



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

FOR THE YEAR ENDED 31ST MARCH 1989

GOVERNMENT OF TRIPURA

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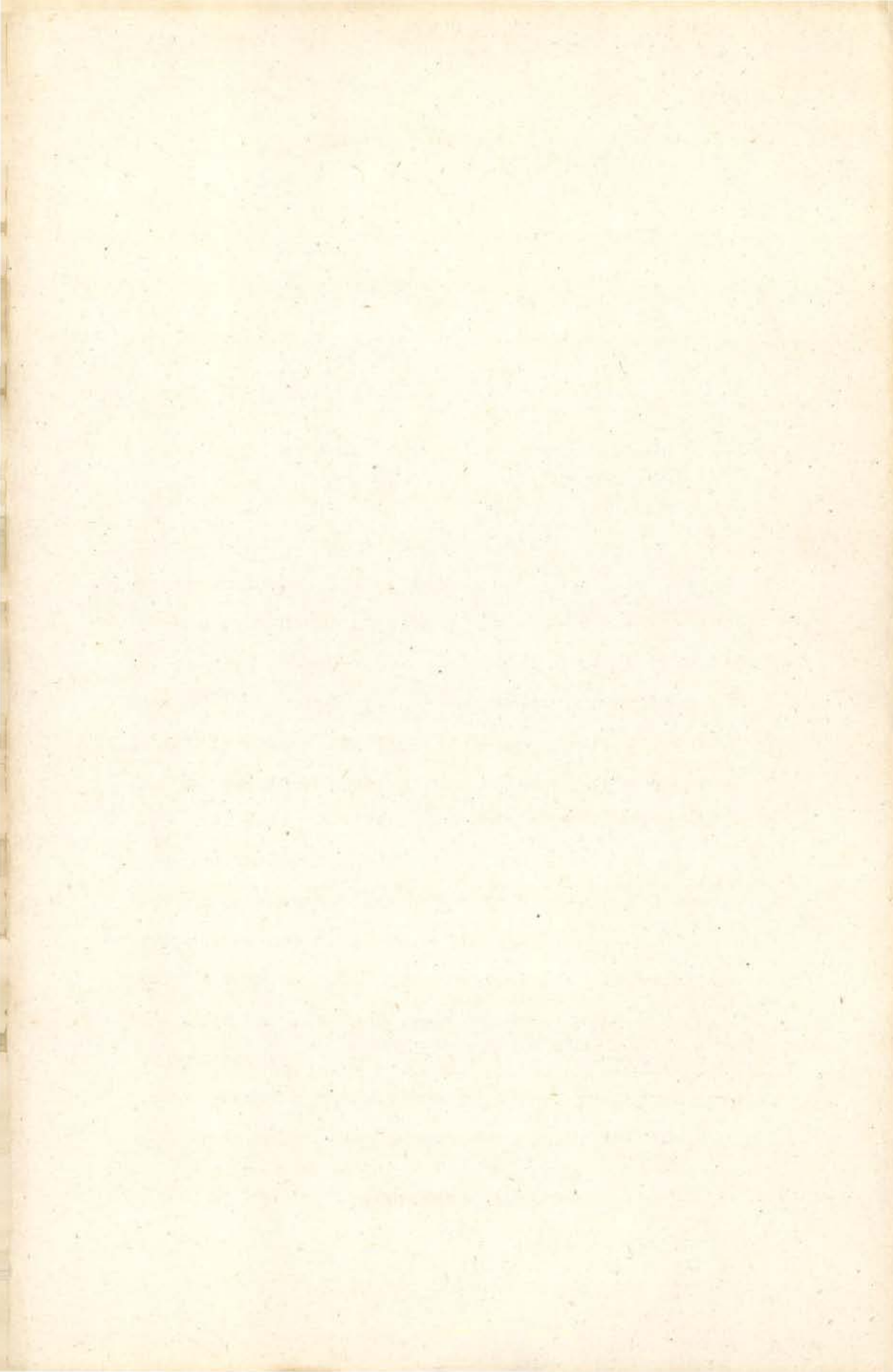
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PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151(2) of the Constitution. It relates to matters arising from the Appropriation Accounts for the year 1988-89 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 1988-89.

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 1988-89 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 1988-89 have also been included, wherever considered necessary.



OVERVIEW

This Report contains seven chapters. The first two contain the observations of Audit on the Finance and Appropriation Accounts for the year 1988-89. The other five Chapters comprise 9 Audit Reviews and 52 Paragraphs, which arise from the audit of the financial transactions, revenue receipts and the commercial and trading activities of the Government of Tripura. The findings contained in this Report are summarised in this Overview.

1. Review of the State's finances

The total receipts of the Government of Tripura during the year were Rs.39,561.90 lakhs. Of these, receipts from Government of India were Rs.36,157.99 lakhs, which constituted ninety-one per cent of the total receipts. The Revenue raised from the State's own resources were Rs.3403.91 lakhs.

The transactions during 1988-89 on Revenue Account ended with a surplus of Rs 15.10 crores. However, the net Public Debt of Rs.53.13 crores raised during the year, together with revenue surplus of Rs 15.10 crores, was not adequate to meet the capital expenditure of Rs.95.16 crores and net outgo of Rs.4.40 crores under Loans and Advances by Government, resulting in reduction of cash balance at the year-end by Rs.31.33 crores.

The Central assistance for State Plan Schemes, Centrally Sponsored Schemes and Central Plan Schemes increased by 29 per cent over that of the previous year.

The abbreviations used in this Report have been listed in the Glossary in Appendix 10 (Page.....)

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- The non-plan revenue expenditure increased by Rs.53.85 crores (about 27 per cent) over that of 1987-88. The increase was due to increased pay and allowances of Government employees consequent upon the revision of pay scales. The growth in collection of tax revenue as well as the State's share of Union taxes was about 35 and 25 per cent respectively.

Government investment in Statutory Corporations, Government Companies and Co-operative Banks and Societies stood at Rs.40.72 crores at the end of March 1989. No dividend or interest was received on such investments. According to the annual accounts finalised as of March 1989, six out of seven Government Companies had accumulated losses amounting to Rs 1.66 crores.

The net burden of interest on debt and other obligations was Rs.19.99 crores in 1988-89, against Rs.21.35 crores in the preceding year. Total debt of the Government at the end of the year was Rs.344.59 crores, as against Rs.237.46 crores at the end of 1986-87.

The Government took Ways and Means Advances of Rs.54.14 crores, and Rs.11.59 lakhs were paid as interest during the year on these advances.

(Paragraph 1.1 & 1.2)

2. Appropriation Audit and control over expenditure

During 1988-89, there was an overall excess of Rs.75.95 crores in 16 grants/appropriations, which were required to be regularised under Article 205 of the Constitution.

The supplementary provision of Rs.70.08 crores obtained during the year 1988-89 constituted 13 per cent of the original budget provision (Rs.544.29 crores).

Adequate steps were not taken by the controlling officers to ensure reconciliation of the departmental

expenditure figures with those booked by the Accountant General before the closure of the year's account. Expenditure of Rs.87.30 crores was not reconciled by 55 out of 171 controlling officers in the State.

Significant savings were noticed in 18 grants, out of which the saving in 7 schemes ranged between 62 to 100 per cent.

There were persistent savings exceeding 10 per cent of the provision and Rs.25 lakhs in 6 grants during the years 1986-87, 1987-88 and 1988-89.

Supplementary grants of Rs.3.52 crores obtained in 10 grants during March 1989 proved wholly unnecessary, and the final savings in each grant were seen to be more than the supplementary provision.

(Paragraph 2.1 & 2.2)

3. Roads and Bridges Programme

The road length per lakh population in Tripura in 1980-81 was 227 kms, which was the lowest amongst the States of the North East Region. Since socio-economic development of a State depends on upgradation of its road network, Roads and Bridges Programme had been in operation in the State in the successive five year plans.

The programme aimed at constructing roads and bridges linking all the administrative Headquarters from State level to Tahsil level; connecting villages with each other as well connecting village roads with the nearest district road or the State Highway; and providing roads to connect production centres with marketing centres. The programme also envisaged construction of roads to fill up gaps in meeting the administrative, social, economic and cultural needs of the State.

A test-check of the records of the Public Works Divisions which implemented the scheme revealed the following points:

- Nine schemes remained incomplete as of July 1989, even after 7 to 13 years from their commencement and after spending Rs.475.48 lakhs, due to delays in land acquisition proceedings. Twenty other schemes remained incomplete as of July 1989 after incurring an expenditure of Rs.498.66 lakhs, due to erosions caused by floods, disturbances caused by extremists, contractual problems, inaccessibility of the areas or inadequate labour and supply of materials. The cost escalation in respect of 14 schemes completed as on 31 March 1989 ranged from 10 to 340 per cent due to delay in the completion. Government had to incur extra expenditure of Rs.308.79 lakhs on transportation of foodgrains by a longer route due to non-construction of a bridge on a road constructed at a cost of Rs.131 lakhs in 1974-75.

- Cases of idle establishment to the tune of Rs.35.64 lakhs, excess consumption of bitumen worth Rs.50.15 lakhs, extra expenditure of Rs.3.08 lakhs due to use of costlier substitute of bitumen, loss due to washing away of 8 semi permanent type bridges costing Rs.11.52 lakhs; under utilisation of departmental Road-Rollers, non-utilisation of the services of the departmental gangmen, avoidable expenditure of Rs.32.40 lakhs on repair and maintenance of roads were also noticed.

(Paragraph 4.1)

4. Non-conventional Energy Sources Programme

- The programme was introduced in the State in 1981-82 with the main objective of meeting the low energy requirement in the rural household scheme and agro-industrial sector by adopting de-centralised means of energy generation through solar and wind energy sources. Rs 87.33 lakhs were spent on the scheme from 1981-82 to 1987-88, which was funded by North Eastern

Council and Government of India. The following points emerged:-

- A large portion of the fund available under the programme remained unutilised and the achievement under various components ranged from 11 to 66 per cent of the targets.
- It was seen that the cost of installation of photovoltaic units was 17 to 21 times higher than that of conventional power plants. Similarly, the unit cost of generation was found to be 30 to 103 times higher.
- While the programme aimed at providing minimum lighting facilities to remote localities, it was seen that 90 photovoltaic units were set up at a cost of Rs.52.02 lakhs at locations where power from conventional power grid was easily available, including an urban area.
- Two solar waterheating plants installed at a cost of Rs.3.33 lakhs, one in a silk-reeling unit and the other in a dairy, were ineffective due to defective design.

(Paragraph 3.9)

5. Development of Backward Areas under Tribal Sub-Plan

For improving the living conditions of the tribal population in the State the tribal Sub-Plan concept (under which separate allocation of funds for tribal areas were to be made) was accepted in the Fifth Five Year Plan. The Audit Review revealed the following:-

- Although substantial expenditure amounting to Rs.18,306.03 lakhs was incurred by Government on different schemes during the period from 1985-86 to 1988-89, no assessment of their impact of the schemes on the living condition of the tribal people was conducted.
- There was a shortfall in the sanctioning and disbursement of loans by the Banks, which was mainly

due to improper selection of beneficiaries, allotment of schemes which were not economically viable, non-availability of required inputs, and the absence of effective organisational systems at the Block level.

- Rehabilitation of Tribal Jhumia families implemented in 5 Blocks at a cost of Rs.16.00 lakhs was unfruitful due to defects in implementation.

- Owing to delay in posting of Medical officials/Pharmacists in the Health Sub-Centres, available medical facilities could not be provided to the community to that extent.

- A sum of Rs.16.71 lakhs was spent on a buffalo-breeding farm during 1985-86 to 1988-89. While there was a revenue of Rs.0.16 lakh from the sale of milk during the period the purpose for which the farm was set up could not be said to have been achieved, since there was no evidence on record to show that any cross-bred calves were at all supplied to the beneficiaries.

- Rupees 22.87 lakhs were spent on construction of 30 staff quarters for Tribal Supervisors in three districts, these quarters were not allotted for occupation.

- Rupees 5.70 lakhs paid as one time grant to 38 groups of women proved unfruitful since the income generating activities were closed due to lack of proper coordination.

(Paragraph 3.10)

6. Industrial Development in Backward Areas

With a view to setting up appropriate industries in the small and medium industrial sectors in the backward areas of the State and for correcting the regional imbalances, Government of India introduced different schemes in successive Five Year Plans. In Tripura, 4 schemes viz. Central Investment Subsidy Scheme, Concessional Finance Scheme, Central Infrastructure Assistance Scheme and Central Transport

Subsidy Scheme, were taken up between July and August 1983. During the period 1980-81 to 1988-89, Rs 52.61 crores were spent on the development of small and medium industries in the three districts of Tripura which were all classified as backward in this context; but no assessment of the achievement had been made.

The important points noticed during the course of test-check are :

- Outstanding balances of loans due for recovery from 1,236 borrowers amounted to Rs 132.52 lakhs at the end of December 1988.
- Out of Rs.137.22 lakhs paid by the State Government during 1980-81 to 1987-88 to different units on account of subsidy, reimbursement from Government of India was not obtained to the extent of Rs.105.93 lakhs.
- Rupees 25.00 lakhs were paid as subsidy under the Central Investment Subsidy Scheme to a unit which did not fulfil the criteria for granting such subsidy.
- No investigations were conducted to ascertain whether 312 units which had been paid a total investment subsidy of Rs 54.91 lakhs actually functioned for at least five years after receipt of subsidy, as required under the norms.
- Four departmentally run units in the Industrial Estate sustained cumulative losses of Rs.36.72 lakhs upto the end of 1988-89 (since 1980-81).
- One thousand weavers were expected to be trained in operation of improved looms, but only 60 were actually trained during that period. No improved looms were made available to the trained weavers.

(Parargraph 3.5)

7. Rural Landless Employment Guarantee Programmes

This Central Scheme was launched in August 1983 with a view to increasing the generation of employment in rural areas, particularly for the landless workers during the lean agricultural season. The main objective of the programme was to provide employment at least to one member of every rural landless household upto 100 days in a year, and to create productive and durable assets. During 1983-84 to 1988-89 Rs.992.02 lakhs were spent under the scheme. On review, the following points emerged:

- Proper identification of the eligible beneficiaries was not made by the Department; shelf of projects or annual action plan as required under the Programme was not prepared.
- Failure of the State Government to prefer claims for subsidy for transportation and handling cost of foodgrains resulted in short-receipt of Rs.11.74 lakhs from Government of India

An amount of Rs.1.64 lakhs was diverted for other works not connected with the Programme.

(Paragraph 3.8)

8. Deep Tubewell Schemes

Deep tubewell schemes were introduced by Government in 1983-84 to tap the underground water, and supplement the minor irrigation needs of the State.

It was seen that against the target of 7,900 hectares, the potential created till the end of 1988-89 was 5,434 hectares. Only Rs.346.96 lakhs were utilised on the schemes although funds to the extent of Rs.453.75 lakhs were available for this purpose.

There was a shortfall of 42 per cent in the utilisation of the created potential, due to non-provision of distribution channels and inadequate maintenance of pump-sets and erratic power supply.

There was a loss of Rs.18.82 lakhs on account of abandoning of 8 deep tubewell schemes which did not yield sufficient water.

(Paragraph 4.2)

9. Stores and Stock

- Priced Stores Ledgers showing receipts, issues and balances of stores of the Public Works Department were not maintained in 11 out of 13 Divisions during preceding 16 to 24 years as of March 1989.
- Three Baily Bridges costing Rs.64.77 lakhs purchased by the Department during May 1984 to June 1987 without assessing the requirement remained unutilised since their procurement.
- Claims for short delivery/non-delivery of materials amounting to Rs.103.75 lakhs remained outstanding against the Railways.
- Stores worth Rs.23.06 lakhs were found short on physical verification of the stores of 5 Divisions.

(Paragraph 4.13)

10. Gas Thermal Projects

The Gumti hydel project, the only hydel power plant in the State being too small to cater to the energy needs of the State, Government of Tripura decided in December 1981 to set up two thermal power plants to be run by natural gas which is available in the State. Financial assistance from North Eastern Council was also available to supplement the State's resources.

- Although many items of civil works remained incomplete, the project cost in two units at Baramura exceeded the estimated cost by 198 per cent. Cost escalation in the third unit of Baramura and two units in Rokhia was 50 and 60 per cent respectively.

- Excess consumption of gas in two units at Baramura, due to absence of remedial measures against wastage resulted in extra expenditure of Rs.2.17 crores.
- Inordinate delay in setting up of a waste heat recovery plant which could generate additional 82.56 million units without any extra fuel led to a loss of Rs.5.78 crores by way of shortfall in generation.
- Failure of the Department to depute its engineers for training abroad at a nominal cost of Rs.1.00 lakh (for which no reasons were recorded) cost it an extra expenditure of Rs.107.24 lakhs in erection of the plants. Further, excess payment of Rs.76.76 lakhs was made to the contractor engaged in erection due to overlapping items in the agreements.
- A multiple meter installed in the premises of a consumer of power read one unit when actual consumption was 20 units. But while preparing the power consumption bill for a period, the units recorded in the meter was multiplied by 2 instead of by 20. This resulted in short-billing of Rs.1.27 lakhs.
- Inadmissible rebate allowed to consumer though payment was delayed resulted in loss of revenue of Rs.0.63 lakh.
- The Power Department did not take any action to replace the defective meter of a bulk consumer, and continued to prefer bills on the basis of connected load. This resulted in loss of revenue to the extent of Rs.10.51 lakhs in five years.

(Paragraph 7.6)

11. Tripura Forest Development and Plantation Corporation Limited.

The Tripura Forest Development and Plantation Corporation Limited was incorporated in March 1976 as a Government Company to acquire rubber and other plantations in the State, and mainly to carry on the business of rubber, citronella and bamboo plantations

and products. The Government invested Rs.198.02 lakhs in the company till March 1989. The company had prepared its accounts only upto 1982-83. It was, however, estimated that cumulative loss upto 1988-89 would be Rs.107.78 lakhs..

- 2065.15 hectares of rubber plantation were to come under tapping by 1988-89, but only 692.00 hectares could actually be covered. This was mainly due to lack of expertise, non-standardisation of plantation techniques and non-availability of the required number of plantation workers. The loss due to short-tapping was estimated at Rs.513.20 lakhs during the period from 1981-82 to 1988-89.

- 1214.88 hectares of rubber plantation costing Rs.41.46 lakhs were destroyed during 1977-78 to 1986-87 due to fire, storms, cattle-grazing etc.

- For 5697.63 hectares of plantation raised and maintained by it during 1980-89, the Corporation claimed Rs.201.84 lakhs cash subsidy from the Rubber Board. But the latter allowed only Rs.101.86 lakhs for an area of 2824.74 hectares, rejecting the remaining claims on grounds of improper maintenance of plantations or sub-standard and damaged plantations.

(Paragraph 7.5)

12. Sales Tax

- As on 31st March 1989, 2,409 cases of Sales Tax and 293 cases of Agricultural Income Tax were pending for assessment.

(Paragraph 5.5)

- As on 31st March 1989, Rs280.60 lakhs were pending collection under Sales Tax and Rs.292.01 lakhs under Power Department.

(Paragraph 5.6)

- The number of assessment cases finalised in 1988-89 was only 2,022 (46.17 per cent of total cases)

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against 4,733 cases (77 per cent) finalised during 1986-87 by the Sales Tax Authorities. 662 cases involving Rs.60.00 lakhs in Sales Tax were pending with the concerned Certificate Officers as on 31st March 1989.

(Paragraph 5.10)

- Assessment of sales tax made on the basis of incorrect statement of closing stock furnished by a dealer led to under-assessment of tax to the extent of Rs.0.81 lakh.

(Paragraph 5.12)

- Inadmissible deductions on account of taxable goods used by two assesses in the execution of Government works led to short-levy of sales tax of Rs.1.23 lakhs.

(Paragraph 5.13)

- Incorrect determination of taxable turnover in five cases led to a short levy of sales tax of Rs.2.07 lakhs.

(Paragraph 5.14)

13. Financial assistance to Local Bodies

- During 1988-89, Rs.2557.38 lakhs (7 per cent of the revenue expenditure) were paid as grants to local bodies. At the end of September 1989, utilisation certificates for grants amounting to Rs.5945.86 lakhs paid to local bodies during the period 1972-73 to 1987-88 were awaited.

(Paragraph 6.1.1 & 6.1.2)

- The accounts of bodies and authorities substantially financed by grants from the Consolidated Fund are required to be audited by the Comptroller and Auditor General of India. The details of bodies and

authorities to whom substantial grants were released, were not furnished by several Departments.

(Paragraph 6.1.3)

- Collection of holding tax by Agartala Municipality to the extent of Rs.28.06 lakhs was in arrears mainly due to non-issuance of demand notices to the tax-payers. Out of about 6,000 arrear cases, notices issued in respect of only 526 cases during 1987-88 and 1620 cases in 1988-89.

(Paragraph 6.1.7)

- Due to non-adherence to the revised plan the expenditure of Rs.8.02 lakhs incurred by the Agartala Municipality in the construction of shops for a Super Market remained unfruitful.

(Paragraph 6.3)

- No dividend was received against the investment of Rs.751.45 lakhs made in the share capital of Co-operative Societies up to 1988-89.

- Delay in repayment of loan instalments to the National Co-operative Development Corporation resulted in payment of penal interest of Rs.3.10 lakhs.

