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सत्यमेव जयते

Report of the
Comptroller and Auditor General
of India

FOR THE YEAR ENDED 31 MARCH 1998

GOVERNMENT OF TRIPURA



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Presented before
the State Legislature

On

27 AUG 1999

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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 1997-98 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 1997-98.

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 1997-98 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 1997-98 have also been included, wherever necessary.

REPORT ON THE WORK

The first part of the report deals with the general situation of the country in 1950. It is a summary of the work done during the year and is intended to give a general impression of the progress made. The second part of the report deals with the work done during the year in detail. It is a summary of the work done in each of the departments and is intended to give a general impression of the progress made in each of the departments.

The work done during the year has been very satisfactory. It has been a year of steady progress and the work done has been of a high standard. The progress made in each of the departments has been very satisfactory and the work done has been of a high standard. The progress made in each of the departments has been very satisfactory and the work done has been of a high standard.

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OVERVIEW

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This Report includes two Chapters about financial position of the Government of Tripura for the year 1997-98 and Government's overall control over expenditure including a review of Personal Ledger Accounts maintained by various Drawing and Disbursing Officers. The remaining six chapters include 8 Audit Reviews on development and welfare programmes and other activities apart from 26 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 68 *per cent* from Rs.1121.45 crore in 1993-94 to Rs.1880.54 crore in 1997-98; the liabilities increased by 58 *per cent* from Rs.760.19 crore to Rs.1198.89 crore during the same period.

Revenue Receipts : The revenue receipts of the State Government increased from Rs.1028.92 crore in 1996-97 to Rs.1082.10 crore in 1997-98 registering an increase of 5 *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 and State Excise over the previous year. This was partly counter balanced by decline in receipts of grants-in-aid from the Central Government and Interest receipts during the same period. Tax revenue raised by the State grew by 18 *per cent* from Rs.60.50 crore in 1996-97 to Rs.71.64 crore in 1997-98 while non-Tax revenue decreased by 14 *per cent* from Rs.40.66 crore to Rs.34.87 crore during the same period.

Revenue Expenditure : The revenue expenditure of the State grew by 65 *per cent* from Rs.642.99 crore in 1993-94 to Rs.1060.39 crore in 1997-98 against the increase of 90 *per cent* in the Revised Estimates from Rs.631.14 crore to Rs.1199.24 crore during the same period. The plan revenue expenditure grew by 74 *per cent* over the level of 1993-94 while the non-plan revenue expenditure increased by 62 *per cent* during the same period.

Interest payments : During the year 1997-98, the State Government had paid interest of Rs.23.31 crore on Market Loans and Rs.45.67 crore on Loans received from Central Government which has consumed 88 *per cent* of the fresh Market Loans of Rs.26.37 crore obtained during the year and 51 *per cent* of the fresh loans of Rs.89.82 crore received from the Central Government.

Investments and return : The State Government invested Rs.16.81 crore during the year in Statutory Corporation (Rs.5.71 crore), Government Companies (Rs.7.49 crore) and Co-operative Banks and Societies (Rs.3.61 crore) with which the total investment of the Government as of March 1998 stood at Rs.162.66 crore. Besides, Government had invested Rs.20.51 crore in the form of long term loans to 6 Government companies as of 31 March 1998. 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.

Fiscal Deficit : Fiscal deficit, being the excess of Revenue and Capital expenditure over the Revenue Receipts, was Rs.195.77 crore during 1997-98 and had increased by 76 *per cent* over the level of 1993-94.

Public Debt and other liabilities : The total liabilities of the Government had increased from Rs.759.64 crore in 1993-94 to Rs.1188.40 crore in 1997-98. Loans from the Government of India constituted the largest component of Public Debt and ranged between 36 and 39 *per cent*

of the total debt of the State Government during the same period. Though the Internal Debt of the State Government increased from Rs.33.80 crore during 1993-94 to Rs.75.13 crore in 1997-98, the net inflow of loans was almost nil during 1995-96 and net outflow of loans in 1993-94, 1994-95, 1996-97 and 1997-98 was 7, 7, 19 and 12 *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.76.55 crore as on 31 March 1998.

Incomplete capital works : As of 31 March 1998, there were 104 works sanctioned between January 1980 and October 1997, at a total cost of Rs.98.98 crore which remained incomplete even after incurring an expenditure of Rs.120.41 crore (122 *per cent* of total cost) and as a result intended benefit had not accrued. In respect of 31 works, actual expenditure (Rs.32.64 crore) had exceeded the sanctioned cost (Rs.30.28 crore) by Rs.2.36 crore (8 *per cent*).

(Paragraph 1)

2. Appropriation Audit and Control over Expenditure

Overall saving/excess : Against the total provision of Rs.1689.66 crore (including supplementary) the actual expenditure during the year was Rs.1453.11 crore (Gross). The overall saving of Rs.236.55 crore was the net effect of savings of Rs.280.62 crore in 37 grants and 10 appropriations and excess of Rs.44.07 crore in 7 grants and 6 appropriations. The excess of Rs.44.07 crore required regularisation under Article 205 of the Constitution of India.

Supplementary grants : Supplementary grants of Rs.27.17 crore obtained in 13 grants/appropriations during March 1998 proved unnecessary as the actual expenditure of Rs.315.58 crore was less than the original grant of Rs.421.78 crore. In other 6 grants/appropriations supplementary provisions aggregating Rs.17.48 crore proved inadequate while in 10 other grants/appropriations against the supplementary provision of Rs.17.84 crore obtained, the utilisation was only Rs.6.81 crore leading to saving of Rs.11.03 crore.

Surrender of savings : Though, there was total saving of Rs.280.62 crore under 37 grants and 10 appropriations, only Rs.169.01 crore was surrendered at the fag end of the year (March 1998). In 5 cases, amounts surrendered (Rs.31.98 crore) were far in excess of savings actually available (Rs.16.89 crore) indicating injudicious surrenders made by five Departments.

Expenditure incurred without any budget provisions : Expenditure of Rs.40.87 crore had been incurred for execution of various schemes/works in 11 grants although no budget provisions for them were available during the year.

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.135.08 crore had not been carried out 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, 6 departments incurred expenditure of Rs.22.52 crore in March 1998 itself which constituted 31 *per cent* of the total provision and 32 *per cent* of the total expenditure of those departments during the year 1997-98.

(Paragraphs 2.2 and 2.3)

Review of Personal Ledger Accounts : As of 31 March 1998, there were 97 Personal Ledger Accounts (PLAs) operated by 97 Drawing and Disbursing Officers (DDOs) in the State having a credit balance of Rs.17.45 crore. A review of PLAs maintained by 14 DDOs out of 97 DDOs revealed the following -

- Deposits were made into PLAs primarily to avoid budgetary lapse. 19 to 75 per cent of the total amount deposited in PLAs during the years 1993-94 to 1997-98 was made in the last quarter and 11 to 60 per cent of the total deposits in PLAs was made in the month of March itself.
- Savings and current bank accounts were operated over and above the PLAs by 7 PLA administrators and Rs.1.68 crore was irregularly retained outside the Government account as of 31 March 1998.
- There was a loss of interest of Rs.3.45 lakh for keeping the funds pertaining to Member of Parliament's Local Area Development Scheme in Personal Ledger Accounts instead of savings bank account as required by the scheme.
- There was no monitoring by Government of withdrawals out of PLAs and expenditure therefrom by the DDOs. Appropriate reports/ returns by the DDOs to the controlling officers were not prescribed. In absence of scheme-wise details of the expenditure from PLA funds in the treasuries and offices of the DDOs, there was possibility of diversion of funds from one scheme to another.

(Paragraph 2.4)

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

3.1 Control Mechanism of Medical and Public Health

There are 625 Medical Institutions comprising 15 Hospitals, 11 Community Health Centres, 53 Primary Health Centres and 546 Sub-Centres for rendering health care services to 27.57 lakh people of the State. A review on Control Mechanism of Medical and Public Health covering Financial Management, Programme Management (which includes detailed examination of the working of Drug Control Machinery and National Programme for Control of Blindness) and Stores Management for the period from 1993-94 to 1997-98 showed that -

- The Controlling Officer failed to detect excess expenditure of Rs. 1.89 crore over allotment of Rs. 17.66 crore in respect of four DDOs for 1995-96 and 1996-97 owing to non-maintenance of control register of expenditure as per instructions of the Finance Department.
- The Department had spent Rs. 22.05 lakh mainly on pay and allowances of the staff during 5 years from 1992-93 to 1996-97 on continuation of "National Small Pox Eradication Programme" (Non-plan) despite the country being declared a Small Pox free zone in April 1977 by the International Commission of Small Pox Eradication Programme.

(Paragraph 3.6)

3.2 Manpower Management

Manpower Management is a process by which it is ensured that the right people in the required number at the right time and place do the right/specified job for which they are economically most useful. Further, manpower planning ensures proper distribution and clear demarcation of functional responsibilities so that available manpower is utilised efficiently and effectively. Records relating to the Health and Family Welfare Department for the period

from 1993-94 to 1997-98 in respect of 13 DDOs out of 28 were test checked in audit and it was found that -

- Out of the total expenditure of Rs. 194.45 crore incurred during 1993-94 to 1997-98, 77 *per cent* was spent on salaries and wages of staff and 23 *per cent* on other charges including medicine, diet, implements, equipment etc.
- Despite having 44 Group 'D' workers in excess of requirement in the four State level hospitals, the hospital authorities engaged 203 casual labourers for performing duties which could have been discharged by Group 'D' workers and incurred an extra expenditure of Rs. 60.65 lakh on wages during the period from 1994-95 to 1997-98.
- No training for "Nursing Course" was conducted in the two training institutions at Kailashahar and Udaipur during 1993 to 1996. As a result, services of 8 sister tutors posted in those institutes could not be utilised which led to payment of Rs. 12.82 lakh towards idle salaries.

(Paragraph 3.7)

3.3 National Malaria Eradication Programme

Keeping in view the encouraging results of National Malaria Control Programme launched in 1953 and to reduce malaria morbidity in the country, Government of India introduced in 1958 a Centrally Sponsored Scheme renamed as National Malaria Eradication Programme (NMEP). The scheme was modified in 1977 and the Modified Plan of Operation was introduced for effective control of malaria and prevention of deaths caused by malaria.

- Out of the funds of Rs. 17.36 crore released by the Centre and the State under the programme during 1992-93 to 1997-98, Rs. 2.52 crore remained unutilised as of March 1998.
- The rate of collection and examination of blood smears ranged from 6.35 to 7.95 *per cent* during 1992 to 1997 against minimum target of 10 *per cent* of the population every year. There were delay in examination of blood smears by 11 to 176 days during 1992 to 1997 on 1166 cases out of 1914 cases in 6 Health Institutions.
- There was infructuous expenditure of Rs. 32.68 lakh on procurement of 85.55 tonnes of DDT which could not be utilised even within extended period of three months from the date of its expiry.
- Different spare parts worth Rs. 28.67 lakh received from GOI in March 1996 could not be utilised as these were not suitable for the available spraying machines.

(Paragraph 3.8)

3.4 Programme for Rehabilitation of Primitive Group

The "Reangs" residing in inaccessible areas and Reserve Forests were identified by Government as "Primitive Group Tribe". To render succour to them, the programme for rehabilitation of Primitive Group was launched in the State in April 1976 with the object to provide economic rehabilitation through settled cultivation etc.

- Special Central Assistance of Rs.48.07 lakh was retained unproductively in Personal Ledger Accounts for more than two years in contravention of the rules.

Director of Health Services, four State Hospitals, two District Hospitals, three CMOs (West Tripura, South Tripura and North Tripura Districts) and three SDMOs (Khowai, Amarpur and Dharmanagar).

- There was an unauthorised diversion of Rs.1.29 crore, depriving the benefits to 1010 Reang families.
- Payment of housing assistance of Rs.1.99 crore without ensuring availability of land resulted in unfruitful expenditure.
- Owing to failure of the Department to conduct proper soil survey, supply of quality seeds etc., Rs.1.28 crore spent on raising plantations became infructuous.
- Owing to failure in taking effective measures to ensure periodical upkeep and proper protection, the Department sustained a potential loss of Rs.7.78 crore in cashew production during 1990-91 to 1997-98.
- The project report envisaged potential employment generation of 47.85 lakh mandays during 1990-91 to 1996-97 against which employment actually generated was 17.02 lakh mandays only, resulting in shortfall of 30.83 lakh mandays (representing 64 per cent).
- The Department utilised 20,000 hectares of Reserved Forests for rehabilitation of primitive groups involving an expenditure of Rs.20.39 crore in violation of the Forest (Conservation) Act 1980.

(Paragraph 3.13)

3.5 Special Central Assistance for Tribal Sub-Plan

The Special Central Assistance (SCA) for Tribal Sub-Plan (TSP), a Centrally sponsored scheme, was introduced in the State in the year 1974-75 to act as an additive to meet gaps in the TSP which the various Central and State development programmes were not in a position to fill. As per the Scheme, the SCA was to be used only for economic development of the Scheduled Tribes basically for family oriented income generating schemes in association with the TSP of the State.

- Twelve implementing agencies, to whom SCA of Rs. 14.42 crore was paid during 1992-93 to 1997-98, incurred expenditure of Rs. 10.24 crore and retained the balance amount of Rs. 4.18 crore in banks and PL Accounts although utilisation certificates for the whole amount of Rs. 14.42 crore had been submitted by the Department to the Government of India.
- The Department paid SCA of Rs. 39.88 lakh as grants to 146 ineligible persons during 1992-93 to 1997-98, and thus deprived the eligible tribal beneficiaries of the benefits of the scheme.
- Settlement could not be provided to 2464 families who were given grants under Integrated Jhumia Settlement Scheme during 1992-93 to 1997-98 even after incurring expenditure of Rs. 2.65 crore under housing and various agriculture/horticulture based schemes because of failure of the Department to allot land.
- The Tripura Forest Development Corporation Ltd. and the Tripura Rubber Plantation Corporation Ltd., raised rubber plantations on 2035.78 hectares of Reserve Forests land at a cost of Rs. 6.06 crore without approval from the Government of India during 1984-85 to 1991-92 violating the provisions of the Forest (Conservation) Act, 1980 and as a result these two corporations could not provide settlement to 1357 families making the whole expenditure of Rs. 6.06 crore unfruitful.
- The Tripura Schedule Tribes Co-operative Development Corporation Ltd., Agartala could not submit accounts for utilisation of Rs. 5.74 crore disbursed by it under the Margin Money Loan Programme during 1992-93 to 1997-98.

(Paragraph 3.14)

3.6 Stores and Stock of Public Health Engineering and Water Resources

To ensure centralised procurement and distribution of various materials required for works executed by Public Health Engineering and Water Resources (PHE&WR) Wings of the Public Works Department (PWD), the Resource Division, Agartala started functioning since March 1986. A review of the management of stores and stock accounts of the Department for the years 1993-94 to 1997-98 showed that :

- There were savings against budget provision ranging from 52.98 to 85.26 *per cent* owing mainly to restriction imposed on release of funds through LOC, unrealistic budgeting and decentralised procurement.
- The Department failed to recover the extra cost of Rs.45.56 lakh from the defaulting suppliers on account of materials procured at higher rate.
- Procurement of material (tor steel) without prior inspection led to a dispute over its quality which resulted in blockade of funds (Rs.41.38 lakh).
- Non-acceptance of the lowest rate at 2nd call and acceptance of higher rate at subsequent call resulted in extra avoidable expenditure of Rs.11.38 lakh.
- On account of short delivery of materials lifted from suppliers by the transport contractors, recovery of the cost to the extent of Rs.24.33 lakh was not effected.
- The Division made fictitious stock adjustments of Rs.1.85 crore in March 1997 to avoid lapse of budget grant.

(Paragraph 5.1)

3.7 Interest Receipts

A review on the assessment and collection of "Interest Receipts" covering the period from 1992-93 to 1996-97 disclosed the following :

- In 47 cases involving grant of loan of Rs.250.95 lakh, interest amounting to Rs.112.31 lakh was neither assessed nor were demands raised.
- Failure to prescribed the terms and conditions for loans amounting Rs.97.03 lakh sanctioned by the Directorate of Handloom, Handicraft and Sericulture (Rs.29.59 lakh in 12 cases) and Registrar of Co-operative Societies (Rs.67.46 lakh in one case) resulted in non-recovery of interest amounting to Rs.66.35 lakh.
- Delayed disbursement/non-disbursement of loans for periods ranging from 9 to 89 months after drawal from treasuries resulted in loss of interest of Rs.12.23 lakh.
- Interest amounting to Rs.82.77 lakh was either short levied/not levied or not recovered (Tripura State Co-operative Bank Limited, Agartala : Rs.79.88 lakh; and four co-operative societies : Rs.2.89 lakh).
- There was non-levy of penal interest of Rs.16.51 lakh for belated payment of instalments of principal by 123 co-operative societies.

(Paragraph 6.7)

3.8 Working of Tripura Handloom and Handicrafts Development Corporation Limited

Tripura Handloom and Handicrafts Development Corporation Limited was incorporated by the State Government on 5 September 1974 with a view to removing poverty and unemployment of weavers and artisans in the State and strengthening their base by (i)

purchase of handloom and handicraft products from weavers and artisans and sale of those products through its own sales emporia, (ii) purchase of yarn and sale thereof to enlisted weavers, (iii) purchase and sale of Janata Cloths, (iv) implementation of 'Project Package Scheme' of the Central Government and (v) production and sale of polyester fabrics.

— Shortfall in achieving procurement target of handloom and handicraft products, Janata Cloths and yarn increased from 4.40 *per cent* in 1993-94 to 52.16 *per cent* in 1996-97 and shortfall in achieving sales target increased from 18.54 *per cent* in 1993-94 to 33.15 *per cent* in 1996-97.

— In course of procurement of yarn, the company undertook avoidable liability of Rs. 0.31 crore as interest in March 1994.

— Delay in realisation of reimbursement claims for interior decoration work from different Government department and agencies resulted in a loss of Rs. 0.23 crore on account of interest upto 1997-98.

— The Government of India disallowed Rs. 0.35 crore out of Janata Subsidy claims of the company without assigning any reason (Rs.0.30 crore) and for violation of condition (Rs.0.05 crore), resulting in loss to that extent.

(Paragraph 8.2)

4. Other points of interest

(a) Civil

— As a result of inordinate delay in finalising the tenders as well as failure to enforce the conditions mentioned in the notice inviting tenders, the Agriculture Department incurred extra expenditure of Rs. 6 lakh on the supply of 2000 tonnes of fertiliser.

(Paragraph 3.1)

— No deductions of income tax and surcharge were made from contractors' bill for execution of various works of the Agriculture Department between February 1993 and July 1994. This extended undue financial benefit to the concerned contractors to the tune of Rs. 5 lakh (Income tax :Rs. 4.55 lakh; surcharge :Rs. 0.45 lakh).

(Paragraph 3.2)

— Two Inspectors of Schools (Dharmanagar and Shantirbazar) had incurred expenditure simultaneously under the old Mid-day-Meal programme (Rs.7.42 lakh) as well as the new Programme for Nutritional Support of Primary Education (Rs.13.92 lakh) during the period from 15 August 1995 to 31 October 1995 on the same group of beneficiaries, leading to overlapping of expenditure of Rs.7.42 lakh.

(Paragraph 3.3)

— Paper worth Rs. 4.23 lakh was procured in excess of requirement leading to unnecessary locking of funds. Besides, 1.63 tonnes of paper worth Rs.0.49 lakh became unfit for use owing to long storage.

(Paragraph 3.4(i))

— The expenditure of Rs. 5.35 lakh incurred by the Health and Family Welfare Department for mere consultancy without making any arrangement for the required funds for the proposed expansion of IGM Hospital stood totally unjustified and violated the principle of

sound finance. Meanwhile, the long anticipated benefits from the proposed construction could not accrue to the beneficiaries as the project got stalled.

(Paragraph 3.9)

— The entire expenditure of Rs. 40.44 crore upto 31 March 1998 incurred by the Industries Department towards capital investment in the Tripura Jute Mills Ltd. (which also has exceeded the authorised capital of Rs. 12 crore) proved injudicious and uneconomic and resulted in extending undue financial assistance to the company for being used as working capital.

(Paragraph 3.10)

— Inordinate delay on the part of the Government to take effective steps to rehabilitate all the inmates of the Amtali Permanent Liability Home immediately after the screening made in 1988, resulted in avoidable expenditure of Rs. 26.56 lakh. If proper follow up action on Government decision (January 1991) to wind up the home had been taken, expenditure of Rs. 18.41 lakh could have been avoided.

(Paragraph 3.11)

— Injudicious site selection for setting up of Regional Survey Training Institute in Tripura at the first instance at Debendra Chandra Nagar followed by belated decision of shifting the same at Arundhutinagar, and also lack of proper co-ordination between different levels of administration resulted in infructuous expenditure of Rs. 13.69 lakh.

(Paragraph 3.12)

— Allowing escalation charges at higher rate on cost of materials supplied beyond the contractual period of agreement without restricting it to the rate applicable, the Executive Engineer, Gumti Civil Division, Jatanbari had paid an excess amount of Rs. 13.66 lakh as escalation charges for a work.

(Paragraph 4.1)

— Sub-standard material led to loss of Rs.7.82 lakh to Government due to non-establishing of stand before arbitrator.

(Paragraph 4.2)

— Non-payment of energy bills in time to different power supply agencies not only resulted in extra liability of Rs. 3.29 crore on interest to be incurred by the Power Department but also deprived the State of Rs. 3.14 crore earmarked for development activities, by diverting the amount for payment of energy bills.

(Paragraph 4.3)

— Injudicious contract executed with the Gas Authority of India Ltd. and incorrect assessment of the minimum guaranteed requirements of gas by the Executive Engineer, Gas Thermal Electrical Division, Rokhia before execution of agreement resulted in avoidable expenditure of Rs. 2.74 crore.

(Paragraph 4.4)

— Failure to obtain delivery of cement by Transmission Division against advance of Rs.9.37 lakh paid between July 1988 and August 1989 to the suppliers resulted in a loss of Rs.18.20 lakh in the form of interest and extra payment made to contractor for his purchase, besides locking up of the amount thus advanced for a period of 9 to 10 years.

(Paragraph 4.5)

— Non-acceptance of the tenders within the validity period of first call resulted in extra expenditure of Rs. 12.54 lakh on procurement of 14000 metering instruments to the Power Department.

(Paragraph 4.6)

(b) Revenue

— In 14 cases of assessment under the two Superintendent of Taxes (Charges I and V, Agartala), there were concealment of turnover and consequent evasion of tax for which penalty of Rs.20.23 lakh was not levied and Rs.4.45 lakh was short levied.

(Paragraph 6.3)

— Closing stock of Rs.32.42 lakh was not taken into account while determining the turnover of one dealer by the Superintendent of Taxes, Charge II, Agartala leading to under-assessment of turnover which resulted in short levy of taxes amounting to Rs.5.68 lakh including interest of Rs.1.67 lakh.

(Paragraph 6.5)

— The Superintendent of Taxes, Churaibari Check Post allowed lifting of seized goods retained in godown beyond the permissible limits of 15 days without charging godown rent which resulted in loss of revenue to the extent of Rs.1.33 lakh.

(Paragraph 6.6)

(c) Commercial

The State had 9 Government companies (8 working and one under liquidation) and one deemed Government company with total investment of Rs. 104.19 crore (Equity :Rs. 83.68 crore; Long term loans :Rs. 20.51 crore).

— Accounts of all the companies were in arrears for the periods ranging from 4 to 15 years.

— According to latest finalised accounts, out of 8 Government working companies 6 companies had incurred loss of Rs. 4.10 crore and the remaining 2 companies earned profit of Rs. 0.18 crore. One of the loss making companies, i.e., Tripura Jute Mills Ltd., was sick and was referred to Board for Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies (Special Provision) Amendment Act, 1991 but the BIFR did not consider the case as the company's accounts were in arrears.

— There was one statutory corporation in the State, viz., Tripura Road Transport Corporation with total equity of Rs. 48.46 crore (State Government :Rs. 44.82 crore, Central Government :Rs. 3.64 crore) as on 31 March 1998. The corporation had finalised its accounts upto 1987-88 and the accumulated loss of the corporation as on that date was Rs. 16.52 crore.

(Paragraph 8.1)

— The sanction and disbursement of loan of Rs. 0.13 crore during 1992-93 by the Tripura Industrial Development Corporation Limited to an entrepreneur for modernisation of his printing press in deviation from the stipulated terms and conditions, proved injudicious and a total amount of Rs.0.59 crore towards principal, interest and penal interest stood recoverable from the entrepreneur as on 31 December 1998.

(Paragraph 8.3)

— Non-imposition of penalty by 14 Electrical Sub-Divisions for default in making payment of electricity consumption bills within the due date by 415 consumers in 731 cases pertaining to the period from February 1993 to August 1996 resulted in a loss of revenue amounting to Rs. 0.34 crore to the Power Department.

(Paragraph 8.5)

— Unauthorised allowance of rebate by 12 Electrical Sub-Divisions to 419 consumers in 631 cases for consumption of electrical energy between February 1993 and August 1996 resulted in loss of revenue amounting to Rs. 0.06 crore to the Power Department.

(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 Reports 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 1998 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 1998, emerging from the Appropriation Accounts and the Finance Accounts for the year 1997-98 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 1998 (Rupees in crore)

Liabilities			Assets			
Amount as on 31 March 1997		Amount as on 31 March 1998	Amount as on 31 March 1997		Amount as on 31 March 1998	
281.33	Internal Debt (Market Loans, Loans from Life Insurance Corporation of India and Others)	311.28	1627.90	Gross capital outlay on Fixed Assets		1843.16
				145.85 (i) Investment in Government Companies and Statutory Corporations, etc.	162.66	
377.62	Loans and Advances from Central Government	448.86		1482.05 (ii) Other Capital Outlay on General, Social and Economic Services	1680.50	
	13.15 (i) Pre- 1984-85 Loans	11.77				
	172.98 (ii) Non-Plan Loans	213.83	44.30	Loans and Advances by the State Government		46.52
	168.85 (iii) Loans for State Plan Schemes	198.41		34.91 (i) Other Development Loans	34.99	
	0.31 (iv) Loans for Central Plan Schemes	0.43		9.39 (ii) Loans to Government Servants and Miscellaneous	11.53	
	8.56 (v) Loans for Centrally Sponsored Plan Schemes	9.11	1.23	Other Advances		1.25
	1.42 (vi) Ways and Means Advances	1.42	0.13	Suspense and Miscellaneous Balances		7.36
	12.35 (vii) Loans for Special Schemes	13.89	2.13	Remittance Balances		0.49
			24.81	Cash Balance		(-) 18.24
316.75	Small Savings, Provident Funds, etc.	372.61		Nil* (i) Cash in Treasuries	NIL*	
54.35	Deposits not bearing interest	55.64				
10.00	Contingency Fund	10.00		1.67 (ii) Departmental Cash Balance including permanent advances	2.09	
0.51	Reserve Fund	0.50		54.03 (iii) Cash balance investment	44.98	
659.94	Surplus on Government Account	681.65		(-) 30.89* (iv) Deposits with Reserve Bank of India	(-) 65.31**	
1700.50		1880.54	1700.50			1880.54

* 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 1997-98 after incorporating all adjustments made by RBI for the year 1997-98 upto 25th April 1998.

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. 10.51 crore between the figures reflected in the accounts (debit : Rs. 65.31 crore) and that intimated by the Reserve Bank of India under "Deposits with Reserve Bank" (debit : Rs. 54.80 crore). The difference is under reconciliation (October 1998).

STATEMENT - II

II. Abstract of Receipts and Disbursements for the year 1997-98

(Rupees in crore)

Receipts				Disbursements				
SECTION - A - REVENUE								
I.	Revenue Receipts		1082.10	I.	Revenue Expenditure		1060.39	
						Non-plan	Plan	Total
	(i) Tax Revenue	71.64			(i) General Services	345.34	4.05	349.39
	(ii) Non-Tax Revenue	34.87			(ii) Social Services	240.65	157.10	397.75
	(iii) State's Share of Union Taxes	429.77			(iii) Economic Services :			
					(a) Agriculture and Allied Activities	46.24	38.29	84.53
	(iv) Non-Plan Grants	99.94			(b) Rural Development	12.82	90.16	102.98
	(v) Grants for State/ Union Territory Plan Schemes	344.85			(c) Special Areas Programme(NEC)	--	0.24	0.24
	(vi) Grants for Central Plan Schemes	18.38			(d) Irrigation and Flood Control	11.96	6.01	17.97
	(vii) Grants for Centrally Sponsored Schemes	61.74			(e) Energy	57.92	0.22	58.14
	(viii) Grants for Special Plan Schemes (NEC)	20.91			(f) Industry and Minerals	4.39	7.52	11.91
	(ix) Aid Material and Equipment	--			(g) Transport	10.07	0.53	10.60
					(h) Communication	3.99	0.10	4.09
					(i) Science, Technology and Environment	--	0.47	0.47
					(j) General Economic Services	3.29	1.83	5.12
					(iv) Grants-in-aid and contributions	17.20	--	17.20
						753.87	306.52	1060.39
				II.	Revenue Surplus (carried over to Section B)			21.71
Total Section - A - Revenue			1082.10	Total Section - A - Revenue			1082.10	

(Rupees in crore)

Receipts			Disbursements						
SECTION - B - OTHERS									
II.	Opening Cash Balance including permanent advance and cash balance investment		24.81	III.	Opening overdraft from Reserve Bank of India				NIL
				IV.	Capital outlay				215.26
III.	Recoveries of Loans and Advances		1.06			Non-plan	Plan	Total	
	(i) From Government Servants	0.88			(i) General Services	0.02	3.64	3.66	
	(ii) From others	0.18			(ii) Social Services	--	79.66	79.66	
					(iii) Economic Services:				
IV.	Public debt Receipts		164.95		(a) Agriculture and Allied Activities	0.15	1.40	1.55	
	(i) Internal Debt Other than Ways and Means Advances	41.32			(b) Rural Development	--	7.78	7.78	
					(c) Special Areas Programme	--	23.55	23.55	
	(ii) Loans and Advances from Central Government	89.82			(d) Irrigation and Flood Control	--	10.85	10.85	
					(e) Energy	--	27.27	27.27	
	(iii) Ways and Means Advances from the Reserve Bank of India	33.81			(f) Industry and Minerals	--	5.91	5.91	
					(g) Transport	5.01	45.99	51.00	
V.	Revenue Surplus carried over		21.71		(h) Science, Technology and Environment	--	0.16	0.16	
					(i) General Economic Services	2.29	1.58	3.87	
			212.53		Carried over	7.47	207.79	215.26	

(Rupees in crore)

Receipts			Disbursements			
SECTION - B - OTHERS						
	B/F	212.53		B/F	215.26	
VI.	Public Accounts Receipts		600.97	V.	Loans and Advances Disbursed	3.28
	(i) Small Savings and Provident Funds	136.68			(i) To Government Servants	3.02
	(ii) Reserve Fund	Nil			(ii) To others	0.26
	(iii) Deposits and Advances	136.62		VI.	Repayment of Public Debt	63.75
	(iv) Suspense and Miscellaneous	22.75			(i) Internal Debt other than Ways and Means Advances	11.36
	(v) Remittances	304.92			(ii) Ways and Means Advances	33.81
					(iii) Repayment of Loans and Advances to Central Government	18.58
VII.	Closing overdraft from Reserve Bank of India		Nil	VII.	Public Accounts Disbursements	549.45
					(i) Small Savings and Provident Funds	80.82
					(ii) Reserve Fund	0.01
					(iii) Deposits and Advances	135.36
					(iv) Suspense	29.98
					(v) Remittances	303.28
				VIII.	Cash Balance at end	(-) 18.24
					(i) Cash in Treasuries	Nil*
					(ii) Departmental Cash Balance including permanent advance	2.09
					(iii) Cash Balance investment	44.98
					(iv) Deposit with Reserve Bank of India	(-) 65.31
Total Section - B - Others			813.50	Total Section - B - Others		813.50

* Rs.1353 only.

STATEMENT - III

III. Sources and Application of Funds for the year 1997-98

		Amount
I.	Sources	<i>(Rupees in crore)</i>
	1. Revenue Receipts	1082.10
	2. Recoveries of Loans and Advances	1.06
	3. Increase in Public Debt	101.19
	4. Net Receipts from Public Account	51.53
	(i) Increase in Small Savings and Provident Funds	55.86
	(ii) Decrease in Reserve Funds	(-) 0.01
	(iii) Increase in Deposits and Advances	1.27
	(iv) Increase in Suspense Balances	(-) 7.23
	(v) Increase in Remittance Balances	1.64
	Total - I - Sources :	1235.88
II.	Applications	
	1. Revenue Expenditure	1060.39
	2. Capital Expenditure	215.26
	3. Lending for development and other purposes	3.28
	4. Decrease in cash balance including permanent advances, departmental cash balance and cash balance investment	(-) 43.05
	Total - II - Application :	1235.88

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 1997-98, 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
	<i>(Rupees in crore)</i>	
1993-94	1121.45	760.19
1994-95	1249.67	862.33
1995-96	1492.21	947.54
1996-97	1700.50	1040.56
1997-98	1880.54	1198.89

Assets of the State Government had increased (by Rs.759.09 crore) from Rs.1121.45 crore in 1993-94 to Rs.1880.54 crore in 1997-98 registering an increase of 68 per cent while the liabilities increased by Rs.438.72 crore (58 per cent) from Rs.760.19 crore to Rs.1198.89 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 etc. (Rs.66.61 crore), more capital outlay on General, Social and Economic services (Rs.715.97 crore), more

loans and advances for development purposes (Rs.8.75 crore) and more advances to departmental officers (Rs.0.31 crore). The increase in assets by Rs.791.64 crore during the period was, however, partly offset and reduced to Rs.759.09 crore due to decrease in suspense and miscellaneous balance by Rs.8.85 crore, remittance balance by Rs.17.53 crore and cash balance by Rs.6.17 crore.

The liabilities had increased mainly due to raising of more loans from the open market (Rs.106.98 crore), obtaining more loans and advances from the Central Government (Rs.152.85 crore), increased deposits under Small Savings and Provident Funds (Rs.192.13 crore), enhancement of the corpus of the Contingent Fund by the State Legislature (Rs.9.50 crore) and creation of Reserve fund (Special Fund for Compensatory Afforestation) by the Forest Department (Rs.0.45 crore). The increase of Rs.461.91 crore in the liabilities during the period was partly offset and reduced to Rs.438.70 crore due to decrease in Civil Deposits (Rs.23.21 crore).

1.3.2 Financial position of the State

(i) Financial position of the State Government during 1997-98 as emerged from the Finance Accounts revealed that revenue receipts of the State Government were Rs.1082.10 crore against which revenue expenditure was Rs. 1060.39 crore, thus resulting in a Revenue surplus of Rs.21.71 crore.

(ii) The revenue receipts of the State Government comprised tax revenue (Rs. 71.64 crore), non-tax revenue (Rs.34.87 crore), State's share of Union taxes and duties (Rs. 429.77 crore) and grants-in-aid from the Central Government (Rs. 545.82 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 (43 per cent) and other Administrative Services (7 per cent).

(iii) The revenue expenditure of Rs.1060.39 crore was incurred for providing General Services (33 per cent), Social Services (38 per cent), Economic Services (28 per cent) and on payment of Grants-in-aid/ contributions (2 per cent) to Local Bodies and Panchayat Raj Institutions.

(iv) The capital expenditure of the State Government was Rs.215.26 crore which was shared by General Services (2 per cent), Social Services (37 per cent) and Economic Services (61 per cent).

(v) The Public Debt of the State Government increased by Rs.101.19 crore during 1997-98 thereby pushing up the burden of interest payment and servicing of debt. The interest payments (Rs.81.61 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 1997-98 alongwith previous financial year were as under :

Receipts			Expenditure		
1996-97		1997-98	1996-97		1997-98
<i>(Rupees in crore)</i>					
Revenue Account					
1028.92	Revenue Receipts	1082.10	907.16	Revenue Expenditure	1060.39
-	Revenue Deficit	-	121.76	Revenue Surplus	21.71
1028.92	Total	1082.10	1028.92	Total	1082.10

Receipts			Expenditure		
1996-97		1997-98	1996-97		1997-98
<i>(Rupees in crore)</i>					
Capital Account					
-	Capital Receipts	-	241.68	Capital Expenditure	215.26
4.47	Recoveries of Loans and Advances	1.06	6.28	Loans and Advances Disbursed	3.28
94.80	Receipts booked as Public Debt	164.95	23.68	Repayment of Public Debt	63.75
172.37	Capital Deficit	116.28	-	Capital Surplus	-
271.64	Total	282.29	271.64	Total	282.29
50.61	Deficit in Consolidated Fund	94.57	-	Surplus in Consolidated Fund	-

Receipts in the Consolidated Fund of the State increased from Rs.1128.19 crore in 1996-97 to Rs.1248.11 crore in 1997-98 and registered an increase of 11 *per cent*. Receipts from Public Debt constituted 13 *per cent* of the Consolidated Fund of the State during the year 1997-98.

During 1996-97, the net deficit available in the Consolidated Fund of the State after adjusting the Capital deficit of Rs.172.37 crore was Rs.50.61 crore. The total deficit (Revenue *plus* Capital) during the year 1997-98 was Rs.94.57 crore.

1.3.4 Public Account

Receipts and disbursements under Public Accounts of the State for the year 1997-98 were as under :

	Receipts	Disbursement
<i>(Rupees in crore)</i>		
Small Savings Provident Funds etc.	136.68	80.82
Reserve Funds	--	0.01
Deposits and advances	136.62	135.36
Suspense and Miscellaneous	1772.31	1770.91
Remittances	304.92	303.28
Total	2350.53	2290.38
Surplus on Public Account	60.15	

The surplus of Rs.60.15 crore in the Public Account was offset by deficit of Rs.94.57 crore in the Consolidated Fund. The remaining deficit of Rs.34.42 crore in the Consolidated Fund led to reduction in the cash balance under Reserve Bank Deposits. Thus the year ended with a negative cash balance of Rs.65.31 crore.

1.4 Revenue Receipts

1.4.1 Trend of revenue receipts during the period of five years (1993-98) was as under :

Year	Budget Estimates	Actual Receipts	Increase(+)/ Decrease(-) over the previous year	Percentage of increase(+)/ decrease(-)
(Rupees in crore)				
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
1997-98	1284.17	1082.10	(+) 53.18	(+) 5

Revenue Receipts increased by 5 *per cent* from Rs.1028.92 crore in 1996-97 to Rs.1082.10 crore in 1997-98. The increase was mainly due to higher State's share of Basic Union Excise Duties (Rs.82.34 crore), share of net proceeds of Taxes on Income other than Corporation Tax (Rs.28.65 crore), higher receipts under Sales Tax (Rs.6.69 crore) and State Excise (Rs.2.55 crore) over the previous year which was partly counter-balanced by decrease under grants-in-aid from Central Government (Rs.63.16 crore) and Interest receipts (Rs.5.47 crore).

1.4.2 Tax Revenue

The growth of Tax Revenue mobilised by the State Government during the last five years (1993-98) 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)				
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
1997-98	73.15	71.64	18	7

Tax revenue increased by 18 *per cent* from Rs.60.50 crore in 1996-97 to Rs.71.64 crore in 1997-98. As compared to the growth of tax revenue of 84 *per cent* during the period from 1988-89 to 1992-93, it was 93 *per cent* during the period from 1993-94 to 1997-98.

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)				
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
1997-98	42.24	34.87	(-) 14	3

Non-Tax revenue decreased by 14 *per cent* from Rs.40.66 crore in 1996-97 to Rs.34.87 crore in 1997-98. As compared to the growth of Non-Tax revenue of 36 *per cent* during the period from 1988-89 to 1992-93, it was 39 *per cent* during the period from 1993-94 to 1997-98.

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)							
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
1997-98	79.81	349.96	429.77	545.82	-	975.59	90	92

Total Receipts from the Central Government increased by 5 *per cent* from Rs.927.76 crore in 1996-97 to Rs.975.59 crore in 1997-98. As compared to the increase of 52 *per cent* during the period from 1988-89 to 1992-93, it was 68 *per cent* during the period from 1993-94 to 1997-98.

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 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
31 March 1998	9.53	0.08	9.61

Out of arrears of Sales Tax of Rs.9.53 crore as on 31 March 1998 recoveries amounting to Rs.2.96 crore had been stayed by courts, Rs.0.41 crore by Government, demands for Rs.4.80 crore had been covered by recovery certificates and Rs.1.36 crore were in different stages of recovery.

Out of arrears of Rs.0.08 crore of Agricultural Income Tax as on 31 March 1998, demands for Rs.0.03 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 1997-98 was as under :

Year	Revised Estimates			Actuals			Increase(+)/ decrease(-) as compared to Revised Estimates
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
<i>(Rupees in crore)</i>							
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
1997-98	325.26	873.98	1199.24	306.52	753.87	1060.39	(-) 138.85

The revenue expenditure grew by 65 per cent by the end of 1997-98 over the level of 1993-94 against the increase of 90 per cent projected in the Revised estimates of corresponding period. The revenue expenditure during 1997-98 was Rs.1060.39 crore against the Revised estimates (net) of Rs.1199.24 crore disclosing a shortfall of Rs.138.85 crore. The reasons for variation are given in Chapter-II of this Report; further details are available in the Appropriation Accounts for the year 1997-98 - Government of Tripura.

The non-Plan expenditure grew by 62 per cent by the end of 1997-98 over the level of 1993-94 while the corresponding increase in the Plan expenditure was 74 per cent.

The percentage of Plan expenditure to total revenue expenditure increased from 27 per cent in 1993-94 to 29 per cent in 1997-98 while in the non-Plan sector the expenditure decreased from 73 per cent to 71 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	1993-94		1997-98		Percentage of increase(+)/ decrease(-)	
		Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
<i>(Rupees in crore)</i>							
	General Services						
1.	Organs of State	0.04	7.32	0.05	13.64	25	86
2.	Fiscal Services	0.11	5.94	0.71	9.93	545	67
3.	Interest Payment and Servicing of Debt	--	68.07	--	119.96	--	76
4.	Administrative Services	0.50	111.77	3.29	143.66	558	29

Sl. No.	Sector	1993-94		1997-98		Percentage of increase(+)/ decrease(-)	
		Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
	General Services	<i>(Rupees in crore)</i>					
5.	Pension and Miscellaneous General Services	--	28.72	--	58.15	--	102
	Social Services						
6.	Education, Sports, Art and Culture	27.03	109.16	55.53	176.65	105	62
7.	Health and Family Welfare	16.34	17.92	25.85	32.12	58	79
8.	Water Supply, Sanitation, Housing and Urban Development	7.71	5.72	6.42	5.20	(-) 17	(-) 09
9.	Information and Broadcasting	1.42	1.28	2.05	2.19	44	71
10.	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	37.22	3.24	49.81	5.89	34	82
11.	Labour and Labour Welfare	0.79	1.33	1.06	2.24	34	68
12.	Social Welfare and Nutrition and Others	10.36	16.87	16.39	16.36	58	(-) 03
	Economic Services						
13.	Agriculture and Allied Activities	31.16	27.76	38.29	46.24	23	67
14.	Rural Development	29.19	9.02	90.16	12.82	209	42
15.	Special Areas Programme	1.15	0.01	0.24	--	(-) 79	(-) 100
16.	Irrigation and Flood Control	4.75	3.49	6.01	11.96	27	243
17.	Energy	--	27.35	0.21	57.92	100	112
18.	Industry and Minerals	6.94	2.91	7.52	4.39	8	51
19.	Transport	0.09	10.36	0.53	10.07	489	(-) 03
20.	Communication	0.20	2.42	0.10	3.99	(-) 50	65
21.	Science, Technology and Environment	0.66	--	0.47	--	(-) 29	--
22.	General Economic Services	0.74	2.17	1.83	3.29	147	52
23.	Grants-in-aid and Contributions	--	3.76	--	17.20	--	357
	Total	176.40	466.59	306.52	753.87	74	62

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.	Total	
	(Rupees in crore)				
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
1997-98	35.94*	45.67	38.35	119.96	167

Total interest payments increased from Rs.110.21 crore in 1996-97 to Rs.119.96 crore in 1997-98, which constituted 11 *per cent* of the revenue expenditure. The percentage growth of interest payments from the year 1993-94 to 1997-98 was 76 *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.30.38 crore in 1993-94 to Rs.45.67 crore in 1997-98 showing an increase of 50 *per cent*.

