisation of the beneficiaries contribution

at the rate of 20 *per cent* of the cost in case of General beneficiaries and 10 *per cent* in case of SC/ST.

The RD Department reported (May 1997) to GOI that 75,595 filters had been distributed to the beneficiaries (physical progress) at a cost of Rs.136 lakh by the end of March 1997. But it was seen in audit that the physical progress as reported to GOI was not commensurate with the expenditure incurred as the estimated cost per filter as worked out by the SE. RD Department was Rs.210 and the Department had allowed variation of the cost by 10 *per cent*, while the actual procurement rate varied from Rs.215 (Kumarghat) to Rs.260 (Karbook) per filter. Thus, the average cost per filter worked out to Rs.235. At the most 57,872 filters only could have been procured/distributed with the available funds of Rs.136 lakh during 1996-97. Obviously, the physical progress as reported by the RD Department to GOI was overstated to the extent of 17,723 filters.

Test check of records of the RD Division, Dhalai revealed the following irregularities :

(i) Central Treasury Rules 77 provide that every officer receiving money on behalf of the Government should maintain a cash book in Form TR-4 and all monetary transactions should be entered in the cash book as soon as they occur and attested by the head of the office in token of check. Although the EE had drawn Rs.41.73 lakh (Abstract contingent (AC)) bills :Rs.10 lakh, Fully vouched contingent(FVC) bills : Rs.31.73 lakh) from the treasury for making payment to suppliers of domestic filters during the period from January to June 1997 but the amount so drawn was not entered in the cash book and kept out of Government Accounts. Besides proper accounts of such drawals and expenditure incurred there against were also not maintained. Thus the veracity of this expenditure could not be vouchsafed by Audit.

Detailed countersigned contingent bills were outstanding against drawal of Rs.10 lakh.

While accepting the omission the EE, RD Divisions, Dhalai stated (July 1997) that the amounts drawn by FVC bills were entered in a subsidiary cash book as prescribed by the RD Department and amounts drawn by AC bills were entered in a separate register. The reply of the EE is not acceptable as orders issued by RD Department for maintaining subsidiary cash book were not shown to Audit. Department further stated (December 1997) that the matter had been under investigation and disciplinary action would be taken against the defaulter if warranted.

Besides, adjustment accounts for these AC Bills required to be submitted within 60 days of their drawal from the treasury, had not been submitted as of December 1997.

(ii) During November 1996 to 5th July 1997 the EE, RD Division, Dhalai spent Rs.9.09 lakh towards labour charges of manufacturing 15920 domestic filters against the permissible amount of Rs.7.96 lakh at the rate of Rs.50 per filter. Thus, the EE had incurred an excess expenditure of Rs.1.13 lakh.

While accepting the facts EE stated (July 1997) that the expenditure of Rs.1.13 lakh was incurred towards completion of the incomplete filters. The reply of the EE is not acceptable as no documents in support of such expenditure were produced to Audit.

(iii) The EE, RD Division, Dhalai purchased between November 1996 and June 1997 different kinds of materials worth Rs.31.73 lakh for manufacturing domestic filters without inviting open tenders and without obtaining approval of the Higher Purchase Committee. The quality of the materials was also not inspected before purchase.

Materials for filters worth Rs.31.73 lakh were purchased without observing codal formalities.
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The EE stated (July 1997) that the purchase was made on emergency basis to achieve the target of distribution of filters by the end of March 1997. The EE's contention is not acceptable as the filter distribution programme had been taken up by Government in 1995-96 to be continued upto 1997-98.

(iv) The EE had manufactured 15920 filters between November 1996 and June 1997 by engaging persons trained through TRYSEM/DWCRA at a cost of Rs.34.61 lakh of which only 10,271 filters were issued to 4 BDOs and other organisations for distribution to the beneficiaries and the remaining 5649 filters (cost Rs.11.30 lakh) were stored in open space in unsecured conditions (July 1997). No information was available with the EE whether the filters issued to the BDOs had been actually distributed to the beneficiaries. Reply of the Department was awaited (November 1997).

(v) As per the specifications approved by the SE, RD Department a filter (40 litres capacity) should have 2 taper cocks, one in the upper chamber and the other in the lower chamber. The EE, RD Division, Dhalai had manufactured 10,263 filters (cost Rs.20.53 lakh) with only one taper cock fixing in the lower chamber of these filters. The performance of the domestic candle filters depends on its regular cleaning and taper cock in the upper chamber of filter was essential for dislodging the foul water at the time of cleaning the filter. In absence of the taper cock in the upper chamber, it would be

10,263 filters were rendered useless due to manufacturing defects.

difficult to clean these filters regularly. Hence these single taper cocked filters (10,263 nos.) could not be used for its entire life or had to be changed at short intervals.

No inspections on the quality of the filters so manufactured were conducted nor reports were maintained by the EE on the ground that manufacturing of filters was made under supervision of the technical staff of the Division. However, in the absence of the records on inspection it could not be ascertained whether materials used in these filters were according to the norms/working specification prescribed by the RD Department.

(vi) 3 BDOs as shown below had procured 3839 filters at a cost of Rs.8.76 lakh during 1996-97 but they could not furnish any records to audit in support of the distribution of these filters and realisation of beneficiaries contributions (July 1997).

Name of BDOs	Number of filters procured	Cost (Rupees in lakh)
1. BDO, Mohanpur	1520	3.67
2. BDO, Kumarghat	2045	4.40
3. BDO, Salema	274	0.69
TOTAL	3839	8.76

4.1.13.3 *Rain Water Harvesting Structures*

GOI sanctioned (1988-89) the construction of 2353 Rain Water Harvesting (RWH) structures at a cost of Rs.154.96 lakh for conservation of water in hilly areas of North Tripura District where no other source of drinking water was available and released Central assistance of Rs.127.48 lakh during the period from 1988-89 to 1992-93. The works were entrusted to the EE, PHE, Division-V, Kumarghat and were scheduled to be completed by March 1994.

It was seen from the relevant records that out of 2353 RWH structures, only 1228 structures (52 per cent) were constructed in 16 habitations by March 1997 at a cost of Rs.93.85

Rs. 33.63 lakh were diverted and Rs.27.48 lakh were not released as CSS due to non-submission of progress Reports.
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lakh (60 per cent). Thus, there was a shortfall of 48 per cent in achievement of physical targets. The shortfall of 40 per cent in financial achievement was due to diversion of Rs.33.63 lakh (22 per cent) to Mini-Mission project and short release of Central assistance of Rs.27.48 lakh (18 per cent) by GOI as physical and financial progress reports of RWH structures by the State for the period from 1994-95 to 1996-97 to GOI were not furnished.

4.1.14 Solar Photo Voltaic Pumping System

Five Solar Photo Voltaic (SPV) pumping systems were installed in 1991 at a cost of Rs.17.16 lakh in five villages^N of North Tripura District where it was not feasible to tap the source of drinking water through conventional systems due to deep water tables and lack of electricity facilities.

Test check of records of RD Divisions, Dhalai and North Tripura revealed that out of 5 SPV pumping systems, 4 systems went out of order during 1992-94 and remained unserviceable as of July 1997. It was also noticed in audit that 16 solar modules were stolen and 4 modules were damaged due to natural calamities like cyclone. In November 1995, 129 solar modules, 3 pump sets and 2 inverters were withdrawn from the installation sites since these required immediate repairs but were kept idle in the store of RD Division, North Tripura. The Department did not take any action to get these systems repaired for want of technical know-how. Thus, the amount (Rs.13.73 lakh) spent for installation of these (4 nos.) SPV pumping systems led to infructuous expenditure as these systems had not worked since 1994. The main objective of providing drinking water facilities to these villages was thus not achieved. The Department stated (December 1997) that the SPV pumping systems could not be repaired as there was no suitable agency in the State to do so.

Expenditure of Rs.13.73 lakh on SPV pumping systems was infructuous.
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4.1.15 Rig Management

It was seen from the records of the PHE Wing of PWD that the Department had not purchased any drilling rigs during the last ten years. However, the Department possessed nine drilling rigs (2 procured in 1972-73, 3 between 1978-79 and 1981-82 and 4 during 1984-85 to 1986-87) and utilised them in 3 executing divisions for implementation of MNP, ARWSP and other programmes. No information regarding normal working life span of the rigs and norms of performance was available with the Department. The Department fixed a tentative target for utilisation of the rigs. According to the targets fixed by the Department, each drilling rig was to sink one DTW per month.

The targets and achievement (performance) in respect of the 9 drilling rigs during the period from 1992-93 to 1996-97 as reported by the executing divisions to the SE, PHE Circle were as follows :

^N Humanchung-I, Humanchung-II, Fuldansai, Subaul and Tlangsang villages of Jampui hills.

Year	Targeted bores (Nos.)	Bores achieved (Nos.)	Shortfall in bores (Nos.)	Percentage of shortfall
1992-93	108	27	81	75
1993-94	108	12	96	89
1994-95	108	12	96	89
1995-96	108	22	86	80
1996-97	108	25	83	77
Total	540	98	442	

It would be seen from the above table that utilisation of rigs was very poor and there was a shortfall of 75 to 89 *per cent* in achievement of targets during the period from 1992-93 to 1996-97. The shortfall was mainly due to non-availability of works and the rigs were constantly under repairs as most of them were very old.

4.1.16 Water quality testing laboratory

GOI sanctioned the establishment of one stationary laboratory and one mobile laboratory in the State and released Central assistance of Rs.2.70 lakh in February 1989. Subsequently, in April 1990, the sanction of the mobile laboratory was withdrawn by GOI.

A district level water quality testing laboratory was set up in Kumarghat, North Tripura District in February 1990 under the administrative control of the EE, PHE Division-V. During the period from 1989-90 to 1993-94, a sum of Rs.5.33 lakh was spent towards its maintenance cost. With the winding up of the establishment of the PHE Division-V (July 1994) the laboratory remained attached with the EE, PHE Division-II, Kumarghat.

Test check of records of the laboratory revealed that only 17 water samples were tested in the laboratory during last three years i.e. from 1994-95 to 1996-97. Bacteriological tests were not conducted in the laboratory for want of equipment. No information on the other activities like survey of water status, monitoring the quality of drinking water etc., was available with the EE, PHE Division-II. Although two Junior Research Assistants were attached with the laboratory, they were not trained in the line. The laboratory was, therefore, non-functional since its inception.

Water Testing Laboratory at Kumarghat did not carry out its function adequately.
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The Department did not take any action to improve the conditions of the laboratory though there were two Junior Research Assistants attached to the laboratory and an expenditure of Rs.3.49 lakh was incurred on their salary during the period from 1991-92 to 1996-97. However, the Department stated (December 1997) that the laboratory would be made functional in all respects from 1998-99.

4.1.17 Human Resource Development Cell

GOI sanctioned (March 1995) the establishment of Human Resource Development (HRD) Cell for training and other activities and released Central assistance of Rs.18.13 lakh during the period from 1995-96 to 1996-97 to the State Government. The programme was to be implemented in the State by the RD Department.

Rs.8.83 lakh of CSS remained unutilised due to non-recruitment of staff.
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Test check of records of the RD Department revealed that despite creation of HRD Cell in July 1996 the Cell could not be made functional mainly due to non-recruitment of staff. As a result, no training programmes were taken up and Central assistance received during the period from 1995-96 to 1996-97 remained unutilised to the extent of 49 per cent (Rs.8.83 lakh) as of March 1997.

The Joint Secretary, RD Department stated (July 1997) that the recruitment of staff could not be taken up for a number of reasons mainly administrative.

4.1.18 Management Information System

GOI sanctioned (March 1996) the computerisation project in PHE/RD Department at a total cost of Rs.22.71 lakh. The expenditure under the project was to be shared by the Central and the State Governments on 80:20 basis. Central assistance of Rs.13.84 lakh (Rs.13.63 lakh for purchase of computers, preparation of computer rooms etc., and Rs.0.21 lakh for training) was released to the State Government in March 1996. The entire funds remained unutilised as of November 1997 because GOI did not select the agency for procurement of computers though it was decided to procure the computers under a centralised umbrella arrangement through an agency to be finalised by the GOI.

Rs.13.84 lakh of CSS could not be utilised for purchase of computers.

4.1.19 Information, Education and Communication

Information, Education and Communication (IEC) strategy was adopted by GOI for creation of awareness on the water and sanitary sector. The State Government had selected the Dhalai District for intensive awareness campaign and submitted a project report to GOI in October 1996 for providing Central assistance. The project report was returned by GOI to the State Government in December 1996 for some modifications. But the modified project report had not been submitted to GOI by the State Government (November 1997).

4.1.20 Monitoring

A State Level Co-ordination Committee on water supply was constituted in June 1994 for co-ordination between different agencies dealing with implementation of RWS schemes. The Committee met almost in every month for reviewing the implementation of water supply schemes. Besides, there was a Monitoring Cell headed by a SE in the PHE Wing of PWD. The Cell was to monitor all activities under RGNDWM and to maintain liaison with the GOI in regard to the implementation of the scheme.

It was seen in audit that the activity of the monitoring cell was confined to collection of monthly physical and financial reports from different implementing agencies and their transmission to GOI but progress of activities on other aspects e.g. community participation, training, health education, technology, cost effectiveness etc., were never monitored. Thus, there was no effective monitoring on the implementation of the schemes under RGNDWM in the State.

The matter was reported to Government (September 1997); reply had not been received (December 1997).

PUBLIC WORKS DEPARTMENT

(PUBLIC HEALTH ENGINEERING AND WATER RESOURCES)

4.2 Minor Irrigation Programme

4.2.1 Introductory

Agriculture is the mainstay of the economy of Tripura. The area of the State is 10.49 lakh hectares (ha) of which 2.70 lakh ha (26 *per cent*) is cultivable. Till the end of March 1990, 0.22 lakh ha of land was covered by minor irrigation and 92 *per cent* of the total cultivable area had no assured irrigation facility. However, for the irrigation facilities provided so far, no water tax was levied in the State and water was being distributed free of cost to the beneficiary farmers.

In order to boost the irrigational potential, Minor Irrigation Programme (MIP) was launched in the State in April 1978 and all the irrigation schemes having a Cultivable Command Area (CCA) upto 2000 ha were classified under the MIP. The main objectives of the programme were -

Exploitation of ground water through construction of Deep Tube Wells (DTWs) and supply and distribution of water to CCA through a net work of pipe/channel.

Utilisation of surface water through Lift Irrigation Schemes (LIS), Diversion Schemes ;
and

Generation of employment opportunities through the construction works.

4.2.2 Organisational set up

The execution of the programme was entrusted to the Irrigation and Flood Control (IFC) wing of the Public Works Department, headed by an Engineer-in-chief cum Secretary, and was assisted by a Chief Engineer (Water Resources), a Superintending Engineer and three Executive Engineers. Minor Irrigation Divisions (Agartala, Kumarghat and Udaipur). Besides, three more Executive Engineers (Investigation Division, Planning Division and Resources Division) were also involved in the programme.

4.2.3 Audit Coverage

Mention of different short-comings of the Minor Irrigation Programme was made in the paragraph 4.1 of the Report of the Comptroller and Auditor General of India for the year 1982-83. The Public Accounts Committee (PAC) in their deliberations (March 1987) required the Government to review the programme to minimise the percentage of waste and damage of money and materials, furnish report thereon and initiate action to extend irrigation facilities to the hilly areas. However, the programme was neither reviewed nor any action plan for the hilly areas had been formulated by the Government as of (April 1997).

Records of the offices of the Chief Engineer (Water Resources), Superintending Engineer and six Executive Engineers (four at Agartala and one each at Kumarghat and Udaipur) for the years 1990-91 to 1996-97 were test-audited during November 1996 to January 1997. Results of the test checks are contained in the succeeding paragraphs.

4.2.4 Highlights

- The Department incurred a total expenditure of Rs.71.72 crore against the budget provision of Rs.126.95 crore during the years 1990-91 to 1996-97 representing 56 per cent utilisation. This indicated that provision had been made much in excess of actual requirement.

(Paragraph 4.2.5)

- As against total deposits of Rs.705.17 lakh made by the Tripura Tribal Areas Autonomous District Council (TTAADC) for execution of Minor Irrigation Schemes in ADC areas, the Department incurred a total expenditure of Rs. 836.11 lakh and as a result,

expenditure of Rs. 130.94 lakh was incurred in excess of the deposits received by diverting State funds.

(Paragraph 4.2.5.2)

- In respect of 26 MI Schemes, constructed between 1990-91 and 1996-97 at a total cost of Rs. 64.47 lakh, no pipe line was laid or distribution canal constructed. As a result, 865 hectares(ha) of land were deprived of irrigation facilities for 1 to 6 years besides locking up of funds worth (Rs. 64.47 lakh). There was no record showing the utilisation of Irrigation potential in respect of 53 schemes constructed and commissioned during the aforesaid years at a total cost of Rs. 311.21 lakh.

(Paragraph 4.2.6.2)

- There was inordinate delay varying from 1 to 18 years, over the stipulated period of 3 to 12 months, in completion of 32 MI Schemes resulting in cost over-run of Rs. 319.26 lakh and delay in providing irrigation facilities to 1938 ha of land.

(Paragraph 4.2.6.3)

- Forty one Minor Irrigation Schemes constructed between April 1991 and November 1996 at a total cost of Rs. 118.14 lakh to provide assured irrigation to 1576 ha of land had not been commissioned for want of electric connection resulting in locking up of funds worth (Rs. 118.14 lakh) and denial of irrigation facilities to 1576 ha of land for 1 to 6 years.

(Paragraph 4.2.6.4)

- Inaction of the Department to develop a Diversion Scheme even after a lapse of 10 years rendered the whole expenditure of Rs. 44.50 lakh on its construction infructuous.

(Paragraph 4.2.7)

- As of March 1997, 9 per cent of the total cultivable land of the State was brought under Minor Irrigation Programme and only 46 to 55 per cent of the total potential area created could be utilised for the irrigation purpose because of lack of repairs and maintenance, incompleteness of the schemes as per design, absence of technical knowledge of the operators and lax supervision.

(Paragraph 4.2.8.1)

- Against the normal discharge period of 20 years, 91 Minor Irrigation Installations (cost : Rs. 395.03 lakh) commissioned between April 1979 and March 1996 covering a Cultivable Command Area of 3979 ha of land became defunct within 1 to 16 years of their

construction. This happened due to theft of pumps and motors and their non-replacement, inadequate water discharges and change of river courses etc. The Department paid idle wages of Rs. 156.36 lakh to the operational staff attached to these 91 defunct installations during the year 1990-91 to 1996-97.

(Paragraph 4.2.8.2)

- Out of 363 Shallow Tube Wells sunk between April 1979 and March 1985, 123 Tube Wells valued at Rs. 27.06 lakh did not physically exist and 161 Tube Wells (value : Rs. 35.42 lakh) remained defunct since November 1983.

(Paragraph 4.2.8.3)

- Failure to conduct proper Land and Soil Survey before execution of work resulted in an unfruitful expenditure of Rs.68.88 lakh.

(Paragraph 4.2.10.1)

4.2.5 Budget provision and expenditure

The Budget provision *vis-a-vis* expenditure incurred on implementation of the programme during the years from 1990-91 to 1996-97 are given below :-

Year	Budget provision	Expenditure incurred	Percentage of utilisation	Variation Savings (+) Excess (-)	Percentage of Excess/ Savings
	(In lakh of rupees)				
1990-91	1812.00	1046.75	58	(-) 765.25	(-) 42
1991-92	1786.40	961.15	54	(-) 815.25	(-) 46
1992-93	1997.00	880.29	44	(-) 1116.71	(-) 56
1993-94	2047.46	742.34	36	(-) 1305.12	(-) 64
1994-95	1696.38	1352.24	80	(-) 344.14	(-) 20
1995-96	1985.60	659.54	33	(-) 1326.06	(-) 67
1996-97	1370.58	1530.00	112	(+) 159.42	(+) 12
	12,695.42	7172.31	56	(-) 5523.11	(-) 44

It was seen that -

- Provision made had no correlation with the expenditure made in earlier years ;

As a result, 20 to 67 per cent of the provisions made in the years 1990-91 to 1995-96 remained unutilised; and the Department could utilise only 56 per cent of the total provision made during the

<p>The Department could utilise only 56 per cent of the provision made during 1990-91 to 1996-97.</p>

years 1990-91 to 1996-97, which indicated that provision had been made much in excess of actual requirement.

- Persistent savings every year were indicative of defective budgeting. The Executive Engineer (Planning) stated (January 1997) that variation of expenditure was due to curtailment of funds by the Government at the fag end of the year.
- Provision for maintenance and repairs had not been made despite recommendations made by the successive Finance Commissions, scheme-wise expenditure incurred on maintenance and repairs had also not been maintained and as a result cost effectiveness of most of the schemes remained obscure.

The 9th and 10th Finance Commissions in their reports (July 1988 and April 1994) had recommended the constitution of a High Level Committee comprising the Secretaries of Finance, Irrigation, Planning and Public Works Departments under the Chairmanship of the Chief Secretary of the State to review and monitor quarterly the allocation and utilisation of maintenance funds. No such Committee had been formed (February 1997).

4.2.5.2 Expenditure in excess of deposit received for the works

As per codal provision outlay on Deposit Works was required to be limited to the amounts of deposits received. The amount so received was required to be credited in the accounts as Public Works Deposits; against which all expenditure incurred which would be debited. For this a consolidated record of the transactions relating to all Deposit works undertaken by the Department was required to be maintained by each division and any expenditure incurred in excess of the deposits received charged to the head "Miscellaneous PW Advances" pending recovery to effect which action should be taken at once.

It was, however, noticed that TTAADC made total deposits of Rs. 705.17 lakh during the years 1985-86 to 1992-93 for installation of Minor Irrigation Schemes in the TTAADC areas, against which the Department had incurred a total expenditure of Rs. 836.11 lakh and as a result Rs. 130.94 lakh were expended in excess of the deposits received by diverting funds from overall savings of the programme; but no consolidated record of transaction was maintained and the expenditure of (Rs. 130.94 lakh) incurred in excess of deposits was also not charged to the Misc. PW Advances. No claim had also been preferred (November 1997) by the Department to the Council to recover the amount.

The Department expended Rs.130.94 lakh in excess of the deposits received.

4.2.5.3 *Excess payment against Cash Settlement Suspense Accounts claims*

Expenditure on services rendered or supplies made by one division to another is initially classified under the suspense head "Cash Settlement Suspense Accounts", which is cleared on receipt of the claims from the issuing division and issue of cheques or bank drafts by the receiving division after ensuring proper receipt of the materials.

It was, however, noticed that against a total claim of Rs. 69.45 lakh preferred by the Resources Division, Agartala between March and September 1991 for supply of pumps, pipes etc., the Executive Engineer, Minor Irrigation Division No.1, Agartala had paid Rs. 121.30 lakh through four cheques between March and September 1991 and as a result Rs. 51.85 lakh were paid in excess.

This excess payment was facilitated due to payment of claims without verifying site Accounts and claims Registers and as a result, besides locking up of funds (Rs. 51.85 lakh) unproductively for more than 5 years, the works expenditure of Minor Irrigation Division No.1, Agartala remained inflated by Rs. 51.85 lakh. The amount had not been refunded by the Resources Division (March 1997). No follow up action was also taken to get back the money excepting a letter issued in September 1992.

4.2.6 *Implementation of the Programme*

4.2.6.1 *Planning*

The Department had no data-base on the ground water reserve and surface water of the State. The basic hydrogeological information on the rivers and rivulets on which the Lift Irrigation Schemes were constructed was also not available with the Department and in the absence of such basic data on the water resources of the State, the entire planning process remained ad-hoc. The department had also not consulted the Central Water Commission on Central Ground Water Board (who had developed in 1980 a map on the ground water reserve of the State) before taking up any scheme or at any stage of the implementation of the programme.

The Department stated (January 1996) that new schemes were taken up on the basis of the recommendation made by Gaon Sabhas, Block Development Committees and Ministers. However, the Department furnished no reply regarding technical feasibility of the new schemes taken up.

4.2.6.2 Targets and achievements

The targets fixed by the Department for creation of sources and irrigation potential *vis-a-vis* actual creation during the years 1990-91 to 1996-97 are given below :-

Year	No. of sources targeted to create			No. of sources actually created			Percentage of shortfall			Irrigation potential (In ha)		Percentage of shortfall
	DTWs *	LIS **	Total	DTWs	LIS	Total	DTWs	LIS	Total	Targeted to create	actually created	
1990-91	56	91	147	7	15	22	88	84	85	4000	1738	57
1991-92	44	117	161	9	29	38	80	75	76	4200	2181	48
1992-93	46	120	166	9	25	34	80	79	80	3000	765	75
1993-94	41	84	125	7	19	26	83	77	79	3000	900	70
1994-95	23	47	70	11	33	44	52	30	37	1600	936	41
1995-96	13	48	61	7	13	20	46	73	67	1200	246	80
1996-97	8	44	52	4	3	7	50	93	87	1150	80	93
Total	231	551	782	54	137	191	77	75	76	18,150	6,846	62

* DTWs - Deep Tube Wells

** LIS - Lift Irrigation Schemes

It would be seen from the above table that -

No norm was prescribed or followed in fixation of targets inasmuch as the achievements made in earlier years had not been considered in fixation of targets ;

While the percentage of shortfall in sinking of Deep Tube Wells had decreased considerably from 88 in 1990-91 to 50 in 1996-97, in case of LIS it increased from 84 in 1990-91 to 93 in 1996-97.

Percentage of shortfall in creation of irrigation potential increased from 57 in 1990-91 to 93 in 1996-97.

The percentage of shortfall in creation of irrigation potential also increased substantially from 57 in 1990-91 to 93 in 1996-97.

Shortage of funds and materials were stated by the Sub-divisional/Divisional Officers (December 1996) to be the main reasons for such shortfall. The replies furnished were not acceptable to audit in view of the persistent savings in all the years during 1990-91 to 1995-96, as mentioned in Paragraph 4.2.5.

Analysis of the 191 schemes reported to have been completed by the Department revealed the following irregularities -

In 26 schemes (12 Deep Tube Wells and 14 Lift Irrigation Schemes) constructed in four blocks between 1990-91 and 1996-97 at a total cost of Rs.64.47 lakh, no pipeline was laid or distribution canal constructed due to shortage of pipe and as a result besides blocking of funds

No pipeline was laid or distribution canal constructed in 26 MI Schemes. As a result Rs.64.47 lakh remained unproductive for 1 to 6 years.

(Rs.64.47 lakh) for 1 to 6 years unproductively, 865 hectares of land was deprived of the irrigation facilities. Action to develop these schemes or lay pipe-lines (0.71 lakh metres as per estimates) had also not been taken (April 1997).

There was no record showing the water discharge in respect of 53 schemes (9 Deep Tube Wells, 42 Lift Irrigation Schemes and 2 Diversion Schemes constructed and commissioned between 1990-91 and 1996-97 at a total cost of Rs. 311.21 lakh in four Sub-Divisions (Melaghar, Agartala, Bishalgarh and Teliamura) of the West Tripura District. The Sub-Divisional Officer, Melaghar attributed (December 1996) the non-availability of water discharges to the insufficient water at rivers and cherras (rivulets). Replies from other Sub-Divisional Officers had not been received (November 1997). As a result, the actual performance of all these 53 schemes remained unknown as the Department was not aware of the result and the benefit derived from the expenditure of Rs. 311.21 lakh.

4.2.6.3 *Time and cost over run*

As against the stipulated time of 3 to 12 months, the construction of Lift Irrigation/Diversion/Deep Tube Well schemes generally took unusually long time ranging between 1 and 18 years. The delay in completion of 32 schemes resulted in extra expenditure of Rs. 319.26 lakh over the estimated cost, as shown in **Appendix-22** due to increase in cost of materials, labour etc., over the years. The delay was recorded to be mainly due to shortage of funds and materials like pumps, pipes and motors etc. The reasons adduced were, however, not acceptable to audit in view of persistent savings in all the years from 1990-91 to 1995-96.

Delay in completion of 32 schemes resulted in extra expenditure of Rs.319.26 lakh.
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Thus, staggering of a number of schemes over the years and simultaneously taking up new schemes every year not only dissipated funds but also inflated the number of assets created causing delay in creation and utilisation of 1938 ha of irrigation potential for 1 to 18 years. The Department stated (October 1997) that proper action had already been taken for completion of these 32 MI schemes. The details of the action taken had, however, not been intimated (November 1997).

4.2.6.4 *Delay in commissioning schemes*

Forty one Minor Irrigation Schemes (34 LIS and 7 DTWs) constructed between April 1991 and November 1996 at a total cost of Rs. 118.14 lakh, to provide assured irrigation for 1576

hectares of land were awaiting (October 1997) commissioning for periods ranging from one to six years due to non-availability of electric connection.

The Department did not consult the Power Department before taking up these schemes to ascertain availability of uninterrupted power supply/electric connection which resulted in locking up of Rs. 118.14 lakh unproductively for 1 to 6 years besides denial of irrigation facility to 1576 hectares of land. On this being pointed out, the Department stated (October 1997) that Power Department might have some difficulties for procurement of electrical materials due to non-availability of letter of credits etc.

Delay in commissioning 41 MI Schemes resulted in locking up of Rs.118.14 lakh for 1 to 6 years.

4.2.6.5 *Incomplete Schemes*

The Minor Irrigation Programme envisaged co-ordinated development of canals, distributaries, field channels, land development etc., alongwith the construction of the irrigation works with a view to ensure full utilisation of potential created. The Department while examining reasons for poor utilisation of irrigation potential attributed (March 1994) non-construction of the schemes as per approved designs as the main reason for such under-utilisation.

Despite the above, 135 MI Schemes (51 DTWs, 1 Diversion Scheme and 83 LIS) designed to create irrigation potential of 4461 hectares of cultivable land had been constructed and commissioned at a cost of Rs.575.88 between 1980-81 and 1993-94 after laying/executing 446 kilometres of distribution line against the targeted 691 kilometres reportedly (December 1996) due to non-availability of pipes and as a result 1561 hectares of land was deprived of the irrigation facilities even after 3 to 16 years of construction of these schemes.

4.2.7 *Infructuous expenditure*

The work regarding construction of Diversion Scheme over river Dhalai at Mohanta Shikari Para under Jirania Block (Head works only) was awarded (September 1983) by the Executive Engineer, MI Division, Agartala to a contractor at his tendered rate of Rs. 39.59 lakh at 16.54 *per cent* above the estimated cost of Rs. 33.97 lakh. The construction work was completed in March, 1986 at a total cost of Rs. 44.50 lakh. Thereafter, work for construction of 8.70 km brickline canal was awarded (March 1989) to a contractor, who did not execute the work for want of cement and the work order was cancelled in June 1994.

The Divisional Officer stated (January 1997) that the work could not be taken up as the area was a disturbed one and kutchha canal was constructed to supply water for irrigation. But no

record in support of construction of kutchha canal was made available by the Division. The reply however, did not state reasons for constructing kutchha canal in an area where brickline canal could not be constructed on the ground of lowlessness. Moreover, Jirania block was declared as disturbed area only in February 1997 and the Head work was completed as early as March 1986.

Thus, due to failure on the part of the Department to ensure supply of cement and failure to construct brick-line distribution canal during past ten years, the entire expenditure of Rs. 44.50 lakh failed to provide any irrigation facility to the 160 hectares of land, as estimated, and proved infructuous.

Department did not supply cement or construct canal. This resulted in an infructuous expenditure of Rs.44.50 lakh.

4.2.8 Operation and maintenance

4.2.8.1 Utilisation of irrigation potential

The table below indicates the actual area irrigated against the potential created during the years 1990-91 to 1996-97 :

Particulars	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
1. Number of schemes in operation	374	404	418	431	489	478	538
2. Total Cultivable land in the State (In hectares)	2,70,000	2,70,000	2,70,000	2,70,000	2,70,000	2,70,000	2,70,000
3. Irrigation potential area targeted to be created upto the end of the year (In hectares)	45,391	47,572	48,337	49,237	50,173	50,419	50,499
4. Irrigation potential area actually created upto the end of the year (In hectares)	22,695	23,786	24,168	24,618	25,086	25,209	25,249
5. Actual area irrigated during the year (In hectares)	10,482	12,031	12,582	13,182	13,728	13,905	13,970
6. Percentage of Irrigation potential created to the total cultivable land available.	8	9	9	9	9	9	9
7. Percentage of area actually irrigated to the irrigation potential created	46	51	52	54	55	55	55
(b) to the total cultivable land	4	4	5	5	5	5	5

The Department while showing the irrigation potential area created during the above years inflated the figures by doubling the potential area (in serial number 3) actually created on the plea that there would be two crops per year on the command area actually created. This was not acceptable since the command area created remained the same and only utilisation was done twice.

Only 9 per cent of the total cultivable area was brought under assured irrigation 46 to 55 per cent of the potential area created could be utilised.

As of March 1997 thus only 9 *per cent* of the total cultivable area (2.70 lakh hectares) of the State was brought under assured irrigation and only 46 to 55 *per cent* of the total potential area created could be irrigated. The percentage of area irrigated to the actual cultivable area of the State was only 5 *per cent*. This under-utilisation was found in audit mainly due to non-completion of the schemes as per design, absence of field channels/pipelines, lack of proper maintenance and repairs, etc.

The study conducted (August - September, 1994) by the State Planning and Co-ordination Department (SPCD) also identified the following additional reasons for such poor utilisation of the irrigation potential like shortage of power, absence of technical knowledge/qualification of machine operators, wrong selection of site for the project, etc.

The Department, however, had not taken any remedial measures (November 1997) to remove the shortcomings and to harness all the potential areas created.

4.2.8.2 Defunct Schemes

Against the normal minimum discharge period of 20 years, 91 Minor Irrigation Schemes (17 DTWs, 73 LIS and 1 Diversion Scheme) constructed at a total cost of Rs. 395.03 lakh and commissioned between April 1979 and March 1996 covering a cultivable command area of 3979 hectares became defunct within 1 to 16 years of their commissioning as shown below :

Period of non-functioning/remaining defunct	No. of Schemes
Below one year	15
More than one year but below five years	52
More than five years but below ten years	19
More than ten years	5

The main reasons for these installations remaining defunct/non-functional were theft of pumps, motors and other electrical appliances, non-replacement of burnt motors/transformers, inadequate water discharge or stoppage of water discharges completely and change of river course.

The prolonged idling of all these installations had resulted in shortfall in utilisation of irrigation potential by 3979 hectares and locking up of Rs. 395.03 lakh in these installations. In addition, the Department also paid idle wages of Rs. 156.36 lakh to the operational staff during the year 1990-91 to 1996-97 (calculated on the basis of the emoluments that would be earned on the minimum of his time scale of pay). Action to

The Department paid Rs.156.36 lakh as idle wages to the staff.
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reactivate these defunct schemes had not been taken by the Department (February 1997) for reasons not on record.