(Paragraph 6.2)

14. Government Commercial and Trading Activities.

- The aggregate paid-up capital of 8 Government companies and one Statutory Corporation stood at Rs.24.00 crores as on 31st March 1989. The balance of long term loans outstanding in respect of six companies aggregated Rs.13.41 Crores.

(Paragraph 7.2)

- None of the companies had finalised its accounts regularly. Extent of arrears as of March 1989 ranged between 2 and 10 year's accounts. According to the last

accounts in respect of seven companies, the accumulated loss aggregated to Rs.165.71 lakhs.

(Paragraph 7.2.3)

- The State Government had incurred Rs.11.79 crores on the Tripura Road Transport Corporation till March 1989. The Corporation prepared its accounts upto the year 1983-84, disclosing a net loss of Rs 1.60 crores during the year and cumulative loss of Rs 8.67 crores.

(Paragraph 7.3.2)

- The Electric Supply Undertaking, a departmentally managed concern in which the State Government invested Rs 82.10 crores till the end of 1985-86 upto which accounts were prepared, incurred a cumulative loss of Rs 25.44 Crores.

(Paragraph 7.4)

- The Tripura Jute Mills Limited paid liquidated damages to the extent of Rs.3.34 lakhs to its customers, and incurred a loss of Rs.4.73 lakhs on account of variation in prices due to its failure to supply the agreed quantities in time.

(Paragraph 7.7.2)

15. Other Points of Interest

Delay in finalisation of tenders for supply of PVC pipes resulted in the expiry of the validity of the offers and consequent extra expenditure of Rs.10.95 lakhs due to procurement of the same materials at higher rates.

(Paragraph 4.4)

- Reimbursement of Customs Duty to a supplier of polythene pipes beyond the terms of the agreement resulted in extra payment of Rs.9.92 lakhs.

(Paragraph 4.5)

Construction of an irrigation dam across a river without collecting hydrological data resulted in extra expenditure of Rs.5.30 lakhs.

(Paragraph

- Substandard medicines worth Rs.2.75 lakhs were purchased by the Animal Husbandry Department, but no action could be taken against the suppliers due to delays in conducting laboratory tests outside the State. Medicines worth Rs.1.66 lakhs from these stocks were consumed meanwhile.

(Paragraph 3.1)

- Lack of proper action by the Director of Food and Civil Supplies to enforce the concerned provision of an agreement to get incomplete work executed at the risk and cost of the contractor resulted in extra expenditure of Rs.2.01 lakhs.

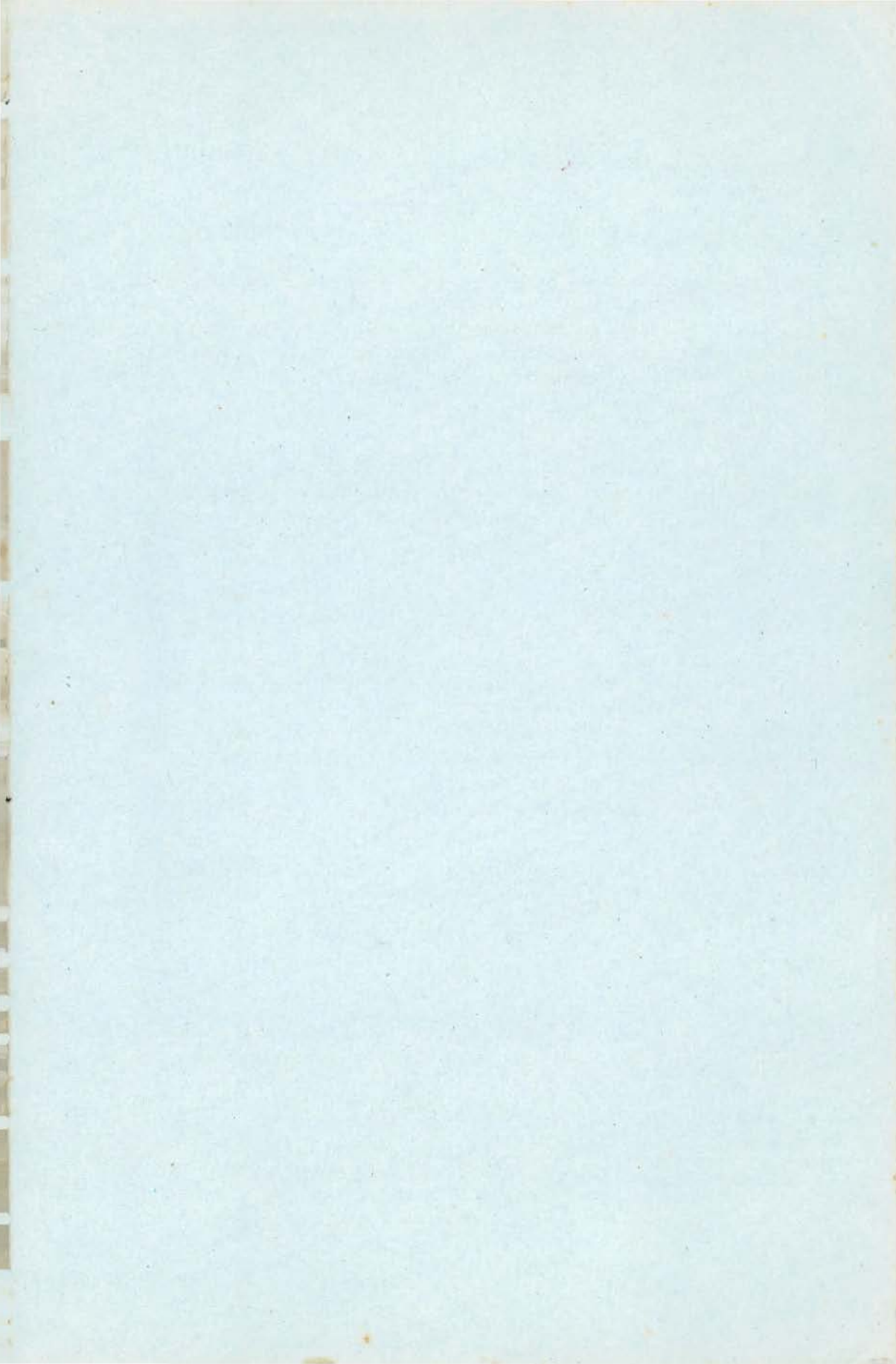
(Paragraph 3.2)

- Ambiguity in the supply orders relating to purchase of edible oils resulted in acceptance of a costlier item by the Sub-Divisional Officer, Amarpur and consequent extra expenditure of Rs.4.36 lakhs.

(Paragraph 3.7)

- In the context of purchase of fire-fighting equipment, the Director General Fire Services drew a loan without assessing the possibility of its immediate utilisation; this resulted in avoidable payment of interest of Rs.8.75 lakhs.

(Paragraph 3.4)



CHAPTER I

GENERAL

1.1 Summary of Accounts

The summarised position of the accounts of the Government of Tripura emerging from the Finance Accounts for the year 1988-89 is indicated in the Statements following :

I - Statement of Financial Position of the Government of

Amount as on 31.3.88	LIABILITIES	Amount as on 31.3.89
84.62	Internal debt(Market Loans, Loans for Life Insurance Corporation of India and Others)	100.15
109.08	Loans and Advances from Central Government	137.63
25.65	(i)Pre 1984-85 Loans	24.42
43.04	(ii)Non-Plan Loans	51.87
33.74	(iii)Loans for State Plan Schemes	52.93
0.69	(iv)Loans for Central Plan Schemes	0.63
3.80	(v)Loans for Centrally Sponsored Plan Schemes	4.56
0.48	(vi)Ways and Means Advances	0.48
1.68	(vii)Loans for Special Schemes	2.74
46.32	Small Savings, Provident Funds, etc.	55.99
47.16	Deposits	50.82
0.50	Contingency Fund	0.50
277.23	Surplus on Government Accounts	292.33
	(i)Opening balance	277.23
	(ii)Add current year's surplus	15.10
<u>564.91</u>		<u>637.42</u>

Tripura as on 31st March 1989

(Rupees in crores)

Amount as on 31.3.88	ASSETS	Amount as on 31.3.89
491.40	Gross Capital Outlay on Fixed Assets	586.56
	34.05 (i) Investment in shares of Companies, Corporations, etc.	40.72
457.35	(ii) Other Capital Outlay	545.84
30.74	Loans and Advances	35.15
25.04	(i) Other Development Loans	27.16
5.70	(ii) Loans to Government Servants and Miscellaneous Loans	7.99
0.54	Other Advances	0.57
13.67	Suspense and Miscellaneous	7.77
27.99	Remittance Balance	38.13
0.57	Cash Balance	(-) 30.76
	(i) Cash in Treasury	Nil*
	(ii) Departmental Cash Balance including permanent advances	1.73
	(iii) Cash balance investment	2.45
	(iv) Deposit with RBI	(-) 34.94
<u>564.91</u>		<u>637.42</u>

* Figures as per Finance Accounts for 1988-89 is Rs.1353 only.

II - Abstract of Receipts and
(Rupees in crores)

RECEIPTS

SECTION A - REVENUE

I. Revenue Receipts 395.62

(i)	Tax Revenue	18.36
(ii)	Non-Tax Revenue	15.68
(iii)	State's share of Union taxes	121.25
(iv)	Non-Plan Grants	54.09
(v)	Grants for State Plan Schemes	159.92
(vi)	Grants for Centrally Sponsored Schemes/ Central Plan Schemes	16.26
(vii)	Grants for Special Plan Schemes(NEC)	10.06

395.62

Disbursements for the year 1988-89

(Rupees in crores)

DISBURSEMENTS

SECTION A - REVENUE

I. Revenue Expenditure 380.52

	<u>SECTORS</u>	<u>Non-Plan</u>	<u>Plan</u>	<u>Total</u>
(i)	General Services	93.58	0.56	94.14
(ii)	Social Services	100.61	68.54	169.15
(iii)	Economic Services :			
	(a) Agriculture and Allied activities	19.60	30.57	50.17
	(b) Rural Development	4.72	15.84	20.56
	(c) Special Areas Programmes(NEC)	---	2.61	2.61
	(d) Irrigation and Flood Control	1.24	4.55	5.79
	(e) Energy	15.15	---	15.15
	(f) Industries and Minerals	2.33	6.02	8.35
	(g) Transport	6.57	0.02	6.59
	(h) Communication	1.45	0.17	1.62
	(i) Science Technology and Environments	---	1.02	1.02
	(j) General Economic Services	1.31	0.43	1.74
(iv)	Grants-in-aid and Contributions	3.63	---	3.63
		<u>250.19</u>	<u>130.33</u>	<u>380.52</u>

II. Revenue Surplus

(Carried over to Section B)

15.10

395.62

(Rupees in crores)

 RECEIPTS

SECTION B - OTHERS

III.	Opening Cash Balance including permanent advance and Cash balance investment account		0.57
IV.	Recoveries of Loans and Advances		0.44
	(i) From Government Servants	0.33	
	(ii) From Others	0.11	
V.	Revenue Surplus brought down		15.10
VI.	Public Debt Receipts		109.80
	(i) Internal Debt other than Ways and Means Advances	19.00	
	(ii) Loans and Advances from Central Government	36.66	
	(iii) Ways and Means Advances from the Reserve Bank of India	54.14	
VII.	Public Accounts Receipts		334.82
	(i) Small Savings and Provident Funds	20.67	
	(ii) Deposits and Advances	101.40	
	(iii) Suspense and Miscellaneous	28.11	
	(iv) Cheques and bills received	0.09	
	(v) Remittances	184.55	
VIII.	Closing overdraft from Reserve Bank of India		Nil

 460.73

(Rupees in crores)

DISBURSEMENTS

SECTION B - OTHERS

III. Opening overdrafts from Reserve Bank of India				Nil
IV. Capital Outlay	Non-plan	Plan	Total	95.16
(i) General Services	(*)	3.73	3.73	
(ii) Social Services	0.06	19.58	19.64	
(iii) Economic Services :-				
(a) Agriculture and Allied Activities	3.37	1.03	4.40	
(b) Special Areas Programme	--	13.49	13.49	
(c) Irrigation and Flood Control	--	10.53	10.53	
(d) Energy	(-)0.27	18.00	17.73	
(e) Industries and Minerals	--	2.77	2.77	
(f) Transport	--	21.34	21.34	
(g) General Economic Services	--	1.53	1.53	
	3.16	92.00	95.16	
V. Loans and Advances Disbursed				4.84
(i) To Government Servants	2.63			
(ii) To Others	2.21			
VI. Repayment of Public Debt				65.72
(i) Internal debt other than Ways and Means Advances	3.46			
(ii) Ways and Means Advances	54.14			
(iii) Repayment of Loans and Advances to Central Government	8.12			
VII. Public Accounts Disbursement				325.77
(i) Small Savings and Provident Funds	11.00			
(ii) Deposits and Advances	97.77			
(iii) Suspense and Miscellaneous	22.31			
(iv) Remittances	194.69			
VIII. Cash balance at end				(-) 30.76
(i) Cash in Treasuries	Nil			
(ii) Departmental Cash balance including permanent advances	1.73			
(iii) Cash balance investments	2.45			
(iv) Deposit with Reserve Bank of India	(-) 34.94			
				<u>460.73</u>

* Expenditure is negligible.

III. Sources and application of Funds for 1988-89

I. Sources

(Rupees in
crores)

1. Revenue Receipts	395.62
2. Increase in Public Debt, Small Savings Deposits and Advances and Cheques and Bills	57.17

	453.09

Adjustments

Effect on Suspense balance	+5.80	
Effect on Remittances	(-)10.14	
Decrease in closing balance	+31.33	+26.99

		480.08

II Application

1. Revenue Expenditure	380.52
2. Capital Outlay	95.16
3. Lending for Development and Other Programmes	4.40

	480.08

1. Explanatory Notes

1.01 The summarised financial statements are based on the statements of the Finance Accounts and the Appropriation Accounts of the State Government and are subject to notes and explanations contained therein.

1.02 Government accounts being mainly on Cash basis, the revenue surplus or deficit has been worked out cash basis. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts.

1.03 Although a part of revenue expenditure and loans is used for capital formation by the recipients, its classification in the accounts of the State Government remains unaffected by end use.

1.04 There was an unreconciled difference of Rs.883.84 lakhs between the figures reflected in the accounts and that intimated by the Reserve Bank of India under 'Deposits with Reserve Bank'. The difference is under reconciliation (January 1990).

1.2 Comments on Accounts

1.2.01 The year 1988-89 ended with a revenue surplus of Rs.15.10 crores against Rs.19.86 crores in the preceding year. The net accretion from debt transactions (as adjusted by the effect of suspense and remittance balance) aggregated Rs.53.13 crores which together with the revenue surplus of Rs.15.10 crores proved inadequate for meeting capital expenditure (Rs.95.16 crores) and net lending for development and other purposes (Rs.4.40 crores). The gap ultimately resulted in corresponding decrease in the closing cash balance by Rs.31.33 crores.

The cash balance was further reduced due to withdrawal of funds in advance of requirement. A test check disclosed that Rs.11.81 crores withdrawn during the year had been lying undisbursed with 32 Drawing and

Disbursing Officers of 8 Departments on 31st March 1989.

Besides, Rs.22.71 crores were lying in 62 Personal Ledger Accounts opened by 14 Government Departments on 31st March 1990.

1.2.02 The actual revenue realised during 1988-89 (Rs.395.62 crores) registered an increase of Rs.81.43 crores over those in the previous year, and Rs.33.30 crores over the anticipated revenue of Rs.362.32 crores.

1.2.03 The increase in tax revenue (Rs.4.78 crores) over 1987-88 was mainly due to increase in collection from Sales Tax (Rs.1.65 crores), State Excise (Rs.1.47 crores), Other Taxes on Income and Expenditure (Rs.0.73 crores), Land Revenue (Rs.0.28 crores), Stamps and Registration (Rs.0.32 crores), Taxes on Agriculture Income (Rs.0.20 crores).

Sales Tax remaining uncollected as on 31st March 1989 amounted to Rs.2.81 crores.

The non-tax revenue increased marginally by Rs.0.70 crore from Rs.14.98 crores in 1987-88 to Rs.15.68 crores in 1988-89.

Receipts from the Government of India during the year on account of share of Union taxes and Grants-in-aid, was Rs.366.58 crores representing 91 per cent of the total revenue receipts of the State and registered an increase of Rs.75.94 crores over those of 1987-88.

1.2.04 Central assistance for State Plan Schemes, Centrally Sponsored Schemes and Central Plan Schemes during the year amounted to Rs.186.24 crores against Rs.144.87 crores in the previous year resulting in an increase of about 29 per cent over the assistance for 1987-88.

1.2.05 While the non-plan revenue expenditure increased by about 27 per cent over that of 1987-88, the growth in collection of tax revenue as well as

State's share of Union taxes was about 35 and 25 per cent respectively.

There was no return on investment in Companies, Corporations, etc.

The net receipts under 'Loans and Advances' from Central Government (after repayment of loans and advances becoming due) increased from Rs.109.08 crores in 1987-88 to Rs.137.63 crores which constituted the largest component (about 47 per cent) of the State Government's total debt of Rs.293.77 crores as on 31st March 1989. The total market loans bearing interest as on 31st March 1989 was Rs.59.43 crores as against Rs.50.82 crores at the end of the previous year. The Small Savings and Provident Fund collections made during the year decreased from Rs.21.81 crores in 1987-88 to Rs.20.67 crores in the current year.

1.2.06 The non-plan revenue expenditure increased by Rs.53.85 crores over that of the preceding year. The increase was due to increased pay and allowances of the Government employees consequent upon the revision of pay-scales and liberal fixation policy adopted by Government in finalising the Pay Commission's recommendations.

1.2.07 The overall plan expenditure on revenue account (Rs.130.33 crores) exceeded the budgetary projection (Rs.120.08 crores) by about 9 per cent: while the non-plan expenditure (Rs.250.19 crores) exceeded the budgetary projection (Rs.231.01 crores) by about 8 per cent. The capital expenditure (Rs.92.00 crores) under plan exceeded the budgetary projection (Rs.79.11 crores) by about 16 per cent and the non-plan expenditure (Rs.3.16 crores) fell short by about 23 per cent of the budgetary projection (Rs.4.12 crores).

1.2.08 The budget estimates for revenue and capital expenditure including loans and Public Debt was Rs. 544.29 crores(gross) which was augmented to Rs.614.37 crores(gross) by obtaining supplementary grant of Rs.70.08 crores(gross). The actual expenditure was, however, Rs.615.34 crores(Revenue:Rs.412.17 crores,

Capital : Rs.136.63 crores, Public Debt: Rs.65.72 crores and Loans and Advances: Rs.4.82 crores) indicating net excess of Rs.4.97 crores).

1.2.09 At the budget stage a revenue surplus of Rs.11.23 crores was anticipated (Receipts: Rs.362.32 crores and expenditure (net): Rs.351.09 crores). Actual surplus at the end of the year, however, worked out to Rs.15.10 crores (Receipts: Rs.395.62 crores and expenditure: Rs.380.52 crores). Taking into account the transactions other than on Revenue Account, there was an overall deficit of Rs.31.94 crores in 1988-89 against the overall surplus of Rs.0.01 crore anticipated in the budget for the year.

1.2.10 At the end of 1987-88 the balance under Loans and Advances by Government was Rs.50.75 crores. During 1988-89, Government paid Rs.4.84 crores and recovered Rs.0.44 crore under Loans and Advances. The balance at the end of the year stood at Rs.35.15 crores.

In respect of Loans and Advances, the detailed accounts of which are maintained by the Accountant General, the amount due for recovery at the end of March 1989 was Rs.2.84 lakhs (Principal: Rs.1.25 lakhs; interest: Rs.1.59 lakhs) the main defaulter being the Agartala Municipality.

1.2.11(a) The table below shows the burden of interest charges on debt and other obligations (with corresponding figures for the preceding two years):-

	1986-87	1987-88	1988-89
		(In crores of rupees)	
Interest paid by the State Government	14.15	22.93	20.75
Interest received by the State Government:-			
(a) On loans and advances	0.12	0.06	0.07
(b) On cash balance investment	2.19	1.52	0.69
Net burden of interest on revenue	11.84	21.35	19.99
Percentage of net interest to the total revenue receipts	4.31	6.80	5.05

(b) The table below compares the outstanding debt liability of the Government at the end of March 1989 with those of the preceding two years:-

Particular of debt	Balance at the end of		
	1986-87	1987-88	1988-89
	(In crores of rupees)		
i) Internal debt of the Government	73.03	84.62	100.15
ii) Loans from Central Government	95.72	109.08	137.63
iii) Small Savings, Provident Funds etc.	32.92	46.32	55.99
iv) Non-interest bearing deposits	35.79	47.16	50.82
	-----	-----	-----
Gross debt and other obligations at the end of the year	237.46	287.18	344.59
	-----	-----	-----

A review of the State Government's gross debt liability at the end of 31st March each year for the previous three years ending 1988-89 indicated that loans from Central Government constituted the largest component amounting to 40, 37 and 40 per cent respectively.

1.2.12 With the fresh investment of Rs.6.67 crores during the year in Statutory Corporations (Rs.1.46 crores), Government Companies (Rs.3.96 crores), Co-operative Bank and Societies (Rs.1.25 crores), the total investments of the Government in shares and debentures on 31st March 1989 was Rs.40.72 crores. No dividend and interest were received on such investments.