During the year 1997-98 the interest of Rs.23.31 crore paid on Market Loans had consumed 88 *per cent* of the fresh Market Loans (Rs.26.37 crore) obtained during the year while interest of Rs.45.67 crore paid on Loans received from Central Government had consumed 51 *per cent* of the fresh loans received from the Central Government (Rs.89.82 crore). Similarly the interest of Rs.12.57 crore paid on other loans obtained from various Insurance Corporations, NABARD, NCDC, HUDCO and Rural Electrification Corporations etc., has wiped out the fresh loans (Rs.14.95 crore) to the extent of 84 *per cent*. The overall percentage of interest paid (Rs.81.55 crore) on various loans was 62 *per cent* of the total fresh loans of Rs.131.14 crore received during the year 1997-98.

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 1997-98 was as under :

* This includes expenditure of Rs.0.06 crore incurred for management of debt.

Local bodies/others	Quantum of assistance				
	(Rupees in crore)				
	1993-94	1994-95	1995-96	1996-97	1997-98
1. Universities and Educational Institutions	10.27	11.65	55.15	14.89	16.13
2. Municipal Corporations and Municipalities	1.46	2.05	0.14	1.51	0.72
3. Zilla Parishads and Panchayat Raj Institutions	4.41	4.78	0.16	5.02	51.83
4. Development Agencies	21.64	10.68	10.96	11.20	12.23
5. Hospitals and other Charitable Institutions	--	--	--	--	2.85
6. Other Institutions	14.36	20.09	46.57	56.98	44.40
Total	52.14	49.25	112.98	89.60	128.16

Trends :

	1993-94	1994-95	1995-96	1996-97	1997-98
Percentage growth of assistance over previous year	(-) 11	(-) 6	129	(-) 21	43
Revenue raised by the State (Rupees in crore)	62.25	69.43	86.51	101.16	106.51
Percentage of assistance to Revenue raised by the State	84	71	131	89	120
Revenue Expenditure (Rupees in crore)	642.99	705.78	786.46	907.16	1060.39
Percentage of assistance to Revenue Expenditure	8	7	14	10	12

Financial assistance to local bodies and others increased from Rs.52.14 crore in 1993-94 to Rs.128.16 crore in 1997-98. The increase was due mainly to increase in assistance to Zilla Parishads and Panchayat Raj and educational institutions.

It would appear from the above table that in 1995-96 and 1997-98 the assistance to local bodies etc., exceeded by 31 and 20 *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 3775 utilisation certificates amounting to Rs.478.56 crore as many as 2667 certificates amounting to Rs.424.18 crore had not been received as on 30 September 1998. 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 1993-94 to 1997-98 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
<i>(Rupees in crore)</i>							
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
1997-98	44.30	3.28	1.06	46.52	(+) 2.22	0.38	101.19

The net loans and advances disbursed during the five years ranged between 2 and 9 per cent of the net receipts from long term borrowings of the State Government.

1.5.3(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 against Agartala Municipality.

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 1998 had not been received (October 1998) 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 of increase(+)/ decrease(-) over the previous year	Percentage of capital expenditure with reference to total expenditure
<i>(Rupees in crore)</i>						
		Plan	Non-Plan	Total		
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
1997-98	317.96	207.79	7.47	215.26	(-) 11	17

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

The capital expenditure during 1997-98 was Rs.215.26 crore against the revised budget estimates (net) of Rs. 317.96 crore disclosing a shortfall in expenditure of Rs. 102.70 crore. The main reasons for shortfall are given in Chapter-II of this Report; further details are available in Appropriation Accounts for 1997-98 - Government of Tripura.

The proportion of capital expenditure to the total expenditure increased from 15 per cent in 1993-94 to 17 per cent in 1997-98 but decreased by 4 per cent over the previous year.

The capital expenditure under plan sector increased by 93 per cent while under non-plan sector it increased by 266 per cent by the end of 1997-98 over the level of 1993-94.

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	1993-94		1997-98		Percentage of increase (+)/ decrease (-)	
		Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
		<i>(Rupees in crore)</i>					
1.	General Services	5.62	--	3.64	0.02	(-) 35	(+) 100
	Social Services						
2.	Education, Sports, Art and Culture	1.57	--	1.98	--	(+) 26	--
3.	Health and Family Welfare	2.07	--	3.11	--	(+) 50	--
4.	Water Supply, Sanitation, Housing and Urban Development	23.56	--	74.51	--	(+) 216	--
5.	Social Welfare and Nutrition	0.08	--	0.06	--	(-) 25	--
	Economic Services						
6.	Agriculture and Allied Activities	1.28	1.29	1.40	0.15	(+) 9	(-) 88
7.	Rural Development	--	--	7.78	--	(+) 100	--
8.	Special Areas Programme	3.42	--	23.55	--	(+) 589	--
9.	Irrigation and Flood Control	8.17	--	10.85	--	(+) 33	--
10.	Energy	33.06	0.75	27.27	--	(-) 18	(-) 100
11.	Industry and Minerals	4.48	--	5.91	--	(+) 32	--
12.	Transport	23.40	--	45.99	5.01	(+) 97	(+) 100
13.	Science, Technology and Environment	--	--	0.16	--	(+) 100	--
14.	General Economic Services	0.92	--	1.58	2.29	(+) 72	(+) 100
	Total	107.64	2.04	207.79	7.47	(+) 93	(+) 266

1.6.2 Investments and return

With the fresh investment of Rs.16.81 crore during the year in different concerns, the total investment of the Government in shares and debentures on 31 March 1998 stood at Rs.162.66 crore. The details of the investment and return thereon during 1997-98 along with figures for the preceding four years are given below :

Year	Investment of Government in					
	Statutory Corporation	Government Companies	Co-operative Banks, Societies, etc.	Total	Total investment upto the end of the year	Dividend/ interest received
	<i>(Rupees in crore)</i>					
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
1997-98	5.71	7.49	3.61	16.81	162.66	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 but it was decreased by 30 per cent from Rs.23.87 crore in 1996-97 to Rs.16.81 crore in 1997-98. As compared to the growth of investment of 113 per cent during the period from 1988-89 to 1992-93, it was 69 per cent during the period from 1993-94 to 1997-98.

Besides, Government had invested Rs.20.51 crore in the form of long term loans with 6 out of 9 Government Companies as of March 1998. 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 15 years as of 30 September 1998. None of the 9 Government companies had finalised its accounts for the year 1997-98. The cumulative loss in respect of 7 loss making companies was Rs.15.36 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
<i>(Rupees in crore)</i>				
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
1997-98	(+) 133.65	(+) 5.50	(+) 21.71	(+) 13

The State of Tripura which had a revenue deficit of Rs.0.25 crore in 1993-94 has closed to a revenue surplus of Rs.21.71 crore in 1997-98. The revenue receipts of the State Government increased by Rs.439.36 crore in 1997-98 over the level of 1993-94 registering an increase of 68 per cent due mainly to more receipts (Rs.395.10 crore) from the Central Government and tax revenue raised by the State Government (Rs.34.52 crore).

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
<i>(Rupees in crore)</i>	
1993-94	111.00
1994-95	110.04
1995-96	33.91
1996-97	121.74
1997-98	195.77

The fiscal deficit shows an increasing trend since 1993-94. It rose from Rs.111.00 crore in 1993-93 to Rs.195.77 crore in 1997-98 registering an increase of 76 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 1998 with those of the preceding four years are given below :

		Balance at the end of				
		1993-94	1994-95	1995-96	1996-97	1997-98
		(Rupees in crore)				
(i)	Internal debt of the State Government	204.30 (27)	224.69 (26)	254.60 (27)	281.33 (27)	311.28 (26)
(ii)	Loans from Central Government	296.01 (39)	313.48 (37)	333.22 (36)	377.62 (37)	448.86 (38)
(iii)	Small Savings, Provident Funds, etc.	180.48 (24)	220.77 (26)	262.22 (28)	316.75 (31)	372.61 (34)
(iv)	Non-interest bearing deposits	78.85 (10)	93.34 (11)	86.96 (9)	54.35 (5)	55.65 (5)
Gross debt and other obligations at the end of the year		759.64 (100)	852.28 (100)	937.00 (100)	1030.05 (100)	1188.40 (100)
Figures in brackets represent percentage of individual liability to gross debt obligations.						

The total liabilities of the Government increased by 56 per cent from Rs.759.64 crore in 1993-94 to Rs.1188.40 crore in 1997-98.

In the five years' period ending 1997-98, loans from Central Government constituted the largest component of public debt and accounted for 36 to 39 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)					
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
1997-98	75.13	48.18	35.94	84.12	112

The internal debt receipt of the State Government increased from Rs.33.80 crore in 1993-94 to Rs.75.13 crore in 1997-98 registering an increase of 122 *per cent* over the five year period. The net inflow of loans was almost nil in 1995-96 and there was net outflow of loans in 1993-94, 1994-95 and in 1996-97 and 1997-98 by 7, 7, 19 and 12 *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)					
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
1997-98	260.18	203.04	38.35	241.39	93

Other liabilities of the State Government increased from Rs.160.85 crore in 1993-94 to Rs.260.18 crore in 1997-98 registering an increase of 62 *per cent* over the period of five years. The net inflow of these funds was 15, 18, 6 and 7 *per cent* in 1993-94, 1994-95, 1995-96 and 1997-98 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)						
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
1997-98	89.82	18.58	45.67	64.25	(-) 25.57	72

The receipts under loans and advances from the Central Government increased from Rs.33.80 crore in 1993-94 to Rs.89.82 crore in 1997-98 registering an increase of 166 *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 1993-94 to 1995-96 and ranged between 142 and 151 *per cent* of the fresh loans received during these years. The net inflow was only 28 *per cent* in 1997-98.

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 1997 as against the maximum amount guaranteed is given below along with corresponding figures for the preceding four years :

As on 31st March	Maximum amount guaranteed	Sum guaranteed outstanding		
		Principal	Interest	Total
		<i>(Rupees in crore)</i>		
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
1998	87.69	45.42	31.13	76.55

The maximum amount guaranteed and sum guaranteed outstanding relate to 2 Statutory Corporations, 7 Government Companies, 7 Co-operative Institutions and Banks and 4 Local Bodies (including the Notified Area Authorities). Guarantee relating to 1^s Statutory Corporation, and 4^s Companies are under high risk category. Accounts of Co-operative Institutions and Banks and the other Statutory Corporation 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 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. Prior to 1st August 1996, the State Government could draw up to Rs.8.40 crore as ordinary Ways and Means Advances and Rs.3.20 crore as special Ways and Means Advances. Under new agreement executed with the Reserve Bank of India on 1st August 1996, the limit for normal Ways and Means Advances has been increased from Rs.8.40 crore to Rs.16.80 crore and the special Ways and Means Advances from Rs.3.20 crore to Rs.6.40 crore.

The extent to which the Government maintained the minimum balance with the Bank during 1993-94 to 1997-98 was as under :

^s 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.

		1993-94	1994-95	1995-96	1996-97	1997-98
1	Number of days on which the balance was maintained					
	(a) Without obtaining any advance	348	352	363	Nil	353
	(b) By obtaining Ways and Means Advances	5	13	3	Nil	12
2	Number of days on which there was shortfall even after availing of Ways and Means Advances but without taking overdraft	12	Nil	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	166	172	176	Nil	190

The position of Ways and Means Advances and overdrafts taken by the Government of Tripura and interest paid thereon during 1993-94 to 1997-98 was as under:

Ways and Means Advances	1993-94	1994-95	1995-96	1996-97	1997-98
	<i>(Rupees in crore)</i>				
(a) Opening balance	Nil	Nil	Nil	Nil	Nil
(b) Advances taken during the year (gross)	5.83	9.76	8.40	Nil	33.81
(c) Advances repaid during the year (gross)	5.83	9.76	8.40	Nil	33.81
(d) Advances outstanding at the end of the year	Nil	Nil	Nil	Nil	Nil
(e) Interest paid	0.04	0.01	*	Nil	0.02
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.					

1.10 Incomplete capital works

As of 31 March 1998 there were 104 works each 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 1997-98).

Scrutiny of the list of works showed that -

- 104 works sanctioned between January 1980 and October 1997 at a total cost of Rs.98.98 crore remained incomplete even after incurring an expenditure of Rs.120.41 crore (122 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 31 works (below one year : 13 works; above one year but below 10 years : 16 works; and more than 10 years : 2 works) even after incurring an expenditure of Rs.32.64 crore as against sanctioned amount of Rs.30.28 crore i.e., with a cost overrun of Rs.2.36 crore (8 per cent);
- reasons for delay in completion of the aforesaid 31 works were (i) non-availability of funds (10 works), (ii) non-availability of materials (5 works), (iii) rescission of contract (1 work), (iv) security problem (1 work) and (v) arbitration (1 work). Eleven works were stated to be in progress without assigning any reason for delay and no reasons were available in respect of 2 works.

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 1997-98.

2.2 General (Budget demands and expenditure)

The summarised position of actual expenditure during 1997-98 against budget provision was as under :

		Original grant/ appropriation	Supplemen- tary grant/ appropriation	Total	Actual expendi- ture	Variation Saving(-)/ Excess (+)
<i>(Rupees in crore)</i>						
I.	Revenue- Voted <i>Charged</i>	1131.04 109.47	34.16 14.57	1165.20 124.04	1015.52 122.71	(-) 149.68 (-) 1.33
II.	Capital - Voted	348.76	13.35	362.11	247.85	(-) 114.26
III.	Public Debt - <i>Charged</i>	28.43	2.97	31.40	63.75	(+) 32.35
IV.	Loans and Advances - Voted	6.91	--	6.91	3.28	(-) 3.63
GRAND TOTAL		1624.61	65.05	1689.66	1453.11	(-) 236.55
Note : In a demand, grants are voted and appropriations are charged)						

The original provision for the year 1997-98 (Rs.1624.61 crore) was 24 *per cent* more than that for the year 1996-97 (Rs.1313.06 crore). The supplementary grants and appropriations obtained during the year 1997-98 were 4 *per cent* of the original grants and appropriations as against 7 *per cent* during the year 1996-97.

2.3 Results 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.236.55 crore during the year which was the result of total savings of Rs.280.62 crore in 37 grants and 10 appropriations and total excess of Rs.44.07 crore in 7 grants and 6 appropriations. The excess of Rs.44.07 crore in 7 grants and 6 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 rupees one crore 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.	6-Revenue Department	1389.30 (35)	Saving of Rs.31.45 lakh was anticipated and surrendered. Reasons for final saving have not been intimated (November 1998).
2.	14-Power Department	946.73 (12)	Reasons for final saving have not been intimated (November 1998).
3.	15- Irrigation and Flood Control Department	2661.67 (49)	Saving of Rs.1566.58 lakh was anticipated and surrendered. Reasons for final saving have not been intimated (November 1998).
4.	21-Food and Civil Supplies Department	120.65 (22)	Saving of Rs.26.59 lakh was anticipated and surrendered. Saving of Rs.60.00 lakh was stated to be due to non-release of funds from Government of India. Reasons for final saving have not been intimated (November 1998).
5.	22-Relief and Rehabilitation Department	717.65 (44)	Saving of Rs.599.86 lakh was anticipated and surrendered. Reasons for final saving have not been intimated (November 1998).
6.	24-Industries and Commerce Department	1179.85 (61)	Saving of Rs.167.00 lakh was stated to be due to non-release of funds by the Government of India. Reasons for final saving have not been intimated (November 1998).
7.	25-Handloom, Handicraft and Sericulture Department	389.29 (48)	Saving of Rs.110.34 lakh was anticipated and surrendered. Saving of Rs.277.75 lakh was stated to be due to non-release of funds by the Government of India.
8.	28-Horticulture Department	197.34 (19)	Saving of Rs.62.45 lakh was anticipated and surrendered. Final saving was stated to be mainly due to late receipt of funds from the Government of India.
9.	29-Animal Resource Development Department	268.41 (19)	Saving of Rs.1.66 lakh was anticipated and surrendered. Saving was stated to be mainly due to non-release of funds by the Government of India.

Sl. No.	Number and name of grant	Amount of saving and its percentage to the provision	Reasons for saving
	Revenue Section (Voted)	<i>(Rupees in lakh)</i>	
10.	40-School Education Department	4338.48 (20)	Saving of Rs.3922.93 lakh was anticipated and surrendered. Reasons for final saving have not been intimated (November 1998).
11.	42-Sports and Youth Programme Department	145.58 (17)	Saving of Rs.141.04 lakh was anticipated and surrendered. Reasons for final saving have not been intimated (November 1998).
	Capital Section (Voted)		
12.	12-Co-operation Department	222.60 (77)	Saving of Rs.156.26 lakh was anticipated and surrendered. Reasons for final saving have not been intimated (November 1998).
13.	13-Public Works Department	874.41 (12)	Reasons for final saving have not been intimated (November 1998).
14.	15-Irrigation and Flood Control Department	503.76 (15)	Reasons for final saving have not been intimated (November 1998).
15.	16-Health and Family Welfare Department	764.80 (79)	Saving of Rs.258.10 lakh was anticipated and surrendered. Reasons for final saving have not been intimated (November 1998).
16.	19-Tribal Welfare Department	3449.41 (62)	Saving of Rs.2373.60 lakh was anticipated and surrendered. Reasons for final saving have not been intimated (November 1998).
17.	20-Scheduled Castes Welfare Department	1801.45 (55)	Saving of Rs.1762.78 lakh was anticipated and surrendered. Reasons for final saving have not been intimated (November 1998).
18.	21-Food and Civil Supplies Department	781.15 (26)	Saving of Rs.657.00 lakh was anticipated and surrendered. Reasons for final saving have not been intimated (November 1998).
19.	27-Agriculture Department	523.76 (35)	Reasons for final saving have not been intimated (November 1998).
20.	31-Rural Development Department	2287.36 (67)	Saving of Rs.1223.65 lakh was anticipated and surrendered. Reasons for final saving have not been intimated (November 1998).
21.	43-Finance Department	269.31 (34)	Reasons for final saving have not been intimated (November 1998).
	Capital Section (Charged)		
22.	12-Co-operation Department	206.01 (59)	Reasons for final saving have not been intimated (November 1998).
	TOTAL	24038.97	

Though substantial savings of Rs.240.39 crore were available in these cases and could have been surrendered well in time before the close of the year, savings of Rs.128.94 crore only (54 per cent) were anticipated and surrendered by the Departments concerned resulting in lapse of grants of Rs.111.45 crore. Reasons for final savings/not surrendering these savings were not intimated (November 1998).

2.3.3 Significant cases of savings under Plan schemes

In the following 18 cases, substantial savings not less than Rs.50 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)			<i>(Rupees in lakh)</i>	
1.	6-Revenue Department	(i) Computerisation of Land Records (CSS) (Plan)	110.80	110.80	100
2.	14-Power Department	(i) Other Expenditure (Plan)	212.00	212.00	100
3.	15-Irrigation and Flood Control Department	(i) Ground Water – Tube Wells (Plan)	128.00	95.87	75
4.	16-Health and Family Welfare Department	(i) Maternity and Child Health (CSS) (Plan)	531.13	321.18	60
5.	19-Tribal Welfare Department	(i) Welfare of Scheduled Castes/Scheduled Tribes and Other Backward Classes, Economic Development (TSP) (Plan)	188.44	62.90	33
		(ii) Director and Administration (Plan)	85.09	80.41	94
		(iii) Subsidy to District Rural Development Agencies - Scheme for IRDP (Plan)	189.27	87.25	46
6.	20-Scheduled Castes Welfare Department	(i) Welfare of Scheduled Castes - Education (CSS) (Plan)	97.85	92.93	95
7.	21-Food and Civil Supplies Department	(i) Direction and Administration (CSS)	60.00	60.00	100
		(ii) Other Expenditure (CSS) (Plan)	60.00	60.00	100
8.	24-Industries and Commerce Department	(i) Village and Small Industries - Small Scale Industries (CSS) (Plan)	150.00	133.58	89
		(ii) Other Industries – Other Expenditure (Plan)	1000.00	1000.00	100
9.	25-Handloom, Handicraft and Sericulture Department	(i) Village and Small Industries - Handloom Industries (CSS) (Plan)	236.04	127.50	54
10.	28-Horticulture Department	(ii) Handicrafts Industries (CSS) (Plan)	150.25	150.25	100
		(i) Soil and Water Conservation Scheme for National Water Shed Development Project for Rainfed Areas (100% Central Plan)	150.00	91.08	61
11.	29-Animal Resource Development Department	(i) Dairy Development - Dairy Development Project 100% (CSS) (Plan)	309.90	200.09	65
12.	40-Social Education Department	(i) Elementary Education (100% Central Plan) - Teachers and Other Services (Primary School) Operation Blackboard (Plan)	297.00	184.85	62
13.	15-Irrigation and Flood Control Department	(i) Rural Water Supply – Direction and Administration (Plan)	56.30	56.30	100
		(ii) Basic Minimum Services	450.00	175.50	39

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)			<i>(Rupees in lakh)</i>	
14.	16-Health and Family Welfare Department	(i) Urban Health Services – Hospitals and Dispensaries (Plan) (ii) Maternity and Child Health – Reproduction and Child Health Programme (CSS) (Plan)	271.00 286.95	165.05 286.95	61 100
15.	19-Tribal Welfare Department	(i) District and other Roads – MNP District Road Construction (Plan) (ii) Other Expenditure – Other Minimum Needs Programme – Construction (Plan) (iii) Rural Electrification (TSP) – Other Expenditure (iv) Flood Control – Direction and Administration (Plan)	125.00 781.00 300.00 61.54	125.00 781.00 300.00 61.54	100 100 100 100
	Capital Section (Voted)				
16.	20-Scheduled Castes Welfare Department	(i) Capital outlay on water supply and Sanitation - Rural Water Supply (Plan) - Domestic Filter (75:25) (ii) District Roads Construction (Plan) (iii) Other Expenditure (SCP) (iv) Rural Electrification	94.86 50.00 150.00 88.00	94.86 50.00 150.00 88.00	100 100 100 100
17.	21-Food and Civil Supplies Department	(i) Other Expenditure (CSS) (Plan)	60.00	60.00	100
18.	31-Rural Development Department	(i) Water Supply - Rural Water Supply - Domestic Filter (CSS) (75:25) (ii) Other Expenditure - Housing of Weaker Section (50:50) - Indira Awas Yozana (iii) Rural Development – Village Communication (Plan)	72.00 1482.44 98.10	72.00 1242.44 98.10	100 84 100

2.3.4 Significant cases of excess

In the following grants/appropriations, the expenditure during the year exceeded the approved provision by more than Rs.50 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)	<i>(Rupees in lakh)</i>	
1.	41-Social Education Department	337.28 (13)	Reasons for final excess have not been intimated (November 1998).
	Capital Section (Voted)		
2.	24-Industries and Commerce Department	78.00 (12)	Reasons for final excess have not been intimated (November 1998).

Sl. No.	Number and name of grant	Amount of excess and its percentage to the provision	Reasons for excess
	Capital Section (Charged)	<i>(Rupees in lakh)</i>	
3.	14-Power Department	97.14 (49)	Reasons for final excess have not been intimated (November 1998).
4.	43-Finance Department	3397.22 (147)	Reasons for final excess have not been intimated (November 1998).

2.3.5 Unnecessary, inadequate and excessive supplementary grants

2.3.5.1 Significant cases where supplementary grants aggregating Rs.27.17 crore obtained proved unnecessary as the actual expenditure of Rs.315.58 crore was less than even the original grants of Rs.421.78 crore are tabulated below :

Sl. No.	Number and name of grant	Final grant O-Original S-Supplementary	Actual expenditure	Savings
	Revenue Section (Voted)	<i>(Rupees in crore)</i>		
1.	6-Revenue Department	O - 37.10 S - 2.18	25.39	13.89
2.	10-Home Department	O - 111.29 S - 5.32	104.86	11.75
3.	14-Power Department	O - 74.12 S - 3.42	68.07	9.47
4.	20-Scheduled Caste Welfare Department	O - 36.15 S - 1.83	35.41	2.57
5.	21-Food and Civil Supplies Department	O - 5.28 S - 0.20	4.27	1.21
6.	24-Industries and Commerce Department	O - 19.15 S - 0.17	7.52	11.80
7.	35-Local Self Government Department	O - 10.25 S - 0.40	9.56	1.09
8.	42-Sports and Youth Programme Department	O - 8.27 S - 0.20	7.02	1.45
	Capital Section (Voted)			
9.	19-Tribal Welfare Department	O - 51.55 S - 3.71	20.77	34.49
10.	20-Scheduled Caste Welfare Department	O - 30.77 S - 1.83	14.58	18.02
11.	31-Rural Development Department	O - 30.48 S - 3.76	11.37	22.87
12.	43-Finance Department	O - 5.72 S - 2.29	5.31	2.70
	Capital Section (Charged)			
13.	12-Co-operation Department	O - 1.65 S - 1.86	1.45	2.06
	TOTAL	O - 421.78 S - 27.17	315.58	133.37

2.3.5.2 In the following six grants, supplementary grants of Rs.17.48 crore were obtained which proved inadequate as expenditure had exceeded by Rs.42.03 crore over total provision of Rs.215.37 crore.

Sl. No.	Number and name of grant	Final grant O-Original S-Supplementary	Actual expenditure	Excess
Revenue Section (Voted)		<i>(Rupees in crore)</i>		
1.	17-Information, Cultural Affairs and Tourism Department	O - 4.68 S - 0.36	5.22	0.18
2.	41-Social Education Department	O - 24.85 S - 0.21	28.43	3.37
3.	43-Finance Department	O - 53.23 S - 1.39	58.68	4.06
Revenue Section (Charged)				
4.	43-Finance Department	O - 92.87 S - 14.34	107.39	0.18
Capital Section (Voted)				
5.	33-Science and Technology Department	O - 0.22 S - 0.07	0.55	0.26
Capital Section (Charged)				
6.	43-Finance Department	O - 22.04 S - 1.11	57.13	33.98
TOTAL		O - 197.81 S - 17.48	257.40	42.03

2.3.5.3 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	Actual expenditure	Savings
Revenue Section (Voted)		<i>(Rupees in crore)</i>		
1.	3-Chief Minister's Secretariat and SA Department	O - 9.04 S - 1.15	9.19	1.00
2.	4-Election Department	O - 4.29 S - 0.75	4.54	0.50
3.	5-Law Department	O - 4.94 S - 0.39	5.12	0.21
4.	16-Health and Family Welfare Department	O - 51.97 S - 4.82	53.76	3.03
5.	19-Tribal Welfare Department	O - 120.48 S - 3.64	120.55	3.57
6.	26-Fisheries Department	O - 4.77 S - 0.35	4.85	0.27
7.	27-Agriculture Department	O - 23.38 S - 1.13	23.49	1.02
8.	30-Forest Department	O - 12.95 S - 0.73	13.27	0.41
9.	31-Rural Development Department	O - 48.13 S - 3.99	51.36	0.76
Capital Section (Voted)				
10.	35-Local Self Government Department	O - 3.66 S - 0.89	4.29	0.26
TOTAL		O - 283.61 S - 17.84	290.42	11.03

2.3.6 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.50 lakh or more which resulted in savings/excess of Rs.50 lakh or more in each case are detailed in **Appendix-2**. Some instances of inadequate re-appropriation involving Rs.50 lakh or more which resulted in saving/excess of Rs.50 lakh or more in each case are shown in **Appendix-3**.

2.3.7 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 37 grants and 10 appropriations were Rs.280.62 crore, Rs.169.01 crore were surrendered at the fag end of the year (March 1998).

(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 (Rupees in lakh)	Total savings	Amount not surrendered (percentage of total savings)
	Revenue Section (Voted)			
1.	3-Chief Minister's Secretariat and SA Department	1018.90	100.23	100.23 (100)
2.	4-Election Department	504.25	50.49	50.49 (100)
3.	6-Revenue Department	3927.87	1389.30	1357.85 (98)
4.	10-Home Department	11660.86	1174.52	1174.52 (100)
5.	13-Public Works Department	5874.79	194.98	140.98 (72)
6.	14-Power Department	7753.52	946.73	946.73 (100)
7.	15-Irrigation and Flood Control Department	5478.88	2661.67	1095.09 (41)
8.	16-Health and Family Welfare Department	5678.59	303.08	303.08 (100)
9.	19-Tribal Welfare Department	12411.80	356.75	127.00 (36)
10.	20-Scheduled Caste Welfare Department	3798.41	257.54	109.72 (43)
11.	21-Food and Civil Supplies Department	547.66	120.65	94.06 (78)
12.	22-Relief and Rehabilitation Department	1615.56	717.65	117.79 (16)
13.	23-Panchayat Raj Department	5167.03	348.63	240.03 (69)
14.	24-Industries and Commerce Department	1932.21	1179.85	1179.85 (100)
15.	25-Handloom, Handicraft and Sericulture Department	808.67	389.29	278.95 (72)
16.	27-Agriculture Department	2451.17	101.79	97.39 (96)
17.	28-Horticulture Department	1050.29	197.34	134.89 (68)

Sl. No.	Number and name of grant	Total grant	Total savings	Amount not surrendered (percentage of total savings)
	Revenue Section (Voted)	<i>(Rupees in lakh)</i>		
18.	29-Animal Resource Development Department	1436.63	268.41	266.75 (99)
19.	35-Local Self Government Department	1065.30	109.49	46.29 (42)
20.	40-School Education Department	21644.23	4338.48	415.55 (10)
	Capital Section (Voted)			
21.	10-Home Department	419.31	59.02	59.02 (100)
22.	12-Co-operation Department	288.55	222.60	66.34 (30)
23.	16-Health and Family Welfare Department	966.05	764.80	506.70 (66)
24.	19-Tribal Welfare Department	5525.91	3449.41	1075.81 (31)
25.	20-Scheduled Caste Welfare Department	3259.46	1801.45	38.67 (2)
26.	21-Food and Civil Supplies Department	3058.00	781.15	124.15 (16)
27.	27-Agriculture Department	1500.00	523.76	523.76 (100)
28.	31-Rural Development Department	3424.39	2287.36	1063.71 (47)
29.	43-Finance Department	800.52	269.31	269.31 (100)
	Capital Section (Charged)			
30.	12-Co-operation Department	351.20	206.00	206.00 (100)
31.	13-Public Works Department	250.00	64.14	64.14 (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
		<i>(Rupees in lakh)</i>		
1.	12-Co-operation Department (Revenue - Voted)	15.04	33.60	18.56
2.	13-Public Works Department (Capital - Voted)	874.41	1559.00	684.59
3.	14-Power Department (Capital - Voted)	219.53	468.00	248.47
4.	15-Irrigation and Flood Control Department (Capital - Voted)	503.76	941.20	437.44
5.	31-Rural Development Department (Revenue - Voted)	75.87	195.85	119.98
	Total	1688.61	3197.65	1509.04

2.3.8 Expenditure incurred without any budget provision

In the following grants, expenditure of Rs.4086.66 lakh had been incurred for execution of various schemes/works although no budget provision was available during the year 1997-98 :

Sl. No.	Number and name of grant	Head of Account	Amount spent (Rupees in lakh)
1.	10-Home Department	(i) 4070- Capital outlay on other Administrative Services 800- Other Expenditure	1.92
2.	13-Social Security and Welfare	(i) 2235-Social Security and Welfare 02-Social Welfare 102-Child Welfare (Plan)	5.77
3.	13-Public Works Department	(i) 4235-Capital outlay on Social Security and Welfare 02-Social Welfare 102-Child Welfare (ii) 103-Women's Welfare (iii) 4403-Capital outlay on Animal Husbandry 103-Poultry Development (iv) 4801-Capital outlay on Power Projects 80-General 800-Other Expenditure (Plan)	4.05 1.65 5.71 54.77
4.	15-Irrigation and Flood Control Department	(i) 4215-Capital outlay on Water Supply and Sanitation 800-Other Expenditure (ii) 02-Sewerage and Sanitation 101-Urban Sanitation Services (iii) 800-Other Expenditure	141.72 21.91 1.61
5.	16-Health and Family Welfare Department	(i) 2210-Medical and Public Health 80-General 800-Other Expenditure (Non-Plan)	200.00
6.	20-Scheduled Caste Welfare Department	(i) 2406-Forestry and Wild life 111-Zoological Park (CSS)	3.35
7.	22-Relief and Rehabilitation Department	(i) 2235-Social Security and Welfare 01-Rehabilitation 001-Direction and Administration (Plan)	18.59
8.	30-Forest Department	(i) 2406-Forestry and Wild life 111-Zoological Park Trishna and Sipahijala Sanctuaries (100% CSS)	5.03
9.	35-Local Self Government Department	(i) 2217-Urban Development 04-Slum Area Improvement	110.39
10.	41-Social Education Department	(i) 2235-Social Security and Welfare 02-Social Welfare 104-Diposit Linked Insurance Scheme (ii) 103-Women's Welfare National Maternity Benefit Scheme (iii) 200-Old Age Pension National Maternity Benefit Scheme	45.59 50.14 33.46
10.	41-Social Education Department	(i) 2235-Social Security and Welfare 02-Social Welfare 104-Diposit Linked Insurance Scheme (ii) 103-Women's Welfare National Maternity Benefit Scheme	45.59 50.14

Sl. No.	Number and name of grant	Head of Account	Amount spent (Rupees in lakh)
		(iii) 200-Old Age Pension National Maternity Benefit Scheme	33.46
11.	43-Finance Department	(i) 6003-Internal Debt of the State Government 110-Ways and Means Advances from the Reserve Bank of India	3381.00
		TOTAL	4086.66

Reasons for incurring expenditure without any budget provision were not intimated (November 1998).

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, 34 Controlling Officers carried out reconciliation and 9 Controlling Officers did not carry out the reconciliation during 1997-98 involving expenditure of Rs.135.08 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 1997-98, such recoveries were estimated at Rs.134.15 crore (Revenue : Rs.90.00 crore and Capital : Rs.44.15 crore). Actual recoveries during the year were, however, Rs.110.43 crore (Revenue : Rs.77.84 crore and Capital : Rs.32.59 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
		<i>(Rupees in crore)</i>		
1.	13-Public Works Department (Revenue)	20.00	24.61	(+) 4.61
2.	14-Power Department (Revenue)	20.00	10.15	(-) 9.85
3.	15-Irrigation and Flood Control Department (Revenue and Capital)	20.00	6.41	(-) 13.59
4.	21-Food and Civil Supplies Department (Capital)	29.15	22.66	(-) 6.49
5.	27-Agriculture Department (Capital)	15.00	9.71	(-) 5.29
6.	31-Rural Development Department (Revenue)	30.00	36.89	(+) 6.89
	TOTAL	134.15	110.43	(-) 23.72

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 1997-98, explanations for variations were not received from 16 and partially received from 11 (November 1998) 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 1998 (above 20 per cent of the total provision and total expenditure) 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)			<i>(Rupees in lakh)</i>		
1.	4-Election Department	504.25	453.76	249.10	49	55
2.	11-Transport Department	139.05	105.87	41.57	30	39
3.	18-Political Department	50.51	44.00	12.09	24	28
4.	28-Horticulture Department	1054.29	856.95	321.18	30	37
5.	31-Rural Development Department	5229.60	5144.57	1352.48	26	26
	(Capital Section)					
6.	23-Panchayat Raj Department	348.00	348.00	275.18	79	79
	TOTAL	7325.70	6953.15	2251.60	31	32

FINANCE DEPARTMENT

2.4 Personal Ledger Accounts

2.4.1 Introduction

Personal Ledger Accounts (PLA) form part of the Public Account and are classified under the major head 8443 - Civil Deposits. These are deposits for which banking account only is kept, the receipts and payments being recorded in personal ledgers. The administrators of PLA are required to maintain detailed accounts including sub-vouchers in support of a payment from the PLAs.

The deposits into the PLAs are made from both State plan funds and Central plan funds. As per Treasury Rules, money is ordinarily drawn from treasuries by Drawing and Disbursing Officers (DDOs) by presentation of bills, accompanied by detailed sub-vouchers in support of the payment. This procedure is not applicable to the transactions in PLAs where the administrator of a PLA can draw money from the treasury by presentation of cheques, which are, not required to be supported by any detailed sub-vouchers.

2.4.2 Audit coverage

As of 31 March 1998 there were 97 PLAs operated by 97 DDOs in the State having a credit balance of Rs.17.45 crore. Mention regarding irregularities in operation of PLAs was made in paragraph 2.4 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1997. In order to assess the necessity of opening these accounts and to verify the veracity of the transactions conducted out of the funds placed in these accounts an audit of the maintenance and operation of 14 PLAs¹¹ was conducted in August 1998 and the important findings are discussed in the succeeding paragraphs.

2.4.3 Highlights

— Moneys were deposited in PLAs disregarding the fact that sufficient unspent balance of earlier years was available in these accounts. The deposits kept in the PLAs were booked as final expenditure in the accounts. As a result, the figures of actual expenditure were inflated. By depositing money in the PLAs, the Government/ Departments had avoided the legislative control over expenditure incurred out of these accounts.

(Paragraph 2.4.4)

— Deposits were made into PLAs primarily to avoid budgetary lapse. 19 to 75 per cent of the total amount deposited in PLAs during the years 1993-94 to 1997-98 was made in the last quarter and 11 to 60 per cent of the total deposits in PLAs were made in the month of March itself.

(Paragraph 2.4.4.1)

— PLAs opened by debit to the Consolidated Fund of the State, were not closed at the end of the year as required under the rules while the funds earmarked for specified plan schemes were shown as spent on the basis of their transfer to the PLAs without reckoning the fact that at the close of the year these PLAs were carrying large unspent balances which, under the rules ought to have been transferred back to the Consolidated Fund of the State. The violation of the basic principle led to, amongst other things, depicting an inflated expenditure in the accounts thereby falsifying the accounts.

(Paragraph 2.4.4.2)

— Savings and current bank accounts were operated over and above the PLAs by 7 PLA administrators and Rs.1.68 crore was retained outside the Government account as of 31 March 1998.

(Paragraph 2.4.5)

— There was a loss of interest of Rs.3.45 lakh for keeping the funds pertaining to Member of Parliament's Local Area Development Scheme in PLAs instead of savings bank account as required by the scheme.

(Paragraph 2.4.6)

— There was no monitoring by Government of withdrawals out of PLAs and expenditure therefrom by the DDOs. Appropriate reports/ returns by the DDOs to the

¹¹ BDO, Bishalgarh; Directorate of Handloom, Handicrafts and Sericulture; BDO, Mohanpur; Deputy Director, Animal Resources Development Department, West Tripura; SDO, Bishalgarh; Directorate of Animal Resources Development Department; SDO, Sadar; Executive Engineer, Rural Development Division (West), Agartala; BDO, Dukli; SDO, Udaipur; BDO, Mandhai; Deputy Director, Animal Resources Development Department (South), Udaipur; BDO, Jirania; and SDO, Kailashahar.

controlling officers were not prescribed. Due to absence of scheme-wise details of the expenditure from PLA funds in the treasuries and offices of the DDOs, there was possibility of diversion of funds from one scheme to another.

(Paragraph 2.4.8)

2.4.4 Deposits and drawals from PLAs

The total funds deposited in the PLAs(97) and withdrawn therefrom during the years 1993-94 to 1997-98 as per the Finance Accounts were as under :

Year	Opening balance	Deposits	Withdrawals	Closing balance
<i>(Rupees in crore)</i>				
1993-94	26.74	34.26	28.03	32.96
1994-95	32.96	47.93	46.77	40.12
1995-96	40.12	67.33	65.42	42.03
1996-97	42.03	46.87	64.47	24.43
1997-98	24.43	51.00	57.98	17.45

The year-end unspent balances every year showed that moneys were deposited in the PLAs as a matter of routine despite having sufficient unspent balances and without considering the available balances.

As per rules, these unspent amounts would have appeared as 'Savings' in the Appropriation Accounts for which the Government would have had to give reasons to the Public Accounts Committee and the Legislature. But contrary to the above, all such deposits were shown as expenditure in the Appropriation Accounts much before these were actually spent. Thus, by depositing money in PLAs and not closing them at the end of the financial year, the departments had avoided the legislative control over the expenditure incurred out of such accounts.

2.4.4.1 Financial rules prohibit drawal of funds in anticipation of demands especially at the fag end of the year to avoid lapsing of budget grants. But it was noticed in audit that 19 to 75 per cent of the total deposits in PLAs were made in the last quarter and 11 to 60 per cent of the total deposits were made in the month of March alone every year during 1993-94 to 1997-98. Thus the deposits were made primarily to avoid lapsing of budgetary provisions.

2.4.4.2 As per rules, PLAs opened by debit to the Consolidated Fund are to be closed at the end of the year by reduction of expenditure from the concerned service heads, which are earlier debited to the extent of unspent closing balances in PLAs so that expenditure shown in the Appropriation Accounts of the State would reflect the factual position of the expenditure incurred within the year. But none of the PLAs were closed at the end of the years 1993-94 to 1997-98 in absence of which it was difficult to ensure that the expenditure during a particular year was met out of the deposits made from the allotments of that year. The violation of this basic principle led to, amongst other things, depicting an inflated expenditure in the accounts and falsifying the same.

2.4.5 Operation of bank accounts over and above PLAs

2.4.5.1 PLA, by definition, is a banking account. Funds are drawn from PLAs through cheques from the accredited treasury and not by usual method of bills at the treasury. It was,

however, noticed in audit that out of 14 PLAs test-checked, 7^B PLA administrators maintained one or two bank accounts (current or savings or both) over and above the PLA permitted to be operated by them by the Government.

It was also noticed that Rs.5.63 crore were drawn by these administrators during the year 1997-98 from the treasuries through Abstract Contingent(AC) bills and deposited in their PLAs initially. Thereafter, all the amounts (Rs.5.63 crore) were withdrawn from the PLAs and transferred to their respective bank accounts wherefrom expenditure was incurred from time to time and for which no analysis was made. As a result, money not only remained outside Government, the State's ways and means position was also adversely affected. This was also corroborated by the Government in February 1998 when it directed all the departments to transfer their surplus funds in bank accounts to the PLAs in view of the precarious cash position of the State. None of the above administrators, however, transferred their funds from the banks to the PLAs and Rs.1.68 crore remained unspent in their bank accounts as on 31 March 1998.

2.4.5.2 As per the Government orders (December 1996) officers located in the district/sub-divisional headquarters were not allowed to open any bank accounts. Contrary to the above, 3 Sub-divisional officers (Bishalgarh, Udaipur and Kailashahar) and one Block Development Officer (Bishalgarh), whose offices are located in Sub-divisional/district headquarters, operated bank accounts unauthorisedly and Rs.0.54 crore remained unspent in these bank accounts as of 31 March 1998.

Maintenance of bank account was fraught with the risks of fraud/embezzlement etc. Besides the money kept in banks remained completely outside Government account and treasury control.

2.4.6 Loss of interest

Under the Member of Parliament's Local Area Development Scheme (MPLADS), funds released by the Central Government were to be kept in separate savings bank account with the idea that interest earned on such bank accounts would be used to augment the resources for the scheme.

In violation of the above guidelines, Rs.42 lakh pertaining to the MPLADS, drawn by the Executive Engineer (West), Agriculture Department, Agartala (Rs.15 lakh in March 1996) and the Project Director, District Rural Development Agency (West), Agartala (Rs.27 lakh in July 1997) were deposited in the PLAs of the Superintending Engineer, Agriculture Department (Rs.15 lakh) and Executive Engineer, Rural Development Division (West), Agartala (Rs.27 lakh) respectively. As a result there had been a loss of interest of Rs.3.45 lakh (at 5 per cent savings bank interest) for keeping the funds in PLAs instead of in banks as required.

2.4.7 Undue credit of funds

As per rules, funds in respect of any Central sector schemes, remaining unspent should be remitted back to the Government of India and in no case should be credited to the State receipts.