4.2.8.3 *Non-existent Tube wells*

The programme for sinking shallow Tube Wells in small tracts of cultivable land, where construction of Lift Irrigation or Deep Tube Wells was not feasible, was taken up from 1979-80.

Out of 363 shallow Tube Wells installed by the Department at a total cost of Rs. 79.86 lakh during the period from April 1979 to March 1985 (no installation was made thereafter) in the three districts, only 240 tube wells physically existed at the end of March 1990 leading to a shortage of 123 tube wells valued at Rs. 27.06 lakh. The Department did not investigate reasons for non-existence of tube wells nor lodged any FIR with the Police for the loss (February 1997).

123 tube wells stated to be installed at Rs.27.06 lakh did not exist in reality.
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Of the existing 240 tube wells, 161 tube wells with a command area of 644 hectares (cost : Rs. 35.42 lakh) remained defunct⁹ since November 1983 against their normal discharge period of 20 years.

No information on the performance of the remaining 79 tube wells (cost : Rs. 17.38 lakh) was available either with Irrigation Department or with the Co-operation Department.

Unwillingness of the societies to guard these pump houses from theft, non-engagement of operators together with managerial inadequacies and financial positions of the societies were stated (November 1983) by the Government to be the main reasons for poor functioning of these tube wells. The Irrigation Department, however, could not explain as to why these tube wells were handed over to the co-operative societies without ascertaining their operational and maintenance capabilities. As a result the entire expenditure of Rs. 79.86 lakh incurred on installation of these tube wells became infructuous.

4.2.9 *Material Management*

4.2.9.1 *Surplus stores*

Resource Division of Water Resource Wing of PW Department is responsible for procurement, storage and supply of materials required for implementation of various MI Schemes. The records of the Division revealed that the Division was holding MI stores of 56 items valued at Rs. 16.84 lakh since July

Stores valued Rs.16.84 lakh remained unutilised since July 1986.
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⁹ Due to low discharge of water (11 numbers), non-replacement of pumps and motors (34 numbers) and damaged by miscreants (116 numbers).

1986 without proper assessment of requirement of the executive divisions. The Divisional Officer stated in November 1994 that attempt had been made to utilise the surplus materials but the attempt proved futile since there was no demand from the executing divisions. The materials were still lying unutilised (April 1997). Details of the action taken by the Department for disposal of these materials, though called for by audit (August 1996) have not been furnished (November 1997).

4.2.9.2 *Extra Expenditure*

(i) According to the provisions of CPWD Manual, tenders for supply of materials requiring approval of Supply Advisory Board (SAB) shall be finalised and work order issued within 40 days of receipt of the tenders.

Test check of records of Minor Irrigation Division - I, Agartala revealed that tenders for supply of 50,000, 50 mm dia 6 Kg 1 Cm 2 pressure HDP pipes were received on 6 July 1990 but acceptance of SAB was communicated on 4 December 1990 and work order issued on 5 January, 1991 taking 183 days as against admissible 40 days. Between this period the cost of the raw materials increased. Though the offer did not contain any escalation clause, an amount of Rs. 2.47 lakh being increased cost of raw materials was paid to the supplier for 49,944 metres of pipes supplied between 22 March 1991 and 11 June 1992 without approval of the SAB.

Had the department adhered to the codal provisions of issue of work orders in time, they could have avoided the payment of irregular and extra expenditure of Rs. 2.47 lakh.

(ii) Tenders for supply of PVC pipes (2.5 Kg/Cm 2) of different diameters (200 mm, 160 mm and 140 mm) were opened by the Executive Engineer, Resources Division, Agartala on 3 February, 1993 but approval of the SAB was received on 3 February 1994 (i.e. after one year) and work order was issued to the lowest tenderer on 7 February 1994 after taking 370 days against the admissible 40 days. Meanwhile, Government of India imposed excise duty on PVC pipes from 1 March 1994 and the supplier claimed (March - April 1994) additional amount (20 *per cent*) on account of excise duty and delay in finalisation of tender. The claim was, however, rejected by the Department and the contract was closed (August 1994) after forfeiting security deposit of Rs.0.39 lakh.

Thereafter, estimates were prepared in smaller groups (5) and pipes were purchased between October 1995 and March 1996 at higher rates involving extra expenditure of Rs. 13.26 lakh.

4.2.9.3 Under the rules, materials at site accounts were required to be physically verified at least once a year. No such verification was, however, made during the years 1990-91 to 1996-97. Basic records like Register of Works, Contractors' Ledger, Asset Registers had also not been maintained in any of the three executing divisions. Non-verification of site accounts had resulted in excess payment of Rs.51.85 lakh as pointed out earlier (Paragraph 4.2.5.3). Also as a result of non-maintenance of these basic records, the physical and financial position of the schemes remained unknown to the Department.

4.2.10 Other points

4.2.10.1 Non-recovery of dues from the contractor and unfruitful expenditure

The work regarding construction of a diversion scheme (Head work portion) over the river Sorbhong Cherra at Kunjaban under Teliamura block was awarded (February 1982) by the Executive Engineer, MI Division, Agartala to a contractor 'A' at his tendered rate of Rs. 21.90 lakh at 239.534 *per cent* above the estimated cost of Rs. 6.45 lakh stipulating completion of work by February 1983. The work was, however, completed in March 1990 at a total cost of Rs.53.22 lakh involving a time over run of 7 years and cost over run of Rs. 31.32 lakh. Thereafter, work for construction of 1.30 Km brick-line canal on the left bank was awarded (February 1990) by the Division to contractor 'B' at his tendered rate of Rs. 8.26 lakh at 48.10 *per cent* above the estimated cost of Rs. 5.58 lakh, stipulating completion by May 1990.

After completion of 0.386 Km of canal (30 *per cent*), as against required 1.30 Km the contractor left the work reportedly (November 1992) due to the law and order situation prevalent in the area. He was paid Rs. 2.78 lakh in September 1993 for the work done. The contract was neither cancelled nor rescinded (April 1997). Meanwhile, the contractor - 'A' on being dissatisfied sought (March 1992) for arbitration. The Arbitrator awarded (April 1993) payment of Rs. 2.75 lakh with interest at 10 *per cent* per annum from 30 October 1990 to the date of payment. Accordingly, Rs. 4.72 lakh were paid (March 1996) to contractor - 'A' which included interest of Rs. 1.67 lakh from 30 October 1990 to 30 March 1996. It was, however, noticed that contractor 'A' was paid Rs. 4.72 lakh in March 1996 in full settlement of his claims even though Rs. 2.65 lakh were awaiting recovery (April 1997) from him on account of cost of unused materials not returned (Rs. 1.75 lakh at double the issue rate); hiring charges of machinery (Rs. 0.53 lakh) and for non-engagement of a qualified engineer to supervise the work as per agreement (Rs. 0.37 lakh).

The Divisional Officer stated (January 1997) that the actual amount recoverable was being calculated. No recovery had, however, been made as of (October 1997). The reply did not indicate as to why calculation was not made and recovery was not effected before final payment was made to the contractor, including release of security deposit (Rs. 0.30 lakh) in March 1996.

It was further noticed that though water was not passing through the 0.386 Km of brick-line canal, constructed earlier, due to siltation, a further stretch of 0.72 Km approach canal was constructed in March 1996 at a total cost of Rs. 8.16 lakh. But as the canals were constructed in depressed area (i.e. canal bed was lower than that of command area), the canal was reported (May 1996) by the concerned Sub Divisional Officer to have been converted into pond and could not be used for the intended purpose. This was mainly due to execution of works without conducting proper land and soil survey resulting in the whole expenditure of Rs. 68.88 lakh becoming unfruitful. Action to develop the scheme had not been taken (November 1997).

Failure to conduct proper survey resulted in unfruitful expenditure of Rs.68.88 lakh.

4.2.10.2 *Avoidable expenditure*

The Power Department allows rebate for timely payment of bills for consumption of energy failing which rebate stands disallowed and payment needs to be made for gross claims along with the penalty at the rates prescribed. It was noticed that bills for power consumption in respect of different Minor Irrigation Installations for the period from April 1990 to March 1996 were not paid by the Department in time resulting in avoidable expenditure of Rs. 28.32 lakh on account of loss of rebate (Rs. 2.54 lakh) and penalty (Rs. 25.78 lakh) imposed on the gross amount of the bills due to delayed payment of electricity charges in Minor Irrigation Divisions. Agartala (Rs. 10.41 lakh), Udaipur (Rs. 13.33 lakh) and Kumarghat (Rs. 4.58 lakh).

The Executive Engineer, MI Division, Agartala attributed (January 1997) the delay in making payment of bills to the shortage of funds/letter of credit constraints. Replies from other two Divisional Officers (Udaipur and Kumarghat) had not been received (November 1997).

4.2.11 *Monitoring and Evaluation*

4.2.11.1 *Monitoring*

To improve the functioning of each Minor Irrigation Scheme and to ensure optimal utilisation of all the potential created, the Departmental instructions required (November 1987 and January 1987) all the Divisional Officers to conduct joint inspection of all schemes in association with the Deputy Directors of Agriculture once in two months and submit reports to the Chief

Engineer (Irrigation) and Director of Agriculture for their appraisal and taking remedial measures. No information about such joint inspection conducted during the years 1990-91 to 1996-97 was available in all the executing divisions.

Also to review and monitor the performance of each MI Scheme, the Department was required (April 1991, December 1991 and May 1995) to form Irrigation Committees and Users Committees in each district, Agri-Sub Divisions, comprising members from the progressive farmers of the area, Agriculture Department and Power Department. In none of the 4 Districts, 17 Agri-Sub-Divisions and 489 Schemes, such Committees were formed (February 1997). As a result, the monitoring of the performance of all these MI schemes to ensure optimal utilisation of all the potential created remained completely ineffective.

4.2.11.2 *Evaluation*

The programme was evaluated by the State Planning and Co-ordination Department in August-September 1994. While identifying a series of lapses including lack of supervision and inspection by the Department, for failure of the programme, the SPCD recommended arrangement for constant power supply, extension of pipe lines/channels, timely repairing and maintenance of the machinery and pipelines/channels on emergent basis, formation of Field Management Committee within the command area to take steps so that the cultivators do not disrupt distribution channels, etc.

Action was not taken (February 1997) by the Government or the Department to make use of the recommendations of the SPCD for taking corrective measures. As a result, the accrual of intended benefits to the farmers, per capita cost and effectiveness of the schemes remained obscure to the Department.

The matter was referred to the Government in April 1997; reply had not been received (December 1997).

4.3 *Non-realisation of service charges*

Codal provisions require that whenever a deposit work is to be carried out the executing Divisions should realise, in addition to the cost of the works, service/agency charges from the departments/autonomous bodies on whose behalf the deposit works are executed at the rate of 12 *per cent* of the total cost of works before any liability is incurred on account of the work and credit them to the Government as revenue.

During test check of records of the three Minor Irrigation Divisions (Agartala, Kumarghat and Udaipur) it was noticed that during the years from 1985-86 to 1993-94 works to the extent of Rs.836.11 lakh had been executed as deposit works by these three Divisions on behalf of the Tripura Tribal Areas Autonomous District Council (TTAADC). As per extant provision service charges of Rs.100.33 lakh were to be realised by these Divisions from the TTAADC in advance. But neither any amount was realised nor had any claim been preferred (October 1997) by the Department with the Council to recover the amount and as a result Rs.100.33 lakh was not credited to State exchequer (October 1997).

<p>The Department did not realise service charge of Rs.100.33 lakh from TTAADC in respect of execution of deposit work.</p>

The matter was reported to the Government (December 1997); reply had not been received.

4.4 Non-recovery of forest royalty from contractors

According to the standing terms and conditions of contracts, all the contractors are required to produce clearance certificate from the Divisional Forest Officer concerned, for extraction of forest products for utilisation in the works under the contract before payment of final bills and or refund of security deposits. In case of failure to do so, an amount equal to forest royalty leviable on such products is required to be recovered from the payments including security deposit refunds due and payable to the contractor by the Executive Engineer.

During audit of the accounts of the Executive engineer, Amarpur Division, it was noticed (August 1996) that in case of 13 works executed by the Division between 1993-94 and 1995-96, the contractors had not produced the requisite certificates. The Executive Engineer neither insisted on production of clearance certificates nor recovered the forest royalty amounting to Rs.14.99 lakh leviable on Sal piles (1604.71 metres), Sal wood (55.292 cum) and Karai wood (195.32 cum) used by the contractors in the works executed under various contracts and released the final payments and security deposits.

<p>Failure to enforce statutory provisions resulted in loss of revenue of Rs.14.99 lakh.</p>
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Thus failure to enforce the statutory provisions by the Department not only deprived the Government of the revenue of Rs.14.99 lakh but also extended an undue financial benefit to the contractors and created unnecessary liability for the Department.

The case was reported to the Government (May 1997); reply had not been received (December 1997).

4.5 Unauthorised/irregular expenditure - Rs.11.38 lakh

Central Public Works Departmental Manual provides that work should be awarded only after call of tenders. In emergent cases or when the interest of the work demands, works may be awarded without call of tenders with the approval of the competent authority as per rules. The said Manual further stipulates that award of works on the basis of rates obtained through quotations should be construed to have been awarded without call of tenders. The Executive Engineer, however, was empowered to award work with and without call of tenders upto Rs.1.50 lakh and Rs.15,000 respectively under the provisions of 'Delegation of Financial Power Rules, Tripura' in force till April 1994.

Scrutiny of accounts, however, revealed (February 1996) that the Executive Engineer, Southern Division-II, Santirbazar violated the above provisions and incurred unauthorised/irregular expenditure of Rs.11.38 lakh in the following cases.

(a) Unauthorised execution of works - Rs.3.89 lakh

The Executive Engineer had entered into 3 supplementary agreements during 1992-93 (2 cases) and 1993-94 (1 case) with different contractors for execution of road works (Barpathari road and BB Road at Rs.1.50 lakh each) and repairs to SPT bridge (BB road at Rs.0.73 lakh) at a cost of Rs.3.73 lakh without inviting tenders. The works were completed between March and June 1993 and the contractors were paid Rs.3.89 lakh between March and September 1993. Further scrutiny revealed that in none of the above cases reasons for award of works without call of tenders were placed on record or approval of higher competent authority as required under rules was obtained. This resulted in an unauthorised expenditure of Rs.3.89 lakh.

Award of works without call of tenders resulted in unauthorised expenditure of Rs.3.89 lakh.
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(b) Unauthorised procurement of bricks leading to locking up of funds - Rs.7.49 lakh

On the basis of spot quotations, the Executive Engineer had entered into (28 March 1994) 5 contracts with 4 contractors for supply of 5.35 lakh 1st class bricks at a total cost of Rs.7.49 lakh (estimated Cost : Rs.5.87 lakh) by splitting the works into 5 groups at Rs.1.50 lakh each within his power for award of works with call of tenders. Although there was no immediate requirement of bricks in the Division, the work orders for supply of bricks were issued (28 March 1994) without call of tenders and without obtaining approval from the competent authority as required under rules. Full quantity of bricks were supplied by the contractors on 28 and 29 March 1994 and they were paid Rs.7.49 lakh on 31 March 1994. The bricks were purchased for the work 'Construction

of staff quarters of Manubazar Hospital building” for which the department was not required to supply bricks as per terms and conditions of the agreement for execution of the above work. The Superintending Engineer, Third Circle also observed (July 1994) that there was ‘practically no need of bricks in the division’. The Divisional Officer, however, utilised 3.86 lakh bricks amounting to Rs.5.40 lakh between May 1994 and September 1997 in other works leaving a balance of 1.49 lakh bricks amounting to Rs.2.09 lakh. Thus the purchase was unauthorised besides resulting in locking up of funds.

The cases were reported (March and August 1997) to the Government; reply had not been received (December 1997).

4.6 Non-deduction of statutory tax at source

The Revenue Department’s instructions of December 1992, March 1993 and January 1994 stipulated deduction of Sales Tax at source on works contract at 2 *per cent* for road and semi permanent bridge works and 0.75 *per cent* for building, RCC bridge and other type of works for which Notice Inviting Tenders(NIT) were issued between 1 January 1989 and 14 April 1993 and thereafter at 1.5 *per cent* for RCC bridge works and 4 *per cent* for all other works. Such deductions shall be made from the gross amount of the running bills.

In course of audit (March 1995) it was noticed that the Executive Engineer, Southern Division - II, Santirbazar did not deduct Sales Tax of Rs.1.08 lakh at source (excluding Rs.0.22 lakh recovered) against payment of Rs.59.58 lakh made to the contractors between March 1994 and February 1995 in pursuance of works contract.

Test check of records of the same Division in February 1996 revealed non-recovery of an additional amount of such tax of Rs.3.81 lakh at source against payment of Rs.121.96 lakh made to the contractors between March 1995 and January 1996. Non deduction of Tax at source by the Divisional Officer thus, deprived the Government of the revenue of Rs.4.89 lakh and allowed undue benefit to the contractors.

Non-deduction of sales tax resulted in loss of revenue of Rs.4.89 lakh.

The case was reported (March and August 1997) to the Government; reply had not been received (December 1997).

4.7 Non-recovery of income tax from contractors

Section 194 C of the Income Tax Act, 1961 lays down that any person responsible for paying any sum to any contractor for carrying out any work in pursuance of a contract shall, at the

time of payment, deduct an amount equal to two *per cent* of such sum as Income Tax and credit the same to Government account.

In course of audit of the accounts of the Executive Engineer, Amarpur Division it was noticed (August 1996) that in pursuance of 3 contracts executed with 2 Calcutta based firms for supply, transportation and erection of 10 Bailey type bridges complete with steel decking in 1994-95 and 1995-96 at a cost of Rs.158.80 lakh (excluding Excise Duty, Central Sales Tax and Tripura Sales Tax) the firms were paid Rs.183.70 lakh between February 1995 and August 1996 for the execution of 10 bridges including taxes and duties. However, the Income Tax of Rs.3.67 lakh deductible at the rate of 2 *per cent* on the amount paid had not been recovered (April 1997).

Non-deduction of Income Tax at source resulted in extra financial benefit of Rs.3.67 lakh to the firms.

The Government to whom the matter was reported (March and August 1997) did not furnish reply till November 1997. However, the Divisional Officer reported (June 1997) that Income Tax of Rs.3.67 lakh had been realised and credited to Government account in March 1997 as pointed out by Audit.

4.8 Extra expenditure due to delay in awarding of work

Executive Engineer, Agartala Division No.II invited open tenders for the work "Remetalling of the road from Ranirbazar to Tripura Engineering College via Chakbasta portion from Kobra Khamar to TE College (length 2.70 kms.)" on 6 September 1995. The tenders were opened on 29 September 1995 and the lowest rate of Rs.9.15 lakh (Estimated cost : Rs.10.83 lakh) offered by tenderer 'A' was accepted by Superintending Engineer, 4th Circle on November 10, 1995.

The Executive Engineer while conveying (15 November 1995) acceptance of the tender asked the contractor to deposit earnest money of Rs.21033 which was deposited by him on 4 December 1995. On 27 December 1995 i.e. the date up to which the tender remained valid the Executive Engineer forfeited the earnest money stated to be due to non-deposition in time but cancelled his own order of forfeiture on 4 January 1996 and requested the contractor to extend the validity of offer. The contractor did not accede to the request (16 January 1996).

The second lowest tenderer 'B' also refused (28 February 1996) to extend the validity period of his rates (Rs.9.85 lakh). The Superintending Engineer then cancelled (12 March 1996) the tenders and ordered fresh call.

The work was retendered in March 1996 and awarded to the lowest tenderer 'C' at Rs.11.32 lakh in July 1996. The work commenced on 10 July 1996 and completed 3 May 1997 at a cost of Rs.12.43 lakh of which Rs.11.12 lakh was paid as of September 1997 pending settlement of final bill.

Thus, non-finalisation of tender of willing contractor within the validity period and subsequent execution of work at higher rates resulted in an extra expenditure of Rs.1.97 lakh (Rs.11.12 lakh - Rs.9.15 lakh) and liability of Rs.1.31 lakh as of October 1997.

On this being pointed out (May and August 1997), the Engineer-in-chief, Public Works Department stated (September 1997) that the work was awarded to contractor 'Council' on second call as rates quoted by contractors 'A' and 'B' on first call were not workable. But the contention was contrary to the facts that belated attempts were made to accept the rates of contractor 'A' & 'B' and hence not tenable.

4.9 Non-recovery of extra expenditure from contractor

The construction work of 12 Nos. of type-I staff quarters at Teliamura Hospital was awarded in May 1987 to contractor 'A' by the Executive Engineer, Teliamura Division at a cost of Rs.6.66 lakh (against the estimated cost of Rs.3.76 lakh) stipulating completion by January 1988 which was subsequently extended upto October 1989. Since the contractor failed to complete the work even within the extended period despite repeated reminders, the Executive Engineer rescinded the contract in accordance with the provisions of the agreement in April 1990 at the risk and cost of the contractor 'A' and entrusted the balance work in July 1991 to another contractor 'B' at Rs.2.81 lakh (against the estimated cost of Rs.1.76 lakh). Contractor B completed the balance work in July 1993 at a total cost of Rs.2.73 lakh against Rs.1.39 lakh at the rates of contractor 'A'. The extra expenditure thus recoverable from contractor 'A' for rescission of the contract was Rs.1.34 lakh (Rs.2.73 lakh - Rs.1.39 lakh).

In addition, an amount of Rs.0.76 lakh was also recoverable from contractor 'A' on account of compensation for delay (Rs.0.38 lakh) and also for the cost of materials valued Rs.0.38 lakh after adjustment of the amount due to contractor for work executed (Rs.0.22 lakh).

Audit pointed this out in September 1993. The Executive Engineer issued demand notice in November 1996. Further development as to the recovery of the amount was awaited (November 1997).

The matter was referred to Government in (March 1997); reply had not been received (December 1997).

4.10 Outstanding recovery on rescission of contract

The Executive Engineer, Southern Division-II, Santirbazar awarded (December 1989) the work relating to construction of staff quarters at Sabroom to contractor 'A' at Rs.12.55 lakh (51 *per cent* above the estimated cost of Rs.8.31 lakh with the stipulation to complete the work within 12 months. The contractor commenced the work in January 1990 and after executing the work worth Rs.1.63 lakh including extra items for Rs.0.07 lakh and extra quantity over agreed items for Rs.0.38 lakh (paid Rs.1.60 lakh in March 1991) the contract was rescinded (October 1994) due to failure of the contractor to complete the work within stipulated period.

The balance work was awarded (July 1995) to contractor 'B' at Rs.12.12 lakh (61 *per cent* above the estimated cost of Rs.7.53 lakh) at the risk and cost of contractor 'A' with the stipulation to complete the work within 9 months from 3 August 1995. The work was commenced in time but could not be completed (November 1997) and the contractor was paid (October 1997) Rs.5.27 lakh. The reason for delay in completion of work was not explained (November 1997).

As a result of rescission, contractor 'A' was liable to pay the extra cost of Rs.0.75 lakh. In addition, Rs.1.32 lakh being the cost of materials at double the issue rate was recoverable as the materials issued in excess of requirements in disregard to codal provisions were not returned (November 1997) by the contractor. Thus recoverable amount stood at Rs.2.07 lakh (Rs.0.75 lakh + Rs.1.32 lakh) for which demand notice was issued to the contractor in February 1997. However, no recovery had been effected (November 1997).

In reply to Audit observations (March 1995 and February 1997) the Executive Engineer stated (November 1997) that the contractor was issued materials well in advance for smooth execution of work. When the execution was stopped, the contract was pursued as the rate was favourable to the Department and in the process there was delay in rescission. But the contention is not tenable since the Department failed to assess the intention and ability of the contractor and issued excess materials in violation of codal provisions.

The case was reported (March and August 1997) to the Government; reply had not been received (December 1997).

4.11 Idle and nugatory expenditure with future liability for defective works

The Executive Engineer, Agartala Division - II, awarded (August 1986) the deposit work "Construction of Administrative cum Laboratory Building for Indian Council of Agricultural Research (ICAR) at Lembucherra" to contractor 'A' at a cost of Rs.34.58 lakh against the estimated cost of Rs.17.83 lakh with the stipulation to complete the work by August 1988.

It was noticed (July 1995) in audit that the contractor commenced the work in August 1986 but claimed enhancement of rate in December 1988 which was not agreed to and ultimately, the contract was closed in September 1990 in response to request made by the contractor in February 1990. Meanwhile, the contractor was paid Rs.24.10 lakh vide 11th RA bill in October 1989. The balance work awarded to contractor 'B' in November 1992 at Rs.18.38 lakh had to be closed in October 1993 without execution of any work due mainly to observation (January 1993) of a Joint Inspection Committee, constituted on the basis of report submitted (December 1992) by the concerned Superintending Engineer, that the work executed by contractor 'A' was "not up to the mark" and further construction over the structure would not be safe.

A Calcutta based firm engaged (May 1993) at a cost of Rs.71,000 to test the load bearing capacity of the structure constructed by contractor 'A' also opined (July 1993), after field testing, that the building was grossly inadequate for bearing the load and for the use for which it had been designed. Even if the building was used for a lower level of live load of 270 Kg/Sqm., the second floor was unsafe and recommended *inter-alia* that (i) all structural elements above first floor should be dismantled and re-done properly; (ii) all columns of ground floor should be strengthened and (iii) the columns, beams and slabs of ground floor should be plastered with rich mix immediately. The Department has not taken any decision on the recommendation of the firm and as a result dismantling of structural elements and rectification work have not been taken up (November 1997).

As per CPWD code, it is the duty of the officer in charge of a work to bring to notice any defects in the work under execution. But the Department failed to enforce the provision resulting in unfruitful expenditure of Rs.43.68 lakh⁰ on defective work which also included a nugatory expenditure of Rs.1.03 lakh on load testing and arbitration award. In addition, the

Execution of a substandard work had resulted in unfruitful expenditure of Rs.43.68 lakh.
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⁰ Contractors' payment : Rs.24.10 lakh; Agency charges : Rs.5.36 lakh; adjustment of cost of materials including contingent charges : Rs.13.19 lakh; Award on Arbitration : Rs.0.32 lakh and load testing : Rs.0.71 lakh.

department had also to bear future liability on dismantling and rectification as reported (July 1993) by the agency.

Further, the sole Arbitrator, appointed (January 1992) on a claim submitted by contractor 'A' and counter claim submitted by the Department, gave his award (June 1993) for Rs.4.98 lakh^Σ in favour of the Department which was also decreed by the Hon'ble Court in August 1994. The decretal amount has not been realised as yet (November 1997).

Government to whom the matter was reported (July and September 1997) stated in November 1997 that as no decision on the recommendation of the firm was taken. The Department had not incurred any expenditure for dismantling of structural elements. Government, however, directed Superintending Engineer/ Executive Engineer to pursue the matter with the DM and Collector for assessing contractor's immovable property for attachment for recovery of Rs.4.98 lakh.

POWER DEPARTMENT

4.12 Excess payment of Sales Tax

The Tripura Sales Tax (TST) Act, 1976 as amended in 1994 provides for payment of Sales Tax at 7 *per cent* on sale of cement, articles made of cement and reinforced cement concrete with effect from 14 November 1994.

It was noticed (January 1996 and February 1997) that the Executive Engineer, Electrical Division III, Agartala awarded (August 1995) the work relating to supply of prestressed cement concrete (PCC) poles to a local firm at Rs.101.27 lakh exclusive of Excise Duty and Sales Tax which would be paid extra at the rate as admissible by the Division in terms of agreement with the supplier. The supply commenced in August 1995 was completed in August 1996 and the firm was paid Rs.170.19 lakh including excise duty (Rs.8.30 lakh) and Sales Tax (Rs.18.23 lakh) in September 1996. The Sales Tax was, however, paid at the higher rate of 12 *per cent* instead of the applicable rate of 7 *per cent* on Rs.151.96 lakh (Poles : Rs.143.66 lakh and Excise Duty : Rs.8.30 lakh) which resulted in an excess payment of Rs.7.60 lakh.

Payment of Sales Tax at higher rates resulted in excess payment of Rs.7.60 lakh.
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The Government to whom the matter was reported (March and August 1997) did not furnish reply till October 1997. However, the concerned Executive Engineer, stated (April 1997)

^Σ Materials : Rs.3.84 lakh; outstanding secured advances : Rs.1.13 lakh and water charges : only Rs.261.

that the PCC poles have no other use except construction/maintenance of electrical lines and hence attract 12 *per cent* Tripura Sales Tax which is applicable for all electrical goods. But the contention was not tenable since PCC poles made of reinforced cement concrete were taxable at the rate of 7 *per cent* under the TST Act, 1976.

4.13 Undue benefit to contractor resulting in extra avoidable expenditure

The Executive Engineer, Transmission Division, Agartala had invited tenders on 9 December 1993 for purchase of 150 km Aluminium Conductor Steel Reinforced (ACSR) 'Panther' conductor for 132 KV single circuit transmission line from Agartala to Kailashahar with the stipulation to complete the supply within 60 days. The tenders were opened on 15 January 1994. While forwarding the tenders for approval both the Executive Engineer and Superintending Engineer recommended (31 January and 26 April 1994) the negotiated rate of Rs.54,380.40 per km of contractor 'B', without considering the rate of contractor 'A', a local SSI unit which neither possessed manufacturing capability of specified conductor nor did come under price preference zone in terms of Finance Department Memorandum of 9 July 1982. But it was noticed in audit (March - April 1996) that in the name of encouraging local SSI unit the case was delayed by the Department till contractor 'A' acquired the facility of manufacturing the specified conductor. The Supply Advisory Board (SAB) finally approved procurement of ACSR 'Panther' conductor of 57.5 km only at Rs.61,360 per km (including taxes and duties) with price variation charges (PVC) and Tripura Sales Tax (TST) payable extra from contractor 'A' in October 1994 i.e. after about 9 months as against maximum time limit of 40 days permissible under CPWD Manual as applicable to the State. The work order was issued on 25 November 1994 i.e. after more than one month from the date of approval by the SAB allowing 120 days time for completion of supply of 57.5 km only as against 60 days offered by contractor 'B' for the entire quantity (150 km) as per NIT approved in December 1993. Contractor 'A', however, completed the supply along with additional quantity of 14 km ordered for in March 1995 between February and March 1995. The rate of payment for 38.45 km was subsequently reduced to Rs.60,960 per km as the materials were received at supplier's work site; and the contractor was finally paid Rs.62.29 lakh (conductor : Rs.48.96 lakh and PVC : Rs.13.33 lakh). Had the work been allotted to contractor - 'B' at his rate within the validity period extended upto May 1994 and supply effected within 60 days as per NIT approved, the work would have been completed by July 1994 at a cost of Rs.44.99 lakh.

Delay in finalisation of tender resulted in avoidable expenditure of Rs.17.30 lakh.

Thus award of work to contractor 'A' on the plea to encourage local SSI unit and unusual delay in finalising the tender resulted in an avoidable extra expenditure of Rs.17.30 lakh (Rs.62.29 lakh - Rs.44.99 lakh) to the department and undue benefit to the contractor 'A'.

The matter was reported to Government (July and September 1997); reply had not been received (December 1997).

4.14 Outstanding Inspection Reports

Audit observations on financial irregularities and defects in initial accounts noticed during local audit and not settled on the spot are communicated to the Heads of the Departments and to the next higher Departmental Authorities through Inspection Reports. The more serious irregularities are reported to the Department and Government. The Government had prescribed that the first reply to the Inspection Reports should be furnished within one month.

The position of outstanding Inspection Reports in respect of Public Works Department and Power Department is discussed below :-

(a) PUBLIC WORKS DEPARTMENT

A review of the position of the outstanding Inspection Reports relating to PWD revealed that 1239 paragraphs included in 181 reports issued upto March 1997 were pending settlement as of June 1997 of which even first compliance reports had not been received as on June 1997 in respect of 41 Reports despite repeated reminders. Year-wise break-up of the outstanding Inspection Reports and paras is given below :-

Sl. No.	Year	Number of outstanding		Number of Inspection Reports for which even first reply has not been received
		Inspection Reports	Paras	
1.	1985-86	1	2	-
2.	1986-87	2	6	-
3.	1987-88	9	33	1
4.	1988-89	3	16	1
5.	1989-90	5	23	-
6.	1990-91	19	124	11
7.	1991-92	22	150	3
8.	1992-93	28	191	1
9.	1993-94	19	115	-
10.	1994-95	26	216	10
11.	1995-96	22	180	5
12.	1996-97	25	183	9
		181	1239	41

The important types of irregularities noticed during inspection of divisions during 1996-97 are summarised below :-

Sl. No.	Nature of irregularities	No. of cases	Amount involved (in lakh of rupees)
1.	Doubtful receipt of pumps, motors	1	10.74
2.	Blocking up of capital	1	31.38
3.	Procurement of steel for NEC Work not assessing actual requirement	1	157.00
4.	Excess over sanction	1	76.24
5.	Undue benefit allowed to contractor	4	46.24
6.	Extra expenditure due to delay in completion of work	2	16.67
7.	Injudicious purchase of store resulting blockade of Government money	1	19.65
8.	Excess payment of price escalation	1	92.94
9.	Blockage of capital due to purchase far in advance of requirement	1	45.54
10.	Blockage of fund	2	53.59
11.	Awarding of works in excess of financial limit prescribed	1	8.16
12.	Undue benefit of supply	1	18.48
13.	Extra expenditure due to closure of contract	1	9.85
14.	Wasteful expenditure	1	35.50
15.	Irregularities in land acquisition expenditure	1	28.32
16.	Unaccounted D-at-call	1	17.71
17.	Infructuous expenditure towards procurement of inferior quality of steel	1	66.52
18.	Delay in finalisation of tender	2	17.97
19.	Avoidable expenditure	7	23.78
20.	Doubtful expenditure	2	7.25
21.	Unauthorised payment against price escalation clause	1	9.60
22.	Splitting of work order	1	0.95
23.	Undue financial aid	4	46.24
24.	Extra/avoidable/cost/expenditure/liability/unauthorised payment/expenditure etc.	17	52.63
25.	Non-accounting of materials	2	3.21
26.	Loss	3	4.79
27.	Double payment/drawal	2	0.50
28.	Undue benefit to supplier	1	8.32
29.	Blockage of capital	2	53.59
30.	Excess payment	2	1.12
31.	Delay in finalisation of tender	2	17.97
32.	Doubtful execution of work/contract	2	1.71
		72	984.16

(b) POWER DEPARTMENT

At the end of June 1997 Inspection Reports relating to Power Department issued upto March 1997 contained 240 numbers of unsettled paragraphs. Year-wise break-up of outstanding Inspection Reports and paras is given below :-

Sl. No.	Year	Number of outstanding		Number of Inspection Reports for which first reply has not been received
		Inspection Reports	Paras	
1.	1987-88	4	16	1
2.	1988-89	5	11	-
3.	1989-90	3	15	-
4.	1990-91	10	26	3
5.	1991-92	7	27	-
6.	1992-93	10	34	1
7.	1993-94	5	20	2
8.	1994-95	7	26	5
9.	1995-96	8	39	1
10.	1996-97	10	26	6
(upto 3/97)		69	240	19

These included 19 Inspection Reports for which even first reply had not been received despite repeated reminders.