1.2.13 Government had made substantial investments (Rs.20.80 crores) in seven Companies as at the end of March 1989 of which one company (investment: Rs.3.75 lakhs had gone into liquidation. The accumulated loss in remaining six companies aggregated Rs.1.66 crores as

could be glanced from the annual accounts of individual companies made available upto the year 1978-79 (one company), upto 1979-80 (one company), upto 1981-82 (one company), upto 1982-83 (one company), and upto 1984-85 (two companies).

1.2.14 Under an agreement with the Reserve Bank of India, the State Government has to maintain with the Bank, a minimum daily balance of Rs.10 lakhs. If the balance falls below the agreed minimum on weekly settling days, the deficiency is made good by taking Ways and Means Advances/overdraft from the Bank or by selling Government of India Treasury bills.

During 1988-89 the minimum balance was maintained without taking any advance on 249 days, Ways and Means Advances (Rs.54.14 crores) were taken for 74 days. The entire amount was repaid during the year and Rs.11.59 lakhs paid as interest during the year on these advances.

1.2.15 No new taxes were levied during the year.

1.2.16 The contingent liability for guarantees given by the State for repayment of loans etc., by Statutory Corporations, Government Companies, and Co-operative Societies etc., on 31st March 1989 was Rs.15.51 crores, as against the maximum amount of Rs.40.47 crores guaranteed.

No law under Article 293 of the Constitution has been enacted by the State Legislature laying down the limits within which the Government may give guarantees based on the security of the Consolidated Fund of the State. The Government does not levy any fee or charge to cover the risk in the guarantees nor has it set up any fund for meeting the liabilities which may arise on invocation of guarantees. No guarantee was, however, invoked during the year.

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 General

The summarised position of actual expenditure during 1988-89 against provision is as follows :-

	Original grants/ appro- pria- tion	Supple- mentary grant/ appro- tion	Total	Actual expen- diture	Vari- ation - Saving (-) Excess (+)
	-----	-----	-----	-----	-----
(Rupees in crores)					
I. Revenue					
Voted	358.95	64.23	423.18	390.71	(-)32.47
Charged	21.95	0.30	22.25	21.46	(-)0.79
II Capital					
Voted	145.40	5.31	150.71	136.63	(-)14.08
Charged	--	---	---	---	---
III Public Debt					
Charged	12.25	--	12.25	65.72	(+)53.47
IV Loans and advances					
Voted	5.74	0.24	5.98	4.82	(-)1.16
	-----	-----	-----	-----	-----
Grand Total	544.29	70.08	614.37	619.34	(+)4.97

2.2 Results of Appropriation Audit

Broadly the following points emerge as a result of Appropriation Audit.

2.2.01 **Supplementary provision**

Supplementary provision obtained during the year worked out to 13 per cent of the original budget provision, as against 10 per cent in the preceding year.

2.2.02 **Unnecessary/Excessive/inadequate Supplementary Provision**

Supplementary provision of Rs.3.52 crores obtained in 10 grants during March 1989 proved wholly unnecessary in view of the final savings in each grant being more than the supplementary provision. In 10 other grants, against supplementary grant aggregating Rs.49.70 crores, the actual utilisation was only Rs.36.84 crores, resulting in a saving of more than Rs.25 lakhs in each case. In 6 cases, though supplementary provision totalling Rs.8.02 crores was obtained, the provision proved insufficient by more than Rs.25 lakhs in each case, leaving an aggregate uncovered excess expenditure of Rs.10.91 crores.

2.2.03 **Savings/Excess over provision**

There was an overall saving of Rs.70.98 crores in 53 grants/appropriations. In 16 grants/appropriation as detailed in Appendix 1, there was an overall excess of Rs.75.95 crores. The excess expenditure requires regularisation under Article 205 of the Constitution. Substantial excess expenditure was incurred under Grant No. 9, Chief Minister's Secretariat: Rs.30.24 lakhs; Grant No.14 Public Works Department: Rs.603.46 lakhs; Grant No.38 Rural Development Rs.250.91 lakhs, Grant No.15 PWD Rs.925.31 lakhs; Grant No.24 - Information: Rs.307.33 lakhs.

The excess over grants/appropriations aggregating Rs.117.11 crores relating to the preceding years, which are yet to be regularised have been detailed below :-

Year	Number of cases		Amount of excess	
	Voted	Charged	Voted	Charged
1981-82	50	6	17.85	4.67
1982-83	52	6	21.72	2.73
1983-84	12	2	9.70	1.32
1984-85	7	3	4.16	14.17
1985-86	3	1	1.64	0.96
1986-87	11	2	9.91	0.14
1987-88	11	2	24.08	4.06
Total	147	20	89.06	28.05

2.2.04 Un-utilised provisions

In the following grants, expenditure in each case fell short by more than Rs.25 lakhs and also by more than 10 per cent of the total provision.

It was seen that out of the total provision remaining unutilised Rs.23.67 crores were not utilised by the Fisheries Department and no explanation for the same was forthcoming as shown in the table below. The non-utilisation of Rs.22.44 crores by the Finance Department on the ground of enforcement of economy measures was also not tenable since such large saving ought to have been anticipated and timely reappropriation made, which shows lack of budgetary control on the part of the Finance Department in respect of its own allocations. This had been substantial in the previous two years as would be seen from the table below para 2.2.06 also.

Sl. Number and No. name of grant	Amount of savings (in lakhs of rupees) and its percentage to the provision (in bracket)	Main reasons for saving

REVENUE SECTION (VOTED)		
1. 3 Law Department	39.75 (13)	Saving was due to non-implemen- tation of the revised scale of of pay and non-filling up of vacant posts in the newly established court.
2. 17 Electricity	239.38 (13)	Reasons for saving have not been intimated (April 1990)
3. 18 Irrigation and Flood Control Department	262.26 (15)	-do-
4. 23 Family Welfare	84.97 (27)	-do-
5. 26 Tribal Welfare Department	364.01 (11)	-do -
6. 27 Welfare of Scheduled Castes Department	36.91 (11)	- do-
7. 29 Rehabilitation Department	63.30 (12)	Saving was attributed to lesser expenditure on the maintenance of tribal refugees from Bangladesh.
8. 30 Fisheries Department	67.74 (14)	Reasons for saving have not been intimated (April 1990)
9. 37 Forest Department	231.24 (18)	-do-
10. 45 Finance Department (Revenue)	2244.21 (71)	Saving was mainly attributed to enforcement of economy measure.
11. 49 Horticulture Department	135.05 (15)	Reasons for saving have not been intimated (April 1990)

CAPITAL SECTION
(VOTED)

12. 13 Co-operation Department	92.58 (30)	Reasons for saving have not been intimated (April 1990)
13. 20 Education (General) Department	99.54 (29)	-do-
14. 28 Food and Civil Supplies Department	1907.01 (35)	Saving was due to non-release of full quota of foodgrains by the Food Corporation of India, non-lifting of allotted quota by the carrying agent, non-settlement of claims and also due to failure of the nominated carrying agent to lift the full quota of sugar and salt allotted by the Government of India.
15. 33 Industries Department Capital outlay on Housing, Investment in financial and trading institutions and Loans to Co-operative Societies.	33.55 (22)	Reasons for saving have not been intimated (April 1990)
16. 35 Agriculture Department	158.99 (28)	-do-
17. 46 Finance Department (Capital)	106.13 (29)	Saving was mainly due to change of classification of expenditure on account of payment of festival advances from one head to the respective service head of the concerned Departments.
18. 47 Department of Science, Technology and Environment	10.55 (16)	Reasons for saving have not been intimated

2.2.05 Significant cases of savings under schemes

In the following cases, substantial savings of not less than Rs.25 lakhs 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 saving	Percentage of saving to the provision
---------	--------------------------	--------------------	-----------------	------------------	---------------------------------------

(In lakhs of rupees)

REVENUE SECTION
(VOTED)

1.	22 Medical Department	National Programme for prevention of visual impairment and control of blindness (CSS)	52.75	34.76	66
2.	27 Welfare of Scheduled Caste Department	Special Central Assistance for Scheduled Caste Component (CSS)	51.39	51.39	100
3.	30 Fisheries Department	Inland Fisheries (CSS)	31.50	27.98	89
4.	35 Agriculture Department	Rural Godown Programme	55.00	53.53	97
5.	39 Rural Development Department	Rural Water Supply Sinking Wells (Rural Engineering Division Udaipur)	38.34	35.44	92
6.	41 Local Self Government	Assistance to Notified Areas (CSS)	36.20	36.20	100

CAPITAL SECTION
(VOTED)

7.	19 Irrigation and Flood Control Department	On Drinking Water	63.70	39.19	62
----	--	-------------------	-------	-------	----

2.2.06 Persistent Saving

Persistent savings exceeding 10 per cent of the provision and Rs.25 lakhs each were noticed during the last three years in the following grants:-

Sl. No.	Number and name of grant	Amount of saving (Percentage of savings) in brackets)		
-----	-----	-----		
		(In lakhs of rupees)		
REVENUE SECTION				
	(VOTED)	1986-87	1987-88	1988-89
1.	23 Family Welfare	96.58 (42)	95.68 (36)	84.97 (27)
2.	45-Finance Department (Revenue)	709.39 (63)	415.94 (42)	2244.21 (71)
CAPITAL SECTION				
	(VOTED)			
3.	13-Co-operation Department	107.66 (42)	159.59 (55)	92.58 (30)
4.	28-Food and Civil Supplies Department	1076.55 (24)	629.32 (13)	1907.01 (35)
5.	35-Agriculture Department	88.57 (24)	65.30 (13)	158.99 (28)
6.	46-Finance Department (Capital)	106.58 (35)	285.36 (85)	106.13 (29)

2.2.07 Significant cases of excess

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

Sl. No.	Number and name of grant/appropriation	Amount of excess (in lakhs of rupees) and its percentage of provision (in brackets)	Reasons for excess

REVENUE SECTION			
(VOTED)			
1.	14-Public Works Department	603.46 (17)	Reasons for excess have not been intimated (April 1990)
2.	38-Rural Development Department- Community Development	250.91 (22)	- do -
3.	59-Rural Development Department - Water Supply and Sanitation	50.53 (15)	- do -
CAPITAL SECTION			(VOTED)
4.	15- Public Works Department - Buildings	275.59 (49)	- do -
5.	16-Public Works Department Roads and Bridges	925.31 (42)	- do -
CAPITAL SECTION (CHARGED)			
6.	46-Finance Department (Capital)	5347.64 (437)	- do -

2.2.08 Injudicious re-appropriation

Re-appropriation, is the 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 deficit or reasonable chance of saving under the

unit from which funds are proposed to be re-appropriated. It is also meant to curtail expenditure under that unit to meet more expenditure under another. Scrutiny of re-appropriation orders revealed non-observance of this requirement in certain cases. Instances of such re-appropriation which resulted in unnecessary saving/excess are detailed in Appendix 2.

2.2.09 Surrender of savings

(a) Rules require that all anticipated savings should be surrendered as soon as the possibility of saving is envisaged. Though the overall saving was Rs.70.98 crores, Rs.89.30 crores were surrendered at the fag end of the year (March 1989).

(b) In the following grants savings exceeded Rs.50 lakhs and remained unsurrendered.

Sl. No.	Number and name of grant	Total saving	Total saving and its percentage on total saving (in-bracket)	Unsurrendered
			(In lakhs of rupees)	

REVENUE SECTION (VOTED)				
1.	11 Home (Police) Department	3704.92	51.54	45.55 (88)
2.	17 Electricity	1829.20	239.38	239.38 (100)
3.	18 Irrigation and Flood Control Department	1767.73	262.26	262.26 (100)
4.	20 Education (General) Department	8548.55	90.74	36.87 (41)
5.	21 Education (Social) Department	1377.61	135.29	55.82 (42)
6.	23 Family Welfare	314.98	84.97	84.97 (100)
7.	26 Tribal Welfare Department	3412.90	364.01	333.66 (92)
8.	29 Rehabilitation Department	545.45	63.30	63.30(100)
9.	30 Fisheries Department	499.89	67.74	61.32 (91)

Sl. No.	Number and name of grant	Total grant	Total saving	Unsurrendered saving and its percentage on total saving (in bracket)
		(In lakhs of rupees)		
10.	31 Panchayat Department	555.50	64.94	64.94 (100)
11.	37 Forest Department	1294.52	231.24	160.42 (69)
12.	13 Co-operation Department	307.75	92.58	52.03 (56)
13.	19 Irrigation and Flood Control Department	1946.71	203.05	203.05 (100)
14.	20 Education (General) Department	337.50	99.54	99.54(100)
CAPITAL SECTION (VOTED)				
15.	28 Food and Civil Supplies Department	5394.00	1907.01	1066.12 (56)
16.	35 Agriculture Department	562.00	158.99	148.99 (94)
17.	46 Finance Department	368.80	106.13	105.33 (99)
CHARGED				
18.	45 Finance Department (Revenue)	2132.56	57.41	57.41 (100)

(c) In the following grants/appropriations amounts were surrendered far in excess of the savings actually available for surrender which is indicative of the arbitrary manner adopted by the Departments concerned which could not be discouraged even by the Finance Department.

Sl. No.	Number and name of grants	Total savings	Amount surrendered	Amount surrendered in excess
				(In lakhs of rupees)

REVENUE SECTION (VOTED)

1.	13 Co-operation Department	20.40	25.55	5.15
2.	45 Finance Department	2244.21	2548.31	304.10

CAPITAL SECTION (CHARGED)

3.	17 Electricity	86.19	575.00	488.81
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(d) In the following grants/appropriations, amounts were surrendered though the expenditure exceeded the total provision in each case.

Sl. No.	Number and name of grant/appropriation	Total saving	Amount surrendered
			(In lakhs of rupees)

REVENUE SECTION (VOTED)

1.	14 Public Works Department	Nil	6.70
2.	35 Agriculture Department	Nil	13.50
3.	38 Rural Development Department - Community Department	Nil	10.00

CAPITAL SECTION
(VOTED)

4.	15 Public Works Department (Buildings)	Nil	85.65
5.	16 Public Works Department (Roads and Buildings)	Nil	11.75

CHARGED

6.	46 Finance Department	Nil	43.58
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2.2.10 Reconciliation of Departmental figures

With a view to ensuring effective control over expenditure, the Departmental Officers are required to reconcile their figures of expenditure with those in

the books of the Accountant General not only periodically but also before the close of accounts of the particular year. In 1988-89, out of 171 Controlling Officers, 55 Controlling Officers did not carry out necessary reconciliation involving a huge figure of Rs.87.30 crores which formed 23 per cent of the budgetary expenditure. The matter was reported to the Government in September 1989.

2.2.11 Trend of recoveries and credits

During 1988-89, recoveries to be adjusted in accounts, as reduction of expenditure, were estimated at Rs.95.44 crores (Revenue: Rs.29.81 crores and Capital: Rs.65.63 crores) against which actual recoveries were only Rs.73.10 crores (Revenue: Rs.31.64 crores and Capital : Rs.41.46 crores). In the Revenue section of the Budget, the recovery was more than what was anticipated in Public Works Department Rs.3.70 crores (Grant No.14), Power Department : Rs.0.64 crore (Grant No.17) and Public Health, Water Supply and Sanitation Rs.2.84 crores (Grant No.18). Recoveries were less than what anticipated in grant Nos. 11 Police and Other Administrative services (Rs.2.21 crores). 18 Minor Irrigation (Rs.3.03 crores) and 3 Election (Rs.0.18 crore). In the Capital section there were shortfalls amounting to Rs.24.17 crores; the major shortfalls being under Grant No.28 Capital Outlay on Food Storage and Ware Housing (Rs.22.03 crores) and Grant No. 35 Capital Outlay on Crop Husbandry (Rs.1.35 crores).

2.2.12 Non-receipt of explanation for savings/excess

At the close of each financial year's transactions, the detailed appropriation accounts showing the final grant/appropriation, the actual expenditure and the resultant variation are sent to the Controlling Officers, requiring them to explain the variation in general and those under important sub-heads in particular. It is, however, seen that for the Appropriation Accounts 1988-89, explanation for variation were not received (June 1992) from 112 out of

171 Controlling Officers in the State , which revealed scant regard for budgetary practices.

2.2.13 Rush of expenditure

Financial rules require that Government expenditure be evenly phased throughout the year, as far as practicable. Rush of expenditure at the close of the financial year often leads to infructuous, nugatory or ill-planned expenditure, contrary to the prescribed rule. Notwithstanding the same, the rush of expenditure was found to be substantial only during the month of March 1989 as detailed below :-

Sl. No.	Number and name of grant	Total provision	Total expenditure	Expenditure during March	Percentage of expenditure during March to	
					Total provision	Total expenditure
					-----	-----
		(in lakhs of rupees)				
	<u>Revenue</u>					
(i)	5 Revenue Department -Social and Community Services	361.04	347.10	112.55	31	32
(ii)	47 Department of Science, Technology and Environment	82.00	102.02	55.60	68	55
	<u>Capital</u>					
(iii)	13 Co-operation Department	307.75	215.17	115.67	38	54
(iv)	17 Electricity	3090.00	3003.81	1062.07	34	35
(v)	20 Education (General) Department	337.50	237.96	175.63	52	74
(vi)	33 Industries Department capital outlay on Housing, Investment in Financial and Trading institutions and loan to Co-operative Society	150.79	117.24	80.51	53	69
(vii)	34 Industries Department Consumers Industries etc.	316.00	293.65	126.75	40	43
(viii)	38 Rural Development Department Community Development	45.00	44.16	31.80	71	72
(ix)	47 Department of Science, Technology and Environment	65.00	54.45	19.03	29	35

CHAPTER III

Animal Husbandry Department

3.1 Purchase of sub-standard medicines

During test-check (March 1988) of the records of the Directorate of Animal Husbandry, it was found that medicines worth Rs.2.75 lakhs purchased during 1986-87 were declared as sub-standard between December 1986 and December 1987 on an analysis of 24 samples. However, sub-standard medicines worth Rs.1.66 lakhs had already been consumed in the hospitals by the time the results of tests were known (December 1986 - December 1987). Medicines worth Rs.1.09 lakhs were still lying in stock (December 1989). There was a delay ranging from 4 months to 13 months in receipt of test reports from the referral laboratories, located outside the State.

The consumption of sub-standard medicines could have been avoided and replacements effected if appropriate facilities had been created in the State itself for their testing immediately after purchase and before consumption. Though the State Drug Controller Office was set up in October 1981, the decision to set up a drug testing laboratory was taken only in June 1987. The drug testing laboratory was yet to start functioning (May 1989).

The Government stated (October 1989) that some medicines (not specified) were issued to cater to the immediate needs and their use was discontinued on receipt of report from the referral laboratories (December 1986 - December 1987). They have not clarified as to why no replacement was effected, no recovery was made, and no penal action was taken against the suppliers.

FOOD AND CIVIL SUPPLIES DEPARTMENT

3.2 Loss due to failure to enforce contractual provision

In July 1987, the Director Food and Civil Supplies entered into an agreement with a local transport contractor for carriage of 20000 tonnes of foodgrains and other commodities excluding edible oil from Guwahati to Agartala and other locations in Tripura, at the rate of Rs.528.50 per tonne during 1987-88. According to the agreement, in case of default by the contractor Government had the right to rescind the contract and get the transportation done through another contractor at the risk and cost of the defaulting contractor.

The contractor transported a quantity of 13251.16 tonnes between May and December 1987. During the last part of the year, the performance of the contractor was found to be unsatisfactory. Without rescinding the contract, the Director invited tenders on short notice in March 1988 and engaged another contractor upto June 1988 for lifting the stocks at the rate of Rs.583.10 per tonne. A quantity of 3,691.40 tonnes was handled under the second contract, involving an extra expenditure of Rs.2.01 lakhs. Had the contract been rescinded and the relevant clause of the agreement enforced, Government could have recouped the extra expenditure. The security deposit of Rs.1 lakh in the form of Bank guarantee held by the Department, which was valid upto 15th July 1988, had also expired meanwhile.

Admitting the lapse, the Director, Food and Civil Supplies stated (May 1989) that while Government was contemplating to file a suit against the first contractor, the contractor himself filed a suit for refund of the Security Deposit against which Government made a counter-claim for the extra-charges incurred by them arising on account of his failure in discharging his contractual obligation. The case had not been settled as of June 1992. No explanation could, however, be offered by the Director, Food and Civil Supplies,

for having assigned the work to another contractor without rescinding the contract with the first contractor.

The matter was reported to Government in June 1989, August 1989 and again in December 1989; their reply had not been received (June 1992).

3.3. Loss due to failure to extend contracts

The Food and Civil Supplies Department entered into agreements with two contractors, specifying four different rates for the carriage of rice from the Food Corporation of India's godown in Guwahati to four stores in the State during 1986-87. Option was also open to Government to extend the contracts beyond March 1987, for a period of six months, under the same terms and conditions.

Test check of the records revealed that instead of extending the contracts, Government, in April 1987 itself, entrusted the transportation of 16,435.36 quintals of rice to a third contractor at higher rates, incurring extra expenditure of Rs.1.50 lakhs as detailed below:

Stores	Quantity (Q'ts)	Original rates (Rs.)	Third contractor's rates (Rs)
Arundhutinagar	7394.08	47.85	59.00
Dharmanagar	3767.00	35.93	42.00
Kumarghat	2428.50	37.53	45.00
Manu	2845.78	38.53	48.00

Had the validity period of the contracts already existing for 1986-87 been extended as envisaged therein, the Department could have saved an extra expenditure of Rs.1.50 lakhs. The reasons for not extending the rate contracts were not made available to Audit, inspite of several reminders, the last one being in October 1991.