In violation of the above Rs.27.12 lakh pertaining to the different Central schemes (like, Employment Assurance Scheme, Special Live-stock Programme etc.) drawn and deposited in

^B BDO, Bishalgarh; BDO, Mohanpur; SDO, Bishalgarh; BDO, Dukli; SDO, Udaipur; BDO, Mandhai; and SDO, Kailashahar.

the PLAs between 1985-86 and 1995-96 by the Deputy Director, Animal Resources Development Department, Udaipur (Rs.17.12 lakh) and the Block Development Officer, Dukli (Rs.10 lakh) were credited (between March 1995 and January 1996) to the accounts of the State Government as Revenue receipts instead of refunding back to the Government of India.

2.4.8 Quality and maintenance of accounts and records

It was seen that while each DDO deposited the money pertaining to different schemes in a single PLA operated by him, the Treasury Officers had not maintained separate scheme-wise registers of PLAs operated by each DDO. As a result, when a cheque was presented by the DDO at the treasury for payment against a particular scheme, the Treasury Officer had no mechanism to confirm whether adequate funds were available under that particular scheme in the PLA of the DDO before authorising payments.

Further, as the administrators/DDOs did not maintain scheme-wise or programme-wise details of expenditure from the PLAs, the possibility of diversion of funds meant for one programme/scheme to another could not be ruled out.

2.4.8.1 Thirteen out of 14 DDOs test-checked, did not maintain separate subsidiary cash books for recording transactions made from PLAs and bank accounts, and PL/Bank transactions were kept merged with the general cash book. Thus, proper control could not be exercised by the DDOs over expenditure from the PLAs and bank accounts and no distinction could be made between general cash balance and cash balance under PLA funds etc., with the result that the balances under PLAs and those appearing in the accounts could not be cross-checked with the balances actually available with the DDOs.

2.4.8.2 Submission of Plus-Minus Memorandum

According to the Rules, the Plus and Minus Memoranda for each class of deposits and for each administrator of PLA under each major head and deposit account were required to be prepared in detail and submitted along with monthly accounts. Out of the 5 treasuries in the State only one treasury (Agartala-II) submitted a consolidated Plus Minus Memorandum to the AG (A&E), Tripura during the years 1993-98 in absence of which the accuracy of posting of the amounts in the accounts could not be ensured.

2.4.8.3 Absence of control and monitoring

Government did not prescribe any reports/returns etc., to be furnished by the administrator of the PLA to the controlling officers of the department regarding progress of expenditure out of PLA funds. Also there was no system of feed-back about utilisation of PLA funds from the controlling officers to the Finance Department. As a result, the controlling officers did not have any control over the propriety, timeliness etc., of such expenditure.

During audit, it was also found that there was no internal control mechanism for regular inspection of the expenditure and the deposits and withdrawals from PLAs maintained by the DDOs and treasuries had never been inspected by any higher authority and the system of operating PLAs in the State was, therefore, vulnerable to serious irregularities and dilution of financial management.

The matter was referred to the Government in September 1998; reply had not been received (December 1998).

CHAPTER III

CIVIL DEPARTMENTS

AGRICULTURE DEPARTMENT

3.1 Extra expenditure on procurement of fertiliser

Delay in finalisation of tender led to extra expenditure of Rs.6 lakh on purchase of fertiliser.

In response to tenders called (3 January 1995) by the Director of Agriculture, Agartala for supply of Single Super Phosphate (SSP) fertiliser during 1995-96, Firm A quoted (31 January 1995) the lowest rates of Rs. 3010, Rs. 3100 and Rs. 3200 per tonne for delivery at Dharmanagar, Agartala and Udaipur respectively. The tenders were neither finalised within the validity period of 90 days (30 April 1995) nor were any fresh tenders called. However, the Director conveyed on 28 June 1995 his acceptance of rates of Firm A. As the tenderer did not agree to supply at the earlier rate, supply orders were placed (30 September 1995) with Firm B, the second lowest tenderer at their quoted rates of Rs. 2989, Rs. 3210 and Rs. 3290 per tonne for delivery at Dharmanagar, Agartala and Udaipur respectively.

Test check (July 1996) of records of the Director of Agriculture, Agartala revealed that Firm B claimed (30 October 1995) enhanced rates of Rs. 3289 for Dharmanagar, Rs. 3510 for Agartala and Rs. 3590 for Udaipur on the ground of rise in prices and devaluation of rupee. Although no such claim was acceptable under any circumstances as per clause 16 of NIT, the Supply Advisory Board approved (1 November 1995) the enhanced rates and supply orders were issued (2 November 1995) for supplying 400 tonnes of fertiliser at Dharmanagar and 800 tonnes each at Agartala and Udaipur and supply was completed by February 1996.

Thus, as a result of inordinate delay in finalising the tenders as well as failure to enforce the terms and conditions by the NIT on the part of Director of Agriculture, the Department not only incurred an extra expenditure of Rs. 6 lakh on procurement of 2000 (400+800+800) tonnes of fertiliser at an extra cost at the rate of Rs. 300 per tonne, but also extended unauthorised financial benefit to the contractor to that extent.

The matter was reported to the Government in July 1998; reply had not been received (December 1998).

3.2 Undue financial aid to contractors

Rs. 5 lakh towards Income Tax and Surcharge was not deducted at source from the payments made to contractors.

Section 194-C of the Income Tax Act 1961, stipulates that authorities making payments to any contractor in pursuance of any contract made for execution of any work should deduct income tax at source at the rate of 2 per cent of the sum paid except on contracts which do not exceed Rs. 10,000 in value. The Finance Act 1989 and 1990 also required that a surcharge of 8(eight) per cent of such income tax should, in addition, be deducted.

Test-check (July-August 1994) of records of Director of Horticulture and Soil Conservation revealed that no deduction towards income tax and surcharge was made from contractors' bills amounting to Rs.227.29 lakh paid by the DDO of his office between

February 1993 and July 1994 pertaining to the period from July 1991 to March 1994. This resulted in undue financial benefit of Rs. 5 lakh (income tax : Rs. 4.55 lakh and surcharge : Rs. 0.45 lakh) to the contractors besides attracting penal provisions under the Income Tax Act for non-discharging the statutory obligations.

On this being pointed out by Audit, the Director stated (April 1998) that tax could not be deducted at source due to oversight and the respective Firms were being asked to deposit the dues. Further development including fixing of any responsibility was, however, awaited (August 1998).

The matter was reported to the Government in July 1998; reply had not been received (December 1998).

EDUCATION DEPARTMENT

3.3 Extra expenditure due to delay in discontinuing Mid -day Meal Programme

Extra expenditure of Rs.7.42 lakh was incurred due to overlapping of schemes.

Mention was made in Para 3.8 of the Report of the Comptroller and Auditor General of India for the year ending 31 March 1997 regarding avoidable expenditure due to delay in discontinuing Mid-day Meal (MDM) Programme from 15 August 1995 i.e., the date from which the new scheme of "National Programme for Nutritional Support of Primary Education" (NPNSPE) was introduced.

Further test check (June - August 1997) of records in two other Inspectorates viz. Inspector of Schools, Dharmanagar and Santirbazar revealed that they had incurred expenditure simultaneously under the old MDM Programme (Rs.7.42 lakh) as well as the new NPNSPE scheme (Rs.13.92 lakh) during the period from 15 August 1995 to 31 October 1995 on the same group of beneficiaries leading to overlapping of expenditure of Rs.7.42 lakh².

On reporting the matter in July 1998, Government claimed (August 1998) that the expenditure incurred on the old scheme was unavoidable since the children could not be left unfed during the period required for implementation of the new scheme. The reply is not tenable since the concerned two Inspectorates had already started the new scheme from 15 August 1995 i.e, two and half months before discontinuance of the old scheme from 1 November 1995, which clearly shows overlapping of two identical schemes.

Sl. No.	Name of Inspectorate of Schools	Expenditure incurred during the period from 15 August 1995 to 31 October 1995 under :-	
		Old Scheme (MDM)	New Scheme (NPNSPE)
1.	I/S Dharmanagar	Rs.4.41 lakh (A)	Rs. 8.81 lakh
2.	I/S Santirbazar	Rs.3.01 lakh (B)	Rs. 5.11 lakh
	Extra expenditure [(A) + (B)]	Rs.7.42 lakh	Rs. 13.92 lakh

ELECTION DEPARTMENT

3.4(i) Procurement of paper in excess of requirement

Paper worth Rs.4.23 lakh was procured in excess of requirement which resulted in locking up of funds.

Test check (August 1998) of records of the Election Department for the period from 1996-97 to 1997-98 revealed that the department had purchased 33.98 tonnes of cream wove paper (white : 22.49 tonnes; pink : 11.49 tonnes) at a cost of Rs.9.96 lakh for printing of ballot papers for Lok Sabha election 1996 and simultaneous election to Lok Sabha and Bidhan Sabha 1998. The entire quantity of paper was supplied to the Government Press. Of this, 14.36 tonnes of paper (white : 9.41 tonnes; pink : 4.95 tonnes) worth Rs.4.23 lakh remained unutilised with the press indicating procurement of paper in excess of requirement and unnecessary locking up of Government funds to that extent. The Department had not taken back the unutilised quantity of paper from the press nor get the cost thereof adjusted. Besides, 1.63 tonnes of pink cream wove paper worth Rs.0.49 lakh became unfit for use because of long storage.

In reply, the Government stated (October 1998) that unutilised paper would be used for printing of ballot papers for future elections.

3.4(ii) Unfruitful expenditure on preparation of photo identity cards

Unfruitful expenditure of Rs.1.53 crore on preparation of 12.82 lakh photo identity cards during 1995-96 to 1997-98.

In August 1993 the Election Commission (EC) had issued directives that photo identity cards (PIC) should be issued to all voters in all Parliamentary constituencies by 30 November 1994 as no polling will be permissible after 1 January 1995 unless all eligible voters had been supplied with PICs. The Chief Electoral Officer entered into a contract (valid for 2 years) with a Calcutta based firm on 2 November 1995 for preparation of PICs for 16 lakh units at the rate of Rs.11.95 per card with the stipulation to complete the job within 90 days. According to terms of the contract, the payment to the contractor was to be released only after satisfactory completion of the work. But the contractor failed to complete the work even within the validity period of 2 years ended 1 November 1997.

The department, however, had paid an amount of Rs.1.53 crore to the contractor representing full value of preparation of 12.82 lakh PICs up to October 1997, by relaxing the terms of the contract considering the financial crisis of the firm, although 20 per cent of the work remained to be completed by the contractor.

There has been no progress of work since October 1997 as the contract had not been renewed (July 1998). Due to delay in completion of the preparation of Identity Cards, the PICs could not be used in Lok Sabha Election 1996 and Simultaneous Election 1998 as directed by the EC *ab-initio*. Thus, the expenditure of Rs.1.53 crore incurred on the preparation of PICs proved unfruitful as the very purpose for which the cards were prescribed by the EC was defeated. The Government stated (October 1998) that the non-implementation of PIC scheme in Elections 1996 and 1998 was due to non-finalisation of general policy by the Commission. But the fact remained that the Department could not complete preparation and supply of PICs to all the voters within the time frame fixed by the EC for the purpose.

3.5 Utilisation of Electronic Voting Machines (EVMs)

According to policy to introduce EVMs for conducting general election by phases throughout the country, the Election Commission of India (EC) had supplied 1000 EVMs with required numbers of magnesium batteries to the Chief Electoral Officer of the State through the Electronic Corporation of India Limited (ECIL), Hyderabad in March 1990. As the EC had to refrain from the use of EVMs due to restrictions imposed by the Apex Court, all the EVMs valued at Rs.49 lakh remained unused since receipt (1990). Meanwhile, the magnesium batteries got outlived and damaged which were disposed of by burying in the earth under instructions from the EC. In absence of any details of value of the damaged batteries, the extent of loss could not be ascertained in audit. But the Department had incurred an expenditure of Rs.0.75 lakh in 1996-97 for replacement of wooden boxes containing EVMs.

The Department stated (July 1998) that the replacement of wooden boxes was inevitable as the boxes containing EVMs supplied by the ECIL had been damaged by termites. It indicated that the Department had failed to make proper storage arrangements for the EVMs.

The Government stated (October 1998) that no direction regarding use of EVMs had been received from the Election Commission in the light of Supreme Court verdict.

HEALTH AND FAMILY WELFARE DEPARTMENT

3.6 Control Mechanism of Medical and Public Health

3.6.1 Introduction

There are 625 Medical Institutions comprising 15 Hospitals, 11 Community Health Centres (CHC), 53 Primary Health Centres (PHC) and 546 Sub-Centres (SC) for rendering health care services to 27.57 lakh people of the Tripura State. To implement various programmes of Health Care System under the major head "2210-Medical and Public Health", the Department was operating 23 Non-plan schemes, 20 State Plan schemes and seven Central Sector schemes as of March 1998.

3.6.2 Organisational set up

The Health and Family Welfare Department functions under the overall administrative control of the Commissioner-cum-Secretary. The Director of Health Services (DHS) manages the working of hospitals, CHCs, PHCs, and SCs and also controls the expenditure incurred by them against provisions of funds with the assistance of 27 Drawing and Disbursing Officers (DDOs).

3.6.3 Audit coverage

A review on Control Mechanism of Medical and Public Health covering Financial Management, Programme Management (which includes detailed examination of the Working of State Drug Control Machinery(SDCM) and the scheme of National Programme for Control of Blindness(NPCB)) and Stores Management was conducted between September 1997 and April 1998 by test check of records of the DHS, State Ophthalmic Cell and 7 DDOs* for the periods from 1993-94 to 1997-98.

* 1. Medical Superintendents of G.B. Hospital, Cancer Hospital, I.G.M. hospital.

2. Sub-Divisional Medical Officers of Amarpur and Belonia Hospitals.

Important findings are given in the succeeding paragraphs.

3.6.4 Highlights

— The Controlling Officer failed to detect excess expenditure of Rs. 1.89 crore over allotment of Rs. 17.66 crore in respect of four DDOs for 1995-96 and 1996-97 due to non-maintenance of control register of expenditure as per instructions of the Finance Department.

(Paragraph 3.6.5.2(iii))

— The Department had spent Rs.22.05 lakh mainly on pay and allowances of the staff during 5 years from 1992-93 to 1996-97 on continuation of “National Small Pox Eradication Programme” (Non-plan) despite the country being declared a Small Pox free zone in April 1977 by the International Commission of Small Pox Eradication Programme.

(Paragraph 3.6.5.3)

3.6.5 Financial Management

3.6.5.1 Budget Estimate and Expenditure

The budget estimates and expenditure during the period from 1993-94 to 1997-98 under the major head “2210-Medical and Public Health” were as shown below :

Year	Non-Plan		Plan		CSS Plan			Percentage of savings
	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Savings	
<i>(in lakh of rupees)</i>								
1993-94	1674.99	1592.05	700.00	793.79	246.74	99.73	147.01	60
1994-95	1924.50	1977.29	737.00	663.95	258.98	78.20	180.78	70
1995-96	2325.34	2279.87	726.00	715.49	393.31	141.74	251.57	64
1996-97	3353.74	3008.59	926.56	933.67	454.68	225.34	229.34	50
1997-98	3273.19	3212.24	774.00	763.60	478.72	409.32	69.40	14

While Non-Plan expenditure increased by 101 per cent between the year 1993-94 and 1997-98, the Plan expenditure decreased by 4 per cent which was indicative of slow progress of Plan Schemes. There were persistent savings ranging from 14 to 70 per cent of expenditure under Centrally Sponsored Schemes for which the Department did not submit surrender proposals to Finance Department. The significant cases of savings during the last four years ending March 1998 were as follows :

3. Tripura Sundari District Hospital, Udaipur.

4. Chief Medical Officer, Udaipur.

Year	Name of Scheme	Provision	Expenditure	Savings	Percentage
		<i>(in lakh of rupees)</i>			
1993-94	National AIDS Programme 100% CSS – A Project of World Bank Assistance	33.14	3.14	30.00	91
	Public Health Laboratories (100% CSS)	9.00	NIL	9.00	100
	Drug Control – State Drug Control Machinery (100% CSS)	5.00	NIL	5.00	100
1994-95	Anti TB Clinic (Central Share) (CSS)	12.60	NIL	12.60	100
	National Leprosy Eradication Programme (100% CSS)	13.50	4.00	9.50	70
	National AIDS Programme (100% CSS) – A Project of World Bank Assistance	60.34	19.19	41.15	68
1995-96	Anti TB Clinic (Plan) (Central Share)	17.00	NIL	17.00	100
1996-97	National AIDS Programme (100% CSS) – A Project of World Bank Assistance	138.14	55.72	82.42	60
1997-98	Other Health Scheme (CSS) - Anti TB Clinic (Plan)	24.57	6.39	18.18	74
	National AIDS Prevention and Control Programme 100% CSS (Plan)	63.39	41.36	22.03	35
	TOTAL	376.68	129.80	246.88	66

Reasons for savings were not furnished except for savings of Rs. 82.42 lakh under “National AIDS Programme” during 1996-97 which was stated to be due to non-release of funds by the Government of India.

3.6.5.2 Budget and control over expenditure

(i) Test checks of budget estimates (BE) of the DHS for the years 1994-95 to 1997-98 (Non-Plan) revealed that the minor and sub-head wise estimates were prepared in the Directorate without asking for budget proposals in detail from the DDOs.

The consolidated statements of expenditure as submitted by the DHS to the Finance Department from time to time contained the figures of expenditure under two broad categories, viz., salary and non-salary groups. In the absence of details of expenditure under different heads in the statement of expenditure, the Finance and the Administrative Departments were not in a position to analyse the trend of expenditure.

The BE for establishment charges as projected were not based on proper estimation supported by records showing the basis of calculation. Similarly, in the case of non-salary group, proper estimates were not made in the absence of (1) Budget proposals from the DDOs and (2) Control register of expenditure (sub-head wise) for each DDO resulting in excess and savings both under salary and non-salary groups ranging from Rs.44.08 lakh to Rs.2.05 lakh and from Rs.6.38 lakh to 139.82 lakh respectively.

Thus, due to non-observance of the prescribed systems, Budget estimates of the Department remained un-realistic.

(ii) As per departmental instructions, all the DDOs were required to submit Monthly Expenditure Statement (MES) on the 5th of every month to the Controlling Officer (CO) but

delays ranging between 8 and 120 days occurred in submission of MES in respect of 27 DDOs. Moreover, in absence of requisite details in the MES, no analysis/monitoring of expenditure was possible by the CO who also did not maintain a broadsheet or a Control Register for keeping a watch over the receipt of MES from the DDOs.

(iii) Though required under rules the controlling officer did not maintain "Register of Expenditure" in respect of each DDO separately and consequently, failed to detect excess expenditure of Rs. 1.89 crore incurred over allotment by four DDOs as shown in **Appendix - 4.**

The Department while conceding the lapses stated (September 1997) that all the defects pointed out by Audit had been noted for future guidance.

3.6.5.3 Nugatory expenditure

Although the country was declared as a small pox free zone in April 1977 by the International Commission of Small Pox Eradication, the Department continued operating the National Small Pox Eradication Programme during the last 20 years and incurred a total expenditure of Rs.22.05 lakh during the year 1992-93 to 1996-97 mainly on the pay and allowances of the staff employed under the programme.

On this being pointed out in audit (September 1997), the Department dropped the scheme with effect from the Revised Estimates for 1997-98.

3.6.6 Programme Management

3.6.6.1 State Drug Control Machinery

The Government of India, Ministry of Health and Family Welfare sanctioned Rs. 95 lakh for augmentation of State Drug Control facilities established since 1973 between the years 1991-92 and 1995-96.

Out of Rs. 95 lakh an expenditure of Rs. 72 lakh was incurred upto 1996-97 on construction of laboratory building and purchase of equipment therefor. The balance amount of Rs. 23 lakh was not released by the Finance Department, reasons for which were not intimated to Audit.

3.6.6.2 Non-installation of FTIR Spectro-photometer

The Department had procured (October 1995) a FTIR Spectro-photometer, from a USA based firm MIDAC through the authorised agent NULAB Equipment Company Private Limited, Bombay at a cost of Rs. 6.42 lakh. The equipment was, however, found defective and could not be installed despite three attempts made between February 1996 and December 1996 and finally in January 1997 it was sent back to the authorised agent (NULAB) in India for repair in response to its offer to repair it either at its own repairing centre at Mumbai, if feasible, or at MIDAC, involving shipment of the equipment to and from USA at Government expense depending on the situation. Further development was awaited (August 1998).

Apart from the idle outlay of Rs.6.42 lakh for nearly three years, the Laboratory of the SDCM constructed at a cost of Rs.72 lakh could not become functional for testing the tablets and capsules used by the hospitals and dispensaries for the treatment of the patients.

3.6.6.3 Implementation of Drugs and Cosmetics Act, 1940

To ensure the prescribed standard and quality of drugs, the SDCM administered a system of licensing, inspection and testing under the Act.

•3.6.6.4 Inspection

According to rules, the Drug Inspectors were required to inspect at least 100 pharmaceutical units every year and accordingly 900 units were to be inspected by the 9 Drug Inspectors each year.

Scrutiny of records showed that only 339 to 550 inspections were carried out annually during the year 1992-93 to 1996-97 resulting in shortfall ranging between 38 and 61 *per cent*.

3.6.6.5 Drug Standard Control

An Inspecting Officer (Drug) was required to collect 10 drug samples in every month as per prescribed norms from the Government store as well as drug sellers to analyse the standard of drugs in the Government laboratory.

According to prescribed norms and the available strength of Inspecting Officers, 1080 (10 X 9 X 12) samples were required to be collected annually. Against this, the actual collection of samples ranged between 152 and 479 resulting in shortfall varying from 56 to 88 *per cent* during the years 1992-93 to 1996-97.

The low performance was due to non-drawal of samples from the drug sellers. The samples as collected from the Government stores had not been fully analysed. The shortfall varied from 16 to 58 *per cent*. The DDC attributed (September 1997) poor performance of the SDCM to shortage of space, equipment and manpower but could not produce documentary evidence to substantiate his contention.

As per the departmental instructions (October 1996), medicines received from suppliers should not be issued for consumption without first being tested by the Drug Testing Authority and sub-standard medicines should not be used in any case. The instructions were, however, withdrawn in November 1996.

The Government stated (November 1998) that the current system of supply of medicines from the Central Medical Stores before receipt of test reports was a stop gap arrangement to save the life of the patients pending augmentation of the State Drug Testing Laboratory. This indicated that the deficiency in the system was allowed to continue at the risk of health of the patients under its care.

3.6.6.6 Targets and Achievements

The department had not formulated any action plan for ensuring availability of quality drugs in the State.

3.6.6.7 Monitoring and evaluation

The 2nd conference of the Central Council of Health and Family Welfare held in New Delhi recommended (March 1989), *inter-alia*, setting up of "Adverse Drug Reactions Monitoring Cells" in various Government hospitals and to have a whole time drug controller for effective implementation of Drugs and Cosmetic Act and Rules. Neither the cells were set up nor the performance of SDCM reviewed. Comments called for from the Department (September 1997) were awaited (September 1998).

3.6.7 National Programme for Control of Blindness (NPCB)

The National Programme for Control of Blindness (NPCB) was launched in the year 1976 as a 100 *per cent* Centrally Sponsored Programme with the objective of reducing the prevalence of blindness from 14 per thousand to 3 per thousand by the year 2000 AD.

The scheme was introduced in Tripura State by setting up of State Ophthalmic Cell (1978) headed by a State Programme Officer (SPO) under the supervision of the DHS and under overall charge of the State Health Secretary. The SPO was responsible for implementation and monitoring of the programme in all the districts of the State including, *inter alia*, rehabilitation of incurable blind persons.

Besides formation of one Central Mobile Unit (CMU), 4 District Mobile Units (DMUs) and the District Blindness Control Societies (DBCS's) in all the 4 districts of the State, 29 PHCs were shown to have been upgraded as of 31 March 1998.

During test check it was, noticed that :

- i. Out of 29 PHCs claimed to have been upgraded as of March 1998, 21 DHCs were not manned by Para Medical Ophthalmic Assistance (PMOAs) to provide primary eye care to the patients.
- ii. As against the total 35182 cataract operations required to be done during the year 1994-95 to 1997-98 as per Government of India norms a target of 20600 operations was fixed against which 22163 operations were conducted indicating shortfall of 37 *per cent* with reference to the target of 35182 operations.
- iii. The activities of NPCB remained confined mostly in West District as compared to the remaining three districts combined together 65 to 78 *per cent* of the total operations done during the last 5 years ended March 1998 were done in West Tripura District depriving the poor people in far-flung areas of the benefits of the programme.

In reply the Government stated (November 1998) that the activities of NPCB were mainly confined to West Tripura District due to better geographical location with a larger population. The reply is not convincing as the population of West Tripura as per 1991 census was 47 *per cent* of the total population of the State while the number of operations done in West Tripura ranged between 65 and 78 *per cent* of the total operations done during 1993-94 to 1997-98.

- iv. The performance of Mobile Eye Units fell much short of prescribed standards against the annual target of 1500 units (surgical) for cataract operations for each Mobile Unit (4) the actual performance during the year 1994-95 to 1997-98 ranged between 34 and 41 *per cent*. The Government stated (November 1998) that the targets of Mobile Eye Units could not be achieved due to local inconveniences.

3.6.8 Stores Management

3.6.8.1 General Remarks

The purchase of medical stores required by the Department other than the 4 State level Hospitals¹ was being centrally made by the DHS and stored in the Central Medical Stores (CMS) pending distribution to the district stores under the Chief Medical Officers (CMOs), North, South and Dhalai districts, and all peripheral medical institutions under the CMO West Tripura District having no district stores of their own.

3.6.8.2 Assessment of requirement of medicines

Test Check of records indicated that while the receipt of medical stores was acknowledged by the peripheral institutions, reports of consumption were not furnished nor

¹ (1) G.B. Hospital, (2) Cancer Hospital, (3) I.G.M. Hospital, and (4) Dr. B.R. Ambedkar Hospital - authorised to make their own purchases based on the tenders finalised by D.H.S.

did the Department ever call for it. In the absence of periodical indents and reports of consumption of medicines from the subordinate medical institutions the department was not in a position to make a realistic assessment of the requirement of medicines and their *bona fide* use by the institutions.

3.6.8.3 Non-fulfilment of the requirement of common medicines

(i) Test check of records of one District Hospital, two SDMOs and two PHCs disclosed that the district stores could not supply common/ordinary type of medicines like Paracetamol, Cotrimoxazole etc., to various medical units under the district required for dispensing the outdoor patients as per their requirements. The supply fell short by 29 to 97 *per cent* over the indents placed as analysed from the records of those units for three years ended 1.96-97 whereas the stock position as of December 1997 of some other medicines^a pertaining to the stores of the SDMO-Belonia and Amarpur indicated that the stock was on much higher side than the annual consumption trend during the corresponding period.

(ii) In June 1997 the Deputy Drug Controller reported to the DHS that the supply of 12.92 lakh tablets of Paracetamol and 12.61 lakh tablets of Cotrimoxazole (cost Rs. 5.66 lakh) was suspected to be misbranded and spurious. Between October 1996 (date of supply) and June 1997, 9.62 lakh Paracetamol tablets and 7.40 lakh Cotrimoxazole tablets had been consumed and the balance 3.30 lakh and 5.21 lakh tablets respectively (valued at Rs. 2.84 lakh) were lying unutilised in stock (August 1998).

As stated by the Deputy Drug Controller (September 1997) investigating into the matter, the basis of suspicion was that the batches of medicines were not found mentioned in the copies of bills through which the manufacturer supplied the drugs during 1996-97. The Department, however, did not agree to it and stated (September 1997) that the required checks were exercised before making payment of Rs. 5.66 lakh and releasing security deposit of Rs. 0.95 lakh to the firm in March 1997.

Although the DHS was aware of the ill reputation of the supplier in Maharashtra, four items of medicines were purchased at a cost of Rs. 9.67 lakh from the manufacturer in March 1997. The Department stated (September 1997) that since no test report was received prior to June 1997 it had no other alternative but to place order for some items in March 1997 in the interest of the patients.

The investigation on supply of misbranded and spurious medicines started in October 1996 had not been completed as of August 1998. The reason for delay was, however, not explained. As a result, 3.30 lakh Paracetamol and 5.21 lakh Cotrimoxazole tablets valued at Rs. 2.84 lakh heading towards expiry date (September 1998) remained unused which in turn resulted in blockade of funds as well as denial of medicinal support to the ailing community in dire need of these tablets.

3.6.8.4 Physical verification of stores

Test check of records of the CMS revealed that a physical verification of stores (medicines) was conducted only in August 1996 during five years from 1992-93 to 1996-97 instead of once in every year.

^a (a) Chlorpromazine (500),(b) Tab. Furazolidone (35,150),(c) Dexamethasone (2280) - Belonia stores. (a) Avil Injection (890),(b) Lasix (350),(c) Normal Saline (2509) - Amarpur stores.

The verification report disclosed that 2,725 ampoules of Injection Methylergometrine Maleate and 2750 ampoules of Injection Mephentine totalling 5,475 ampoules (value not recorded) were found spoilt due to lapse of expiry dates - May 1995 and September 1993 respectively. No effort was made to utilise the ampoules by adopting "First in and first out" principle since same types of injections were procured and distributed during 1992-93 to 1994-95.

3.7 Manpower Management

3.7.1 Introduction

Manpower management is a process by which it is ensured that the right type of people in the required number at the right time and place do the right job for which they are economically most useful. Further, manpower planning ensures proper distribution and clear demarcation of functional responsibilities so that available manpower is utilised efficiently and effectively.

3.7.2 Organisational set up

Health and Family Welfare Department of the State Government was responsible for running of the public health care system and manpower management through the Director of Health Service (DHS), who was assisted by one Additional Director, one Joint Director, three Deputy Directors, two Programme Officers and one Chief Planning Officer besides four Medical Superintendents being the heads of four State level hospitals at Agartala viz., the Govinda Ballav Pant (GB), the Indira Gandhi Memorial (IGM), the Dr. B. R. Ambedkar Memorial and the Cancer hospital. At the district level, there were four Chief Medical Officers (CMOs) to supervise all the health and family welfare activities of their respective districts in the State.

3.7.3 Audit coverage

Under the Health and Family Welfare Department there were 28 Drawing and Disbursing Officers (DDOs) of which records for the period from 1993-94 to 1997-98 in respect of 13 DDOs in the Directorate, four State hospitals, two District hospitals, three CMOs^o out of four and three Sub-Divisional Medical Officers (SDMOs)^e out of nine were test checked between October and December 1997 and in June 1998. The results of the review are indicated in the succeeding paragraphs.

3.7.4 Highlights

— **Out of the total expenditure of Rs. 194.45 crore incurred during 1993-94 to 1997-98, 77 per cent was spent on salaries and wages of staff and 23 per cent on other charges including medicine, diet, implements, equipment etc.**

(Paragraph 3.7.5)

— **Against the requirement of 23 Community Health Centres (CHCs), 92 Primary Health Centres (PHCs) and 579 Sub-Centres in rural areas only 10 CHCs (43 per cent), 56 PHCs (61 per cent) and 536 Sub-Centres (93 per cent) were in existence as of March 1998. Besides, 9 existing Sub-Centres in Amarpur and Khowai Sub-Divisions had not**

^o CMOs : West Tripura, South Tripura and North Tripura Districts.

^e SDMOs : Khowai, Amarpur and Dharmanagar.

been functioning for the last 4 years ending 1997-98. Thus, adequate number of health institutions were not available in rural areas for providing proper health care.

(Paragraph 3.7.6)

— Deployment of doctors in different institutions was not made in proportion to requirement. No doctor had been posted in 1 PHC and shortage of doctors against the requirement in 3 CHCs and 12 PHCs ranged from 40 to 80 *per cent*. Besides, most of the CHCs and PHCs equally faced with acute shortage of nursing staff.

(Paragraph 3.7.8(i) (ii))

— Despite having 44 Group 'D' workers in excess of requirement in the four State level hospitals, the hospital authorities engaged 203 casual labourers for performing duties which could have been discharged by Group 'D' workers and incurred an extra expenditure of Rs. 60.65 lakh on wages during the period from 1994-95 to 1997-98.

(Paragraph 3.7.9)

— No training for 'Nursing Course' was conducted in the two training institutions at Kailashahar and Udaipur during 1993 to 1996. As a result, services of 8 Sister Tutors posted in those Institutes could not be utilised which led to payment of idle salaries for Rs. 12.82 lakh.

(Paragraph 3.7.10)

3.7.5 Budget provision and expenditure

The budget provision and expenditure for the period from 1993-94 to 1997-98 under Medical, Public health and family Welfare programmes were as follows :

Year	Budget provision				Expenditure			
	Salaries and wages	Diet and Medicine	Other charges	Total	Salaries and wages	Diet and Medicine	Other charges	Total
	<i>(Rupees in lakh)</i>				<i>(percentage in bracket)</i>			
1993-94	2495.57 (77)	397.57 (12)	369.64 (11)	3262.77	2616.16 (76)	444.44 (13)	371.63 (11)	3432.23
1994-95	2589.70 (76)	525.01 (15)	295.25 (09)	3409.96	2722.73 (81)	411.76 (12)	236.33 (07)	3370.82
1995-96	2909.97 (74)	604.61 (15)	413.00 (11)	3927.58	2935.22 (77)	483.94 (13)	390.78 (10)	3809.94
1996-97	3427.44 (74)	780.04 (17)	449.06 (09)	4656.54	3242.82 (76)	572.77 (14)	428.68 (10)	4244.27
1997-98	4115.59 (73)	455.00 (8)	1057.16 (19)	5627.75	3527.03 (77)	592.03 (13)	468.07 (10)	4587.13
Total	15538.27 (75)	2762.22 (13)	2584.11 (12)	20884.60	15043.96 (77)	2504.94 (13)	1895.49 (10)	19444.39

It would be seen from the above that the expenditure on manpower (salaries and wages) ranged between 76 and 81 *per cent* of the total annual expenditure of the Department, while expenditure on diet and medicine was between 12 and 14 *per cent* and on the other charges (implements, equipment, office expenses etc.) between 7 and 11 *per cent* during the period from 1993-94 to 1997-98. Hence, it was hardly possible for the Department to provide adequate health care to the people of the State as most of its funds were utilised in payment of salaries and wages of staff alone.

3.7.6 Health infrastructure

The position of existing health institutions in the State as of 31 March 1998 was as follows :

Sl. No.	Institution	Number
1.	State level hospitals	4
2.	District hospitals	2
3.	Sub-Divisional hospitals	10
4.	Rural hospital/Community Health Centres	10
5.	Primary Health Centres	56
6.	Sub-Centres	536
7.	Ayurvedic Dispensaries	31
8.	Homeopathic Dispensaries	45
Total		694

While the State, District and Sub-divisional level hospitals are located in the Urban areas, CHCs, PHCs and Sub-Centres are located in the rural areas. The Ayurvedic and the Homeopathic Dispensaries are located in both the urban and rural areas.

As per central guidelines, one CHC was required to be established for every 80,000 to 1,20,000 population, one PHC for an average of 30,000 population in general and for every 20,000 population in tribal areas and one Sub-Centre for 5,000 population in general and for every 3,000 in tribal areas.

According to 1991 Census, rural population in the State was 23.35 lakh of which 8.39 lakh were tribals. For providing adequate health care to the rural people at least 23 CHCs, 92 PHCs and 579 Sub-Centres were required against which only 10 CHCs (43 *per cent*), 56 PHCs (61 *per cent*) and 536 Sub-Centres (93 *per cent*) were in existence as of March 1998. Besides, nine existing Sub-Centres^Δ in two Sub-divisions (Amarpur and Khowai) had remained non-functional for the last four years due to non posting of staff in these centres because of lack of communication and insurgency. Thus, adequate number of CHCs/PHCs were not available in the rural areas for providing proper health care.

Adequate health infrastructure was not available in rural areas.
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3.7.7 Manpower position

There was shortage of staff in each category of employees (except Metron) ranging from 6 to 26 *per cent* against the sanctioned strength as shown in **Appendix-5**. As a result, most of the health institutions especially the CHCs and PHCs located in rural areas were running without adequate number of staff as discussed in succeeding paragraphs. Naturally, the health care system in rural areas was adversely affected.

Shortage of staff in each category (except Metron) ranged from 6 to 26 <i>per cent</i> against the sanctioned strength.

[†] PHC old pattern/norms :49

PHC new pattern/norms :07

56

^Δ Nagrai, Sarbong, Paharpur, Ailmara, Gomati, Kurmabazar, Chechuabazar, Dumburnagar (outstay colony) and Gopalnagar.

3.7.8 Deployment of staff

(i) The Department could not provide requisite number of doctors[♥] in most of the health institutions due to shortage of doctors. Deployment of doctors in 24 health institutions (4 State level hospitals, 2 District hospitals, 2 Sub-divisional hospitals, 3 CHCs and 13 PHCs) showed that shortage of doctors in 8 institutions located in urban/sub-urban areas (4 State level hospitals, 2 District level hospitals and 2 Sub-divisional hospitals) ranged between 9 and 44 *per cent*, while the shortage of doctors in 15 institutions located in rural areas (3 CHCs and 12 PHCs) ranged between 40 and 80 *per cent* and no doctor had been provided in 1 PHC against the requirement of 5 doctors. This indicated that deployment of doctors in different health institutions was not at all in proportion to actual requirement/ sanctioned strength.

(ii) The CHCs and PHCs also faced with problem of shortage of nursing staff. Against the requirement of 12 nurses in each CHC, 6 CHCs were being run with only 3 to 11 nurses. Similarly, against the requirement of 5 nurses each in old pattern PHCs, 3 PHCs had not been provided with any nurse, 2 PHCs had only 1 nurse each and 3 PHCs had 3 to 4 nurses each. Thus, the shortage of nursing staff ranged between 9 and 75 *per cent* in the CHCs and 20 to 100 *per cent* in the PHCs.

(iii) As per staffing pattern for Sub-Centres approved by Government of India (Ministry of Health and Family Welfare), each Sub-Centre was to be provided with 2 multipurpose workers (MPWs) (1 male and 1 female) for carrying out field activities under different health care programmes, *viz.*: Family Welfare Programme, Immunisation Programme, National Malaria Eradication Programme etc. Test Check of records of 3 CMOs[♠] and 3 SDMOs[♣] revealed that no MPW had been provided in 18 Sub-Centres, 52 Sub-Centres had been provided with only 1 MPW each. As a result, health care services at the grass root level under different health care programmes were not being provided properly by these Sub-Centres. On the other hand, 35 Sub-Centres had been provided with 3 to 5 MPWs each (details are given in **Appendix - 6**). Thus, the Department did not adhere to the prescribed norms for deployment of staff in the Sub-Centres.

(iv) Against the sanctioned post of one Principal Nursing Officer (PNO) in the Nursing Training Institute, Agartala, 2 PNOs had been posted (December 1997). On the other hand, no PNO was posted in other 2 Nursing Training Institutes at Kailashahar and Udaipur. Thus, the services of one PNO were not being utilised properly.

3.7.9 Engagement of casual labourers

Test check of the records of the four State level hospitals revealed that although the number of Group 'D' workers in position (620) was in excess of the requirement (576), the hospital authorities had engaged 203 casual labourers everyday mainly for performing the duties which could have been discharged easily by the Group 'D' workers. This resulted in avoidable and extra expenditure of Rs.118.75 lakh on wages of casual labourers (Rs.60.65 lakh) and salary of excess 44 Group 'D' staff (Rs.58.10 lakh) between 1994-95 and 1997-98.

The Department had incurred an extra expenditure of Rs. 60.65 lakh on wages of casual labourers.
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[♥] Doctors include Medical Officer (Allopathy) and Dental Surgeon/Specialist.

[♠] CMOs : West Tripura District, North Tripura District and South Tripura District.

[♣] SDMOs : Khowai, Dharmanagar and Amarpur.

3.7.10 Training

For imparting training on two 'Nursing Courses' viz., (I) General Nursing Midwifery (GNM) course for three years and (II) Auxiliary Nurse Midwife (ANM) course for two years, the Department had set up the GB hospital Nursing Training Institute, Agartala for GNM course and two other Training Institutes in Rajiv Gandhi Memorial (RGM) hospital, Kailashahar and Tripura Sundari (TS) hospital, Udaipur for ANM course.

Test check of records revealed that while the GNM course was conducted in the Training Institute at Agartala during 1993 to 1996 with number of trainees ranging between 19 and 40 against the intake capacity of 50 trainees per year, no trainee was admitted for ANM course during the aforesaid years in the institutions at Kailashahar and Udaipur having intake capacity of 25 trainees per year for reasons not on record. As a result, services of eight Sister Tutors posted in these two institutions (RGM hospital : 3, TS hospital : 5) could not be gainfully utilised which resulted in payment of idle salaries to the tune of Rs. 12.82 lakh.

Services of 8 Sister Tutors were not utilised though Rs. 12.82 lakh was spent for their salaries.

3.7.11 Monitoring

The Department had not prescribed any staffing pattern as well as norms for deployment of staff in various health institutions. As a result, there was no proper and sound system for determination of manpower requirements, regulation of their efficiency and effective utilisation. Adequate reporting system on various aspects of manpower viz., (1) demand forecasting; (2) supply forecasting; (3) identification of future shortage or surplus; and (4) action plan for sorting out manpower imbalances in future was also not introduced for proper and effective manpower management.

The matter was reported to the Government in August 1998; reply had not been received (December 1998).

3.8 National Malaria Eradication Programme

3.8.1 Introduction

Keeping in view the encouraging results of National Malaria Control Programme launched in 1953 and to reduce malaria morbidity in the country, Government of India introduced a Centrally Sponsored Scheme in 1958 under the caption National Malaria Eradication Programme (NMEP). The scheme was modified in 1977 and the Modified Plan of Operation (MPO) was introduced for effective control of malaria and prevention of deaths caused by malaria. The main objectives of the programme were :

- Surveillance by the programme staff (called Active) and by medical institutions (called Passive) to collect blood smears of fever patients on a large scale and to test incidence of malaria.
- Treatment of malaria positive cases.
- Contact and mass survey in affected areas.
- Spraying of insecticides like DDT, BHC and Malathion in the mosquito breeding areas etc.
- Urban malaria control through larvicides to destroy larva spreading the disease.
- Vector susceptibility tests to determine the type of insecticide to be used.

3.8.2 Organisational set up

At the State level, the Deputy Director of Health Services (DDHS), NMEP is in overall charge of the programme. At the district level, the District Malaria Officer (DMO) is responsible for execution of the programme under the control and supervision of the Chief Medical Officer (CMO) of the respective districts. At the Community Health Centre (CHC)/Primary Health Centre (PHC) level, the programme is implemented through medical staff under the control of the Medical Officer (MO) in-charge of the respective CHC/PHC.

3.8.3 Audit coverage

The implementation of the programme in the State during the period from 1992-93 to 1997-98 was reviewed by Audit between February and April 1998 through test check of records of the DDHS, NMEP, 3 CMOs[¶] and 10 Health Institutions^Ω. The results of the review are incorporated in the succeeding paragraphs.

3.8.4 Highlights

— Out of the funds of Rs.17.36 crore released by the Centre and State under the programme during 1992-93 to 1997-98, Rs.2.52 crore remained unutilised as of March 1998.

(Paragraph 3.8.5.1)

— The rate of collection and examination of blood smears ranged from 6.35 to 7.95 per cent during 1992 to 1997 against minimum target of 10 per cent of the population every year. There were delay in examination of blood smears.

(Paragraphs 3.8.7 and 3.8.7.1)

— Although all positive blood smears and 10 per cent of negative blood smears examination at PHC/other peripheral laboratories were to be cross-checked, the Department decided to cross-check only 5 per cent of positive and 1.25 per cent of negative blood smears.

(Paragraph 3.8.7.2)

— During 1992 to 1997, 18.27 lakh cattle sheds had been sprayed with 219.24 tonnes of DDT worth Rs.82.33 lakh which was not permissible under the revised approach to malaria control.

(Paragraph 3.8.9.1)

— There was infructuous expenditure of Rs.32.68 lakh on procurement of 85.55 tonnes of DDT which could not be utilised even within extended period of three months from the date of its expiry.

(Paragraph 3.8.11.1)

— There was loss of Rs.7.83 lakh to the Department due to date-expiry of 1010 litres of Baytex during February 1995 to January 1998.

(Paragraph 3.8.11.4)

[¶] CMOs ; West Tripura District, North Tripura District and South Tripura District.