The more important types of irregularities noticed during local audit of Power Department during the year 1996-97 are summarised below :-

Sl. No.	Nature of irregularities	No. of cases	Amount involved (in lakh of rupees)
1.	Extra expenditure due to rejection of previous tender purchase made higher rate	1	15.75
2.	Non-procurement of ACSR conductor avoidable expenditure	1	18.05
3.	Extra liability	1	23.20
4.	Extra expenditure due to non-acceptance of tender	1	2.73
5.	Delay in procurement tender	1	8.26
6.	Purchase of goods (Ice)	1	19.10
7.	Avoidable expenditure on interest	1	328.57
8.	Theft of lower member and other elec. materials	1	10.54
9.	Avoidable expenditure	1	14.49
10.	Unauthorised expenditure	1	10.72
11.	Loss of purchase of cement	1	19.04
12.	Loss of revenue for negligence	1	337.39
13.	Idle outlay of procurement of starbo starter	1	129.00
14.	Idle outlay on powerline installation	1	158.33
15.	Interest liability due to delayed payment of gas sale	1	52.56
		15	1,147.73

CHAPTER - V

STORES AND STOCK

PUBLIC WORKS DEPARTMENT

5.1 Stores and Stock management in Public Works Department

5.1.1 *Introductory*

Stores comprise all articles and materials purchased or otherwise acquired for use in the construction and maintenance works of Government. Except in cases of certain departments that are guided by its own departmental regulations, the guidelines regarding purchase, acquisition, custody and accounting of stores required for use in public service have been laid down in General Financial Rules. In the absence of its own Codes and Manuals, the Public Works Department (PWD), Government of Tripura has adopted the Central Public Works Department (CPWD) system of accounts as laid down in CPWD Codes, Manuals, etc.

5.1.2 *Organisational set up*

The Chief Engineer, PWD is the over all head of the Department. The Stores Division, PWD, Agartala under the control of one Executive Engineer was the central procuring agency mainly for the major items required by 15 working divisions of the Department under the supervision of the Superintending Engineer, 2nd Circle, Agartala. In order to facilitate distribution of materials, two store yards at Arundhutinagar and Sanicherra have been set up in the State. In addition, the Mechanical Division, Agartala under the supervision of Superintending Engineer, 4th Circle, Agartala is entrusted with the procurement and distribution of machinery and equipment required for the execution of various works by divisions.

5.1.3 *Audit Coverage*

The stores and stock accounts of the Department for the years 1992-93 to 1996-97 were test checked in audit during March - May 1997 in the offices of Chief Engineer, Superintending Engineer, 2nd Circle; Executive Engineers of Stores Division and 4 working divisions (Agartala Division I, Agartala Division III, Southern Division I, Southern Division III) out of 15. This was supplemented by information available in the inspection reports of other divisions issued from time to time. Important points noticed are mentioned in the succeeding paragraphs.

5.1.4 *Budget allocation and expenditure*

The funds for procurement of various type of materials are placed at the disposal of the Divisional Officer of the Stores Division under the head 'Stock Suspense' being transitory head of

account for booking of expenditure initially at the time of procurement of materials. However, actual release of funds is done through letter of credit (LOC) by the Finance Department through the Chief Engineer, PWD. Funds provided to the Divisional Officer, Stores Division for procurement of stores LOC released by the Finance Department and expenditure incurred against it during the period from 1992-93 to 1996-97 were as follows :

Year	Budget allocation	LOC received	Expenditure incurred	Excess(+) Savings(-) with reference to budget allocation	Percentage of savings/excess
(In lakh of rupees)					
1992-93	1522.00	665.62	723.00	(-) 799.00	52.50
1993-94	1195.00	666.73	1197.00	(+) 2.00	0.17
1994-95	1000.00	656.71	798.00	(-) 202.00	20.20
1995-96	1000.00	1022.00	996.00	(-) 4.00	0.04
1996-97	1200.00	686.55 [*]	839.30 [*]	(-)360.70	30.06
Total	5917.00	3697.61	4553.30		

The savings during 1992-93, 1994-95 and 1996-97 were attributed by the Department mainly to non-release of funds through letter of credit by the Finance Department, non-receipt of materials in time and non-adjustment of some Works Miscellaneous Credit (WMC) Memos. However, further scrutiny of records revealed that even the LOC released during 1995-96 was not fully utilised whereas the expenditure during 1992-93, 1993-94, 1994-95 and 1996-97 was in excess of LOC received. The excess expenditure was found to be due to clearance of WMC Memos/AG's Memos of earlier years.

5.1.5 Highlights

- The Executive Engineer, Stores Division failed to rescind the contract at the risk and cost of the contractor and to enforce recovery of liquidated damages and extra cost as per terms and conditions of the agreement. This had resulted in a loss of Rs.61.82 lakh.

(Paragraph 5.1.7.2)

- The Executive Engineer, Stores Division and four other working Divisions purchased RCC spun pipes and collars etc., much in excess of requirements resulting in locking up of Rs.112.23 lakh for 2 to 12 years.

(Paragraph 5.1.7.3)

^{*} The amount of LOC received and expenditure incurred during 1996-97 did not include funds received under the Police Housing Scheme and expenditure made (Rs.391.13 lakh and Rs.388.57 lakh respectively) on them beyond Budget allocation.

- The Executive Engineer, Stores Division with the approval of the Supply Advisory Board adopted an incorrect formula for payment of escalation charges and incurred an excess expenditure of Rs.92.93 lakh on this account.

(Paragraph 5.1.7.4)

- The Department had been granting advances continuously to the Tripura Small Industries Corporation without getting the earlier advances adjusted and as a result Rs.30.40 lakh remained locked up unproductively for periods ranging from 2 to 10 years.

(Paragraph 5.1.8.1)

- The Stores Division PWD incurred an avoidable expenditure of Rs.11.70 lakh on transportation of bitumen from Rail-head at Dharmanagar to Sanicherra.

(Paragraph 5.1.9.1)

- Four working divisions issued materials to contractors much in excess of actual requirement and did not effect any recovery from them. As a result, Rs.10.08 lakh remained to be recovered from the contractors for period ranging from 1 to 5 years.

(Paragraph 5.1.13.2)

5.1.6 *Assessment of requirement*

As per provision of CPWD Manual adopted by the Department, annual requirement of materials was to be assessed and worked out by the Stores Division well ahead of the beginning of the financial year on the basis of annual requirement of stores furnished by the respective working divisions.

The annual requirement was, however, not furnished by the working divisions for any period from 1992-93 to 1996-97 in spite of the fact that the Stores Division called for it in January/February every year. However, EE Stores Division and Engineer-in-Chief stated that the estimation of requirement had been worked out on the basis of consumption made by working divisions in previous years and also taking into account the demand received from time to time from working divisions.

Thus, non-estimation of requirement of stores by the Department in a proper and realistic manner not only resulted in locking up of funds due to purchase in excess of requirement but also resulted in avoidable expenditure as discussed in the succeeding paragraphs.

The Department while admitting the facts stated (November 1997) that due to uncertainty in the availability of funds actual requirement of materials could not be assessed correctly and procurement was made on a rough assessment calculated on past years' performance.

5.1.7 Purchases

5.1.7.1 Avoidable expenditure

(i) It was noticed in audit that against the requirement of 6000 tonnes of cement for the year 1994-95, the Stores Division after inviting quotations in July 1994, purchased (November 1994) 3977.50 tonnes of ordinary Port Land Cement (OPC) from the lowest tenderer at a cost of Rs.115.23 lakh* after observing all codal formalities. It was also noticed that to meet the balance requirement (2000 tonnes) of cement the Division again invited short notice quotations in January 1995 and purchased (May 1995) 1867.50 tonnes of Blast Furnace Slag Cement (BFSC) at a cost of Rs.57.89 lakh.

Scrutiny further showed that since there was a delay of four months in issuing supply order, the supplier claimed (June 1995) payment at enhanced rate of Rs.170 per tonne and the Department incurred an extra expenditure of Rs.3.17 lakh* after acceding to the supplier's claims. Moreover, had the purchase been made against the quotation of July 1994, the Department could have avoided a further expenditure of Rs.1.32 lakh*.

Delay in issue of supply orders resulted in extra expenditure of Rs.3.17 lakh.
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(ii) Moreover, the rate of BFSC was cheaper than that of OPC and the Division had been purchasing the BFSC in all previous and subsequent occasions. Thus, by purchasing 3977.50 tonnes of OPC at Rs.115.23 lakh when the same quantity of BFSC was available at Rs.113.09 lakh, the Department had incurred a further avoidable expenditure of Rs.2.14 lakh.

The Department stated (November 1997) that it would prefer to use OPC in place of BFSC if available at reasonable terms and conditions. The contention is not acceptable to Audit as the Division had been purchasing BFSC in almost all the previous and subsequent occasions despite availability of OPC in the market.

* 1930 tonnes @ Rs.2724 and 2047.50 tonnes @ Rs.3060.

* 1867.50 tonnes @ Rs.170.

* 774.25 tonnes @ Rs.53 and 1093.25 tonnes @ Rs.83 per tonne.

5.1.7.2 *Loss due to non-enforcement of the provisions of agreement and purchases of cement at higher rates*

The Executive Engineer, Stores Division had executed an agreement in July 1995 with a Calcutta based firm for supply of 8000 MT of BSFC at a total cost of Rs.258.14 lakh with the stipulation that the supply should be completed by November 1995 failing which the contract would be rescinded at the risk and cost of the contractor who was also liable to pay liquidated damages upto a maximum of 10 *per cent* of contract value in addition to extra cost involved in getting the supply completed through some other source. The firm, however, supplied 450 MT cement only till October 1995 and no supply was made thereafter.

Failure to effect recovery resulted in loss of Rs.61.82 lakh.

However, neither was the contract rescinded nor any extension of time granted. As a result, the Department had to incur extra expenditure of Rs.36.01 lakh in getting the supply of balance quantity (7550 MT) completed during 1996-97 at higher rate through other contractors. Neither this extra expenditure of Rs.36.01 lakh nor the damage charges of Rs.25.81 lakh (being 10 *per cent* of contract value) were recovered from the first contractor. This resulted in a total loss of Rs.61.82 lakh to the Government.

The Department stated (November 1997) that in view of poor response from the suppliers, it had to accept the terms and conditions of the suppliers embodied in their quotations and as there was no such provision for compensation in the offers of the suppliers, recovery could not be effected. The contention is not acceptable to Audit in view of the execution of agreement with the supplier, which stipulated such recovery in case of failure to supply the full quantity within the given period. Moreover, no security deposit was obtained from the contractor nor was a part of payment withheld to ensure satisfactory completion of the supplies.

5.1.7.3 *Blockage of funds*

(i) The Store Division had been purchasing RCC spun pipes and collars required for all the working divisions in the State till August 1993. The system was discontinued in August 1993 and the Department instructed all the Divisional Officers (September 1993) to make local purchases as per their requirement from funds available with them.

Scrutiny of records showed that 1082.50 metres of spun pipes and 1267 collars valued Rs.25.66 lakh, which were lying in stock as on 31 August 1993, remained undelivered (November 1997) for periods ranging from 3 to 12 years resulting in blocking up of funds.

Materials valued at Rs.25.66 lakh remained undelivered in stock for 3 to 12 years.
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No action was also taken by the Stores Division to issue materials to the divisions where such materials were necessary for execution of works.

(ii) Also it was noticed in audit that despite availability of sufficient quantities of spun pipes and collars in the stock of the Stores Division Agartala, as discussed above, three working divisions (Ambassa Division; Northern Division, Dharmanagar and Southern Division-III, Udaipur) purchased 2155 metres of spun pipes and 544 collars valued at Rs.83.81 lakh in March 1994 (Rs.29.41 lakh) and March 1995 (Rs.54.40 lakh), which were also lying unutilised (November 1997) resulting in locking up of a further amount of Rs.83.81 lakh for periods ranging from more than 2 to 3 years.

Spun pipes and collars valued Rs.83.81 lakh remained unutilised for 2 to 3 years.

(iii) It was further noticed that 19.394 tonnes of MS Rod purchased by the Executive Engineer, Southern Division No.I, Udaipur during the period prior to June 1990 and November 1994 at a cost of Rs.2.76 lakh remained undelivered in stock (November 1997) for period ranging from 3 to 7 years.

Purchase of materials much in excess of actual requirement by the Divisional Officers had resulted in locking up of funds (Rs.112.23 lakh). The Department stated (November 1997) that action would be taken to utilise these materials.

5.1.7.4 *Lacuna in contract leading to unintended benefit to manufacturers*

Rate contracts for supply of RCC spun pipes and collars were entered into during 1992-93 with 4(four) local manufacturers by the Executive Engineer, Stores Division, Agartala. Rate contracts *inter-alia* provided for payment of escalation charges at the rate of 0.40 per cent for every rise of Rs.20 per tonne for steel and 0.80 per cent for every rise of Rs.10 per tonne for cement over the base prices of steel and cement^u quoted by the manufacturers at the time of tender (April 1992). In both the cases no escalation was payable for increase of price for initial Rs.20 or Rs.10 as the case may be.

Adoption of an incorrect formula resulted in excess expenditure of Rs.92.93 lakh.
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^u Base prices as on the date of tender (10-4-1992) were as under :-

	Cement	Steel
M/S. Tripura Spun Pipe Co., Agartala	Rs.2545 per MT	Rs.12,020 per MT
M/S. Dawsen Industries, Udaipur	Rs. 2600 per MT	Rs.12,070 per MT
M/S. Vecee Cementolites, Dharmanagar	Rs.2300 per MT	Rs.11,770 per MT
M/S. Servewell Industries, Kumarghat	Rs.2300 per MT	Rs.11,770 per MT

Against these contracts 5,725 metres of RCC spun pipes and 1388 numbers of collars of different dia were purchased by the Stores Division at a cost of Rs.214.76 lakh (including escalation charges of Rs.103.39 lakh) during the period from January - November 1993. It was noticed that 92.842 MT steel and 382.524 MT cement were actually required in manufacturing the supplied quantities of RCC spun pipes and collars for which suppliers had to incur an additional expenditure of Rs.4.11 lakh (Rs.2.54 lakh for steel and Rs.1.57 lakh for cement only) on materials due to 22.67 per cent and 16.35 per cent increase in cost of steel and cement respectively over the quoted base price. The escalation charge of Rs.103.39 lakh paid to the firms by the Executive Engineer as against admissible amount of Rs.10.46 lakh was 92.84 per cent of the supply value (Rs.111.37 lakh) of spun pipes and collars and the percentage of increase in price per metre of pipes varied between 90.80 per cent (January 1993) and 100.07 per cent (November 1993) resulting in excess expenditure of Rs.92.93 lakh.

The escalation charges paid were thus much in excess of the actual increase in the cost of steel and cement. Payment of this unusual amount of escalation charges was facilitated by adopting an incorrect formula put forward by the firms and accepted by the Department with the approval of Supply Advisory Board in the rate contracts.

While admitting the facts the Department stated (October 1997) that this unrealistic formula had been discontinued from all the agreements from 1995-96.

5.1.7.5 *Fictitious adjustment of stores to avoid lapse of budget provision*

Test check of records (May 1997) of the Executive Engineer, Southern Division No.I revealed that 537.50 metres of RCC spun pipes, 150 numbers of collars and 44.50 MT of steel of different dia valued at Rs.34.52 lakh were issued from stock to 4 different works on 31.3.95 by debiting the amount against funds available for those works. As the materials were not actually required for those works, these were subsequently taken back to stock on 1.4.95 (valued : Rs.24.11 lakh) and 14.10.96 (valued : Rs.10.41 lakh). This clearly indicated that the adjustments were carried out at the fag end of March 1995 just to show that the funds to that extent had been utilised to avoid lapse of budget grant for 1994-95. While admitting the fact the Department stated (November 1997) that this had been done in the interest of the State.

Fictitious adjustment of stock valued at Rs.34.52 lakh.
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5.1.8 Advance Payments to suppliers

5.1.8.1 Outstanding advance

As per codal provisions, advances to firms/contractors are adjustable either by supply or recovery within a period of three months from the date of payment of advance. A second advance is not permissible without adjustment of first advance. Non-observance of the above codal provisions resulted in advance of Rs.30.40 lakh remaining outstanding against the Tripura Small Scale Industries Corporation (a Government of Tripura Undertaking) as shown below :

Sl. No.	Name of division making payment	Amount of advance	Date of payment of advance	Amount adjusted	Outstanding advance
			(Rs. In lakh)		
1.	Kanchanpur Division	20.53	Between 12/87 & 11/95	6.74	13.79
2.	Kailashahar Division	17.00	Between 11/87 & 11/88	13.95	3.05
3.	Kumarghat Division	21.00	Between 1986-87 & 1992-93	15.03	5.97
4.	Southern Division No.1	10.33	January and December 1993	2.74	7.59
					30.40

Thus, granting of advances continuously without getting the earlier advances adjusted, resulted in blockage of funds of Rs.30.40 lakh for periods ranging between 2 to 10 years. This also resulted in loss of interest of Rs.8.21 lakh to the Government calculated at 18 *per cent* per annum for minimum period of one and a half year being the rate at which Government had borrowed funds from the market.

Blockage of Rs.30.40 lakh for 2 to 10 years for non-adjustment of advances.

The Department stated (November 1997) that advances were given to the Corporation as it had no funds to start and operate the brick kilns and the process would be continued in the interest of the State. The reply is, however, not tenable as the Department continued payment of advances without adjusting earlier advances in contravention of the codal provisions. Moreover, the Department was not a financial institution for providing funds to the Corporation.

5.1.8.2 Non-reconciliation of materials received against advance payment

Advances calculated on the prevailing price on the date of offer were given to different authorised suppliers of steel materials by Stores Division, PWD, Arundhutinagar. As per terms and condition of supply, the advances were adjustable against the price of materials prevailing on the date of lifting from the stack-yard of respective suppliers. There being difference in prices on

the aforesaid two dates, actual quantity received against each advance was to be examined and settled before granting a second advance in accordance with the provisions indicated in sub-para(a) above. But no such reconciliation/settlement was carried out since 1991-92 and advances continued to be granted one after another and went upto 41 in case of a particular supplier. It was stated (May 1997) by the Division that adjustment could not be carried out due to non-availability of rate/price on the date of lifting of material. In the absence of any systematic records of advances it was seen from cash book that advances amounting to Rs.2166.36 lakh remained unsettled since 1991-92 against firms noted below :

Sl. No.	Name of the firm/supplier	Unreconciled advances						
		1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	Total
1.	Steel Authority of India Ltd.							(Rs. in lakh)
	(a) Guwahati Branch	34.10	23.01	201.98	124.44	85.31	-	468.84
	(b) Dharmanagar Branch	54.57	20.42	-	-	-	-	74.99
2.	Tata Iron & Steel Corporation Ltd.	27.25	6.55	43.78	197.71	673.60	251.31	1200.20
3.	Rashtriya Ispat Nigam (Vishakhapatnam Steel Plant)	-	-	39.96	93.21	194.95	78.60	406.72
4.	Indian Iron & Steel Corporation Ltd.	-	15.61	-	-	-	-	15.61
	Total	115.92	65.59	285.72	415.36	953.86	329.91	2166.36

The Department stated (November 1997) that efforts were being made to reconcile the advances made and materials supplied. The Department, however, did not explain the reasons for granting second and the subsequent advances before securing adjustment accounts for advances paid earlier.

5.1.9 Transportation of stores material

5.1.9.1 Extra expenditure on carriage of bitumen

Materials required by the Stores Division are transported by rail from outside the State to the rail head at Dharmanagar (205 km from Agartala by road). These are then transported by road and stored, according to requirement at Sanicherra Godown (13 km from Dharmanagar) and Arundhutinagar Godown, Agartala. It was, however, noticed in audit that 8389.801 MT of bitumen ordered to be transported directly to Arundhutinagar, godown Agartala was initially transported by road at a cost of Rs.11.70 lakh and stored at Sanicherra Godown and thereafter

The Department incurred an avoidable expenditure of Rs.11.70 lakh in back-carriage of materials.

transported to Agartala by road during 1992-93 to 1996-97 at an additional cost of Rs.28.82 lakh whereas total expenditure involved on this account would have been Rs.28.82 lakh only had the materials been directly transported to Arundhutinagar, Agartala from rail head Dharmanagar since the carriage charge from railway yard at Dharmanagar and/or stockyard at Sanicherra to Agartala was the same. This resulted in an avoidable expenditure of Rs.11.70 lakh.

The Department's contention (November 1997) that arrangement for interim storage at Sanicherra was unavoidable as the Railway authority did not allow it to store bitumen in the Railway Yard, is not acceptable to Audit as the Department had engaged carrying contractor and transported the bitumen directly from Rail Head at Dharmanagar to Arundhutinagar (in other cases during 1992-93 to 1996-97) without storing them at Sanicherra. Moreover, Sanicherra was also never declared as Transit Godown.

5.1.9.2 *Non-delivery of cement by carriage contractor*

The Executive Engineer, Stores Division, Agartala purchased 2159 MT (43180 bags) of cement from a Madhya Pradesh based firm and full value of the cement (Rs.44.97 lakh) was paid to them on production of proof of despatch of material through 7 RRs upto Rail Head, Guwahati. For transportation of the cement from Rail Head, Guwahati to Sanicherra and Arundhutinagar stores, the Executive Engineer, Stores Division engaged a contractor on 2-7-1993 with the stipulation to complete the transportation by 16 January 1994. The contractor had carried 2159 MT of cement from Rail Head Guwahati by September 1993. However, only 2012 MT (40240 bags) of cement was delivered to the divisional stores (Sanicherra : 6717 bags, and Arundhutinagar : 33523 bags) by April 1995. The Executive Engineer, Stores Division had requested the contractor to deliver the balance materials to stores. But the balance 147 MT (2940 bags) of cement was neither received by the divisional stores nor was any legal action to recover its cost amounting to Rs.6.12 lakh (at double the cost) as per terms of the contract initiated (May 1997). The Department in their reply (November 1997) stated that the matter was under examination.

The contractor did not deliver the materials valued at Rs.6.12 lakh.

5.1.10 *Management of stores*

5.1.10.1 *Shortage of bitumen*

Physical verification of stores was conducted by the designated officer for the year ended 31 March 1995 in respect of Sanicherra Stores (conducted on 12-2-1996) and for the year ended 31 March 1996 in respect of Arundhutinagar Stores (conducted on 22-3-1997 and 27-3-1997). The

stock position of bitumen as on the dates of verification as accounted for by the storekeeper and verified as well as certified by the verifying officer was as under :-

Name of stores	Date of verification	Name of article	Closing stock as on the date of verification as per Bin Card
1. Sanicherra	12-2-1996	(a) Asphalt bitumen	861 barrels 126.884 MT
		(b) Indophalt bitumen	3128 barrels 516.101 MT
2. Arundhutinagar	22-3-1997 and 27-3-1997	(a) Asphalt bitumen	7707 barrels 929.077 MT
		(b) Indophalt bitumen	2138 barrels 81.015 MT
		Grand total	1653.077 MT

As per prescribed norms there should have been 2270.740 MT bitumen {asphalt : 1396.584 (8568 X 0.163 MT per barrel) and indophalt : 874.156 (5266 X 0.166 MT per barrel)}. Thus, there was shortage of bitumen to the extent of 617.663 MT (2270.740 MT - 1653.077 MT) worth Rs.37.06 lakh resulting in loss to the Government. The shortages had not been pointed out by the verifying officer. However, it was noticed that the storage facility of bitumen was highly inadequate. Bitumen was kept in open space without proper fencing and guarding resulting in leakage of drums due to prolonged storage and exposure to sunlight. The Department stated that (November 1997) shortage of bitumen pointed out above was being looked into.

<p>Due to poor storage facilities, bitumen valued at Rs.37.06 lakh were found short.</p>

5.1.10.2 Short accounting of materials

The stores material for all working divisions are procured by the Stores Division and issued to the indenting divisions of the Department against approved indents. No reconciliation between Southern Division-III and Stores Division, of materials despatched by the stores divisions, with the materials received/accounted for by the indenting divisions had been done to ensure proper accounting of the materials. Test check (May 1997) of the accounts of Executive Engineer, Southern Division No.III revealed that out of 97.800 MT of bitumen issued by the Stores Division during May 1995 (for which cash settlement suspense claim was settled in February 1996) 29.340 MT of bitumen valued at Rs.1.82 lakh had not been accounted for by the Executive Engineer, Southern Division No.III.

On being pointed out in audit (May 1997) it was stated by the concerned division that the position would be reconciled and facts intimated. The follow-up action was awaited (November 1997).

The Department stated (November 1997) that the matter was being looked into.

5.1.11 Cash settlement suspense (CSS) account

5.1.11.1 Outstanding balance

(i) According to provisions in CPWA Code the originating Division has to raise CSS claim soon after issue of stores and the responding Divisions are to acknowledge the claims and issue cheques/demand drafts to the originating Division within 10(ten) days in settlement of CSS claims. Scrutiny (May 1997) of records in the office of the Executive Engineer, Stores Division revealed that the aforesaid procedure had not been followed at any stage resulting in accumulation of huge outstanding balances of Rs.12.01 crore against 15(fifteen) working divisions (Civil) during the last five years as detailed below :-

Year	Opening balance	CSS claim raised (Debit)	CSS claim adjusted (Credit)	Closing balance
(In lakh of rupees)				
1992-93	906.07	1,040.32	728.91	1,217.48
1993-94	1,217.48	738.85	1,221.60	734.73
1994-95	734.73	732.16	303.88	1,163.01
1995-96	1,163.01	584.71	945.99	801.73
1996-97	801.73	1,023.51	624.01	1,201.23

Excepting issue of few routine reminders, the Stores Division did not take any action to settle these claims and as a result, the cost of works in which the materials were utilised remained understated making the works accounts inaccurate.

(ii) Out of outstanding CSS claims amounting to Rs.1201.23 lakh as of March 1997, CSS claims amounting to Rs.82.39 lakh raised against two responding divisions (Agartala Division No.I Rs.55.39 lakh and Amarpur Division : Rs.27 lakh) could not be settled by them for want of details of indents as those were not available with them as reported by Divisional Officers (Agartala Division No.I : September 1995 and Amarpur Division : July 1995). The Stores Division also could not furnish details of those claims (Rs.82.39 lakh) even at the end of May 1997.

The Department stated (November 1997) that the matter was being looked into.

5.1.11.2 Discrepancy in outstanding balances

Test check of 4(four) responding Divisions alongwith records of originating Division (Stores Division) revealed discrepancies in outstanding balances as shown below :-

Name of Division	Outstanding balance as on 31st March 1997		Difference
	As per book of Stores Division	As per records of responding Division	
	(In lakh of rupees)		
1. Agartala Division No.I	127.94	37.25	(+) 90.69
2. Agartala Division No.III	69.12	79.49	(-) 10.37
3. Southern Division No.I	41.89	13.73	(+) 28.16
4. Southern Division No.III	30.48	31.71	(-) 1.23

The discrepancies occurred because monthly reviews were not conducted in terms of provisions under CPWA Code and also due to non-maintenance of accounts in prescribed forms in originating Divisions as well as in responding Divisions. The Department stated (November 1997) that action had been taken to reconcile the discrepancies. Further development was, however, awaited.

5.1.11.3 *Doubtful utilisation of materials*

Test check of records in Agartala Division No.I revealed that 23 claims aggregating Rs.60.66 lakh on account of materials received against 1191 indents during January 1988 to August 1992 (1185 indents) and in March 1994 (6 indents) were settled/paid to the Executive Engineer, Stores Division in May 1992, September 1992 (22 claims) and in March 1994 (1 claim) without any verification of actual receipt and accounting of the materials. Since most of the indents were endorsed in favour of contractors who received the stores it was

<p>In the absence of Contractors' Ledger verification of authenticity of utilisation of stores materials worth Rs.60.66 lakh could not be made.</p>

necessary on the part of the Division to ensure correct accounting and verification in the absence of Contractors' Ledger (not maintained by the Division). On this being pointed out in local audit during November 1992 (for Rs.57.65 lakh against 1185 indents) the claims (22 nos.) were sent (May 1995) to Sub-Divisional Officers (PWD) under Agartala Division No.I for verification. The result of verification was awaited (November 1997). Thus, authenticity of utilisation of stores materials worth Rs.60.66 lakh could not be verified in audit. The Department stated (November 1997) that this was being pursued.

5.1.12 *Non maintenance of records*

Codal provisions require every Divisional Officers having stores to maintain certain records* and clear accounts of all the stores received. None of the Divisions test checked

*

Elementary records	Contractors Ledger, Register of Works, Works Abstracts, Register of Material as Site Account, Account of Material issued to contractors, Priced States Ledger, Register of Good Receipt Sheets, Register of Bin Cards etc.
Source records for Monthly Accounts	Summary of Stock Receipts, Summary of Indents, Transfer Entry Book, Suspense Register, Stock Account etc.

maintained such basic records properly. As a result, the actual utilisation of the materials could not be verified in audit. The enquiry conducted (June 1992) by the Department also showed that the function of account keeping according to the prescribed system and procedure had almost been abandoned in the Department for the last several years. The Department had not taken any action to improve the situation as of November 1997.

5.1.13 *Other points*

5.1.13.1 *Avoidable expenditure on back carriage of cement*

The Stores Division, Agartala procured materials from outside the State via Dharmanagar from where materials were transported by road to (i) Sanicherra (13 km) for issue to the divisions of North district and (ii) Arundhutinagar (205 km) for issue to the divisions of West and South districts.

The stock position of cement in both the godowns at Sanicherra and Arundhutinagar as of October 1993 was 660 tonnes and 5500 tonnes against the storage capacity of 2250 tonnes and 3500 tonnes respectively. Scrutiny of records showed that between March and May 1994 (no cement was purchased between November 1993 and February 1994) 937.50 tonnes of cement, required for the North district was first transported to Arundhutinagar and thereafter brought back to the 5 divisions (Dharmanagar, Kailashahar, Kumarghat, Kanchanpur and Ambassa) of the North district, reportedly due to scarce stock position of cement at Sanicherra and over-stocking problem at Arundhutinagar.

Had the cement (937.50 tonnes) been initially transported from Dharmanagar to Sanicherra for their eventual issue to these 5 divisions instead of once carrying them to Arundhutinagar and thereafter to these divisions, the Department could have saved an extra expenditure of Rs.5.27 lakh on transportation

Further, the issue rate of cement at Arundhutinagar (Rs.3,079) was higher by Rs.216 per tonne than that of Sanicherra (Rs.2,863) mainly due to involvement of higher transportation cost (the distance of Arundhutinagar and Sanicherra godowns from Dharmanagar was 205 km and 13 km respectively) resulting in increase of Rs.2.02 lakh in the cost of works on which the cement was utilised.

Lack of proper planning in storage and transportation of cement had, thus, resulted in an avoidable expenditure of Rs.7.29 lakh.

The Department while accepting the lapses stated (November 1997) that in a very rare case such back-carriages had to be resorted to. It, however, could not explain as to why cement was not transported to Sanicherra where the stock position was very scarce.

5.1.13.2 *Recovery due from the contractor*

As per codal provisions, the issue of materials to the contractors from the departmental stores was to be regulated with the progress of the works and the contractor must return all the unused and surplus materials issued to him and in case of failure to return the unused materials to the store, the cost would be recovered at double the issue rate.

Scrutiny of records of 4 Divisions (Division Nos.I to IV, Agartala) showed that 9 contracts were rescinded between September 1992 and August 1996 for violation of agreement clauses but materials like cement (50 tonnes), steel (33.05 tonnes), GCI sheet (1.61 tonnes), MS angles (1.06 tonnes), bats(43.20 cum) and bricks (0.71 lakh) valued at Rs.5.04 lakh had been lying with the contractors unutilised (November 1997) and thus Rs.10.08 lakh being the cost of unused materials at double the issue rate stood recoverable.

Rs.10.08 lakh were awaiting recovery from the contractors.
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Failure on the part of the Divisional Officers to issue materials without proper regulation and to effect recovery immediately after rescission of the contract resulted in unnecessary retention of materials by the contractors. The Department, while conceding the lapses stated (November 1997) that it would take action to recover the cost of materials from the dues of the contractors or by legal process.

5.2 *Fictitious stock adjustment aimed at regularising unnecessary purchase and consequential blocking of funds*

Financial Rules provide that materials should be purchased strictly in accordance with the requirements of the work and care should be taken not to effect any purchase of stores much in advance of actual requirement. Codal provisions also strictly restrict fictitious stock adjustments to (i) debiting to a work the cost of materials not required, or in excess of requirements and, or (ii) debiting to a particular work for which funds are available for the value of materials intended to be utilised on another work for which, however, no allotment has been sanctioned.

Test check (May 1996) of the records of the Resource Division revealed that the Divisional Officer had issued 16,225.30 metres of Cast Iron (CI) pipes of different diameters valued at Rs.100 lakh to the Public Health Engineering (PHE) Division-I on 31 March 1994 as per order (23 March

1994) of the Chief Engineer. The claim for inter divisional transfer of Rs.100 lakh preferred by the Resource Division on 31 March 1994 was also cleared by the PHED-I on the same day by affording debit to the work "Augmentation of Water Supply Schemes/construction of 4 MGD capacity water treatment plant at Badharghat".

A further scrutiny of the records of both the Divisions in May and August 1997, however, disclosed that out of 16225.30 metres of CI pipes procured through Resource Division in March 1994, only 49 metres of 450 mm dia pipes valued at Rs.0.73 lakh were issued to the work in May 1997. 7350.30 metres valued at Rs.33.20 lakh were transferred/diverted to PHED-IV between July 1994 and March 1996 for utilisation in other works and balance 8826 metres valued at Rs.66.07 lakh had been lying unutilised in the stock yard of the Resource Division as of August 1997. Moreover, despite having a substantial quantity of pipes remaining unutilised, the PHED-I procured further quantity of 13,847.15 metres of CI pipes valued at Rs.167.74 lakh in February 1997, the claim for which was also cleared in March 1997 by debit to the work. These quantities also remained unutilised which resulted in idle expenditure of Rs.233.81 lakh as of August 1997.