The matter was reported to Government in June 1988, in August 1989 and again in December 1989; their reply had not been received (June 1992).

HOME DEPARTMENT

3.4 Payment of interest on unutilised amount of loan

Between 1981-82 and 1984-85 Government approved certain schemes for augmenting the fire services in the State at a cost of Rs.396.46 lakhs. For implementation of the schemes during 1981-94, Government raised interest bearing 15-Years loan from the General Insurance Corporation for meeting the Capital expenditure involved in purchasing fire fighting equipment. Amounts totalling Rs.145.25 lakhs were drawn upto 1986-87 as follows:

Year of drawal	Amount of loan received (in lakhs of rupees)
1981-82	30.00
1983-84	35.00
1984-85	26.05
1985-86	9.80
1986-87	44.40
Total	145.25

The terms and conditions of the loan stipulated that each instalment would be utilised within six months of the date of drawal. This was not adhered to and there were considerable delays in their utilisation, as shown below :-

Date of drawal	Total amount drawn	Amount utilised	Total amount unutili- sed (upto December 1988)	Interest paid on unutilised amount
-----	-----	-----	-----	-----
(In lakhs of rupees)				
24.3.82	30.00	30	NIL	----
19.5.83	35.00	35	NIL	----
11.5.84	26.05	24.08	1.97	0.75lakh for 4 years 6 months
7.5.85	9.80	1.80	8.00	2.73lakhs for 3 years 6 months
16.4.86	17.40	4.66	12.74	3.11lakhs for 2 years 6 months
10.3.87	27.00	12.20	14.80	2.46lakhs for 1 year 6 months ----- 8.75 lakhs

The belated utilisation of the loan was attributed to delays in processing purchase formalities.

Against the total amount of loan (Rs.145.25 lakhs) the Department repaid Rs.41.69 lakhs towards principal and Rs.49.88 lakhs towards interest upto December 1988 including Rs.8.75 lakhs as interest on the unutilised amounts.

Government while admitting the fact stated in December 1989, "The guideline for utilisation of the loan within six months was not adhered to, as implementation of the guideline for utilisation within 6 months is impracticable in purchasing Capital fire fighting equipment, which fact is also known to the loan sanctioning authority and, as well as to the monitoring authority viz. the Ministry of Home Affairs, Government of India". It was also stated that all the loan amounts were received after the close or just before the close of the financial year i.e. after passing of the Budget of the next financial year and hence no provision could be made in the Budget and no

expenditure could be incurred in the absence of specific period.

Government's contention was not, however, tenable in as much as the loans were obtained with the specific condition that these would be utilised within six months of the dates of drawals, and the Department failed to do so. The loans against which there were unspent balances, were received against schemes to be implemented over a period of 5 to 10 years. The statement that there was difficulty in making provision in the budget was not tenable since provision ought to have been made in the budget, only in the year of receipt of the loans.

INDUSTRIES DEPARTMENT

3.5 Industrial Development in backward areas

3.5.1 Introduction

For development of industries in backward areas and correction of regional imbalances in the levels of industrial development, Government of India launched the following schemes :-

(a) Central Investment Subsidy Scheme (CISS) (August 1971) - to provide for payment of outright subsidy to entrepreneurs at 10 per cent (increased to 15 per cent in 1973) of investment on fixed capital, i.e., land, building, plan and machinery, subject to maximum of Rs.5 lakhs (Rs.15 lakhs from 1973);

(b) Concessional Finance Scheme (CFS) (April 1983) - to provide financial assistance at concessional rate of interest and lower under-writing commissions, to entrepreneurs, through Financial Institutions like Industrial Development Bank of India (IDBI), Industrial Finance Corporation (IFC), etc.;

(c) Central Infrastructural Assistance Scheme (CIAS) (August 1983) - to provide Central assistance to the State Government for taking up infrastructural development in one or more identified 'Growth Centres' in 'No-Industry Districts' (NID);

(d) Central Transport Subsidy Scheme (CTSS) (July 1971) - to provide Central subsidy at specific rate on expenditure incurred by small scale industries for transport of raw materials (in case of Tripura, the subsidy is provided on expenditure on transportation from Siliguri to any location in the State).

The abbreviations used in this Review are listed in the Glossary in Appendix 10 (at page 303)

In Tripura, all the 3 Districts (West Tripura, North Tripura and South Tripura) were identified as industrially backward districts to qualify for CISS. The 3 districts were also declared as 'NID's where 'Growth Centres' for infrastructural development under CIAS were identified.

In addition to the above 4 schemes, the State Government launched another scheme, viz., Self-Employment Programme (SEP) for Scheduled Caste (SC), Scheduled Tribe (ST) and artisans of the weaker sections other than SC and ST, in April 1987 for extension of audit facilities from Tripura Industrial Development Corporation (TIDC) upto Rs.10,000 per beneficiary.

3.5.2 Organisational set up

The responsibility for implementation of the schemes in the State rests with the Directorate of Industries and the Directorate of Handloom, Handicrafts and Sericulture Industries. One Director, who is in charge of the two Directorates is assisted by one General Manager, one Joint Director, one Deputy Director and 4 Assistant Directors. There are also five Government Companies viz., Tripura Industrial Development Corporation (TIDC), Tripura Small Industries Corporation (TSIC), Tripura Jute Mills Limited (TJML), Tripura Handloom and Handicrafts Development Corporation (THHDC) and Tripura Tea Development Corporation (TTDC) for implementation of industrial schemes. Tripura Tribal Areas Autonomous District Council (TTAADC) is the implementing agency of the schemes in the area covered by it.

3.5.3 Audit coverage

The records relating to various schemes undertaken from 1980-81 to 1988-89 for development of small scale industries, handloom industries, sericulture industries, in the two Directorates and their allied offices and one Industrial Estate (out of 4) at Arundhutinagar, were test-checked during December 1988

to April 1989. Important points noticed are given in succeeding paragraphs.

3.5.4 Highlights

- Development of small scale industries has been given high priority in successive Five Year Plans in the State. It was intended to set up appropriate industries in the small and medium sectors to utilise the available natural resources. With this end in view, the Department spent a total sum of Rs.52.61 crores during the period from 1980-81 to 1988-89; but no assessment had been made by the Department to explain whether this heavy investment achieved the desired level of industrial upliftment.
- Under Self-Employment Programme, against an amount of Rs.72.59 lakhs available in 1987-88 for disbursement as loan, Rs.59.41 lakhs could not be disbursed and were refunded in March 1989.
- Only 60 weavers were trained in operation of improved looms during 1985-86 to 1988-89 against a target of 1,000.

(Paragraph 3.5.6(a))

- Rupees 11.15 lakhs, drawn in March 1987 for supply of yarn and looms to distressed tribes were lying in Personal Ledger Account of the Director of Industries(April 1989).

(Paragraph 3.5.6(i) (b)

- Out of total loan of Rs.21.28 lakhs due for recovery from weaver's co-operative societies, Rs.7.73 lakhs were due from 75 dormant societies.

(Paragraph 3.5.6(iii))

- Average production of cocoons (Mulberry and Eri) in Government farms was 47 per cent and 60 per cent of the targets respectively during 1985-86 to 1988-89.

(Paragraph 3.5.7)

- No investigation was conducted to ascertain whether the 312 units which were paid a total investment subsidy of Rs.54.91 lakhs functioned for at least 5 years after receipt of subsidy as required under the norms.

(Paragraph 3.5.8)

- The District Industries Centres generated employment for 9,890 persons between 1980-81 and 1988-89 against a target of 67,500.

(Paragraph 3.5.8)

- A total loan of Rs.132.52 lakhs was due for recovery at the end of December 1988 from 1,236 borrowers.

(Paragraph 3.5.9)

- Four departmentally-run units in an Industrial Estate sustained cumulative loss of Rs.36.72 lakhs between 1980-81 and 1988-89.

(Paragraph 3.5.10(ii))

- Out of Rs.137.22 lakhs paid from 1980-81 to 1987-88 as subsidy under the Central Investment Subsidy Scheme Rs.105.93 lakhs have not yet been got reimbursed from Government of India.

(Paragraph 3.5.11)

- Rs.25.00 lakhs were paid as subsidy on capital investment to an ineligible unit under Central Investment Subsidy Scheme.

(Paragraph 3.5.11(iv))

3.5.5 Budget provision and expenditure

(a) Programme-wise budget provision and expenditure during the period from 1980-81 to 1988-89 are given below:

Name of Programme	Period	Budget provision	Expenditure	Savings (-) Excess (+)
-----	-----	-----	-----	-----
	(In lakhs of rupees)			
A- Large and Medium Industries	1980-81 to 1988-89			
(i) Tea Industry	-do-	161.44	110.06	(-)51.38
(ii) Jute Industry	-do-	400.45	428.32	(+)27.87
B- Village and Small Industries	1980-81 to 1988-89			
(i) Industrial Estate	-do-	77.50	76.32	(-)1.18
(ii) Handloom Industries	-do-	1034.12	1052.23	(+)18.11
(iii) Handicraft Industries	-do-	189.11	157.64	(-)31.47
(iv) Sericulture Industries	-do-	430.02	391.49	(-)38.53
(v) Other village Industries	-do-	170.44	150.16	(-)20.28
(vi) Small Scale Industries	-do-	1149.59	1091.09	(-)58.50
(vii) Khadi Industries	-do-	166.50	169.20	(+)2.62
(viii) Direction and Administration	-do-	225.19	209.21	(-)15.98
C- Other Expenditure	1980-81 to 1988-89			
(i) Setting up of three District Industries Centres (DICS)	-do-	105.41	110.12	(+)4.71
(ii) Investment in trading Institutions including Jute, Tea Co-operatives etc.	-do-	914.26	887.58	(-)26.68
(iii) Loans to Trading Institutions etc.	-do-	312.31	327.34	(+)15.03
(iv) Industry based self Employment Programme	-do-	100.00	100.00	---
	Total	5436.42	5260.76	(-)175.66

The reasons for savings/excess in respective financial years have not been stated in most of the cases (April 1989).

(b) The expenditure included unspent balances every year ranging from Rs.2.90 lakhs (1980-81) to Rs.235.00 lakhs (1984-85) lying in Personal Ledger Accounts (PL Accounts) of Director of Industries and Tripura Tribal Area Autonomous District Council (TTADC) due to non-implementation of programmes relating to Handloom, Handicrafts Sericulture, Tea and Small Scale Industries, etc.

The unspent balance stood at Rs.103.66 lakhs in the PL Accounts of Director of Industries (Rs.80.54 lakhs) and TTAADC (Rs.23.12 lakhs) on 31st December 1988.

(c) Self Employment Programme (SEP)

(i) The Industries Department paid Rs.92.50 lakhs in 1987-88 (being its 50 per cent share) to the Tripura Industrial Development Corporation (TTDC) as share capital contribution towards implementation of self employment programme of 1924 entrepreneurs of weaker sections other than scheduled castes and scheduled tribes, selected by the Block Industrial Development Committee (BIDC). The entrepreneurs were selected from 13 Blocks and 2 Notified Area Authorities. The balance matching contribution was to be obtained by the TIDC from the Industrial Development Bank of India (IDBI). An amount of Rs.72.59 lakhs was released by the TIDC in October-November 1987 to the Block Development Officers (BDOS) of 5 Blocks and 1 Notified Area Authority for disbursement to 755 entrepreneurs. The TIDC did not release the balance amount to the remaining 8 blocks 1 NAA due to non-finance by the IDBI. Out of this amount only the BDO(Bagafa) credited Rs.13.18 lakhs to the savings accounts of 138 entrepreneurs, drawal from which were to be carried out under the joint signature of the entrepreneurs and the BDO in phases according to the progress of work. No amount, was, however, released from any of the savings accounts (April 1989) as none of the entrepreneurs could submit any progress report.

The balance amount of Rs.59.41 lakhs was refunded by 4 BDOs and 1 NAA within March 1989 to the TIDC, which discontinued implementation of the programme from March 1988 without obtaining approval of Government. The main reason for discontinuation of the programme was stated to be non-finance by the IDBI. The amount of Rs.0.35 lakh spent by the BDO (Bagafa) for registration of loan documents also proved infructuous.

(ii) Under the Self-Employment Programme for Unemployed Youths, the TIDC rendered loan assistance of Rs.9.69 lakhs to 71 entrepreneurs during 1985-86 to 1988-89. Against the over-due amount of principal and interest of Rs.4.61 lakhs and Rs.2.63 lakhs respectively upto December 1988, an amount of Rs.0.62 lakh was realised towards repayment of principal (Rs.0.47 lakh) and payment of interest (Rs.0.15 lakh) from 33 entrepreneurs only. No action was ever taken to ascertain whether the persons had actually utilised the amount for the intended purpose, or even whether the units were functioning. Government stated in February 1990 that a recovery cell was being set up in the TIDC for effecting recovery of the dues.

3.5.6 Handloom industry

(i). Modernisation of looms

In order to modernise the loin looms and other traditional looms to increase their productivity, the Department finalised a programme in August 1985 for training 200 weavers (150 tribals and 50 non-tribals) every year and for supplying modern looms and raw materials. A sum of Rs.13.26 lakhs was sanctioned for the programme between March 1986 and December 1987. Test check of records revealed the following:-

(a) Against the target of training 1000 weavers during 1985-86 to 1989-90 only 60 were trained in 7 training centres upto 1988-89. But these trained weavers had not been provided with modern looms though the Tripura Handloom and Handicrafts Development Corporation (THHDC) had been paid Rs.1 lakh for supply of such looms and accessories to them.

(b) Rupees 2.90 lakhs drawn in March 1986 for supply of yarn to tribals and distressed weavers, and Rs.8.25 lakhs drawn in March 1987 for the purchase of looms, were still lying in PL Accounts of the Director of Industries (April 1989).

(c) In May 1987, a sum of Rs.1.98 lakhs was paid to 6 Block Development Officers for the construction of workshed for weavers. No records were available to indicate the progress of construction (April 1989).

(ii) **Supply of yarn, looms, dobby and tools and appliances**

a) A scheme for the supply of yarn, looms, dobby, etc., to tribals and distressed weavers taken up since 1981-82 was implemented in 18 blocks by the THHDC and Tripura Apex Weavers Co-operative Societies (TAWCS). According to the target, during 1981-89 yarn worth Rs.21.65 lakhs was to be supplied to 21,651 beneficiaries, dobby (Rs.0.15 lakh) to 29 beneficiaries and frame looms (Rs.0.40 lakh) to 20 beneficiaries at 75 per cent subsidised cost. It was, however, noticed that while yarn was supplied to 20,601 beneficiaries, no dobby or frame looms were supplied (April 1989). The unspent amount was lying in the Personal Ledger Accounts (PLA) of the Director of Industries (DI).

b) The Tripura Tribal Area Autonomous District Council (TTAADC) received Rs.9.23 lakhs during 1984-85 to 1986-87 from the Industries Department for supply of tools and accessories to the ex-trainees of Industrial Training Institute (ITI), Jatanbari and Industrial Training Centres (Weaving), and deposited the amounts in the PL Accounts. The amount was placed at the disposal of the implementing agencies (BDOs) only in February 1988. No report of its utilisation was obtained from the implementing agencies (April 1989).

iii) **Handloom Weavers Co-operative Societies**

The financial assistance given to 125 registered handloom societies under the various loan schemes

during 1978-79 to 1988-89 and the position of recoveries as on 31st March 1989 are given below :-

Name of the scheme	Loan paid		Amount realised		Amount outstanding	
	Number of Societies	Amount (Rs. lakhs)	Number of Societies	Amount (Rs. lakhs)	Number of Societies	Amount (Rs. lakhs)
A) Share capital loan	89	2.56	28	0.31	61	2.25
B) Working capital loan	60	7.93	38	1.64	22	6.29
C) Assistance to handloom Co-operative Societies (Package scheme)	31	10.33	--	--	31	10.33
D) Modernisation of looms	50	2.43	2	0.02	48	2.41
		23.25		1.97		21.28

Of the outstanding loan of Rs.21.28 lakhs, Rs.7.73 lakhs were due against 75 dormant societies. No notice for repayment of principal and payment of interest was issued to any of the societies.

Test-check of records of live societies revealed that the income of a worker was barely around Rs.100 per month due to poor quantum of production and sale. The accounts of most of the live Co-operative societies each having a maximum of 10 weavers, showed that the value of production per month was below Rs.2000.

The number of dormant societies, which was 42 in March 1976, increased to 75 in March 1989 resulting in loss of employment of about 750 weavers. Out of Rs.2.50 lakhs received during 1977-78, under a Centrally Sponsored Scheme (on 50:50 basis) for revival of dormant societies, the Industries Department utilised Rs.0.25 lakh only upto 31st March 1989. Against the budget provision of Rs.12 lakhs relating to the period from 1981-82 to 1988-89 for revival of dormant societies, Rs.10 lakhs were drawn (at the rate of Rs.2 lakhs per year in 1981-82 and 1982-83, and Rs.1 lakh per year in 1983-84 to 1988-89). Out of this,

Rs.7.67 lakhs only could be spent in March 1989. The unspent balance of Rs.2.33 lakhs was lying in the PL Account of the Director of Industries pending selection of beneficiaries by the BIDC.

Managerial subsidy of Rs.8.10 lakhs paid to the 75 dormant societies by the Industries Department proved infructuous, due to the failure of the Department to take appropriate follow up action towards revival of the societies.

For the purpose of monitoring the scheme of primary weaver's co-operative societies, Government of India prescribed (March 1983) proforma for furnishing information of revival of dormant societies, enrolment of weavers, number of looms, bank assistance, production, etc. But no such data were ever collected by the Industries Department.

(iv) Mechanised dye-house

The estimated cost of a project for setting up a mechanised dye-house at Dharmanagar was increased from Rs.107 lakhs in 1981 to Rs.240 lakhs in 1987. Against payment of Rs.283 lakhs ;(State: Rs.43 lakhs; Centre : Rs.240 lakhs;) to the THHDC during May 1981 to February 1989, expenditure upto November 1988 was Rs.182 lakhs. As per the original project report, the dye-house was to be commissioned by March 1984 at a cost of Rs.107 lakhs. It was commissioned only in April 1989, and actual work of dying had not started due to non-deployment of technical staff/officers, as of April 1989.

(v) Handloom Pilot Centres

In Tripura West District, 4 Handloom Pilot Centres (HPC) were started in the year 1977-78 by the State Government. Two HPCs were attached to THHDC and two to Tripura Apex Weavers Co-operative Society Limited (TAWCS) for marketing of products. No reports on the working of three centres were available. The progress report of a HPC(Nalchar) for the period from 1978-79 to 1987 showed that though finished products valued at

Rs.11.74 lakhs were deposited by the centre with THHDC, the market value actually worked out to Rs.9.39 lakhs. Physical verification of stores had not been done during 10 years from 1978-79 in any of these centres.

(vi) **Singicherra Handloom Pilot Centre(Training)**

A handloom training centre at Singicherra was started in May 1981 for imparting training to 15 trainees every year. Stipend to each trainee was Rs.4 per day limited to Rs.90 per month. The trained persons were to form handloom co-operative societies with Government assistance. During the period from 1981-82 to 1988-89, 105 persons were trained at an expenditure of about Rs.2.05 lakhs. They could not, however, form co-operative societies as there was no follow up action on the part of the Department (April 1989), which has no information whether the trained weavers could get any employment elsewhere.

3.5.7 **Sericulture**

Mulberry cultivation was started in the State with Government assistance in 1985-86. The year-wise budget provision and expenditure were as follows :-

Year	Budget provision	Expenditure	Savings(-) Excess(+)
-----	-----	-----	-----
	(In lakhs of rupees)		
1985-86	13.65	13.12	(-)0.53
1986-87	30.00	24.00	(-)6.00
1987-88	25.00	21.62	(-)3.38
1988-89	25.00	15.07	(-)9.93
	-----	-----	-----
Total	93.65	73.81	(-)19.84

The year-wise budget provision was far below the average allocation of Rs.40 lakhs fixed by the Planning Commission for the State. Even so, the expenditure was

less than the provision. The reasons for savings were not available on records.

Government paid grants-in-aid amounting to Rs.3.68 lakhs during 1985-86 to 1988-89 to 410 villages for construction of rearing house, raising of mulberry gardens, purchase of manure and appliances. The Department did not obtain any report from the field offices about proper utilisation of the grants.

The year-wise cumulative target and achievement of area brought under mulberry cultivation were as shown below:-

Year	Target	Achievement (in acres)	Shortfall
1985-86	800	563	237
1986-87	1000	710	290
1987-88	1000	820	180
1988-89	1200	857	343

Out of 857 acres, 197 acres were owned by 24 Government farms and 660 acres by private farms. In none of the years, could the target be achieved for want of wide publicity and technical guidance. No annual financial statement of Government farms were ever prepared to ascertain the working results of these farms.