^Ω 4 (Bishalgarh, Jirania, Teliamura, Kumarghat) out of 10 CHCs, 5 (Mohanpur, Narsinggarh, Madhupur, Bishramganj, Shantirbazar) out of 56 PHCs, and one District Hospital (Kailashahar) out of 2.

— Different spare parts worth Rs.28.67 lakh received from GOI in March 1996 could not be utilised as these were not suitable for the available spraying machines.

(Paragraph 3.8.12)

3.8.5 Funding pattern

Initially NMEP was an 100 per cent Centrally Sponsored Scheme (category-1) but was made a category-II Centrally Sponsored Scheme on 50:50 fund sharing basis between the Centre and the States in 1979-80. Central assistance covered expenditure on material, equipment, insecticides, drugs procured indigenously, microscopes, larvicides etc., and salary of the staff was funded from State's share.

To intensify the anti-malarial activities, the North Eastern States (including Tripura) are given 100 per cent Central assistance from December 1994 as operational cost except committed expenditure like salary of staff which is met from State share.

3.8.5.1 Financial Management

Out of funds of Rs.1736.03 lakh released by the Centre (Cash : Rs.315.34 lakh; Kinds : Rs.971.94 lakh) and State (Cash : Rs.448.75 lakh) against budget provision of Rs.1408.96 lakh, Rs.1483.68 lakh (cash : Rs.711.43 lakh and kinds : Rs.772.25 lakh) were utilised for implementation of the programme during the period from 1992-93 to 1997-98 leaving Rs. 252.35 lakh (cash : Rs.52.66 lakh, kinds : Rs.199.69 lakh) of Central assistance unutilised as of March 1998. Non-utilisation of funds was attributed mainly to release of Central assistance at the fag end of the years.

3.8.6 Incidence of Malaria

Although the API had been targeted to be kept below 2.7 per thousand population during the VI Plan period (1980-85), the level of API ranged between 3.1 and 5.7 per thousand population even during the VIII Plan period (1992 to 1997). The main reasons were : (i) deficiency in spraying operation, (ii) inadequate anti-malaria campaign and (iii) absence of vigorous efforts to promote active community participation and health education. The number of death cases reported during the past six years was 87.

API could not be brought down to the desired level.

3.8.7 Annual Blood Examination Report

Annual Blood Examination Report (ABER) indicates a broad parameter that helps the Department to monitor the surveillance. As per norms, minimum 10 per cent of the population was to be screened for malaria through collection and examination of blood smears every year. The active surveillance was to be done fortnightly by the workers through house to house visits and passive surveillance was to search malaria cases by static agencies like hospitals, CHCs, PHCs etc. The details of collection and examination of blood smears (screening) from 1992 to 1997, however, indicated that the ABER ranged between 6.35 and 7.95 per cent against the target of 10 per cent.

ABER ranged from 6.35 to 7.95 per cent against the target of 10 per cent.

3.8.7.1 Delay in examination of blood smears

Although the scheme envisaged examination of blood smears collected from the fever cases within a week and administering of radical treatment to the patients immediately, test

check of the records of 6 Health Institutions[#] revealed that out of 1914 blood smears found positive during 1992 to 1997, 1166 cases (61 per cent) were examined after delays ranging from 11 to 176 days. Such delays led to increase in malaria incidence in the community because delay in providing radical treatment to the patients facilitated the vector mosquito to transmit malaria germs from the untreated patients to other members of the area.

61 per cent of collected blood smears were not examined within the permissible period.

The MO in-charge of Jirania and Bishalgarh CHCs stated (March 1998) that the delay in examination of blood smears was due *inter-alia* to shortage of Laboratory Technicians, technical difficulties in laboratory and delay in submission of collected blood smears to laboratory by the field workers. However, steps taken to overcome these deficiencies were not intimated to Audit.

3.8.7.2 Cross checking of blood smears

While the scheme envisaged cross checking of all positive and 10 per cent of all negative blood smears, the Department decided (March/December 1988) to send only 5 per cent of positive and 1.25 per cent of negative blood smears to the Regional Director, Health and Family Welfare (RDHFW), Calcutta every month for cross-checking. The Department could not explain the constraints faced by them in adhering to the prescribed percentage of cross checking the blood smears.

3.8.8 Establishment of Fever Treatment Depot and Drugs Distribution Centres

The scheme envisaged that in high risk areas, selected for implementing short term Malaria Action Programme, the case detection had to be strengthened by establishing Fever Treatment Depot (FTD). The FTD holder was to collect blood smears from fever cases and administer presumptive treatment to such cases as per drug schedule given to him. If it was not possible to establish FTD, the Department had to establish Drugs Distribution Centres (DDC). The functions of DDC were similar to those of FTD except that the DDC did not take blood smears but administered drugs to fever cases.

The DDHS, NMEP intimated (February 1998) that 241 FTDs and 663 DDCs had been functioning in the State but the details regarding location/villages, names etc., of FTD and DDC holders number of cases detected and treated by them were not produced due to which functioning of these centres could not be evaluated by Audit.

3.8.9.1 Insecticidal spray in cattle sheds

In the revised approach to malaria control, it had been decided to spray human dwellings and mixed dwellings. Cattle sheds were not to be sprayed with a view to conserve insecticide, improve house coverage and divert the mosquitoes from human dwellings to cattle sheds.

Records of the Department however, showed that in all 18.27 lakh cattle sheds were sprayed with DDT during 1992 to 1997. The Department did not maintain separate accounts in respect of utilisation of DDT for spraying cattle sheds. However, it was noticed in audit that 219.24 tonnes of DDT worth Rs.82.33 lakh had been utilised for spraying 18.27 lakh cattle sheds during the period from 1992 to 1997.

(1) Jirania CHC, (2) Bishalgarh CHC, (3) Narasinggarh PHC (4) Madhupur PHC (5) Mohanpur PHC and (6) RGM District Hospital.

The DDHS, NMEP stated (April 1998) that necessary instructions were issued to all concerned in July 1995 for not spraying in cattle sheds but in some areas cattle sheds had been sprayed under public pressure.

3.8.9.2 *Selection of insecticide*

Though the spraying operation was done entirely with DDT, it was necessary to select appropriate variety of insecticides to be used depending on the susceptibility status of the vectors of malaria by entomological investigation in different areas. For this purpose one post of State Entomologist was sanctioned but the post had not been filled up as of March 1998. For want of Entomologist, susceptibility status of the vectors of malaria was not monitored in the State and this might be one of the reasons for increasing trend of malaria cases in the State.

Susceptibility status of vectors of malaria was not monitored due to non-appointment of Entomologist.

3.8.10 *Urban Malaria Scheme*

3.8.10.1 *Establishment of Malaria Clinics*

Although the scheme envisaged opening of one malaria clinic for 50,000 population or part thereof in the urban areas for microscopic examination of blood smears, the Department opened (December 1994) only one laboratory in the office of the CMO, West Tripura District for microscopic examination of blood smears as against 4 clinics required to be opened for 1.57 lakh population in Agartala urban areas as per 1991 Census. Thus, there was no adequate infrastructure in the urban area to control the disease.

3.8.10.2 *Anti-larval operations*

In urban areas anti-larval measures in the form of weekly larviciding with chemicals, source reduction of peri-domestic water bodies and use of biological agents (Larvivorous fish) were to be undertaken to tackle the mosquito population.

Records of the Agartala Municipal Council showed that there were 1.95 lakh running metre (RM) drains in the urban area. Thus, in all 101.40 lakh RM (1.95 lakh X 52) of drains were to be covered under anti-larval operation through larviciding with chemical (Baytex) in a year. The actual coverage however, ranged between 42 lakh and 86 lakh RMs during the years 1993 to 1997, indicating shortfall of 15 to 59 per cent.

The shortfall was mainly due to lack of supervision and irregular spraying of Baytex.

3.8.10.3 *Spraying of human dwellings with Pyrethrum*

Spraying of human dwellings with Pyrethrum in and around 50 houses where malaria positive case is detected is one of the intervention measures to be taken in urban areas for control of malaria transmission. Test check of records of the CMO, West Tripura District revealed that although 723 malaria positive cases were detected in Agartala urban areas during the period from 1992 to 1997, no house in and around such positive cases was given indoor space spray with Pyrethrum as intervention measures for control of malaria transmission. On the other hand, the authority had utilised 573 litres of Pyrethrum (cost : Rs.1.47 lakh) for spraying some selected houses of dignitaries without detecting malaria positive cases therein during that period.

The CMO/DMO, West Tripura District stated (April 1998) that Pyrethrum had been utilised in some selected houses on the basis of necessity as well as availability of Pyrethrum. However, reasons for non-spraying of Pyrethrum in and around 723 malaria positive cases were not stated.

3.8.11 Procurement and utilisation of insecticides etc.

3.8.11.1 Procurement of time expired DDT

The Department received (August 1995 to January 1996) 100 tonnes of DDT worth Rs.38.20 lakh, shelf life of which was to expire in August/September 1995. On reference regarding the utilisation of such time barred DDT, GOI informed (August 1995) the Department that DDT could be used for another three months from the date of its expiry.

The Department could not, however, utilise 85.55 tonnes of time expired DDT even within the extended three months. Thus, procurement of 85.55 tonnes of DDT led to an infructuous expenditure of Rs.32.68 lakh.

DDT worth Rs.32.68 lakh could not be utilised even within the extended period of its expiry.
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3.8.11.2 Damage of DDT

Scrutiny of stock registers maintained in the Central Store (NMEP), Agartala revealed that 11.20 tonnes of DDT worth Rs.4.49 lakh had been damaged due to breakage of containers during the period from 1992-93 to 1996-97. Action taken to investigate the reasons for damage was, however, not available on record nor intimated to Audit (May 1998).

3.8.11.3 Theft of DDT

Scrutiny of records revealed that 8.58 tonnes of DDT worth Rs.3.47 lakh had been stolen from 12 CHC/PHC/Sub-Centres during the period from March 1992 to November 1997. The Department did not take any action except lodging FIR with the police.

3.8.11.4 Loss due to date expiry of Baytex

Out of 1580 litres (including previous stock of 80 litres) of Baytex (a larvicide) worth Rs.11.72 lakh received from GOI during 1992-93 to 1996-97, only 570 litres (cost Rs.3.89 lakh) were utilised upto 1997-98 and balance 1010 litres (cost : Rs.7.83 lakh) had become useless due to expiry of its shelf life between February 1995 and January 1998 resulting in loss of Rs.7.83 lakh. Injudicious procurement without assessing the actual requirement coupled with deficiency in anti-larval operations were found to be the main reasons for the loss.

The Department sustained a loss of Rs.7.83 lakh due to expiry of Baytex.
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The DDHS, NMEP stated (April 1998) that 1010 litres of Baytex could not be utilised in time owing to shortage of staff and lack of infrastructure.

3.8.12 Procurement of unsuitable spare parts

Based on requisition of the DDHS, NMEP, sent in February 1996, GOI supplied different spare parts of spraying machines worth Rs.28.67 lakh in March 1996, but these could not be utilised by the Department as these were not suitable for the spraying machines available with the Department and remained idle for more than two years. The DDHS, NMEP stated (April 1998) that the Department had requested GOI in February 1997 for taking these back as these did not fit the spraying machines but response from GOI had not been received (April 1998). The Department did not explain as to why requisition was made without assessing the actual requirement.

Spare parts worth Rs.28.67 lakh remained unutilised as these were unsuitable.

3.8.13 Staff position

Out of 160 sanctioned posts of different categories of staff, 87 posts(54 per cent) had remained vacant (March 1998) as detailed in **Appendix - 7**. Besides, no post of Inspector and

Insect Collector had been created though 17 Inspectors and 17 Insect Collectors were required for 17 wards of the Agartala urban area.

The DDHS, NMEP stated (April 1998) that though proposals for filling up the vacant posts was submitted in September 1995 to the Government, the matter had not yet been finalised (April 1998). There was no further progress in the matter (December 1998).

3.8.14 Information, Education and Communication

Information, Education and Communication (IEC) play an important role in bringing down the disease to a low level. Test check of records revealed that though the "Malaria Month" was observed in June 1997 by organising meetings, conferences, etc. throughout the State, no records were made available to Audit regarding utilisation of mass and other media for creating public awareness. It was also seen that the Department procured 43,700 leaflets (cost : Rs.0.33 lakh) between April 1994 and June 1997 of which 24,600 leaflets remained undistributed and were lying in the store of the DDHS, NMEP (March 1998). Besides, 400 booklets (for school children) received from GOI in November 1997 had not been distributed to the school children (April 1998). Thus, wide publicity of the programme through different media for creating awareness among the masses was not carried out satisfactorily.

3.8.15 Training

Training of professionals and ancillary personnel was one of the major objectives of the NMEP. It was required from the grass roots level workers to the Programme Officer. But no training was conducted for the grass roots level workers (Multipurpose Worker/Multipurpose Supervisors) and also for voluntary link workers, DDC and FTD holders during 1992-93 to 1997-98.

3.8.16 Research studies

Research work was one of the important aspects of MPO, but no such work was undertaken by the Department during the period from 1992-93 to 1997-98.

3.8.17 Monitoring and evaluation

Proper supervision of the activities of the Multipurpose Workers, FTD and DDC holders which constituted the grass root level workers was not done nor any monthly tour report of DMO(s) (in form MF-12) maintained. Thus, there was no effective monitoring on the implementation of the programme in the State. It was also seen in audit that the recommendations made in the Malaria Action Programme (MAP) had not been followed by the State in respect of laboratory services such as supervision of laboratories and cross-checking of laboratory results.

The matter was reported to the Government in August 1998; reply had not been received (December 1998).

3.9 Imprudent expenditure on consultancy without prior arrangement of funds for the main project

Expenditure of Rs. 5.35 lakh was incurred for consultancy fee on project ultimately got stalled.

With a view to expand the IGM Hospital, Agartala by constructing a 200 bed four storeyed building (to be used as a new Children and Maternity Wing) at an estimated cost of Rs. 3.86 crore, the Department approached (September 1991) HUDCO to provide loan

assistance of Rs. 2.86 crore at concessional rate of interest against Government guarantee which was promised to be arranged in due course. The balance amount of Rs. one crore was to be provided in the State Budget for 1991-92. There was no significant development in this regard till 27 May 1992 when the Medical Superintendent, IGM Hospital asked one Consultancy Firm (a Government of India Enterprise) to prepare a project report for facilitating loan assistance from financial institutions like HUDCO, IDBI etc. As per accepted terms of payment, Rs. 0.35 lakh and Rs. 5 lakh were payable to the Firm as fee for visit of one expert team and preparation of the report respectively (to be paid in phased manner).

Test check (October 1997) of the records of the Medical Superintendent, IGM Hospital revealed that the Superintendent had paid (31 March 1992) to the Firm, in advance, the full amount of Rs. 0.35 lakh and a part amount of Rs. 2.15 lakh against the dues of Rs. 5 lakh, on receipt of administrative approval and expenditure sanction for Rs. 2.50 lakh from Government on 30 March 1992. The final report of the Firm was received by the Department in March 1993. Neither any construction work had been started nor any arrangement for the required funds either from Government or from any other source was made for 3 years. The Superintendent, meanwhile, drew (March 1996) the balance amount of Rs. 2.85 lakh due to the Firm, on receipt of fresh administrative approval and expenditure sanction from the Government on the condition, that the payment was to be made only after acceptance of the report by the Government. The Superintendent made payment of the balance amount of Rs. 2.85 lakh to the Firm on 17 May 1996. But thereafter, no effective steps/action as regards arrangement of funds from the HUDCO/IDBI for the proposed construction was taken by the Department as of September 1998.

Thus, the expenditure of Rs. 5.35 lakh (0.35 + 2.15 + 2.85) incurred for mere consultancy without making any arrangement for the required funds for the proposed expansion stood totally unjustified and violated the principle of sound finance. Meanwhile, the long anticipated benefits from the proposed construction could not accrue to the beneficiaries as the proposed project got stalled.

The matter was reported to the Government in July 1998; reply had not been received (December 1998).

INDUSTRIES DEPARTMENT

3.10 Financial assistance under the guise of capital investment

Capital investment towards Share Capital Contribution of Rs.15.86 crore spent on establishment charges resulted in extending undue financial assistance to sick industrial unit.

Industries Department had been making capital investment from time to time towards Share Capital Contribution in the Tripura Jute Mills Ltd. (TJML) since its inception (1974-75). Upto the end of March 1992, the total amount invested on this account stood at Rs. 15.86 crore. During all these years the company sustained heavy financial losses and there was no production in the Mill from 1 April 1992 to 31 October 1994. Although production started thereafter, the performance was poor and nominal and the Company continued to suffer losses (the accumulated net loss as of 31 July 1998 as per accounts of the Company finalised upto 1985-86 stood at Rs. 10.76 crore). However, the Department instead of reviewing the

economic viability of further investments in the sick unit, continued to make huge investments in the Company. As of 31 March 1998, total investment of the Government in the Company stood as high as Rs. 40.44 crore as Share Capital Contribution which had exceeded the Company's authorised capital of Rs. 12 crore by Rs.28.44 crore. The investment made by the State Government as Share Capital Contribution was meant to be utilised for creation of permanent assets of capital nature, but was being spent by the Company, as a routine measure, towards payment of salary, wages, CPF contribution, taxes etc. Obviously, the capital investment could not bring any returns for a long period of over 20 years, but fresh investments were being made year after year. Amount so invested during the last seven years was Rs.29.20 crore*. Thus, the entire expenditure in the name of capital investment proved injudicious and uneconomic and resulted in extending undue financial assistance (Capital outlays) to the company for being used as working capital.

On this being pointed out (June 1998) Government, while admitting the fact stated (July 1998) that in every stage of releasing Share Capital assistance Government's approval was accorded considering the Company's financial and managerial problem since inception. Nothing was, however, spelt out as to why Government had been booking the expenditure as Share Capital Contribution under the Capital Major Head "4860-Capital Outlay on Consumer Industry" which was in fact being utilised towards working capital of the Company.

RELIEF AND REHABILITATION DEPARTMENT

3.11 Delay in resettlement of PL Home inmates resulting in consequent avoidable expenditure

Avoidable expenditure of Rs.18.41 lakh due to delay in resettlement of migrants from East Pakistan.

The Amtali Permanent Liability (PL) Home, established in 1970 to accommodate 300 families who had migrated from erstwhile East Pakistan, was to be wound up on resettlement of the inmates at the earliest. In June 1988, the number of families staying at the "Home" was surveyed by a joint screening committee of the Centre and the State, and found to be 83, consisting of 3 categories viz., PL (6 Nos.), Non-PL (66 Nos.) and Service Holder (11 Nos.). While the rehabilitation of the PL and the Service Holder category was the exclusive responsibility of the State Government, for the 66 Non-PL families State Government was to submit specific proposals to the Government of India for Central loan of Rs. 13,300 per family in addition to the facilities provided by the State Government for their resettlement.

Year of investment	Amount invested (Rupees in crore)
1991-92	4.62
1992-93	3.08
1993-94	2.95
1994-95	3.67
1995-96	4.46
1996-97	5.72
1997-98	4.70
Total for 7 years	Rs.29.20

Test check (June 1997) of the records of the Director, Relief and Rehabilitation, Agartala revealed that as of November 1996 i.e., after more than 8 years of the screening, 32 Non-PL families had neither been rehabilitated nor were proposals for grant of central loans in their cases submitted to Government of India. It was, however, noticed that in January 1991, State Government had issued Memorandum conveying approval for implementation of certain proposals for winding up of Amtali PL Home but no effective steps in respect of the said 32 families were taken. Government of India expressed (November 1996) dissatisfaction over State Government's apathy and considerable delay in resettlement of the inmates of the PL Home and insisted on an immediate discussion of the matter in Delhi. Accordingly, a meeting was held in Delhi on 17 December 1996 which was represented by the State's Resident Commissioner, Tripura Bhavan, New Delhi. It was decided to submit the proposal for 32 Non-PL families immediately, but the State Government submitted the proposal only in March 1997, and that too for an inflated number (44 instead of 32) to which Government of India did not agree. Consequently, Government of India's sanction could not be obtained (May 1998). Meanwhile, for maintenance of the PL Home during the period from 1988-89 to 1996-97 (as per records available till the date of audit) an expenditure of Rs. 26.56 lakh had been incurred. The amount so expended after the State Government had decided to wind up PL Home (January 1991) stood at Rs. 18.41 lakh.

Thus, inordinate delay on the part of the Government to take effective steps to rehabilitate all the inmates immediately after the screening made in 1988, resulted in an avoidable expenditure of Rs. 26.56 lakh. If proper and timely follow up action on Government's decision (January 1991) to wind up the PL Home had been taken the expenditure of at least Rs. 18.41 lakh could have been avoided.

Director of Relief and Rehabilitation, in his reply stated (December 1997) that the families eligible for rehabilitation were expected to be resettled within a short time. Nothing was, however, spelt out about the time-frame or the reasons for the delay in the proposed resettlement.

The matter was reported to the Government in July 1998; reply had not been received (December 1998).

REVENUE DEPARTMENT

3.12 Infertuous expenditure on construction of site selected injudiciously

Lack of proper co-ordination and injudicious site selection rendered the expenditure of Rs.13.69 lakh infertuous.

North Eastern Council (NEC) Secretariat, Shillong accorded (September 1991) administrative approval to the scheme "Setting up of Regional Survey Training Institute (RSTI) in Tripura" at an estimated cost of Rs. 1.88 crore for training of personnel in Survey and Land Records in Tripura, Manipur and Mizoram States. The scheme was to be implemented by Government of Tripura by providing land therefor, and completed within a period of 4 years from 1991-92 to 1994-95 beyond which the liability for maintenance and cost escalation, if any, would rest with the State Government.

Government entrusted (May 1992) the construction work to CPWD on the advice of an Advisory Committee constituted for the purpose. Funds of Rs. 19 lakh were placed with the CPWD and site was handed over (August 1992) at Debendra Chandra Nagar after getting

allotment of Khas land* measuring 6.36 acres in December 1991. The CPWD started the work in May 1992 and had spent an amount of Rs. 7 lakh on construction of boundary wall upto November 1993 when the Governing Body of the Advisory Committee and Construction Committee of RSTI, decided (November 1993) to withdraw the construction work from CPWD and entrust the same to the State PWD stating, *inter-alia*, that CPWD's rates were much higher (Rs.820 per square feet) than those of State PWD which ranged between Rs.350 to Rs.450 per square feet. It was further decided not to construct the RSTI separately but to start construction of hostel building and other facilities therefor at the already existing premises of the State Survey Training Institute (SSTI) at Arundhutinagar. No decision was, however, available on record about the construction work already executed at Debendra Chandra Nagar.

Government requested (April 1994) CPWD to stop the construction work. Meanwhile, CPWD had spent a total amount of Rs. 13.69 lakh on construction work upto January 1995. CPWD however, refunded unspent balance of Rs. 5.25 lakh in June 1996 leaving a shortfall of Rs. 0.06 lakh. RSTI had started already functioning in the SSTI premises at Arundhutinagar since November 1993 although hostel building and other facilities were not available there which showed that training could be imparted without any additional facilities.

Thus, injudicious site selection at the first instance followed by belated decision of shifting the same, as also lack of proper co-ordination between different levels of administration resulted in infructuous expenditure of Rs. 13.69 lakh.

The Government stated (June 1998) that in a subsequent meeting of the Governing Body and Construction Committee it was decided that the existing land and constructions of SSTI with suitable addition/alteration /modification would meet the requirements of proposed RSTI. It was also stated that the expenditure of Rs. 13.69 lakh may not be construed as infructuous since the portion of land is earmarked for field demonstrations. The contention is not tenable since mere boundary wall would not serve the intended purpose.

TRIBAL REHABILITATION IN PLANTATION AND PRIMITIVE GROUP PROGRAMME DEPARTMENT

3.13 Programme for rehabilitation of primitive group

3.13.1 Introductory

Out of 19 Schedule Tribes in the State, the 'Reangs' residing in inaccessible areas and Reserved Forests were identified by the Government in early seventies as 'Primitive Group Tribe' on the basis of their backwardness in agriculture practices, low literacy rates and economic condition. To ameliorate their social and economic conditions, the programme for rehabilitation of Primitive Group was launched in the State in April 1976. The main objectives were :

- to provide economic rehabilitation through settled cultivation within the Reserved and Protected Forest areas by raising plantations, providing inputs for pisciculture, animal husbandry etc.
- extend social benefits like health care etc.; and
- generate employment opportunities.

* Khas land means land owned by Government.

3.13.2 Organisational Set-up

The Department is headed by a Director, who is assisted by 4 Deputy Directors (Agartala, Ambassa, Manu and Udaipur) and 14 Range Officers.

3.13.3 Audit Coverage

Records regarding implementation of the programme during the years 1990-91 to 1997-98 including those of earlier years in certain cases were test checked in audit during January to March 1998 and results thereof have been incorporated in the succeeding paragraphs.

3.13.4 Highlights

— The Department retained Special Central Assistance of Rs. 48.07 lakh unproductively in its Personal Ledger Account for more than two years.

(Paragraph 3.13.5.1)

— The programme aimed at providing rehabilitation to the Reang families only. But the Department incurred Rs.1.29 crore in providing rehabilitation to 1010 Non-Reang families, who were not eligible for the benefits under the programme, thus defeating the purpose of the programme.

(Paragraph 3.13.7)

— The Department paid housing assistance of Rs. 1.99 crore to 6952 families without allotting/ensuring availability of land resulting in unfruitful expenditure.

(Paragraph 3.13.7.1)

— The Department did not conduct any soil survey and ensured supply of good quality Seeds, Silk worms etc., before raising Teak, Orange and Mulberry plantations. As a result, Rs.1.28 crore incurred on raising the plantations became infructuous.

(Paragraph 3.13.7.2.1)

— Due to failure to erect fencing, upkeep and maintain the cashew plantations, the Department sustained a potential loss of Rs. 7.78 crore in cashew production during the years 1990-91 to 1997-98.

(Paragraph 3.13.7.2.2)

— The Department constructed 1101 water conservation structures and developed 553 hectares of land at a total cost of Rs.19.31 lakh and supplied pairs of bullocks costing Rs.1.77 lakh to 177 families but did not provide the necessary inputs for piscicultural purposes and raising fodder crops. As a result the entire expenditure of Rs.21.08 lakh became infructuous.

(Paragraph 3.13.7.3)

— As against the target of generating employment for 47.85 lakh mandays during the years 1990-91 to 1996-97, the actual employment generated was for 17.02 lakh mandays representing 64 per cent shortfall in achieving targets.

(Paragraph 3.13.7.5)

— The Department had utilised 20,000 hectares of the Reserve Forests land for rehabilitation of primitive groups and incurred a total expenditure of Rs.20.39 crore

thereon without obtaining any approval from the Government of India and thus violated the Forest (Conservation) Act, 1980

(Paragraph 3.13.9)

— The Department had procured during 1990-91 to 1995-96, 206.50 lakh teak stumps at a cost of Rs. 47.54 lakh for plantation on 4383.05 hectares of land against the requirement of 48.87 lakh stumps as per departmental norms. Excess procurement of 157.63 lakh stumps resulted in unnecessary and extra expenditure of Rs. 34.04 lakh.

(Paragraph 3.13.11.1)

3.13.5 Financial Management

The budget provision made, funds received *vis-à-vis* expenditure incurred under the programme during the years 1990-91 to 1997-98 as furnished by the Department were as follows :

Year	Budget Provision	Funds received from the		Total	Expenditure	Variation of expenditure with budget provision
		Central Government	State Government			
(in lakh of rupees)						
1993-94	280.00	73.45	150.00	223.45	223.45	(-) 56.55
1994-95	235.00	172.77	150.00	322.77	318.74	(+) 83.74
1995-96	322.00	172.50	140.00	312.50	308.96	(-) 13.04
1996-97	223.55	101.42	175.00	276.42	276.28	(+) 52.73
1997-98	315.00	45.00	231.26	276.26	276.26	(-) 38.74
Total	1375.55	565.14	846.26	1411.40	1403.69	(-) 28.14

As against funds received from Government of India/State Government aggregating Rs. 14.11 crore from 1993-94 to 1997-98 an expenditure of Rs.14.04 crore was incurred leading to a saving of Rs.0.07 crore. Out of the total expenditure of Rs.14.04 crore shown to have even incurred during the years 1993-94 to 1997-98, Rs.2.92 crore (21 per cent) had remained deposited in the Personal Ledger Accounts as a result the of which expenditure booked in the accounts was overstated to that extent.

As per instructions issued by the Government of India, the Special Central Assistance (SCA) for the primitive group was to be distributed by the State Government on the basis of certain norms⁶ and the entire amount was expected to be made available by the end of third quarter. The State Government (which received the SCA in lump sum from the Central Government for the entire State), however, did not follow any norm for distribution of SCA to the Department. As a result, SCA ranging between Rs.0.48 crore and Rs.1.27 crore had to be drawn by the Department at the fag end of the years and retained in Personal Ledger Accounts in contravention of the rules.

⁶ I) 40 per cent of the amount on numerical size of the Primitive Tribal Community;

II) 30 per cent according to the population depending on different occupations *viz.*, Food gathering or Hunting, Shifting Cultivation, Sedentary Cultivation etc.;

III) 15 per cent according to the number of Primitive Tribal Communities in the State; and

IV) 15 per cent in inverse proportion to per capita Net State Domestic Product with weightage to Primitive Tribal population.

Financial rules require that the Government expenditure be evenly phased out through out the year. Notwithstanding this, 66 per cent of the total expenditure was incurred during the last quarter, of which 45 per cent was incurred in March alone during the years 1993-94 to 1996-97, which indicated that funds were drawn to avoid lapsing of budget grant.

The Government stated (September 1998) that attempt was being made to phase out utilisation of fund in a more even way.

3.13.5.1 Personal Ledger Accounts (PLAs)

Under the extant Rules, Personal Ledger Accounts (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.

But none of the 4 PLAs maintained by 4 Deputy Directors of the Department in 4 treasuries (Agartala-I, Kailashahar, Kamalpur and Udaipur), were closed at the end of the above years, although they had a combined closing balance ranging from Rs.37.97 lakh to Rs.127.31 lakh at the end of each year during the period from 1991-92 to 1997-98, and the balances held therein were carried over year after year in contravention of rules. Also as a result of booking these amount as final expenditure which had actually remained unutilised, the Finance and Appropriation Accounts for the years 1991-92 to 1996-97 (no amount was deposited in 1997-98) were distorted to that extent.

The closing balance of Rs. 48.07 lakh as on 31 March 1998 included Rs. 39.83 lakh received by the Department as SCA in February 1996 for setting up of three Mobile Medical Units at Damcherra, Gandacherra and Khowai. Neither these Units were set up nor the amount was refunded back to the Government of India as of August 1998. Similarly, the balance amount of Rs. 8.24 lakh being the SCA received by the Department during earlier years was also retained irregularly in the PLAs.

The Government stated (September 1998) that all these PLAs would be closed as per rules.

3.13.6 Survey and Identification

3.13.6.1 Survey

As a sequel to the identification, the Department was required to conduct a Socio-economic Survey of the identified group based on their skills, aptitude and absorption capacity to draw up a Comprehensive Project Report. No such Survey was conducted by the Department (March 1998).

3.13.6.2 Selection of beneficiaries

To select the areas and beneficiaries, the Government constituted (April 1988) Range Level and Divisional Level Committees, which were to meet once in every quarter. During the years 1992-93 to 1997-98 these committees held 50 meetings as against required 144 meetings and in absence of their properly recorded minutes, number of beneficiaries selected and procedures adopted for selection of areas and beneficiaries could not be verified in audit.

As per instructions issued (September 1994) by the Government, selection of beneficiaries was to be made from the notified list of families living below poverty line. No such list was, however, available with the Department. The basic data in respect of beneficiaries (like name, address, details of family members, their occupation and income

etc.) had not been recorded in the 'Identity-cum-Monitoring Card' maintained by the Department and in absence of this vital data it was not possible for Audit to verify whether the selection of beneficiaries was correctly made.

3.13.7 Implementation of the programme

The Project Reports envisaged that beneficiaries would be given permanent rehabilitation mainly through settlement in Forestry, Horticulture, and Pisciculture in two ways i.e., some properties would be developed for individual ownership and some properties would be developed for common and community use.

As of March 1998, 9710 beneficiary families were claimed to have been inducted under the programme as against the target of 8700 families during the years 1983-84 to 1997-98.

These 9710 families, however, included 1010 non-Reang families, who were not eligible to receive the benefits under the scheme as discussed below. As the Department did not maintain the basic data like name, address of the beneficiaries in their 'Identity-cum-Monitoring Card' the Department's claim that it had provided resettlement to 8700 families could not be vouchsafed in audit. Inclusion of 1010 non-Reang families resulted in unauthorised diversion of Rs.1.29 crore and deprived at least same number of Reang families of the intended benefits.

The Department unauthorisedly diverted Rs. 1.29 crore and deprived 1010 Reang families of getting rehabilitation.

The Government while accepting the lapses stated (September 1998) that induction of Non-Reang families had since been stopped.

3.13.7.1 Housing Assistance

With a view to providing permanent settlement, the programme *inter alia* envisaged allotment of land for homestead and extending financial assistance for construction/improvement of houses. It was noticed in audit that the Department did not allot any land in favour of 6952 Reang families (out of 8700) since the entire project area was under the Reserve Forest and allotment of land in Reserve Forest was forbidden under the Forest (Conservation) Act, 1980. However, the Department paid Rs. 1.99 crore to these families during 1983-84 to 1997-98 for construction/improvement of houses. However, as no Measurement Book or completion report in support of such construction or utilisation of funds was maintained by the Department, audit could not verify whether disbursement of money really helped the beneficiaries. The Government also had expressed (October 1995) serious concern over the performance of the Department.

Payment of Rs. 1.99 crore as housing assistance failed to provide durable assets to 6952 Reang families.
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In absence of allotment of land, the expenditure of Rs. 1.99 crore failed to provide any durable assets to these 6952 Reang families.

3.13.7.2 Raising of Plantations

Forestry sector of the programme aimed at raising forest plantations over an area of 1.5 ha per family, where the beneficiaries would work as wage-earner during the gestation period. As of March 1998 the Department utilised 0.20 lakh ha of Reserved Forests for raising different plantations.

3.13.7.2.1 Failure of Plantation

(i) To provide economic rehabilitation to 923 Reang families, the Department raised cashew nut plantations on an area of 1369.87 hectare (ha) of Reserved Forests during the years in 1983-84 to 1992-93 at a total expenditure of Rs. 40.14 lakh in Ambassa (815.77 ha) and Manu (554.10 ha) Divisions.

Although the cashew plants start bearing fruit after 3 to 4 years, there was no recorded production of cashew nuts in these plantations, making the whole expenditure infructuous. The Department attributed (July 1997) the failure to the adverse soil condition and use of low-yielding variety of seeds and admitted (August 1998) that the loss was due to wrong selection of sites and seeds.

(ii) During the years 1983-84 to 1988-89, the Department raised orange plantations in 327.50 ha of land at a total cost of Rs. 81.22 lakh in Ambassa (126 ha) and Manu (201.50 ha) Divisions for extending benefits to 655 Reang families but the entire plantations were damaged due to soil and altitudinal factors and did not yield any fruit. Generally, the oranges grown in these plantations were raised in low lying areas of Ambassa and Manu Divisions which indicated that proper soil survey was not conducted beforehand.

Similarly, the Department raised mulberry plantations in 73.58 ha of land during the years 1991-92 and 1992-93 in Ambassa (12 ha), Manu (33.58 ha) and Udaipur (28 ha) Divisions at a cost of Rs. 6.51 lakh to provide benefits to 49 Reang families but none of them was provided with necessary inputs like silkworm or rearing materials (March 1998) as envisaged under the scheme. As a result the whole expenditure of Rs. 6.51 lakh proved infructuous.

There was an infructuous expenditure of Rs. 1.28 crore in raising cashew, orange and mulberry plantations.

In July, 1994 the Department, however, decided not to raise mulberry plantations further and restock the old plantations with teak or cashew.

3.13.7.2.2 Loss in production

During the years 1990-91 to 1997-98, 2709.88 ha of cashew plantations were in fruit-bearing stage. As against the expected minimum production of 5419.76 tonnes (value : Rs.7.99 crore) during the period of 8 years ending 1997-98 the actual production of cashewnut in these plantations was 142.51 tonnes (value : Rs. 0.21 crore) only representing an abnormally low production i.e., 3 per cent only. As a result, the Department sustained a potential loss of Rs. 7.78 crore.

Although the Department had observed (January 1991) that fruit plants were being damaged by stray cattle in absence of any fencing, no fencing around the plantations had been erected as of August 1998. In March 1995 the Government had directed the Department to ensure periodic upkeep and maintenance of these plantations. The Department, however, did not take any remedial action to protect and maintain the plantations which ultimately resulted in low production.

In reply to Audit observations, the Government stated (September 1998) that inaccessibility of the areas, low level of education, awareness and sense of responsibilities of the concerned beneficiaries were the other factors responsible for such a low production.

3.13.7.3 Reclamation of land

The programme envisaged that each beneficiary family would be given 0.4 ha of developed *lunga*-land (low lying flat depressed areas between the hillocks) alongwith

necessary inputs like fishlings, nylon-nets for harvesting pisciculture in 0.2 ha and seeds, fertilisers, and one pair of bullocks for raising fodder crops in the remaining 0.2 ha.

As of March 1997 (no reclamation was done in 1997-98), the Department developed 553 ha of lunga land and constructed 1101 water conservation structures thereon at a total cost of Rs.19.31 lakh for 1382 beneficiaries but pair of bullocks costing Rs.1.77 lakh were given to 177 beneficiaries only. None of the families was, however, given any fishling or fishing net for harvesting pisciculture and seeds or fertilisers for raising fodder crops.

Thus, due to failure of the Department to provide necessary inputs, even after a period of 1 to 15 years, the expenditure of Rs. 21.08 lakh on water conservation structures and development of lunga land failed to provide any economic rehabilitation to 1382 Reang families and proved infructuous. The Department had not taken any steps to ascertain the present condition of these land/structures. The Department had also no information (August 1998) as to how these 177 families utilised the bullocks supplied to them or how many of these animals survived and how many died.

3.13.7.4 Providing Animal Husbandry Inputs

To provide protective protein feed and supplement their annual income varying from Rs. 1715 to Rs. 4000, the scheme of providing animal husbandry inputs (3 female pigs or 32 poultry birds/ducks) with food and medicines etc., was introduced in 1983-84 with the unit cost of Rs. 700 per beneficiary. The unit cost was revised to Rs. 1000 from 1990-91.

During the years 1983-84 to 1996-97 the Department had provided animal husbandry inputs valued at Rs. 66.86 lakh to 7983 families but no records showing survival/mortality rate of these animals were maintained. Further, during the years from 1990-91 to 1996-97, Rs. 11.10 lakh were paid to 222 beneficiaries under self employment income generating schemes. But no record in support of actual utilisation was maintained in absence of which the incremental income generated out of such inputs and actual number of beneficiary families brought above the poverty level could not be verified in audit.

3.13.7.5 Employment Generation

As per the project report, the beneficiaries were to sustain their families during the gestation period of plantations by working as wage-earners in these plantations and other related infrastructural development works. It was estimated that the programme would generate employment potential of 47.85 lakh mandays during the years 1990-91 to 1996-97 against which employment actually claimed to have been generated was for 17.02 lakh mandays resulting in shortfall of 30.83 lakh mandays (64 per cent). This shortfall was attributed to unsuccessful plantations. Even the claims of generation of employment for 17.02 lakh mandays during the years 1990-91 to 1996-97 could not be verified in audit due to non-maintenance of plantation-wise ledgers, sectorwise generation of mandays or the muster rolls properly in respect of the labourers engaged during these years by the Department.

The Deputy Director, Ambassa stated (March 1998) that the programme could not make much headway in providing economic rehabilitation to the beneficiaries because of absence of (I) pre and post lending survey, (II) proper follow-up action, (III) marketing facilities, (IV) wrong selection of beneficiaries/schemes, and (V) remoteness of the project areas. The replies from other two divisions (Manu and Udaipur) were however, awaited (December 1998).

3.13.8 *Distribution of land-rights*

The programme envisaged distribution of right to the land and property/assets created under the programme. As all the activities under the programme were done in the Reserved Forests and allotment of any land under Reserved Forests was forbidden under the Forest (Conservation) Act, 1980, the Government decided in December 1985 to give usufructuary rights (i.e. rights of enjoying the profits of a property) to the beneficiaries by way of demarcating the land and issuing 'Tree-patta'.

Till March 1998, the Department could not give any such right or patta to any beneficiary mainly because of its failure to delineate the area of the plantations raised by it from those raised by the Forest Department. To identify the plantations raised by the Department under the programme, it was decided (October 1997), to conduct a joint survey in association with the officers of the Forest Department. But the survey had not been started (December 1998).

The Department could not give any right of land to 9710 beneficiaries claimed to have been rehabilitated under the programme.

Thus, the Department's claim that it had rehabilitated 9710 families upto March 1998 (as mentioned in sub-para 3.13.7 above) was not based on facts.

3.13.9 *Violation of the Forest (Conservation) Act, 1980*

The Forest (Conservation) Act, 1980 forbids utilisation of any forest land for non-forestry purposes without obtaining prior approval from the Government of India and any violation thereof is punishable. The Supreme Court of India also ordered (December 1996) cessation of all activities done in Reserved Forests without the approval of the Government of India.

The entire project was, however, implemented in the Reserve Forests and as of March 1998, the Department had utilised 20,000 ha of Reserved Forests on the pretext of reclamation and raising plantations at a total cost of Rs.20.39 crore without obtaining any approval from the Government of India. Government of India directed (September 1995) the State Government to cause an enquiry into the performance of the Department and stop such activities forthwith. No enquiry had been conducted as of March 1998. In October, 1997 the Government, however, informed the Central Government that no forest land was used for non-forestry purposes.

The Department utilised 0.20 lakh hectares of Reserved Forests in violation of the Forest (Conservation) Act, 1980.

Thus, due to failure of the Department to obtain approval of the Government of India even within past 15 years (1983 to 1998) to utilise Reserve Forests, the entire activities of the Department for resettlement of the permissive groups were unauthorised and violative of the Forest (Conservation) Act, 1980. Vast tracts of Government land out-side the Reserve Forests were lying unutilised but the Department had not explored the feasibility of utilising these areas for rehabilitation of the tribals.

3.13.10 *Performance of Mobile Medical Units*

To provide free medical services to families belonging to Primitive Group and other tribes residing in interior hill areas, the Department had set-up (April 1976) six mobile medical units at Agartala, Amarpur, Kailashahar, Kanchanpur, Ambassa and Udaipur.

According to the instructions issued (January 1988) by the Government, Medical Officer (MO) of each of these units was to visit all the interior areas/PGP villages for at least 20 days in a month. During the years 1990-91 to 1997-98, 2507 visits were made by the MOs

as against required 11520 visits. The shortfall was 78 *per cent*, the reasons for which had not been intimated by the Department (August 1998).

3.13.11 Other points

3.13.11.1 Extra expenditure

During the years 1990-91 to 1995-96, the Department had procured 206.50 lakh teak stumps at a total cost of Rs. 47.54 lakh. All these stumps were shown to have been utilised for raising 4383.05 ha of teak plantations, as against the requirement of 48.87 lakh stumps as per Departmental norms resulting in excess utilisation of 157.63 lakh stumps (323 *per cent*) involving an extra expenditure of Rs. 34.04 lakh.

The Department incurred an unnecessary and extra expenditure of Rs. 34.04 lakh on teak plantations.

In absence of detailed records like the plantation journals/registers, etc., the number of stumps died/survived and the area restocked etc., could not be ascertained in audit. The excess utilisation of stumps had obviously affected the growth of the plantations by overcrowding the areas.

Reasons for excess utilisation of teak stump had not been furnished by the Department (December 1998).

3.13.11.2 Loss of materials

To provide electricity to ten villages inhabited by the people belonging to Primitive Group, in Dhalai and North Tripura Districts, the Department purchased 597 Solar Photo Voltaic Systems in March 1996 at a total cost of Rs. 1.42 crore from a Ghaziabad based firm and installed them.