Thus, the above purchases at the fag end of each year proved unnecessary and much in advance of requirement which not only resulted in fictitious stock adjustment thereby inflating the work expenditure by Rs.100 lakh in 1993-94 and Rs.167.74 lakh in 1996-97 but also resulted in locking up of Rs.233.81 lakh (Rs.66.07 lakh from April 1994 and Rs.167.74 lakh from April 1997) and loss of interest of Rs.49.70 lakh thereon calculated at 18 *per cent* per annum for the period upto July 1997.

Purchase in excess of requirement resulted in locking up of Rs.233.81 lakh and loss of interest of Rs.49.70 lakh.

The matter was reported (August 1997) to Government; reply had not been received (December 1997).

CHAPTER - VI

REVENUE RECEIPTS

6.1 General

6.1.1 Trend of revenue receipts

The total receipts of the State during the year 1996-97 amounted to Rs. 1028.92 crore. These comprise tax revenue of Rs. 60.50 crore and non-tax revenue of Rs.40.66 crore, State's share of divisible Union taxes of Rs.318.78 crore and grants-in-aid of Rs.608.98 crore received from the Government of India.

Analysis of receipts during the year 1996-97 and the preceding two years is given below :

		1994-95	1995-96	1996-97
		(Rupees in lakh)		
I.	Revenue raised by the State Government			
	(a) Tax Revenue	4346.45	4799.01	6049.46
	(b) Non-Tax Revenue	2596.46	3851.86	4066.15
	Total	6942.91	8650.87	10115.61
II.	Receipts from Government of India			
	(a) State's share of net proceeds of divisible Union taxes	24603.12	22828.90	31878.00
	(b) Grants-in-aid	42587.03	62242.22	60898.40
	(c) Aid material and equipment	--	10.11	--
	Total	67190.15	85081.23	92776.40
III.	Total receipts of the State Government (I+II)	74133.06	93732.10	102892.01
IV.	Percentage of I to III	9	9	10

6.1.2 Tax Revenue raised by the State

Receipts from tax revenue during 1996-97 constituted about 60 per cent of the revenue raised by the State Government. An analysis of tax revenue for the year 1996-97 and the preceding two years is given below :

Sl. No.	Heads of Revenue	1994-95	1995-96	1996-97	Percentage of increase(+) or decrease(-) in 1996-97 over 1995-96
		(Rupees in lakh)			
1.	Sales Tax	2323.29	2736.83	3569.44	(+) 30
2.	State Excise	826.38	916.06	1241.06	(+) 35
3.	Other taxes on Income and Expenditure	468.74	489.34	516.37	(+) 6
4.	Stamps and Registration Fees	291.48	321.31	361.54	(+) 13
5.	Taxes on Vehicles	155.50	136.21	139.81	(+) 3
6.	Other Taxes and Duties on Commodities and Services	82.16	117.30	142.43	(+) 21
7.	Land Revenue	175.97	74.46	58.11	(-) 22
8.	Taxes on Agricultural Income	22.53	6.33	20.39	(+) 222
9.	Taxes and Duties on Electricity	0.40	1.17	0.31	(-) 74
	Total	4346.45	4799.01	6049.46	

The increase of 222 *per cent* under Taxes on Agricultural Income was stated by the department (December 1997) to be due to more production in tea gardens on account of adequate rainfall as a result of which most of the tea gardens showed profits.

The increase of 35 *per cent* under State Excise was stated by the department (December 1997) to be due to implementation of registration of brands of IMFL and beer and import fee at the rate of Rs.4 per BKL.

The increase of 30 *per cent* under Sales Tax was stated by the department (December 1997) to be due to registration of more Transport Companies (private) as per High Court order during the year 1996-97 in addition to normal growth.

The increase of 21 *per cent* under Other Taxes and Duties on Commodities and Services was stated by the department (December 1997) to be due to growth in the transaction of the dealers and gradual price rise in the market in all items.

The reasons for decrease of 74 *per cent* and 22 *per cent* in 1996-97 over 1995-96 under "Taxes and Duties on Electricity" and "Land Revenue" respectively have not been received from the concerned departments of the Government (December 1997), though called for (October 1997).

6.1.3 Non-Tax Revenue of the State

Non-tax revenue receipts of the State constituted over 40 *per cent* of the State's own revenue receipts. The details of major sources of non-tax revenue received during the year 1996-97 and the preceding two years are given below :

Sl. No.	Heads of Revenue	1994-95	1995-96	1996-97	Percentage of increase(+) or decrease(-) in 1996-97 over 1995-96
		(Rupees in lakh)			
1.	Power	914.25	1640.83	1429.13	(-) 13
2.	Forestry and Wildlife	290.66	304.08	270.16	(-) 11
3.	Education, Sports, Art and Culture	79.20	111.72	59.49	(-) 47
4.	Crop Husbandry	199.22	136.35	158.63	(+) 16
5.	Other Administrative Services	152.63	210.34	469.64	(+) 123
6.	Other Rural Development Programme	25.56	222.63	119.65	(-) 46
7.	Police	53.55	94.00	30.42	(-) 68
8.	Interest Receipts	165.55	200.85	760.33	(+) 279
9.	Stationery and Printing	74.25	144.04	147.34	(+) 2
10.	Animal Husbandry	42.10	66.66	41.92	(-) 37
11.	Industries	46.51	57.43	99.31	(+) 73
12.	Public Works	120.75	326.74	72.80	(-) 78
13.	Other Industries	133.67	--	12.95	(+) 100
14.	Village and Small Industries	69.06	46.57	63.60	(+) 37
15.	Fisheries	19.98	17.09	14.53	(-) 15
16.	Others	209.52	272.53	316.25	(+) 16
	Total	2596.46	3851.86	4066.15	

The increase of 73 *per cent* under Industries was stated by the department (December 1997) to be due to the component of royalty increased with the enhanced utilisation of natural gas supplied by ONGC and outstanding amount of 1995-96 recovered during the year.

The increase of 37 *per cent* under Village and Small Industries was stated by the department (December 1997) to be due to collection of outstanding amount of the previous year.

The decrease of 37 *per cent* under Animal Husbandry was stated by the department (November 1997) to be due to the non-receipt of the outstanding and present sale proceeds of Milk supplied to Tripura Co-operative Milk Producers Union Ltd., by the composite livestock Farm, RK Nagar and subsidising of the rate of animal husbandry products like cost of chicks/duckling etc., to popularise the rearing of day-old-chicks/ducks by the farmers of the State.

The reasons for increase of 279 *per cent*, 123 *per cent* and 100 *per cent* in 1996-97 over 1995-96 under "Interest Receipts", "Other Administrative Services" and "Other Industries" respectively and decrease of 78 *per cent*, 68 *per cent*, 47 *per cent* and 46 *per cent* in 1996-97 over 1995-96 under "Public Works", "Police", "Education, Sports, Art and Culture" and "Other Rural Development Programme" respectively have not been furnished by the concerned departments of the Government (December 1997), though called for (October 1997).

6.1.4 Variations between Budget estimates and Actuals

The variations between Budget estimates (Revised) and actuals in respect of some of the important heads of revenue for the year 1996-97 are indicated below :

TAX REVENUE

Sl. No.	Head of revenue	Budget estimates	Actuals	Variation Increase(+)/ Decrease(-)	Percentage of variation over Budget estimates
<i>(Rupees in lakh)</i>					
1.	Sales Tax	3421.00	3569.44	(+) 148.44	(+) 4
2.	State Excise	1042.00	1241.06	(+) 199.06	(+) 19
3.	Other Taxes on Income and Expenditure	580.00	516.37	(-) 63.63	(-) 11
4.	Stamps and Registration Fees	494.00	361.54	(-) 132.46	(-) 27
5.	Taxes on Vehicles	200.00	139.81	(-) 60.19	(-) 30
6.	Other Taxes and Duties on Commodities and Services	129.00	142.43	(+) 13.43	(+) 10
7.	Land Revenue	75.00	58.11	(-) 16.89	(-) 23
8.	Taxes on Agricultural Income	20.00	20.39	(+) 0.39	(+) 2

The reason for decrease of 30 *per cent* under Taxes on Vehicles was stated by the department(November 1997) to be due to injunction on increased rate of taxes issued by the Hon'ble High Court in regard to the implementation of Tripura Motor Vehicles Tax Act (Fifth Amendment), 1994.

The reasons for variation of 27 *per cent* under "Stamps and Registration Fees" and 23 *per cent* under "Land Revenue" have been called for from the concerned departments of the Government (October 1997). The same have not been received (December 1997).

NON-TAX REVENUE

Sl. No.	Head of revenue	Budget estimates (Revised)	Actuals	Variation Increase(+)/ Decrease(-)	Percentage of variation
<i>(Rupees in lakh)</i>					
1.	Power	1600.00	1429.13	(-) 170.87	(-) 11
2.	Forestry and Wildlife	40800	270.16	(-) 137.84	(-) 34
3.	Crop Husbandry	220.00	158.63	(-) 61.37	(-) 28
4.	Other Administrative Services	46.00	469.64	(+) 423.64	(+) 921
5.	Interest Receipts	567.00	760.33	(+) 193.33	(+) 34
6.	Stationery and Printing	123.00	147.34	(+) 24.34	(+) 20
7.	Public Works	44.00	72.80	(+) 28.80	(+) 65
8.	Animal Husbandry	70.00	41.92	(-) 28.08	(-) 40
9.	Fisheries	50.00	14.53	(-) 35.47	(-) 71
10.	Other Rural Development Programme	38.00	119.65	(+) 81.65	(+) 215

The reasons for decrease of 40 *per cent* under Animal Husbandry was stated by the department (November 1997) to be due to the non-receipt of the outstanding and present sale proceeds of Milk supplied to Tripura Co-operative Milk Producers Union Ltd., by the composite livestock Farm, RK Nagar and subsidising of the rate of animal husbandry products like cost of chicks/duckling etc., to popularise the rearing of day-old-chicks/ducks by the farmers of the State.

The reason for decrease of 28 *per cent* under Crop Husbandry was stated by the department (December 1997) to be due to less production in different agricultural farms and non-adjustment of transferred credit bills due to paucity of fund.

The reasons for variation of 921 *per cent* under "Other Administrative Services", 215 *per cent* under "Other Rural Development Programme", 71 *per cent* under "Fisheries", 65 *per cent* under "Public Works", 34 *per cent* under "Interest Receipts", 34 *per cent* under "Forestry and Wildlife" and 20 *per cent* under "Stationery and Printing" have been called for from the concerned

departments of the Government (October 1997). The same have not been received (December 1997).

6.1.5 Cost of collection

The gross collection in respect of major revenue receipts, expenditure incurred in their collection and the percentage of such expenditure to gross collection during the year 1994-95, 1995-96 and 1996-97 alongwith relevant all India average percentage of expenditure on collection to gross collection for 1994-95 are given below :

Head of revenue	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection	All India percentage of cost of collection
<i>(Rupees in lakh)</i>					
1. Sales Tax	1994-95	2323.29	49.25	2	
	1995-96	2736.83	52.04	2	1.29
	1996-97	3569.44	71.73	2	
2. State Excise	1994-95	826.38	21.50	3	
	1995-96	916.06	24.23	3	3.20
	1996-97	1241.06	31.08	3	
3. Stamps and Registration Fees	1994-95	291.48	39.73	14	
	1995-96	321.31	43.60	14	3.46
	1996-97	361.54	52.80	15	

The percentages of cost of collection in respect of Stamps and Registration Fees are higher in comparison to the All India average during the years 1994-95 to 1996-97.

6.1.6 Arrears in assessment

The details of Sales Tax assessment and Agricultural Income Tax assessment cases pending at the beginning of the year, cases becoming due for assessment during the year, cases disposed of during the year and the number of cases pending finalisation at the end of each year during the years 1992-93 to 1996-97 as furnished by the Departments are given below :

Year	Opening balance	Cases due for assessment during the year	Total	Cases finalised during the year	Balance at the closing of the year
(a) Sales Tax					
1992-93	4894	3271	8165	2961	5204
1993-94	5204	3254	8458	3060	5398
1994-95	5398	3373	8771	4171	4600
1995-96	4600	3960	8560	3665	4895
1996-97	4895	4799	9694	2964	6730

Year	Opening balance	Cases due for assessment during the year	Total	Cases finalised during the year	Balance at the closing of the year
(b) Agricultural Income Tax					
1992-93	321	36	357	185	172
1993-94	172	48	220	13	207
1994-95	207	53	260	2	258
1995-96	258	20	278	4	274
1996-97	274	109	383	18	365

6.1.7 *Uncollected revenue*

Analysis of arrears of revenue pending collection as on 31 March 1997 in respect of Sales Tax and Agricultural Income Tax as reported by the Department and corresponding figures for the preceding year are indicated below :

Heads of Revenue	Arrears pending collection as on		Arrears of revenue outstanding for more than 5 years as on		Remarks
	31 March 1996	31 March 1997	31 March 1996	31 March 1997	
(Rupees in lakh)					
1. Sales Tax	618.98	843.65	185.55	98.74	Out of Rs.843.65 lakh, recoveries amounting to Rs.172.41 lakh had been stayed by courts, Rs.65.28 lakh by Government, demands for Rs.456.63 lakh had been covered by recovery certificates, and Rs149.33 lakh are in different stages of recovery.
2. Agricultural Income Tax	8.63	8.59	8.30	6.74	Out of Rs.8.59 lakh, demands for Rs.3.63 lakh had been covered by recovery certificates, recoveries amounting to Rs.2.78 lakh had been stayed by courts and Rs.2.18 lakh are in different stages of recovery.

6.1.8 *Outstanding inspection reports and audit observations*

Important irregularities in assessment of revenue and defects in the accounting of revenue receipts noticed in audit and not settled on the spot are communicated to Head of Offices and departmental authorities through local audit reports. The more important and serious irregularities are reported to the Government. Besides, statements indicating the number of observations outstanding for over six months/one year are also sent to Government for expediting their settlement.

(a) At the end of June 1997 in respect of inspection reports issued upto December 1996, 1448 audit observations were still to be settled as per details given below. The corresponding position in the earlier two years has also been indicated alongside.

	At the end of		
	June 1995	June 1996	June 1997
Number of outstanding local audit reports	375	429	442
Number of outstanding audit observations	991	1099	1448
Amount of receipts involved (in lakh of rupees)	918.56	1123.20	1583.48

The year wise break-up of outstanding audit reports, audit observations and amount involved at the end of June 1997 is given below :

Year	Number of outstanding		Revenue involved (In lakh of rupees)
	Inspection reports	Audit observations	
Upto			
1994-95	375	991	918.56
1995-96	54	108	204.64
1996-97 (Upto December 1996)	57	349	460.28
	486	1448	1583.48

(b) The Receipt-wise break-up of outstanding inspection reports, audit observations and amount involved therein as on 30 June 1997 is indicated below :

Department	Number of outstanding		Amount of receipts involved	Year to which observation relates	Number of Inspection Reports to which even 1st reply had not been received
	Inspection Reports	Audit observations			
(Rupees in lakh)					
1. Sales Tax	92	464	527.52	1984-85 to December 1996	11
2. Forest	84	308	255.25	1984-85 to December 1996	9
3. Electricity	167	545	578.38	1984-85 to December 1996	21
4. Professional Tax	4	4	5.82	1993-94 to December 1996	1
5. Motor Vehicles	16	38	97.74	1984-85	--
6. Agri-Income Tax	14	11	5.17	1985-86 to December 1996	--

Department	Number of outstanding		Amount of receipts involved	Year to which observation relates	Number of Inspection Reports to which even 1st reply had not been received
	Inspection Reports	Audit observations			
<i>(Rupees in lakh)</i>					
7. Excise	24	28	91.93	1990-91 to December 1996	2
8. Land Revenue	54	9	2.12	1993-94 to December 1996	1
9. Stamps and Registration	20	23	14.06	1990-91 to December 1996	6
10. Entertainment Tax	11	18	5.49	1988-89 to December 1996	4
	486	1448	1583.48		55

REVENUE DEPARTMENT

6.2 Results of Audit

6.2.1 Sales Tax

The test check of Sales Tax assessment and other records of 10 units conducted in audit during the year 1996-97 revealed under assessment/under-charge of tax and interest etc., amounting to Rs.231.80 lakh in 67 cases which broadly fall under the following heads :

		No. of cases	Amount involved (Rupees in lakh)
1.	Under-assessment/under/non-charge of taxes	24	10.53
2.	Under-assessment/under/non-charge of interest	4	10.57
3.	Loss/short realisation of revenue	6	2.22
4.	Non-assessment/non-levy of additional Sales Tax	5	1.57
5.	Non-charging of godown rent	1	1.32
6.	Non-levy/under-charge of penalty	5	100.16
7.	Under-stating/over-stating/outstanding of demand	6	5.54
8.	Short levy of interest	4	48.99
9.	Blockade of revenue	10	50.13
10.	Undercharge due to escapement of turnover	1	0.46
11.	Under-assessment of turnover	1	0.31
		67	231.80

During 1996-97, the Department accepted under-assessment/short-realisation of taxes etc., of Rs.218.08 lakh involving 49 cases.

6.2.2 State Excise

The test check of records in 4(four) units in Departmental Excise offices conducted in audit during the year 1996-97 revealed loss of revenue, non-realisation of establishment cost, transit loss etc., of Rs.15.32 lakh in 7 cases which broadly fall under following categories :

		No. of cases	Amount involved (Rupees in lakh)
1.	Loss of revenue	3	10.48
2.	Certificate wanting	1	2.56
3.	Non-realisation of establishment cost	2	1.57
4.	Transit loss	1	0.35
		7	15.32

During the course of 1996-97, the Department accepted loss of revenue of Rs.10.84 lakh in 3 cases of which Rs.2.82 lakh involving 2 cases were pointed out in 1996-97 and the rest in earlier years.

SALES TAX

6.3 Non-levy/Short levy of penalty

Under the Tripura Sales Tax (TST) Act, 1976 if the Superintendent of Taxes, in course of proceedings under the Act, is satisfied that any dealer has, without reasonable cause, failed to furnish the return within the time allowed or has without reasonable cause, failed to comply with a notice issued under the Act or has concealed the particular of his turnover or has evaded in any way the liability to pay tax, he may direct that such dealer shall pay by way of penalty, in addition to the tax payable by him, a sum not exceeding one and half times of that amount but which shall not be less than 10 *per cent* of that amount. As the Superintendent of Taxes were not found consistent in practice of levying penalty, the Commissioner of Taxes issued guiding principles (26 December 1987) to all Superintendents of Taxes regarding quantum of penalty leviable. It was also stipulated therein that a dealer shall be liable to pay penalty where interest was payable and where the assessments were made as per best judgement under Section 9(4) of the TST Act, 1976.

A test check of assessments for the years 1989-90 to 1994-95 made between October 1993 and July 1996 by four Superintendents of Taxes (Charge - IV and V, Agartala, Kailashahar and

Udaipur) revealed (January 1996 to November 1996) that in 35 cases penalty was not levied despite assessments being made under Section 9(4) of the Act. This resulted in short levy/non-levy of penalty amounting to Rs.28.90 lakh.

Failure to levy penalty as per the Act, resulted in loss of revenue of Rs.28.90 lakh.

Government to whom the matter was reported (April 1997), stated (July 1997) that imposition of penalty was not compulsory but discretionary. It was also stated that the authority was satisfied that the offence was not without reasonable cause. The reply is, however, not tenable since there was concealment of turnover and evasion of tax liability by 100 *per cent* in 16 cases and 31 to 99 *per cent* in 19 cases and according to the provision of Section 13(1) (C) and (D) of the Act read with departmental guidelines (December 1987), the levy of penalty was compulsory.

6.4 Short levy of interest

Under the provision of Tripura Sales Tax Act, 1976 if a registered dealer does not pay the full amount of tax due from him on the basis of the return or his account books within the prescribed date, simple interest at the rate of 25 *per cent* per annum from the first day of the month next following the said date shall be payable by him on the amount by which the tax so paid falls short of the amount of tax payable as per his return or account books. Further, Tripura Sales Tax Tribunal's order of May 1992 stated that interest on unpaid amount of taxes had to be calculated according to the provision of the Act and Rules and there was no scope to waive the interest even on the ground of delay in making assessment/re-assessment.

Test check of records (April 1995, October 1995, March 1996 and October 1996) of Superintendents of Taxes (Charge-II, Charge-IV and Charge-V), Agartala revealed the under-assessments of Sales Tax amounting to Rs.43.60 lakh in respect of 26 dealers involving 81 assessment years between 1984-85 and 1994-95 for which assessments were made between November 1994 and July 1996. The interest payable on the aforesaid under-assessed amount of tax worked out to Rs.48.44 lakh wherein the assessing authorities levied interest of Rs.10.97 lakh resulting short levy of interest of Rs.37.47 lakh.

Under-assessment of Sales Tax of Rs.43.60 lakh resulted in short levy of interest of Rs.37.47 lakh.

Report on the realisation of tax of Rs.43.60 lakh as well as interest of Rs.37.47 lakh was not received (December 1997).

The Government to whom the matter was reported (April 1997) stated (August 1997) that the Superintendent of Taxes Charge-II had already issued notices to the dealers for re-assessment,

but the computation of interest by the Superintendent of Taxes Charge-IV and V were claimed to be justified and lawful referring appeal case Nos. 50 and 51 of 1993 (M/S BL Roy & Co. Vs. Additional Commissioner of Taxes and Superintendent of Taxes, Charge-I) where the Tripura Sales Tax Tribunal observed that since six years were taken to complete the assessment, it was not fair to charge interest on differential amount of tax from the dealer for the entire six years but for one year only. The claim of the Department is, however, not tenable as it was neither consistent with the existing provision of the Act and Rules nor with the order of the said Tribunal of May 1992 wherein it was opined that there was no scope to waive the interest even on the ground of delay in assessment/re-assessment.

6.5 Short levy of tax due to incorrect computation of turnover

Under the provision of Tripura Sales Tax Act, 1976 every dealer dealing in taxable goods shall pay a tax on his turnover at the rate specified in the schedule attached to the Act.

(a) The Superintendent of Taxes, Charge-II, Agartala determined (May 1995) turnover of a dealer for the year 1992-93 at Rs.180.88 lakh and raised demand for tax of Rs.12.77 lakh including interest of Rs.0.11 lakh. Scrutiny of records (March-April 1996), however, revealed in audit that the dealer had a closing stock of goods worth Rs.29.36 lakh for the

year 1991-92 of which Rs.0.20 lakh only was taken into account for determination of turnover for the year 1992-93. This incorrect carry-forward of closing stock thus escaped assessment of turnover by

Incorrect assessment of closing stock resulted in short levy of tax of Rs.2.04 lakh and interest of Rs.1.06 lakh.

Rs.29.16 lakh which resulted in short levy of tax amounting to Rs.2.04 lakh and interest of Rs.1.06 lakh.

(b) The Superintendent of Taxes, Charge-II, Agartala determined (October 1995) turnover of a manufacturer-cum-dealer in bricks and its sub-products at Rs.6.83 lakh for the assessment year 1993-94, after reckoning opening balance of bricks as Rs.7.95 lakh. Scrutiny (March-April 1996) in audit, however, revealed that the dealer had a closing stock of Rs.10.55 lakh bricks as at the end of previous year (1992-93). This omission resulted in short assessment of sale of bricks by 2.60 lakh and escapement of turnover to the extent of Rs.2.26 lakh with consequential short levy of taxes of Rs.39,807 including interest.

(c) A test check (July 1996) of records in audit of the Superintendent of Taxes, Charge-VI, Agartala revealed that the assessing officer while determining (September 1995) turnover for the year 1994-95 of an assessee dealing in drugs and medicine did not include sales turnover of

Rs.10.80 lakh being closing stock of drugs and medicine valued Rs.10 lakh of the previous year (1993-94) and 8 *per cent* profit thereon as determined by the Assessing Authority. This resulted in short levy of tax amounting to Rs.35,774 including interest.

On these cases being pointed out (April 1997), Government stated (July-August 1997) that all the concerned Superintendents of Taxes had issued notices to the respective dealers for re-assessment. The reports on the result of re-assessment were not received (October 1997).

6.6 Under-assessment of turnover due to incorrect allowance of shortages

Under Tripura Sales Tax Act, 1976 if the Commissioner is not satisfied that a return furnished by a registered dealer is correct and complete, he shall serve on the dealer a notice requiring him to produce any evidence on which he may rely on support of his return and after hearing such evidence shall assess the dealer and determine the tax payable by him. Sales Tax at the rate of 7 *per cent* is leviable on cement. The Act also provides for payment of simple interest at the rate of 25 *per cent* per annum from the first day of the month next following the due date of payment.

While finalising (December 1994) assessment of a cement dealer for the year 1991-92, the Superintendent of Taxes, Charge-III, Agartala allowed shortage of 10,792 bags of cement valued at Rs.14.26 lakh and determined the turnover at Rs.548.90 lakh with tax liability of Rs.38.45 lakh including interest of Rs.3,438. Scrutiny in audit (August 1995), however, revealed that the dealer could not produce any evidence in support of aforesaid shortage. Thus, unauthorised allowance of shortage without any evidence resulted in under-assessment of turnover of Rs.14.26 lakh and short levy of taxes of Rs.2.03 lakh (tax : Rs.1 lakh and interest : Rs.1.03 lakh).

Unauthorised allowance of shortage resulted in short levy of taxes of Rs.2.03 lakh.

Government to whom the matter was reported (April 1997), stated (August 1997) that the concerned Superintendent of Taxes, had issued notice for re-assessment. The result of re-assessment was, however, not received (December 1997).

6.7 Non-levy of interest for delay in payment of tax

Under the Tripura Sales Tax Act, 1976 if a registered dealer does not pay the full amount of tax due from him on the basis of the return or his account books within the prescribed date, simple interest at the rate of 25 *per cent* per annum from the 1st day of the month next following the said date

Failure to levy interest resulted in non-realisation of Rs.3.43 lakh.

shall be payable by him on the amount by which the tax so paid falls short of the amount of tax payable as per his return or account books.

Scrutiny of the assessment records of a dealer for the assessment years 1993-94 to 1995-96 under Superintendent of Taxes, Charge-IV, Agartala revealed (October 1996) that the dealer had delayed payment of taxes for the quarter ending September 1993, year ending 1993-94, 1994-95 and 1995-96 by 3 months, 20 months, 10 months and 5 months respectively. However, no demand for interest for delayed payment was raised which resulted in non-levy of interest of Rs.3.43 lakh upto October 1996.

Government to whom the matter was reported (March 1997), stated (April 1997) that demand notices have been served to the dealer. The report on realisation was, however, not received (October 1997).

6.8 Short levy of tax due to incorrect determination of turnover

Under the Tripura Sales Tax Act, 1976 every dealer dealing in taxable goods shall pay a tax on his turnover at the rate specified in the schedule attached to the Act, Sales Tax at the rate of 8 *per cent* is leviable on tea with effect from April 1990. The Act also provides that if any registered dealer does not pay the full amount of tax due from him under this Act on the basis of the return or his account books within the prescribed date, simple interest at the rate of 25 *per cent* per annum from the first date of the month next following the said date shall be payable by the dealer upon the amount by which the tax so paid falls short of the amount of tax payable as per his return or account books.

In North Tripura District, Superintendent of Taxes, Dharmanagar determined (September 1995) the turnover of a dealer at Rs.14 lakh and Rs.4.85 lakh and tax was levied at Rs.1.12 lakh and Rs.38,800 for the assessment years 1991-92 and 1992-93 respectively.

Scrutiny in audit revealed (July 1996) that the dealer had received Rs.53,943 and Rs.15,040 towards commission at 2 *per cent* on the sale of tea for the years 1991-92 and 1992-93. On the basis of the commission, turnover of the assessee for the years 1991-92 and 1992-93 worked out to Rs.26.97 lakh and Rs.7.52 lakh against Rs.14 lakh and Rs.4.85 lakh determined by the Department. This resulted in under-assessment of turnover of Rs.12.97 lakh and Rs.2.67 lakh with consequential short levy of taxes of Rs.1.92 lakh (tax : Rs.1.04 lakh and interest : Rs.88,639) and Rs.34,265 (tax : Rs.21,360 and interest : Rs. 12,905) for the year 1991-92 and 1992-93 respectively.

Short levy of taxes of Rs.1.92 lakh was due to incorrect assessment of turnover.
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On this being pointed out (April 1997), the Government stated (July 1997) that the Superintendent of Taxes, Dharmanagar had re-opened the case for re-assessment. The report on re-assessment and realisation, if any, were not received (October 1997).

6.9 Incorrect application of rate of tax leading to short levy of sales tax

Under Central Sales Tax (CST) Act, 1956 inter-State sales of goods to registered dealer or Government are taxable at the concessional rate of 4 *per cent*, if such sales are supported by prescribed declarations in form 'C' or 'D' obtainable from the purchaser. Otherwise such sales are taxable at the rate of 10 *per cent* or at the rate prescribed on such goods under CST Act whichever is higher.

It was noticed (August 1995) that the Superintendent of Taxes, Charge-III, Agartala determined (September 1994) the sales turnover of an assessee for the year 1993-94 at Rs.68.45 lakh of which Rs.66.47 lakh related to inter-State sale and taxed at 4 *per cent*. The net amount of tax payable was, however, determined at Rs.0.70 lakh including interest of Rs.9,522. Scrutiny further revealed that out of the sales turnover of Rs.66.47 lakh, sales valued at Rs.54.51 lakh only were supported by the declaration forms and as such the remaining sales valued at Rs.11.96 lakh were taxable at 10 *per cent* instead of 4 *per cent* as levied by the assessing authority. This resulted in short levy of tax of Rs.79,209 including interest of Rs.7,472.

On this being pointed out (April 1997), the Government stated (July 1997) that the demand notice for Rs.1.49 lakh including balance taxes etc., of Rs.0.70 lakh assessed in September 1994 had been issued. The report on realisation was, however, not received (December 1997).

FOREST DEPARTMENT

6.10 Short realisation of revenue

The departmental sale prices for timber, ballies, posts etc., with effect from 1 June 1992 were fixed vide Forest Department Notification of 27 May 1992. According to the said Notification, while the Sal timber in round log over bark with a mid girth of 4 feet and above (1.219 metre and above) are to be categorised and disposed of as 'Sal Logs' at the rate of Rs.2400, Rs. 2700 and Rs.3200 per cubic metre, the same having a girth measurement at mid point under bark ranging from 48 cm girth (6" dia) to less than 112 cm (less than 14 " dia) girth are to be categorised and sold as 'Sal bridge piles' at the rate of Rs.95, Rs.150, Rs.180 and Rs.210 per running metre depending on different categories of girth measurement.

Incorrect classification of timber had resulted in short realisation of revenue of Rs.1.41 lakh.
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Test check of records in audit (April 1994 and April 1995) revealed that the Divisional Forest Officer, Sadar, Agartala had disposed of 1960 running metres of round Sal timber between September 1992 and November 1994 at per cubic metre rate. The aforesaid round Sal timber having girth measurement under bark between 48 cm to 111 cm were to be categorised as "Sal bridge piles" and sold at per running metre rate instead of at per cubic-metre rate as per Government notification of May 1992. This resulted in short realisation of revenue of Rs.1.41 lakh.

The Government to whom the matter was reported (March 1997), stated (May 1997) that "Sal timber having less than 14 ft. length and mid girth less than 4 ft. cannot be sold as "Sal bridge piles". Government's contention is not tenable as it contradicted the principle of categorisation contained in their own notification of May 1992.