Targets and achievements in respect of production of mulberry cocoons and eri-cocoons in Government farms for the period from 1985-86 to 1988-89 were as shown below:-

Mulberry Cocoons Year	Target	Achievement (In kilograms)	Percentage
-----	-----	-----	-----
1985-86	20,000	3,500	18
1986-87	20,000	9,225	46
1987-88	20,000	13,400	67
1988-89	30,000	16,419	55
Total	90,000	42,544	Average 47
Eri-cocoons			
1985-86	2,000	700	35
1986-87	2,000	1,805	90
1987-88	2,000	1,380	69
1988-89	2,000	937	47
Total	8,000	4,822	Average 60

The reasons for shortfall in production varying between 82 and 33 per cent in respect of mulberry cocoons and 65 and 10 per cent in respect of eri-cocoons were not available. The cocoons produced by 24 Government farms were stated to be used for seed purpose. No information in this regard is available so far as the private sector is concerned. The entire quantity of mulberry and eri-cocoon produced under private sector which constituted the bulk of the production were purchased by the Industries Department for production of raw silk and spun yarn.

No target was fixed for production of raw silk out of mulberry cocoon and spun yarn from eri-cocoons for the period 1985-86 to 1988-89 in respect of five reeling units owned by the State Government. The entire production of raw silk (2840 kg : Rs.13.35 lakhs) and spun yarn (689 kg : Rs.1.10 lakhs) for the period 1985-86 to 1988-89 was deposited with THHDC for further use. But sale proceeds of Rs.14.45 lakhs had

not been received as of 31st March 1989 from THHDC by the Industries Department.

3.5.8 Under Central Investment Subsidy Scheme, subsidy is paid on fixed capital investment, such as (i) Land (ii) Building (iii) Plant and Machinery including transportation cost and Electric installation upto a ceiling of Rs.15 lakhs. Under the scheme, the amount of subsidy is refundable to Government if any industrial unit fails to run for 5 years after receipt of subsidy. Central Investment subsidy of Rs.54.91 lakhs was paid to 312 units during 1972-73 to 1983-84. There was nothing on record to show that the Industries Department had taken steps to verify whether all these 312 units which had received the subsidy continued to function for not less than 5 years after receipt of the subsidy, as was required to be done.

(ii) No watch was kept by the DICs over flow of funds from financial institutions (Banks) to approved projects of SSI units. Against 1,001 approved projects relating to 1983-87 involving Rs.113.82 lakhs, the banks disbursed Rs.65.43 lakhs in 542 cases only. The reasons for non-release of bank loan of Rs.48.39 lakhs in respect of 459 approved projects were not ascertained by the Department. Records relating to seed-money deposited with banks and undisbursed balances lying with the banks could not be furnished by the Department.

(iii) Government of India prescribed (July 1979) that each DIC was to generate employment for 2500 persons per annum. Accordingly, the three DICs were to generate employment for 67,500 persons during 1980-81 to 1988-89. The reported employment, however, was only of 9890 persons (West District : 7,800 ; North District : 1300 ; South District : 790).

3.5.9 Loan assistance to entrepreneurs

Government paid loans aggregating Rs.133.20 lakhs under various Concessional Finance Schemes since 1964-65 by way of assistance to small units and

entrepreneurs. A sum of Rs.132.52 lakhs was outstanding in December 1988, as detailed below:-

Name of loan scheme	No. of units	Last year of disbursement of loan	Principal amount of loan	Over due amount as on December 1988	Principal Interest	No. of Total
(In lakhs of rupees)						
1. State Industries	961	1984-85	42.54	20.63	21.25	41.88
2. Rural Industries Programme and District Industries Programme	371	1980-81	22.25	16.67	8.27	24.94
3. Rehabilitation loan scheme	296	1964-65	32.14	28.01	32.29	60.30
4. Technical entrepreneurs loan scheme	4	1973-74	00.38	00.37	00.40	00.77
5. Margin Money loan scheme	40	1987-88	9.94	2.35	00.96	3.31
6. Interest free loan for development of small scale industries	37	1987-88	25.95	1.32	--	1.32

Government stated in February 1990 that 672 certificate cases were instituted against the defaulting units. Actual outcome has not, however, been stated.

The loan schemes shown at serial number 1,2,3,4, of the table were discontinued from 1985-86, 1981-82, 1965-66, 1974-75 respectively. Reasons for their discontinuance have not been stated (April 1989). Non-realisation of interest free loan of Rs.1.32 lakhs from 12 loanees due since 1985-86 amounted to undue financial aid to entrepreneurs. Interest of Rs.0.97 lakh due from a unit was written off in 1987-88 without recording reasons therefor.

3.5.10 Industrial Estates

There are five Industrial Estates, one each at Arundhutinagar, Badarghat, Dhajanagar, Kumarghat and Dharmanagar. The Department spent Rs.144.33 lakhs to end of 1987-88 for construction of sheds, etc., in

these estates. Test-check of records of the Industrial Estate at Agartala (Arundhutinagar) revealed the following :-

(i) Out of the 26 sheds in the Estate, 12 were rented to entrepreneurs (10 to private parties, one to a Government company, and one to a Board), against whom arrears of rent amounting to Rs.1.73 lakhs from April 1961 to February 1989 were outstanding (May 1989). The Department did not take any action for realisation of the rent. The remaining 14 sheds were used by the Department for its various trade/service units like tannery, carpentry, vehicle repairing, etc. Government stated (February 1990) that notices had been given to the defaulters for payment of the dues; a certificate case was instituted against one party.

(ii) Annual Receipt and Payment Accounts of the departmental trading units/service units have not been prepared by the Department for 1980-81 onwards. Thus, the financial results of these units remained unassessed (April 1989). However, from the available records it was found that four departmental trade units sustained loss of Rs.36.72 lakhs (Carpentry : Rs.16.56 lakhs; Hand-made paper : Rs.6.45 lakhs; Agro-service : Rs.2.52 lakhs; Sheet-metal/Blacksmithy: Rs.11.19 lakhs) during 1980-81 to 1988-89 (upto February 1989). The main reason for the loss was non-receipt of adequate supply orders and consequent low production, resulting in wages being paid to idle workers and supervisors during the period April 1980 to February 1989.

Government stated in February 1990 that action would be taken to enforce work norms to recoup establishment expenses to the maximum extent possible.

(iii) Scrutiny of records of the motor vehicles repairing unit run by Industries Department revealed that Rs.7.01 lakhs were received as service charges for repairing 656 Government vehicles during April 1980 to February 1989, while an expenditure of Rs.24.10 lakhs on wages, raw materials and overhead charges was incurred, resulting in a loss of Rs.17.09 lakhs. The unit had to pay idle wages for 21 months during 1986-87

to 1988-89 since there was no work. While the unit repaired on an average 124 vehicles per year during the 3 years ending 1983-84, it repaired 42 vehicles per year during the 5 years ending 1988-89, and in the last year 16 vehicles only were repaired. In view of the existence of well-established mechanical workshop PWD sub-division under at Agartala, the setting up of another similar servicing unit in this Industrial Estate was not justified.

3.5.11 Subsidies - Central Investment Subsidy Scheme

Against the sanctioned amount of CIS of Rs.150.41 lakhs in favour of 421 units, subsidy of Rs.137.22 lakhs was released to 378 units during 1980-81 to 1987-88. The CIS of Rs.31.29 lakhs relating to the period from 1980-81 to 1983-84 was reimbursed by the centre to the end of April 1989. Reimbursement of Rs.105.93 lakhs relating to the period from 1984-85 to 1987-88 claims for which were preferred as shown below, is still awaited (February 1990):-

Test-check of records relating to CIS disclosed the following :-

For the year	Amount (Rupees in lakhs)	Preferred in
1984-85	15.92	January 1989
1985-86 to 1987-88	90.01	December 1988

(i) Under hire-purchase terms, subsidy should not be released to the entrepreneurs till they themselves pay for the cost of machinery. Subsidy of Rs.1.06 lakhs was paid to an industrial unit in 1986-87 though there was nothing on record to show that full cost of the machinery had been paid to the Tea Board (supplier). Government stated in February 1990 that the matter was being taken up with the Tea Board.

(ii) Two small scale service establishment units (a heart centre and a polyclinic- cum-nursing home) were

paid subsidy of Rs.0.57 lakh in April - May 1988, though no doctors were formally attached to these units. Government stated (February 1990) that action to get refund of the amount from the unit was being taken.

(iii) The scheme provides that in no case subsidy exceeding Rs.15,000 should be paid without receipt of the annual statement of accounts duly certified by a Chartered Accountant. Subsidy of Rs.6.16 lakhs was, however, paid to 6 tea industrial units during 1981-82 to 1987-88 despite non-fulfilment of this condition.

(iv) Subsidy was not to be paid to units having capital investment of more than Rs.1 crore, without the approval of Government of India. The Tripura Jute Mills Limited (TJML) was paid subsidy of Rs.25 lakhs during 1977-78 to 1985-86 despite its capital investment of Rs.3.90 crores in plant and machinery alone (December 1983) without obtaining the approval of Government of India. This included subsidy on inadmissible items of expenditure of Rs.0.38 lakh.

(v) Subsidy amounting to Rs.46.05 lakhs were released to 3 Government Companies (THHDC, TJML, TSIC) from 1981-82 to 1987-88 though Government undertakings were debarred from receipt of such subsidy. Further, the scheme provides that subsidy is to be released only after commencement of production. The THHDC was paid Rs.19.21 lakhs in 1987-88 even though the related dye-house was commissioned only in April 1989. This included Rs.2 lakhs on plant and machinery (cost: Rs.8.01 lakhs) which were not even supplied to the company upto 1987-88. The State Government sought to justify the payments (February 1990) by stating that Government of India had reimbursed the subsidy paid to these Government undertakings along with the subsidy relating to other cases.

(vi) The units receiving subsidy under the scheme are required to submit their annual progress reports to the State Government for a period of five years, and Government in turn are to forward a consolidated statement of such reports to Government of India at the end of each financial year. The subsidy is also to be

utilised by the beneficiaries within two months from the date of receipt of the last instalment, and a certificate to this effect is to be furnished by the units to the State Government. No progress reports have been furnished by the assisted units under the scheme; nor have any consolidated statement of progress reports been submitted by the State Government to Government of India. The Industrial Department has, thus, failed to ascertain whether any sick and dormant units have been receiving subsidy under the CIS scheme.

3.5.12 Central Transport Subsidy Scheme

Under the Central Transport Subsidy Scheme (CTSS) introduced in 1971, subsidy was admissible at 50 per cent (raised to 90 per cent in September 1986) of expenditure incurred by small scale industries for transport of raw materials from Siliguri to any place in Tripura. The subsidy was admissible on raw materials actually consumed in the finished products. Though during the period from 1984-85 to 1988-89 Government incurred an expenditure of Rs.56.86 lakhs for payment to 78 units, claim for reimbursement was preferred only between December 1988 and November 1989. Government stated in February 1990 that a total sum of Rs.41.02 lakhs had been received from Government of India during the years 1983-84 to 1987-88 against a total sum of Rs.72.84 lakhs paid till the end of 1988-89.

Test-check of records of CTSS in the Directorate of Industries revealed that Rs.38.32 lakhs were paid to a Government company (Tripura Jute Mills Limited) from 1982-83 to 1988-89 for transportation of raw materials/finished products, though Government undertakings were debarred from receipt of CTS under the scheme. Subsidy of Rs.0.72 lakhs was paid to 10 industrial units from 1985-86 and 1987-88 (5 units in each year; Rs.0.38 lakh in 1985-86 and Rs.0.34 lakh in 1987-88) on unconsumed raw materials, though the scheme provided for subsidy only on quantity of raw materials actually consumed in the production process. Consumption of raw materials was not checked by the

Department with reference to the norms prescribed for production.

3.5.13 Monitoring and evaluation

Flow of data to the monitoring cell from the DICs, Financial Institutions, etc., was irregular and compilation thereof was not systematic and authentic. No action against the units for their failure to furnish the periodical returns was taken.

No evaluation of various schemes was made either at the Directorate level or at the District level by the DICs.

REVENUE DEPARTMENT

3.6 Irregular sanction of land and grants

A scheme for payment of grants-in-aid for settlement of landless agricultural and non-agricultural workers belonging to Scheduled Castes was introduced in August 1985. The scheme envisaged the release of a grant of Rs.4500 to each beneficiary, who was allotted land measuring between 0.20 acre and 2 acres subject to the condition that a prior survey be conducted to ascertain the economic status and identification of trade of the beneficiary. Any violation of the above conditions would cause the beneficiary to repay the whole amount of grant received with six per cent interest and the title to the plot of land would revert to Government.

A test-check (April - May 1988) of the records of the Sub-Divisional Officer, Sabroom, revealed that Rs.4.28 lakhs had been paid between September 1986 and March 1988 to 95 beneficiaries. Of these, 33 who were allotted land (which actually exceeded the prescribed ceiling of 2 acres) were paid grants of Rs.1.49 lakhs without conducting prior economic survey and identification of their trade. The irregularity was pointed out to Government in August 1988. But neither

the land (94.41 acres) had been resumed by Government nor the grants (Rs.1.49 lakhs) along with the interest (Rs.0.22 lakh) accrued upto August 1989 had been recovered (September 1989).

The matter was reported to Government in October 1989. Reply had not been received (June 1992).

RELIEF AND REHABILITATION DEPARTMENT

3.7 Ambiguous supply orders

Government decided in June 1986 to substitute mustard oil, to be issued to the refugees from Bangladesh staying in 4 camps in Amarpur Sub-Division by a cheaper variety of edible oil viz., rapeseed oil. But the Sub-Divisional Officer, Amarpur while issuing supply order to a co-operative federation continued to mention 'edible oil' or 'mustard oil/rapeseed oil' instead of specifically mentioning rapeseed oil. As a result, the federation supplied 35750 kg mustard oil between July 1986 and August 1987. Owing to the ambiguity in the supply order, the Department had to incur an extra expenditure of Rs.4.36 lakhs, the average price of mustard and rapeseed oil being Rs.25 and Rs.12.80 per kg respectively.

The matter was reported to Government in April 1988. They stated in January 1990 that rapeseed oil was not available in the local market during the relevant periods. On a further examination of records of the Food and Civil Supplies Department, however, it was noticed that the very co-operative federation which was the commission agent for the oil supply to the refugee camps was also the lifting Agent for rapeseed oil for Government of Tripura. The federation had lifted only 940 tonnes of rapeseed oil during the period against a quota of 2500 tonnes. But no action was taken against the federation for short-lifting of the variety and thereby creating a shortage in the State.

RURAL DEVELOPMENT DEPARTMENT

3.8 Rural Landless Employment Guarantee Programme (RLEGP)

3.8.1 Introduction

With a view to increasing the generation of employment in rural areas particularly for the landless workers during the lean agricultural season when the jobs are scarce, Government of India (GOI) launched in August 1983 the Rural Landless Employment Guarantee Programme (RLEGP).

The main objectives of the programme were to provide employment to at least one member of every rural landless household upto 100 days in a year, and to create productive and durable assets through construction of rural link roads, field channels for irrigation, houses, schools and sanitary latrines, reclamation of waste land, augmentation of water resources and afforestation, and to improve the overall quality of life in rural areas and to bring the poor above the poverty line. The programme envisaged that the wage component should not be less than 50 per cent of the total project cost and that every labourer should be given the prevailing minimum wage, payable in at least 1 kg of rice/wheat at the subsidised rate and the rest in cash.

3.8.2 Organisational set-up

The Commissioner-Cum-Secretary of the Rural Development Department is responsible for the implementation of the programme. The activities of the programme had been entrusted to all the Block Development Officers, Divisional Forest Officers, Superintendents of Agriculture and Inspectors of Schools.

The abbreviations used in this review are listed in the Glossary in Appendix 10 (at page 303)

3.8.3 Audit Coverage

Implementation of the programme from its inception in 1983-84 to 1988-89 was reviewed by Audit between January and April 1989 at the State Secretariat (Rural Development Department) and in the offices of the Principal Conservator of Forests, Director of Horticulture, Director of School Education, four out of seventeen Superintendents of Agriculture, four out of seventeen Inspectors of Schools, four out of eighteen Block Development Officers and four out of twelve Divisional Forest Officers. The important points noticed during audit are given in the succeeding paragraphs.

3.8.4 Highlights

- Although the programme envisaged preparation of a shelf of projects and annual action plan by the State Government, no shelf of projects nor any annual action plan could be shown to audit.

(Paragraph 3.8.5)

- While identification of un-employed/under-employed rural landless labour was an essential part of the programme, no identification was made by the State Government till 1987-88.

(Paragraph 3.8.6.5)

- Against the receipt of Rs.194.84 lakhs from Government of India during 1985-86, the State Government had shown Rs.161 lakhs as receipt from the former in their annual return submitted to Government of India.

(Paragraph 3.8.6.1)

- An amount of Rs.1.64 lakhs was diverted from RLEGP fund for other works, which were in no way connected with the programme.

(Paragraph 3.8.6.4)

- Despite availability of foodgrains, the labourers were issued only 0.79 kg of foodgrains per head against the prescribed limit of 1 kg of foodgrains per labourer per day.

(Paragraph 3.8.7(i))

- The benefit of Central Subsidy of Rs.11.74 lakhs on account of cost of handling and transportation during 1984-85 to 1987-88 could not be availed of by the State Government.

(Paragraph 3.8.8)

- No measurement was recorded in respect of construction of school buildings relating to Inspector of Schools of West and South Districts.

(Paragraph 3.8.9)

- Although Rs.992.02 lakhs were spent during the period 1983-84 to 1988-89 for implementation of the programme, no evaluation was made to assess the impact of the programme.

(Paragraph 3.8.11)

3.8.5 Planning

The scheme envisaged that an integrated and concerted approach to the implementation of all the allied programmes like National Rural Employment Programme (NREP), Integrated Rural Development Programme (IRDP) etc., be made to maximise employment opportunities. Scrutiny of records of the Rural Development Department disclosed that no such attempt was made to co-ordinate the activities of those programmes to achieve the objective. The programme also stipulated that a shelf of projects was to be prepared by the State Government and approved by the Central Committee. On the basis of shelf of projects, the State Government would prepare an annual action plan taking into consideration the quantum of fund available. The Department could not produce to audit any records

regarding approved shelf of projects and annual action plan.

3.8.6.1 Financial outlay and physical targets

During 1983-84 to 1988-89, Government received Rs.975.38 lakhs (Rs.889.58 lakhs in cash and Rs.85.80 lakhs in kind) from Government of India. The State Government also spent Rs.30.45 lakhs during 1986-87 and 1987-88. Against the total of Rs.1005.83 lakhs, Rs.992.02 lakhs was spent during these years, leaving a balance of Rs.13.81 lakhs inclusive of value of foodgrains. The Department fixed a target of 40.95 lakh mandays of employment to be generated during the years 1983-84 to 1988-89, but a total of 46.97 lakhs mandays were generated as shown in Appendix 3. Though total expenditure was 98.63 per cent, of the total funds received as shown in Appendix 4 the achievement in generation of employment was 114.84 per cent.

Year-wise generation of employment among SC and ST is shown below :-

	S.C. (Number in lakhs)	S.T.
1983-84	0.37	0.77
1984-85	0.62	2.50
1985-86	2.96	5.95
1986-87	2.20	4.59
1987-88	2.46	4.37
1988-89	N.A.	N.A.

No separate target had been fixed for generation of employment for Scheduled Castes or Scheduled Tribes. Test-check of records of the Rural Development Department disclosed that during 1985-86, while Rs.194.84 lakhs in cash were received from Government of India and duly credited to the State Account, the State Government had shown Rs.161 lakhs as receipt from the former in their annual return submitted to

Government of India. Similarly, during 1988-89 against receipt of Rs.169.95 lakhs from Government of India, the State Government had shown Rs.165 lakhs as received in their annual return. The discrepancy of Rs.4.95 lakhs was due to adjustment of advance subsidy relating to 1987-88 against allotment of fund for 1988-89 by Government of India, which was not taken into account by the State Government.

There was a savings in all the years barring 1986-87. The savings ranged from 4 to 37 per cent. Reasons for savings have not been received.

3.8.6.2 Unfruitful expenditure

With a view to protecting 200 hectares of paddy land from flood, construction of 5 km long bund on both sides of Hinchacherra river was taken up in January 1986 under Bagafa Block. The work could not be completed (February 1989) as one of the beneficiaries did not allow construction of the bund in the portion passing over his land. As a result, even though other portions of the bund were completed at a cost of Rs.0.76 lakh generating employment for 7918 mandays in July 1986, the purpose of construction has been defeated.

3.8.6.3 Extra expenditure

Order for supply of 12.60 lakh bricks at the rate of Rs.459.80 per thousand at kiln site was placed with a Co-operative Society in December 1984 for construction of two roads with brick soling under RLEGP by the BDO, Jirania.

The supplier supplied during January to March 1985 only 5 lakh of bricks and thereafter stopped further supply. As a result, the BDO, Jirania purchased 5.30 lakh bricks from the Tripura Small Industries Corporation, Agartala during January 1986 to October 1986 at rates of Rs.583 per thousand (5 lakh bricks) and Rs.585 per thousand (0.30 lakh bricks) involving an extra expenditure of Rs.0.65 lakh.

The Department did not provide any safeguard in the supply order to protect Government's interest in case of failure of the supplier to complete the supply. The Department could only withhold the Security Deposit of Rs.0.05 lakh.

Out of 10.30 lakh of bricks purchased 9.06 lakh bricks were utilised as per measurement books leaving a balance of 1.24 lakh bricks valued at Rs.0.57 lakh unaccounted for.