It was noticed that 52 systems (value : Rs.12.23 lakh) were sold by the beneficiaries of Shibbari, Nooncherra and Luluhalam Para of the North Tripura District reportedly (December 1997) owing to their financial crisis and most of the systems installed in 5 villages (Balidhum, Shibbari, Luluhalam Para, Kakchand and Ananda Bazar) of North Tripura District were not functioning (December 1998) since November 1997 owing to some defects. No FIR was lodged by the Department (December 1998) for unauthorised sale of these 52 systems.

There was a loss of materials valued at Rs. 12.23 lakh.

It was also seen that as no right or title was given to these beneficiaries, they were reluctant to look after the assets created for them. Thus, due to failure of the Department to assess the absorption capacity of the beneficiaries together with the failure to provide right/title etc., to the assets created, the Department sustained a loss of Rs.12.23 lakh. Remedial action had also not been taken (December 1998) by the Department.

The Government while accepting the facts stated (September 1998) that instructions had been issued so that such things are not repeated.

3.13.12 Monitoring and Evaluation

3.13.12.1 Maintenance of records

Basic records like Nursery/Plantation Registers etc., required to be maintained as per Departmental instructions (October 1993 and November 1995), were not being maintained properly by the Range level and Divisional Officers and physical verification of stores required to be done annually was not done during the past 12 years ended 31

Basic records by Range level and Divisional Officers had not been maintained.

March 1998. As a result, the Department could not keep track of assets created at a cost of Rs.20.39 crore under the programme and demarcate the plantations raised by it from those by Forest Department as referred to in paragraph 3.13.8.

3.13.12.2 Inspection and Supervision

Departmental instructions (August 1993) required that all the rehabilitation centres be inspected by the Programme Officers at least twice a year and all the Range offices by the Deputy Directors at least once a year. They were also required to submit their inspection notes to the Director by the 15th of January and July every year in the proforma prescribed. No such notes were submitted by the Inspecting Officers and the internal control mechanism of the Department remained grossly ineffective.

Internal Control Mechanism remained grossly ineffective.
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3.13.12.3 Evaluation

To review and evaluate implementation of the various schemes under the programme, the Government constituted (June 1993) a high level committee under the chairmanship of the Chief Minister. The committee was to meet once in every quarter. No meeting of the committee was, however, held (March 1998) since its formation in June 1993.

According to Government instructions (October 1995), the Departmental Secretary and the Chief Secretary were required to review the performance of the Department monthly and quarterly respectively. No such review was, however, done and the implementation of the programme remained (September 1998) unevaluated. The Government stated (September 1998) that the meeting could not be conducted due to the preoccupation of the Chief Secretary with urgent works and the Departmental Secretary would review the performance once in a quarter.

TRIBAL WELFARE DEPARTMENT

3.14 Special Central Assistance for Tribal Sub-Plan

3.14.1 Introduction

The Special Central Assistance (SCA) for Tribal Sub-plan (TSP), a Centrally Sponsored Scheme, was introduced in the State in the year 1974-75 to act as an additive to meet gaps in the TSP which the various Central and State development programmes were not in a position to fill.

As per the Scheme, the SCA was to be used only for economic development of the Schedule Tribes (STs) basically for family oriented income generating schemes in association with the TSP of the State. The concept of Tribal Sub-Plan (a plan within a plan) was incorporated in Fifth Five Year Plan for rapid Socio-economic development of Schedule Tribes. According to 1991 census, the population of STs in the State was 8.53 lakh, which was 31 per cent of the total population (27.57 lakh) of the State.

3.14.2 Organisational set-up

The Scheme was implemented in the State by the Director for Welfare of STs through 4 Collectors and 14 Sub-Divisional Officers (SDOs). Four other institutions viz., Tripura Scheduled Tribes Co-operative Development and Plantation Corporation (TSTCDC), Tripura Forest Development and Plantation Corporation (TFDPC), Tripura Rubber Plantation

Corporation (TRPC) and Development Unit of World Bank aided Rubber Project, Tripura were also associated with the implementation of the Scheme.

3.14.3 Audit coverage

The records of the Directorate for Welfare of STs, 4 Collectors, 10 SDOs and those of TSTCDC, TFDPC, TRPC and Development Unit of the World Bank aided Rubber Project, Tripura for the years 1992-93 to 1997-98 were test-checked during April to June.

3.14.4 Highlights

— Twelve implementing agencies, to whom SCA of Rs. 14.42 crore was paid by the Department during the years 1992-93 to 1997-98 incurred an expenditure of Rs. 10.24 crore therefrom and retained the balance amount of Rs. 4.18 crore in their banks and Personal Ledger Accounts although utilisation certificates for the whole amount of Rs. 14.42 crore had already been submitted by the Department to the Government of India.

(Paragraph 3.14.5.1)

— The Department booked advances of Rs. 14.67 crore paid to 9 implementing agencies during 1992-93 to 1997-98 as final expenditure without obtaining adjustment vouchers/ utilisation certificates.

(Paragraph 3.14.5.3)

— The Department paid Special Central Assistance of Rs. 39.88 lakh as grants to 146 ineligible persons during the years 1992-93 to 1997-98.

(Paragraph 3.14.7.1)

— Due to failure of the Department to allot land to the beneficiaries, who were given grants under Integrated Jhumia Settlement Scheme, settlement could not be provided to 2464 families during the years 1992-93 to 1997-98 even after incurring an expenditure of Rs. 2.65 crore under housing and various agricultural/horticultural based schemes.

(Paragraph 3.14.7.2)

— The grants under 'Integrated Jhumia Settlement Scheme' were to be paid in 3 to 4 instalments. The Department did not pay second and subsequent instalments of Rs. 61.51 lakh to 341 beneficiaries, who were given first instalment of Rs. 40.79 lakh during the years 1992-93 to 1997-98. As a result, whole expenditure of Rs. 40.79 lakh became infructuous.

(Paragraph 3.14.7.3)

— The Fisheries Department diverted Special Central Assistance of Rs. 61.83 lakh in construction of 500 houses for Dumbur oustee families. It also incurred Rs. 24.84 lakh in providing settlement to 275 tribal oustee families who had already been given settlement earlier by the Tribal Welfare Department and thus, they were given undue double benefits.

(Paragraph 3.14.8)

— Out of 3940.46 hectares of rubber plantations raised by Tripura Forest Development and Plantation Corporation Ltd. and Tripura Rubber Plantation Corporation Ltd. for providing settlement to 2628 Jhumia families at a cost of Rs.21.14 crore (SCA : Rs. 10.09 crore and Rs. 11.05 crore from Corporation's fund), during the

years 1984-85 to 1997-98, 1604.51 hectares of plantations raised at Rs. 9.37 crore for 1070 families were abandoned by the management making the whole expenditure of Rs.9.37 crore infructuous.

(Paragraph 3.14.9 & 3.14.9.1)

– The Tripura Forest Development and Plantation Corporation Ltd. and the Tripura Rubber Plantation Corporation Ltd., raised rubber plantations on 2035.78 hectares of Reserve Forests land at a cost of Rs. 6.06 crore without approval from the Government of India during the years 1984-85 to 1991-92 violating the provisions of the Forest (Conservation) Act 1980 and as a result these two corporations could not provide settlement to 1357 families making the whole expenditure of Rs. 6.06 crore unfruitful.

(Paragraph 3.14.9.2)

– The Implementing Officer of Khatung Tea Project misappropriated Special Central Assistance of Rs. 3.04 lakh advanced to him between April and July 1996 by the Sub-Divisional Officer, Kailashahar for implementation of different schemes by submitting fake adjustments.

(Paragraph 3.14.10)

– The Tripura Schedule Tribes Co-operative Development Corporation Ltd., Agartala could not submit accounts for utilisation of Rs. 5.74 crore disbursed by it under the Margin money Loan Programme during the years 1992-93 to 1997-98.

(Paragraph 3.14.11)

3.14.5 Financial performance

The Scheme envisaged that 70 per cent of SCA would be released by the Ministry on the basis of ST population in the TSP areas and the balance of 30 per cent in inverse proportion to capita Net State Domestic Product (NSDP) with weightage to the tribal population in the TSP areas. The Department, however, did not collect (July 1998) the State's capita NSDP for the years 1992-93 to 1997-98 and calculate the amount receivable from the Central Government. As a result the Department was not aware of the amount due to it from the Central Government and could not make provision in the budget on a realistic basis as would be seen from the table below.

The year-wise budget estimates *vis-à-vis* amount of SCA received and expenditure incurred during the years 1992-93 to 1997-98 were as under :

Year	Budget estimates	Total SCA received	Total SCA available including unspent balance of earlier year	Total expenditure	Unspent balance	(+) Excess (-) Savings with reference to BE
<i>(In lakh of rupees)</i>						
1992-93	398.71	414.94	414.94	408.18	6.76	(+) 9.47
1993-94	490.00	372.37	372.37	353.18	19.19	(-) 136.82
1994-95	600.00	480.01	499.20	358.78	140.42	(-) 241.22
1995-96	700.00	565.47	705.89	629.05	76.84	(-) 70.95
1996-97	700.00	594.48	671.32	671.32	-	(-) 28.68
1997-98	350.00	635.00	635.00	610.00	25.00	(-) 260.00
Total	3238.71	3062.27	3298.72	3030.51		

The above table indicates that provision had been made in the budget without correlating them with the trend of receipts and expenditure in earlier years and as a result there was wide variation in all the years.

As per the scheme, SCA was to be released by the Government of India in 3 instalments by the end of third quarter every year. It was, however, noticed in audit that out of the total available SCA of Rs. 30.62 crore, Rs. 7.89 crore (26 per cent) were released in the month of March during the years 1992-93 to 1997-98, which not only delayed the availability of funds to the Implementing Agencies but also resulted in funds ranging from Rs. 6.76 lakh to Rs. 140.42 lakh remaining unspent at the close of the years from 1992-93 to 1995-96 and 1997-98.

Of the unspent balances shown above Rs. 6.76 lakh had lapsed due to non-revalidation by the Government of India, Rs. 19.19 lakh, Rs. 140.42 lakh and Rs. 76.84 lakh were utilised in subsequent years after revalidation and Rs. 25 lakh were awaiting revalidation (July 1998).

3.14.5.1 Irregular retention of funds

As per the Scheme, all the unspent balances, unless revalidated, must be surrendered to the Central Government and should not be retained or credited to Civil Deposits, Personal Deposits or banks. It was, however, noticed in audit that out of Rs.14.42 crore released by the Department to ten* SDOs and 3 organisations (Tripura Apex Marketing and Co-operative Societies, Rubber Board and Development Unit of the World Bank aided Rubber Project, Tripura) during the years 1992-93 to 1997-98 for implementation of different settlement schemes, Rs. 10.24 crore were actually utilised and the balance amount of Rs. 4.18 crore was either retained in hand (Rs. 0.02 crore) or deposited in Personal Ledger Account (Rs. 0.25 crore) and banks (Rs. 3.91 crore).

Unutilised amount of Rs.4.18 crore was booked as final expenditure.

In none of the cases, approval of the Government of India was taken for such retention and the entire amount of Rs. 4.18 crore was booked as final expenditure. As a result, the Finance and Appropriation Accounts for the aforesaid years were distorted to that extent.

It was further noticed in audit that the Development Unit of the World Bank aided Rubber Project, Tripura, which retained Special Central Assistance ranging between Rs.0.43 crore and Rs.3.47 crore^β in its bank accounts, was meeting its establishment charges from the interest earned by it from such deposits. As a result the Department sustained a potential loss of Rs.43.52 lakh towards interest on the unutilised amount.

* Bishalgarh, Belonia, Kailashahar, Khowai, Longtorai Valley, Dharmanagar, Sadar, Sonamura, Sabroom and Udaipur.

^β

Year	SCA received by the unit			Expenditure incurred	Unspent balance
	Opening balance	SCA received	Total SCA		
<i>(In lakh of rupees)</i>					
1992-93	NIL	43.00	43.00	NIL	43.00
1993-94	43.00	60.00	103.00	NIL	103.00
1994-95	103.00	61.00	164.00	NIL	164.00
1995-96	164.00	49.52	213.52	NIL	213.52
1996-97	213.52	133.34	346.86	NIL	346.86
1997-98	346.86	45.00	391.86	220.86	171.00

3.14.5.2 *Inadmissible expenditure*

The Scheme prohibited utilisation of SCA in isolation and required it to be utilised in conjunction with the State TSP funds. It would be seen from the **Appendix - 8** that 47 per cent (Rs. 11.43 crore) of the total expenditure (Rs. 24.21 crore) was incurred during the years 1992-93 to 1996-97 without linking it with the Tribal Sub Plan (State Fund) in deviation of the guidelines.

Moreover, as per the scheme, SCA was to be utilised for family oriented income generating schemes. It was, however, noticed that during the years 1992-93 to 1997-98, the Department incurred a total expenditure of Rs. 2.22 crore towards payment of assistance for medical treatment (Rs. 1.54 crore) and for organisation of health camps (Rs. 0.68 crore) contrary to guidelines and thus the entire expenditure of Rs. 2.22 crore was irregular.

There was an inadmissible expenditure of Rs.2.22 crore.

3.14.5.3 *Non-receipt of utilisation certificates*

During the years 1992-93 to 1997-98, the Department advanced Central Assistance of Rs. 17.91 crore to 13 implementing agencies of different Departments for implementation of different settlement schemes under the programme. The Government had neither prescribed any period requiring submission of utilisation certificates (UCs) nor was it made a pre-requisite for release of assistance for the subsequent years. As a result, the Department neither received nor impressed upon furnishing of outstanding UCs for Rs.14.67 crore disbursed during the period to 9 implementing agencies. It was therefore, not possible to verify whether the SCA had been utilised for the purpose for which it was given.

Utilisation certificate for Rs.14.67 crore was not obtained.
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The Department, however, booked Rs. 14.67 crore as final expenditure and furnished UCs to Government of India in respect of all the amount received.

3.14.6 *Survey*

Only unassisted ST families living below poverty line were to be considered eligible for assistance under the scheme and to identify such beneficiaries, the Department had to conduct a household survey to prepare a priority list of beneficiaries. No survey was conducted by the Department to identify such unassisted families, availability of unused land and number of ST families brought above the poverty line.

In absence of all such basic information the entire planning process besides being adhoc lacked database support. Besides, as a result of such selection, probabilities of ineligible beneficiaries getting the benefits of the scheme could not be ruled out.

3.14.7 *Settlement of tribal Jhumia families*

To provide settlement to the landless Jhumias (Shifting Cultivators) and to bring them above the poverty level, an integrated scheme for settlement of Jhumia families was introduced in the State in 1953-54. As per the scheme, a tribal family having annual income not exceeding Rs. 2500 (raised to Rs. 11000 from July 1994) and owning no house or house-site was eligible for allotment of premium-free khas land measuring 1.5 hectares (ha) and grant of Rs. 0.25 lakh (raised to Rs. 0.30 lakh from July 1992) to be paid in 3 to 4 instalments for construction of houses and raising plantations etc.

The Scheme was funded from SCA and implemented through all the Sub-Divisional Officers (SDOs).

3.14.7.1 Payment of assistance to ineligible beneficiaries

Test-check of records of the five Sub-Divisions (Bishalgarh, Khowai, Sabroom, Sonamura and Udaipur) showed that during the years 1992-93 to 1997-98, Rs. 39.88 lakh were paid to 146 beneficiaries under the scheme whose annual income exceeded the aforesaid limit of Rs. 2500 and Rs. 11000 at the time of their selection and thus they were not eligible for grant under the scheme. This was mainly due to failure of the Department to conduct proper scrutiny of the applications received from the beneficiaries.

Rs.39.88 lakh was paid to ineligible beneficiaries.

3.14.7.2 Unfruitful expenditure

Allotment of premium-free khas land was the main and integral aspect of the said settlement scheme. It was, however, noticed in audit that in eight (Belonia, Chhailengta, Dharmanagar, Khowai, Kailashahar, Sonamura, Sadar and Udaipur) out of the ten Sub-Divisions test-checked although grants amounting to Rs. 4.46 crore were given during the years 1992-93 to 1997-98 to 4148 beneficiary families under the scheme for construction of houses (Rs. 4.15 crore) and raising plantations (Rs. 0.31 crore), only 1684 families were actually allotted land as of June 1998 (Housing subsidy of Rs.1.68 crore and Rs.0.13 crore for raising plantations) and the balance assistance of Rs. 2.65 crore given for housing etc., to 2464 families besides becoming unfruitful failed to provide any settlement to these families since assistance was given to them without allotment of land.

There was an injudicious payment of grant of Rs.2.65 crore.

Sub-Divisional Officers of 7 Sub-divisions stated (June 1998) that allotment of land could not be given to the families as they were residing in Reserved/Protected Forests where allotment of land was forbidden under the Forest (Conservation) Act 1980. The replies indicated injudicious payment of grant of Rs. 2.65 crore without ensuring allotment of land and conducting any preliminary survey of the targeted beneficiaries as required under the scheme.

3.14.7.3 Infructuous expenditure

The Integrated Jhumia Settlement Scheme envisaged that payment of grants to the Jhumia beneficiaries was to be made in 3 to 4 instalments. It was, however, noticed in audit that in nine Sub-divisions (Bishalgarh, Belonia, Chhailengta, Kailashahar, Khowai, Sadar, Sabroom, Sonamura and Udaipur) 341 beneficiary families, who were given Rs. 40.79 lakh as first instalment of assistance under the scheme during the years 1992-93 and 1994-95, had not been given (July 1998) the second and subsequent instalments amounting to Rs. 61.51 lakh for reasons not on record. As a result, the entire expenditure of Rs. 40.79 lakh became infructuous.

3.14.8 Diversion of funds and extension of double benefits

Consequent upon the commissioning of the Gumti Hydrel Project in 1973-74 in Jatanbari under South Tripura district, 2845 families became oustees, of which 2117 families were tribals. In May 1995 it was reported by the State Government to the Government of India that all these 2117 tribal oustee families were given full settlement in different batches during the years 1983-84 to 1989-90 at a total cost of Rs. 1.60 crore and all these families had also been given assistance under various schemes like Integrated Rural Development programme, Jawahar Rozgar Yojana, Employment Assurance Scheme etc. from time to time. Thus, they were not eligible for further assistance/ rehabilitation.

It was, however, noticed in audit that pursuant to a proposal submitted by the Government in July 1992, the Government of India (GOI) sanctioned Rs. 1.07 crore in April 1993 as additional SCA for economic activities (fishery, cage-culture, duck rearing, and piggery etc.,) for 500 oustee families belonging to ST (275 families), SC (200 families), and General categories (25 families). In May 1993 the GOI while reiterating that SCA should be utilised for economic activities only advised the State Government to construct houses for all these families from the funds available under 'Indira Awas Yojana'.

275 families were given settlement twice.

Scrutiny of records showed that in defiance of the above instructions, the Fisheries Department constructed 500 houses during the years 1994-95 and 1995-96 by diverting Rs. 61.83 lakh from SCA and without obtaining any approval from the GOI. Besides, further expenditure of Rs. 24.84 lakh was incurred during the years 1994-95 and 1995-96 to provide settlement to those 275 tribal families, who had already been provided settlement earlier (during the years 1983-84 to 1989-90). As a result, all these 275 families were given settlement twice (once during the years 1983-84 to 1989-90 and again during the years 1994-95 to 1995-96) resulting in extension of undue benefits of Rs. 24.84 lakh.

Unauthorised diversion of fund amounted to Rs.61.83 lakh.

The Fisheries Department stated (July, 1998) that since most of the oustee families who were given settlement earlier (by the Tribal Welfare Department at a total cost of Rs.1.60 crore) deserted the area and took shelter in the adjoining areas for various reasons (not specified), resettlement were provided to them in subsequent years. As a result, the expenditure of Rs.1.60 crore incurred earlier for providing settlement to these families became infructuous. The Tribal Welfare Department also conceded (July, 1998) the loss.

3.14.9 Settlement of ST families through Rubber Plantations

The Scheme envisaged that each tribal landless Jhumia family would get 1.5 hectares of land for rubber plantation and additional 0.2 hectare of land in an adjoining area for home-stead. During the gestation period of 7 years i.e., before these plantations start yielding the beneficiaries would work as wage-earner in these plantations and the plantations would be allotted formally to the beneficiaries after the gestation period.

Accordingly, to provide settlement to 2628 Jhumia families through rubber plantations, the Department placed Special Central Assistance of Rs. 3.86 crore to Tripura Forest Development and Plantation Corporation Ltd (TFDPC) and Rs. 6.23 crore to Tripura Rubber Plantation Corporation Ltd (TRPC) during the years 1984-85 to 1997-98. As of 31 March 1998, these two Corporations had raised rubber plantations in 3940.46 hectares of land (1104.43 ha by TFDPC and 2836.53 ha by TRPC) at a total cost of Rs. 21.14 crore (Rs. 10.09 crore from SCA and Rs. 11.05 crore from the Corporations' own funds).

3.14.9.1 Scrutiny of records showed that out of 3940.46 hectares of plantations raised by these two Corporations for providing settlement to 2628 Jhumia families, 1604.51 hectares of plantations raised at a total cost of Rs. 9.37 crore for 1070 families were altogether abandoned by the Management during 1990-91 to 1997-98 making the whole expenditure of Rs. 9.37 crore infructuous. No reason was attributed for such abandonment.

Management abandoned 1604.51 hectares of plantations raised at a cost of Rs.9.37 crore.

3.14.9.2 It was further noticed in audit that out of 2862.78 hectares of plantations, which had been raised by these Corporations between 1984-85 and 1991-92 at a total cost of Rs. 8.52 crore and which had matured for allotment to 1909 beneficiaries, only 827 hectares were

allotted to 639 beneficiaries (July 1998) representing 33 *per cent* achievement, and the remaining 2035.78 hectares of plantations raised at a total cost of Rs. 6.06 crore for 1357 beneficiaries could not be allotted to any beneficiary as these were raised on the land falling under the Reserve Forests in violation of the Forest (Conservation) Act 1980. Permission of the Government of India had also not been obtained (July 1998) for such unauthorised utilisation of Reserve Forests.

Thus, as a result of raising of rubber plantations in prohibited areas, 1357 Jhumia families were denied settlement besides making the whole expenditure of Rs. 6.06 crore incurred in raising and maintenance of these plantations unfruitful to the beneficiaries.

Expenditure of Rs.6.06 crore incurred in raising plantation proved unfruitful.
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3.14.10 Settlement of ST families through Tea plantation

To provide settlement to 300 tribal Jhumia families through tea plantation, the Department allotted Special Central Assistance of Rs. 0.96 crore to the SDOs - Kailashahar (Rs. 0.73 crore), Sadar (Rs. 0.07 crore) and Block Development Officer, Bishalgarh (Rs. 0.16 crore) during the years 1994-95 to 1997-98. As of 31 March 1998 against the target of raising plantations on 300 ha, the Department raised plantations over 168 ha of land (representing 56 *per cent* achievement) at a total cost of Rs. 0.72 crore. The balance amount of Rs. 0.24 crore was retained in Bank by the SDO, Kailashahar (Rs. 0.19 crore) and SDO, Sadar (Rs. 0.05 crore).

To provide settlement to 50 Jhumia families, the Department paid (April 1994) SCA of Rs.15 lakh to SDO, Kailashahar. Although the SDO reported in May 1994 that funds were given to him much in excess and in advance of the actual requirements, the Department paid him a further amount of Rs.57.92 lakh in October 1994 (Rs.15 lakh) and November 1995 (Rs.42.92 lakh). Till March 1998 the SDO raised tea-plantations over 93 ha of land in Khatung (51 ha) and Solpui (42 ha) at a cost of Rs.53.40 lakh.

The Department placed funds much in excess and in advance of actual requirement.
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It was noticed in Audit that between 18 July 1995 and 1st August 1996 the Implementing Officer of Khatung project was advanced Rs.9.33 lakh for implementation of different works which included a sum of Rs.3.04 lakh paid for construction of 26 houses (Rs.1.92 lakh), construction of link road (Rs.0.80 lakh) and for weeding out herbs, shrubs and jungles (Rs.0.32 lakh). Although the Implementing Officer submitted adjustment accounts for the whole amount of Rs.9.33 lakh from time to time between August 1995 and September 1996 showing all works completed, the Sub-Divisional Officer, Kailashahar during his inspections of Khatung Project in September-October 1996 and thereafter observed, *inter alia*, that - (I) houses were not constructed as per specifications and (II) there was no trace of linkroad or weeding work. It was further observed (October and December 1996) that the said amount of Rs. 3.04 lakh had been misappropriated by the Implementing Officer by submitting fake adjustment which was also corroborated by the Government in November 1996.

During scrutiny of all the adjustment accounts for Rs.9.33 lakh it was further noticed by Audit that all the vouchers bore over-writings without any attestation and in none of the cases payments made by Implementing Officer to the beneficiaries were certified and countersigned by the Sub Divisional Tribal Welfare Officer or the SDO, Kailashahar and thus were not acceptable to Audit.

Neither any disciplinary proceeding was initiated against the delinquent official nor had the money been recovered as of July 1998. Making of advances to the Implementing

Officer without assessing the actual requirements and non-obtaining the adjustments accounts from the Implementing Officer facilitated such mis-utilisation of funds.

The tea plantations require at least 5 years of gestation period before these can be allotted to any beneficiary. It was, however, noticed that while furnishing Utilisation Certificates to the Government of India, the Department reported settlement of these 300 families although none of them was actually given any settlement due to the limitation of gestation period and thus, reporting was factually incorrect.

3.14.11 Payment of subsidy under Margin Money Loan Programme(MMLP)

To provide credit facilities to the ST families living below poverty line in rural areas, the Tripura Schedule Tribes Co-operative Development Corporation (TSTDC) took up the implementation of Margin Money Loan Programme (MMLP) from March 1982. The Scheme envisaged payment of subsidy at 50 per cent of the unit cost with a ceiling of Rs. 6000 and payment of balance 50 per cent as loan assistance carrying 4 per cent interest per annum to be extended by the banks and TSTDC in the ratio of 75:25 respectively. While subsidy was to be paid from the SCA or TSP funds released by the Department to the Corporation, loan assistance was to be met by the Corporation from its own resources.

During the years 1992-93 to 1997-98 the Department released grants of Rs. 4.45 crore (SCA :Rs. 3.69 crore, TSP : Rs.0.85 crore) against which the Corporation incurred an expenditure of Rs. 5.74 crore (Subsidy :Rs. 5.20 crore and loan :Rs. 0.54 crore). Instead of arranging matching loan assistance of Rs.4.54 crore from the banks or from its own resources, the Corporation allowed subsidy of Rs.5.20 crore which constituted 91 per cent of the total expenditure incurred by the Corporation under MMLP against the norms of 50 per cent. Reasons for allowing subsidy in excess by 41 per cent (Rs.2.33 crore) and not arranging the loan assistance to the extent required under the scheme were not intimated to Audit.

Subsidy was allowed in excess by 41 per cent (Rs.2.33 crore).

The Scheme envisaged that banks would maintain detailed accounts of each loanee and would submit monthly accounts to the Corporation showing the loanee-wise position of amount disbursed/recovered etc. Neither the banks submitted the accounts nor the Corporation obtained them from the banks during the years 1992-93 to 1997-98 and as a result the Corporation could not furnish the accounts in support of actual utilisation of Rs. 5.74 crore.

As against the target of providing credit facilities for 16,257 cases, 12,603 cases were surveyed, 10,596 case were sanctioned and assistance of Rs.5.74 crore was extended to 7122 cases under MMLP during the years 1992-93 to 1997-98. Since neither the Corporation maintained any accounts of the subsidy paid/loans arranged nor obtained the same from banks, it could not furnish the details of amounts outstanding against the loanees claimed to have been benefited.

3.14.11.1 Settlement of ST families through coffee plantation

As of 31 March 1993, 800 Hectares of land were under coffee plantation in the State raised by the Forest Department and around 23 tonnes of coffee was lying unsold with them since September 1996. In October 1996 the Government opined that there was no market for coffee plantation in Tripura. This was corroborated again by the Government in November 1996 where the high cost of plantation and marketing were identified as two major constraints for raising coffee plantation in Tripura.

Despite above observations of the Government, the Department paid Rs. 10.83 lakh as advance to the Coffee Board in February 1998 for raising coffee plantations for the benefits of

tribal families. No project report was finalised or agreement executed by the Department (July 1998) with the Coffee Board and the entire amount of Rs. 10.83 lakh was shown as final expenditure without having any information on the actual utilisation of the fund from the Coffee Board.

3.14.12 *Monitoring and evaluation*

To supervise the implementation of different programmes for the STs, there exist a State level ST Welfare Advisory Committee and ST Welfare Committees at the Sub-divisional levels/district levels. These Committees were to meet once in a quarter at the State level and monthly at the Sub-divisions/district level. In none of the 10 Sub-divisions test-checked, not a single meeting was found to have been held during the years 1992-93 to 1997-98. Periodical reports and returns and schedule of inspections had not been devised by the Department. As a result, actual utilisation of the funds remained obscure to the Department.

No evaluation to assess the incremental income generated out of assets and inputs acquired by the beneficiaries under the programme and the impact of the Scheme on the targeted group was ever made by the Department and as a result the number of beneficiaries actually settled and brought above the poverty line during the years 1992-93 to 1997-98 was not known.

Nine out of ten SDOs, test-checked stated (June 1998) that the different schemes implemented under the programme could not make much headway because of absence of pre and post lending survey, selection of beneficiaries without taking into account their skills, aptitude and absorption capacity, lack of motivation by the field level personnel and remoteness of the project areas.

The matter was reported to the Government in September 1998; reply had not been received (December 1998).

CHAPTER IV

WORKS EXPENDITURE

PUBLIC WORKS DEPARTMENT

4.1 Excess payment of escalation charges

Rs. 13.66 lakh was paid irregularly as escalation charges.

The work "Gumti uprating scheme comprising fabrication, supply and erection of new siphons 3(a), 4(a), 5(a) and modification of the existing siphon" was awarded (July 1989) to an Allahabad based firm at a contract value of Rs. 115.79 lakh with the stipulation to complete the work between September 1989 and October 1990. The work was, however, commenced in February 1990 and completed in March 1995. Payment of Rs. 284.63 lakh inclusive of Rs. 80.89 lakh on account of escalation charges on gross value of work (Rs. 288.47 lakh) was made to the firm in May 1995.

The contract, *inter alia*, provided for payment of escalation charges at the rate of 0.10 per cent of supply price for every rise of wage by a rupee or part thereof exceeding 50 paise over basic wage of Rs. 2033.47 per month prevailing on 12 July 1989.

In course of audit of the accounts of the Executive Engineer, Gumti Civil Division, Jatanbari, it was seen (June-July 1995) that the firm supplied 403.293 tonnes of material (268.195 tonnes within the scheduled date of completion of the work and 135.098 tonnes beyond the scheduled date) at a cost of Rs. 113.72 lakh (Rs. 80.01 lakh for 268.195 tonnes and Rs. 33.71 lakh for 135.098 tonnes). The firm was paid (September 1991) escalation charges of Rs. 44.45 lakh (inclusive of Excise duty of Rs. 6.05 lakh) at different increased rates varying from 42.50 to 58 per cent on suppliers price due to rise in wages (Rs. 425 to Rs. 580 per month) upto October 1990 (stipulated date). For supplies beyond October 1990 escalation charges of Rs. 36.44 lakh (inclusive of Excise duty of Rs. 5.16 lakh) were paid (February 1992) at 92.80 per cent, wage rise being Rs. 928 per month. As the Division was in no way responsible for delay in completion of work, the payment of escalation charges at higher rate for the period beyond the stipulated date was not justified and hence irregular.

This resulted in excess payment of Rs. 13.66 lakh (inclusive of Excise duty of Rs. 1.93 lakh) to the contractor. The Department had not initiated any action for recovery of the excess payment from the firm as of (December 1998).

The matter was reported to the Government in June 1998; reply had not been received (December 1998).

4.2 Loss of Government money and infructuous expenditure on incomplete work

Sub-standard material led to loss of Rs.7.82 lakh to Government due to non-establishing of stand before arbitrator.

The work of metalling and shouldering with brick aggregate (metals) of 40 mm size between 20 km and 27.20 km of the road from Damcherra to Fatikroy was awarded (February 1987) to contractor 'A' in two separate parts (No. 84/SE(I)/EE/KID/86-87 portion from 20 km to 24 km at tendered value of Rs. 7.15 lakh and No. 85/SE(I)/EE/KID/86-87 portion from

24.00 km to 27.20 km at tendered value of Rs. 5.71 lakh) with the target date of completion by 6 July 1987.

Scrutiny (July-August 1994) of records of the Executive Engineer, Kumarghat Division (PWD), revealed that the contractor supplied 2117.354 cum of metals (value : Rs. 5.51 lakh) at both the locations against which Rs. 2.40 lakh were paid (July 1987) for supply and consolidation of 786.27 cum metals between 20 km and 24 km. As the supply was found to be mixed with unspecified metals, no further claim was entertained and the balance supply (1331.08 cum) was also not accounted for. In addition, the contractor was not allowed to carry out the work since he did not remove the unspecified metals. But the Department could not establish its stand before the Arbitrator appointed in 1990 to decide the dispute in compliance with a suit filed by the contractor in July 1988. The award issued in January 1992 went in favour of the contractor 'A'. The claim of the contractor was partially established and the decretal amount of Rs. 3.46 lakh for supply (1331.084 cum) and Rs. 1.96 lakh as interest for delayed payment were paid (March 1994). The metals for which payment was made, were neither accounted for nor utilised by the Division.

Thus, the expenditure of Rs. 5.42 (Rs. 3.46+1.96) lakh was a loss to the Government since the material was of no use. Besides, expenditure of Rs. 2.40 lakh incurred on supply and consolidation in July 1987 also proved infructuous since it did not serve the intended purpose.

The matter was reported to the Government in June 1998; reply had not been received (December 1998).

POWER DEPARTMENT

4.3 Interest liability for belated payment of energy charges

Non-payment of energy bills in time resulted in extra liability of interest amounting to Rs. 3.29 crore.

The Power Department, Government of Tripura purchases power(electricity) from National Hydroelectric Power Corporation Limited (NHPC), North Eastern Electrical Power Corporation Limited (NEEPCO), Power Grid Corporation of India (PGCI) and Assam State Electricity Board (ASEB). Of these, NHPC and NEEPCO charge interest for delayed payment of the energy bills at the rate of 2 *per cent* per month and at current bank rate on overdrafts respectively if energy bills raised by them are not paid within one month from the date of billing. During test check of accounts of the Executive Engineer, Electrical Division No. II, Dharmanagar and Chief Engineer (Electrical), Agartala; it was noticed (August 1995 and January 1996) that the Department defaulted in payment of energy bills within the stipulated date(s) for which the NEEPCO and NHPC had claimed interest amounting to Rs. 1.59 crore and Rs. 1.70 crore relating to the period from April 1988 to December 1994 and from January 1993 to May 1995 respectively. This resulted in extra liability of Rs.3.29 crore to the Department. The amount had remained unpaid as of July 1998.

Late payment of bills was attributed by the Executive Engineer (June 1995 and February 1997) to inadequate release of funds by the Department and late receipt of bills. Reasons for non-payment of interest were not intimated. Consequently Government of India diverted (between April 1990 and June 1995) Rs. 3.14 crore from Central Plan Assistance allocated to the State to settle unpaid energy bills of NEEPCO (Rs. 1.98 crore) NHPC (Rs. 1.07 crore) and PGCI (Rs. 0.09 crore).

The Government to whom the case was reported (May 1998) did not furnish any reply. The Chief Engineer (Electrical), Agartala, reported (July 1998) that the diversion for payment of energy charges from Central Plan Assistance was effected on a discussion at the highest level for which the Department had no comment. He, however, stated that no payment was made on interest/surcharge levied by NHPC and NEEPCO for which the Government was considering to go in for an agreement with those public undertakings for waiving off interest as provided in earlier agreement.

4.4 Avoidable extra expenditure due to non-utilisation of contractual quantity of gas

Incorrect assessment of requirements coupled with injudicious contract agreement led to an avoidable expenditure of Rs. 2.74 crore.

The Chief Engineer, Power Project entered into (March 1990) an agreement with Oil and Natural Gas Commission (ONGC) for a period of three years commencing from March 1990 for supply of natural gas according to requirements for generation of power in the Gas Thermal Plant at Rokhia on such terms and conditions as entered into for the Gas Thermal Power Station at Baramura, mention of which was made in para 4.9 of the Report of the Comptroller and Auditor General of India for the year 1992-93. After take-over of the gas business from ONGC by the Gas Authority of India Ltd. (GAIL) in February 1992, a tripartite agreement amongst the Chief Engineer, Power Project, ONGC and GAIL was made on 22 May 1992 and 23 March 1995 according to which the GAIL would arrange supply of natural gas to the Plant for the period from 5 February 1992 to 31 December 1999 on the same terms and conditions as reached earlier in March 1990.

The agreement *inter alia* provided that after the first twelve months of the contract period, the average supply of gas should be arranged at minimum 1.60 lakh standard cubic metres (Sm^3) per day and charged monthly at the rate of Rs. 500 (enhanced to Rs. 600 from 1 January 1992) per thousand Sm^3 , besides royalty and Sales Tax which shall be borne by the buyer on the cost of gas supplied. If the consumption of gas falls below 80 per cent of the minimum guaranteed supply, payment had to be made for 80 per cent of minimum guaranteed supply *i.e.*, for 1.28 lakh Sm^3 per day. The minimum guaranteed supply of 1.60 lakh Sm^3 per day was based on 80 per cent of total requirement of gas in full load condition of 2.00 lakh Sm^3 per day for the Plant. The total requirement of gas, however, varied from 1.80 lakh Sm^3 to 3.10 lakh Sm^3 between April 1995 and September 1995.

Test check (February and March 1996) of records disclosed that the Executive Engineer, Gas Thermal Electrical Division (GTED), Rokhia paid (between May 1991 and October 1995) for a total quantity of 1451 lakh Sm^3 against actual supply and consumption of 1055.55 lakh Sm^3 of gas between March 1991 and September 1995. Scrutiny also revealed that the monthly consumption of gas ranged between 36 per cent and 91 per cent of minimum guaranteed supply when average daily consumption was 1.06 lakh Sm^3 during 1991-92 and 1.37 lakh Sm^3 during the period from June 1993 to September 1995. The Executive Engineer, GTED attributed (March 1996) the short-fall in consumption of minimum guaranteed quantity of gas to outages/shutdown of one or the other unit and variation in demand of power due to reasons not spelt out but admitted that the expenditure on short-lifted quantity of gas could have been avoided had the consumption of gas been assessed on the basis of actual requirement for units in operation as well as average annual demand of power.

Thus, injudicious contract executed with the gas supplying agencies and incorrect assessment of the minimum guaranteed requirements of gas before execution of agreement

resulted in an avoidable expenditure of Rs. 2.74 crore (cost of gas : Rs. 2.23 crore; royalty : Rs. 0.22 crore and Tripura Sales Tax (TST) : Rs. 0.29 crore) for 395.45 lakh Sm³ gas not used in the Plant between March 1991 and September 1995.

The matter was reported to the Government in July 1998; reply had not been received (December 1998).

4.5 Irregularities in procurement of cement

Failure of the Department to take effective measures in getting the supply of cement against advance payments led to a loss of Rs. 18.20 lakh besides locking up of Rs. 9.37 lakh for 9-10 years.

According to Cement Control Order 1967 modified in February 1982 a cement producer was liable to supply cement within 30 days from the date of receipt of advance payment failing which interest at the rate of 14 *per cent* per annum was payable on the amount of advance outstanding beyond that period.

Test check (March 1996) revealed that the Executive Engineer, Transmission Division, Agartala, paid a total advance of Rs.12.46 lakh to two firms (Rs.7.23 lakh to Cement Corporation of India Limited, Guwahati in July 1988 and August 1989; Rs.4.73 lakh to Modi Cement Limited, Raipur in November 1988), on the stipulation that each of them would supply 500 tonnes of levy cement to the Division. Of the two firms, only the first one supplied (September 1989) 200 tonnes of cement (value : Rs.3.09 lakh), reducing the total unadjusted amount of advance to Rs.9.37 lakh lying outstanding against both the firms since then. In the meantime, both the firms started demanding enhanced rates consequent on rise in prices due to removal of control on cement from 1 March 1989 instead of complying with their obligation to complete the supply at controlled rates that prevailed within the agreed period of 30 days. The Department also did not prefer any claim for payment of interest at the aforesaid rate which worked out to Rs. 12.88 lakh as of July 1998.

Besides, for non-receipt of levy cement, the Division incurred an additional expenditure of Rs. 5.32 lakh on reimbursement of the cost of 9585 bags of cement at rates higher by Rs. 55.50 per bag purchased by the contractors engaged in ongoing works of the Division.

Thus, failure of the Department in taking effective measures in getting the supply of cement resulted in a loss of Rs. 18.20 lakh (Rs. 12.88 lakh + Rs. 5.32 lakh) besides locking up of funds to the extent of Rs. 9.37 lakh over 9-10 years.

The Government to whom the matter was reported (April 1998) did not furnish any reply. The Executive Engineer, however, informed (July 1998) that discussion was going on either to refund the advance with interest or to supply cement at concessional/DGS&D rates which were higher than the rates prevailing at the time of payment of advances. As regards reimbursement of additional expenditure of Rs. 5.32 lakh it was stated that the Department reimbursed at a rate lower than the prevailing market rate and hence saved Government expenditure. The reply was not relevant to observations made and hence not acceptable.

4.6 Extra expenditure due to non-acceptance of tenders within validity period

Delay in finalisation of tender resulted in extra expenditure of Rs.12.54 lakh.

The tenders invited (July 1993) for procurement of single phase meters (2.5-10 Amps : 12000 nos. and 10-20 Amps : 2000 nos.) were opened on 21 September 1993. The lowest

rates of Rs. 300 and Rs. 324 each for 2.5-10 and 10-20 Amperes quoted by firms 'A' and 'B' respectively were recommended by the Executive Engineer (1 October 1993) and Superintending Engineer, Electrical Circle-1 (25 November 1993) for consideration of the Chief Engineer (Electrical) who, however, failed to finalise the tenders even within the extended validity period upto 20 December 1993 as the rates were found to be higher than the previous approved rates. As the firms refused to extend the validity period beyond to December 1993, the Chief Engineer (Electrical) ordered (12 April 1994) for retendering. In subsequent call (April 1994), the rate of Rs. 393 each for both the categories of meters was negotiated with the same firm.

Scrutiny of records of the Executive Engineer, Electrical Stores Division, Agartala revealed (October-November 1995) that an amount of Rs. 68.77 lakh was paid (March-April 1995) to these firms for supply of 15499 nos. of 2.5-10 Amps and 2000 nos. of 10-20 Amps meters as against estimated quantity of 12000 and 2000 nos. respectively.

Thus, non-acceptance of tenders within the validity period of first call resulted in extra expenditure of Rs. 12.54 lakh on procurement of meters with reference to the lowest rates offered by the contractors during the first call.

The Government to whom the matter was reported (May 1998) did not respond. The Chief Engineer (Electrical), reported (July 1998) that the rejection was on techno-economic grounds. The reply was not convincing as there was no explanation from the Chief Engineer for delay in finalising the tenderers at the first call and the specific grounds on which the rates were found unreasonable.

4.7 Outstanding Inspection Reports

Against the prescribed period of one month, first reply for 56 Inspection Reports out of 298 remaining outstanding for last 10 years had not been furnished.