CHAPTER VII

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

7.1 General

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

During 1996-97 financial assistance of Rs.8960.04 lakh was paid to various autonomous bodies and others broadly grouped as under :

Name of institutions	Amount of assistance paid (Rupees in lakh)
1. Universities and Educational Institutions	1489.24
2. Municipal Corporations and Municipalities	150.73
3. Zilla Parishads and Panchayati Raj Institutions	502.00
4. Development Agencies	1120.31
5. Other Institutions	5697.76
Total	8960.04

7.1.2 Delay in furnishing utilisation certificates

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

Of the 4641 utilisation certificates due in respect of grants aggregating Rs.42853.96 lakh paid during the period 1979-80 to 1996-97, only 1941 utilisation certificates for Rs.7813.76 lakh had been furnished by 30 September 1997 and 2700 certificates for an aggregate amount of Rs.35040.20 lakh were in arrears. Department-wise break-up of outstanding utilisation certificates was as follows :

Group	Sl.No	Name of the Department	Number of certificates	(Rupees in lakh)
Universities and Educational Institutions	1	Education	598	11560.15
	2.	Sports and Youth Programme	18	64.88
Municipal Corporation and Municipalities	3.	Urban Development	279	2389.85
Zilla Parishad and Panchayati Raj Institutions	4.	Panchayati Raj	90	442.16
	5.	Tribal Welfare	7	502.00
Development Agencies	6.	Rural Development	47	1577.71
Other Institutions	7.	Industries and Commerce	273	2292.68
	8.	Co-operation	49	513.64
	9.	Health and Family Welfare	248	371.49
	10.	Scheduled Castes Welfare	615	11816.68
	11.	Finance	21	14.35
	12.	Fisheries	33	324.55
	13.	Forest	99	206.63
	14.	Home	2	0.54
	15.	Political	27	151.15
	16.	Animal Resource Development	5	5.36
	17.	Irrigation, Flood Control and Public Health Engineering	32	168.81
	18.	Labour and Employment	19	25.51
	19.	Agriculture	226	2583.41
	20.	Secretariat Administration	1	0.95
	21.	Law	4	2.12
	22.	Dairy Development	5	25.32
	23.	Food	2	0.26
		Total	2700	35040.20

7.1.3 Delay in submission of accounts

In order to identify the institutions which attract audit under Section 14/15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, Government/Heads of Department are required to furnish to Audit every year detailed information about the financial assistance given to various institutions, the purpose for which assistance was sanctioned and the total expenditure of the institutions. Information for the year 1995-96 called for in October 1996 was awaited as of March 1997 from 19 departments of Government. Of the

defaulting departments, the following had not furnished information for a number of years as indicated below :

SL. No.	Name of the Department	Year from which information had not been furnished
1.	Co-operation	1987-88 to 1995-96
2.	Rural Development	1992-93 to 1995-96
3.	Agriculture	1994-95 and 1995-96
4.	Panchayats	1994-95 and 1995-96
5.	Power	1987-88 to 1995-96
6.	Education (i) Social Welfare and Social Education (ii) Higher Education (iii) School Education	1992-93 to 1995-96 1987-88 to 1995-96 1990-91 to 1995-96
7.	Welfare of SC and ST (i) Welfare of ST (ii) Welfare of SC	1990-91 to 1995-96 1992-93 to 1995-96
8.	Home (i) Police (ii) Prison (iii) Fire Service	1987-88 to 1995-96 1992-93 to 1995-96 1994-95 and 1995-96
9.	Forest	1994-95 and 1995-96
10.	Fisheries	1993-94 to 1995-96
11.	Animal Resource Development	1994-95 and 1995-96
12.	Food and Civil Supplies	1994-95 and 1995-96
13.	Statistical	1992-93 to 1995-96
14.	Labour	1994-95 and 1995-96
15.	Revenue (i) Revenue (ii) Land Records and Settlement	1993-94 to 1995-96 1994-95 and 1995-96
16.	Information, Cultural Affairs and Tourism	1994-95 and 1995-96
17.	Law	1991-92, 1993-94 to 1995-96
18.	Election	1992-93 to 1995-96
19.	Industries Handloom, Handicrafts and Sericulture	1987-88 to 1992-93 and 1994-95 to 1995-96

7.1.3.1 The status of submission of accounts by bodies/authorities and submission of Audit Reports thereon to the State Legislature as of March 1997 is given below :

SL. No.	Name of bodies	Year upto which accounts due	Year upto which accounts submitted	Year upto which Audit Reports issued	Reasons for non-finalisation of Audit Reports	Year upto which Audit Report placed before Legislature
1.	Tripura Khadi and Village Industries Board	1996-97	1990-91	1987-88	The audit of annual accounts for the remaining periods would be taken up soon.	The information is yet to be received from the Department.
2.	Tripura Board of Secondary Education	1996-97	1990-91	1990-91	Non-receipt of annual accounts from 1991-92 onwards.	1990-91

7.1.3.2 The audit of the accounts of the following bodies has been entrusted to the Comptroller and Auditor General of India for a period of 5 years as detailed below :

SL. No.	Name of bodies	Period of entrustment	Date of entrustment
1.	Tripura Khadi and Village Industries Board	1994-95 to 1998-99	28-11-1994
2.	Tripura Board of Secondary Education	1996-97 to 2000-01	01-10-1996
3.	Agartala Municipality	1996-97 onwards	07-10-1996
4.	Nagar Panchayats (12 Nos.)	1996-97 onwards	07-10-1996
5.	Tripura University	1992-93 to 1996-97	22-2-1994

7.1.4 Audit arrangement

The primary audit of local bodies (Zilla Parishad, Nagar Palikas, Town Area/ Notified Area Authority), educational institutions and others is conducted by Chartered Accountants. Audit arrangement for Panchayat Raj institutions has not been finalised as yet.

7.1.4.1 Of the 4 bodies/authorities, whose accounts for the period as mentioned below were received, all the bodies/authorities attracted audit under Section 14 of the C&AG's (DPC) Act, 1971 : Of these, 2 bodies/authorities were audited.

SL. No.	Name of bodies/authorities	Section of audit Act applicable	Annual Accounts	
			Received	Audited
1	District Rural Development Agency (West)	14	1993-94 to 1994-95	1993-94 to 1994-95
2.	District Rural Development Agency (South)	14	1995-96	-
3.	District Rural Development Agency (North)	14	1994-95	-
4.	World Bank Aided Rubber Project Development Unit (WBARPDU) in Tripura.	14	1993-94 to 1995-96	1993-94 to 1995-96

CHAPTER - VIII

GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

8.1 General view of Government companies including deemed Government Company and Statutory Corporation

8.1.1 Introduction

The accounts of the Government companies and deemed Government companies are audited by the Statutory Auditors who are appointed by the Central Government on the advice of the Comptroller and Auditor General of India as per provisions of Section 619(2) of the Companies Act, 1956. These accounts are also subjected to supplementary audit conducted by the Comptroller and Auditor General of India as per provisions of Section 619(4) of the Companies Act, 1956.

The only Statutory Corporation i.e. the Tripura Road Transport Corporation is audited solely by the Comptroller and Auditor General of India under Section 33 of the Road Transport Corporation Act, 1950. Audit Report on the accounts of the Corporation is issued both to the Organisation and the State Government.

8.1.2 Government companies - General view

8.1.2.1 As on 31 March 1997 there were 9 Government companies (including one under liquidation) and one deemed Government company with total investment of Rs.95.40 crore (Equity : Rs.76.58 crore, Long term loans : Rs.18.82 crore) as against 9 companies (including one under liquidation) with total investment of Rs.97.90 crore (Equity : Rs.68.21 crore, Long term loans : Rs.29.69 crore) as on 31 March 1996. Total investment for both the years includes Rs.3.75 lakh invested in Tripura State Bank Ltd., which is under liquidation since 1970-71.

As accounts of all the companies are in arrears (**Appendix-25**) all financial figures appearing in para 8.1 are provisional.

The classification of the companies is as under :-

	Number of companies	Paid up capital (Rupees in crore)
(a) Working companies	9*	76.54
(b) Non-working companies	-	-
(c) Defunct companies	-	-
(d) Companies under liquidation	1	0.04

* This includes one deemed Government company.

8.1.2.2 The financial position and summarised financial working results in respect of all the Government Companies (including deemed Government company) are given in **Appendices-23** and **24** respectively.

The sector-wise investment in these companies are given below :

Equity and loans					
Department-wise name of Public Sector Undertakings	As at the end of				Debt equity ratio in 1996-97
	1996-97		1995-96		
	Equity	Loan @	Equity	Loan	
(Rupees in crore)					
A. Government Company					
Agriculture- Tripura Horticulture Corporation Limited (THCL)	1.35	-----	1.35	-----	-----
Forest- Tripura Forest Development and Plantation Corporation Limited(TFDPCL)	8.09	2.64	7.81	2.64	0.33:1
Industries- The Tripura Small Industries Corporation Limited (TSICL)	7.18	0.81	6.18	0.79*	0.11:1
Tripura Industrial Develop- ment Corporation Limited (TIDC)	9.17	3.84	9.00	3.06	0.42:1
Tripura Handloom and Handicrafts Development Corporation Limited (THHDC)	5.03	3.58	3.97	2.58	0.71:1
Tripura Jute Mills Limited (TJML)	35.74	7.18	30.02	19.93	0.20:1
Tripura Tea Development Corporation Limited (TTDC)	4.87	-----	4.72	-----	-----
Tribal Rehabilitation in Plantation and Primitive Group programme - Tripura Rehabilitation Plantation Corporation Limited (TRPCL)	4.58	0.76	4.58	0.69	0.17:1
B. Deemed Government Companies					
Industries - Tripura Natural Gas Company Limited (TNGC)	0.54	-----	0.54	-----	-----

@ Interest liability of Rs.30.25 crore outstanding as on 31-3-1997 against five companies (TJML : Rs.19.22 crore TFDPC : Rs.4.61 crore, TRPC : Rs.0.60 crore, TSIC : Rs.5.36 crore and TIDC : Rs.0.46 crore)

* Last year's figure of Rs.7.86 crore was shown erroneously.

8.1.2.3 Guarantees

The guarantees given by the State Government against loans and credits given by Banks, Financial Institutions etc., to the Government companies during the preceding three years upto 1996-97 and outstanding as on 31 March 1997, are shown in the table below :

Guarantees given by the State Government					
Guarantees		Amount guaranteed during			Guaranteed amount outstanding as on 31-3-97
		1994-95	1995-96	1996-97	
<i>(Rupees in crore)</i>					
1	Cash credit from State Bank of India, Other Nationalised Banks and State Co-operative Bank	1.00	Nil	2.64	10.85
2	Loans from other sources	-	1.39	-	26.40
		1.00	1.39	2.64	37.25

8.1.2.4 Budgetary outgo and waiver of dues

The outgo from State Government to 8 functioning Government companies during the years 1994-95 to 1996-97 in the form of equity capital, loan and subsidy is as detailed below :

		1994-95	1995-96	1996-97
<i>(Rupees in crore)</i>				
1.	Equity capital outgo from Budget	5.55	7.90	8.37
2.	Loans given out from Budget	---	----	2.51
3.	Subsidy	0.01	----	---
		5.56	7.90	10.88

8.1.2.5 Finalisation of accounts

Accountability of public sector undertakings to the Legislature is to be achieved through submission of audited annual accounts within the prescribed time schedule to the Legislature. Of the 8 functioning Government companies none of them finalised their accounts for the year 1996-97 and the accounts of all the Companies were in arrears for periods ranging from 3 to 14 years as indicated in **Appendix-25** (as on 28 February 1998).

According to latest finalised accounts of these companies, 5 companies had incurred losses of Rs.3.88 crore and remaining 3 companies earned profit of Rs.0.33 crore as indicated below :

SL. No.	Number of Companies	Year upto which accounts were finalised	Profit		Loss	
			Number of Companies	Amount (Rupees in lakh)	Number of Companies	Amount (Rupees in lakh)
1.	1	1982-83	-----	-----	1	17.20
2.	1	1983-84	1	15.49	-----	---
3.	1	1985-86	-----	-----	1	317.19
4.	1	1987-88	-----	-----	1	45.65
5.	1	1988-89	1	8.58	----	---
6.	1	1989-90	-----	-----	1	1.60
7.	2	1993-94	1	9.07	1	6.07
		Total	3	33.14	5	387.71

The administrative departments have to oversee and ensure that the accounts are finalised and adopted by the companies in the annual general meeting within time schedule prescribed in the Companies Act, 1956. Though the concerned administrative departments and officials of the Government were apprised by audit of the position of arrears quarterly, no effective measures had been taken by the Government for timely finalisation of accounts. As these companies did not adhere to the time schedules the investment made in these companies remained outside the purview of Audit and their accountability could not be ensured.

8.1.2.6 Working results

8.1.2.6.1 Profit making companies

During the year, none of the companies finalised their accounts for the year 1996-97 and hence profit or loss in respect of these companies could not be brought out in respect of the year 1996-97. However, as per latest available accounts, three companies earned profit (**Appendix-24**) out of which Tripura Horticulture Corporation Ltd., earned profit for three successive years and Tripura Tea Development Corporation Ltd., earned profit for two successive years.

8.1.2.6.2 Loss making companies

According to the latest available accounts, all the 5 loss making companies suffered loss for consecutive period ranging from 1 year to 12 years. Of the 5 companies, Tripura Jute Mills Ltd., had eroded its paid up capital as accumulated losses (Rs.1,076.35 lakh) of the company had far exceeded the paid up capital (Rs.657.01 lakh). Details are shown below:

SL. No.	Name of Company	Accumulated loss	Paid up capital	Year from which consecutively suffering loss	Year	Capital eroded	Reason for suffering loss
	1	2	3	4	5	6	7
	<i>(Rupees in lakh)</i>						
1	Tripura Small Industries Corporation Limited	52.62	66.99	1974-75*	9	52.62	poor performance
2.	Tripura Jute Mills Limited	1076.35	657.01	1981-82	5	657.01	Do
3.	Tripura Forest Development and Plantation Corporation Limited	131.19	498.02	1976-77	12	131.19	Do
4.	Tripura Rehabilitation Plantation Corporation Limited	246.04	452.73	1983-84	11	246.04	Do
5.	Tripura Industrial Development Corporation Limited	5.92	461.50	1989-90	1	5.92	Do
		1512.12	2136.25			1092.78	
* as per oldest available accounts							

In spite of the poor performance leading to erosion of paid up capital, the State Government continued to provide financial support to these companies in the form of contribution towards equity. Out of the 8 working companies, one (Tripura Jute Mills Ltd.) was sick and referred to Board for Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies (Special Provisions) Amendment Act, 1991 but BIFR did not consider the case as the Company's accounts were in arrears.

8.1.2.6.3 Under Section 619(4) of the Companies Act, 1956, the Comptroller and Auditor General of India has the right to comment upon or supplement the report of the Statutory Auditors. Accordingly, the audited annual accounts of Government companies are reviewed on a selective basis. During the period from September 1996 to February 1998 accounts of 8 companies were selected for review. The net effect of important comments as a result of such review was as follows :

Details	Number of Accounts	Monetary effect (Rupees in lakh)
Decrease in loss	4	23.42
Increase in loss	7	74.51
Increase in current liabilities	4	87.11
Decrease in current Assets	4	54.97
Increase in current Assets	6	303.74

Return on capital employed

Capital employed has been taken as net fixed assets (including capital works-in-progress) plus working capital. Interest on borrowed funds has been added/subtracted to the net profit/loss as disclosed in the profit and loss account. Thus, total capital employed worked out to Rs.28.12 crore in eight working companies and the return thereon amounted to Rs.(-)2.40 crore.

8.1.2.7 Capacity utilisation

Two of the manufacturing companies (Tripura Jute Mills Limited and Tripura Tea Development Corporation Limited) furnished information relating to utilisation of installed capacity during the year 1996-97 as given in **Appendix-26**. It was seen that utilisation of capacity in the Tripura Jute Mills Limited was 13.38 *per cent* in 1996-97 while it was 8.49 *per cent* during 1995-96. The capacity utilisation in Tripura Tea Development Corporation Limited was 80 *per cent* in 1996-97 compared to 70.33 *per cent* in the previous year.

The installed capacity of a manufacturing unit is often uprated or derated depending on the condition of plant and machinery, manpower, number of shifts worked and working capital constraints etc. Thus, there is a need for monitoring capacity utilisation in terms of standard man-hours of production, targeted and achieved.

8.1.2.8 Deemed Government Company (as defined in Section 619B of the Companies Act,1956.)

Tripura Natural Gas Company Ltd. is the only company covered under Section 619B of the Companies Act, 1956. The share capital of the company was contributed by Assam and Tripura Governments. The company was incorporated on 10 July 1990 with paid up capital of Rs.40 crore. The annual accounts of the company have been finalised upto 1990-91. The accumulated loss of the company up to 1990-91 was Rs.5.60 lakh.

8.1.3 Statutory Corporation

8.1.3.1 General aspects

There was one statutory corporation in the State as on 28 February 1998. Audit arrangement of the corporation is shown below :

Name of the Corporation	Statute under which constituted	Date of formation	Audit arrangement	Year upto which accounts finalised	Separate Audit Report placed in Legislature upto	Authority for Audit by C&AG
1	2	3	4	5	6	7
Tripura Road Transport Corporation	Road Transport Corporation Act, 1950	23rd October 1969	Section 19(2) of DPC Act of C&AG	1987-88	1985-86	Section 33(2) of Road Transport Corporation Act, 1950

8.1.3.2 Investment

The total investment in the capital of the Corporation was Rs.42.45 crore (State Government : Rs.38.81 crore and Central Government : Rs.3.64 crore) as on 31 March 1997. In addition, the State Government lent during 1996-97 Rs.4.95 crore to the Corporation.

8.1.3.3 Profit/Loss of the Corporation

As per the accounts for the year 1987-88 the accumulated loss of the Corporation amounted to Rs.16.52 crore.

8.1.3.4 Finalisation of accounts

The Corporation finalised its accounts upto 1987-88. The accounts for the years from 1988-89 onwards are in arrears (February 1998).

8.1.3.5 Guarantee by the State Government

The State Government guaranteed the bill rediscounting facilities amounting to Rs.290.88 lakh availed of by the Corporation from the Industrial Development Bank of India. As on 31st March 1997, guarantees of Rs.160.64 lakh were outstanding.

8.1.3.6 Working results

The summarised financial working results of the Corporation for the year 1987-88 are given in **Appendix-27**.

8.1.4 Physical performance

The physical performance of the Corporation for the years 1994-95, 1995-96 and 1996-97 on the basis of statistical data compiled by the Corporation is given in the table below :

		Passenger Service (Buses)			Goods Service (Trucks)		
		1994-95	1995-96	1996-97	1994-95	1995-96	1996-97
1	Average number of vehicles held	91	87	79	33	30	29
2	Average number of vehicles on road	33	32	41	10	9	15
3	Vehicles utilisation (Percentage)	36.26	36.78	51.90	30.30	30.00	51.72
4	Kilometres covered (In lakh)						
	Gross kms	19.46	17.50	22.60	2.11	1.94	3.13
	Effective kms	18.63	16.54	21.50	2.10	1.91	3.10
	Dead kms	0.83	0.96	1.10	0.01	0.03	0.03
	Percentage of dead kms to gross kms	4.27	5.81	4.87	0.47	1.58	0.96
5	Average kms covered per vehicle per day	155	141	144	16.67	58	56.62
6	Average revenue per Km* (in Rupees)	6.66	6.65	7.12	16.67	29.84	18.24
7	Average expenditure per day(in Rupees)*	21.94	29.68	24.06	31.69	53.40	29.82
8	Loss per km(in Rupees)*	15.28	(-)23.03	16.94	15.02	(-)23.56	11.58
9	Average number of break down per lakh kms	47.40	34.57	20.96	2.40	4.13	3.50
10	Average number of accident per lakh kms	0.41	0.41	0.48	Nil	-----	Nil
11	Passenger kms scheduled (in kms)	931.20	826.92	10535.50	-----	-----	-----
12	Passenger kms operated (in kms)	602.07	511.62	6433.00	-----	-----	-----
13	Occupancy ratio	64.11	61.87	61.06	-----	-----	-----

* Figures are provisional

INDUSTRIES DEPARTMENT

8.2 Working of Tripura Small Industries Corporation Limited

8.2.1 Introduction

Tripura Small Industries Corporation Limited (TSIC) was incorporated on 30 August 1965 as a wholly owned Government company with main objects to finance, protect and promote the small scale industries in the State. It had undertaken procurement and distribution of industrial raw materials since May 1969 and of automobile spare parts since May 1981. It also started Fruit Canning Factory in 1970 (taken over from Agriculture Department), Sugar Factory in 1974, a timber treatment plant in 1977, brick kilns in 1979, a semi-mechanised brick kiln in 1985 and a cement plant in 1987. The company set up a Consultancy Division in 1995 and started trading in medicine from 1995.

8.2.2 Organisational set up

The affairs of the company are managed by a Board of Directors. The Managing Director of the company is the Chief Executive Officer. As on 31 March 1997, there were nine members in the Board of Directors.

8.2.3 Audit coverage

Mention regarding working of the TSIC had been made in Paragraph 7.3 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1988. The Committee On Public Undertakings (COPU) in its 23rd and 25th meetings (March and September 1994) while critically examining the performance of the Corporation desired the Government to set up a high power committee to find out, *inter-alia*, ways and means to make the corporation economically sound by closing the unviable units. No such committee had, however, been formed (November 1997).

The records of the Corporation for the years 1987-88 to 1995-96 were test checked in audit during July to September 1997 and results thereof are discussed in succeeding paragraphs.

8.2.4 Highlights

- **Authorised share capital was increased twice without the approval of the Governor. Against authorised capital of Rs.20 crore paid up capital as on 31 March 1997 was Rs.6.21 crore. So far 81,416 shares of Rs.100 each were allotted but no share certificate was issued.**

(Paragraph 8.2.5.1)

- Rs.7.54 lakh was outstanding as on 31 March 1996 as interest on Government loan of Rs.5 lakh.

(Paragraph 8.2.5.2.1)

- Against a loan of Rs.16.10 lakh received from a State Government organisation, Rs.23.20 lakh (principal and interest) were outstanding as on 31 March 1996.

(Paragraph 8.2.5.2.2)

- As on 31st March 1996, company's liability included Rs.701.95 lakh payable to two banks in connection with two money suits.

(Paragraph 8.2.5.2.3)

- The under-utilisation of pharmaceutical unit during the years 1987-88 to 1994-95 varied between 30 and 99.83 per cent. The production of the unit was stopped from January 1995 and as a result the company had to pay an idle wages of Rs.15.54 lakh from February 1995 to March 1997 and sustained a loss of Rs.28.81 lakh in 1995-96 alone as per provisional statement of profit and loss.

(Paragraph 8.2.7.1)

- Out of Rs.26.00 lakh received from NEC as grant, Rs.10.60 lakh were utilised in setting up of a Lime Burnt Clay Pozzolana Mixture Plant. During the first three years, the plant produced 114 MT against installed capacity of 12 MT per day. From April 1990, the plant remained closed for lack of demand due to very poor quality of the product. Besides, Rs.6.53 lakh were spent as unproductive wages and power charges.

(Paragraph 8.2.7.2)

- In brick manufacturing, there was 21 per cent damage of green bricks valuing Rs.50.07 lakh and underutilisation of capacity ranged from 23.50 per cent to 76.66 per cent during the period from 1987-88 to 1995-96. Due to unplanned production and marketing, in spite of having huge accumulation of bricks year after year, bricks could not be supplied to parties from whom advances were obtained against commitments for supply.

(Paragraph 8.2.7.4)

- During 1991-92 to 1995-96, the Fruit Canning Factory was plugged with underutilisation of capacity ranging from 58 per cent to 81 per cent, excess consumption of

raw materials valuing Rs.2.29 lakh, damaged fruit products worth Rs.4.99 lakh, loss of Rs.22.08 lakh due to sale below the ex-factory cost, extra benefit of Rs.0.44 lakh to a private party, excess consumption of empty cans valuing Rs.1.70 lakh and loss of Rs.6.59 lakh due to non-addition of profit margin.

(Paragraph 8.2.7.5.1)

- Indian Made Foreign Liquor valuing Rs.4.36 lakh purchased, without considering market demand, in early eighties lying unsold in warehouse became unfit for human consumption. The company was liable to pay Excise Duty (Rs.13.58 lakh) even if these are not sold resulting in an extra burden on the company.

(Paragraph 8.2.8.1)

- Auto spare parts valuing Rs.5.92 lakh irregularly purchased in 1981-82 which could not be sold due to their inferior quality were finally auctioned off in July 1997 at Rs.0.96 lakh at a loss of Rs.4.96 lakh.

(Paragraph 8.2.8.2)

- In 1991 and 1992, 193 employees were irregularly engaged thereby raising total strength to 325 against requirement of 220 employees. Subsequently, 105 out of the 193 employees were converted into contract service and the rest regularised without Government's direction and approval. In 1996-97, re-organisation of the company with 322 posts was implemented without obtaining Government's approval.

(Paragraph 8.2.9.3)

- Internal Audit Cell created in 1991 was used in compilation of arrear accounts instead of conducting internal audit. Costing system has also not yet been introduced.

(Paragraph 8.2.9.4)

- Rs.2.50 lakh were spent on hiring vehicles in violation of Government's order.

(Paragraph 8.2.9.7)

- The Board of Directors neither met regularly nor discharged their obligation and responsibility in managing the affairs of the company. Hence the monitoring system was inadequate.

(Paragraph 8.2.10)

8.2.5 Finance

8.2.5.1 Share Capital

Authorised share capital of the company as on 1 April 1987 was Rs.1 crore divided into 1 lakh shares of Rs.100 each. The Board of Directors (BOD) increased the authorised share capital from Rs.1 crore to Rs.5 crore with effect from 28 December 1988 and again to Rs.20 crore with effect from 21 September 1995. Sanction of the company in General Meeting as well as approval of the Governor for such increase as required under Art. 40 of the Articles of Association of the company were, however, not obtained.

The Government of Tripura, the sole contributor towards share capital, had contributed Rs.620.92 lakh upto 31 March 1996. The company had so far allotted only 81,416 shares but had not yet issued/delivered any share certificate. This not only violated the provision of section 113(1) of the Companies Act, 1956 but also attracted penalty under section 113(2) of the said Act. The company had recently printed (December 1994) blank share certificate forms and prepared (August 1995) its common seal. Reasons for non issue of these shares were not furnished.

8.2.5.2 Borrowings and grants

8.2.5.2.1 Government loans

From the provisional Annual Accounts for the year 1985-86, it was noticed that about Rs.10 lakh were obtained from the State Government as loan, which was stated to be still outstanding. In respect of loan of Rs.5 lakh (out of Rs.10 lakh mentioned above), the company was making provision for ad-hoc interest @ 6 per cent per annum and penal interest @ 2.5 per cent per annum in their Annual budget. Considering the same rate of ad-hoc interest and penal interest, total outstanding interest on Rs.5 lakh worked out to Rs.7.54 lakh as on 31 March 1996. The company could not make any payment due to financial crisis.

8.2.5.2.2 Loan from Tripura Industrial Development Corporation Limited

The company obtained (June 1993) from Tripura Industrial Development Corporation Limited (TIDC) a loan of Rs.16.10 lakh (fresh loan : Rs.9 lakh, unadjusted advance for materials : Rs.7.10 lakh) which was repayable in 3 six-monthly instalments from 31-12-1993 with interest @ 11 per cent per annum. As the company failed to repay the loan amount and interest, TIDC charged penal interest @ 2.5 per cent per annum since April 1994 though there was no provision as such in the agreement. As on 31 March 1996, there was Rs.23.20 lakh outstanding in the loan

account including interest and penal interest (Rs.0.79 lakh). The company also did not request (November 1997) the TIDC for waiver of the penal interest.

8.2.5.2.3 Bank loan

Under the cash credit facility extended (December 1982) by the State Bank of India (SBI), the company took a loan of Rs.55 lakh upto July 1983 and repaid Rs.8.04 lakh upto August 1988. Since no repayment was made thereafter, the Bank filed (December 1991) a money suit for recovery of its dues (Rs.227.41 lakh). The court while ordering (November 1995) the company to pay the amount with cost and interest @ 20 per cent till repayment, also permitted the Bank to recover the amount by selling the assets of the company if it failed to repay the dues within six months. No amount was, however, paid by the company and the amount repayable stood at Rs.642.43 lakh as of 31 March 1997.

Similarly, the company also obtained another loan of Rs.6.13 lakh under the cash credit facility from the United Bank of India upto 1977 but no repayment was made since then. The Bank recovered (January 1997) Rs.0.54 lakh from the company's account with Agartala Branch. The loan account together with interest stood at Rs.59.52 lakh as of 31 March 1996.

8.2.6 Annual Accounts

Mention regarding non-finalisation of accounts beyond 1979-80 was made in paragraph 7.3.6 of the Report of the Comptroller and Auditor General of India for the year 1987-88. As of 31 March 1997 finalisation of the accounts from the years 1983-84 onwards were in arrears. As per the provisional accounts for the year 1985-86, the company sustained a loss of Rs.15.99 lakh during 1983-83 to 1985-86 and as a result the cumulative loss increased to Rs.68.61 lakh.

In view of shortage of staff the company engaged (December 1996) a Chartered Accountants firm to prepare the accounts for the year 1991-92 at a fee of Rs.0.60 lakh by March 1997. The accounts have, however, not been prepared (November 1997) due to non-submission of basic records by the company.

8.2.7 Production Units

8.2.7.1 Pharmaceutical Unit

The pharmaceutical unit of the company has three main sections commonly known as (i) Bottle Section, (ii) Ampoule Section, and (iii) Capsule Section.

In bottle section, as against installed capacity of 1 lakh bottles per annum, actual production during the period from 1988-89 to 1994-95 ranged from 0.05 lakh to 0.70 lakh bottles

resulting in underutilisation of installed capacity to the extent of 30 to 95 *per cent*. During the period from 1988-89 to 1994-95, out of 2.90 lakh bottles charged for production, only 2.11 lakh good bottles were produced, the average rejections during the period being 27.42 *per cent* against the permissible limit of 17.7 *per cent*. Similarly in ampoule section and capsule section also, underutilisation of the installed capacity ranged from 89 *per cent* to 99.83 *per cent* (1987-88 to 1994-95) and 96 *per cent* (1993-94) respectively. Production records of the bottle section for the year 1987-88 could not be produced to Audit.

After January 1995, there was no production in any sections of the unit due to shortage of fund and non-availability of water. As a result the company had to pay idle wages/salaries amounting to Rs.15.54 lakh to the employees during the period from February 1995 to March 1997. The payments were still being made (September 1997).

Working results of the unit could not be analysed due to non-availability of relevant records. It was, however, noticed from provisional statement of profit and loss that the unit suffered a loss of Rs.28.81 lakh during 1995-96.

As the performance of the unit was not satisfactory, the company undertook an evaluation for taking corrective measures. On evaluation, it was reported (April 1997) that back-dated technology and labour intensive operations resulted in low productivity. Moreover, due to negligence in repairs and maintenance, existing machinery deteriorated to such an extent that these need renovation and modernisation. It was suggested (April 1997) by the Pharmaceutical and Consultancy Division to modernise the unit at an estimated cost of Rs.37 lakh (fixed capital : Rs.22 lakh, working capital : Rs.15 lakh) which would enable the unit to earn an estimated annual profit of Rs.45 lakh. Final action was awaited (September 1997).

8.2.7.2 Lime Burnt Clay Pozzolona Mixture Plant

The North Eastern Council (NEC) accorded (1982-83) administrative approval to the scheme for setting up a 12 TPD Lime Burnt Clay Pozzolona Mixture (LBCPM) plant at Kumarghat at an estimated cost of Rs.9.22 lakh. The scheme envisaged that (i) class B variety of lime could be produced from the available inferior quality of limestone, (ii) compressive strength of LBCPM manufactured with class B variety of lime would range from 29 kg/cm to 43 kg/cm, (iii) total manpower requirement would be 45, (iv) total capital outlay including three months working capital would be Rs.9.22 lakh, (v) rate of return at 9.75 *per cent* and (vi) the construction could be completed within 15 to 18 months from the date of sanction.

Accordingly, NEC released Rs.5 lakh in 1982-83 and Rs.5 lakh in 1983-84. After taking up (December 1982) the construction work, the company requested NEC to revise the estimate to Rs.26.90 lakh on the ground that the cost of building and plant and machinery increased by Rs.15.19 lakh and Rs.2.49 lakh respectively. The NEC accorded (July 1985) revised sanction of Rs.25 lakh but actually released Rs.26 lakh up to 1985-86. The Industries Department, Government of Tripura, kept the fund released by NEC in its PL Account and released to the company based on actual requirement upto 1986-87.

Though construction was to be completed by March 1984, the plant could be commissioned only on 4 April 1987 by which time the company spent Rs.9.40 lakh only. During 1987-88, the company spent another amount of Rs.1.20 lakh on plant and machinery thereby raising total expenses on Capital Assets to Rs.10.60 lakh. The balance amount (Rs.15.40 lakh) was diverted to other activities of the company.

Out of grants received for construction of plant, Rs.15.40 lakh was diverted for other activities.

The company could not install the mixture blender purchased at Rs.0.30 lakh in July 1987 due to non-availability of space in the plant and is lying unused in RMD store. Another machine (Jaw crusher) purchased in July 1987 at a cost of Rs.0.68 lakh was brought to the site, but could not be installed for want of 50 bags of cement.

The plant started operation in April 1987, and continued sluggishly upto 31 March 1990. Since then, it was lying idle due to lack of demand of the product.

Production *vis-a-vis* sale/issue of LBCPM since April 1987 was as shown below :-

	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	Total
Production										
Bags	1,287	1,384	597	-	-	-	-	-	-	3,268
Kg.	45,045	48,440	20,895	-	-	-	-	-	-	1,14,380
Sale/Issue										
Bags	987	334	687	14	174	71	-	-	-	2,267
Kg.	34,545	11,690	24,045	490	6,090	2,485	-	-	-	79,345
Closing										
Stock	300	1,350	1,260	1,246	1,072	1,001	1,001	1,001	1,001	1,001 *
Bags	1,050	47,250	44,100	43,610	37,520	35,035	35,035	35,035	35,035	35,035
Kg.										

*** Apart from 1,001 bags lying at the plant, there were 600 bags (of 35 kg each) lying in RMD store since 1989-90.**

It would be seen from the above table that only 114.380 MT of LBCPM was produced during the three years up to 31 March 1990 against the installed capacity of 12 MT per day. Reasons for lower

Plant remained closed from April 1990 for lack of demand due to very poor quality of product.

capacity utilisation were (i) non-availability of labour (there was no production during the period

from 1 July 1987 to 13 January 1988 for want of labour) and (ii) lack of demand due to poor quality of the product. Compressive strength of the product was found (November 1991) to be equal or less than that of earth. As a result 1601 bags (35 kg per bag) of the product valuing Rs.0.50 lakh are lying unsold.

The scheme envisaged employment of 45 persons, but the company engaged only 3 persons viz. one Production Executive (appointed in March 1987) and two daily rated workers up to February 1993. And when the plant was lying idle, the company engaged two more persons from March 1993. The Production Executive was subsequently (April 1995) transferred to Fruit Canning Factory and another employee (an LDC) was transferred to other branch of the company in January 1996.

In December 1993, the company decided to dispose of the plant and machinery of the plant and entrust (July 1994) the job to M/s. Metal Scrap Trade Corporation (MSTC). The company got the reserve price of the plant and machinery assessed (January 1995) by a valuer at Rs.2.34 lakh. However, offers obtained by MSTC being very low, the company decided (May 1995) to keep the proposal of auction of the plant and machinery in abeyance.

The plant and machinery as a result were lying unutilised and getting deteriorated due to passage of time. Thus the entire investment of Rs.10.60 lakh incurred as construction of project, became infructuous. Besides the company had already spent Rs.5.97 lakh as idle wages/salaries up to March 1996 and Rs.0.56 lakh as power charges up to July 1994 (the date when power line was finally disconnected).

Rs.6.53 lakh was spent as un productive expenses.

8.2.7.3 Food processing and Nutrition Centre

It was mentioned in para 7.3.5(ii)(c) of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1988 that the company set up a Food processing and Nutrition Centre with Central grant of Rs.8.08 lakh.

In April 1990, the Government of Tripura decided that for proper development and functioning, the centre at Kumarghat be handed over to the Horticulture Department which was actually handed over in February 1991 only.

In August 1991 the company claimed Rs.4.57 lakh from the Government of India being the amount spent by the company in excess of the grant released (Rs.8 lakh) by the Central Government. The Government of India, however, agreed (December 1991) to reimburse only

Rs.0.32 lakh as there was no liability on the part of the Central Government to bear the balance of Rs.4.25 lakh spent by the company in excess of the grant released.

No further attempt was made by the company to realise the amount (September 1997).