3.8.6.4 Diversion of funds

The main purpose of the Social Forestry Programme under RLEGP was to improve the tree cover. Result of test check, however, showed that the Teliamura Forest Division incurred an expenditure of Rs.1.64 lakhs during 1984-85 for construction of forest roads which were in no way connected with the implementation of the programme.

(ii) The programme provided that 25 per cent of the annual allocation of the State would be earmarked for social forestry project. But the expenditure incurred by the Forest Department on social forestry ranged between 11 and 17 per cent of the total allocation of the State as indicated below :-

Year	Total fund available for the State	Expenditure incurred by forest department	Percentage of expenditure over allotment
-----	-----	-----	-----
(in lakhs of rupees)			
1984-85	131	15.17	12
1985-86	194	21.35	11
1986-87	207.68	37.34	17
1987-88	241.42	31.98	13
1988-89	179.70	29.65	16

The reasons for shortfall in expenditure on social forestry are awaited.

3.8.6.5 Non-identification of beneficiaries

Though identification of un-employed/under-employed rural landless labourers is an essential part of the programme, no survey for identification of un-employed/under-employed labourers was made by the Department till 1987-88. During 1988-89 however, a survey of rural un-employed/under-employed labour was undertaken by the Director of Panchayats.

The system of registering of workers and issuing identity cards in one Block in each State was introduced by Government of India in October 1987 as an experimental measure. In course of scrutiny of records of Jirania Block, it was noticed that identity cards were issued to the labourers, but the number of days of employment was not recorded therein. As a result, the objective of the programme to ensure employment for a minimum 100 days in a year could not be verified.

Government stated in October 1989 that the schemes had been implemented as per labour cards and no separate identification was necessary. The reply did not clarify as to how the scheme had been implemented before introduction of labour cards (October 1987).

3.8.7 Distribution of foodgrains and generation of employment

The details of allocation and utilisation of foodgrains vis-a-vis generation of employment against target during the period 1983-84 to 1988-89 are given in Appendix 3. It would appear therefrom that 6681.97 tonnes of foodgrains were lifted from Food Corporation of India (FCI) and 590.08 tonnes of foodgrains were allotted by the State Government during the period 1983-84 to 1988-89. Of this, 7244.11 tonnes of foodgrains were utilised during these years leaving a balance of 27.94 tonnes on 31st March 1989. As regards generation of employment in terms of mandays it was noticed that the percentage of achievement over targets

in generation of mandays during these years varied from 80 to 185.

(i) Though the programme envisaged issue of at least 1 kg of foodgrains per manday to the labourers, an average of 0.79 kg of foodgrains per manday was issued to the labourers during the year 1985-86, despite availability of foodgrains. The reasons for short issue of foodgrains could not be explained by the Department.

(ii) In spite of availability of foodgrains, the generation of employment fell short of target during the year 1983-84 (0.36 lakh), 1984-85 (0.39 lakh) and 1988-89 (1.33 lakhs). The reasons for shortfall have not been stated (May 1989). On the basis of 2.02 lakh of landless labourers having been identified during the year 1988-89 by the Panchayat Directorate, and 5.21 lakh mandays having been generated during the year, the employment per household of landless labourers worked out to 5.16 mandays (2 adult labourers making one household) against the programme objective for 100 days.

(iii) Test-check of records showed that during 1986-87, Rs.3.72 lakhs were paid on wages for construction of 5 village roads in cash without issue of foodgrains in contravention of the programme objectives.

(iv) The sale proceeds of empty gunny bags in which foodgrains were received for distribution had to be suitably accounted for and credited to RLEGP fund and utilised on of material components of works where necessary. Test-check of records of the implementing agencies revealed that during the period 1983-84 to 1988-89, empty gunny bags numbering 73442 valued at Rs.2.94 lakhs were not collected from the distributing agencies i.e., fair price shop dealers even though the cost of handling and transportation from the godown to the dealers shop were paid to dealers.

3.8.8 Non-utilisation of subsidy

According to the programme, Government of India was to provide advance subsidy to the State Government, limited to Rs.20 per quintal for meeting the cost of handling and transportation of foodgrains from godown to work sites (dealers' shop). The State Government was required to subsequently submit the claims for an adjustment, against the advance subsidy received, based on actual expenditure along with proof in support of actual quantity of foodgrains distributed to the labourers. The un-utilised portion of the advance subsidy was to be deducted from the subsequent year's allotment.

Test-check of sanctions for allotment of funds issued by Government of India disclosed that Rs.11.74 lakhs were advanced by the Central Government to the State Government between 1984-85 and 1987-88 for meeting the cost of handling and transportation of foodgrains. But the State Government did not prefer any claim on this account, as a result of which, the amount was deducted by the Central Government from the allotted amount of subsequent years. Failure on the part of State Government to prefer claims of the subsidy resulted in short receipt of fund to the tune of Rs.11.74 lakhs which could have been utilised for creation of more employment potential.

3.8.9 Assets created

Though the implementing agencies were required to keep complete inventory of the assets created under RLEGP, test-check of records of the Director of School Education showed that out of 159 school buildings targeted for completion during the period 1985-86 to 1988-89, 61 buildings were yet (May 1989) to be completed. The delay in construction ranged between 1 year (54 cases) to 4 years (3 cases).

From the records of 2 Inspectors of Schools under the West and South districts it was noticed that no measurement was recorded in support of construction of school buildings. As a result, it was not possible to

verify whether the works were actually completed as per specifications provided in the sanctioned estimate.

3.8.10 Other topics of interest

It was noticed from the quarterly progress report ending March 1986 of the Jirania Agricultural Sub-Division that an un-utilised cash balance of Rs.1.66 lakhs was carried over to the next year 1986-87.

But the opening balance in the quarterly progress report ending June 1986 reflected a sum of Rs.1.35 lakhs only. The discrepancy of Rs.0.31 lakh had not been reconciled (May 1989).

3.8.11 Monitoring and evaluation

According to the programme, monitoring cells both at the District and State levels were to be constituted. While a State level monitoring cell is functioning, there is no monitoring cell at district level. Although State Level Committee was to meet once in three months to make a detailed review of the progress in implementation of the programme, there was no evidence on record to show that the committee had reviewed the progress of implementation.

Although the programme was being implemented in the State since 1983-84, no evaluation of the impact of the programme was carried out by the State Government.

3.8.12 The matter was reported to Government in August 1989; their reply had not been received (June 1992).

SCIENCE, TECHNOLOGY AND ENVIRONMENT DEPARTMENT

3.9 Non-conventional Energy Sources Programme

3.9.1 Introduction

The Non-Conventional Energy Sources Programme (NESP) taken up in the State in 1981-82, is financed from three sources viz. North Eastern Council (NEC), the Central Government and the State Government.

The main objective of the programme is to meet the low energy requirement in the rural house-hold sector and the agro-industrial sector by adopting decentralised means of energy generation, such as obtaining electrical energy through solar photovoltaic cells (for running small power generating units, battery charges and pumps), harnessing solar energy for running water-heating plants, crop-drying and solar stills for water distillation, harnessing of wind energy through windmills for lifting water for irrigation purposes, obtaining clear smokeless biogas fuel (methane) mainly from cowdung for cooking purposes and use of fuelwood in improved chullahs with high thermal efficiency.

3.9.2 Organisational set-up

The Non-Conventional Energy Cell, set up in February 1982, was headed by a Junior Scientific Officer of the Power Department till February 1984 and thereafter by a Senior Scientific Officer till September 1985, when it was merged into the newly-created Science, Technology and Environment Department (STED). Three posts of Scientific Officers and six posts of Research Officers were created between February 1986 and December 1987 for implementation of the programme in the three districts of Tripura.

The abbreviations used in this Review are listed in the Glossary in Appendix 10 (at page 303)

3.9.3 Audit coverage

The records relating to NESP for the period from 1981-82 and 1987-88 was reviewed during December 1988 to February 1989. The main points are summarised in the succeeding paragraphs.

3.9.4 Highlights

- Funds were under-utilised and budgeting was unrealistic.

(Paragraph 3.9.5)

- Achievements were poor compared to targets.

(Paragraph 3.9.7)

- 38 technical and para-technical posts out of 57 remained vacant for over one to six years affecting adversely the implementation of the programme.

(Paragraph 3.9.7)

- Cost of installation per watt of photovoltaic devices was between Rs.188 to 154 which was 21 to 17 time higher than cost of installation of conventional power unit at Rs.9 per watt for gas-based thermal power plant at Rokhia.

(Paragraph 3.9.8)

- Unit cost of energy generated was even higher between Rs.21.10 to Rs.67.73. It was 30 to 103 times higher than that of conventional power units which was between Re.0.66 and Re.0.71 only.

(Paragraph 3.9.9)

- Ninety out of the 102 photovoltaic units set up at a cost of Rs.52.02 lakhs did not satisfy the condition regarding site location. There was infructuous expenditure of Rs.18.01 lakhs on 36

photovoltaic units located within the vicinity of the conventional power grid.

(Paragraph 3.9.10)

- Energy supplied to each of the 14 villages being extremely inadequate, the programme failed to meet the basic energy requirements of the villagers.

(Paragraph 3.9.12)

- Due to defective designs, two solar water heating plants costing Rs.3.33 lakhs, failed to raise the temperature of water to the level required for a silk reeling unit and a dairy.

(Paragraph 3.9.14)

- Four windmills having no technical viability were set up at a cost of Rs.1.34 lakhs.

(Paragraph 3.9.15)

- Unit cost of improved chullahs varied from Rs.90 to Rs.2,000 as against the maximum unit cost of Rs.49 to Rs.85.50 fixed by Government of India resulting in excess expenditure of Rs.0.88 lakh. The thermal efficiency achieved also did not exceed 1.8 per cent against the targeted minimum of 20 to 25 per cent. The programme failed to generate employment opportunities as there was a high rate of dropouts (78 per cent) among women employed in manufacture of improved chullahs, which was on account of insignificant per capita income of Rs.75 per annum which they derived from the job.

(Paragraph 3.9.16)

- A battery-operated vehicle procured at a cost of Rs.3 lakhs, went out of order after running for 103 days even after repairs costing Rs.0.50 lakh, it again went out of order within a month.

(Paragraph 3.9.17(1))

- There was infructuous expenditure of Rs.0.69 lakh on a solar crop-dryer which was abandoned within a year as the quality of husking of crops dried in the device was not found satisfactory.

(Paragraphs 3.9.17(5))

3.9.5 Resource allocation and expenditure

The yearwise resource allocation and expenditure during 1981-82 to 1987-88 are given below:-

Year	State Government	North Eastern Council	Central Govern- ment	Total	Expenditure
		(in lakhs of rupees)			
1981-82	Nil	3.02	Nil	3.02	0.71
1982-83	Nil	2.08	6.00	8.08	6.00
1983-84	2.71	Nil	Nil	2.71	4.78
1984-85	3.43	4.65	2.56	10.64	11.83
1985-86	30.24	2.03	4.00	36.27	25.40
1986-87	40.00	4.18	7.19	51.37	12.54
1987-88	40.00	3.77	3.00	46.77	26.07
	116.38(A)	19.73	22.75	158.86	87.33(B)

(A) Includes allotment of Rs.0.88 lakh pertaining to other Departments.

(B) Excludes Rs.27.53 lakhs paid by the Department of Non-conventional Energy Sources (DNES) direct to the manufacturers of photovoltaic cells and pumps as subsidy during 1982-83 to 1987-88.

The schemewise reasons for savings are awaited from the Department (January 1990). While overall under-utilisation of funds during 1981-82 to 1987-88 was about 45 per cent, it was about 75 per cent in 1986-87. The savings were mainly due to un-realistic budgeting and partly due to part/non-implementation of different schemes.

3.9.6 Target and achievement

Upto 1984-85, no targets were fixed. The achievements in respect of the major components of the programme vis-a-vis the targets fixed for the years 1985-86 to 1987-88 were as follows:-

Items	Target and achievement during 1985-86 to 1987-88		
	Target	Achievement	Percentage of achievement
-----	-----	-----	-----
	(in numbers)	(in numbers)	
Photovoltaic Power generating units			
(1) Community	24	0	42
(2) Domestic Institutional	Nil	2	--
Solar pumping units	70	46	66
Solar hot water plants	9	11	11
Biogas plants	43	5	24
Windmills	17	4	24

According to the Department (December 1988), the poor achievement was due to continued non-filling up of technical and para-technical posts which were vitally important for programme implementation.

3.9.7 Non-filling up of posts

Out of 57 technical and para-technical posts created under the programme between February 1982 and December 1987 only 19 Posts were filled up till April 1989. No decision had been taken by Government as of April 1989 for filling up the remaining 38 posts which remained vacant for periods ranging from one year to six years. The reasons for delay in taking decision in regard to filling up of vacant posts had not been intimated (January 1990).

3.9.8 High capital cost in installation of photovoltaic units

In view of rapid depletion of conventional energy sources, there was urgent need to develop technology for utilising nonconventional energy sources through laboratory research and limited pilot projects, keeping in view the cost benefit-ratio from both commercial as well as social objectives. The capital cost involved in solar photovoltaic technology was found to be abnormally higher than that of conventional technology, some of the instances are given below:

(i) Photovoltaic power generating units

The Department installed 29 photovoltaic power generating units for lighting purpose (community units: 14, institutional: 12 and domestic: 3) with a combined peak capacity of 14 KW during 1983-84 to 1987-88 at a total cost of Rs.26.38 lakhs. The average cost of installation per peak watt during the period worked out to Rs.188.

(ii) Solar pumping units

During 1982-83 to 1987-88, 61 solar pumping units (total cost : Rs.34.48 lakhs) with a peak capacity of 22 KW were installed for micro-irrigation purpose. The cost of installation per peak watt worked out to Rs.157 for these units.

(iii) Photovoltaic battery chargers

Twelve battery chargers costing Rs.1.00 lakh with a peak capacity of 0.65 KW were installed during 1982-83 to 1987-88 to facilitate charging of batteries used in wireless communication by the Police in remote areas. The cost of installation per peak watt in respect of a batter charger worked out to Rs.154.

Thus, the installation cost involved per watt in respect of three aforesaid devices varied between Rs.188 and Rs.154. The expectation of Government of India to bring down the installation cost to Rs.30 per

watt of non-conventional energy devices through technology development of research by 1984 did not materialise even by 1989. The installation cost for an ongoing project in the conventional energy sector viz., the gas based thermal power plant at Rokhia, was only Rs.9 per watt. The installation cost of non-conventional energy devices was abnormally higher than the conventional energy devices of identical capacity. Installation of large number of such units by STED from the point of social welfare proved prohibitive and economically unsound.

3.9.9 High unit cost of energy generation in the photo-voltaic system

While the cost of installation per watt of photovoltaic devices was as high as 17 to 21 times, the unit cost of energy generated by them was still higher.

The following table shows the comparative cost of per unit energy generation by various non-conventional and conventional means:

Name of Photovoltaic device	Unit cost of generation (Kwh) (in rupees)	As multiple of cost (per Kwh) of conventional source		
		Hydro electric plant (unit cost Re.0.66)	Gas thermal plant (unit cost Re.0.71)	Diesel generator (unit cost Rs.5.82)
1. Power generating unit				
(1) Community	46.64	71	66	8
(2) Domestic/institutional	29.96	45	42	5
2. Pumping unit				
(i) Single cropping	67.73	103	95	12
(ii) Double cropping	33.67	51	47	6
(iii) Triple cropping	22.51	34	32	4
3. Battery charger	21.10	32	30	4

It will be seen that the unit cost of generation of electrical power from solar energy was higher by four times to twelve times than the highest unit cost of generation through diesel generator, under the conventional method. The excess expenditure represented the massive subsidisation cost.

One of the main reasons for high unit cost of energy generation was the low efficiency of the photovoltaic installations. Test check of data relating to a community photovoltaic power generating unit at Janmejoynagar revealed that the maximum daily energy output was only 1.68 KWh against the total solar radiation of 39.44 KWh per day (at the rate of 5.8 KWh per sqm) over an area of 6.8 sq metres covered by the photovoltaic cells, the percentage of efficiency of the installation being only 4 against the norm of 11. Another reason for the high cost was the comparatively shorter duration of 1785 hours (59 per cent) of the annual sunshine in this region compared to 3,000 hours in other States such as Rajasthan, Gujarat etc.

3.9.10 Arbitrary location of photovoltaic units

One of the precondition for installation of a solar photovoltaic system was that it should be located 8 to 10 kilometres away from the conventional power grid, and mainly in thinly populated tribal areas not having power facilities, and in consideration of the disproportionate cost-benefit-ratio in extending the conventional power grid to cover localities 8 to 10 kilometres away.

It was, however, noticed that 90 photovoltaic units (out of 102) were installed at an expenditure of Rs.52.02 lakhs either within the immediate reach of the conventional power grid as detailed below :-

Type of Photovoltaic unit	Location in distance from conventional power grid			
	Within immediate reach(cost)	Within 1/2 to 2 Km (cost)	Within 3 to 8 Km (cost)	Total No. (cost)
Power generating units	10	--	9	19
Solar pumping units	16	44	--	60
Battery chargers	10	--	1	11
	-----	-----	-----	-----
	36	44	10	90
	(18.01 lakhs)	24.82 lakhs	(9.12 lakhs)	(52.02 lakhs)

Of these, 3 power generation units (2 domestic, 1 institutional cost Rs.1.55 lakhs) were located in Agartala itself, merely as a stand by energy source.

No justification was available on record for installation of such unit within the reachable distance of conventional power grid. The Department could not also explain as to why such costly stand by source (unit cost of generation being Rs.30) was installed in urban area where less expensive standby energy sources like diesel generator or inverter-cum-storage system (unit cost of energy generation: Rs.5 to Rs.6) could have been adopted. Thus installation of 90 solar photovoltaic units at a cost of Rs.52.02 lakhs was done not only violating the objects of the programme but also resulting in non-provision of energy to needy areas. Further, as the power available in the conventional grids was adequate to meet the energy requirement of the areas within their immediate reach, expenditure of Rs.18.01 lakhs on avoidable installation of 10 power generating units, 16 solar pumping units and 10 battery chargers proved infructuous.

3.9.11 Utilisation of solar pumping units

Apart from the uneconomic cost, the expenditure of Rs.34.48 lakhs incurred on the installation of 61 solar pumping units to augment micro-irrigation potential for multiple cropping did not yield any benefit to the farmers who continued to cultivate under the old single cropping pattern and could not resort to double/triple cropping otherwise possible with the help of the solar

pumping units. The benefit could not be derived due to lack of arrangement for supply of basic agricultural inputs like improved seeds, fertilizers, pesticides, etc., to the farmers by the Agriculture Department as it was not informed of the fact of such installation by the STED at any stage. Thus, lack of co-ordination between the STED and the Agriculture Department stood in the way of proper utilisation of the costly pumping units.

3.9.12 Poor benefit from the power generating units

Under the scheme for providing electrical energy to the rural communities, a combined potential equivalent to 99 lighting points (each capable of burning a 40 watt bulb for 4 hours daily for 255 days in a year) was created during 1981-82 to 1987-88 through 14 photovoltaic power generating units at a cost of Rs.13.64 lakhs in 14 villages inhabited by 2,000 families. Of the 14 villages, only 2 actually satisfied the locational condition of being away from the power grid at a minimum distance of 8 km. The Department installed 37 points to serve 355 families in 2 villages and 62 points to serve 1645 families in 12 villages. The potential was created in such a scattered manner and it was so negligible with reference to the requirement of any individual village that none of the villages could be ultimately declared as electrified. According to the Department (March 1986) a village could not be declared as electrified if it had no provision for electrical energy for domestic, commercial, agricultural and industrial use, keeping to the objective of the programme.

Thus, the benefit created at a cost of Rs.13.64 lakhs, went by and large to the non-target villages (12 out of 14 villages selected), and was too meagre to meet the energy requirement of any single village, as effectively as envisaged in the programme.

3.9.13 Cost effectiveness of photovoltaic systems

Although the photovoltaic power generating units, pumping units and battery chargers were uneconomical

from the very beginning, the Department did not make any appraisal or detailed cost analysis in this regard. The Chief Engineer (Electrical) did not also send any report on the comparative cost analysis of the photovoltaic systems, though in a high level meeting (August 1984) between the representatives of the DNES (Ministry of Energy) and Government of Tripura it was decided that such a report should be prepared and sent.

3.9.14 **Infructuous expenditure on hot water plants**

(a) Under Solar Thermal Programme, one 1000-litre hot water plant, procured from a Baroda based firm was installed (October 1984) departmentally at a cost of Rs.1.27 lakhs in a silk unit (Badarghat) run by the Industries Department to cater to the daily needs of 250 litres of boiling water besides 750 litres of ordinary hot water. The plant, however, failed to raise the water to the boiling point. The Department stated that the installed plant was not designed with 'tracking system' to adjust its glass plates according to the position of the sun. The design was, therefore, not suitable to maximise absorption of solar heat to raise the water to boiling point. As a result, the silk reeling unit, instead of depending absolutely on solar energy had to depend on the conventional electrical heating system. Thus, despite capital expenditure of Rs.1.27 lakhs on the plant besides its annual maintenance cost of Rs.0.12 lakh, the STED failed to provide full benefit through the solar energy device to the silk reeling unit.