Audit observations on financial irregularities and defects in initial accounts noticed during local audit and not settled on the spot are communicated to 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 outstanding reports in respect of Public Works Department and Power Department are discussed below :

(a) PUBLIC WORKS DEPARTMENT

A review of the position of the outstanding Inspection Reports relating to PWD revealed that 829 paragraphs included in 220 reports issued upto March 1998 were pending settlement as on June 1998. Of these, even first reply had not been received as of June 1998 in respect of 44 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.	1987-88	9	24	--
2.	1988-89	6	20	--
3.	1989-90	8	20	--
4.	1990-91	18	83	--
5.	1991-92	26	135	3
6.	1992-93	25	117	3
7.	1993-94	19	66	--
8.	1994-95	26	136	6
9.	1995-96	21	101	4
10.	1996-97	28	54	9
11.	1997-98	34	73	19
		220	829	44

The important irregularities noticed during inspection of divisions during 1997-98 are summarised below :

Sl. No.	Nature of irregularities	Number of cases	Amount involved (in lakh of rupees)
1.	Wasteful/unauthorised/irregular/infructuous/avoidable/unfruitful/extra expenditure	30	1257.97
2.	Extra cost recoverable from defaulting contractor/non-recovery of materials/cost of materials by the contractor	14	45.20
3.	Irregularities in purchase/cash book/treasury drawal not reflected in the cash book	3	84.51
4.	Excess/Idle/irregular payment	9	177.74
5.	Forest clearance awaited/non-deduction of forest royalty	2	8.92
6.	Extra expenditure owing to non-acceptance of lowest tender	4	24.14
7.	Non-deduction of Income Tax/TST/short realisation of TST	5	43.28
8.	Avoidable extra liability due to rejection of lowest tender at first call/delay in finalisation of quotation/tender	3	12.36
9.	Advance payment outstanding	2	78.51
10.	Idle tar-boilers	1	3.10
11.	Unauthorised financial aid/unauthorised execution of work/doubtful execution	4	11.28
12.	Excess Government contribution towards CPF in respect of work-charged employees, and GPF advances taken by Group 'D' workers not reflected in GPF Accounts	3	1.35
13.	Non-accounting of cement in the site/deposit etc., and call receipts	2	2.27
14.	Nugatory expenditure on incomplete works	1	8.92
15.	Incorrect conversion of MS Rod into torsteel	1	11.85
16.	Procurement and holding of excess stores	1	34.65
17.	Surplus material awaiting recovery	3	9.80
18.	Installation of air-conditioning system at Guwahati High Court (Agartala bench)	1	16.91
19.	Outstanding under Stock Account/Suspense Account	2	65.08
20.	Procurement of cement block at higher rate	1	4.44
	TOTAL	92	1902.28

(b) POWER DEPARTMENT

At the end of June 1998, 78 Inspection Reports relating to Power Department issued upto March 1998 contained 234 numbers of unsettled paragraphs. Of these, for 12 Inspection

Reports even first reply had not been received despite repeated reminders (as of June 1998)
 Year-wise break-up of outstanding Inspection Reports and paras are 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.	1988-89	5	11	--
2.	1989-90	3	15	--
3.	1990-91	10	26	1
4.	1991-92	7	27	--
5.	1992-93	9	33	--
6.	1993-94	5	20	1
7.	1994-95	7	26	2
8.	1995-96	8	37	--
9.	1996-97	10	26	3
10.	1997-98	14	13	5
		78	234	12

The more important types of irregularities noticed during local audit of Power Department during the year 1997-98 are summarised below :

Sl. No.	Nature of irregularities	Number of cases	Amount involved (in lakh of rupees)
1.	Shortage of HSD Oil	1	0.41
2.	Financial aid to contractor	1	3.50
3.	Unauthorised expenditure	1	1.75
4.	Avoidable/wasteful expenditure	3	68.00
5.	Loss	2	18.80
6.	Excess payment	2	40.35
7.	Recovery from contractor	1	13.45
8.	Loss of revenue	1	10.44
9.	Short recovery of Income Tax	1	2.24
	TOTAL	13	158.94

CHAPTER V

STORES AND STOCK

PUBLIC WORKS DEPARTMENT (Public Health Engineering and Water Resources)

5.1 Stores and Stock

5.1.1 Introduction

The Resource Division, Agartala started functioning from March 1986 to ensure centralised procurement against the suspense head 'stock' and distribution of various materials required for works executed by Public Health Engineering and Water Resources (PHE and WR) wings of the Public Works Department (PWD).

5.1.2 Organisational set up

The general management of stores was the responsibility of the Executive Engineer (Divisional Officer), Resource Division under the overall supervision of the Engineer-in-Chief who was assisted by two Chief Engineers and two Superintending Engineers; one each for PHE and WR. Materials procured were distributed to the indenting divisions on the basis of indents, the value of which was adjusted through Cash Settlement Suspense Accounts (CSSA).

5.1.3 Audit coverage

The Stores and Stock Accounts of the PHE and WR wings of the Department for the years 1993-94 to 1997-98 were test audited during March to May 1998 in the Resource Division, Agartala supplemented by collection of information from 7 Divisions^Ω out of 14 on utilisation and accounting of materials. The results of the test checks have been incorporated in the succeeding paragraphs.

5.1.4 Highlights

— There were savings against budget estimates in all the years under review which varied from 52.98 per cent to 85.26 per cent. The actual expenditure was restricted to funds released through LOC. But even the funds released on LOC could not be utilised in 1994-95 and 1996-97 and there were savings of 32.53 per cent and 15.89 per cent respectively. This shows unrealistic preparation of budget.

(Paragraph 5.1.5)

— The purpose of centralised purchase by the Resource Division was defeated since three other Divisions also purchased materials (worth Rs.4.29 crore) locally out of the total purchases of Rs.18.85 crore during the years 1993-94 to 1997-98.

(Paragraph 5.1.7)

— The Department failed to get the materials as per the terms of contract resulting in extra expenditure of Rs. 45.56 lakh. No action was taken to recover the extra cost from the defaulting suppliers.

(Paragraph 5.1.7.1)

^Ω Minor Irrigation Divisions I and II; Public Health Engineering Divisions I, II, III and IV; Rig Division.

— Dispute over the quality of tor steel supplied by Steel Authority of India between August 1994 and March 1995 resulted in locking up of funds of Rs. 41.38 lakh for over four years.

(Paragraph 5.1.7.3)

— The lowest tender of the second call was rejected by the Superintending Engineer, as the Divisional Officer did not furnish the performance report of the lowest bidder. Purchase at subsequent call resulted in an extra expenditure of Rs. 11.38 lakh.

(Paragraph 5.1.7.4)

— Carriage contractors did not deliver materials lifted from suppliers, and recovery of cost amounting to Rs. 24.33 lakh was not effected.

(Paragraph 5.1.8)

— Fictitious stock adjustment of Rs. 1.85 crore was made to avoid lapse of budget grant.

(Paragraph 5.1.9.6.1)

5.1.5 Budget provision and expenditure

Funds for procurement of materials were placed with the Resource Division by the Finance Department through the Chief Engineer of the respective wing and expenditure against budget provision was further restricted to periodical release of funds through Letter of Credit (LOC). Year-wise details of budget estimate, funds released and expenditure incurred thereagainst during the period from 1993-94 to 1997-98 were as follows :

Year	Budget estimate	Funds released through LOC	Expenditure	Excess (+) / with reference to LOC		Savings (-) with reference to budget estimate	
				Amount	Percentage	Amount	Percentage
(Rupees in lakh)							
1993-94	900.00	170.00	246.15	(+) 76.15	44.79	(-) 653.85	72.65
1994-95	900.00	320.00	215.90	(-) 104.10	32.53	(-) 684.10	76.01
1995-96	900.00	163.42	187.64	(+) 24.22	14.82	(-) 712.36	79.15
1996-97	2000.00	350.36	294.69	(-) 55.67	15.89	(-) 1705.31	85.26
1997-98	2000.00	886.79	940.38	(+) 53.59	6.04	(-) 1059.62	52.98

Savings against budget provision (52.98 per cent to 85.26 per cent) as well as funds released through LOC during 1994-95 (32.53 per cent) and 1996-97 (15.89 per cent) were not explained. However, unrealistic budgeting, decentralised procurement by executing divisions and also delay in procurement were the main reasons for savings. Excess during 1993-94 (44.79 per cent), 1995-96 (14.82 per cent) and 1997-98 (6.04 per cent) against funds released through LOC were attributed to booking of gross expenditure against release of funds for the net amount.

5.1.6 Planning

Under the prescribed procedure all the Divisional Officers were required to submit their annual requirements of materials to the Resource Division to enable the latter to facilitate accurate budgeting and planning the process of purchases. But neither the Divisional Officers furnished such information nor did the Resource Division call for the same. Thus, the entire process of budgeting and procurement done was without proper data-base support.

Planning without data-base support made the budget most unrealistic.
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5.1.7 Purchase

Though the Resource Division was created (March 1986) for centralised purchase of stores required in PHE and WR wings, different divisions resorted to purchase of materials directly/locally for various works valued at Rs. 4.29 crore* (23 per cent) as against the total purchases of Rs. 18.85 crore made by the Resource Division during the period from 1993-94 to 1997-98. This was mainly attributed to non-availability/non-procurement of those materials with the Resource Division. Irregularities noticed in the central purchases made by the Resource Division are summarised in the succeeding paragraphs.

5.1.7.1 Extra expenditure for belated purchase of UPVC pipes

Though during 1993-94 to 1997-98 six agreements were finalised for supply of 3,44,080 metres of pipes at a total cost of Rs. 490.38 lakh, the Resource Division could not procure any pipe against these agreements and purchased pipes subsequently at a higher cost involving an extra expenditure of Rs.45.56 lakh. No action was taken by the Department to realise the extra cost as per terms of contract in these cases.

Failure in receiving supplies against contracts resulted in extra expenditure of Rs.45.56 lakh.

Reasons for non-supply and part supply were not communicated (December 1998).

5.1.7.2 Extra expenditure due to delay in finalisation of tender

The Executive Engineer, Resource Division, invited tenders to be opened on 3 September 1994 for supply of 75 sets of centrifugal pumps with motor. The lowest rate of Rs.34,695 per set quoted by a firm could not be finalised within the validity period of 90 days due to delay in processing the case. Although the firm agreed to extend the validity period up to 15 February 1995, it claimed (20 March 1995) enhanced rate of Rs.41,580 per set due to rise in prices on being asked to supply on 10 February 1995. The claim was not accepted.

The materials were subsequently procured from a different supplier at a total cost of Rs. 33.49 lakh (Rs.44,654 per set) against the cost of Rs. 26.02 lakh offered by the original tenderer which resulted in extra expenditure of Rs. 7.47 lakh (33.49 - 26.02).

Non-finalisation of tenders within the stipulated period resulted in extra expenditure of Rs.7.47 lakh.

5.1.7.3 Blockade of funds due to quality dispute on tor steel valued at Rs. 41.38 lakh

Resource Division paid Rs. 61.16 lakh as advance to Steel Authority of India Limited (SAIL) in March 1994 for supply of 453 tonnes of tor steel required for the augmentation of Agartala Water Supply Scheme. Since the cost of all steel materials had increased after March 1994, SAIL issued delivery orders for 414.20 tonnes. The Division, however, received 411.45 tonnes of steel between August 1994 and March 1995 and recovered Rs.0.44 lakh being cost of 2.75 tonnes not supplied by carrying contractor. Out of the quantity actually received, 153.13 tonnes were issued to works between April 1995 and March 1998 and the balance quantity of 258.32 tonnes valued at Rs. 41.38 lakh remained unutilised in stock (August 1998) resulting in blockade of funds (Rs. 41.38 lakh).

Non-utilisation was attributed to the dispute about the inferior quality of material. On testing (September 1996) only 42.3701 tonnes valued Rs.6.28 lakh were found inferior in

* (i) Rig Division : Rs.1.83 crore, (ii) PHE Division-I : Rs.1.23 crore and (iii) PHE Division-IV : Rs.1.23 crore.

quality for which the Division preferred (March 1997) claim for replacement with the SAIL. Replacement had, however, not been made (August 1998) by SAIL.

Thus, receipt of materials without prior inspection raised a dispute over quality which had not only resulted in blockade of funds but also affected the progress of the water supply scheme for which the materials were procured.

5.1.7.4 Non-finalisation of tenders within the validity period led to extra expenditure on procurement of material

The Executive Engineer, PHE Division-III, Udaipur received the lowest rate (August 1995) of Rs. 8.48 lakh for supply of 500 cum of pea gravel (Golaghat) required for the work "Drilling and development of deep tube wells". The tenders were rejected by the Superintending Engineer without assigning any reasons. On second call the lowest rate received (January 1996) was Rs. 9.81 lakh which was also rejected in April 1996 due to non-receipt of performance report of the tenderer quoting the lowest rate from the Executive Engineer. On third call tender was accepted in February 1997 for Rs. 21.19 lakh for supply of 500 cum pea gravel (Durgapur). The reasons for cancellation of tenders on first call and the circumstances leading to procurement of pea gravel (Durgapur) at an exorbitant rate at a later stage were not furnished (August 1998). Thus the Department sustained an extra expenditure of Rs. 11.38 lakh with reference to second call only.

Rejection of tenders resulted in extra expenditure of Rs.11.38 lakh.
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5.1.7.5 Unauthorised advance payment and loss of interest thereon

The Executive Engineer, Resource Division placed (November 1994) two supply orders with two firms for supply of 55,600 meters CI pipes of different diameters within two months from the date of issue of supply order for which 98 *per cent* advance payment on proof of despatch and balance 2 *per cent* payment on receipt of materials in good condition was agreed to on 28 February 1997. But the Division paid lump sum advance of Rs. 2 crore in March 1997 (on 29 and 31 March at the rate of Rs. 1 crore each) on the basis of bank guarantee only. The payment beyond the scope of sanction resulted in an unauthorised financial aid to contractor.

Unauthorised financial aid to contractor amounted to Rs.2 crore.
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Further, one firm produced proof of despatch which varied from 27 to 90 days after the date of advance payment. As no advance payment was permissible without any proof of despatch, besides extending undue aid to the suppliers, the Government lost an interest of at least Rs.2.66 lakh calculated for 27 days only (from the date of advance payment to the first date of despatch) on Rs.2 crore (calculated at the commercial rate of 18 *per cent* per annum).

5.1.8 Short delivery of materials by transport contractors

The Resource Division had engaged contractors from time to time for carriage of materials to different store-yards from the supply point of suppliers. In five cases, involving three contractors though the contractors had lifted the materials from suppliers, they did not deliver the same at the concerned store-yards. The amount involved in these cases aggregated Rs.24.33 lakh.

Neither the amount of Rs. 24.33 lakh which was computed at double the procurement rate as per contract (or at the issue rate, where the procurement rate was not available) nor the materials were recovered from the contractors (August 1998).

Recovery of Rs.24.33 lakh was not made from the defaulting contractor.
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5.1.9 Accounts of stores

The Divisional Officer as primary disbursing officer was responsible not only for financial regularity but also for the maintenance of accounts of stores correctly in accordance with rules in force. It was, however, noticed that 8 (eight) Divisional Officers whose records were test checked in audit failed to maintain such accounts properly in spite of such lapses being pointed out by Audit from time to time. This resulted in locking up of funds, along with non-detection of (1) omissions/mistakes/fraud in accounting, (2) fraudulent drawal of cheques and remittances of money and (3) results of maintenance of stores (i.e. profit or loss). Moreover, works expenditure were understated and also inflated in some cases to avoid lapse of grants as discussed below.

5.1.9.1 Stock Accounts

5.1.9.1.1 The value accounts of Resource Division represented minus balance ranging between Rs. 12.57 lakh and Rs. 9.20 lakh during the period under review although there was physical existence of materials as per reports. This shows that materials of at least an equal amount were not valued on receipt in stores.

5.1.9.1.2 The PHE Division No. III, Udaipur purchased materials for Rs. 4.55 crore between 1993-94 and 1997-98 but did not maintain any supporting accounts. The materials were purchased/procured for different works and stored in a stock-yard at Udaipur without maintaining proper Material-at-site accounts for the period upto September 1997. As the issue of materials was not supported by proper accounting, non-recovery of value in case of issue to contractors could not be ruled out.

5.1.9.1.3 Minor Irrigation Division No. III, Kumarghat maintained a balance of Rs. 62.55 lakh and Rs. 2.54 lakh under the suspense heads "Purchase" and "Stock" respectively, without any physical existence of materials. The balances were being carried forward without any transaction during the period under review. The Division did not take any action either to locate the materials or to adjust the value if issued.

5.1.9.2 Priced Stores Ledger (PSL)

The Resource Division did not maintain this master record. As a result counter-checking with subsidiary records like Bin Cards to detect omissions, mistakes and fraudulent entries was not possible. Moreover, results of handling stock (profit or loss) could not be ascertained.

5.1.9.3 Monthly settlement with treasuries

Reconciliation with the treasury was pending since inception (March 1986) in respect of Resource Division and also in most of the divisions of the Department in absence of which errors, fraudulent drawals and remittances, if any, remained undetected.

Reconciliation with treasuries remained pending since March 1986.

5.1.9.4 Non-adjustment of Works Miscellaneous Credit (WMC) Memos

WMC Memos for Rs. 40.85 crore (balance after adjustment upto February 1998) sent by the Accountant General (A&E) remained unsettled for about last 10 years against the divisions test checked in audit, of which the liability of Resource Division alone was to the extent of Rs. 24.61 crore.

As a result, not only the work accounts of the Department remained understated and incomplete to the extent of Rs. 40.85 crore but also pilferage of stores items, if any, remained undetected.

5.1.9.5 Cash Settlement Suspense Accounts (CSSA)

5.1.9.5.1 Outstanding balance

Yearly balance of claim under CSSA raised by Resource Division against various divisions increased from Rs. 3.59 crore to Rs. 5.95 crore between 1993-94 and 1997-98. The division did not take any action to get the claim settled within 10 days as per rules.

As a result the works executed by the responding (indebted) divisions remained under-debited. It was stated that the claims could not be settled in time for want of funds.

5.1.9.5.2 Discrepancy in outstanding balances

As the claims remained unpaid and un-reconciled for long, discrepancy occurred between the balances of Resource Division and 4 responding divisions as shown below :

Sl. No.	Name of responding divisions	Balance outstanding as on 31 March 1998		Difference
		As per records of Resource Division	As per records of responding divisions	
(Rupees in lakh)				
1.	PHE Division-I	113.03	192.51	(-)79.48
2.	PHE Division-IV	235.20	27.14	208.06
3.	Rig Division	45.63	-	45.63
4.	MI Division-I	102.79	14.70	88.09

The discrepancies could not be settled for want of records of claims.

5.1.9.6 Unauthorised payment made by fictitious stock adjustment

5.1.9.6.1 PHE Division-III paid Rs. 34.62 lakh in March 1997 to the Resource Division against CSS claim being the value of pipes which were actually received in October 1997 only. The payment by fictitious stock adjustment was made to avoid lapse of budget allocation on works.

Fictitious stock adjustment valued at Rs.34.62 lakh.
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5.1.9.6.2 Further, Rs. 1.50 crore was paid from the amount held in PL Account (drawn in March 1996) by the PHE Division-I in February 1997 against similar CSS claims to the Resource Division without actually lifting the materials to obviate the lapse of grant.

5.1.9.7 Stock taking

Departmental manual provides for physical verification of stores by a responsible officer other than the custodian at least once a year. But no such reports on verification were available for the period under review except 1995-96.

The matter was reported to the Government in October 1998; reply had not been received (December 1998).

CHAPTER VI

REVENUE RECEIPTS

6.1 General

6.1.1 Trend of revenue receipts

The total receipts of the State during the year 1997-98 amounted to Rs.1082.10 crore. These comprise tax revenue of Rs. 71.64 crore and non-tax revenue of Rs. 34.87 crore, State's share of divisible Union taxes of Rs. 429.77 crore and grants-in-aid of Rs. 545.82 crore received from the Government of India.

Analysis of receipts during the year 1997-98 and the preceding two years is given below :

		1995-96	1996-97	1997-98
		(Rupees in lakh)		
I.	Revenue raised by the State Government			
	(a) Tax Revenue	4799.01	6049.46	7163.59
	(b) Non-Tax Revenue	3851.86	4066.15	3486.99
	Total	8650.87	10115.61	10650.58
II.	Receipts from Government of India			
	(a) State's share of net proceeds of divisible Union taxes	22828.90	31878.00	42977.00
	(b) Grants-in-aid	62242.22	60898.40	54582.44
	(c) Aid material and equipment	10.11	--	-
	Total	85081.23	92776.40	97559.44
III.	Total receipts of the State Government (I+II)	93732.10	102892.01	108210.02
IV.	Percentage of I to III	9	10	10

6.1.2 Tax Revenue raised by the State

Receipts from tax revenue during 1997-98 constituted about 67 per cent of the revenue raised by the State Government. An analysis of tax revenue for the year 1997-98 and the preceding two years is given below :

Sl. No.	Heads of Revenue	1995-96	1996-97	1997-98	Percentage of increase(+) or decrease(-) in 1997-98 over 1996-97
		(Rupees in lakh)			
1.	Sales Tax	2736.83	3569.44	4238.80	(+) 19
2.	State Excise	916.06	1241.06	1496.31	(+) 21
3.	Other taxes on Income and Expenditure	489.34	516.37	550.65	(+) 7
4.	Stamps and Registration Fees	321.31	361.54	393.21	(+) 9
5.	Taxes on Vehicles	136.21	139.81	182.52	(+) 31
6.	Other Taxes and Duties on Commodities and Services	117.30	142.43	117.57	(-) 17
7.	Land Revenue	74.46	58.11	167.32	(+) 188
8.	Taxes on Agricultural Income	6.33	20.39	16.87	(-) 17
9.	Taxes and Duties on Electricity	1.17	0.31	0.34	(+) 10
	Total	4799.01	6049.46	7163.59	

The increase of 31 *per cent* under Taxes on Vehicles was stated by the Department (December 1998) to be due to intensified enforcement works both by Transport and Traffic Police, special efforts for realisation of arrear Motor Vehicles Taxes and increase of vehicular population than that of 1996-97.

The increase of 21 *per cent* under State Excise was stated by the Department (November 1998) to be due to implementation of registration of brands of IMFL and increase of import duty on foreign liquors and beers.

The increase of 19 *per cent* under Sales Tax was stated by the Department (November 1998) to be due to registration of transport companies.

The decrease of 17 *per cent* under Taxes on Agricultural Income was stated by the Department (November 1998) to be due to taking over of the management of some tea estates by the Government, and Government Undertakings are free from payment of such tax.

The reasons for variation exceeding 10 *per cent* in respect of 2 heads of revenue, though called for (October 1998) have not been received from the concerned departments of the Government (December 1998).

6.1.3 Non-Tax Revenue of the State

Non-tax revenue receipts of the State constituted over 33 *per cent* of the State's own revenue receipts. The details of major sources of non-tax revenue received during the year 1997-98 and the preceding two years are given below :

Sl. No.	Heads of Revenue	1995-96	1996-97	1997-98	Percentage of increase (+) or decrease(-) in 1997-98 over 1996-97
(Rupees in lakh)					
1.	Power	1640.83	1429.13	1504.25	(+) 5
2.	Forestry and Wildlife	304.08	270.16	224.55	(-) 17
3.	Education, Sports, Art and Culture	111.72	59.49	23.42	(-) 61
4.	Crop Husbandry	136.35	158.63	154.03	(-) 9
5.	Other Administrative Services	210.34	469.64	246.57	(-) 47
6.	Other Rural Development Programme	222.63	119.65	160.64	(+) 34
7.	Police	94.00	30.42	114.59	(+) 277
8.	Interest Receipts	200.85	760.33	212.86	(-) 72
9.	Stationery and Printing	144.04	147.34	94.31	(-) 36
10.	Animal Husbandry	66.66	41.92	36.00	(-) 14
11.	Industries	57.43	99.31	200.27	(+) 102
12.	Public Works	326.74	72.80	54.93	(-) 25
13.	Other Industries	--	12.95	--	(-) 100
14.	Village and Small Industries	46.57	63.60	132.94	(+) 109
15.	Fisheries	17.09	14.53	26.00	(+) 79
16.	Others	272.53	316.25	301.63	(-) 5
	Total	3851.86	4066.15	3486.99	

The increase of 109 *per cent* under Village and Small Industries was stated by the Department (January 1999) to be due to collection of outstanding amount relating to the previous year.

The increase of 102 *per cent* under Industries was stated by the Department (January 1999) to be due to increase in receipts of royalty on natural gas.

The increase of 79 *per cent* under Fisheries was stated by the Department (November 1998) to be mainly due to enhancement of sale rate of fishes harvested from departmental farms etc., during the year 1997-98.

The decrease of 36 *per cent* under Stationery and Printing was stated by the Department (December 1998) to be due to control over the misuse of stores and resultant economy in consumption, and less collection of arrears.

The decrease of 14 *per cent* under Animal Husbandry was stated by the Department (November 1998) to be due to non-receipt of the outstanding and present sale proceeds of milk and subsidised rates of animal husbandry products.

The reasons for variations exceeding 10 *per cent*, in 8 heads of revenue, though called for (October 1998) have not been received from the concerned departments of the Government (December 1998).

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 1997-98 are indicated below :

TAX REVENUE

Sl. No.	Head of revenue	Budget estimates	Actuals	Variation Increase(+)/ Decrease(-)	Percentage of variation over Budget estimates
(Rupees in lakh)					
1.	Sales Tax	4150.00	4238.80	(+) 88.80	(+) 2
2.	State Excise	1550.00	1496.31	(-) 53.69	(-) 3
3.	Other Taxes on Income and Expenditure	550.00	550.65	(+) 0.65	--
4.	Stamps and Registration Fees	400.00	393.21	(-) 6.79	(-) 2
5.	Taxes on Vehicles	200.00	182.52	(-) 17.48	(-) 9
6.	Other Taxes and Duties on Commodities and Services	228.00	117.57	(-) 110.43	(-) 48
7.	Land Revenue	80.00	167.32	(+) 87.32	(+) 109
8.	Taxes on Agricultural Income	19.00	16.87	(-) 2.13	(-) 11

The decrease of 11 *per cent* under Taxes on Agricultural Income was stated by the Department (November 1998) to be due to taking over of the management of some tea estates by the Government and Government Undertakings are free from payment of such tax.

NON-TAX REVENUE

Sl. No.	Head of revenue	Budget estimates (Revised)	Actuals	Variation Increase(+)/ Decrease(-)	Percentage of variation
(Rupees in lakh)					
1.	Power	1600.00	1504.25	(-) 95.75	(-) 6
2.	Forestry and Wildlife	250.00	224.55	(-) 25.45	(-) 10
3.	Crop Husbandry	95.00	154.03	(+) 59.03	(+) 62
4.	Other Administrative Services	200.00	246.57	(+) 46.57	(+) 23
5.	Interest Receipts	225.00	212.86	(-) 12.14	(-) 5
6.	Stationery and Printing	125.00	94.31	(-) 30.69	(-) 25
7.	Public Works	105.00	54.93	(-) 50.07	(-) 48
8.	Animal Husbandry	30.00	36.00	(+) 6.00	(+) 20
9.	Fisheries	15.00	26.00	(+) 11.00	(+) 73
10.	Other Rural Development Programme	--	160.64	(+) 160.64	(+) 100

The increase of 73 per cent under Fisheries was stated by the Department (November 1998) to be mainly due to enhancement of sale rate of fishes harvested from departmental farms etc.

The increase of 62 per cent under Crop Husbandry was stated by the Department (January 1999) to be due to more production in different orchards/farms.

The decrease of 25 per cent under Stationery and Printing was stated by the Department (December 1998) to be due to less sales of stationery articles and printed matters as a result of control over misuse of stores and economy in consumption, and less collection of arrears.

The reasons for variations exceeding 10 per cent in respect of 4 heads of revenue have been called for from the concerned departments of the Government (October 1998). Replies have not been received (December 1998).

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 years 1995-96, 1996-97 and 1997-98 alongwith relevant all India average percentage of expenditure on collection to gross collection for 1996-97 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 (1996-97)
<i>(Rupees in lakh)</i>					
1. Sales Tax	1995-96	2736.83	52.04	2	
	1996-97	3569.44	71.73	2	1.19
	1997-98	4238.80	76.86	2	
2. State Excise	1995-96	916.06	24.23	3	
	1996-97	1241.06	31.08	3	3.53
	1997-98	1496.31	41.98	3	
3. Stamps and Registration Fees	1995-96	321.31	43.60	14	
	1996-97	361.54	52.80	15	3.37
	1997-98	393.21	57.44	15	

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 1993-94 to 1997-98 as furnished by the Departments along with percentage of cases finalised to total number of cases 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	Percentage of cases finalised to total number of cases
(a) Sales Tax						
1993-94	5204	3254	8458	3060	5398	36
1994-95	5398	3373	8771	4171	4600	48
1995-96	4600	3960	8560	3665	4895	43
1996-97	4895	4799	9694	2964	6730	31
1997-98	6730	4660	11390	2231	9159	20
(b) Agricultural Income Tax						
1993-94	172	48	220	13	207	6
1994-95	207	53	260	2	258	1
1995-96	258	20	278	4	274	1
1996-97	274	109	383	18	365	5
1997-98	365	46	411	35	376	9

6.1.7 Uncollected revenue

Analysis of arrears of revenue pending collection as on 31 March 1998 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 1997	31 March 1998	31 March 1997	31 March 1998	
<i>(Rupees in lakh)</i>					
1. Sales Tax	843.65	952.80	98.74	544.39	Out of Rs.952.80 lakh, recoveries amounting to Rs.296.24 lakh had been stayed by courts, Rs.41.08 lakh by Government, demands for Rs.479.76 lakh had been covered by recovery certificates, and Rs.135.72 lakh are in different stages of recovery.
2. Agricultural Income Tax	8.59	8.26	6.74	6.74	Out of Rs.8.26 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.1.85 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 Heads 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 1998 in respect of inspection reports issued upto December 1997, 1475 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.

ch-11
ch-1

	At the end of		
	June 1996	June 1997	June 1998
Number of outstanding local audit reports	429	442	474
Number of outstanding audit observations	1099	1448	1475
Amount of receipts involved (in lakh of rupees)	1123.20	1583.48	1930.73

The yearwise break-up of outstanding audit reports, audit observations and amount involved at the end of June 1998 is given below :

Year	Number of outstanding		Revenue involved (In lakh of rupees)
	Inspection reports	Audit observations	
Upto			
1995-96	354	1073	1270.08
1996-97	61	312	469.50
1997-98 (Upto December 1997)	59	93	191.15
	474	1475	1930.73

(b) The Receipt-wise break-up of outstanding inspection reports, audit observations and amount involved therein as on 30 June 1998 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	95	452	655.25	1985-86 to 1997-98 (Upto December 1997)	11
2. Forest	93	253	390.43	-do-	6
3. Electricity	186	582	629.79	-do-	12
4. Professional Tax	5	5	9.29	1993-94 to 1997-98 (Upto December 1997)	3
5. Motor Vehicles	11	26	99.71	1984-85 to 1997-98 (Upto December 1997)	2
6. Agri-Income Tax	8	15	3.49	1985-86 to 1997-98 (Upto December 1997)	2
7. Excise	16	51	111.81	1991-92 to 1997-98 (Upto December 1997)	2
8. Land Revenue	25	31	11.46	1993-94 to 1997-98 (Upto December 1997)	6
9. Stamps and Registration	24	36	14.20	1991-92 to 1997-98 (Upto December 1997)	4
10. Entertainment Tax	11	24	5.30	-do-	Nil
	474	1475	1930.73		48

REVENUE DEPARTMENT

SALES TAX

6.2 Results of audit

The test check of Sales Tax assessment and other records of 10 units conducted in audit during the year 1997-98 revealed under-assessment/under-charge of tax and interest etc., amounting to Rs. 123.02 lakh in 31 cases which broadly fall under the following heads:

		No. of cases	Amount involved (Rupees in lakh)
1.	Non-levy/short levy of interest/penalty	8	40.70
2.	Non-realisation of Government revenue	11	67.37
3.	Non-charge/under-charge/under-assessment of tax/turnover/interest/remand cases	10	14.18
4.	Non-imposition of interest	1	0.11
5.	Delay in assessment	1	0.66
		31	123.02

During 1997-98, the Department accepted under-assessment/under-charge of tax/turnover, non-realisation of Government revenue etc., of Rs.123.02 lakh involving 31 cases, of which Rs. 60.73 lakh involving 22 cases were pointed out in 1997-98 and the rests in the earlier years. A few illustrative cases involving Rs.45.40 lakh highlighting important audit observations are mentioned in the following paragraphs :

6.3 Non-levy/short levy of penalty

Penalty of Rs.24.68 lakh was not levied under provisions of the Act and instructions issued thereunder.

Under the Tripura Sales Tax (TST) Act, 1976 if the Superintendent of Taxes, in the 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 particulars of his turnover or has evaded in any way the liability to pay tax, he may direct such dealer to 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 not less than 10 *per cent* of that amount. To ensure a uniform practice throughout the State, the Commissioner of Taxes issued (December 1987) guiding principles to all Superintendents of Taxes regarding quantum of penalty leviable. It was also stipulated therein that a dealer shall be liable to pay penalty in all the cases where interest was payable and where the assessments were made as per best judgement under section 9(4) of the TST Act, 1976 in the absence of proper books of accounts.

A test check of assessments for the years 1988-89 to 1995-96 made between March 1995 and September 1996 by two Superintendents of Taxes (Charge-I and V, Agartala) revealed that in 14 cases of assessment there were concealment of turnover and consequent evasion of tax for which penalty of Rs.4.45 lakh was short levied in 4 cases and in the remaining 10 cases penalty amounting to Rs.20.23 lakh was not levied at all. This resulted in non-levy/short levy of penalty amounting to Rs.24.68 lakh.

Government to whom the case was reported (July/September 1998) endorsed (November 1998) the replies of the Superintendents of Taxes. While Superintendent of Taxes,

Charge-I issued notices to the defaulting dealers, the Superintendent of Taxes, Charge-V viewed that the imposition of penalty was to the satisfaction of the Assessing Authority. The contention is not tenable since there was concealment of turnover and evasion of tax liability by 42 to 150 *per cent* in all the cases and according to the provision of Section 13(1) (C) and (D) of the Act read with the said Memorandum, the levy of penalty was compulsory.

6.4 Short levy of interest

There was short levy of interest by Rs.13.71 lakh on unpaid amount of taxes.

Under the provision of Tripura Sales Tax Act, 1976 if a registered dealer does not pay full amount of tax due from him on the basis of 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.

A test check (between January 1995 and November 1996) of the records of 4 Superintendents of Taxes revealed that 28 dealers did not pay balance tax of Rs.22.79 lakh due for the period from 1988-89 to 1993-94. However, while finalising (between January 1994 and July 1996) the assessments, the assessing authorities levied interest of Rs.6.25 lakh instead of Rs.19.96 lakh leviable on the unpaid tax. This resulted in short levy of interest of Rs.13.71 lakh.

Government to whom the matter was referred (April 1997), replied in November 1998 that the Superintendent of Taxes, Charge-II and Udaipur had issued notices to the dealers either for re-assessment or for payment of interest short levied as pointed out by Audit. But the computation of interest by the Superintendent of Taxes, Charge-I and V were stated to be justified and lawful. The contention of the Department is, however, not tenable as it was neither consistent with the existing provisions of the Act and Rules nor with the order of said Tribunal of May 1992 where it was opined that there was no scope to waive the interest even on the ground of delay in assessment/re-assessment.

6.5 Turnover escaping assessment

Rs.5.68 lakh was short levied for under-assessment of turnover due to submission of incorrect returns.

Under the provision of Tripura Sales Tax Act, 1976 every dealer dealing in taxable goods shall furnish correct return to the prescribed assessing authority and pay tax on his turnover at the rate specified in the schedule attached to the Act. The Act, further provides that 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.

A dealer had a closing stock of goods at the end of previous assessment year (1993-94) valued Rs. 33.42 lakh taxable at the rate of 12 *per cent*. But records revealed (March 1997) that the stock was not taken into account while determining in December 1996, the turnover of the dealer by the Superintendent of Taxes, Charge-II, Agartala. This resulted in under-assessment of turnover with consequential effect on short levy of taxes of Rs. 5.68 lakh (tax : Rs. 4.01 lakh and interest : Rs. 1.67 lakh).

The Government to whom the case was reported (April - May 1998) admitted the facts and stated (June - July 1998) that the notices for re-assessment were issued.

6.6 Loss of revenue due to non-realisation of rent

According to a departmental order (23 May 1987) godown rent was chargeable at the rate of Rs.100 per tonne per day in respect of seized consignment of goods at Churaibari Check Post in addition to taxes, penalty and interest etc., payable under Tripura Sales Tax Act and Rules, 1976 if the dealer/transporter does not lift the goods within 15 days.

A further scrutiny (February 1996) of records of the Superintendent of Taxes, Churaibari Check Post, revealed that in 24 cases seized goods were retained in godown between June 1994 and November 1995 ranging from 7 to 101 days beyond permissible limit of 15 days and allowed to be lifted without charging godown rent. This resulted in loss of revenue to the extent of Rs.1.33 lakh.

The Government to whom the case was referred (April 1998), stated in their reply (June 1998) that the departmental order of May 1987 would be withdrawn as per decision of the Government. But the reply was not acceptable as the godown rent remained chargeable until the order was made effective.

MISCELLANEOUS DEPARTMENTS

6.7 Interest Receipts

6.7.1 Introduction

Interest receipts, a major source of non-tax revenue of the State Government, are realised on loans granted by the various Government departments to public sector enterprises, departmentally managed commercial undertakings, co-operative societies, autonomous bodies and private individuals such as Government servants, farmers etc.

The State Government obtained funds by way of borrowings from various sources such as the Government of India, the National Bank for Agriculture and Rural Development and the National Co-operative Development Corporation. The departments of the Government were sanctioning loans directly to various commercial undertakings, local bodies, co-operative societies, Government servants and private parties etc., on the basis of funds released by the Finance Department. The terms and conditions for the grant of loans are not uniform and the rates of interest are the same at which the amounts have been borrowed by the State Government. The rates of interest varied from 4 *per cent* per annum to 13 *per cent* per annum, penal interest varied from 2.5 *per cent* per annum to 2.75 *per cent* per annum over the normal rate of interest charged on overdue instalment of principal as well as interest and the period of recovery varied from 5 to 25 years but in many cases there was moratorium period ranging from 2 to 5 years.

6.7.2 Organisational set up

The concerned departments of the Government of Tripura sanctioned loan to the loanees. The responsibility to watch the recovery of principal and interest, as per provisions of the loan agreements executed with the loanees vest with the respective Heads of the Departments and various field offices designated for the purpose. Recoveries of long term loans and advances sanctioned to Government servants are being watched by the Accountant General(A&E).

6.7.3 Scope of audit

A review on the assessment and collection of 'Interest Receipts' had been conducted during March to May 1998 covering the period from 1992-93 to 1996-97. Records relating to Director of Industries, Additional Director of Handloom, Handicraft and Sericulture (both under Industries & Commerce Department), Registrar of Co-operative Societies (Co-operation Department) and six field offices[▼] of Rural Development Department were test checked and results thereof are incorporated in succeeding paragraphs.

6.7.4 Highlights

— In 47 cases involving grant of loan of Rs. 250.95 lakh, interest amounting to Rs.112.31 lakh was neither assessed nor were demands raised.

(Paragraph 6.7.8)

— Failure to prescribe the terms and conditions for loans amounting Rs. 97.03 lakh sanctioned by the Directorate of Handloom, Handicraft and Sericulture (Rs.29.57 lakh in 12 cases) and Registrar of Co-operative Societies (Rs.67.46 lakh in one case) resulted in non-recovery of interest amounting to Rs. 66.35 lakh.

(Paragraphs 6.7.9(a) and (b))

— Delayed-disbursement/non-disbursement of loans for periods ranging from 9 months to 89 months after drawal from treasuries resulted in loss of interest of Rs. 12.23 lakh.

(Paragraphs 6.7.10(a), (b) and (c))

— Interest amounting Rs.82.77 lakh was either short levied/not levied or not recovered (Tripura State Co-operative Bank Limited, Agartala : Rs.79.88 lakh; and 4 co-operative societies : Rs.2.89 lakh).

(Paragraph 6.7.11)

— There was non levy of penal interest of Rs. 16.51 lakh for belated payment of instalments of principal by 123 co-operative societies.

(Paragraph 6.7.12)

6.7.5 Trend of revenue

The revenue of interest receipts of the Government for the last five years ending 31 March 1997 is detailed below :

[▼] Sub-Divisional Officers of Sadar, Sonamura, Belonia, Udaipur, Khowai and Kailashahar.

Year	Budget estimates	Actuals	Percentage of increase (+)/ decrease (-) with reference to Budget estimates	Total non-tax revenue	Percentage with reference to Column 5 to 3
1	2	3	4	5	6
(Rupees in lakh)					
1992-93	82.08	44.92	(-) 45.27	2134.66	2.1
1993-94	24.00	160.83	(+) 570.13	2513.08	6.4
1994-95	90.00	165.55	(+) 83.94	2596.46	6.4
1995-96	90.00	200.85	(+) 123.17	3851.86	5.2
1996-97	566.87	760.33	(+) 34.13	3744.00	20.3

The increase of actuals from 1993-94 to 1996-97 over the budget estimates was mainly due to interest realised on investment of cash balance.

6.7.6 Arrears of loan/interest etc.

The position of loans outstanding at the beginning of each year, amount advanced and recoveries made in each year and the balance outstanding at the end of the year during the period from 1992-93 to 1996-97 is given in the table below :

Year	Opening balance	Loan/Advance during the year	Total	Repaid during the year	Balance at the end of the year
1	2	3	4	5	6
(In lakh of rupees)					
1992-93	3632.22	111.49	3743.71	73.57	3670.14
1993-94	3670.14	168.35	3838.49	60.99	3777.50
1994-95	3777.50	406.30	4143.80	72.84	4110.96
1995-96	4110.96	225.01	4335.97	87.30	4248.67
1996-97	4248.67	628.16	4876.83	446.60	4430.23

It would be seen from the above that balance of outstanding loans at the end of each year has been steadily increasing. However, in absence of consolidated records (not maintained in the Finance Department), the year-wise position of principal due for recovery, interest accrued on loans in each year and balance outstanding at the end of the year could not be obtained. Similarly, the position of overdue principal was also not available.

Test check of records of three departments*, revealed that the interest on loans outstanding as on 31 March 1997 was Rs.264.40 lakh of which Rs.69.04 lakh were overdue for more than 5 years. Neither the Finance Department nor the concerned departments (except Director of Industries) made any special efforts to recover the overdue arrears. The Director of Industries, however, instituted (1995-96 to 1997-98) certificate cases against 36 defaulting loanees to recover the overdue principal of Rs.8.25 lakh and interest of Rs.8.22 lakh (including penal interest) of which principal of Rs.0.93 lakh and interest of Rs.0.43 lakh only were recovered till March 1998.

6.7.7 Lack of control by the Finance Department and other administrative departments

6.7.7.1 Non-maintenance of basic records

The Loan Ledgers and the Demand, Collection and Balance (DCB) registers are the basic records in which information such as details of sanctions, date of drawal of loans,

* 1. Industries and Commerce Department
2. Co-operation Department
3. Six offices of Rural Development Department

amount of loan, date of disbursement, schedule of repayment, rate of interest and penal interest are noted for assessing and watching recovery of principal, interest and penal interest etc. The Finance Department, however, did not issue any circular/instructions for maintenance of such basic records.

Test check of the records revealed that (a) Additional Director of Handloom, Handicraft and Sericulture did not maintain any loan ledger, (b) Director of Industries, Registrar of Co-operative Societies and four out of five field offices of Rural Development Department did not maintain the loan ledgers in proper form. It was noticed that the date of drawal, date of disbursement of loan and particulars of repayment etc., were not recorded in the loan ledgers maintained by the Registrar of Co-operative Societies. Details of sanctions, rate of interest and penal interest and particulars of repayment were not recorded in the loan ledgers maintained by the field offices of the Rural Development Department. No DCB register was maintained by any of the offices mentioned above. No system was also evolved either by the Finance Department or by the respective Heads of Departments for periodical submission of reports/returns to them in respect of loans granted and recovery of principal and interest made by the various field offices.

6.7.7.2 Non-realisation/poor realisation of interest

It was noticed from the records of the following offices that on the total loan of Rs. 849.30 lakh disbursed upto March 1997, Rs.271.12 lakh had accrued as interest, out of which only a sum of Rs. 6.72 lakh had been realised upto March 1997 as detailed below :

Name of the office	Amount of loan disbursed	Period of disbursement	No. of beneficiaries	Interest due for recovery as on 31-3-97	Interest realised	Percentage of collection
1	2	3	4	5	6	7
<i>(Rupees in lakh)</i>						
Registrar of Co-operative Societies	263.67	1987-88 to 1996-97	123	83.10	1.24	1.5
Additional Director of Handloom, Handicrafts and Sericulture	67.35	1989-90 to 1996-97	54	46.36	NIL	NIL
Director of Industries	56.22	August 1983 to September 1991	103	20.66	1.90	9.2
Five field offices of Rural Development Department	462.06	1987-88 to 1996-97	2620	121.00	3.58	2.9
Total	849.30		2900	271.12	6.72	

The above table indicated non-realisation of interest by the Additional Director of Handloom, Handicraft and Sericulture and poor realisation of interest by the other offices.