8.2.7.4 Brick Manufacturing

8.2.7.4.1 Production performance

(a) The table below shows quantity of green bricks produced, loaded and burnt bricks produced during the period 1987-88 to 1995-96 in respect of brick fields operated :-

Year	Green bricks produced	Green bricks loaded	Burnt bricks produced
	(Number in lakh)		
1987-88	408.24	340.61	304.97
1988-89	406.90	353.69	357.05
1989-90	275.54	212.77	344.27
1990-91	253.80	183.54	195.37
1991-92	102.19	74.58	98.38
1992-93	102.64	57.06	63.02
1993-94	-	-	18.17
1994-95	-	-	2.08
1995-96	52.88	43.83	26.13
	1602.19	1266.08	1409.44

It would be seen from the above table that out of 1602.19 lakh green bricks produced, only 1266.08 lakh representing 79.02 per cent of production were loaded for burning during the said period. Reasons for loss of green bricks valuing Rs.50.07 lakh were not analysed by the Management (August 1997).

Shortfall in production resulted in loss of Rs.184.17 lakh.

The table below indicates installed capacity and actual production of burnt bricks during the nine years from 1987-88 in respect of the brick fields operated :

Year	Installed capacity	Actual production	Production in percent of installed capacity
	(Number in lakh)		
1987-88	510	304.97	59.80
1988-89	480	357.05	74.39
1989-90	450	344.27	76.50
1990-91	360	195.37	54.27
1991-92	180	98.38	54.66
1992-93	270	63.02	23.34
1993-94	-	18.17	-
1994-95	-	2.08	-
1995-96	90	26.13	29.03

There was shortfall in production in each year ranging from 23.50 per cent to 76.66 per cent. As a result, the company suffered a loss of Rs.134.10 lakh. Main reason for shortfall was attributed to untimely heavy rainfall.

(b) There was huge closing stock of bricks at the end of each year. The table below shows year-wise production, sales and closing stock of burnt bricks for the period from 1987-88 to 1995-96 :-

Year	Production	Sales	Closing stock	Closing stock as percent of sales
(Number in lakhs)				
1987-88	304.97	188.07	222.38	118.24
1988-89	357.05	269.36	299.73	111.27
1989-90	344.27	363.00	281.00	77.41
1990-91	195.37	177.74	298.62	168.01
1991-92	98.38	185.33	211.67	114.21
1992-93	63.02	104.36	170.34	163.22
1993-94	18.17	48.37	140.14	289.73
1994-95	2.07	27.09	115.12	424.95
1995-96	26.13	22.84	118.40	528.39

Such huge accumulation of bricks in various fields was mainly due to defective planning in production and marketing. In spite of having huge closing stock, the company could not deliver bricks to PWD and BRTF from whom Rs.90 lakh advance was obtained in 1992-93 against commitments for supply of bricks. Sub-standard production also led to accumulation of closing stock as buyers refused to take delivery of products due to sub-standard quality.

Such accumulation also resulted in further deterioration in quality due to prolonged storage. Loss on that account could not be quantified for non-availability of records.

(c) *Stock of coal*

About 698 MT and 753 MT of dust coal (value could not be ascertained) recorded as inter unit transfer during 1987-88 and 1988-89 respectively were neither included in consumption nor in closing stock of the company and remained unaccounted for (November 1997).

8.2.7.4.2 *Semi Mechanised Brick Kiln, Jirania*

To establish a Semi Mechanised Brick Kiln (SMBK), the company received Rs.38.18 lakh from the North Eastern Council as grants during the years 1983-84 to 1985-86. Accordingly, the company set up a SMBK at Jirania in October 1985 at a cost of Rs.17.61 lakh with an annual production

Rs.20.57 lakh out of grants received for construction of plant was diverted to meet establishment expenses.

capacity of 60 lakh bricks. The balance amount of Rs.20.57 lakh was, however, diverted by the company to meet its other establishment cost.

Scrutiny of records showed that the kiln was merged with that of Jirania Brick Field No-1 in May 1988. Between April 1985 and April 1988, 59.47 lakh bricks were produced in the SMBK, Jirania against the installed capacity of 185 lakh bricks representing 68 *per cent* under-utilisation. Since there was no production in the SMBK, Jirania from May 1988 the company decided (July 1994) to dispose of the plants and machinery of the kiln, for which reserve price was assessed (January 1995) at Rs.1.14 lakh. The final disposal was, however, awaited (November 1997).

8.2.7.4.3 Non-realisation of Rs.1.01 lakh since 1989

Scrutiny of records showed that in October 1989 when the lease period of Rajdhannagar brick field expired, the land owner took away some brick materials for his own use. The matter was reported by the Unit in-charge in October 1989 and January 1990 to the Management who did not take any action in the matter till May 1994. In June 1994 the company served a notice to the Unit in-charge asking him to deposit Rs.1.01 lakh being the value of materials so taken away. The Unit in-charge, however, refused (July and August 1994) to deposit the amount (Rs.1.01 lakh) on the ground that the matter was already reported by him 4 years back and the company did not take any action thereon.

Rs.1.01 lakh remained unrealised since 1989.
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The Management, who approached (January 1995) the State Vigilance Organisation to initiate an investigation against the Unit in-charge, was advised by the Government (February 1995) to process the case through the Industries Department. No further action was taken by the company and Rs.1.01 lakh remained unrealised since 1989.

8.2.7.4.4 The brick manufacturing unit of the company was mainly dependant on the advances received by it from the brick-using departments like Public Works Department etc. During the year 1992-93, the company received Rs.90 lakh from the PWD (Rs.50 lakh) and Border Road Task Force (Rs.40 lakh) for supply of bricks. Against the above advances, the company could supply bricks valuing Rs.0.27 lakh only to the PWD and none to the Border Road Task Force during 1992-93. As a result, no further advances were paid by the PWD and the company could not operate its brick fields during the years 1993-94 and 1994-95, but had to pay Rs.45 lakh as idle wages and Rs.7.02 lakh as land-lease premium. Reasons for not supplying the bricks to the aforesaid two organisations

Rs.52.02 lakh was spent as unproductive expenses during 1993-94 and 1994-95.
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despite having sufficient stock of bricks in hand (170.34 lakh) had not been furnished by the company (November 1997).

8.2.7.4.5 Pursuant to the COPU's observations (May 1994), the Board of Directors decided (July 1994), *inter-alia*, to fix responsibilities and to take disciplinary action against officials responsible for poor functioning of the brick fields. Accordingly, the company engaged (September 1996) a Chartered Accountant firm at a fee of Rs.0.20 lakh to scrutinise the utilisation of advance of Rs.90 lakh (as discussed in sub para 8.2.7.4.4).

The report submitted by the firm in January 1997 could not, however, identify the employees responsible for such mis-management of the brick fields and the expenditure of Rs.0.20 lakh thus proved unfruitful.

8.2.7.4.6 In pursuance of the Board of Director's decision (June 1993) to dispose of the existing stock of various kilns, a physical verification of bricks lying in 5 brick fields was carried out by the company in August 1994. Scrutiny of verification reports showed that bricks valuing Rs.0.71 lakh lying in 4 brick fields were not upto the standard.

No action was taken (November 1997) by the company to inquire into the reasons for production of such sub-standard bricks and their disposal.

8.2.7.4.7 Fire occurred twice in Joynagar brick field of the company, once on 3 February 1993 and the other on 4 December 1995 when the labour sheds and office room with all records were gutted. As provisional accounts of the company has been in arrears since 1986-87, it is not clear as to how the company would prepare its accounts for the relevant year in absence of accounting records relating of Joynagar brick field.

8.2.7.5 *Fruit Canning Factory*

8.2.7.5.1 *Capacity utilisation*

Though the installed capacity of the Factory was 400 MT per annum, it could handle only 200 MT per annum in two seasons. The actual production during the years 1991-92 to 1995-96 varied between 38 MT to 83 MT resulting in under-utilisation of capacity to the extent of 58 to 81 per cent.

Low capacity utilisation were mainly due to old and obsolete machinery and non-availability of trained and skilled workers.

8.2.7.5.2 Profitability

As per the provisional balance sheet of the company for the year 1985-86 (no balance sheet was prepared thereafter) the accumulated loss sustained by the company was Rs.68.61 lakh. The provisional statement of profit and loss for the year 1995-96, however, showed that the unit sustained a loss of Rs.25.40 lakh during the year, due to

- (i) under-utilisation of production capacity, (Paragraph 8.2.7.5.1)
- (ii) excess consumption of raw materials, (Paragraph 8.2.7.5.3)
- (iii) damage of fruit products due to accumulation of huge closing stock, (Paragraph 8.2.7.5.4) and
- (iv) incorrect fixation of sale price etc. (Paragraph 8.2.7.5.5)

8.2.7.5.3 Consumption of raw materials

It was seen that actual consumption of pineapple was in excess of the norm to the extent of Rs.2.29 lakh during the period from 1991-92 to 1995-96 as shown below :-

	(MT)
1. Pineapple products manufactured	299.044
2. Pineapple required as per norm	619.833
3. Actual consumption of pineapple	808.800
4. Excess consumption of pineapple	188.967

Reasons for excess consumption was not analysed by the company (September 1997).

8.2.7.5.4 Damaged fruit products

Though the unit never attained its capacity, heavy closing stock of fruit products had been lying in the godown unsold every year. This was mainly due to unplanned production and lack of proper marketing organisation. As a result fruit products valuing Rs.4.99 lakh manufactured during 1980-81 to 1988-89 became unfit for human consumption due to prolonged storage and had to be destroyed during the period from 1987-88 to 1995-96. Responsibility for the loss has not been fixed (September 1997).

Heavy accumulation due to un-planned production resulted in damage of products valuing Rs.4.99 lakh.

8.2.7.5.5 Loss due to sale at below the ex-factory cost

- (i) In response to a notice inviting tender (March 1992) of Indian Airlines, the company offered (April 1992) to supply pineapple juice (800 ml can) at a rate of Rs.201 per dozen (including packing charges) on FOR destination basis. The rate of Rs.201.00 was calculated considering ex-factory cost (including packing charges) as Rs.167.00 per dozen when actual cost

was Rs.251 per dozen. The offer was accepted initially for a period from May 1992 to June 1993 which was subsequently extended upto November 1993. Afterwards fresh agreements were made covering from December 1993 to November 1996 at rates shown below :-

Year	Rate
1993-94 (Upto November 1994)	Rs.200 per dozen
1994-95 (Upto November 1995)	Rs.205 per dozen
1995-96 (Upto November 1996)	Rs.205 per dozen

During the period from May 1992 to November 1996, the company supplied 25008 dozen of pineapple juice (800 ml can) to the Indian Airlines which resulted in a loss of Rs.21.01 lakh being the difference of ex-factory cost and agreed price, even considering same ex-factory cost of Rs.251 per dozen for the entire period (actual ex-factory cost for 1993-94 onwards was not available).

(ii) The company supplied (January 1993 to November 1993) 2680 dozen of pineapple juice (800 ml can) to a private firm at Calcutta at a rate calculated considering ex-factory price (including packing charges) as Rs.211 per dozen when actual ex-factory cost (including packing charges) was Rs.251. This resulted in a loss of Rs.1.07 lakh to the company.

Sale at below the ex-factory cost resulted in loss of Rs.22.08.

According to terms of above agreement, freight charges were to be borne by the firm. The company, however, while raising invoices deducted freight charges from basic prices of the products supplied during January 1993 to November 1993. This resulted in allowing extra benefit to the firm amounting to Rs.0.44 lakh.

8.2.7.5.6 Loss due to excess consumption of empty cans

During the period from 1991-92 to 1995-96, the company produced 3,63,020 cans of fruit products for which 3,79,967 numbers of empty cans were issued from the store. The cans issued in excess (16,951 numbers) of requirement were neither returned to the store nor the records of manufacturing section shows them as held in stock.

Value of cans consumed in excess of requirement was Rs.1.70 lakh (@ Rs.10 per can).

8.2.7.5.7 Loss due to non-addition of profit margin to sale price

As per the prevailing policy of the company, all manufactured goods were to be sold at cost plus 10 per cent profit margin. It was, however, noticed that during the period from 1991-92 to 1995-96, the company sold fruit products without adding profit margin.

Non-addition of profit margin to sale price resulted in loss of Rs.6.59 lakh.

This resulted in a loss of Rs.6.59 lakh during the above period being 10 *per cent* of sales.

8.2.7.5.8 Non-submission of records

Records of the unit for the period from 1987-88 to 1990-91 were not produced to Audit.

8.2.7.5.9 Modernisation plan

The Industries Department provided Rs.0.85 lakh for preparation of project report for modernisation of the Plant by engaging Central Food Technological Research Institute(CFTRI), Mysore. The summary report submitted (January 1997) by the CFTRI showed total requirement of fund at Rs.108.64 lakh. The Board of Directors approved (November 1996) the proposal for modernisation with an investment of Rs.94.65 lakh and decided to send a proposal for getting 100 *per cent* grant from Ministry of Food Processing Industries, NEC etc. Final action was awaited (September 1997).

8.2.8 Trading Activities

8.2.8.1 Indian Made Foreign Liquor

Test check of records showed that without assessing the market demand, the company purchased 15,092.67125 London Proof Litres (LPL) of Indian Made Foreign Liquors (IMFL) at a cost of Rs.4.36 lakh in early eighties, which got sedimented and became unfit for human consumption.

In August, 1993 the company invited tenders for disposal of these old stock but could not dispose of the same because of poor response from the tenderers. The Excise Department also refused to renew the company's licence from August 1993 because of the company's failure to pay the outstanding licence fee of Rs.21.55 lakh.

Unrealistic procurement resulted in loss of Rs.4.36 lakh besides Excise Duty liability of Rs.13.58 lakh.
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Thus, because of procurement of IMFL without assessing the marketability, the company sustained a loss of Rs.4.36 lakh besides incurring a liability of Rs.13.58 lakh as Excise Duty.

8.2.8.2 Auto spare parts depot

(a) Test check of the records revealed that huge quantities of auto spare parts were purchased during 1981-82 without even obtaining necessary approval of the Board of Directors. Some of the spares related to such vehicles which were no longer on the road. The spare parts were also found to be of inferior quality and as such could not be sold to prospective buyers.

In October 1991, it was decided to auction off the old spares but list of the same could be prepared only in April 1994. It was then decided (July 1994) to entrust the job of inviting tenders

to MSTC. Reserve price of the spares was assessed (January 1995) by a valuer at Rs.1.84 lakh against book value of Rs.5.92 lakh. Offers obtained by MSTC were, however, not accepted by the company being lower than the reserve price.

Unrealistic procurement of auto spares resulted in a loss of Rs.13.06 lakh.

Ultimately the company on its own invited (December 1996) quotation for disposal of the spares, in response to which four offers were received - the highest being at Rs.0.68 lakh. On negotiation (February 1997) the highest bidder agreed to raise his offer to Rs.1 lakh including Sales Tax (Rs.0.04 lakh). The spares were then sold (July 1997) at the negotiated price thereby incurring a loss of Rs.4.96 lakh in cost alone apart from loss of interest (Rs. 8.10 lakh) on company's precious capital blocked for a long period, foregone service charge @ 18 per cent, storage charge and tendering costs.

(b) It was mentioned in para 7.3.4.5(b) of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1988 that Rs.4.73 lakh was lying outstanding with four departments upto 1986-87. It was noticed that about 80 per cent of the said outstanding has since been recovered but another amount of Rs.3.71 lakh being credit sales of 1990-91 was still lying outstanding against the said four departments (September 1997).

8.2.8.3 Raw Material Depot

There was no transaction (except in paraffin wax) worth mentioning in the Raw Material Depot (RMD) during the three years ending 31 March 1996.

Scrutiny of records showed that 23 items of materials valued at Rs.8.76 lakh were lying in stock of RMD as on 31 March 1996 for period ranging from 4 to 9 years. No action was taken by the company for their disposal (November 1997).

8.2.8.4 Country Liquor

During the course of audit it was noticed from the provisional statement of profit and loss for the year 1995-96, submitted (June 1996) to the Board of Directors that the unit suffered a loss of Rs.13.55 lakh in 1995-96 against a turnover of Rs.27.98 lakh. However, neither the accuracy nor the justification of this loss could be checked since no records for the years 1987-88 to 1995-96 relating to trading in country liquor was produced for scrutiny (September 1997).

8.2.9 Other Topics of interest

8.2.9.1 Loss due to purchase of office building

Against a proposal placed (March 1991) before the Board of Directors (BOD) of TSIC for hiring an alternate premises for its Head Office following one month's notice served by the present owner to vacate the premises, the BOD instructed to explore the possibility of purchasing a suitable land for the Corporation's own building.

In response to quotations invited for vacant land measuring about 12,000 sq.ft., three offers were received in February 1992. The BOD, however, held that rates offered were very high and land at cheaper rate should be found out.

In December 1992, the Management received an unsolicited offer for a land (about 16 *gandas*) with a double storied building at market rate or at rate mutually agreed upon with unofficial disclosure that expected price was Rs.15 lakh. Although floor space of the building was only 4,000 sq.ft. and the Corporation was then using 8,000 sq.ft. in rented building and whereas the total requirement was stated (September 1991) as 12,000 sq.ft., it was reported (January 1993) by the Management to Government that all branches of TSIC could be accommodated in that building without any further construction.

A valuer engaged by TSIC assessed the value of the property at Rs.18.86 lakh (Land : Rs.14 lakh; Building : Rs.4.86 lakh). The Management then, placed (January 1993) the matter before the State Government for approval without taking consent of BOD or Governor of the State in violation of the provision under Articles of Association of the Company. Further, Government was wrongly apprised that on acquiring the property TSIC could shift immediately without any further construction and also that the Corporation could afford to purchase the property from overall budgetary allocation, savings and returns from regular profit earning activities in spite of the fact that the company was facing severe financial crisis (SBI filed money suit to recover its due of Rs.2.19 crore from TSIC; current liability was more than Rs.92 lakh and the manufacturing activities were incurring heavy losses). However, on the above consideration, State Government issued (7.1.93) 'No objection' to the proposal provided TSIC purchase the property out of its own resources.

Irregular and unreasonable purchase of office building resulted in loss of Rs.14.11 lakh.
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The Management then, deviating from the condition imposed by Government and utilising fund from cash credit A/C purchased (February 1993) the property at a negotiated price of Rs.15 lakh.

But due to insufficient space it was decided (September 1993) to let out the property on hire. Accordingly the building was let out to Tripura Tea Development Corporation Ltd., in February 1994 at a monthly rent of Rs.8744.

Thus, actions of the Management bypassing the Board of Directors culminated in irregular and unreasonable purchase which resulted in a loss amounting to Rs.14.11 lakh being the difference between interest @ 18 per cent p.a. in cash credit A/C and the rent realised for the period from January 1993 to June 1997.

8.2.9.2 Non-deduction of Income Tax at source from contractors

Section 194 C of the Income Tax Act, 1961 provides for deduction of Income Tax at source @ 2 per cent on the total value of each contract bill paid either for carrying materials or for supply of materials/labour, etc., and deposit of the same to the Receipt Head "0021 Taxes on Income other than Corporation Tax" within one week from the last day of the month in which the deduction is made. Non-deduction of Income Tax at source is liable to attract penalty under Section 201(1A) of the Income Tax Act, 1961.

(a) Test-check (January 1997) of records of Managing Director, TSIC revealed that the company made payment of Rs.41,12,443 in total towards carrying bills for carrying paraffin, country liquor and cans during 1991-92 to 1995-96, to different transport contractors/agencies. But no deduction of Income Tax required to be made under Act *ibid* was effected from these bills. The amount recoverable as Income Tax @ 2 per cent stood at Rs.82,249 in respect of the aforesaid bills.

(b) It was also noticed that the company had not deducted Income Tax at source amounting to Rs.0.74 lakh from bills relating to supply of coal dust during the period from January 1996 to May 1997.

Thus, non-deduction of Income Tax at source from the contractors gave rise to the risk of revenue loss to the Government to the tune of Rs.1.56 lakh.

The Government, to whom the matter was referred in August 1997, stated (January 1998) that deduction was not made because of lack of knowledge in this regard.

8.2.9.3 Manpower

As of 1 January 1988 the company had 217 employees on its roll (132 regular employees and 85 Daily Rated Workers) against the requirement of 220. Between January 1988 and December 1992 the company appointed further 108 employees (32 regular and 76 DRWs) making the total number of employees 325. To assess excess manpower, the company constituted a committee under the Chairmanship of the Director of Industries in May 1995. The committee in its report recommended (December 1996) for 303 number of posts, which was, however, further increased (April 1997) by the company to 322 on the plea that some more employees would be required to run the proposed Rural Food Processing Centre.

The Management, however, without obtaining Government's approval implemented (May 1997) the proposed restructuring in violation of the provision of Article 90 of the Articles of Association of the Company.

8.2.9.4 Internal Audit and Costing

(i) After appointing (May 1990) an Internal Audit Officer, the company formed (March 1991) an Internal Audit cell with power of free access to all books of Accounts/vouchers of the company including Branch units. At the same time, the cell was asked to assist in compilation of Annual Accounts. In April 1994, the cell was asked to devote full time in compilation of arrear Annual Accounts. The cell had compiled Annual Accounts for three years from 1983-84 onwards but did not conduct any internal audit till date. Since there was a full fledged Accounts Section headed by an Accounts Officer, there was little justification in engaging the cell in compilation work which frustrated the very purpose for which the cell was created.

(ii) The company had not introduced the system of costing in any of its manufacturing activities (September 1997).

8.2.9.5 Non recovery of outstanding advances

The then Managing Director of the company had drawn Rs.1.71 lakh as TA advance during the period 1990-91 to 1992-93 against which he submitted adjustment bills for Rs.0.84 lakh. Balance amount of un-adjusted advance (Rs.0.87 lakh) has not been recovered (September 1997) from the then Managing Director who had left the company in March 1995.

8.2.9.6 Irregular financial benefit to the Managing Director

On an application of the then Managing Director claiming financial benefit of Rs.1,000 per month for looking after the charge of Managing Director in addition to his normal duty as

Additional Director, Industries, the Board of Director decided (September 1995) to allow him the benefit subject to approval by the Finance Department, Government of Tripura. Accordingly the matter was referred (April 1996) to the Finance Department who, however, categorically stated (March 1997) that the benefit was not admissible as the case was not covered under order issued by the Department in February 1997. But the Chairman, in spite of Finance Department's above remarks allowed (July 1997) the then Managing Director Rs.0.26 lakh as Honorarium @ Rs.1000 per month for the period from 20 March 1995 to 12 May 1997.

This resulted in giving irregular financial benefit of Rs.0.26 lakh to the Managing Director violating provisions of Art. 75 of the Articles of Association of the company.

8.2.9.7 *Irregular expenditure in hiring vehicle*

Under the provision of an order (March 1994) of the Finance Department, Government of Tripura, prior permission of the Department was to be obtained in hiring vehicles for use in official work. The order was issued with a view to curtail expenditure and maintain economy of the State.

It was, however, noticed that the company hired vehicle for use in official purpose during the period from April 1994 to July 1997 without obtaining necessary prior permission of the Finance Department.

This resulted in irregular expenditure of Rs.2.50 lakh as hiring charges during the said period.

8.2.9.8 *Loss due to delay in disposal of Plant and Machinery of Sugar Plant*

Mention was made in Para 7.3.7.2 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1988 that following a Government's decision (February 1983) to close down the sugar factory of the TSIC, realisable value of the Plant and Machinery (P&M) of the sugar plant was assessed (October 1984) at Rs.3.36 lakh.

For disposal of the P&M, several auction notices were issued, but not a single offer was received upto 1988. In response to another notice (March 1990) two offers were received, the highest bid being for Rs.1.95 lakh (May 1990). The Principal Secretary (Industries) advised (May 1990) TSIC to process the highest offer for acceptance. But the Management took no action on it for which no reason could be furnished. In July 1990, TSIC received another offer for Rs.2.01 lakh but the terms and conditions being not acceptable, the party was asked to attend a discussion on

30.7.90 for negotiation. The party, however, neither attended the meeting nor made any further communication.

After about 4 years, TSIC entered (September 1994) into an agreement with M/S Metal Scrap Trading Corporation (MSTC) - a Government of India Enterprise who was to act as a selling agent for disposal of P & M of sugar plant alongwith other materials. But the offers received through MSTC once in November 1994 and next in May 1995 being much lower than the reserve price (Rs.2.19 lakh) determined in January 1995, TSIC rejected them.

Finally, it was decided (January 1996) to advertise in local paper for sale of the P & M as scrap. Accordingly, advertisement was released (June 1996) against which 6 offers were received. The highest bidder on negotiation agreed (August 1996) to raise the offer from Rs.1.89,199.60 to Rs.2.00 lakh and the scrap was sold to him in October 1996 at the agreed rate.

The Government while accepting the loss stated (January 1998) that the advice of the Principal Secretary (Industries) in May 1990 for accepting the highest bid (Rs.1.95 lakh) was not accepted because it was much below the realisable value of the Plant and Machinery. However, after repeated persuasion with MSTC and on fresh advertisement, the TSIC had no option but to accept the bid of Rs.2 lakh even though it was below the realisable value.

Thus, due to Management's inaction of not adhering to Government's advice for processing the offer of Rs.1.95 lakh received in May 1990 for acceptance and thereafter keeping inactive for long 4 years in this regard, followed by a futile agreement with MSTC the Corporation had to sustain financial loss of at least Rs.3.86 lakh being the difference of interest on cash credit on Rs.1.95 lakh @ 18 per cent p.a. upto September 1996 (Rs.5.86 lakh) and sales realisation (Rs.2 lakh) apart from considerable incidental expenses (which could not be ascertained in audit for want of details) incurred on valuation, tendering processes, insurance, watch and ward etc., during the period.

8.2.10 Monitoring

There was no proper monitoring system to review the working of various activities of the company up to February 1991. In March 1991 one Statistical and Monitoring cell and one MIS cell were created, but due to absence of proper control and supervision, the cells could not fulfil their respective purpose and have since become defunct.

During the period from April 1987 to March 1996, the Board of Directors met only 23 times against statutory requirement of 36 meetings under Section 285 of the Companies Act 1956.

Minutes Book relating to Board of Directors 118th meetings held in July 1986 to 132rd meeting held in September 1992 was not authenticated as required under Section 193 (1-A) of the Companies Act 1956. Moreover, only 3 Annual General Meetings were held during the period April 1987 to March 1996.

Even when the Board of Directors met, they did little to revive the company as would be evident from the following :

- (i) Till date the key post of Financial Controller-cum-Company Secretary, which was lying vacant since 1987, could not be filled up.
- (ii) It was decided in September 1992 to refer the ill health of the company to the Board for Industrial and Financial Reconstruction (BIRF) for declaring the company as sick, but no follow up action was taken in that respect.
- (iii) The Committee on Public Undertakings (COPU) in its 23rd (March 1994) and 25th (September 1994) reports desired, *inter-alia*, to constitute a high power committee to find out ways and means to revive the company, finalisation of arrear accounts, and fix responsibilities on the persons responsible for losses. But the Management did not (November 1997) take any action on the above recommendations of the COPU.

8.2.11 Conclusion

The company which was set up in August 1965 to finance, protect and promote the small scale industries of the State failed considerably in discharging its obligation and responsibilities even after 32 years of its creation. Finalisation of accounts were in arrears from 1983-84. The accumulated loss of the company as per provisional accounts for the year 1985-86 was Rs.68.61 lakh. It had also failed in every aspects, be it in procurement and distribution of industrial raw materials or in running and maintenance of units like Fruit Canning Factory, brick kilns, pharmaceutical units and semi mechanised brick kiln as set out in the review.

POWER DEPARTMENT

8.3 Short realisation due to computation of energy charges at lower tariff

The Tripura Electric Supply (Third Amendment) conditions, 1992 provide for electricity tariff to be charged at the rate of Rs.1.20 per KWH with effect from 1 June 1992 on electric energy consumed under category "G.Bulk Supply" when the supply is at 11 KV line and the maximum demand is 63 KVA and above but less than 630 KVA for which the minimum monthly charge is fixed at Rs.18,000. The minimum monthly charge in respect of the said category of consumer is,

however, fixed at Rs.3,600 if the bulk consumption is at 400 LT and the maximum demand is less than 63 KVA.

During test check of the accounts of 3 Consumers Sub-Divisions (Sabroom, Belonia and Kumarghat) between December 1994 and November 1995 it was noticed that although two consumers under Kumarghat Sub-Division and one consumer each under rest of the Sub-Divisions had availed of bulk supply in 11 KV line and had a demand of 63 KVA and above but less than 630 KVA, bills were raised against them for the periods of consumption on or after 1 June 1992 (which were chargeable at minimum monthly rate of Rs.18,000) either at a lower tariff rate of Rs.3,600 p.m. (Minimum charge) or on the basis of units of consumption treating the minimum charge at Rs.3,600 under lower tariff.

Computation of energy charges at lower tariff resulted in short realisation of Rs.11.11 lakh.

This consumption of energy charges at lower tariff, thus, resulted in short realisation of Rs.11.11 lakh * by the three Electrical Sub-Divisions for the period from June 1992 to July 1995.

On these being pointed out in audit, while all the Sub-divisional Officers (SDO) stated between June 1995 and December 1996 that the matter has been under consideration; the SDO, Belonia, however, stated that full amount of Rs.89,204 had been realised in February 1996.

The matter was reported to Government (March 1997); their reply had not been received (December 1997).

8.4 Short realisation due to wrong categorisation

The Tripura Electric Supply conditions 1985 as amended from time to time provided for realisation of electrical tariff on sale of power at different rates applicable for different categories of consumers. In respect of tea gardens, electrical consumption on motive power was chargeable under category "E Tea Garden" except that for light and fans in and around the factory premises which was chargeable under category "B commercial purpose". the said conditions did not provide for charging consumption in tea gardens under any other category.

(a) During test check of the records of the Sub-Divisional Officer (Electrical), Dharmanagar in June 1994, June 1995 and June 1996 it was noticed that four service connections extended to four Tea Estates in North Tripura were categorised under "G Bulk Supply" and not as "E Tea

Wrong categorisation of service connections resulted in short realisation of Rs.5.98 lakh.
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* S.D.O. Sabroom, Rs.2.87 lakhs (June 1992 to November 1994)
S.D.O. Belonia Rs.89,204/- (March 1993 to December 1993)
S.D.O. Kumarghat Rs.7.35 lakhs (June 1992 to July 1995)

Garden" as required under Electric supply conditions referred to above. As a result, bills were raised for periods from April 1993 to March ,1996 for an amount of Rs.21.68 lakh as against Rs.27.66 lakh actually chargeable with consequent under assessment and short realisation of Rs.5.98 lakh.

(b) Similarly, test check of records of the Sub-Divisional Officer (Electrical), Mohanpur in March 1995 disclosed that two service connections were wrongly categorised as "C irrigation and other Water Works" instead of "E Tea garden". This resulted in raising of bills for the period from 29 June 1993 to 6 February 1995 for Rs.26,330 as against Rs.61,130 actually chargeable with consequent under assessment and short realisation of Rs.34,800.

The cases were reported to the Government (March 1997); their reply had not been received (December 1997).

8.5 Short realisation due to erroneous computation of energy charges

The condition 27 of the Tripura Electric Supply conditions 1985 as amended in 1992 provide for the rates of tariff and charges for supplying electric energy by the licensee to the consumers for different purposes on the basis of units of consumption in KWH subject to a minimum charge mentioned therein. The conditions 19 *ibid* also provide for preferment of bills on average basis in cases where meter remains in-operative.

During the course of test check of records of 4 Electrical Sub-Divisions (Bordowali, Bagafa, Bishalgarh and Belonia) between December 1994 and July 1995 it was noticed that there were erroneous billing in respect of 194 consumers by the aforesaid electrical Sub-Divisions for the periods from February 1991 to February 1995 due mainly to charging of electricity at lower tariff, non-charging at minimum rate and dis-continuance of preferment of bills on average basis in respect of in-operative meters which resulted in short billing and short realisation of Rs.2.91 lakh.*

Erroneous computation of energy charges resulted in short realisation of Rs.2.91 lakh.
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On these being pointed out in audit, while all the Sub-Divisional Officers (Electrical) stated to have initiated action for realisation of revenue; the SDO (Electrical), Bagafa, however, did not furnish any reply.

* 1. S.D.O.(Electrical), Bordowali Rs.1,48,051 for the period from Feb'91 to June'94 (38 consumers)
2. S.D.O.(Electrical), Bagafa Rs.70,347 for the period from Feb'93 to Feb'95(21 consumers)
3. S.D.O.(Electrical), Bishalgarh Rs.37,012 for the period from September'91 to August'94 (4 consumers)
4. S.D.O.(Electrical), Belonia Rs. 35,747 for the period from May '92 to February,94 (131 consumers)

The matter was reported to the Government (March 1997); their reply had not been received (December 1997).

8.6 Misappropriation of Government revenue

Central Treasury Rules as adopted by the Government *inter-alia* provide that when Government moneys in the custody of a Government officer are paid into the treasury or bank, the head of office making such payments should compare the Treasury Officer's or bank's receipt on the challan with the entry in the Cash Book before attesting it and satisfy himself that the amount has been actually credited into the treasury or bank. He should also, after the end of the month, obtain or consolidated receipt for all remittances made during the month and reconciled the amounts shown as remittance in Cash Book.

Scrutiny in audit (July 1995) of the records of the Consumers Services connection Sub-Division No.II, Agartala disclosed that Government revenue of Rs.2.26 lakh on account of

Non-observance of the prescribed checks resulted in misappropriation of revenue of Rs.2.22 lakh.
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sale of power though accounted for in the Cash Book of the Sub-Divisional Officer (Electrical) as deposited into treasury through 9 challans between March 1993 and January 1994 was actually not deposited into treasury. Of the 9 cases, remittances of Rs.1.28 lakh against 4 challans were not recorded in the remittance register while the balance amount of Rs.98,203.85 though entered into the remittance register as deposited into treasury against 4 challans, the receipt was not authenticated by the bank. Neither any challan in support of deposit of the amounts could be shown nor the amounts could be faced in treasury records/bank scroll available in the treasury. The Sub-Divisional Officer (Electrical), however, duly attested all such entries in the Cash Book.

Thus, non-observance of the prescribed check as envisaged in the Rules had resulted in misappropriation of Government revenue of Rs.2.26 lakh.

The matter was reported to the Department as well as the Government in December 1995 and April 1996; their reply had not been received(December 1997).

8.7 Short realisation of energy consumption charges due to non-application of multiple unit factor

Meter readings of certain meters installed at the premises of consumers have to be multiplied by required multiplying factor to arrive at the units of consumption of energy during a particular period. In case of delay in making payment of electricity consumption bill within 30

days or part thereof is to be imposed from the day following the due date of payment under the Tripura Electric supply condition, 1985 as amended in 1992.