(b) Another solar hot water plant was installed (April 1987) at a cost of Rs.2.06 lakhs in Agartala Dairy run by the Tripura Milk Co-operative Union. The plant was designed to supply 2,000 litres of water at 70 centigrade to the Dairy during the sunshine period daily while the Dairy required water at boiling point to clean the milk containers and make them germ-free. As the plant was not capable of raising the temperature of water to boiling point, the Dairy did not utilise it at all (January 1989). Test check of records also revealed that the boiler was operated for 8 hours and

coal was consumed at the previous rate of 360 to 370 kgs daily throughout 1987-88 even after installation of the plant, there being no reduction in coal consumption. Thus the entire expenditure of Rs.2.06 lakhs on the plant became unproductive. Although the Department stated in January 1989 that action was being taken to make arrangement for channelising partly heated water from the plant to the boiler so that it might be heated to the boiling point, no follow-up action has yet been reported by it (June 1992).

3.9.15 Installation of windmill without techno-economic viability

Techno-economical viability of a windmill depends on availability of winds at a speed of more than 8 km per hour during at least 60 per cent of the time throughout the year. It is, therefore, imperative to conduct a study of wind speed before installation of windmills. The Department did not conduct such study due to non-filling up of two posts of observer/recorder though study instruments worth Rs.1.00 lakh purchased in 1983-84 were lying idle. The Department, however, installed during 1985-86 to 1987-88 four windmills, all located within 10 kilometers of Agartala at a cost of Rs.1.34 lakhs (including the cost of one additional windmill cannibalised for servicing others) for drawing water from ringwells for irrigation. The wind speed data collected by the Meteorological Department during 1958 to 1967 showed that the wind speed more than 8 km per hour (ranging from 9 km to 10.3 km) was available in and around Agartala only for 4 months (April to July) being 33 per cent of the time throughout the year. But the STED did not maintain log books even to indicate extent of utilisation of windmills for irrigation purpose during April to July. Thus, besides there being no record to show that even the limited available potential was exploited, the windmills had no techno-economic viability making Rs.1.34 lakhs spent on this installation unremunerative.

3.9.16 National programme on improved Chullah

The programme was centrally sponsored by the DNES. Its main objective was to construct thermally efficient improved chullahs by creating a trained work-force of women and thereby generate employment opportunity for women in rural areas and optimise the use of fuelwood. Test check of records relating to implementation of the programme by the Department from 1983-84 onwards showed that only 10 training courses (33 per cent) for women were arranged against the target of 30 and 2,327 (36 per cent) chullahs of improved model constructed against the target of 6,500 at a disproportionately higher cost.

(a) High unit cost of chullahs

(i) Against the maximum unit cost of Rs.49 for earthen family model and Rs.85.50 for earthen community model as fixed by the DNES, the Department incurred on an average unit cost of Rs.94 for 512 chullahs of family model and of Rs.2,000 for 15 chullahs of community model. This led to an excess expenditure of Rs.0.52 lakh upto 1987-88 over the maximum total cost allowed by the DNES. The Department stated (January 1989) that the maximum unit cost allowed by the DNES could not be adhered to as it had to purchase asbestos cement pipes to provide smoke outlets for the improved chullahs at a cost three times higher than the cost prevailing in Delhi or Calcutta. But even allowing margin for this the cost could almost be three times higher and not 23 times higher as actually worked out in case of community model.

(ii) For a portable improved chullah, the unit cost approved in November 1985 by the DNES was Rs.70, but the Department procured 1,800 such units from a local firm at the rate of Rs.90 per unit, thereby incurring excess expenditure of Rs.0.36 lakh during the period from 1985-86 to 1987-88. This also led to enhancement of the subsidised selling price to consumers from Rs.18 to Rs.38. The Department stated (January 1989) that the increase in price was due to the high cost of sheet metal in the local market. The fact, however, remained

that the Department took no action to supply the sheet metal to the local manufacturer by obtaining the same at controlled price as envisaged in the programme.

(b) Low thermal efficiency of chullahs

The improved chullah was to achieve a minimum thermal efficiency between 20 and 25 per cent as against the maximum efficiency of 10 per cent found in a conventional chullah with a corresponding reduction in fuelwood by 50 per cent. A test report (February 1987) prepared by the Notified Area Authority, Udaipur, on thermal efficiency of 22 improved chullahs installed (September 1986) at Udaipur showed that there was a marginal increase in the thermal efficiency of the samples ranging from 0.6 to 1.8 per cent against the achievable increase of 10 per cent over that of a conventional chullah. The decrease in consumption of fuelwood was also found to be between 6 and 9 per cent. Thus, though Rs.2.40 lakhs were spent for introducing 2,327 improved chullahs, the rural community got very little benefit.

The Department also failed to create a single smokeless village though the target was to create 5 such villages in which each household was to be supplied with improved chullah.

(c) Training and employment generation

Under the programme, the Department conducted 10 training courses on construction in improved chullahs between 1984-85 and 1987-88 and trained 180 women at a total cost of Rs.0.80 lakh. Of the 180 trained women, only 40 remained in the job. Test check revealed that labour charges amounting to Rs.3,030 for 202 chullahs (at the rate of Rs.15 per unit) constructed during 1987-88 were paid to 40 women in the job providing a per capita annual earning of Rs.75 only. The high percentage of drop outs (78 per cent) was mainly due to meagre per capita annual income derived from the job. The programme thus failed to generate any employment for the rural womenfolk.

3.9.17 Other points of interest

(1) Under the programme for Alternative Fuel for Surface Transportation, the Department procured (June 1987) a battery-operated vehicle at a cost of Rs.3 lakhs against the advice of the DNES (April 1987). The vehicle was to run on batteries to be charged after every 80 km without using petrol or diesel. The Department did not avail itself of the facility of free practical training arranged (July 1987) by the manufacturer of the vehicle for its driver and electrician. After 2,373 km run for 103 days, the vehicle went out of order in May 1988. Due to absence of trained hand, the fault could not be rectified by the Department and the vehicle remained out of order till February 1989 when the technicians sent by the manufacturer repaired the vehicle at a cost of Rs.0.50 lakh. The vehicle, however, again went out of order in March 1989.

(2) The Department formulated a programme for setting up a biomass-based gasifier in North Tripura in 1986-87. The gasifier was to generate 5 kw of electrical energy by gasification of chopped wood consumed at the rate of 15 kg per hour. A separate energy plantation was envisaged in the programme to supply the required wood for the gasifier to avoid denudation of the existing forests. The plantation was not created (February 1989) but a gasifier procured in January 1989 at a cost of Rs.0.89 lakh was awaiting installation (March 1989). The continued delay in creation of a separate plantation resulted in the idle investment of Rs.0.89 lakh or alternatively would lead to the denudation of the existing forest to feed the gasifier.

(3) A programme for conversion of municipal waste (60 tonnes per day) of Agartala into biogas, for which Rs.0.75 lakh were allocated in the State plan during 1983-84 and 1984-85 was abandoned after spending Rs.0.42 lakh on waste collecting boxes during 1984-85. The Department could not assign any reason for abandonment of the programme.

(4) It was noticed that 20 masons were admitted into a training course on construction and maintenance of biogas plants held in February 1984 at a cost of Rs.0.17 lakh. On an average it takes one week for one trained mason to set up a biogas plant with the help of two unskilled labourers. However, only 15 biogas plants were installed by the Department during 1985-86 to 1987-88 against the target of 63. The Department stated (March 1989) that the slow progress was, *inter alia*, due to non-availability of trained masons. There was, however, nothing on record to show that the services of the masons already trained in February 1984 were being effectively utilised by the Department.

(5) A solar crop-dryer installed (September 1983) in a Government agricultural farm installed at Gokulnagar, Udaipur (September 1983) in a Government agricultural farm (Gokulnagar, Udaipur) at a cost of Rs.0.69 lakh was abandoned within a year as the quality of husking of crops after drying them in the device was not found satisfactory. The infructuous expenditure became possible due to failure of the Department to assess the suitability of the dryer.

3.9.18 The matter was reported to Government in June 1989; reply has not been received (June 1992).

DEPARTMENT OF WELFARE FOR SCHEDULED TRIBES

3.10 Development of Backward Areas - under tribal Sub-Plan

3.10.1 Introduction

For improving the quality of life of tribal communities in the State, the tribal Sub-Plan concept accepted by a Government during the Fifth Five Year Plan period (1975-1980) continues to be the main instrument for development of tribal areas. The area --

covered by the Sub-Plan in the State includes a population of about 6.66 lakhs of which, the tribal population is 4.53 lakhs (68 per cent) (1981 census) and out of the total population of 20.53 lakhs of the State, the tribal population is approximately 22 per cent.

The programme included the following activities:

- (i) Taking up of family oriented beneficiary programmes in agriculture, horticulture, animal husbandry and small industries,
- (ii) To reduce the exploitation of tribals from debt bondage and prevent alienation of their lands,
- (iii) Development of vulnerable tribal groups, *Jhumias* (shifting cultivators), displaced and migrant tribals,
- (iv) Human resources development through education and training and
- (v) Infrastructure development.

3.10.2 Organisational set up

Department of Welfare for Scheduled tribes being the nodal Department, is co-ordinating the programmes implemented by other Departments in addition to its own development programmes in the tribal Sub-Plan area. The Sub-Plan area is divided into three **Integrated Tribal Development Projects (ITDPS)**: ITDP, West Tripura (covers 6 blocks and one Sub-block ITDP, South Tripura (6 blocks) and ITDP North Tripura (5 blocks). Additional District Magistrate have been designated as Project Officers for their respective districts and District Magistrate and Collectors as Chairman or the project authority in his district. With the setting up of Tripura Tribal Areas Autonomous District Council (TTAADC) in 1982 whose territorial jurisdiction is almost identical with that of the Sub-Plan area, a substantial portion of funds are placed at the disposal of TTAADC for implementation of various development programme.

3.10.3 Audit coverage

The review covered the period from 1985-86 to 1988-89. Records maintained by the Director of Welfare for Scheduled Tribes, Director, Tripura Rehabilitation and Plantation and Primitive Group Programme (TRP and PGP), Chief Executive Officer (CEO), Autonomous District Council (ADC), Tripura, Directorate of Social Welfare and Social Education, Directorate of Employment Services and Manpower Planning, Block Development Officers (Mohanpur, Matabari, Khowai, Chawmanu and Jamphaijala), Superintendents of Agriculture (Bishalgarh, Khowai and Chawmanu) with their implementing agencies were test checked between April and July 1989.

3.10.4 Highlights

- For improving the living condition of the tribal population Tribal Sub-Plan concept was introduced in the Fifth five year plan. Government spent a total sum of Rs.18306.03 lakhs during 1985-86 to 1988-89 under different schemes on the areas of Agriculture, Horticulture, Animal Husbandry, Education, etc., under Tribal Sub-Plan. The programmes could not achieve the desired benefits to the fullest extent. The Department has not made any assessment on the impact of the programme on the living condition of the tribal population.
- Under family oriented beneficiary programme, there was an unfruitful expenditure of Rs.16.00 lakhs due to defects in implementation of five tribal Jhumia families' rehabilitation schemes in five blocks.

(Paragraph 3.10.7)

- There was no effective organisational system at the District/Block level for close monitoring and follow up action after disbursement of loan of Rs.99.24 lakhs and subsidy of Rs.44.31 lakhs on implementation of the programme(IRDP).

(Paragraph 3.10.7.1)

- There was nothing on record to indicate the actual number of persons who became literate in the Adult Education Programme covered under the tribal Sub-Plan during 1985-86 to 1988-89.

(Paragraph 3.10.8(b))

- Owing to delay in posting of Medical Officers/Pharmacists in the two health Sub-centres the socio-economic benefit under the programme could not be made available to the villagers.

(Paragraph 3.10.9(a))

- Rupees 22.87 lakhs were spent during 1985-89 towards construction of staff quarters for tribal Supervisors. No records relating to allotment of quarters were available.

(Paragraph 3.10.9(b))

- Wasteful expenditure of Rs.2.49 lakhs was incurred towards construction of mud wall houses under Border Area Development Programme.

(Paragraph 3.10.9(c))

- There was an unfruitful expenditure of Rs.5.70 lakhs due to closure of income generating activities by 38 women groups under the scheme of Development of women, children in tribal areas.

(Paragraph 3.10.10(b))

- Against the cent per cent target, only 21 per cent children were covered under immunisation programme during 1988-89 in Chawmanu ICDS project. Besides,

complete records were not maintained about ante-natal and post-natal care of expectant and nursing mothers.

(Paragraph 3.10.10(c))

- Under the primitive group programme, the doctors are required to visit the tribal villages for check up and treatment of patients at least 20 days in a month. Only 39 per cent of the required number of visits was made during 1985-89.

(Paragraph 3.10.10(d))

- The number of patients treated decreased by 55 per cent in 1988-89 over the preceding year due mainly to non-availability of doctors.

(Paragraph 3.10.10(d))

- Heavy mortality of plants taken up for plantation under primitive group programme ranged between 27 and 50 per cent. This resulted in infructuous expenditure of Rs.0.66 lakh.

(Paragraph 3.10.10(d))

- Though an expenditure of Rs.16.76 lakhs was incurred during 1985-89 on buffalo breeding farm at Duluma(ITDP South Tripura), there was no evidence of meeting the objective of supplying cross-bred calves to the beneficiaries.

(Paragraph 3.10.11)

3.10.5 Provision and expenditure

Rupees 18306.03 lakhs were spent on the tribal sub-plan during the first 4 years(1985-86 to 1988-89) of the Seventh Five Year Plan as detailed in Appendix 5.

3.10.6 Money lending and debt relief

To the end of March 1989, 55 Large-Sized Multipurpose Societies (LAMPS) were organised to function as integrated credit-cum-marketing organisations in tribal sub-plan area to provide cash credit facilities to their 1.16 lakh members.

The volume of business transacted by the LAMPS is indicated in Appendix 6 where it would be seen that total value of Jute marketed decreased from Rs.135.48 lakhs in 1985-86 to Rs.26.54 lakhs in 1987-88, production loans decreased from Rs.48.03 lakhs in 1985-86 to Rs.11.31 lakhs in 1987-88. Similarly, the consumption loans decreased from Rs.4.14 lakhs in 1985-86 to Rs.3.47 lakhs in 1987-88. Much headway could not, however, be made by these 55 LAMPS during the year 1988-89.

Reasons for decrease in production and consumption of loans were not on record.

3.10.7 Family oriented beneficiary programme

Through concept of family oriented beneficiary schemes for poverty eradication, fifty per cent of the scheduled tribe families were to be economically assisted, in order to enable them to cross the poverty line, during Seventh Five Year Plan period.

(i) To the end of Sixth Five Year Plan (1980-81 to 1984-85) 0.81 lakh tribal families were estimated to have been living below the poverty line. Of these, 0.44 lakh families were targeted to be brought above the poverty line during the Seventh Five Year Plan period (1985-86 to 1989-90). As per records of the Directorate 0.33 lakh tribal families were reported to have been brought above the poverty line during the period 1985-86 to 1987-88. The total expenditure incurred in this regard had not been compiled by the co-ordinating Department. It was, however, noticed that for rehabilitation of 100 landless tribal Jhumia families on coconut plantation, inter-cropping with banana, etc., at Rongmala under Bishalgarh Block, the

Superintendent of Agriculture incurred Rs.22.84 lakhs upto March 1989. Thirty families had left the rehabilitation centre between July 1987 and March 1988. Nine water reservoirs constructed for pisciculture at a cost of Rs.1.45 lakhs could not be used as water was not available in the reservoirs due to improper selection of site. 7,160 coconut seedlings out of 11,040 distributed among the families did not survive(cost: Rs.2.43 lakhs) and 30 dwelling houses(cost: Rs.0.60 lakh) were damaged by the inmates who left the rehabilitation centre.

(ii) With a view to rehabilitating 25 families of landless tribal Jhumias through pineapple cultivation, inter-cropping with banana at North Longthorai under Chowmanu Block, the Superintendent of Agriculture, Chowmanu incurred an expenditure of Rs.7.75 lakhs between June 1985 and March 1989. Sixty per cent of suckers/seedlings planted in the garden did not survive (cost: Rs.2.44 lakhs). All the 50 pigs supplied to the beneficiaries died (cost: Rs.0.23 lakh) and 3 cows out of 25 supplied to the beneficiaries(cost Rs.0.04 lakh) were sold by them.

(iii) For rehabilitation of 100 landless tribal Jhumia families through pisciculture at Kachigang under Matabari Block, an expenditure of Rs.14.07 lakhs was incurred for the purpose upto April 1989 by the Block Development Officer, Matabari.

It was noticed that out of the 65 reservoirs/mini barrage so far constructed at a cost of Rs.7.36 lakhs, 29 reservoirs/mini barrage valued at Rs.2.45 lakhs had dried up and could not be put to use for pisciculture. The work was taken up without obtaining feasibility report from the Fisheries Department. The expenditure of Rs.2.45 lakhs had thus become unfruitful.

(a) Out of 1,000 poultry birds, 1,000 ducks, 300 goats and 100 poultry sheds(total cost : Rs.0.87 lakh) distributed to the beneficiaries of the rehabilitation centre, 997 poultry birds, 998 ducks, 125 goats(total cost : Rs.0.41 lakh) died and 100 poultry sheds(Rs.0.20 lakh) could not be put to use. Thus, the expenditure of

Rs.0.61 lakh proved unfruitful. The reasons for high percentage of mortality of birds etc., could not be explained.

For rehabilitation of 150 landless tribal Jhumia families at Behalabari under Khowai Block, an expenditure of Rs.12.90 lakhs was incurred upto September 1988 by the BDO Khowai. Out of the selected 150 families, 74 left the rehabilitation centre for which an expenditure of Rs.1.71 lakhs had been incurred(cost of dwelling houses Rs.0.74 lakh; cost of goats supplied Rs.0.84 lakh, cost of ducks and poultry birds with ration Rs.0.13 lakh). The families deserted the colony mainly due to non-availability of basic amenities since comprehensive development of the area as envisaged in the programme was not taken up. Thus, the expenditure of Rs.1.71 lakhs became unfruitful. Further, of these 74 families, 39 families were not eligible under the programme as they were Jutdar/previous allottee/Government servants.

(b) Construction of 150 pigs houses(Rs.1.85 lakhs) proved infructuous as no pigs had been purchased and distributed to the inmates of the rehabilitation centre.

(c) During February 1984 to January 1989, Rs.30.87 lakhs were placed with the Block Development Officer(BDO), Matabari for rehabilitation of the scheme started since November 1984 and expenditure totalling Rs.28.65 lakhs was incurred upto March 1989. Out of 5101 livestock(cost Rs.3.27 lakhs) supplied to the inmates, 3431 livestock(cost Rs.2.19 lakhs, died due to epidemic diseases rendering the expenditure of Rs.2.19 lakhs infructuous.

3.10.7.1 Integrated Rural Development Programme(IRDP) in Tribal sub-plan area

The basic objective of the programme was to raise the poorest families in the rural areas above the poverty line by providing them income generating assets and access to credit and other inputs. The benefits were to flow to the families of small and marginal

farmers, agricultural and non-agricultural labourers rural artisans and craftsman, Scheduled Castes and Scheduled Tribes and others who live below the poverty line having annual family income of less than Rs.4800. A survey was to be conducted to identify the beneficiaries. The programme was implemented through District Rural Development Agencies(DRDAs). Schemes such as animal husbandry, agriculture, fisheries, rural industries etc., were taken up. Subsidy was admissible at different rates ranging from 25 to 50 per cent on the approved capital cost of a unit subject to the ceiling of Rs.5000.

In respect of Jampaijala sub block which was in the tribal sub plan area, the selection of beneficiaries was made without detailed house hold survey to ascertain the economic status of the families. The survey reports did not reflected the details of family income, preferences and aptitude of the families. No block plan was also prepared. The physical and financial achievements reported by the banks in affording credit facilities during 1986-87 to 1988-89 to the identified farmers of Jampaijala sub block area were as follows:-

Proposal sponsored by the DRDA West		Loans sanctioned and disbursed by banks		Subsidy paid by the DRDA	
Number of cases	Amount (in lakhs of rupees)	Number of cases	Amount (in lakhs of rupees)		
1466	121.08	1271	99.24	44.31	

The shortfall in sanctioning and disbursing the loans by the banks was attributed mainly to (i) improper selection of beneficiaries and allotment of schemes not economically viable, (ii) non-availability of required inputs specially animal husbandry inputs, (iii) absence of effective organisational systems in the Block level for monitoring and controlling the implementation process.

No system had been followed at the Block level to get information from the banks about the progress of loans sanctioned/disbursed. The block authority also did not ascertain the progress made by the individual beneficiaries under the programme.

One of the distinctive features of the programme was the emphasis on follow up action and monitoring the impact of the programme in terms of increase in income of the beneficiaries. In the absence of effective organisational system at the district/block level for close monitoring and follow up action after disbursement of loan/subsidy to the beneficiaries, the extent to which the income of the beneficiaries was raised to enable them to cross the poverty line as envisaged under the programme, could not be ascertained.

3.10.8 Human resources development

(a) Elementary education in the tribal sub-plan area

According to 1981 census, the literacy rate among the tribals is 23 per cent as against 42 per cent for the State as a whole. The management of the primary schools located in the sub-plan area but under the territorial jurisdiction of the Autonomous District Council(ADC) has been transferred by the State Government to ADC authority with effect from 1st April 1986.