6.7.8 Failure to assess and raise the demand of interest

Financial rules require that the particulars of loans sanctioned and paid are required to be noted in loan ledgers and the recovery of principal, interest and penal interest are required to be assessed and watched.

Test check of records of the Registrar of Co-operative Societies revealed that 47 loans amounting to Rs. 250.95 lakh were sanctioned and disbursed to the Tripura State Co-operative Consumers Federation Limited, Tripura State Co-operative Land Development Bank Limited and Tripura State Co-operative Bank Limited, Agartala between March 1987

Interest amounting to Rs.112.31 lakh was neither assessed nor were demands raised.
--

and March 1992. The loans carried interest ranging from 6.5 per cent to 10.25 per cent per annum and a penal rate of interest of 2.5 per cent per annum. However, interest amounting to Rs. 112.31 lakh upto March 1997 was neither assessed nor were demands raised to the loanees.

On this being pointed out (April 1998), the Registrar of Co-operative Societies stated (October 1998) that out of the total loan of Rs.250.95 lakh an amount of Rs.168.01 lakh inclusive of interest of Rs.97.38 lakh as on 31 March 1994 relating to Tripura State Co-operative Land Development Bank Limited had been converted (January 1996) into share capital contribution of the State Government and for recovery of the principal of Rs.179.13 lakh and interest of Rs.186.57 lakh upto March 1998 notices had been issued in October 1998.

6.7.9 Failure to prescribe the terms and conditions of loans

As per General Financial Rules (GFRs) all sanctions to loans shall *inter-alia* specify the terms and conditions relating to grant of loans, repayment of principal and payment of interest.

Test check, however, disclosed that :

(a) In respect of 12 cases of loans amounting to Rs. 29.57 lakh sanctioned and paid to the loanees between January 1994 and January 1996, in the Directorate of Handloom, Handicraft and Sericulture neither the terms and conditions of repayment of loans were mentioned in the sanction letter itself nor were they intimated separately. The interest payable by the loanees was neither assessed nor was any demand raised against them. This resulted in non-recovery of interest of Rs. 16.03 lakh (worked out on the basis of rate of interest prevailing at the time of issue of sanctions) as of March 1998. The Additional Director stated (March 1998) that in absence of executive orders, rules, codes etc., the Department had to sanction loans to the loanees without any terms and conditions.

Additional did interest lakh.	not of	Director recover Rs.16.03
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(b) Loans amounting to Rs. 67.46 lakh were sanctioned and paid by the Co-operation Department to the Tripura State Co-operative Bank Ltd., Agartala for implementation of the scheme "Integrated Co-operative Development Project" in March 1989 without any terms and conditions of repayment of loans. This resulted in non-recovery of interest amounting to Rs. 50.32 lakh upto March 1998.

Interest amounting to Rs.50.32 lakh was not recovered by the Co- operation Department.
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On this being pointed out, the Registrar of Co-operative Societies stated (October 1998) that the terms and conditions of the loans had since been finalised and for recovery of principal of Rs.36.90 lakh and interest of Rs.89.56 lakh due as on 31 March 1998 notice had been served in October 1998 to the bank.

6.7.10 Loss of interest due to delayed disbursement/non-disbursement of loan

Rule 290 of the Central Treasury Rules Vol. 1 provides that no money shall be drawn from the treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demands or to prevent the lapse of budget grants.

(a) The Additional Director of Handloom, Handicraft and Sericulture drew Rs. 13.50 lakh on 28 March 1990 for disbursement of loan to the Tripura Apex Weavers Co-operative Society (TAWCS) Ltd., Agartala, for construction of godown and opening of showroom. The loan carried interest at the rate of 10.75 per cent per annum of which Rs. 7.31 lakh was paid to the Society in March 1992 after a delay of 24 months from the date of drawal from the

treasury and the balance amount of Rs. 6.19 lakh was deposited to the Government account in November 1994 (after a delay of 56 months). The amount was drawn and kept in the Personal Ledger Account (PLA) in contravention of rules. The interest lost by the Government on this account worked out to Rs. 4.66 lakh. The reasons for non-disbursement of the balance amount as stated by the Additional Director (March 1998) was mainly due to non-production of land documents by the TAWCS.

Loss of interest worked out to Rs.4.66 lakh.

(b) Between March 1987 and March 1991 loans aggregating Rs. 12.72 lakh was drawn and were initially credited to PLA by the Director of Industries for disbursement to 16 small scale units and to the Housing Board, of which Rs. 7.39 lakh were paid to two small scale units (Rs. 0.61 lakh) and to the Housing Board (Rs. 6.78 lakh) after a delay ranging from 9 months to 25 months from the date of drawal from the treasury. The undisbursed amount of Rs. 5.33 lakh was kept in the PLA and subsequently deposited into treasury (Rs. 1.94 lakh on 27 March 1995 and Rs. 3.39 lakh on 27 October 1997). The interest lost on delayed payment of loan and amount kept in PLA by the Government worked out to Rs. 3.70 lakh. The delay in disbursement of loan as stated (May 1998) by the Director of Industries was mainly due to lack of initiatives by the entrepreneurs and delay in finalisation of tenders by the Housing Board.

Government sustained a loss of interest amounting to Rs.3.70 lakh.

(c) Under the different housing schemes the Sub-Divisional Officers, Sadar and Kailashahar drew a loan aggregating Rs. 54.75 lakh between February 1989 and March 1997 for disbursement to the beneficiaries. The loans carried interest ranging from 4 per cent to 8 per cent per annum, but only Rs. 37.82 lakh was disbursed to the beneficiaries upto March 1997. The balance amount of Rs. 16.93 lakh was kept in the Personal Ledger Account/Civil deposit not bearing any interest and was subsequently deposited into Government account after a delay ranging from 15 months to 89 months. This resulted in loss of interest of Rs. 3.87 lakh to the Government (March 1997). The reasons for non-disbursement of the full amount of loan as stated by the Sub-Divisional Officer, Kailashahar (April 1998) was mainly due to non-appearance of loanees to receive the loans in time.

Non-disbursement of loan resulted in loss of interest amounting to Rs.3.87 lakh.

6.7.11 Non/Short levy and non-recovery of interest

It was observed in the following cases that the interest amounting Rs.82.77 lakh was either short levied/not levied or not recovered :

Sl. No.	Name of the loanee	Amount involved	Period of sanction	Amount of interest short/not levied	Remarks
1	2	3	4	5	6
		(Rupees in lakh)		(Rupees in lakh)	
1.	Tripura State Co-operative Bank Limited, Agartala	135.85	Between March 1972 and March 1991	40.40	The loan was converted into share capital from 27 February 1997. However, interest was charged upto 31 December 1995 only.
2.	Tripura State Co-operative Bank Limited, Agartala	219.25	Between July 1975 and March 1989	39.48	The interest was calculated upto 31 December 1995 instead of actual date of repayment of loans.

Sl. No.	Name of the loanee	Amount involved	Period of sanction	Amount of interest short/ not levied	Remarks
1	2	3	4	5	6
		(Rupees in lakh)		(Rupees in lakh)	
3.	Co-operative societies (4 numbers)	2.14	1987-88	2.89	Out of 4 Co-operative Societies, 3 did not fulfil the conditions of loan and as such were required to refund the loan alongwith interest. The Registrar, however, did not recover the amount (October 1998)
			TOTAL	82.77	

On this being pointed out, the Registrar of Co-operative Societies stated (October 1998) that the Tripura State Co-operative Bank Limited had been directed (August 1998) to deposit the amount of interest of Rs.79.88 lakh. The bank, however, had not deposited the amount as yet.

6.7.12 Non-levy of penal interest

According to the terms and conditions of the sanctions of loan, accorded by the Government, if the due dates in repayment of instalments of principal and payment of interest were not adhered to by the loanees, penal interest at the rate of 2.5 *per cent* per annum over and above the normal rate of interest were to be charged and recovered.

Test check of records of the Registrar of Co-operative Societies revealed that in case of loans amounting to Rs. 263.67 lakh paid to 123 co-operative societies between April 1987 and March 1997, the due dates of repayment were not at all adhered to by the loanees and the delay in repayment of principal and payment of interest ranged from 3 months to 120 months. The penal interest leviable at the rate of 2.5 *per cent* per annum amounted to Rs. 16.51 lakh which was neither assessed nor were demands raised to the loanees.

Registrar of Co-operative Societies did not raise demand for penal interest of Rs.16.51 lakh.

While admitting the fact, the Registrar of Co-operative Societies stated (October 1998) that principal amounting Rs.46.43 lakh and interest amounting Rs.97.82 lakh had become due from 108 co-operative societies as on 31 March 1998 for recovery for which notices had been issued (October 1998) to the concerned societies.

6.7.13 Monitoring and evaluation

The Finance Department had not issued any executive instructions or prescribed any proforma for submission of periodical returns by the grantee departments in respect of review of loans and progress of follow up action. There was also no system of inspection of departmental records by the Finance Department. Thus, the Government had no means to assess the amount of principal and interest in arrears, recoverable from the loanees.

The matter was reported to the Government in July 1998; reply had not been received (December 1998).

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 are intended essentially for maintenance of educational institutions, hospitals, charitable institutions, construction and maintenance of schools and hospital buildings, improvement of roads and other communication facilities under municipalities and local bodies.

During 1997-98 financial assistance of Rs.128.16 crore was paid to various autonomous bodies and institutions broadly grouped as under :

Name of institutions	Amount of assistance paid (Rupees in crore)
1. Universities and Educational Institutions	16.13
2. Municipal Corporations and Municipalities	0.72
3. Zilla Parishads and Panchayat Raj Institutions	51.83
4. Development Agencies	12.23
5. Hospitals and other Charitable Institutions	2.85
6. Other Institutions	44.40
Total	128.16

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 3775 utilisation certificates due in respect of grants aggregating Rs.478.56 crore paid during the period 1991-92 to 1997-98, only 1108 utilisation certificates for Rs.54.38 crore had been furnished by 30 September 1998 and 2667 certificates for an aggregate amount of Rs.428.18 crore 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 crore)
Universities and Educational Institutions	1	Education	444	116.69
	2.	Sports and Youth Programme	19	0.51
Municipal Corporation and Municipalities	3.	Urban Development	330	32.41

Group	Sl.No.	Name of the Department	Number of certificates	(Rupees in crore)
Zilla Parishad and Panchayat Raj Institutions	4.	Panchayat Raj	391	56.26
	5.	Tribal Welfare	70	36.93
Development Agencies	6.	Rural Development	58	20.21
Hospitals and other Charitable Institutions	7.	Health and Family Welfare	389	6.56
Other Institutions	8.	Industries and Commerce	239	21.21
	9.	Co-operation	52	6.30
	10.	Scheduled Castes Welfare	242	91.31
	11.	Revenue	1	0.01
	12.	Fisheries	38	4.19
	13.	Forest	58	1.46
	14.	Home	3	0.01
	15.	Political	11	1.34
	16.	Animal Resource Development	5	0.05
	17.	Irrigation, Flood Control and Public Health Engineering	17	0.88
	18.	Labour and Employment	23	0.27
	19.	Agriculture	267	26.94
	20.	Dairy Development	10	0.64
		Total	2667	424.18

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 1996-97 called for in October 1997 was awaited as of December 1998 from 18 Departments who had not furnished information for a number of years as indicated against each :

SL. No.	Name of the Department	Year for which information had not been furnished
1.	Co-operation	1987-88 to 1996-97
2.	Rural Development	1992-93 to 1996-97
3.	Agriculture	1994-95 to 1996-97
4.	Panchayat Raj	1994-95 to 1996-97
5.	Power	1987-88 to 1996-97

SL. No.	Name of the Department	Year for which information had not been furnished
6.	Education (i) Social Welfare and Social Education (ii) Higher Education (iii) School Education	1992-93 to 1996-97 1987-88 to 1996-97 1990-91 to 1996-97
7.	Welfare of SC and ST (i) Welfare of ST (ii) Welfare of SC	1990-91 to 1996-97 1992-93 to 1996-97
8.	Home (i) Police (ii) Prison (iii) Fire Service	1987-88 to 1996-97 1992-93 to 1996-97 1994-95 to 1996-97
9.	Forest	1994-95 to 1996-97
10.	Fisheries	1993-94 to 1996-97
11.	Food and Civil Supplies	1994-95 to 1996-97
12.	Statistical	1992-93 to 1996-97
13.	Labour	1994-95 to 1996-97
14.	Revenue (i) Revenue (ii) Land Records and Settlement	1993-94 to 1996-97 1994-95 to 1996-97
15.	Information, Cultural Affairs and Tourism	1994-95 to 1996-97
16.	Law	1991-92, 1993-94 to 1996-97
17.	Election	1992-93 to 1996-97
18.	Industries Handloom, Handicrafts and Sericulture	1987-88 to 1996-97

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 1998 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	1997-98	1990-91	1987-88	The audit of accounts for the period 1988-89 to 1990-91 would be taken up soon.	No information from Government/ Board has so far been received on this matter.
2.	Tripura Board of Secondary Education	1997-98	1991-92 to 1993-94	1990-91	Audit of accounts for the period 1991-92 to 1993-94 would be taken up soon.	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 the period mentioned 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 Municipal Council	1996-97 onward on permanent basis	07-10-1996
4.	Nagar Panchayats (12 Nos.)	1996-97 onward on permanent basis	07-10-1996
5.	Tripura University	1992-93 to 1996-97	22-2-1994

7.1.4 Audit arrangement

Audit arrangement for Zilla Parishads and Panchayat Raj Institutions has not been finalised as yet. Audit of Co-operative Societies is conducted by the Registrar of Co-operative Societies.

7.1.4.1 Of the 5 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, accounts of 1 body/authority were audited.

SL. No.	Name of bodies/authorities	Section of audit Act applicable	Annual Accounts	
			Received	Audited
1	District Rural Development Agency (West)	14	1995-96	--
2.	District Rural Development Agency (North)	14	1995-96 to 1996-97	--
3.	District Rural Development Agency (South)	14	1996-97	--
4.	SC/ST Minority Development Council	14	1991-92 to 1995-96	--
5.	Tripura State Social Welfare Advisory Board	14	1993-94 to 1994-95	1993-94 to 1994-95

7.1.4.2 The accounts of Tripura Tribal Areas Autonomous District Council (TTAACDC) are audited under the provision of Article 244(2) read with Sixth Schedule to the Constitution. The status of submission of accounts by the authority and submission of Audit Reports to the Council as of March 1998 is given below :

Sl. No.	Name of bodies	Year upto which				Reasons for non-finalisation of Audit Report	Year up to which Audit Report placed before the Council
		Accounts due	Accounts submitted	Accounts Audited	Audit Report issued		
1	2	3	4	5	6	7	8
1.	Tripura Tribal Areas Autonomous District Council	1997-98	1993-94	1993-94	1990-91	The Audit Report for the period 1991-92 to 1993-94 is under finalisation.	The Audit Reports for the period 1985-86 to 1986-87 and for the period 1990-91 to 1993-94 were sent to the authority in January 1997 and July 1997 respectively. These are yet to be placed before the Council.

Government companies		Non-Government companies		Total	
Number of companies	Paid-up capital (lacs in crore)	Number of companies	Paid-up capital (lacs in crore)	Number of companies	Paid-up capital (lacs in crore)
10	13.10	8	12.10	18	25.20
10	13.10	8	12.10	18	25.20
10	13.10	8	12.10	18	25.20
10	13.10	8	12.10	18	25.20
10	13.10	8	12.10	18	25.20
10	13.10	8	12.10	18	25.20
10	13.10	8	12.10	18	25.20
10	13.10	8	12.10	18	25.20

The financial position and summarized financial working results in respect of all the Government companies (including deemed Government companies) are given in Appendix-10 and 11 respectively.

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 1998 there were 9 Government companies (8 working and one under liquidation) and one deemed Government company with total investment of Rs.104.19 crore (Equity : Rs.83.68 crore, Long term loans : Rs.20.51 crore) as against 9 companies (8 working and 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 on 31 March 1997. Total investment for both the years includes Rs.3.75 lakh invested in Tripura State Bank Limited, which is under liquidation since 1970-71.

As accounts of all the companies are in arrears (**Appendix-9**) all financial figures appearing in para 8.1 are provisional.

The classification of the companies is as under :

Classification	Government companies		Deemed Government companies	
	Number of companies	Paid-up capital (Rupees in crore)	Number of companies	Paid-up capital (Rupees in crore)
Working companies	8	83.10	1	0.54
Non working companies	--	--	--	--
Defunct companies	--	--	--	--
Companies under liquidation	1	0.04	--	--
TOTAL	9	83.14	1	0.54

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 **Appendix-10** and **11** respectively.

The sector-wise investment in these companies is given below :-

Equity and loans					
Department-wise name of Public Sector Undertaking	As at the end of				Debt equity ratio in 1997-98
	1997-98		1996-97		
	Equity	Loan [†]	Equity	Loan	
<i>(Rupees in crore)</i>					
A. Government companies					
AGRICULTURE -					
Tripura Horticulture Corporation Ltd. (THCL)	1.35	--	1.35	--	--
FOREST -					
Tripura Forest Development and Plantation Corporation Ltd. (TFDPC)	8.09	2.64	8.09	2.64	0.33:1
INDUSTRIES -					
The Tripura Small Industries Corporation Ltd. (TSICL)	8.18	0.87	7.18	0.81	0.11:1
Tripura Industrial Development Corporation Ltd. (TIDCL)	9.17	3.49	9.17	3.84	0.38:1
Tripura Handloom and Handicraft Development Corporation Ltd. (THHDCL)	5.36	3.58	5.03	3.58	0.67:1
Tripura Jute Mills Ltd. (TJML)	40.44	9.17	35.74	7.18	0.23:1
Tripura Tea Development Corporation Ltd. (TTDCL)	5.93	--	4.87	--	--
TRIBAL REHABILITATION IN PLANTATION AND PRIMITIVE GROUP PROGRAMME -					
Tripura Rehabilitation and Plantation Corporation Ltd. (TRPCL)	4.58	0.76	4.58	0.76	0.17:1
B. Deemed Government companies :					
INDUSTRIES -					
Tripura Natural Gas Company Ltd. (TNGCL)	0.54	--	0.54	--	--

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 1997-98 and outstanding on 31 March 1998, are shown in the table below :

Guarantees given by State Government				
Guarantees	Amount guaranteed during			Guaranteed amount outstanding as on 31-3-1998
	1995-96	1996-97	1997-98	
<i>(Rupees in crore)</i>				
1. Cash credit from SBI, other Nationalised Banks and State Co-operative Bank	Nil	2.64	2.40	9.84
2. Loans from other sources	1.39	--	3.48	27.06
	1.39	2.64	5.88	36.90

[†] Interest liability of Rs.31.62 crore outstanding as on 31 March 1998 against 5 companies (TJML : Rs.20.84 crore, TFDPC : Rs.4.61 crore, TRPC : Rs.0.30 crore, TSIC : Rs.5.44 crore, and TIDC : Rs.0.43 crore).

8.1.2.4 Budgetary outgo and waiver of dues

The outgo from State Government to 8 functioning Government companies during the years 1995-96 to 1997-98 in the form of equity capital, loan and subsidy is as detailed below :

	1995-96	1996-97	1997-98
	(Rupees in crore)		
1. Equity capital outgo from Budget	7.90	8.37	5.46
2. Loans given out from Budget	--	2.51	1.17
3. Subsidy	--	--	0.19
Total	7.90	10.88	6.82

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 companies, none of them finalised their accounts for the year 1997-98 and the accounts of all the companies were in arrears for periods ranging from 4 years to 15 years as indicated in **Appendix-9** (as on 30 September 1998).

According to latest finalised accounts of these companies, 6 companies had incurred loss of Rs.4.10 crore and the remaining 2 companies earned profit of Rs.0.18 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	1984-85	--	--	1	22.41
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	2	17.65	6	410.12

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 official 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 1997-98 and hence profit or loss in respect of these companies could not be brought out in respect of the

year 1997-98. However, as per the latest available accounts two companies earned profit (**Appendix-11**) 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 6(six) loss making companies suffered loss for consecutive period ranging from 1 year to 12 years. Of the 6 companies, Tripura Jute Mills Ltd., had eroded its entire 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 suffering loss	Year	Capital eroded	Reasons for loss
		<i>(Rupees in lakh)</i>				<i>(Rupees in lakh)</i>	
1	2	3	4	5	6	7	8
1.	Tripura Small Industries Corporation Ltd.,	52.62	66.99	1974-75*	9	52.62	Poor performance
2.	Tripura Industrial Development Corporation Ltd.,	5.92	461.50	1989-90	1	5.92	-do-
3.	Tripura Handloom and Handicraft Development Corporation Ltd.,	23.07	71.44	1984-85	1	23.07	-do-
4.	Tripura Jute Mills Ltd.,	1076.35	657.01	1981-82	5	657.01	-do-
5.	Tripura Forest Development and Plantation Corporation Ltd.,	131.19	498.02	1976-77	12	131.19	-do-
6.	Tripura Rehabilitation and Plantation Corporation Ltd.,	246.04	452.73	1983-84	11	246.04	-do-
	TOTAL	1535.19	2207.69			1115.85	

* as per the latest available accounts.

In spite of 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 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 Provision) Amendment Act, 1991 but BIFR did not consider the case as the company's accounts were in arrears.

8.1.2.6.3 Result of review of accounts

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 March 1998 to July 1998 accounts of one company was selected for review. The net effect of important comments as a result of such review was as follows :

Details	Number of accounts	Monetary effect
		<i>(Rupees in lakh)</i>
Increase in loss	1	3.09
Increase in current liabilities	1	7.72
Decrease in fixed assets	1	1.31
Increase in current assets	1	0.38

8.1.2.6.4 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.27.98 crore in 8 working companies and return thereon amounted to Rs. (-)2.77 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 1997-98 as given in **Appendix-12**. It was seen that utilisation of capacity in the Tripura Jute Mills Limited was 15.49 per cent in 1997-98 while it was 13.38 per cent during the year 1996-97. The capacity utilisation in Tripura Tea Development Corporation Limited was 81 per cent in 1997-98 compared to 80 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)

There is one deemed Government company covered under Section 619(B) of the Companies Act, 1956, viz., Tripura Natural Gas Company Limited. The details are given below :

Sl. No.	Name of deemed Government company	Date of incorporation	Period of Accounts	Year in which finalised	(+)Profit (-) Loss	Capital	Capital employed	Return on capital employed	Percentage of total return on capital employed
(Rupees in lakh)									
1.	Tripura Natural Gas Company Limited	10-07-90	1992-93	1998-99	(-) 3.66	50.00	42.72	(-) 3.66	--
* Capital employed represents net fixed assets (including capital works in progress) plus working capital. * Return on capital employed represents net profit/loss plus/minus interest on borrowed fund.									

8.1.3 Statutory corporation

8.1.3.1 General aspects

There was one statutory corporation in the State as on 31 March 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 CAG
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 CAG	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.48.46 crore (State Government Rs.44.82 crore and Central Government Rs.3.64 crore) as on 31 March 1998. The State Government lent during 1997-98 Rs.5.71 crore to the corporation.

8.1.3.3 Profit/Loss of the corporation

As per the accounts of the corporation for the year 1987-88, the accumulated loss of the corporation was Rs.16.52 crore.

8.1.3.4 Finalisation of the accounts

The corporation finalised its accounts upto 1987-88. The accounts for the years from 1988-89 onwards were in arrears (September 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 31 March 1998, guarantees of Rs.110.64 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-13**.

8.1.4 Physical performance

The physical performance of the corporation for the years 1995-96, 1996-97 and 1997-98 on the basis of statistical data compiled by the corporation is given in the table below :

		Passenger Service (Buses)			Goods Service (Trucks)		
		1995-96	1996-97	1997-98	1995-96	1996-97	1997-98
1.	Average number of vehicle held	87	79	84	30	29	28
2.	Average number of vehicles on road	32	41	37	9	15	14
3.	Vehicles utilisation (percentage)	36.78	51.90	44.05	30.00	51.72	50.00
4.	Kilometres covered (in lakh) Gross Kms	17.50	22.60	19.56	1.94	3.13	1.74
	Effective Kms	16.54	21.50	18.62	1.91	3.10	1.65
	Dead Kms	0.96	1.10	0.94	0.03	0.03	0.09
	Percentage of dead Km to Gross Kms	5.49	4.87	4.81	1.55	0.96	5.17
5.	Average Kms covered per vehicle per day	141	144	145	58	56.62	34
6.	Average revenue per Km (in Rupees)*	6.65	7.12	8.16	29.84	18.24	14.55
7.	Average expenditure per Km (in Rupees)*	29.68	24.06	35.18	53.40	29.82	78.79
8.	Loss per Km (in Rupees)*	23.03	16.94	27.02	23.56	11.58	64.24
9.	Average number of breakdown per lakh Kms	34.57	20.96	35	4.13	3.50	3
10.	Average number of accident per lakh Kms	0.41	0.48	0.46	--	--	--
11.	Passenger Kms scheduled in Kms	826.92	10535.50	912.38	--	--	--
12.	Passenger Kms operated (in Kms)	511.62	6433.00	568.23	--	--	--
13.	Occupancy ratio	61.87	61.06	62.28	--	--	--
14.	Staff vehicle ratio	9.29:1	10.06:1	9.52:1	4.57:1	4.66:1	4.25:1

* Figures are provisional

INDUSTRIES AND COMMERCE DEPARTMENT

8.2 Working of Tripura Handloom and Handicrafts Development Corporation Limited

8.2.1 Introduction

The Planning Commission approved (22 March 1974) the scheme for formation of a Handloom and Handicrafts Development Corporation by the State Government under the 'Half-a-Million Jobs' Programme. Tripura Handloom and Handicrafts Development Corporation Limited was accordingly incorporated on 5 September 1974 with a view to removing poverty and unemployment of weavers and artisans in the State and strengthening their base.

8.2.2 Objects and activities

The main objects of the company are to organise handloom and handicraft industries of the State on commercial footing and to expand their market thereby creating employment opportunities for the weavers and artisans and giving them higher wages and better conditions of living by :

- i) purchase of handloom and handicraft products from weavers and artisans and sale of those products through its own sales emporia called 'Purbasha';
- ii) purchase of yarn and sale thereof to enlisted weavers;
- iii) purchase and sale of Janata cloths;
- iv) implementation of 'Project Package Scheme' of the Central Government, and
- v) production and sale of polyester fabrics.

8.2.3 Organisational set-up

The affairs of the company are managed by a Board of Directors, which, as on 31st March 1998, consisted of nine Directors, including the Chairman and the Managing Director, appointed by the State Government. The Managing Director is the Chief Executive Officer of the company.

8.2.4 Scope of audit

The working of the company for the last five years ending 31st March 1998 was reviewed in Audit during the period from March to June 1998 and results thereof are set out in the succeeding paragraphs.

8.2.5 Highlights

— The company was mainly dealing in procurement and sale of handloom and handicraft products, Janata cloths and yarn. Shortfall in achieving procurement target increased from 4.40 per cent in 1993-94 to 52.16 per cent in 1996-97. Similarly, shortfall in achievement of sales target increased from 18.54 per cent in 1993-94 to 33.15 per cent in 1996-97.

(Paragraph 8.2.8)

— In implementing Project Package Scheme financed by the Government of India (Rs. 32.60 lakh) and the State Government (Rs. 12.60 lakh), the company violated several stipulations and conditions.

(Paragraph 8.2.10)

— In course of procurement of yarn, the company undertook avoidable liability of Rs. 31.49 lakh as interest in March 1994.

(Paragraph 8.2.11)

— Delay in realisation of reimbursement claims for interior decoration work resulted in a loss of Rs. 23.26 lakh as interest upto 1997-98.

(Paragraph 8.2.12)

— The Government of India disallowed Rs.34.88 lakh out of Janata subsidy claims of the Company as of January 1999.

(Paragraph 8.2.18)

8.2.6 Finance

8.2.6.1 Share Capital

As against the authorised share capital of Rs.10 crore the paid up share capital of the company as on 31 March 1998 was Rs. 536.26 lakh (contributed by the State Government : Rs. 506.48 lakh, Government of India : Rs. 25.78 lakh and Tripura Tribal Areas Autonomous District Council : Rs. 4 lakh). Apart from the above, an amount of Rs. 16.90 lakh received (March 1989) as share capital contribution (Central share) was treated as loan and as such no share was either allotted or issued in favour of the President of India. The Management stated (June 1998) that the amount was released by the Government of India as loan though the State Government placed it as share capital. The Management further added that the matter had been referred to the State Government and on receiving its confirmation the amount would be accounted for accordingly.

8.2.6.2 Borrowings

From the provisional accounts of the company for the year 1996-97, it was noticed that the company took Rs. 377.53 lakh as loan from the State Government. This figure remained unchanged since 1989-90. Further, an amount of Rs. 243.08 lakh payable as penal interest upto March 1998 on loan of Rs. 195.65 lakh (received between March 1982 and March 1988 from Government of India through the State Government) was neither provided for in the compiled accounts till date nor included in the loan amount. The Management stated (June 1998) that the interest was being accounted for in the final accounts.

Rs. 2.43 crore payable as penal interest not provided for.
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8.2.7 Financial position and working results

8.2.7.1 Annual accounts

The Company finalised its accounts only upto 1984-85 and prepared provisional accounts for 1985-86 and from 1990-91 to 1996-97 leaving the intervening period untouched without any recorded reason.

8.2.7.2 Financial position

The table below summarises the financial position of the company for the period from 1992-93 to 1996-97 on the basis of provisional accounts compiled by it :

	1992-93	1993-94	1994-95	1995-96	1996-97
A. Liabilities					
a) Paid up capital (including advances)	264.98	289.98	309.38	384.98	474.48
b) Reserves and surplus	95.00	120.00	120.00	120.00	120.00
c) Borrowings	377.53	377.53	377.53	377.53	377.53
d) Trade dues, current liabilities and provisions	236.55	288.12	293.88	341.93	333.89
Total A	974.06	1075.63	1100.79	1224.44	1305.90
B. Assets					
a) Gross block	207.30	208.21	208.43	208.96	209.19
b) Depreciation	54.26	59.06	63.17	66.74	69.81
c) Net fixed assets	153.04	149.15	145.26	142.22	139.38
d) Capital work-in-progress	-	-	-	-	-
e) Current assets including loans and advances	689.46	670.76	608.29	631.18	617.90
f) Suspense	-	10.87	10.12	3.84	5.98
g) Miscellaneous expenditure (losses)	131.56	244.85	337.12	447.20	542.64
Total B	974.06	1075.63	1100.79	1224.44	1305.90
C. Capital employed⁹	605.95	531.79	459.67	431.47	424.39

8.2.7.3 Working results

The working results of the company for the five years upto 1996-97 on the basis of the provisional accounts compiled by the company are summarised below :

⁹ Capital employed represents net fixed assets including capital work-in-progress plus working capital.

	1992-93	1993-94	1994-95	1995-96	1996-97
	(Rupees in lakh)				
Income					
a) Sales	463.06	449.77	427.72	443.33	464.22
b) Other income	30.25	23.74	32.79	47.86	72.22
c) Losses	22.75	113.29	92.27	112.48	95.44
Total	516.06	586.80	552.78	603.67	631.88
Expenditure					
a) Purchases	370.73	389.28	350.17	365.20	311.56
b) Administrative expenses and other overheads	144.72	178.12	153.68	198.16	203.04
c) Selling and distribution expenditure	21.15	29.96	54.85	56.22	56.40
d) Depreciation	5.48	4.80	4.11	3.57	3.07
e) Accretion (-)/ Decretion (+) in stock	(-) 26.02	(-) 15.36	(-) 10.03	(-) 19.48	57.81
Total	516.06	586.80	552.78	603.67	631.88

8.2.8 Procurement and sales performance

The company procures finished handloom and handicraft products from weavers, artisans and clusters of weavers enlisted with the company and market them through its sales outlets within and outside the State. The company had been the implementing agency of the Centrally Sponsored Janata Cloth Scheme in the State since September 1977 under which it purchased Janata cloth from weavers and weavers' co-operative societies and distributed the cloth through its own outlets and the Public Distribution System. With a view to making yarn available to weavers at reasonable prices, the company procured yarn and supplied it to the weavers.

8.2.8.1 Procurement

The targets of purchase of various products and achievements thereagainst during the period from 1993-94 to 1997-98 are shown in **Appendix-14**. The company failed to achieve the targets in each of the five years upto 1997-98. Overall percentage of shortfall varied from 4.40 in 1993-94 to 52.16 in 1996-97.

8.2.8.2 Sales

The table given in **Appendix-15** discloses the targets and achievements of sales during the period from 1993-94 to 1997-98. The company could not achieve its sales targets in any of the year during the period from 1993-94 to 1997-98. Overall percentage of shortfall increased from 18.54 in 1993-94 to 33.15 in 1996-97 for which reasons were neither on record nor stated.

8.2.9 Construction of Craft Development Centre

As desired by the Government of India, the company prepared (June 1991) a Project Report for setting up of a Craft Development Centre at Agartala with capital investment of Rs. 11 lakh to be financed by the Government of India to the extent of Rs. 7.12 lakh and the rest either by the State Government or company's own resources.

The Government of India released (March 1992) Rs. 3.56 lakh as 50 per cent of its share as grants for the purpose. The company issued the work order only in December 1995 due to its delay in finalisation of the drawing and design for the centre by the company.

The company furnished utilisation certificate for Rs. 1.84 lakh (spent on machinery, raw material, training etc.) in March 1996. It furnished another utilisation certificate for Rs. 1.80 lakh (payment for construction on running account bill) in July 1997 as against amount of Rs. 0.92 lakh paid in March 1997. The contractor after construction upto plinth level (July 1996) stopped the work demanding escalation, compensation for loss of profit etc. Since then, the work remained suspended (July 1998) and thus the object for which the money was spent was completely frustrated.

The Management stated (June 1998) that the matter was pending in the court.

8.2.10 Project Package Scheme

The Government of India introduced during the 8th Five Year Plan a 'Project Package Scheme' for providing assistance to the handloom weavers for their integrated development. The company, which was selected as the implementing agency in the State prepared a Project Report for the purpose which was approved by Government of India in March 1994 with total financial involvement of Rs. 45.20 lakh to be shared by the Government of India :Rs. 32.60 lakh (Loan : Rs. 17.80 lakh + Grants : Rs. 14.80 lakh) and the State Government :Rs. 12.60 lakh (Loan : Rs. 3.80 lakh + Grants : Rs. 8.80 lakh).

The scheme was to provide (i) assistance for workshed, (ii) assistance for loom and accessories, (iii) training, (iv) assistance for new design, (v) assistance for working capital and (vi) assistance for common facility centre.

Though the scheme was to be completed by March 1995, it has not yet (June 1998) been completed though as against Rs. 43.20 lakh (Government of India : Rs.32.60 lakh and State Government : Rs.10.60 lakh) received the company had spent Rs. 34.40 lakh upto 25 April 1998.

Implementation of the project

The details of utilisation of amount against each item of the scheme, upto 25 April 1998 are given below :

8.2.10.1 Assistance for workshed

Though 200 numbers of beneficiaries were given Central share of assistance for workshed-cum-house at the rate of Rs. 4,000/- each the State Government did not provide its share of Rs. 1000 to each beneficiary thereby frustrating the purpose of scheme. Moreover, information regarding construction of worksheds was not available with the company.

8.2.10.2 Assistance for loom and accessories

i) The scheme provided Rs. 2 lakh for distribution of 50 Fly Shuttle Frame looms to 50 number of Scheduled Tribe beneficiaries at the rate of Rs. 4,000 each. The company spent only Rs. 0.83 lakh for distribution of 'Pitlooms' instead of 'Fly Shuttle Frame looms' to the 50 beneficiaries since these beneficiaries were not fully skilled to weave on fly shuttle looms and Rs. 1.16 lakh for other purposes.

ii) Rupees 6 lakh was sanctioned for supply of accessories to 300 beneficiaries at the rate of Rs. 2,000 each. It was, however, noticed that only Rs. 3.37 lakh was utilised for

supplying accessories to 230 numbers of beneficiaries at rates varying from Rs. 500 to Rs. 2,402.

Thus the object of providing modernisation assistance was frustrated.

8.2.10.3 Assistance for working capital

An amount of Rs. 14 lakh was sanctioned for providing working capital assistance to 350 numbers of beneficiaries at the rate of Rs. 4,000 each. However, as of April 1998 only Rs.11.29 lakh were given as assistance to 308 beneficiaries at rates varying from Rs. 1060.30 to Rs. 4,000 per head. Moreover, 29 beneficiaries were given the assistance twice which resulted in excess payment of Rs. 0.87 lakh^e. No reasons for the excess payment were furnished.

8.2.10.4 Assistance for common facility centre

Out of Rs. 7.20 lakh sanctioned for construction of three common facility centres an amount of Rs. 2.75 lakh was given (upto August 1996) as advance to an Officer of the company for construction of a centre (Rs.1.5 lakh) at Mandai and to the Cluster In-Charge of Barjala Charilam area for construction of a centre (Rs.1.25 lakh) at Charilam.

The progress of the work could not, however, be verified in audit as no records/documents relating to the said works could be produced by the company.

8.2.11 Purchase of yarn at Mill Gate price from National Handloom Development Corporation

The Government of India reintroduced (July 1992) the special scheme for supply of yarn to handloom weavers at mill gate price through National Handloom Development Corporation (NHDC).

The company started procurement of yarn from NHDC under the above scheme from January 1993. It was, however, observed that,

a) 2739.04 Kg of 40^s and 54.52 Kg of 2/40^s yarn purchased from NHDC was issued for Janata cloth production during 1993-94 instead of production of non-Janata cloth as per provisions of the scheme.

b) 21,029 Kg of 2/20^s yarn was issued during 1993-94 to different Departments/ Agencies of the State Government which were neither its member societies nor weavers directly enrolled under it;

c) the company did not pass on the benefit of transport subsidy amounting Rs. 1.97 lakh to the actual users.

It was further noticed that, NHDC claimed (July 1993) Rs.30.62 lakh as interest on outstanding payments of Rs. 8.53 lakh (as on 20 July 1993) which related to purchases of earlier period. The company did not ever request NHDC to waive the interest nor even did it accept NHDC's proposal (20 August 1993) for settlement of the case once for all by releasing the principal amount of Rs. 8.53 lakh. Instead, after making full payment by March 1994, the company advised (July 1994) NHDC to adjust its transport subsidy claim against the interest due (Rs. 31.49 lakh as on 31 March

The company undertook avoidable liability of Rs. 0.31 crore by non-acceptance of NHDC's proposal.
--

^e Rs. 90.331 + Rs. 1.13.017 - 29 X Rs. 4,000.

1994). Thus by non-acceptance of NHDC's proposal, the company undertook an avoidable liability of Rs. 31.49 lakh.

An amount of Rs. 29.52 lakh still (March 1998) remained unadjusted in the interest account.

The Management stated (June 1998) that yarn purchased on mill gate price was sold to weavers directly or indirectly. The fact, however, remains that the company violated its undertaking and is, thus, liable to pay the difference between actual price and price paid as well as the transport subsidy.

8.2.12 Reimbursement of claims

Against the company's rebate reimbursement claims for Rs. 61.78 lakh for the period from 1992-93 to 1993-94, claims for Rs. 10.82 lakh were yet (June 1998) to be realised. The Management stated (June 1998) that claims were pending with the Government for reasons not known to the company.

Moreover, out of reimbursement claims for Rs. 52.35 lakh on account of interior decoration works, erection of gates etc., for the period from April 1992 to March 1998, the company could realise only Rs. 40.58 lakh from different Government Departments/Agencies. Delay in realisation in this account alone resulted in a loss of Rs. 23.26 lakh upto March 1998 as interest at the rate of 18 *per cent* per annum.

Delay in realisation of dues resulted in a loss of Rs. 0.23 crore as interest.
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8.2.13 Performance of emporia

As on 31 March 1998, the company had 28 emporia functioning in various places in Tripura (17), West Bengal (5), Assam (5), and New Delhi (1). During the period covered in the review, the company opened two emporia at Kakali Hotel (September 1992) at Agartala and Vidyasagar market (June 1997) at Belonia and closed down the emporium at Kakali Hotel (July 1994), Agartala.

Scrutiny of records relating to sales performance of emporia during 1992-93 to 1996-97 (sales performance for 1997-98 not produced) disclosed that out of 27 emporia (existing as on 31st March 1997), turnover of handloom products had decreased in 19 emporia while the turnover of handicrafts products had increased in 6 emporia in 1996-97 when compared to turnover in 1995-96. In comparison to 1995-96, overall performance of all the emporia in West Bengal and the one in New Delhi improved in 1996-97. During 1996-97, none of the emporia (except two in West Bengal) could achieve their overall sales target. Achievement of overall sales target in 1996-97 varied from 40.29 *per cent* to 80.53 *per cent* in respect of emporia situated in Tripura, 43.51 *per cent* to 67.67 *per cent* in respect of those in Assam, 86.54 *per cent* to 143.21 *per cent* for those in West Bengal and 96.68 *per cent* for that in New Delhi. Moreover 6 emporia did not at all sell handicraft products during 1996-97. Performances of 11 emporia (9 in Tripura and 2 in Assam) though improved upto 1994-95 deteriorated considerably thereafter in 1995-96 and 1996-97.

8.2.14 Inventory Control

Closing stock in terms of months sale of different products of the company during the five years up to 1996-97 varied in the following range :

Sl. No.	Particulars	Minimum range	Maximum range
1.	Handloom	5.58 (1992-93)	8.07 (1993-94)
2.	Handicraft	4.41 (1996-97)	6.88 (1995-96)
3.	Janata	1.03 (1994-95)	3.99 (1995-96)
4.	Yarn	3.25 (1996-97)	11.44 (1992-93)
5.	Others	45.69 (1994-95)	576.32 (1992-93)

It would be seen that closing stock of other products were much on higher side compared to the remaining items.

A test check of stores records further revealed that :

- (i) damaged materials valued at Rs. 3.77 lakh mentioned in para 7.6.16.1 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1993 were still lying in store (June 1998);
- (ii) closing stock of different emporia included damaged materials valued at Rs.9.02 lakh (Handloom : Rs.3.47 lakh + Handicrafts : Rs.5.55 lakh) as on 31 March 1998.
- (iii) damaged yarn valued at Rs.2.14 lakh was lying in Head Office godown which was decided (November 1997) to be sold at a discount of 10 per cent to 30 per cent.

The Management stated (June 1998) that the damaged stores were being disposed of.

8.2.15 Mechanised dye-cum-process house

It was mentioned in para 7.6.15 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1993 that the mechanised dye-cum-process house commissioned in May 1989 remained unutilised since September 1991 mainly due to non-availability of raw materials. The Board of Directors decided (January 1992) three alternative courses of action -

- (i) leasing out the entire dye-cum-process house for 20-25 years;
- (ii) forming a joint venture with private parties;
- (iii) disposal of the cloth processing unit.

No follow up action was, however, taken till date (June 1998) and the plant and machinery is still lying unutilised and getting deteriorated day by day.

8.2.16 Outstanding recovery from weavers and artisans

It was mentioned in para 7.6.12 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1993 that as on 31 March 1992, an amount of Rs. 14.80 lakh remained recoverable from weavers and artisans being cost of yarn supplied on credit.

Extent of recovery, if any, made thereafter could not be ascertained in audit as relevant documents could not be produced by the Management (June 1998).

8.2.17 Internal Audit

Internal Audit wing of the company having only one auditor (as on 31st March 1998) under the direct control of the Administrative Officer of the company was stated to have been utilised in conducting internal audit of different sales counters within the State of Tripura and Assam. A Chartered Accountant firm of Calcutta was engaged from time to time to conduct internal audit of sales counters of New Delhi and West Bengal, Branch Office, Calcutta and Head Office, Agartala.

The company did not prepare (June 1998) an internal audit or accounts manual containing the procedures, functions, duties and responsibilities of its officers.