On a test check (April 1994) of the records of Consumers' Service connection Sub-Division I, Agartala, it was noticed that due to non-application of multiple factor of 10 in the case of a consumer for the period of consumption from 21 November 1992 to 16 February 1993, the Sub-Division raised bill for 5100 units as against 51000 units consumed which resulted in under assessment and short realisation of revenue of Rs.1.11 lakh including penalty of Rs.56,100 for the period from 17 March 1993 to 20 January 1994.

The case was referred to the Government (March 1997); their reply had not been received (December 1997).

8.8 Short realisation due to non-computation of energy charges on load basis

As per condition 19 of the Tripura Electric Supply conditions, 1985 when the meter is found to be incorrect/inoperative for any period, the Electrical Inspector is to decide the amount of energy to be supplied to a consumer in respect of such period. Where computation of units on average basis is not possible due to non-availability of any meter reading, the units of energy supplied to a consumer in such cases are to be worked out, as per existing practice followed, on the basis of connected load multiplied by the average daily working hours of use which varied from 3 hours/4 hours to 8 hours in respect of irrigation works and water works.

During test check (August 1996) of the records of Sub-Divisional Officer (Electrical), Sabroom for the period from March 1995 to July 1996, it was noticed that the Sub-Division had preferred the claims at minimum rate in respect of 3 consumers (Water Works : 1 and Irrigation works : 2) whose meters remained in-operative during the period from February 1995 to February 1996.

Non-computation of average unit of consumption on load basis at the minimum rate of 3 hours in respect of irrigation works and at the rate of 4 hours in respect of water works had resulted in short realisation of Rs.48,690 for the period from February 1995 to February 1996.

The matter was reported to the Government (March 1997); their reply had not been received (December 1997).

8.9 Short realisation due to non-computation of energy charges on average basis

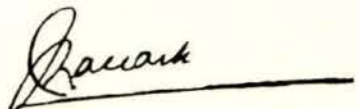
According to the condition 19 of the Tripura Electric Supply conditions 1985, when a meter of a particular consumer is found defective and remains inoperative for a particular period,

the electricity consumption bill for the period shall be prepared on the basis of average meter reading of three bills previous to the month in which dispute arises/meter remains inoperative.

During test check of the records of Sub-Divisional Officer(Electrical), Kamalpur in November 1995 it was noticed that the Sub-Division did not follow the procedure of billing on the basis of average units consumed in one case for the period of consumption from January to July 1995. Instead, the bills were preferred on the basis of connected load and average working hours. This resulted in short realisation of revenue of Rs.25,413.

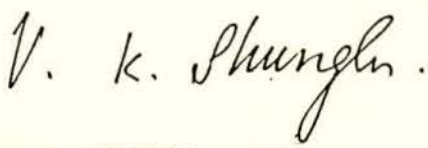
The matter was referred to the Government (March 1997); their reply had not been received (December 1997).

Agartala
The _____ 1998


(J.M.R. Marak)
Accountant General(Audit), Tripura

Countersigned

New Delhi
The _____ 1998


(V.K.Shunglu)
Comptroller and Auditor General of India

APPENDICES

APPENDIX-1

(Reference : Paragraph 2.3.1 at page 27)

Excess over provision requiring regularisation

Sl. No.	Number and name of grant/ appropriation	Total grant (Rupees)	Total expenditure (Rupees)	Excess (Rupees)
	Revenue Section (Voted)			
1.	10- Home Department	83,86,22,000	84,05,08,549	18,86,549
2.	14- Power Department	60,60,73,000	62,56,91,098	1,96,18,098
3.	17- Information, Cultural Affairs and Tourism Department	4,71,68,000	4,92,67,267	20,99,267
4.	26- Fishries Department	5,83,81,000	5,98,56,037	14,75,037
5.	33- Science and Technology Department	75,59,000	1,02,70,857	27,11,857
6.	36- Jail Department	2,74,31,000	2,74,54,000	23,000
	Revenue Section (Charged)			
7.	5- Law Department	78,40,000	3,52,81,128	2,74,41,128
8.	43- Finance Department	88,41,43,000	97,82,38,200	9,40,95,200
	Capital Section (Voted)			
9.	6- Revenue Department	40,42,000	42,70,706	2,28,706
10.	11- Transport Department	5,25,00,000	5,50,00,000	25,00,000
11.	15- Irrigation and Flood Control Department	28,87,98,000	31,32,16,324	2,44,18,324
12.	24- Industries and Commerce Department	7,25,00,000	7,65,00,000	40,00,000
13.	25- Handloom, Handicraft and Sericulture Department	98,50,000	1,10,37,500	11,87,500
14.	31- Rural Development Department	13,66,41,000	15,92,34,600	2,25,93,600
15.	33- Science and Technology Department	26,82,000	80,56,245	53,74,245
16.	34- State Planing and CO.ordination Department	13,41,50,000	16,10,52,344	2,69,02,344
17.	42- Sports and Youth Programme Department	1,60,60,000	1,86,62,277	26,02,277
	Capital Section (Charged)			
18.	12- CO.operation Department	1,54,84,000	3,76,79,232	2,21,95,232
19.	31- Rural Development Department	6,00,000	9,00,000	3,00,000
	Grand Total	321,05,24,000	347,21,76,364	26,16,52,364

APPENDIX-2

(Reference : Paragraph 2.3.7 page 35)

Unnecessary re-appropriation of Funds

Sl. No.	Number and name of grant and head of account	Provision Original(O) Supplementary (S)	Re-appropriation(R)	Total grant	Actual expenditure	Saving(-) Excess(+)
(Rupees in lakh)						
1.	10- Home Department 109- District Police(NP) District Civil Police	O. 2311.13 S. 128.20	R.(-)23.76	2415.57	3041.03	(+)625.46
2.	12- Public Works Department (i) 5054- Capital outlay on Roads and Bridges(Plan) 02- Strategic and Border Roads 337- Roads and Bridges - Central Plan Scheme(CSS)	O. 80.50	R. (-)30.50	50.00	109.03	(+) 59.03
3.	14- Power Department (i) 800- Other expenditure (ii) 800- Other expenditure- Gas Thermal Project at Rukhia 75 MW	O. 1922.25 O. 4657.13	R. (-) 42.25 R. (+) 100.00	1880.00 4757.13	2000.94 3849.83	(+)120.94 (-)907.30
4.	16- Health and Family Welfare Department (i) 2210- Medical and Public Health 01- Urban Health Services - Allopathy 110- Hospital and Dispenses (ii) 06- Public Health (CSS) 101- Prevention and Control of Diseases National Aids Programme (100% CSS) Project of World Bank Assistance	O. 1824.65 S. 35.00 O. 93.00	R. (+) 44.29 R. (+) 45.14	1903.94 138.14	1815.57 55.72	(-) 88.37 (-) 82.42
5.	19- Tribal Welfare Department (i) 4215- Capital outlay on Water Supply and Sanitation 01- Water Supply 102- Rural Water Supply (CSS) ARWSP (ii) 4216- Capital outlay on Housing 03- Rural Housing 800- Other Expenditure Indira Awas Yojana (80:20) (CSS) (iii) 4215- Capital outlay on Water Supply and Sanitation 02- Sewerage and Sanitation (CSS) 102- Rural Sanitation Services (iv) 01- Minimum Need Programme Sinking/Resinking/Replacement of RCC Wells etc. Minor Works	O. 120.00 O. 252.25 S. 474.37 O. 40.00 O. 180.00	R. (-)120.00 R. (-)154.21 R. (-) 33.28 R. (-)45.72	- 572.41 6.72 134.28	42.94 735.97 48.06 308.61	(+)42.94 (+)163.56 (+)41.34 (+)174.33

APPENDIX-2(Concl.)
(Reference : Paragraph 2.3.7 at page 35)
Unnecessary re-appropriation of Funds

Sl. No.	Number and name of grant and head of account	Provision Original(O) Supplement-ary (S)	Re-appropriation(R)	Total grant	Actual expend-iture	Saving(-) Excess(+)
(Rupees in lakh)						
6.	20- Welfare of Scheduled Castes Department 4215- Capital outlay on Water Supply and Sanitation 01- Water Supply	O. 75.00	R. (-)75.00		62.04	(+)62.04
7.	21- Food and Civil Supplies Department 4408- Capital outlay on Food, Storage and Ware Housing 01- Food 800- Other expenditure	O. 1900.00	R. (+) 31.00	1931.00	1688.96	(-) 242.04
8.	29- Animal Resource Development Department (i) 2403- Animal Husbandry 105- Piggery Development Breeding Operation CSS(Plan) (ii) 2404- Dairy Development 102- Dairy Development Project CSS(100%) (Plan)	O. 45.36 O. 11.54 S. 222.02	R. (+) 26.60 R. (+) 51.34	71.96 284.90	22.47 8.42	(-) 49.49 (+) 276.48
9.	31- Rural Development Department (i) 2505- Rural Employment 60- Other Programme 800- Other expenditure(Plan) SREP, Grants to Panchayat Raj Institution (ii) 800- Other Expenditure (Plan) Jowhar Rozgar Yojana	O. 40.00 S. 25.00 O. 508.75	R. (+) 80.63 R. (-) 443.67	145.63 65.08	40.00 520.10	(-) 105.63 (+) 455.02

APPENDIX-3

(Reference : Paragraph 2.3.7 at page 35)

Inadequate re-appropriation of Funds

Sl. No.	Number and name of grant and head of account	Provision Original(O) Supplement-ary (S)	Re-approp-riation(R)	Total grant	Actual expend-iture	Excess(+) Saving(-)
(Rupees in lakh)						
1.	4- Election Department 2015- Election (NP) 105- Charges for conduct of Election to Parliament	O. 400.00	R. (-) 100.00	300.00	266.75	(-) 33.25
2.	5- Law Department 4070- Capital outlay on other Administrative Services 800- Other expenditure (Plan) (CSS) (50:50)	O. 50.00	R. (+) 84.00	134.00	70.82	(-) 63.18
3.	6- Revenue Department (i) 2246- Relief on account of Natural Calamities 02- Flood/Cyclones 800- Other expenditure (ii) 2245- Relief on account of Natural Calamities 02- Flood/Cyclones 101- Gratuitous Relief, Cash Doles (NP)	O. 673.90 S. 10.00	R. (-) 600.00 R. (+) 45.00	73.90 55.00	12.27 136.46	(-) 61.63 (+) 81.46
4.	10- Home Department (i) 2055- Police 003- Training and Education (NP) (ii) 101- Criminal Investigation Department and Special Brance (NP) (iii) 2070- Other Administrative Protection and Control (NP) (Fire Service Stations) (iv) 2055- Police 115- Modernisation of Police Force (NP) CSS (v) 2070- Other Administrative Services (NP) 107- Home Guards Organisation	O. 172.31 S. 19.00 O. 411.79 O.414.18 S. 0.91 O. 93.06 O. 494.00	R. (+) 24.08 R. (+) 40.43 R. (+)40.90 R. (+)200.00 R. (-) 50.71	215.39 452.22 455.99 293.06 443.29	222.97 438.88 461.43 249.35 434.37	(+) 7.58 (-) 13.34 (+) 5.44 (-) 43.71 (-) 8.92

APPENDIX-3(Contd.)

(Reference : Paragraph 2.3.7 at page 35)

Inadequate re-appropriation of Funds

Sl. No.	Number and name of grant and head of account	Provision Original(O) Supplementary (S)	Re-appropriation(R)	Total grant	Actual expenditure	Excess(+) Saving(-)
(Rupees in lakh)						
5.	12- Co-operation Department (i) 2425- Co-operation 107- Assistance to Credit Co-operative (CSS) (ii) 4425- Capital outlay on Co-operation 108- Investment in other Co-operatives (iii) 106- Investment in Multipurpose Rural Co-operatives	O. 46.00 O. 483.22 O. 7.00	R. (-) 21.97 R. (-) 476.70 R. (+) 464.14	24.03 6.52 471.14	10.79 5.60 493.24	(-) 13.24 (-) 0.92 (+) 22.10
6.	13- Public Works Department (i) 4216- Capital outlay on Housing (Plan) 01- Government Residential Building 106- General Pool Accommodation (ii) 107- Police Housing Constructions (iii) 4552- Capital outlay on North Eastern Areas (Plan) 04- District and Other Roads 800- Other expenditure (iv) 5054- Capital outlay on Roads and Bridges (Plan) 04- District and Other Roads 01- Minimum Needs Programme	 O. 1788.00 O. 400.00 O. 600.00 O. 2589.04	 R. (-) 952.85 R. (-) 328.00 R. (-) 200.00 R. (-) 752.04	 835.15 72.00 400.00 1837.00	 881.03 270.14 512.41 2563.29	 (+) 45.88 (+) 198.14 (+) 12.41 (+) 726.29
7.	14- Power Department (i) 2801- Power 05- Transmission and Distribution 001- Direction and Administration (ii) 4552- Capital outlay on North Eastern Areas (Plan) 04- Diesel/Gas Power Generation 001- Direction and Administration (iii) 4801- Capital outlay on Power Projects (Plan) 01- Hydel Generation 800- Other expenditure (iv) 052- Machinery and Equipment (v) 800- Other expenditure	 O. 1179.42 O. 300.00 O. 100.00 O. 1000.00 O. 1173.00 S. 320.00	 R. (+) 42.25 R. (-) 100.00 R. (-) 24.00 R. (-) 150.00 R. (+) 150.00	 1221.67 200.00 76.00 850.00 1643.00	 1376.81 172.35 81.59 889.97 2435.82	 (+) 155.14 (-) 27.65 (+) 5.59 (+) 39.97 (+) 792.82

APPENDIX-3(Contd.)

(Reference : Paragraph 2.3.7 at page 35)

Inadequate re-appropriation of Funds

Sl. No.	Number and name of grant and head of account	Provision Original(O) Supplement-ary (S)	Re-appropriation(R)	Total grant	Actual expend-iture	Excess(+) Saving(-)
(Rupees in lakh)						
8.	15- Irrigation and Flood Control Department (i) 2702- Minor Irrigation 01- Surface Water 102- Lift Irrigation Maintenance of Completed Scheme (ii) 02- Ground Water 103- Tubewells (iii) 2702- Minor Irrigation 01- Surface Water 800- Other expenditure	O. 3429.25 O. 210.30 O. 45.00	R. (-) 2561.31 R. (-) 160.30 R. (+) 28.00	867.94 50.00 73.00	662.29 33.43 140.98	(+) 205.65 (-) 16.57 (+) 67.98
9.	16- Health and Family Welfare Department (i) 2210- Medical and Public Health 01- Urban Health Services Allopathy 200- Other Health Service (100% CSS)(Plan) (ii) 03- Rural Health Services 103- Primary Health Centres (Non-plan)	O. 68.70 O. 662.67	R. (-) 24.85 R. (-) 39.65	43.85 623.02	28.22 601.44	(-) 15.63 (-) 21.58

(Reference : Paragraph 2.3.7 at page 35)
Inadequate re-appropriation of Funds

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APPENDIX-3(Contd.)
(Reference : Paragraph 2.3.7 at page 35)
Inadequate re-appropriation of Funds

Sl. No.	Number and name of grant and head of account	Provision Original(O) Supplement-ary (S)	Re-appropriation(R)	Total grant	Actual expenditure	Excess(+) Saving(-)
(Rupees in lakh)						
12.	21- Food and Civil Supplies Department (i) 2408- Food Storage and Warehousing 01- Food 001- Direction and Administration (NP) (ii) 4408- Capital outlay on Food, Storage and Warehousing 01- Food 800- Other expenditure, CSSS(Plan)	O. 332.32 O. 165.00	R. (-) 27.02 R. (-) 145.60	305.30 19.40	318.74 -	(+) 13.44 (-) 19.40
13.	27- Agriculture Department (i) 2401- Crop Husbandry 105- Manures and Fertilizers(Plan) Project for popularisation of Manure and Fertilizers (ii) Scheme for Balance and integrated use of Fertilizers (100% CSS) (Plan) (iii) 108- Commercial Crops (Plan) CSS (Central Share) (iv) 2401- Crop Husbandry 001- Direction and Administration - Strengthening of the organisation	O. 233.80 O. 40.00 O. 54.00 O. 1668.79	R. (-) 58.80 R. (-) 21.70 R. (-) 41.32 R. (+) 80.93	175.00 18.30 12.68 1749.72	166.65 0.61 12.84 1715.94	(-) 8.35 (-) 17.69 (+) 0.16 (-) 33.78
14.	28- Horticulture Department 2401- Crop Husbandry 119- Horticulture and Yeg crops 001- Direction and Adminsitration (Plan) Strenthening of the Organisation	O. 292.42	R. (-) 24.57	267.85	268.22	(+) 0.37
15.	30- Fisheries Department 2406- Forestry and Wild Life 110- Wildlife preservation	O. 19.22	R. (+) 21.54	40.76	37.81	(-) 2.95

APPENDIX-3(Contd.)
(Reference : Paragraph 2.3.7 at page 35)
Inadequate re-appropriation of Funds

Sl. No.	Number and name of grant and head of account	Provision Original(O) Supplement-ary (S)	Re-appropriation(R)	Total grant	Actual expenditure	Excess(+) Saving(-)
(Rupees in lakh)						
16.	31- Rural Development Department (i) 2501- Special Programme for Rural Development 01- Integrated Rural Development Programme (Central and State Sharing) 101- Subsidy to DRDA Scheme for IRDP (Plan) (ii) 4215- Capital outlay on Water Supply and Sanitation 01- Water Supply 102- Rural water Supply Domestic Filter, CSS (75:25) (Plan) (iii) ARWSP (CSS)(Plan)	O. 356.16 O. 19.95 O. 105.00	R. (-) 44.85 R - (+) 22.00 R. (+) 20.00	311.31 41.95 125.00	328.50 247.43 266.58	(+) 17.19 (+) 205.48 (+) 141.58
17.	34- State Planning and CO.ordination Department (i) 3451- Secretariat Economic Services 091- Attached Offices Strengthening of State Planning Machinery at State Level (67:33) (ii) Establishment Cell (Plan)	 O. 31.78 O. 21.00	 R. (-) 28.42 R. (+) 27.66	 3.36 48.66	 3.92 29.67	 (+) 0.56 (-) 18.99
18.	35- Local Self Government Department (i) 2217- Urban Development 05- Other Urban Development Scheme (Plan) 191- Assistance to Local Bodies /Corporation etc. (CSS) (Central and State Share) (ii) 4217- Capital Outlay on Housing 60- Urban Housing 191- Assistance to Agartala Municipality (Plan) Awarded by the 10th Finance Commission (iii) 03- Integrated Development of Small and Medium Town 051- Construction (CSS) (Plan)	 S. 98.65 O. 56.00 O. 30.00	 R. (+) 133.18 R. (-) 30.00 R. (+) 30.00	 231.83 26.00 60.00	 292.48 - 42.75	 (+) 60.65 (-) 26.00 (-) 17.25

APPENDIX-3(Concl.)
(Reference : Paragraph 2.3.7 at page 35)
Inadequate re-appropriation of Funds

Sl. No.	Number and name of grant and head of account	Provision Original(O) Supplement-ary (S)	Re-appropriation(R)	Total grant	Actual expenditure	Excess(+) Saving(-)
(Rupees in lakh)						
19.	40- School Education Department (i) 2202- General Education 01- Elementary Education 104- Inspection (ii) 106- Teachers and Other Services Government Primary School (iii) 80- General 001- Direction and Administration	O. 393.20 O. 6147.26 O. 362.57	R. (-) 30.00 R. (-) 67.60 R. 65.28	363.20 6079.66 297.29	364.02 5588.75 297.57	(+) 0.82 (-) 490.91 (+) 0.28
20.	42- Sports and Youth Programme Department 2204- Sports and Youth Services 001- Direction and Administration(Plan)	 O. 90.90	 R. (-) 49.88	 41.22	 37.11	 (-) 4.11
21.	43- Finance Department (i) 2071- Pension and appropriation - other retirement benefits 01- Civil 101- Superannuation and Retirement allowances (ii) 104- Gratuities (iii) 2049- Interest Payments 105- Interest on Plan Scheme (iv) 2049- Interest Payments 01-Interest on Internal Debt 101- Interest on Market loan	 O. 2250.00 O. 650.00 O. 75.00 O. 2255.00	 R. (+) 50.00 R. (+).50.00 R. (+) 53.45 R. (-) 125.00	 2300.00 700.00 128.45 2130.00	 2846.36 664.85 127.53 2085.06	 (+) 546.36 (-) 35.15 (-) 0.92 (-) 44.94

APPENDIX-4

(Reference : Paragraph 2.4.2 at page 41)

Treasury-wise list of Drawing and Disbursing Officers having Personal Ledger Accounts together with the balances as on 31st March 1997 held in the PLAs

Name of Treasury/ Sub-Treasury	Drawing and Disbursing Officer who maintained the PL A/C	Balance held in the PL A/C as on 31-3-97 (In lakh of Rupees)
AGARTALA-I	1. Land Acquisition Collector, West Tripura	489.98
	2. Chief Executive Officer, TTAADC, Khumlung	589.10
	3. Executive Officer, Agartala Municipality	0.23
	4. Director of School Education	20.70
	5. Director of Industries, Agartala	349.97
	6. Director of Health Services, Agartala	401.10
	7. Secretary, Tripura Wakf Board, Agartala	21.52
	8. Secretary, State Institute of Education, Agartala	0.94
	9. Block Development Officer, Jampuijala	0.76
	10. Executive Engineer, Rural Development Division, Agartala	33.31
	11. Project Director, District Rural Development Agency, West Tripura, Agartala	58.40
	12. Executive Engineer, Engineering Cell of the Education Department, Agartala	22.87
	13. Registrar, Tripura University	0.89
	14. BDO, Dukli	0.02
	15. Secretary, Tripura Board of Secondary Education, Agartala	3.13
	16. SDO, Sadar, Agartala	20.35
	17. Director of Land Records, Agartala	7.35
	18. Head Librarian, Bir Chandra Public Library, Agartala	1.26
	19. Director of Urban Development , Agartala	238.00
	20. Medical Superintendent, GB Hospital, Agartala	4.00
		2263.88
AGARTALA - II	21. Director of Industries, Agartala	249.30
	22. Superintending Engineer, Agri-Engineering Cell, Agartala	109.40
	23. Superintendent of Agriculture, Mohanpur	8.76
	24. Housing Commissioner, Tripura Housing Board, Agartala	--
	25. Chief Executive Officer, Fish Farmer Development Agency, Agartala	1.21
	26. Supdt. of Fisheries, Sadar, Agartala	5.03
	27. Addl. Director, Handloom & Handicrafts & Sericulture Department, Agartala	32.06
	28. State Council for Science & Technology, Agartala	0.63
	29. Accounts Officer, Tribal Rehabilitation Programme, Agartala	46.94
	30. Deputy Director of Animal Husbandry, Agartala	10.34
	31. Dy. Soil Conservation Officer, Agriculture Department, Agartala	5.09
	32. Administrative Officer, Directorate of Animal Resource Development Department, Agartala	25.42

APPENDIX-4 (Contd.)

(Reference : Paragraph 2.4.2 at page 41)

Treasury-wise list of Drawing and Disbursing Officers having Personal Ledger Accounts together with the balances as on 31st March 1997 held in the PLAs

Name of Treasury/ Sub-Treasury	Drawing and Disbursing Officer who maintained the PL A/C	Balance held in the PL A/C as on 31-3-97 (In lakh of Rupees)
	33. Executive Engineer, Agartala Division IV	25.49
		519.67
UDAIPUR	34. LA Officer(South), Udaipur	26.40
	35. EE, Nagar Panchyat, Udaipur	0.17
	36. Project Director, DRDA, Udaipur	3.62
	37. EE, RD Division, Udaipur	3.03
	38. Chief Executive Officer, FFDA (South)	6.07
	39. Dy. Director, Animal Resource Development Department, Udaipur	6.61
	40. SDO, Udaipur	2.08
	41. BDO, Matabari, Udaipur	5.00
		52.98
KAILASHAHAR	42. General Manager, District Industries Centre, Kailashahar	0.02
	43. SDO, Kailashahar	32.04
	44. DM & Collector, North Tripura, (KLS)	0.09
	45. Chief Executive Officer, FFDA, Kumarghat	25.82
	46. BDO Kumarghat	2.17
	47. LA Collector(North), Kailashahar	154.14
	48. Project Director, DRDA, Kailashahar	--
	49. Executive Officer, Nagar Panchayat, Kailashahar	8.10
	50. Executive Officer, Nagar Panchayat, Kumarghat	0.01
		222.39
KAMALPUR	51. Project Director, DRDA, Dhalai	0.01
	52. BDO, Manu	0.95
	53. BDO, Chamanu	11.46
	54. BDO, Salema	20.78
	55. SDO, Kamalpur	20.95
	56. LA Officer, Dhalai	39.24
	57. Executive Officer, Nagar Panchayat, Dhalai	7.25
		100.64
SONAMURA SUB-TREASURY	58. BDO, Melaghar	34.34
	59. SDO, Sonamura	34.34
	60. Executive Officer, Nagar Panchayat, Sonamura	31.34
	61. Inspector of Schools, Sonamura	0.01
	62. Supdt. of Agriculture, Sonamura	0.51
	63. Supdt. of Fisheries, Melaghar	--
		100.54
AMARPUR SUB-TREASURY	64. BDO, Amarpur	1.00
	65 BDO, Karbook	--
	66. SDO, Amarpur	0.51
	67. Executive Officer, Nagar Panchayat, Amarpur	37.40
	68. Supdt. of Fisheries, Jatanbari	0.99
		39.90

APPENDIX-4 (Concl.)

(Reference : Paragraph 2.4.2 at page 41)

Treasury-wise list of Drawing and Disbursing Officers having Personal Ledger Accounts together with the balances as on 31st March 1997 held in the PLAs

Name of Treasury/ Sub-Treasury	Drawing and Disbursing Officer who maintained the PL A/C	Balance held in the PL A/C as on 31-3-97 (In lakh of Rupees)
BELONIA SUB- TREASURY	69. BDO, Rajnagar	5.00
	70. BDO, Bagafa	0.22
	71. SDO, Belonia	0.05
	72. EO, Nagar Panchayat, Belonia	20.67
	73. Supdt. of Fisheries, Belonia	--
		25.94
KHOWAI SUB- TREASURY	74. BDO, Khowai	--
	75. BDO, Teliamura	5.20
	76. BDO, Tulashikar,	1.00
	77. SDO, Khowai	46.75
	78. Executive Officer, Nagar Panchayat, Knowai	--
	79. Executive Officer, Nagar Panchayat, Teliamura	--
		52.95
DHARMANAGAR SUB- TREASURY	80. BDO, Kadamtala	1.68
	81. BDO, Pecharthai	3.09
	82. BDO, Kanchanpur	0.70
	83. BDO, Panisagar	0.48
	84. SDO, Dharmanagar	43.60
	85. SDO, Kanchanpur	8.53
	86. Executive Officer, Nagar Panchayat, Dharmanagar	34.28
	87. Inspector of Schools, Dharmanagar	0.05
	88. Inspector of Schools, Kanchanpur	--
	89. Deputy Director, TR Division, Manu	1.12
	90. Supdt. of Fisheries, Dharmanagar	--
		93.53
SABROOM SUB TREASURY	91. BDO, Rupaichari	--
	92. BDO, Satchand	--
	93. SDO, Sabroom	--
	94. Executive Officer, Nagar Panchayat, Sabroom	7.68
	95. Inspector of Schools, Sabroom	0.23
	96. Supdt. of Agriculture, Sabroom	--
	97. Supdt. of Fisheries, Satchand	--
		7.91
	Grand Total	3480.33

APPENDIX-5

(Reference : Paragraph 3.1.7.1 at page 55)

Statement showing the Groundnut and Mustard seeds procured under OPP but utilised for other purposes

Name of District/ Agri. Sub-Division		Crop	1992-93		1993-94		1994-95		Total	
			Quantity of seeds (In MT)	Cost (Rs. in lakh)	Quantity of seeds (In MT)	Cost (Rs. in lakh)	Quantity of seeds (In MT)	Cost (Rs. in lakh)	Quantity of seeds (In MT)	Cost (Rs. in lakh)
A.	West Tripura	Groundnut	---	---	6.98	1.33	49.28	11.68	56.26	13.01
	South Tripura	Groundnut	15.08	2.98	---	---	29.53	7.06	44.61	10.04
		Groundnut	---	---	10.00	1.98	---	---	10.00	1.98
	Total Groundnut		15.08	2.98	16.98	3.31	78.81	18.74	110.87	25.03
B.	Sonamura Agri.Sub-Divn.	Mustard	1.85	0.37	3.21	0.65	0.22	0.05	5.28	1.07
	Mohanpur Agri.Sub-Divn.	Mustard	1.32	0.26	1.30	0.26	1.10	0.26	3.72	0.78
	Teliamura Agri.Sub-Divn.	Mustard	1.09	0.22	2.72	0.55	---	---	3.81	0.77
	Jirania Agri. Sub-Divn.	Mustard	2.66	0.53	2.51	0.51	1.25	0.30	6.42	1.34
	Bishalgarh Agri.Sub-Divn.	Mustard	1.66	0.33	3.25	0.66	4.62	1.09	9.53	2.08
	Kumarghat Agri.Sub-Divn.	Mustard	---	---	3.67	0.78	0.31	0.07	3.98	0.85
	Panisagar Agri Sub-Divn.	Mustard	---	---	1.39	0.29	0.39	0.09	1.78	0.38
	Matabari Agri.Sub-Divn.	Mustard	---	---	5.70	1.22	1.53	0.36	7.23	1.58
	Bagafa Agri. Sub-Divn.	Mustard	---	---	0.65	0.14	---	---	0.65	0.14
	Total Mustard		8.58	1.71	24.40	5.06	9.42	2.22	42.40	8.99
	Total A and B		23.66	4.69	41.38	8.37	88.23	20.96	153.27	34.02

APPENDIX-6

(Reference : Paragraph 3.1.8 at page 55)

Statement showing the component-wise physical targets and achievements for the period from 1992-93 to 1996-97 under Oil Seed Production Programme (OPP)

Sl. No.	Components (Units)	1992-93		1993-94		1994-95		1995-96		1996-97		Total	
		Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
1.	Large size field demonstration (Hectares)												
	(a) On Mustard	3000	3000	2000	2000	2070	2070	2070	2070	---	---	9140	9140
	(b) On Groundnut	---	---	---	---	---	---	750	728*	1067	1330	1817	2058
2.	Minikit demonstration (Addl. Programme) (Hectares)												
	(a) On Mustard	---	---	2000	2000	---	---	---	---	---	---	2000	2000
	(b) On Groundnut	---	---	500	500	---	---	---	---	---	---	500	500
3.	Distribution of certified seed on subsidy (Quintals)	---	---	300	10	450	15.78	450	4.75	833	292.40	2033	322.93
4.	Distribution of inputs kits (Minikits) (Numbers)												
	(a) Mustard	---	---	9000	9000	9000	9000	9000	8712	---	---	27000	26712
	(b) Groundnut	---	---	---	---	---	---	1500	884*	1724	2503	3224	3387
5.	Distribution improved farm implements (Numbers)	---	---	200	---	200	---	200	120	180	233	780	353
6.	Distribution of Gypsum/Pyrites (Hectares)	---	---	500	---	500	500	427	427	450	450	1877	1377

* Under State Plan.

APPENDIX-6 (Concl'd.)

(Reference : Paragraph 3.1.8 at page 55)

Statement showing the component-wise physical targets and achievements for the period from 1992-93 to 1996-97 under Oil Seed Production Programme (OPP)

Sl. No.	Components (Units)	1992-93		1993-94		1994-95		1995-96		1996-97		Total	
		Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
7.	Distribution of Plant Protection chemicals (Hectares)	---	---	500	500	---	---	---	---	---	---	500	500
8.	Seed village Programme (Quintals)	---	---	100	---	4.50	---	450	---	1000	---	2000	---
9.	Seed Treatment (Hectares)	---	---	---	---	0.010	0.001	1000	135	56	---	1056.01	135.01
10.	Demonstration on Integrated Pest Management (Hectares/Numbers)	---	---	---	---	20	---	10	---	9	1	39	1
11.	Construction of Oil Seed Godown (Numbers)	---	---	3	---	---	---	---	---	---	---	3	---
12.	Farmers Training (Numbers)	---	---	8	8	8	8	8	6	7	7	31	29
13.	Distribution of Plant Protection equipment (Numbers)	---	---	117	---	---	---	---	---	90	90	207	90
14.	Opening of new retail out let (Numbers)	---	---	---	---	---	---	---	---	40	---	40	---

APPENDIX-7

(Reference : Paragraph 3.1.8 at page 55)

Statement showing the component-wise physical targets and achievements for the period from 1992-93 to 1996-97 under National Pulses Development Programme (NPDP)

Sl. No.	Components (Units)	1992-93		1993-94		1994-95		1995-96		1996-97		Total	
		Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
1.	Distribution of seed Minikit including summer pulses (Numbers)	2962	2567	2400	3896	3200	3200	3200	3200	4800	5651	16,562	18514
2.	Organisation of Block demonstration (Hectares)	229	264	253	255	455	455	455	455	545	3482	1937	4911
3.	Distribution of Plant Protection Chemicals (Hectares)	---	---	500	105	---	---	---	---	---	---	500	105
4.	Distribution of Plant Protection equipment (Numbers)	222	---	125	---	---	---	---	---	125	92	472	92
5.	Supply of Rhizobium culture (Hectares)	---	---	1333	---	1320	1320	1320	1320	2620	1664	6593	4304
6.	Conduction of Minikit demonstration on Lentil (Hectares)	---	---	400	95	---	---	---	---	---	---	400	95
7.	Conduction of Minikit demonstration on Pea (Hectares)	---	---	400	400	---	---	---	---	---	---	400	400
8.	Conduction of Minikit demonstration on Gram (Hectares)	---	---	200	200	---	---	---	---	---	---	200	200
9.	Addl. Programme on Rabi Pulses. Minikit demonstration on Pea (Hectares)	---	---	---	---	---	---	341.35	341.35	---	---	341.35	341.35

APPENDIX-8

(Reference : Paragraph 3.1.8 at page 55)

Statement showing the component-wise physical targets and achievements for the period from 1992-93 to 1996-97 under ICDP

Sl. No.	Components (Units)	1992-93		1993-94		1994-95		1995-96		1996-97		Total	
		Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
1.	Distribution of certified seed (paddy) (Quintals)	8500	1000	3386	322	---	---	---	---	3500	779.61	15,386	2101.61
2.	Distribution of H.C. Sprayer (Numbers)	2500	342	2500	179	---	---	---	---	---	---	5000	521
3.	Distribution of Power Tiller (Numbers)	150	149	100	120	---	---	---	---	80	80	330	349
4.	Vartial replacement (Quintals)	---	---	---	---	---	---	1815	686.89	---	---	1815	686.89
5.	Rainfed rice production technology including I.P.M. demonstration (Numbers)	50	NA	20	20	40	---	40	13	80	50	230	83
6.	Organisation of Farmer training (Numbers)	5	1	100	100	16	16	16	11	16	16	153	144
7.	Distribution of RBF (Hectares)	---	---	5500	5500	---	---	---	---	---	---	5500	5500
8.	Distribution of manually operated farm implements (Paddle Thresher) (Numbers)	---	---	80	80	175	223	300	116	260	108	815	527
9.	Distribution of Sprinkler set (Numbers)	---	---	---	---	---	---	10	---	---	---	10	---
10.	Distribution of P.P.C. (Quintals)	---	500	---	---	---	---	---	---	---	---	---	500
11.	Awards to Village panchayat.	---	---	---	---	8	---	18	14	8	3	34	17
12.	Field demonstration on cropping system (Per acre)	---	---	---	---	40	40	40	40	80	80	160	160

APPENDIX-9

(Reference : Paragraph 3.1.8 at page 55)

Statement showing the physical targets and achievements under Minikits Programme

Sl. No.	Name of the item (Units)	1992-93		1993-94		1994-95		1995-96		1996-97		Total	
		Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
1.	Rice Minikit (Numbers)	100	100	400	400	400	368	1000	1000	1200	1200	3100	3068
2.	Wheat Minikit (Numbers)	250	250	50	50	300	300	300	300	300	300	1200	1200
3.	Maize Minikit (Numbers)	---	---	1600	1600	---	---	---	---	---	---	1600	1600

APPENDIX-10

(Reference : Paragraph 3.1.8.1 at page 56)

Statement showing the physical achievement in area coverage and production of major crops viz., rice, pulses and oil seeds against targets fixed during the period from 1992-93 to 1996-97

Crop	Year	Targets	Achievements	Shortfall	Percentage of shortfall
Rice	1992-93 A ⁱ	286	241.57	44.43	16
	P ⁱⁱ	550	438.12	111.88	20
	1993-94 A	289	257.53	31.47	11
	P	574.75	493.21	81.54	14
	1994-95 A	293	256.96	36.04	12
	P	600	413.90	186.10	31
	1995-96 A	294	231.53	62.47	21
	P	625	465.55	159.45	26
	1996-97 A	295	NA ⁱⁱⁱ		
	P	650	NA		
Pulses	1992-93 A	13.80	11.65	2.15	16
	P	8.02	6.45	1.57	20
	1993-94 A	13.50	11.45	2.05	15
	P	8.60	6.48	2.12	25
	1994-95 A	15.00	10.00	5.00	33
	P	9.35	5.70	3.65	39
	1995-96 A	15.60	8.30	7.30	47
	P	10.00	4.72	5.28	53
	1996-97 A	16.20	NA		
	P	10.62	NA		
Oilseeds	1992-93 A	19.30	14.68	4.62	24
	P	15.50	10.72	4.78	31
	1993-94 A	19.50	14.41	5.09	26
	P	16.10	11.07	5.03	31
	1994-95 A	16.25	13.02	3.23	20
	P	13.00	9.65	3.35	26
	1995-96 A	17.70	11.73	5.97	34
	P	14.00	8.48	5.52	39
	1996-97 A	21.00	NA		
	P	18.00	NA		

ⁱ A : Area coverage in thousand hectares.

ⁱⁱ P : Production in thousand tonnes.

ⁱⁱⁱ NA : Not Available.

APPENDIX-11

(Reference : Paragraph 3.1.8.2 at page 56)

Statement showing the targets and achievements of distribution of Certified Seeds under OPP and ICDP during the period from 1992-93 to 1996-97

Programme	Year	Physical			Financial	
		Target	Achievement	Shortfall	Allocation	Expenditure
		(in quintals)		(Percentage)	(Rs. in lakh)	
OPP	1992-93	--	--	--	---	---
	1993-94	300	10	97	0.90	0.03
	1994-95	450	16	96	1.35	0.05
	1995-96	450	5	99	1.85	0.02
	1996-97	833	292	65	2.50	0.87
	Total	2033	323		6.60	0.97
ICDP	1992-93	8500	1000	88	17.75	2.00
	1993-94	3386	322	90	3.39	0.32
	1994-95	--	--	--	--	--
	1995-96	--	--	--	--	--
	1996-97	3500	780	78	7.00	1.56
	Total	15386	2102		28.14	3.88

APPENDIX-12

(Reference : Paragraph 3.1.8.6 at page 60)

Statement showing the distribution of Minikit under OPP, NPDP,
Minikit Programme of wheat and coarse cereals during
the period from 1992-93 to 1996-97

Programme	Year	Minikit distribution (in number)	Cost	Central assistance released	Amount realised from the farmers
(In lakh of rupees)					
OPP	1992-93	---	---	---	---
	1993-94	9000	3.60	2.70	0.36
	1994-95	9000	3.60	2.70	0.36
	1995-96	8712	3.60	2.70	0.35
	1996-97	2503	17.50	NA	2.98
		29.215	28.30		
NPDP	1992-93	2567	2.37	1.78	0.23
	1993-94	3896	3.00	2.25	0.35
	1994-95	3200	4.00	3.00	0.29
	1995-96	3200	4.00	3.00	0.55
	1996-97	5651	6.62		
		18,514	19.99		
Minikit Programme					
Rice	1992-93	100	0.02	0.02	0.13
	1993-94	400	0.18	0.18	
	1994-95	400	0.18	0.18	
	1995-96	1000	0.45	0.45	
	1996-97	1200	0.26	0.26	
		3100	1.09		
Wheat	1992-93	250	0.23	0.23	0.11
	1993-94	50	0.05	0.05	
	1994-95	300	0.24	0.24	
	1995-96	300	0.31	0.31	
	1996-97	300	0.34	0.34	
		1200	1.17		
Maize	1992-93	---	---	0.60	---
	1993-94	1600	0.88	---	---
	1994-95	---	---	---	---
	1995-96	1000	0.37	---	---
	1996-97	---	---	---	---
		2600	1.25		

APPENDIX-13

(Reference : Paragraph 3.5.6.3 at page 73)

Statement showing the year-wise fund received, expenditure incurred and unspent balance for the period from 1993-94 to 1996-97

Name of district/ZSS	Year	Fund received				Total receipts	Total expenditure	Unspent balance
		Central Government	State Government	Bank interest	Tripura Sport Council			
		(In lakh of rupees)						
1. West Tripura/ PZSS	1994-95	80.85	-	3.05	-	83.90	37.07	46.83
	1995-96	-	28.40	3.11	-	31.51	31.36	46.98
	1996-97	-	10.49	4.07	-	14.56	34.91	26.63
	Total	80.85	38.89	16.23		129.97	103.34	
2. South Tripura/ DZSS	1994-95	104.10	-	3.29	-	107.39	33.26	74.13
	1995-96	-	30.88	2.38	-	33.26	30.57	76.82
	1996-97	-	25.83	1.64	-	27.47	27.00	77.29
	Total	104.10	56.71	7.31		168.12	90.83	
3. North Tripura/ UZSS	1993-94	37.50	0.10	-	-	37.60	-	37.60
	1994-95	-	-	-	-	-	16.84	20.76
	1995-96	-	13.58	3.13	0.35	17.06	14.22	23.60
	1996-97	-	9.36	1.63	-	10.99	18.64	15.95
	Total	37.50	23.04	4.76	0.35	65.65	49.70	
Grand Total		222.45	118.64	22.30	0.35	363.74	243.87	119.87

APPENDIX-14

(Reference : Paragraph 3.5.8.1 at page 76)

Statement showing the target and achievement in respect of target groups i.e. women, men, scheduled caste and scheduled tribe

Women			
Name of District	Target	Achievement	Percentage of achievement
	(Figures in lakh)		
West Tripura	1.31	0.92	70
South Tripura	0.84	0.57	68
North Tripura	0.40	0.21	53
Dhalai	0.33	0.17	52
Total	2.88	1.87	65
Men			
West Tripura	0.85	0.46	54
South Tripura	0.63	0.40	63
North Tripura	0.29	0.14	48
Dhalai	0.25	0.13	52
Total	2.02	1.13	56
Scheduled Castes			
West Tripura	0.53	0.32	60
South Tripura	0.24	0.17	71
North Tripura	0.10	0.05	50
Dhalai	0.09	0.07	78
Total	0.96	0.61	64
Scheduled Tribes			
West Tripura	0.82	0.54	66
South Tripura	0.79	0.51	65
North Tripura	0.26	0.10	38
Dhalai	0.38	0.09	24
Total	2.25	1.24	55

APPENDIX-15

(Reference : Paragraph 3.10.1 at page 86)

Information regarding number of vehicles purchased, condemned and maintained
by the departments during the period from 1992-93 to 1996-97

Sl. No.	Name of the Department	Number of vehicles as on March 1992	Year	Number of vehicles purchased	Number of vehicles condemned	Number of vehicles disposed of	Total number of vehicles category wise as on March 1997	Number of drivers
1.	Police Organisation	470	1992-93	21	46	20	Ambassador 21 Maruti Gypsy 107	269
			1993-94	17	-	26	Jeep 214	269
			1994-95	38	-		Bus 26	269
			1995-96	75	-		Truck 124 Van 28	280
			1996-97	8	-		Ambulance 6 Water tanker 6 Motor cycle 51	280
				159	46	46	583 (A)	
2.	PWD	89	1992-93	-	NIL	-	Maruti Gypsy 15	82
			1993-94	-	NIL	-		82
			1994-95	-	NIL	-	Jeep 62	82
			1995-96	-	NIL	7	Truck 15	82
			1996-97	10	NIL			82
				10	NIL	7	92 (B)	
3.	SAD		1992-93	6	9	9	Fiat 1	73
	(i) Secretariat	78	1993-94	-	-	-	Contessa 2	74
			1994-95	2	6	3	Ambassador 58	74
			1995-96	4	4	6	Maruti Gypsy 4	
			1996-97	5	3	4	Jeep 6	74
				17	22	22	Auto 2	70
							73 (C)	
	(ii) Tripura Bhavan	8	1992-93	2	NIL	NIL		13
			1993-94	1	NIL	NIL	Contessa 1	12
			1994-95	-	NIL	NIL	Maruti Gypsy 1	13
			1995-96	1	NIL	NIL		13
			1996-97	1	NIL	NIL	Ambassador 11	13
				5	NIL	NIL	13 (D)	
	GRAND TOTAL (A+B+C+D)	645		191	68	75	761	

APPENDIX-16

(Reference : Paragraph 3.10.8.2 at page 93)

Statement showing excess expenditure in maintenance and repairs of vehicles of SAD and Police Organisation during 1983-84 to 1996-97

Name of the Department	Vehicles Registration Numbers	Type of vehicles	Year of purchase	Cumulative expenditure on repairs	Permissible limit of expenditure	Excess expenditure
				(In lakh of Rupees)		
S.A. Department	TRG - 623	Ambassador	1986	1.67	0.82	0.85
	TRG - 584	- do -	1985	1.84	1.05	0.79
	TRG - 789	- do -	1986	1.50	0.93	0.57
	TRG - 631	- do -	1986	1.50	0.93	0.57
	TRG - 748	- do -	1986	1.61	0.93	0.68
	TRG - 805	- do -	1987	1.60	0.81	0.79
	TRG - 892	- do -	1988	1.64	0.75	0.89
	TRG - 1233	- do -	1987	1.79	0.75	1.04
	TRG - 861	- do -	1988	1.81	0.75	1.06
	TRG - 885	- do -	1988	1.50	0.75	0.75
	TRG - 892	- do -	1988	2.10	0.75	1.35
	TRG - 825	- do -	1988	1.43	0.75	0.68
	TRG - 886	- do -	1988	1.24	0.67	0.57
	TRG - 889	- do -	1988	1.54	0.75	0.79
	TRG - 807	- do -	1988	1.45	0.75	0.70
	TRG - 890	- do -	1988	1.18	0.75	0.43
				25.40	12.89	12.51 (A)
Police Organisation	TRP - 1506	TATA one Tonner	1989	1.12	0.61	0.51
	TRP - 1502	- do -	1989	1.17	0.61	0.56
	TRP - 467	- do -	1989	1.44	0.61	0.83
	TRP - 254	Petrol Jeep	1986	1.93	1.29	0.64
	TRP - 268	- do -	1987	1.44	0.94	0.50
	TRP - 287	- do -	1987	1.55	1.19	0.36
	TRP - 301	One Tonner	1987	2.25	1.08	1.17
	TRP - 306	- do -	1987	2.11	1.05	1.06
	TRP - 307	- do -	1987	2.31	0.81	1.50
	TR 02 -0811	- do -	1989	1.93	0.98	0.95
	TR 02-0817	- do -	1991	1.22	0.68	0.54
	TRP - 372	Ambassador	1989	2.89	0.77	2.12
	TRP - 225	- do -	1985	1.96	1.33	0.63
	TRP - 227	- do -	1986	1.68	1.48	0.20
	TRP - 253	- do -	1986	2.25	1.13	1.12
	TRP - 345	Ambassador	1988	1.19	0.90	0.29
	TRP - 156	Petrol Jeep	1983	2.28	1.57	0.71
	TRP - 157	Ambassador	1983	2.13	1.17	0.96
	TRP - 163	- do -	1984	1.36	0.94	0.42
	TRP - 176	Petrol Jeep	1984	1.60	1.18	0.42
				35.81	20.32	15.49 (B)
GRAND TOTAL = (A + B)				61.21	33.21	28.00

APPENDIX-17

(Reference : Paragraph 3.10.9.3 at page 96)

Statement showing monthly consumption of petrol in respect of vehicles of Police Organisation for the period from January 1995 to March 1997

Sl. No.	Vehicles Registration No.	Total quantity of petrol drawn	Period/months for which drawn	Monthly Quota	Increased monthly Quota	Permissible limit as per monthly quota	Excess drawal of petrol
		(Quantity in litres)	(In months)	(Quantity in litres)			
1.	TR01 - 0937	14,535	14	400	600	8400	6135
2.	TR02 - 0809	15,201	18	250	375	6750	8451
3.	TR02 - 0818	13,458	16	300	450	7200	6258
4.	TR02 - 0811	10,610	14	300	450	6300	4310
5.	TR02 - 0817	13,590	18	300	450	8100	5490
6.	TRP - 135	24,472	23	400	600	13800	10672
7.	TRP - 72	26,600	20	400	600	12000	14600
8.	TRP - 171	14,810	20	250	375	7500	7310
9.	TRP - 107	9,550	12	250	375	4500	5050
10.	TRP - 152	18,230	20	300	450	9000	9230
11.	TRP - 252	15,368	20	250	375	7500	7868
12.	TRP - 253	9,880	14	250	375	5250	4630
13.	TRP - 263	8,800	10	250	375	3750	5050
14.	TRP - 226	7,740	10	250	375	3750	3990
15.	TRP - 227	13,430	16	250	375	6000	7430
16.	TRP - 228	17,490	20	250	375	7500	9990
17.	TRP - 254	11,280	16	250	375	6000	5280
18.	TRP - 310	15,010	18	300	450	8100	6910
19.	TRP - 328	14,450	18	400	600	10800	3650
20.	TRP - 286	14,775	18	250	375	6750	8025
21.	TR01 - 0844	15,750	18	500	-	9000	6750
22.	TRP - 352	18,020	18	500	-	9000	9020
23.	TRP - 353	15,450	15	500	-	7500	7950
24.	TRP - 354	20,365	20	500	-	10000	10365
25.	TRP - 358	14,295	15	500	-	7500	6795
26.	TRP - 359	18,930	18	500	-	9000	9930
27.	TRP - 360	15,045	15	500	-	7500	7545
28.	TRP - 362	13,970	15	500	-	7500	6470
29.	TRP - 363	11,810	12	500	-	6000	5810
30.	TRP - 459	13,400	15	500	-	7500	5900
31.	TRP - 460	16,935	18	500	-	9000	7935
32.	TRP - 461	13,497	15	500	-	7500	5997
33.	TRP - 462	11,890	12	500	-	6000	5890
34.	TRP - 463	16,710	18	500	-	9000	7710
35.	TRP - 464	16,170	18	500	-	9000	7170
		5,21,516				2,69,950	2,51,566

Value of excess drawal of fuel @ Rs.18/= Rs.45.28 lakh

APPENDIX-18

(Reference : Paragraph 3.10.11.3 at page 98)

Statement showing the loss due to disposal below reserve price

Name of the Department	Registration number of vehicles	Date of condemnation	Reserve price	Date of disposal	Actual sale value	Loss
PWD	TRA 231	1985	Rs.8500	1986	Rs.2100	Rs.6400
	TRA 165	1985	Rs.7500	1986	Rs..750	Rs. 6750
SAD	TRA 8	1992	Rs.15000	1993	Rs.8353	Rs.6647
	TRA 187	1992	Rs.13000	1993	Rs.5165	Rs.7835
	TRA 191	1992	Rs.15000	1993	Rs.9247	Rs.5753
	TRG 193	1992	Rs.18,000	1993	Rs.2935	Rs.15,065
	TRG 108	1994	Rs.15,000	1995	Rs.3220	Rs.11,780
	TRG 5	1995	Rs.12,000	1995	Rs.3333	Rs.8667
	TRG 55	1995	Rs.12,000	1995	Rs.8800	Rs.3200
	TRG 192	1995	Rs.12,000	1995	Rs.2492	Rs.9508
	Total		Rs.1,28,000		Rs.46,395	Rs.81,605

APPENDIX-19

(Reference : Paragraph 3.10.12.2 at page 99)

Irregularities detected in the maintenance of log books of vehicles

Name of the Department	Registration number of vehicles	Period of log books checked	Irregularities noticed
PWD	TRG - 2515	1992-93 to 1996-97	Column No.2,3,5,6,9, 11 and 12 not filled in
	TRA - 1398	1992-93 to 1996-97	- do -
	TRG - 1012	1992-93 to 1996-97	- do -
	TRG - 171	1992-93 to 1996-97	- do -
	TRG - 141	1992-93 to 1996-97	The log book not signed by the officer from 10/96 to 3/97
	TRG - 1485	1992-93 to 1996-97	Column No.2,3,5,6,9, 11 and 12 not filled in
	TRG - 1126	1992-93 to 1996-97	- do -
	TRG - 451	1992-93 to 1996-97	- do -
	TRA - 1412	1992-93 to 1996-97	- do -
	TRG - 848	1992-93 to 1996-97	- do -
	TRG - 79	1992-93 to 1996-97	- do -
	TRA - 1334	1992-93 to 1996-97	POL account not maintained during 1992-93 and 1993-94
	TRA - 1531	1992-93 to 1996-97	The log books not signed
SAD	TRG - 807	1993-94 to 1996-97	Column No. 5, 6, 9, 11 and 12 not filled in
	TRG - 623	1993-94 to 1996-97	- do -
	TRG - 624	1993-94 to 1996-97	- do -
	TRG - 823	1993-94 to 1996-97	- do -
	TRG - 734	1993-94 to 1996-97	- do -
	TRG - 810	1993-94 to 1996-97	- do -
	TRG - 826	1993-94 to 1996-97	- do -
	TRG - 614	1993-94 to 1996-97	- do -
	TRG - 625	1993-94 to 1996-97	- do -
	TRG - 629	1993-94 to 1996-97	- do -
	TRG - 632	1993-94 to 1996-97	- do -
	TRA - 1676	1993-94 to 1996-97	- do -
	TRG - 892	1993-94 to 1996-97	- do -
	TRG - 805	1993-94 to 1996-97	- do -

APPENDIX-20

(Reference : Paragraph 3.13.6.2 at page 108)

Statement showing sanction of funds to Government aided Schools without transfer of ownership of land to Government as prescribed in the scheme

Sl. No.	Name of School	Amount of Funds Sanctioned	Date of Sanction
		(Rupees in lakh)	
1.	Netaji Subhash Vidyarnketan, Agartala	10.00	31.10.95
	- Do -	3.00	12.02.96
2.	Ramkrishna Vivekananda Vidya Mandir, Dhaleswar, Agartala	1.00 3.00	12.02.96 13.03.96
3.	Swami Dayalananda Vidya-niketan, Agartala	1.00	12.02.96
4.	M.G.M. H.S. School, College Tilla, Agartala.	1.00	07.06.95
5.	Prachya Bharati School, Dhaleswar, Agartala.	1.00 2.00	07.06.95 13.03.96
6.	Bardowali H. S. School, Agartala	1.00	07.06.95
7.	Netaji Subhash Siksha Kendra, Jagaharimura, Agartala	1.00	07.06.95
8.	Sakhicharan Vidhya Niketan H.S. School.	7.00	01.02.96
9.	Ramthakur Pathsala Girls H.S. School, Agartala	4.00	13.03.96
10.	Sankaracharya Vidyayatan H.S. School, Milan Sangha.	3.00	13.03.96
11.	Saradamayee School, Teliamura, Gr.-I	0.56	12.02.96
	- Do - Gr. - II	0.34	12.02.96
	- Do -	0.08	12.02.96
12.	Netaji Adarsha Siksha Mandir, Agartala	5.00	31.10.95
13.	Desh Bandhu Sishu Tirtha Abhoynagar.	3.00	31.08.95
14.	Ranirbazar Vidhya Mandir Class XII School, Ranirbazar.	10.00	13.03.96
15.	Bholananda School & Boarding House, Gurkhabasti	2.00	13.03.96
	Total	58.98	

APPENDIX-21

(Reference : Paragraph 4.1.9(iii) at page 130)

Details of fund credited to Personal Ledger Account/Bank Account and retained in cash

Sl. No.	Name of office	1992-93		1993-94		1994-95		1995-96		1996-97		Total	
		Expenditure reported	Fund kept in PL Account, Bank and Cash	Expenditure reported	Fund kept in PL Account, Bank and Cash	Expenditure reported	Fund kept in PL Account, Bank and Cash	Expenditure reported	Fund kept in PL Account, Bank and Cash	Expenditure reported	Fund kept in PL Account, Bank and Cash	Expenditure reported	Fund kept in PL Account, Bank and Cash
(In lakh of Rupees)													
1.	RD Division, West Tripura, Agartala	151.87	43.00	291.66	46.84	607.20	228.72	366.49	185.15	123.85	53.23	1541.07	556.94
2.	RD Division, Kumarghat, North Tripura	26.73	8.80	-	-	38.21	5.00	-	-	-	-	64.94	13.80
3.	RD Division, Udaipur, South Tripura	19.28	6.45	15.49	10.67	28.71	19.58	-	-	-	-	63.48	36.70
4.	BDO, Bagafa	-	-	2.23	0.70	11.63	0.68	19.75	4.54	-	-	33.61	5.92
5.	BDO, Bishalgarh	-	-	-	-	7.00	5.75	5.61	0.82	39.91	0.51	52.52	7.08
6.	BDO, Matabari	-	-	7.74	0.75	5.86	2.16	12.16	1.05	29.88	0.30	55.64	4.26
7.	BDO, Mohanpur	-	-	-	-	6.40	5.20	-	-	35.33	1.12	41.73	6.32
8.	BDO, Salema	-	-	-	-	-	-	10.11	2.83	30.98	4.97	41.09	7.80
9.	BDO, Jirania	-	-	-	-	10.17	4.55	-	-	-	-	10.17	4.55
10.	BDO, Kumarghat	2.18	0.21	4.09	1.72	9.92	1.17	7.08	2.70	42.32	17.46	65.59	23.26
	Total	200.06	58.46	321.21	60.68	725.10	272.81	421.20	197.09	302.27	77.59	1969.84	666.63 *

* Amount kept in PL Account - Rs. 55.00 lakh

Amount kept in CD Account - Rs.545.29 lakh

Amount retained in cash - Rs. 66.34 lakh

Rs. 666.63 lakh

APPENDIX-22

(Reference : Paragraph 4.2.6.3 at page 147)

Statement showing the details of extra expenditure incurred

Sl. No.	Name of Schemes/Block CCA proposed to cover (In ha)	Year of sanction	Year of completion	Estimated cost	Upto date expenditure	Extra expenditure
(In lakh of rupees)						
1.	Lift Irrigation Scheme at East Bachaibari (Khowai) 40 ha	1989-90	In progress	10.04	13.64	3.60
2.	Samrucherra No.1 (Khowai) 44 ha	1980-81	In progress	5.60	7.23	1.63
3.	Samrucherra No.2 (Khowai) 40 ha	1984-85	In progress	2.68	3.41	0.73
4.	South Padmabill (Khowai) 60 ha	1992-93	In progress	3.92	8.36	4.44
5.	Chandranagar (Bishalgarh) 45 ha	1988-89	In progress	11.78	15.86	4.08
6.	Baishgharia (Teliamura) 45 ha	1978-79	In progress	2.49	8.02	5.53
7.	North Ghilatali (Teliamura) 40 ha	1987-88	In progress	6.11	7.23	1.12
8.	Brahmmabill (Teliamura) 35 ha	1975-76	In progress	4.90	5.76	0.86
9.	Laxinarayanpur-II (Teliamura) 40 ha	1979-80	In progress	12.25	13.02	0.77
10.	Ghilatali (Teliamura) 60 ha	1979-80	In progress	6.42	7.26	0.84
11.	Purbakunjaban (Teliamura) 60 ha	1990-91	In progress	5.46	7.23	1.77
12.	Deep Tube Well Scheme at Chamu Basti (Khowai) 25 ha	1982-83	In progress	3.95	4.27	0.23
13.	Baijalbari (Khowai) 20 ha	1978-79	In progress	2.73	3.15	0.42
14.	South Padmabill (Khowai) 30 ha	1981-82	In progress	3.65	3.77	0.12
15.	Purba Knnjaban (Teliamura) 20 ha	1993-94	In progress	4.62	6.67	2.05
16.	Kamrajmaidan (Teliamura) 20 ha	1987-88	In progress	4.42	5.99	1.57
17.	7th Mile (Teliamura) 20 ha	1981-82	In progress	7.50	8.41	0.91

APPENDIX-22 (Concl'd)

(Reference : Paragraph 4.2.6.3 at page 147)

Statement showing the details of extra expenditure incurred

Sl. No.	Name of Schemes/Block CCA proposed to cover (In ha)	Year of sanction	Year of completion	Estima- ted cost	Upto date expenditure	Extra expendi- ture
(In lakh of rupees)						
18.	Diversion Scheme at Ichaliacherra (Khowai) 120 ha	1978-79	In progress	3.79	52.78	48.99
19.	Sorbhongcherra (Teliamura) 120 ha	1983-84	In progress	6.45	64.16	57.71
20.	Kuruliacherra (Melaghar) 60 ha	1983-84	In progress	22.00	36.47	14.47
21.	Nuluacherra (Bagafa) 240 ha	1979-80	In progress	37.51	79.05	41.54
22.	Beloniacherra (Rajnagar) 160 ha	1980-81	In progress	22.71	30.71	8.00
23.	Ghoracherra (Rajnagar) 200 ha	1979-80	In progress	30.85	84.04	53.19
24.	Baikhoracherra (Bagafa) 49 ha	1958-59	1959-60	10.99	12.05	1.06
25.	DTW Scheme at Murapara under Matabari Block 30 ha	1990-91	In progress	3.91	9.89	5.98
26.	Lift Irrigation Scheme of West Kalabari (Rajnagar) 45 ha	1994-95	In progress	8.51	37.02	28.51
27.	Hafizuddin cherra (Amarpur) 40 ha	1991-92	In progress	3.42	5.33	1.91
28.	Tilthai (Panisagar) 55 ha	1981-82	In progress	1.41	7.91	6.50
29.	Kalikapur (Panisagar) 50 ha	1990-91	In progress	4.55	10.82	6.27
30.	Dewanpassa (Panisagar) 40 ha	1988-89	In progress	1.70	7.21	5.51
31.	Halambasti (Panisagar) 40 ha	1991-92	In progress	5.04	8.90	3.86
32.	Bilashcherra (Salema) 45 ha	1988-89	In progress	5.94	10.94	5.00
	Total 1938 ha					319.26

APPENDIX-23

(Reference : Paragraph 8.1.2.2 at page 215)

Statement of financial position showing particulars of paid up capital, Budgetary outgo, loans given out of Budget and outstanding loans, as on 31 March 1997

Sl. No.	Name of the Company	Paid up capital at the end of the year 1996-97					Loans out of Budget during the year	Loans outstanding
		State Govt.	Central Govt.	Holding Company	Others	Total		
1	2	3(a)	3(b)	3(c)	3(d)	3(e)	4	5
(Rupees in lakh)								
1.	Agriculture Department Tripura Horticulture Corporation Ltd.	135.00	---	---	---	135.00	---	---
2.	Finance Department Tripura State Bank Ltd.(in liquidation)	3.75	---	---	---	3.75	---	---
3.	Forest Department Tripura Forest Development and Plantation Corporation Ltd.	779.44	29.50	---	---	808.94	---	264.07
4.	Industries Department Tripura Small Industries Corporation Ltd.	717.92	---	---	---	717.92	---	81.30
	Tripura Industrial Development Corporation Ltd.	753.00	---	---	163.50	916.50	175.69	384.26
	Tripura Handloom and Handicrafts Development Corporation Ltd.	479.48	19.78	---	4.00	503.26	---	358.23
	Tripura Jute Mills Ltd.	3574.05	---	---	---	3574.05	---	718.36
	Tripura Tea Development Corporation Ltd.	487.50	---	---	---	487.50	---	---
	Tripura Natural Gas Company Ltd [*]	---	---	---	53.65	53.65	---	---
5.	Tripura Rehabilitation in Plantation and Primitive Group Programme Department Tripura Rehabilitation Plantation Corporation Ltd.	457.73	---	---	---	457.73	75.66	75.66
	Total	7,387.87	49.28	----	221.15	7658.30	251.35	1881.88

^{*} Deemed Government company.

APPENDIX-24

(Reference : Paragraph 8.1.2.2 and 8.1.2.6.1 at pages 215 and 217)

Summarised financial working results of Government companies for the latest year for which accounts were finalised upto 28 February 1998

Sl.No	Name of Company	Date of incorporation	Period of accounts	Year in which finalised	(+) Profit (-) Loss	Paid up capital including advances	Accumulated profit/loss	Capital employed	Return on capital employed	Percentage of total return in capital employed
1	2	3	4	5	6	7	8	9	10	11
					(Rupees in lakh)					
1	Tripura Small Industries Corporation Ltd.	30-04-1965	1982-83	1997-98	(-) 17.20	66.99	(-) 52.62	99.02	(-) 9.57	--
2.	Tripura Industrial Development Corporation Ltd.	28-03-1974	1989-90	1997-98	(-) 1.60	461.50	(-) 5.92	584.95	3.65	0.62
3.	Tripura Handloom and Handicrafts Development Corporation Ltd.	05-09-1974	1983-84	1997-98	15.49	61.44	0.60	146.22	17.39	11.89
4.	Tripura Jute Mills Ltd.	10-10-1974	1985-86	1996-97	(-) 317.19	657.01	(-) 1076.35	478.61	(-) 257.43	--
5.	Tripura Forest Development and Plantation Corporation Ltd.	26-03-1976	1987-88	1997-98	(-) 45.65	498.02	(-) 131.19	645.88	(-) 21.42	--
6.	Tripura Tea Development Corporation Ltd.	11-08-1980	1988-89	1997-98	8.58	40.00	(-) 0.44	492.61	8.58	1.74
7.	Tripura Rehabilitation Plantation Corporation Ltd.	03-02-1983	1993-94	1997-98	(-) 6.07	452.73	(-) 246.04	226.40	(-) 6.07	--
8.	Tripura Horticulture Corporation Ltd.	07-04-1987	1993-94	1997-98	9.07	125.00	0.80	138.39	25.10	18.14
					(-) 354.57	2362.69	(-) 1511.16	2812.08	(-) 239.77	

- Note**
1. Capital employed represents net fixed assets (including capital works in progress) *plus* working capital.
 2. Return on capital employed include net profit/loss *plus/minus* interest on borrowed fund.

APPENDIX-25

(Reference : Paragraph 8.1.2.1 and 8.1.2.5 at pages 214 and 216)

Statement showing the position of arrears in accounts in respect of Government Companies/Deemed Government Companies as on 28 February 1998

Sl. No.	Name of the Company	Accounts in arrear		Year of arrear
		From	To	
1.	The Tripura Small Industries Corporation Limited	1983-84	1996-97	14 years
2.	Tripura Industrial Development Corporation Limited	1990-91	1996-97	7 years
3.	Tripura Handloom and Handicrafts Development Corporation Limited	1984-85	1996-97	13 years
4.	Tripura Jute Mills Limited	1986-87	1996-97	11 years
5.	Tripura Forest Development and Plantation Corporation Limited	1988-89	1996-97	9 years
6.	Tripura Tea Development Corporation Limited	1989-90	1996-97	8 years
7.	Tripura Rehabilitation Plantation Corporation Limited	1994-95	1996-97	3 years
8.	Tripura Horticulture Corporation Limited	1994-95	1996-97	3 years
9.	Tripura Natural Gas Company Limited*	1991-92	1996-97	6 years
10.	Tripura State Bank Limited (Under liquidation since 1970-71)			

* Deemed Government company

APPENDIX-26

(Reference : Paragraph 8.1.2.7 at page 219)

**Statement showing the capacity utilisation of manufacturing
companies during the year -1996-97**

Name of the Company	Installed capacity	Actual utilisation	Percentage of utilisation
	(In M.T.)		
Tripura Jute Mills Limited	12,000.00 (9,000.00)	1,606.18 (764.33)	13.38 (8.49)
Tripura Tea Development Corporation Limited	600.00 (600.00)	480.00 (422.00)	80.00 (70.33)

(Previous year's figures are given in the brackets).

APPENDIX-27

(Reference : Paragraph : 8.1.3.6 at page 220)

Summarised financial working results of Statutory Corporation for the latest year for which accounts were finalised upto 28 February 1998

Name of statutory Corporation	Date of incorporation	Period of accounts	Year in which finalised	(+)Profit (-)Loss	Capital	Accumulated loss	Capital employed	Return on Capital employed	Total percentage of return on Capital employed
1	2	3	4	5	6	7	8	9	10
(Rupees in lakh)									
Tripura Road Transport Corporation	23rd October 1969	1987-88	1996-97	(-) 237.08	1396.84	1652.09	(-) 135.87	(-) 151.76	--

- 288 **Note :** 1. Capital employed represents net fixed assets (including capital works in progress) *plus* working capital.
2. Return on capital employed represents loss *minus* interest on capital and long term loans.