8.2.18 Other topics of interest

Loss due to claims disallowed by the Government of India

The company had claimed Rs. 202.52 lakh as subsidy for Janata cloth measuring 54.77 lakh sq. m. (audited figure) against delivery of 60.03 lakh sq. m. for the period from January 1990 to September 1992. The Government of India, however, released (February 1993) Rs. 142.94 lakh withholding Rs. 29.22 lakh and disallowing claims for Rs. 30.36 lakh without assigning any reason for it. The amount withheld was subsequently (December 1993) released but no response was received in respect of the disallowed claim. Delay in release of withheld money as mentioned above resulted in a loss of Rs. 4.38 lakh being interest at the rate of 18 *per cent* per annum for 10 months apart from claim disallowed without any apparent reason.

Claim for Rs. 0.30 crore was disallowed by the Government of India without assigning any reason.
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The Government of India again disallowed an amount of Rs. 5.39 lakh out of company's subsidy claim for the period from 1995-96 to 1996-97 due to violation of clause 4.5.6 of the Janata Cloth Scheme which stipulated that at least 50 *per cent* of the production must be of yarn dyed variety of all check/ designs/mono coloured.

Claim for Rs.0.05 crore was disallowed for violation of condition.
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The Management stated (June 1998) that the matter was under correspondence.

The Government stated (January 1999) that out of Rs.5.39 lakh; an amount of Rs.0.87 lakh has since been released by the Government of India.

TRIPURA INDUSTRIAL DEVELOPMENT CORPORATION LIMITED

8.3 Injudicious sanction and disbursement of loan to entrepreneur

Sanction of loan and disbursement of Rs.0.13 crore to an entrepreneur proved injudicious.
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The Company sanctioned (August 1992) a term loan of Rs. 24.42 lakh in favour of the owner of a local Press against his loan application and a project report for modernisation of the Press by replacement of its old machines through installation of new off-set machine with Desk Top Publishing (DTP) system at a cost of Rs. 32.56 lakh; the balance requirement (Rs. 8.14 lakh) was to be met from Promoter's Contribution. As per terms and conditions of such loans (1) all outstanding dues were to be cleared before payment of any fresh loan. (2) all the fixed and other assets created/to be created out of the loan amount were to be mortgaged/hypothecated to the Company and (3) all such assets were to be fully insured with any approved Insurance Company, and Policy thereof assigned in favour of the Company. Further, as per the deed of agreement signed on 16 February 1993 with the loanee, the loan was to be repaid within 8 years with a moratorium for the first year and interest was payable at 19 *per cent* per annum with the provision for 3 *per cent* penal interest in case of default.

Test-check (September 1997) of the records of the Company revealed that an amount of Rs. 8 lakh was disbursed to the loanee in October 1992 for procurement of the offset machine although a sum of Rs. 2.68 lakh had remained due to be recovered from him against a previous loan sanctioned in 1988. Further, on receipt of Rs. 8 lakh, the loanee intimated

(January 1993) the Company that the offset machine purchased at Rs. 8 lakh with the loan got fully damaged in a road accident while in transit from Calcutta to Agartala by truck. He simultaneously requested the Company to sanction an amount of Rs. 5 lakh immediately to enable him to undertake the printing work in connection with the Election then in process. The Company sanctioned and disbursed the amount sought for (i.e., Rs. 5 lakh) in January 1993 itself without verifying the cash memos, the transport documents etc., in support of the fact stated. But thereafter, the Management placed the matter before the Board of Directors (BOD) stating that the machine damaged on transit was not covered by any Insurance Policy as required by the terms of the loan and hence the explanation given by the loanee for non-procurement and non-installation of the machine due to its reported damage in transit could not be accepted. At the instance of the decision taken by the BOD., the Managing Director rescinded (June 1994) the loan agreement and asked the loanee to repay the total amount of Rs. 13 lakh within one month. But no amount had been repaid (February 1998). The total amount due, against loan money paid to the entrepreneur along with interest and penal interest as of 31 December 1998 stood at Rs. 58.65 lakh as per company's demand ending 31 December 1998.

Thus, the sanction of loan and disbursement of Rs. 13 lakh in deviation from the stipulated terms and conditions, proved injudicious and frustrated the very object of the Company's involvement in the deal.

Management intimated (February 1998) that notice had been issued to the entrepreneur. Further action was awaited (September 1998).

The matter was referred to Government in June 1998; their reply had not been received (December 1998).

TRIBAL REHABILITATION IN PLANTATION AND PRIMITIVE GROUP PROGRAMME DEPARTMENT

TRIPURA REHABILITATION PLANTATION CORPORATION LIMITED

8.4 Wasteful expenditure on plantation

Premature discontinuance of plantation schemes resulted in wasteful expenditure of Rs.0.04 crore.

The Company initiated two schemes for raising rubber plantations for selected beneficiaries. Scheme No. 1 was meant for local landless tribal *jhumia* people under which plantation was to be raised departmentally on Government Khas lands allotted for them through the Sub-Divisional Officer, 1.5 hectares land being fixed for each beneficiary. On maturity, which required at least 8 years time, the plantation was to be handed over to the respective beneficiary for tapping. The beneficiary was then supposed to sell the latex and scrap to the Company at rates fixed by the Board of Directors from time to time. Scheme No. 2 was also almost the same except that it was meant for tribal *jhumia* people having jote-land which was to be utilised for such plantation.

Test check (October 1996) of the records of Deputy Manager of the Company, West Zone revealed that rubber plantations were raised at Gaynfung under Khowai Sub-Division in 15 hectares Khas land in 1989-90 under Scheme No. 1 and in 11 hectares jote-land in 1990-91 under Scheme No. 2. But the plantations under the two schemes were abandoned at midway

after incurring an expenditure of Rs. 3.75 lakh upto 1992-93 (Scheme No. 1) and Rs. 0.55 lakh upto 1991-92 (Scheme no. 2). The discontinuance of the schemes after incurring such a huge expenditure was attributed (July 1998) to extremist activities and non-co-operation of the local beneficiaries.

Premature discontinuance of the plantation schemes thus, resulted in wasteful expenditure of Rs. 4.30 lakh (Rs. 3.75 lakh + Rs. 0.55 lakh) apart from depriving the *jhumias* from the benefit of the schemes.

Government admitted (June 1998) the fact but stated (July 1998) that circumstances compelled the company to close the centres with effect from 6 June 1994. Nothing was, however, spelt out as regards the feasibility of the centres being revived in near future:

POWER DEPARTMENT

8.5 Loss of revenue due to non-imposition of penalty

Non-imposition of penalty for belated payment of electricity consumption bills resulted in loss of Rs.0.34 crore.

The clause (a) and (b) of condition 28 of the Tripura Electric Supply Conditions, 1985 as amended in 1992 (Third Amendment) stipulated imposition of penalty for default in making payment of electricity consumption bill within 30 days from the due date, at the rate of 10 paise per unit per 30 days or part thereof, from the day following the due date of payment.

It was noticed during test check of records of 14 Electrical Sub-Divisions between October 1995 and January 1997 that though the payments by 415 consumers in 731 cases for consumption of electric energy between February 1993 and August 1996 were made beyond the stipulated period, penalty leviable as per the above conditions was not imposed and realised from them. This resulted in a loss of revenue to the extent of Rs.33.90 lakh.

The matter was reported to Government in April 1998; their reply had not been received (December 1998).

8.6 Loss due to unauthorised allowance of rebate

Inadmissible allowance of rebate resulted in loss of revenue of Rs.0.06 crore.

In terms of clause 17(c) of the Tripura Electric Supply Conditions 1985, no rebate is admissible to a consumer if the bill is not paid within fifteen days from the date of its presentation to him.

It was noticed during test check of records of 12 Electrical Sub-Divisions between October 1995 and January 1997 that the rebate was allowed to 419 consumers in 631 cases for consumption of electric energy between February 1993 and August 1996 even though the payment was not made within the stipulated period. This inadmissible allowance of rebate resulted in loss of revenue of Rs.6.34 lakh.

The matter was reported to Government in April 1998; their reply had not been received (December 1998).

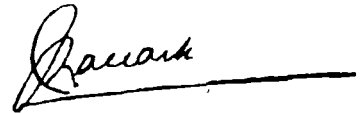
8.7 Short realisation due to non-application of prescribed minimum charge

Non-application of prescribed minimum charge in respect of one consumer resulted in short realisation of revenue of Rs.0.05 crore.

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 electrical energy consumed under category of "G Bulk Supply" when the supply is in 11 KV line and the maximum demand is 63 KVA and above but less than 630 KVA, subject to the minimum monthly charge of Rs.18,000 for such type of connection.

During test check (September 1997) of the accounts of Sub-Divisional Officer (Electrical), Jogendranagar, it was noticed that although one consumer under Jogendranagar Sub-Division availed of bulk supply in 11 KV line and had a demand above 63 KVA, bills were raised against him for power consumption since date of connection (16 March 1993) to 27 January 1996 without paying due regards to the prescribed minimum charge payable monthly. As against Rs.6.21 lakh payable by the consumer for that period at Rs.18,000 p.m. on the basis of minimum charge (inclusive of Meter Rent at the rate of Rs.10 p.m.), amount of bill raised and realised was Rs.0.76 lakh only. This resulted in short realisation of revenue amounting to Rs.5.45 lakh.

The matter was referred to Government in April 1998; reply had not been received (December 1998).



(J.M.R. Marak)

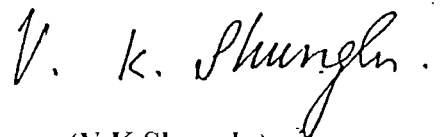
Accountant General(Audit), Tripura

Agartala

The _____ 1999

12 MAR 1999

Countersigned



(V.K.Shunglu)

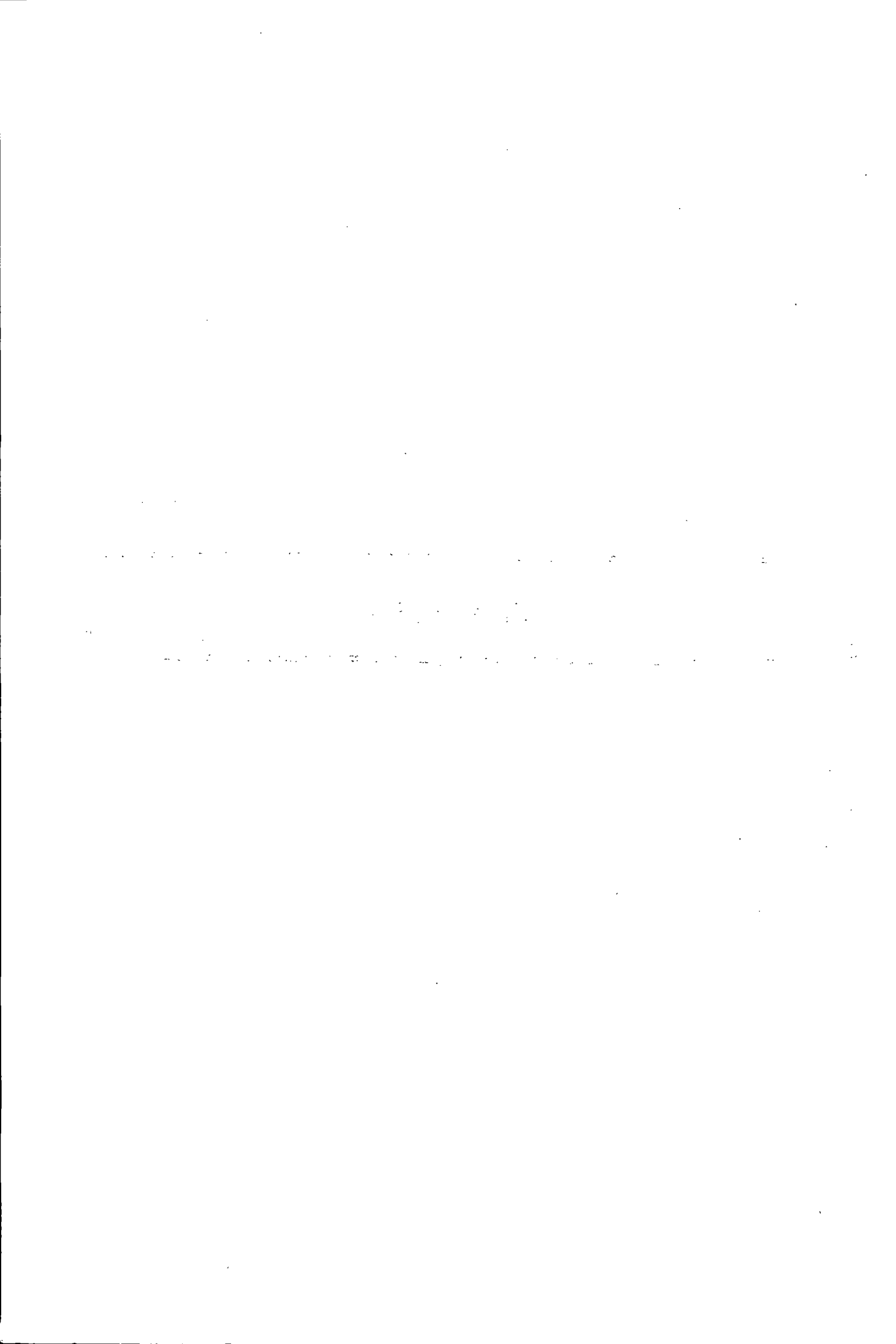
Comptroller and Auditor General of India

New Delhi

The _____ 1999

12 APR 1999

APPENDICES



APPENDIX-1

(Reference : Paragraph 2.3.1 at page 25)
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.	17-Information, Cultural Affairs and Tourism Department	5,03,81,000	5,21,93,236	18,12,236
2.	32-Tribal Rehabilitation in Plantation and Primitive Group Programme Department	1,01,33,000	1,01,48,977	15,977
3.	33-Science and Technology Department	66,00,000	73,51,553	7,51,553
4.	37-Labour and Employment Department	2,31,36,000	2,35,43,807	4,07,807
5.	41-Social Education Department	25,05,64,000	28,42,91,613	3,37,27,613
6.	43-Finance Department	54,62,51,000	58,68,22,911	4,05,71,911
Revenue Section (Charged)				
7.	5-Law Department	90,82,000	94,49,568	3,67,568
8.	15-Irrigation and Flood Control Department	--	3,30,914	3,30,914
9.	28-Horticulture Department	4,00,000	4,00,437	437
10.	43-Finance Department	107,21,17,000	107,39,00,995	17,83,995
Capital Section (Voted)				
11.	24-Industries and Commerce Department	6,18,00,000	6,96,00,000	78,00,000
12.	33-Science and Technology Department	29,40,000	55,54,186	26,14,186
Capital Section (Charged)				
13.	14-Power Department	2,00,00,000	2,97,14,314	97,14,314
14.	31-Rural Development Department	6,00,000	17,12,000	11,12,000
15.	43-Finance Department	23,15,79,000	57,13,01,252	33,97,22,252
TOTAL		228,55,83,000	272,63,15,763	44,07,32,763

APPENDIX-2

(Reference : Paragraph 2.3.7 at page 31)
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 Armed Reserve (Non-Plan)	O. 1804.37	R(+) 180.83	1985.20	1459.92	(-) 525.28
2.	12-Co-operation Department 6003-Internal Debt of the State Government 105-Loans from NABARD (Non-Plan)	S. 186.20	R(+) 106.53	292.73	86.39	(-) 206.34
3.	13-Public Works Department 5054- Capital outlay on Roads and Bridges 02-Strategic and Border Roads 337-Roads Works (Plan) CSS	O. 250.00	R(-) 230.00	20.00	275.13	(+) 255.13
4.	14-Power Department 4801-C.O.on Power Project 800-Other Expenditure	O. 152.00	R(+) 60.00	212.00	--	(-) 212.00
5.	16-Health and Family Welfare Department 2210-Medical and Public Health 01-Urban Health Service - Allopathy 103-Maternity and Child Health CSS (Plan)	O. 71.35 S.332.33	R(+) 127.45	531.13	209.95	(-) 321.18
6.	20-Scheduled Caste Welfare Department 4215-Capital outlay on water supply and Sanitation 01- Water Supply 010-MNP Sinking/Resinking of RCC Wells etc.	O. 324.00	R(-) 183.84	140.16	400.00	(+) 259.84
7.	31-Rural Development Department 4215-Capital outlay on water supply and Sanitation 01-Water Supply Rural 102-Rural Water Supply - Sinking/Re-sinking/Replacement of RCC Well /Renovation of Wells etc (Plan)	O. 456.00	R(-) 119.38	336.62	690.00	(+) 353.38

APPENDIX-3

(Reference : Paragraph 2.3.7 at page 31)
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)						
1.	10-Home Department (i) 2055-Police District Armed Reserve (Non-Plan) (ii) 115-Modernisation of Police Force (CSS) (Non-Plan) (iii) TSR Battalion No.V (Non-Plan) (iv) TSR Battalion No.VI (Non-Plan) (v) 109-District Police District Civil Police	O.1804.37 O. 93.06 -- -- O. 2501.14	R(+) 180.83 R(+) 200.00 R(+) 720.76 R(+) 509.24 R(+) 294.31	1985.20 293.06 720.76 509.24 2795.45	1459.92 131.09 551.61 140.04 3219.60	(-) 525.28 (-) 161.97 (-) 169.15 (-) 369.20 (+) 424.15
2.	13-Public Works Department (i) 4552-Capital outlay on North Eastern Areas 04-District and Other Roads 800-Other Expenditure (Plan) (ii) 5054-Capital outlay on Roads and Bridges 04-District and Other Roads 800-Other Expenditure (Plan)	O. 938.00 O. 4474.00	R(-) 638.00 R(-) 384.00	300.00 4090.00	469.04 4243.05	(+) 169.04 (+) 153.05
3.	14-Power Department 4552-Capital outlay on North Eastern Areas 04-Diesel/Gas Power Generation 800-Other Expenditure (Plan)	O. 2275.00	R(-) 443.00	1832.00	1885.83	(+) 53.83
4.	15-Irrigation and Flood Control Department (i) 2702-Minor Irrigation 01-Surface Water 102-Lift Irrigation (ii) 800-Other Expenditure (iii) 4215-Capital outlay on Water Supply and Sanitation 01-Water Supply 001-Direction and Administration (Plan) Basic Minimum Service (iv) Accelerated Water Supply Scheme (CSS) Construction (v) 4701-Capital outlay on Major and Medium Irrigation 04-Medium Irrigation - Non-Commercial 800-Other Expenditure (Plan)	O. 1728.33 O. 391.00 O. 800.00 O. 900.00 O. 500.00	R(-) 1348.29 R(-) 286.00 R(-) 350.00 R(-) 397.00 R(-) 222.75	380.04 105.00 450.00 503.00 277.25	507.17 32.30 274.50 782.14 416.20	(+) 127.13 (-) 72.70 (-) 175.50 (+) 279.14 (+) 138.95

APPENDIX-3 (Contd.)

(Reference : Paragraph 2.3.7 at page 31)

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.	16-Health and Family Welfare Department (i) 4210-Capital outlay on Medical and Public Health 01-Urban Health Services 110-Hospital and Dispensaries (Plan) (ii) 4211-Capital outlay on Family Welfare 103-Maternity and Child Health Reproductive and Child Health Programme (CSS) (Plan)	O. 381.00	R(-) 110.00	271.00	105.95	(-) 165.05
		O. 359.37	R(-) 72.42	286.95	--	(-) 286.95
6.	19-Tribal Welfare Department (i) 2501-Special programmes for Rural Development 01-IRDP - State Level Monitoring Cell of IRDP 101-Subsidy to District Rural Development Agencies - Schemes for IRDP (Plan) (ii) 4216-Capital outlay on Housing 03-Rural Housing 800-Other Expenditure - Indira Awas Yojana, CSS (80:20) (Plan)	O. 322.24	R(-) 132.97	189.27	102.02	(-) 87.25
		O. 2900.00 S. 367.08	R(-) 2214.79	1052.29	1200.00	(+) 147.71
7.	20-Scheduled Caste Welfare Department 4216-Capital outlay on Housing 03-Rural Housing 800-Other Expenditure - Indira Awas Yojana (CSS) (Plan)	O. 2175.00 S. 175.22	R(-) 1625.30	724.92	883.99	(+) 159.07
8.	21-Food and Civil Supplies Department 4408-Capital outlay on Food, Storage and Ware Housing 01-Food 800- Other Expenditure (CSS) (Plan)	O. 110.00	R(-) 50.00	60.00	--	(-) 60.00
9.	22-Relief and Rehabilitation Department 2235-Social Security and Welfare 01-Rehabilitation 800-Other Expenditure (100% Central Assistance) Non-Plan	O. 1600.00	R(-) 598.97	1001.03	865.31	(-) 135.72

APPENDIX-3 (Concl.d.)

(Reference : Paragraph 2.3.7 at page 31)

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)						
10.	25-Handloom, Handicraft and Sericulture Department 2851-Village and Small Industries 103-Handloom Industries (CSS) (Plan)	O.338.50	R(-) 102.46	236.04	108.54	(-) 127.50
11.	31-Rural Development Department (i) 4215-Capital outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply - Domestic Filter (CSS 75:25) (ii) 4216-Capital outlay on Housing 03-Rural Housing 800-Other Expenditure - Housing of Weaker Section (50:50) - Indiarawash Yozana	O.240.00 O. 2175.00 S. 344.02	R(-) 168.00 R(-) 1036.58	72.00 1482.44	-- 240.00	(-) 72.00 (-)1242.44
12.	43-Finance Department 2071-Pension and Other Retirement Benefits 01-Civil (Non-Plan)	O. 4598.00 S. 130.00	R(+) 652.00	5380.00	5812.45	(+) 432.45

APPENDIX-4

(Reference : Paragraph 3.6.5.2(iii) at page 46)
Statement showing the excess expenditure over allotment

Year	Name of DDO	Allotment	Expenditure	Excess over allotment as per Monthly Expenditure Statement
<i>(Rupees in lakh)</i>				
1995-96	Medical Superintendent G.B. Hospital, Agartala	390.82	477.02	86.20
	Medical Superintendent I.G.M. Hospital, Agartala	269.61	298.30	28.69
	Chief Medical Officer, West, Agartala	156.77	207.20	50.43
	Chief Medical Officer, South, Udaipur	82.39	92.98	10.59
1996-97	Medical Superintendent G.B. Hospital, Agartala	522.10	532.26	10.16
	Medical Superintendent I.G.M. Hospital, Agartala	343.92	346.63	2.71
TOTAL -		1765.61	1954.39	188.78

APPENDIX-5

(Reference : Paragraph 3.7.7 at page 52)

Position of employees on the payroll of the Health and Family Welfare Department *vis-à-vis* the number of posts created for different categories of employees as of March 1998

Sl. No.	Category of employees	Number of posts created	Number of employees in position as of March 1998	Shortage of staff	Percentage of shortage
1.	Medical Officer (Allopathy)*	811	667	144	18
2.	Dental Surgeon	41	36	05	12
3.	Medical Officer (Homœopathy)	74	67 ^a	07	9
4.	Medical Officer (Ayurvedic)/ Kaviraj	47	35	12	26
5.	Inspecting Officer (Drug)	10	9	01	10
6.	Metron	10	10	NIL	NIL
7.	Other Officers	46	34	12	26
8.	Sister Tutor, Ward Sister and Nurses	1185	889	296	25
9.	Other medical and para medical staff	2325	2123	202	9
10.	Administrative and non- administrative staff	758	711	47	6
11.	Group 'D' workers	2753	2504	249	9
Total		8060	7085	975	12 (average)

* Medical Officer (Allopathy) includes Tripura Health Services (THS) Grade I to V.

^a 67 Medical Officers (Homœopathy) include 21 Homœo Physicians who are not employed under any pay scale and are paid at a fixed honorarium of Rs. 2000.00 per month per Physician.

APPENDIX-6

(Reference : Paragraph 3.7.8(iii) at page 53)
Deployment of Multipurpose Workers (MPWs) in Sub-Centres

Sl. No.	Name of Sub-Centre	Number of MPWs posted	Controlling Authority/DDO
1.	Nripendranagar	NIL	CMO (West)
2.	Shaukhola	NIL	CMO (West)
3.	Sarat Choudhury Para	NIL	CMO (West)
4.	East Simla	NIL	CMO (West)
5.	Maityabari	NIL	CMO (West)
6.	Janpajjala	NIL	CMO (West)
7.	Amarendranagar	NIL	CMO (West)
8.	Gopinagar	NIL	CMO (West)
9.	Rankhal Bazar	NIL	SDMO (Khowai)
10.	Manik Debbarma Para	NIL	SDMO (Khowai)
11.	Hadrai	NIL	SDMO (Khowai)
12.	West Ratacherra	NIL	CMO (North)
13.	Demdum	NIL	CMO (North)
14.	Pawramura	NIL	CMO (South)
15.	Pitra	NIL	CMO (South)
16.	Kalamkaibari	NIL	CMO (South)
17.	Thelakum	NIL	CMO (South)
18.	Sarabhaya	NIL	CMO (South)
19.	South Maharani	1	CMO (South)
20.	Hachupara	1	CMO (South)
21.	Lefunga	1	CMO (West)
22.	Dinkobra	1	CMO (West)
23.	West Barjala	1	CMO (West)
24.	Mandai	1	CMO (West)
25.	Patni	1	CMO (West)
26.	Wakhinagar	1	CMO (West)
27.	Janmyajoyanagar	1	CMO (West)
28.	Debipur	1	CMO (West)
29.	Kaiyadepha	1	CMO (West)
30.	Padmanagar	1	CMO (West)
31.	Hermabari	1	CMO (West)
32.	Madhyaganiamara	1	CMO (West)
33.	Pekurjala	1	CMO (West)
34.	Kendraichara	1	CMO (West)
35.	Bridhirchara	1	CMO (West)
36.	Kambukehara	1	CMO (West)
37.	Gulaghati	1	CMO (West)
38.	Warangbari	1	CMO (West)
39.	Ratachara	1	CMO (North)

APPENDIX-6 (Contd.)

(Reference : Paragraph 3.7.8(iii) at page 53)

Deployment of Multipurpose Workers (MPWs) in Sub-Centres

Sl. No.	Name of Sub-Centre	Number of MPWs posted	Controlling Authority/DDO
40.	Muraibari	1	CMO (North)
41.	Laxmipur	1	CMO (North)
42.	Halaichara	1	CMO (North)
43.	Ishabpur	1	CMO (North)
44.	Chantail	1	CMO (North)
45.	Samrurpar	1	CMO (North)
46.	Gournagar	1	CMO (North)
47.	Srirampur	1	CMO (North)
48.	Saidabari	1	CMO (North)
49.	Sonaimuri	1	CMO (North)
50.	Bhagabannagar	1	CMO (North)
51.	Fatikcherra	1	CMO (North)
52.	Bhagyapur	1	CMO (North)
53.	Gokulnagar	1	CMO (North)
54.	Krishnanagar	1	CMO (North)
55.	Deovelly	1	CMO (North)
56.	East Ganki	1	SDMO (Khowai)
57.	Sonatala	1	SDMO (Khowai)
58.	Baubazar	1	SDMO (Khowai)
59.	West Laxmicherra	1	SDMO (Khowai)
60.	West Kalyanpur	1	SDMO (Khowai)
61.	Gouranga Tilla	1	SDMO (Khowai)
62.	Krishnapur	1	SDMO (Khowai)
63.	Lembucherra	1	SDMO (Khowai)
64.	Churaibari	1	SDMO (Dharmanagar)
65.	North Hurua	1	SDMO (Dharmanagar)
66.	West Tilthai	1	SDMO (Dharmanagar)
67.	Vrangbasti	1	SDMO (Dharmanagar)
68.	Saraspur	1	SDMO (Dharmanagar)
69.	Pekucherra	1	SDMO (Dharmanagar)
70.	Balidhum	1	SDMO (Dharmanagar)
71.	Airport	3	CMO (West)
72.	Durjoynagar	4	CMO (West)
73.	Surmalunga	4	CMO (West)
74.	Sanmura	3	CMO (West)
75.	Gandhigram	4	CMO (West)
76.	Nandannagar	4	CMO (West)
77.	Lehamura	3	CMO (West)
78.	Laxmilunga	5	CMO (West)

APPENDIX-6 (Concl'd.)*(Reference : Paragraph 3.7.8(iii) at page 53)***Deployment of Multipurpose Workers (MPWs) in Sub-Centres**

Sl. No.	Name of Sub-Centre	Number of MPWs posted	Controlling Authority/DDO
79.	South Rangutia	3	CMO (West)
80.	Indira Bikash Colony	3	CMO (West)
81.	Falikcherra	3	CMO (West)
82.	Laxmipara	4	CMO (West)
83.	Bankimnagar	3	CMO (West)
84.	R. K. Nagar	3	CMO (West)
85.	West Noabadi	3	CMO (West)
86.	Laxmipur	3	CMO (West)
87.	Durganagar	3	CMO (West)
88.	Kashinagar	4	CMO (West)
89.	Purbanoagaon	3	CMO (West)
90.	Ranir Bazar	3	CMO (West)
91.	Charilam	5	CMO (West)
92.	Badharghat	3	CMO (West)
93.	Gokulnagar	4	CMO (West)
94.	Bikramnagar	3	CMO (West)
95.	S. N. Nagar	3	CMO (West)
96.	Amtali	5	CMO (West)
97.	A. D. Nagar	4	CMO (West)
98.	School Para	3	CMO (West)
99.	Rajlaxminagar	3	CMO (West)
100.	Charipara	3	CMO (West)
101.	Gabardi	3	CMO (West)
102.	Pratapgarh	3	CMO (West)
103.	Jogendranagar	3	CMO (West)
104.	Aralia	3	CMO (West)
105.	Jarulbachhai	3	CMO (West)

APPENDIX-7

(Reference : Paragraph 3.8.13 at page 59)

Statement showing the sanctioned strength and staff in position under NMEP and Urban Malaria Scheme as of March 1998

Sl. No.	Category of staff	Number of sanctioned post	Number of staff in position	Number of vacant posts
	(NMEP)			
1.	Deputy Director	1	1	-
2.	Asstt. Director	1	NIL	1
3.	State Entomologist	1	NIL	1
4.	District Malaria Officer	3	3	-
5.	Asstt. Malaria Officer	5	4	1
6.	Sr. Malaria Inspector	3	2	1
7.	Malaria Inspector	16	5	11
8.	Laboratory Technician	39	22	17
9.	Other Administrative staff	13	10	3
10.	Driver	4	3	1
11.	Peon	1	1	-
	(Urban Malaria Scheme)			
12.	Biologist	1	NIL	1
13.	Supervisory Field Worker	12	6	6
14.	Field Worker	60	16	44
	Total	160	73	87

APPENDIX-8

(Reference : Paragraph 3.14.5.2 at page 77)

Statement showing the schemes where SCA funds were utilised during the years 1992-93 to 1997-98 in isolation i.e., not in conjunction with the TSP funds

Name of Schemes	1992-93		1993-94		1994-95		1995-96		1996-97		Total	
	Expenditure met from		Expenditure met from		Expenditure met from		Expenditure met from		Expenditure met from		Total expenditure met from	
	TSP	SCA	TSP	SCA	TSP	SCA	TSP	SCA	TSP	SCA	TSP	SCA
(In lakh of rupees)												
1. Settlement of Jhumia families through the Rubber Plantation	NIL	59.32	NIL	30.00	NIL	35.00	NIL	35.00	NIL	72.87	NIL	232.19
2. Payment of subsidy under Margin Money Loan Programme	NIL	55.00	NIL	30.00	NIL	40.50	NIL	45.00	NIL	80.02	NIL	250.52
3. Development of the Primitive Group	NIL	88.59	NIL	51.11	NIL	45.00	NIL	105.00	NIL	77.61	NIL	367.31
4. Assistance to the Non-Government Organisations	NIL	9.35	NIL	NIL	NIL	NIL	NIL	2.50	NIL	2.67	NIL	14.52
5. Implementation of Non-Rubber Component Schemes etc.	NIL	43.00	NIL	60.00	NIL	61.00	NIL	49.52	NIL	65.00	NIL	278.52
6. Total expenditure incurred on the aforesaid five schemes	NIL	255.26	NIL	171.11	NIL	181.50	NIL	237.02	NIL	298.17	NIL	1143.06
7. Total Expenditure incurred during the year on all schemes from Special Central Assistance	-	408.18	-	353.18	-	358.78	-	629.05	-	671.32	NIL	2420.51

APPENDIX-9

(Reference : Paragraphs 8.1.2.1 and 8.1.2.5 at pages 116 and 118)

Statement showing the position of arrears in accounts in respect of Government companies/Deemed Government companies as on 30 September 1998

Sl. No.	Name of company	Accounts in arrears		Year of arrears
		From	To	
1.	Tripura Small Industries Corporation Limited	1983-84	1997-98	15 years
2.	Tripura Industrial Development Corporation Limited	1990-91	1997-98	8 years
3.	Tripura Handloom and Handicraft Development Corporation Limited	1985-86	1997-98	13 years
4.	Tripura Jute Mills Limited	1986-87	1997-98	12 years
5.	Tripura Forest Development and Plantation Corporation Limited	1988-89	1997-98	10 years
6.	Tripura Tea Development Corporation Limited	1989-90	1997-98	9 years
7.	Tripura Rehabilitation Plantation Corporation Limited	1994-95	1997-98	4 years
8.	Tripura Horticulture Corporation Limited	1994-95	1997-98	4 years
9.	Tripura Natural Gas Company Limited*	1993-94	1997-98	5 years
10.	Tripura State Bank Limited (Under liquidation since 1970-71)	--	--	--

* Deemed Government Company

APPENDIX - 10

(Reference : Paragraph 8.1.2.2 at page 116)

Statement of financial position showing particulars of paid up capital, Budgetary outgo, loans given out of Budget and outstanding loans, as on 31 March 1998

Sl. No.	Name of the Company	Paid up capital at the end of the year 1997-98					Loans given out of Budget during the year	Loan outstanding
		State Government	Central Government	Holding company	Others	Total		
1	2	3(a)	3(b)	3(c)	3(d)	3(e)	4	5
<i>(Rupees in lakh)</i>								
1.	Agricultural Department Tripura Horticulture Corporation Limited	135.00	--	--	--	135.00	--	--
2.	Finance Department Tripura State Bank Limited	3.75	--	--	--	3.75	--	--
3.	Forest Department Tripura Forest Development and Plantation Corporation Limited	780.44	29.50	--	--	809.94	--	264.07
4.	Industries Department Tripura Small Industries Corporation Limited	817.92	--	--	--	817.92	--	87.30
	Tripura Industrial Development Corporation Ltd.	753.00	--	--	163.50	916.50	117.00	348.54
	Tripura Handloom and Handicraft Development Corporation Limited	506.48	25.78	--	4.00	536.26	--	358.24
	Tripura Jute Mills Limited	4044.00	--	--	--	4044.00	--	917.16
	Tripura Tea Development Corporation Limited	592.50	--	--	--	592.50	--	--
	Tripura Natural Gas Company Limited	--	--	--	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
	TOTAL	8090.82	55.28	NIL	221.15	8367.25	117.00	2050.97

APPENDIX-11

(Reference : Paragraphs 8.1.2.2 and 8.1.2.6.1 at pages 116 and 119)

**Summarised financial working results of Government companies for the latest year
for which accounts were finalised upto 30 September 1998**

Sl. No.	Name of the 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 on capital employed
1	2	3	4	5	6	7	8	9	10	11
					<i>(Rupees in lakh)</i>					
1.	Tripura Small Industries Corporation Limited	30-04-1965	1982-83	1997-98	(-)17.20	66.99	(-)52.62	99.02	(-)9.57	--
2.	Tripura Industrial Development Corporation Limited	28-03-1974	1989-90	1997-98	(-)1.60	461.50	(-)5.92	584.95	3.65	0.62
3.	Tripura Handloom and Handicraft Development Corporation Limited	05-09-1974	1984-85	1998-99	(-)22.41	71.44	(-)23.07	132.50	(-)19.70	--
4.	Tripura Jute Mills Limited	10-10-1974	1985-86	1996-97	(-)317.19	657.01	(-)1076.35	478.61	(-)257.43	--
5.	Tripura Forest Development and Plantation Corporation Limited	26-03-1976	1987-88	1997-98	(-)45.65	498.02	(-)131.19	645.88	(-)21.42	--
6.	Tripura Tea Development Corporation Limited	11-08-1980	1988-89	1997-98	8.58	40.00	(-)0.44	492.61	8.58	1.74
7.	Tripura Rehabilitation and Plantation Corporation Limited	03-02-1983	1993-94	1997-98	(-)6.07	452.73	(-)246.04	226.40	(-)6.07	--
8.	Tripura Horticulture Corporation Limited	07-04-1987	1993-94	1997-98	9.07	125.00	0.80	138.39	25.10	18.14
	TOTAL				(-)392.47	2372.69	1534.83	2798.36	(-)276.86	

Note :- 1. Capital employed represents net fixed assets (including capital works-in-progress) plus working capital.

2. Return on capital employed includes net profit/loss, plus/minus interest charged on borrowed fund.

APPENDIX-12

(Reference : Paragraph 8.1.2.7 at page 120)
Statement showing the capacity utilisation of manufacturing
companies during the year 1997-98

Name of the company	Installed capacity	Actual utilisation	Percentage of utilisation
	(In MT)		
Tripura Jute Mills Limited	12,000 (12,000)	1,859 (1,606.18)	15.49 (13.38)
Tripura Tea Development Corporation Limited	600 (600)	486 (480)	81 (80)
(Previous year's figures are given in the brackets)			

APPENDIX-13

(Reference : Paragraph 8.1.3.6 at page 121)
Summarised financial working results of statutory corporation for the latest year
for which accounts were finalised upto 30 September 1998

Name of the statutory corporation	Date of Incorporation	Period of accounts	Year in which finalised	(+) Profit (-) Loss	Capital	Accumulated loss	Capital employed	Return on capital employed	Percentage of total return on capital employed
<i>(Rupees in lakh)</i>									
Tripura Road Transport Corporation	23-10-1969	1987-88	1996-97	(-) 237.08	1396.84	1652.09	(-)135.87	151.76	--

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.

APPENDIX-14

(Reference : Paragraph 8.2.8.1 at page 125)

Targets of purchase of various products and achievements thereagainst during the period from 1993-94 to 1997-98

Particulars	Targets	Achievements	Excess (+)/ Shortfall (-)	Percentage of shortfall to targets
(1)	(2)	(3)	(4)	(5)
<i>(Rupees in lakh)</i>				
1993-94				
Handloom	168.00	200.48	32.48	-
Handicrafts	55.00	57.42	2.42	-
Janata	120.00	58.71	(-) 61.29	51.08
Yarn	55.00	63.88	8.88	-
Total	398.00	380.49	(-) 17.51	4.40
1994-95				
Handloom	170.00	162.43	(-) 7.57	4.45
Handicrafts	70.00	46.50	(-) 23.50	33.57
Janata	100.00	62.54	(-) 37.46	37.46
Yarn	80.00	72.71	(-) 7.29	9.11
Total	420.00	344.18	(-) 75.82	18.05
1995-96				
Handloom	180.00	139.31	(-) 40.69	22.61
Handicrafts	75.00	58.95	(-) 16.05	21.40
Janata	107.00	117.79	10.79	-
Yarn	55.00	45.00	(-) 10.00	18.18
Total	417.00	361.05	(-) 55.95	13.42
1996-97				
Handloom	190.00	142.21	(-) 47.79	25.15
Handicrafts	90.00	57.49	(-) 32.51	36.12
Janata	107.00	62.43	(-) 44.57	41.65
Yarn	260.00	47.41	(-) 212.59	81.77
Total	647.00	309.54	(-) 337.46	52.16
1997-98				
Handloom	250.00	179.90	(-) 70.10	28.04
Handicrafts	100.00	58.12	(-) 41.88	41.80
Janata	70.00	--	(-) 70.00	100.00
Yarn	65.00	56.24	(-) 8.76	13.48
Total	485.00	294.26	(-) 190.74	39.33

APPENDIX-15

(Reference : Paragraph 8.2.8.2 at page 125)

Targets and achievements of sales during the period from 1993-94 to 1997-98

Particulars	Targets	Achievements	Excess (+)/ Shortfall (-)	Percentage of shortfall to targets
(1)	(2)	(3)	(4)	(5)
<i>(Rupees in lakh)</i>				
1993-94				
Handloom	190.00	199.99	9.99	
Handicrafts	80.00	72.40	(-) 7.60	9.50
Janata	180.00	106.50	(-) 73.50	40.83
Yarn	100.00	69.14	(-) 30.86	30.86
Total	550.00	448.03	(-) 101.97	18.54
1994-95				
Handloom	200.00	190.99	(-) 9.01	4.51
Handicrafts	100.00	77.03	(-) 22.97	22.97
Janata	130.00	79.81	(-) 50.19	38.61
Yarn	104.00	73.49	(-) 30.51	29.34
Total	534.00	421.32	(-) 112.68	21.10
1995-96				
Handloom	210.00	198.03	(-) 11.97	5.70
Handicrafts	100.00	81.07	(-) 18.93	18.93
Janata	117.00	92.74	(-) 24.26	20.74
Yarn	90.00	66.82	(-) 23.18	25.76
Total	517.00	438.66	(-) 78.34	15.15
1996-97				
Handloom	220.00	217.12	(-) 2.88	1.31
Handicrafts	110.00	92.69	(-) 17.31	15.74
Janata	117.00	89.51	(-) 27.49	23.50
Yarn	245.00	63.26	(-) 181.74	74.18
Total	692.00	462.58	(-) 229.42	33.15
1997-98				
Handloom	280.00	254.61	(-) 25.39	9.07
Handicrafts	100.00	95.65	(-) 4.35	4.35
Janata	70.00	--	(-) 70.00	100.00
Yarn	80.00	75.85	(-) 4.15	5.19
Total	530.00	426.11	(-) 103.89	19.60

Account and accounts of sales during the period from 1993-01 to 1997-08

Particulars	Totals	Adjustments	Balance (Rs)	1. Total of Balance
1993-01	00.00	00.00	00.00	00.00
1993-02	100.00	00.00	100.00	100.00
1993-03	200.00	00.00	200.00	200.00
1993-04	300.00	00.00	300.00	300.00
1993-05	400.00	00.00	400.00	400.00
1993-06	500.00	00.00	500.00	500.00
1993-07	600.00	00.00	600.00	600.00
1993-08	700.00	00.00	700.00	700.00
1994-01	800.00	00.00	800.00	800.00
1994-02	900.00	00.00	900.00	900.00
1994-03	1000.00	00.00	1000.00	1000.00
1994-04	1100.00	00.00	1100.00	1100.00
1994-05	1200.00	00.00	1200.00	1200.00
1994-06	1300.00	00.00	1300.00	1300.00
1994-07	1400.00	00.00	1400.00	1400.00
1994-08	1500.00	00.00	1500.00	1500.00
1995-01	1600.00	00.00	1600.00	1600.00
1995-02	1700.00	00.00	1700.00	1700.00
1995-03	1800.00	00.00	1800.00	1800.00
1995-04	1900.00	00.00	1900.00	1900.00
1995-05	2000.00	00.00	2000.00	2000.00
1995-06	2100.00	00.00	2100.00	2100.00
1995-07	2200.00	00.00	2200.00	2200.00
1995-08	2300.00	00.00	2300.00	2300.00
1996-01	2400.00	00.00	2400.00	2400.00
1996-02	2500.00	00.00	2500.00	2500.00
1996-03	2600.00	00.00	2600.00	2600.00
1996-04	2700.00	00.00	2700.00	2700.00
1996-05	2800.00	00.00	2800.00	2800.00
1996-06	2900.00	00.00	2900.00	2900.00
1996-07	3000.00	00.00	3000.00	3000.00
1996-08	3100.00	00.00	3100.00	3100.00
1997-01	3200.00	00.00	3200.00	3200.00
1997-02	3300.00	00.00	3300.00	3300.00
1997-03	3400.00	00.00	3400.00	3400.00
1997-04	3500.00	00.00	3500.00	3500.00
1997-05	3600.00	00.00	3600.00	3600.00
1997-06	3700.00	00.00	3700.00	3700.00
1997-07	3800.00	00.00	3800.00	3800.00
1997-08	3900.00	00.00	3900.00	3900.00
Total	3900.00	00.00	3900.00	3900.00

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