The programme envisaged preparation of a master plan according to the norms of the Minimum Needs Programme showing the number of schools to be established, teachers to be employed, etc. No master plan was, however, prepared. To provide more educational facilities for the tribals, targets were fixed during 1988-89 for starting 64 new schools, 20 non-formal education centres at the elementary stage and to upgrade 40 Primary stage schools to middle stage, but the actual achievement was not available on record. The enrolment of children in the middle stage (classes VI to VIII) in the tribal sub-plan area for

the three years ending 1987-88 is, however, indicated below:-

Year	Total number of children in the age group of 11-14 years	Number of children enrolled	percentage of enrolment
1985-86	59940	20170	34
1986-87	60130	23170	39
1987-88	60320	30170	50

Poor enrolment of the children in the tribal sub-plan area was mainly attributed to poverty of the local people. To step up enrolment of the children specially from scheduled tribe and provide motivation for their continuance, Rs.71.15 lakhs were provided to introduce various incentive measures such as book grants, supply of dresses to SC/ST girl students, attendance scholarship to SC/ST girl students, payment of opportunity cost compensation to the economically backward guardians, etc. Against the provision of Rs.71.15 lakhs for the said objective, no details of expenditure actually incurred in respect of beneficiaries was available on record.

The programme was also to cover non-formal system of education which is designed to cater to children in the age group of 9 to 14 years, who had never been to school or who had dropped out of the formal school system. The year-wise targets and achievement from 1985-86 to 1987-88 in respect of scheme were not available on record. In 1988-89, although targets were laid down, no record of achievement was made available.

No systematic arrangement had been made by the Department to ascertain (i) whether the required inputs such as black boards, maps, charts, etc. had been provided in the elementary schools and (ii) whether all the reports/returns prescribed were being regularly sent by the implementing authorities to the State Headquarter Offices to enable them to evaluate the various programmes in the sub plan area from time to time.

(b) Adult Education in Tribal Sub-Plan area

At the end of the Sixth Five Year Plan, there were 698 social education/adult literacy centres in the tribal sub-plan area. Government proposed to start 600 new adult literacy centres during the Seventh Five Year Plan period to cover 1.28 lakh illiterates in the age group of 15 - 35 belonging to scheduled tribe communities.

According to information furnished by the Directorate of Social Welfare and Social Education, 521 adult literacy/social education centres were actually run in the 3 blocks/sub-block during the year 1988-89. The total enrolment was 7,815 against the targetted enrolment of 17,520 (44 per cent).

No record was available showing the actual number of learners declared literate against the total enrolment of 7,815.

(c) Training

The occupational classification of ST population according to the 1981 census showed that 36 per cent of the ST population is under the category of main workers and the remaining 64 per cent constituted marginal and non-workers. To ensure steady flow of skilled workers and to reduce the unemployment among the Scheduled Tribes, training in different vocational trades was essential.

There were 54 industrial training centres in the tribal sub-plan area upto 1986-87. Training is imparted in weaving, basketry, tailoring, etc. After the completion of training, the trainees are provided with financial assistance of Rs.1,000 each, as grant for self employment for purchase of raw materials, tools and implements. Besides, loan money could be taken from the Scheduled Tribe Co-operative Development Corporation Limited. 1,120 tribal trainees received training in different training centres during the first three years of the Seventh Five Year Plan. No consolidated records were available to indicate the number of trainees provided with financial assistance and loan money from the Scheduled Tribe Co-operative

Development Corporation. Government proposed to open 13 centres during 1987-88 to 1988-89, but no training centre was actually opened during the period. Besides, 20 cane-bamboo crafts training centres were also set up in the tribal sub-plan area for training the scheduled tribe persons in crafts.

There are three Industrial Training Institutes (ITIs) in the State of which one at Jatanbari is located in the tribal sub-plan. It was started during 1978-79 under special Central assistance, for training Scheduled Tribes and Scheduled Castes to enable a providing self-employment. There are 80 seats in ITI, Jatanbari with the following trades.

(i) Electrification (ii) Blacksmithy (iii) Carpentry (iv) Weaving (v) Basketry and (vi) Tailoring. During 1979-80 to 1983-84, only 131 students were trained. No information was available of the number of persons trained during 1984-85 to 1988-89. The Working Group (Decemberr 1984) on the development of Scheduled Tribes recommended a reappraisal of the craftsmen training schools and industrial training institutes in tribal areas of the present trade choices and re-orient the training schemes to suit the particular needs of the tribal population. No such study was undertaken by the Department (June 1992).

3.10:9 **Infrastructure Development**

(a) Infrastructure facilities in selected villages

The Eighth Finance Commission awarded Rs.25 lakhs for providing infrastructural facilities in 5 selected villages. Test-check of the records of 2 selected villages(Matya bari and Briddhir bazar) maintained by the District Tribal Welfare Officer, West Tripura revealed that expenditure of Rs.7.09 lakhs was incurred during 1985-86 to 1987-88(Matya bari: Rs.3 lakhs; Briddhir bazar: Rs.4.09 lakhs) for construction of two health sub-centres(Rs.1.11 lakhs), four residential quarters(Rs.2.98 lakhs), four Junior basic schools(Rs.2.76 lakhs) and excavation of one jute rotting tank(Rs.0.24 lakh).

The works were completed in 1987-88. two sub-centres(cost Rs.1.11 lakhs) and 4 residential quarters(cost Rs.2.98 lakhs) were handed over to the Chief Medical Officer, West Tripura district in April 1988. It was, however, noticed that neither Medical Officers nor Pharmacists were posted in the health sub-centres(July 1989) and benefit of infrastructural facilities could not be extended to the inhabitants.

(b) Construction of Tribal Welfare Staff Quarters

The eighth Finance Commission awarded Rs.22.88 lakhs for construction of staff quarters for the Tribal Supervisors/Extension Officers(Tribal Welfare). Accordingly during 1985-86 to 1988-89 an action plan was prepared for 44 staff quarters in the Autonomous District Council area. Rupees 22.87 lakhs were spent for construction of only 30 quarters in three districts.

No records regarding allotment of quarters to Tribal Supervisors/Extension Officers(Tribal Welfare) were available. As a result, it has not been possible to ascertain whether the quarters were allotted to the eligible beneficiaries.

(c) **Border Area Development Project (BAPD)**

The Tripura Bangladesh border areas are inhabited by traditional *Jhumias* and other tribals. A special project namely Border Development Project (BDP) for the development of inaccessible areas along the Tripura Bangladesh Border was taken up by the State Government in 1987-88 which envisaged construction of link roads, mudwall houses and drinking water facilities etc., in the tribal villages. Test-check of records maintained by the Block Development Officer (BDO), Chawmanu revealed that Rs.24.32 lakhs were spent upto 1988-89 (July 1981). The expenditure included construction of mudwall houses (Rs.5.14 lakhs), implementation of animal husbandry scheme (Rs.0.29 lakh), horticulture development programme (Rs.5.47 lakhs).

The work for construction of 221 mudwall houses at a cost of Rs.5.14 lakhs was taken up in July - August 1987. Out of 221 houses, the construction of only 102 houses with GCI sheet roofing was completed within stipulated period (March 1988). It was, however, seen from the records that the remaining 119 mudwall houses on which Rs.2.49 lakhs were incurred got damaged during the monsoon period (June - July 1988) due to non-supply of GCI sheets in time resulting in wasteful expenditure of Rs.2.49 lakhs.

During 1988-89, an expenditure of Rs.0.29 lakh was incurred on 3,000 ducklings distributed to 150 scheduled tribe families at rate of 20 per family to generate income through their rearing. It was seen from the enquiry report of Additional Director of Welfare for scheduled tribes (January 1989) that ducklings were either sold by the beneficiaries or had died. The expenditure of Rs.0.29 lakh was, therefore, unfruitful.

During 1987-88 to 1988-89, expenditure of Rs.5.47 lakhs was incurred on Agro-Forestry scheme covering 741.12 hectares but details of expenditure were not available. Moreover, no survival report of the suckers/seedlings planted was on record (July 1989).

3.10.10 Development of vulnerable tribal areas and groups

(a) During 1985-86 to 1988-89, Rs.173.98 lakhs were placed at the disposal of 10 Sub-Divisional Officers(SDOs) for implementation of settlement schemes for landless tribals/Jhumias at the rate of Rs.6,510 per beneficiary for agriculture based schemes at rate of Rs.8,000 per beneficiary on horticulture, animal husbandry, and pisciculture. According to the guidelines, funds available for implementation of schemes are required to be credited in the Bank accounts of selected beneficiaries and utilised for settlement of the families under proper supervision of the concerned authority. Total number of beneficiaries selected and details of funds credited into their Bank accounts were not made available to audit. However, during test-check of the records of two Implementing Officers(SDO Sadar and Khowai) it was noticed that during 1985-86 to 1988-89 Rs.26.47 lakhs and Rs.40.13 lakhs were credited in the bank accounts by the SDO, Sadar and SDO Khowai respectively in favour of 943 selected beneficiaries (SDO Sadar 363 ; SDO Khowai 580). But the details of the amounts utilised by the beneficiaries were not available on record (July 1989). No survey was conducted by the Implementing Officers to ascertain the extent of benefits accruing to the beneficiaries.

A spot evaluation study under the guidance of the Department of Welfare for Scheduled Tribes, Tripura conducted during 1987-88 however, revealed that a out of 410 families selected and covered under the settlement scheme, only 56 families(14 per cent) were found to have crossed the poverty line with the generation of additional income.

(b) Development of women, children in Rural Areas (DWCRA)

To improve the economic condition of the women folk in rural areas, a sub-scheme under Integrated Rural Development Programme(IRDP) named as Development of Women and Children in Rural Areas(DWCRA) was taken

up by the State Government in 1983-84 for implementation through District Rural Development Agency (DRDA), West Tripura.

Under the scheme, the beneficiaries were to be formed into groups of 15-20 women for taking up income generating activities on group basis. For this purpose, each group was to be given a one - time grant of Rs.15,000 to be used as revolving fund, for infrastructure support, etc. The scheme also envisaged provision of child care facilities while the mothers are at work. During the Seventh Plan period (1985-90), against the target of formation of 220 - 225 groups of women (4,000 women). 190 groups (consisting of 3,800 women) were formed upto 1988-89 of which 90 groups were formed prior to the plan period according to the records maintained by the DRDA, West Tripura.

During scrutiny of the records it was noticed that out of 185 groups formed upto 1985-86, 38 groups (760 women) virtually closed their income generating activities viz., weaving, tailoring, bidi making, wool knitting, etc. This resulted in unfruitful expenditure of Rs.5.70 lakhs paid as one time grant to these groups at the rate of Rs.0.15 lakh per group. Records further showed that 101 groups for which Rs.15.15 lakhs were spent as one - time grant, did not run their economic activities satisfactorily mainly because they could not acquire proper skill to produce quality goods for sale. It was seen that qualified instructors were not available for job training of the group members. According to the programme, Mohila Mandals with management potential were to be encouraged to participate in DWCRA scheme and they were to perform the role of voluntary agencies in helping in training and organising the groups. But no such action was taken. No records relating to production and sale of finished products by the target group of women (38 + 101 groups) were made available to audit (July 1989). Thus, the impact of the DWCRA scheme to improve the income earning capacity and social status of the women beneficiaries could not be verified.

Out of the remaining 46 groups, it was seen that training of 12 groups of women formed upto 1985-86 of Jampaijalla sub-block area was completed in 1988-89. It was seen from the records of the DRDA, West Tripura that Rs.0.55 lakh were spent for the purchase of looms out of the total grant of Rs.1.80 lakhs. The balance amount of Rs.1.25 lakhs were kept in the bank in joint account of group leader/Extension Officer of the block and thus no revolving fund was created. There was no record to show whether the looms had been properly utilised (July 1989). It was, also noticed that Rs.0.10 lakh were paid to 2 BDOs (Teliamura and Mohanpur) in 1983-84 to establish child care facilities. No follow-up action was available. Thus, the child care aspect of the programme was neglected.

(c) Accelerated programme for the welfare of women and children and nutrition programme in sub-plan area

The Integrated Child Development Service (ICDS) programme, a Centrally Sponsored Scheme, was first introduced in Tripura in Chawmanu Block (1975-76) for providing all supporting services like health care, education of mothers along with supplementary nutrition for the welfare of women and children. Upto 1988-89, there were 13 ICDS Projects in 13 Blocks in Tripura with the Director of Social Welfare and Social Education acting as the nodal agency. While 9 projects partially cover the tribal sub-plan area, 4 projects (Chawmanu, Dumburnagar, Kanchanpur and Jampaijalla) fully cover the sub-plan area.

It was noticed that out of 268 Anganwadi Centres in 4 projects fully covered under Tribal Sub-Plan area, 173 centres have been damaged either fully or partly to end of March 1988 (Chawmanu : 69 ; Dumburnagar : 36; Kanchanpur : 16 and Jampaijalla : 52). Since these centres are the focal points for delivery of services, the damaged centres had adversely affected the quality of service.

(i) Immunisation of children and expectant/nursing mothers is an important component of the programme.

Test-check of records maintained by the CDPO, Chawmanu (ICDS Project) revealed that in the year 1988-89, only 21 per cent of the children were covered under immunisation against the targeted 100 per cent. Reasons for the low coverage were not available (June 1989).

(ii) The scheme also provides for giving vitamin 'A' supplements twice a year to all children in the age group of 6 months to 6 years for prevention of blindness. During 1986-87 to 1988-89, only 12 per cent of children were given first and second doses respectively under Chawmanu Project.

(iii) Safe drinking water facilities were not made available in 60 out of 105 Anganwadies under ICDS, Chawmanu upto March 1989.

(iv) Complete records were not maintained in respect of ante-natal and post-natal care of expectant and nursing mothers. The child card, weight chart and immunisation card of children were also not maintained.

(d) Development of vulnerable groups

Of all the tribes in Tripura, Reang tribe with 12935 household families, has been identified as a Primitive Group. According to the project report (September 1983), 8,000 Reang families exclusively depending on shifting cultivation have been brought under this group. To ensure alround development in an integrated manner and with the objective of rehabilitating 4,500 primitive group families during 1983-84 to 1989-90, a project report was prepared by Government in September 1983. The implementation of the programme was entrusted to the Forest Department till the end of March 1986. Thereafter, a new Department, Tripura Rehabilitation in Plantation and Primitive Group Programme (TRP & PGP) created in April 1986 has been acting as nodal Department.

Against the provision of Rs.541.68 lakhs an expenditure of Rs.505.92 lakhs was incurred on Rehabilitation in Plantation and Primitive Group

Programme, for implementation of various development programmes during 1985-86 to 1988-89.

Six mobile Medical Units consisting of one Medical Officer and one Para Medical Assistant each stationed at Agartala, Udaipur, Kailashahar, Amarpur and Kanchanpur have been functioning under the control of Director, TRP & PGP.

The number of patients treated was as follows :
 1985-86 : 0.50 lakh; 1986-87 : 0.45 lakh; 1987-88 : 0.49 lakh and 1988-89 : 0.22 lakh. The number of patients under treatment in 1986-87 decreased by 10 per cent over the year (1985-86) and in 1988-89 by 55 per cent over the previous year (1987-88) reported by the mobile Medical Unit authority, due to the fact that the Medical Officer could not render necessary service, on account of shortage of vehicles.

The doctors are required to visit a tribal village for check up and treatment of patients at least 20 days in each month. It was, however, noticed that against 960 visits during 1985-86 to 1988-89, the Medical Officer(PGP), Udaipur paid only 377 visits (1985-86 : 124 days ; 1986-87 : 116 days; 1987-88 : 88 days; and 1988-89 : 49 days).

Year-wise position of expenditure on medicines purchased and establishment charges of each mobile medical unit was not compiled by the Department for 1985-86 and 1986-87. Stock Registers of medicine purchased and issued (with value accounts) were also not maintained.

According to the information furnished by the Deputy Director, Animal Husbandry (South), an expenditure of Rs.6.82 lakhs (1984-85 : Rs.0.70 lakh; 1985-86 : Rs.1.53 lakhs; 1986-87 : Rs.2.90 lakhs and ;1987-88 : Rs.1.69 lakhs) was incurred for distribution of animal husbandry inputs amongst 643 beneficiaries under Primitive Group Programme against the target of Rs.7.99 lakhs for 1,300 beneficiaries.

Out of Rs.4.59 lakhs spent during 1986-87 (Rs.2.90 lakhs) and 1987-88 (Rs.1.69 lakhs) for purchase of animal husbandry inputs, vouchers and payees' receipts for Rs.2.63 lakhs could not be produced to audit (May 1989).

During 1986-87 and 1987-88, the Tribal Rehabilitation Division, Manu incurred an expenditure of Rs.9.88 lakhs for plantation of teak, orange, banana, etc., in 1,008 hectares area of land under TRP & PGP. The mortality rate in plantation ranged between 27 to 50 per cent against the norm of 20 per cent resulting in an infructuous expenditure of Rs.0.66 lakh for plantation in 639 hectares area of land (Rs.7.10 lakhs).

Reasons for high rate of mortality in plantation was not available on record.

3.10.11 Other topics of interest

o Buffalo Breeding Farm Daluma

The buffalo breeding farm was set up in January 1979 at Daluma in ITDP South Tripura Sub-Plan area under the control of Deputy Director, Animal Husbandry, South to serve as a demonstration centre in buffalo, breeding source of supply of buffalo calves at subsidised rates to local people, produce cross-breed progeny, etc.

Year-wise accounts of income and expenditure of the firm were not maintained. Test-check of the records revealed that during 1985-86 to 1988-89, an expenditure of Rs.16.71 lakhs was incurred (1985-86: Rs.3.27 lakhs; 1986-87: Rs.3.84 lakhs; 1987-88: Rs.4.66 lakhs and 1988-89 : Rs.4.94 lakhs) and Rs.0.16 lakh was received on sale of milk during these years. While the main purpose of establishing the farm was to supply the buffalo calves to local people, there was no evidence on record whether the calves were at all supplied to them.

3.10.12 Monitoring and evaluation

Monitoring and evaluation of the programme was to be carried out by a cell under the Department of Welfare for Scheduled Tribes. There was no systematic arrangement for monitoring and evaluation of various development programmes in Sub-Plan areas to assess the extent of coverage and effectiveness of the delivery of package of services and to identify the reasons for shortfall and bottlenecks, etc. The State Planning Machinery did not prepare year-wise data relating to evaluation of all tribal developmental programmes.

Thus, for want of effective monitoring and evaluation, it was not possible to assess the impact of the programme on which Rs.18306.03 lakhs were spent during 1985-86 to 1988-89.

3.10.13 The matter was reported to Government in September 1989; their reply had not been received (June 1992).

3.11 Outstanding Audit Observations

(a) Agriculture Department

Audit observations on financial irregularities and defects in initial accounts noticed during local audit and not settled on the spot are communicated to the Department for taking prompt action to rectify the defects and omissions. Half-yearly report on audit observations outstanding for more than six months are forwarded to Government to enable them to review and monitor the furnishing of replies to the outstanding audit observations for their speedy settlement.

The number of audit observations issued upto the end of March 1989 and outstanding at the end of September 1989 and together with the corresponding number at the end of preceding two years are given below :-

As at the end of

	September 1987	September 1988	September 1989
Number of observations	587	767	628
Amount involved (in lakhs of rupees)	2130.20	2646.17	2550.97

Year-wise break up of the outstanding audit observations is given below :-

Year	Number of observations	Amount (in lakhs of rupees)
Upto		
1985-86	259	990.05
1986-87	138	665.10
1987-88	120	598.51
1988-89	111	297.31
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	628	2550.97

Of these, 508 observations involving Rs.1921.23 lakhs were outstanding for five years while 120 observations involving Rs.629.74 lakhs were outstanding for more than ten years. The Department is required to send the first reply to audit notes within 4 weeks of receipt of audit notes. Of the 628 audit observations issued upto March 1989, even first replies were not received till October 1989 in 290 cases as shown below:-

Observations pertaining to	No. of cases
1985-86	118
1986-87	58
1987-88	63
1988-89	51

Of the seven categories of audit observations mentioned below, the first three warrant immediate attention since there is likelihood of frauds or misappropriations remaining undetected.

Nature of observations	Number of observations	Amount involved (in lakhs of rupees)
(i) Detailed contingent bills for lum-sum drawals on abstract contingent bills not received	210	1631.19
(ii) Vouchers not received	35	133.41
(iii) Payees' receipts not received	5	2.40
(iv) Advances paid to Government servants not recovered	15	1.83
(v) Retention of heavy cash	57	567.53
(vi) Temporary misappropriation balances	5	0.17
(vii) Other reasons	301	214.44
	628	2550.97

Some of the important points remaining unsettled are briefly mentioned below.

(i) Financial rules require that a subordinate officer who is not authorised to draw bills on treasury may be given cash advance of suitable amount to enable him to make disbursements the adjustment of which is to be made immediately after such disbursement.

It was, however, noticed during audit of the Superintendent of Agriculture, Kailashahar in September 1988 that there was an outstanding balance of advances amounting to Rs.4.72 lakhs (relating to 1980-81 to 1985-86) against 34 officials at the end of March 1989 pending adjustment. Three of them with an outstanding balance of Rs.0.27 lakh at the end of June 1982 were given further advances of Rs.0.81 lakh between November

1982 and May 1983. Another three having an outstanding balance of Rs.0.33 lakh at the end of June 1984 were given further advance of Rs.0.66 lakh between July 1984 and March 1986 without assessing the actual requirement and ensuring the adjustment of the previous balances. Adjustments accounts for these advances have not been furnished(October 1989).

Advances paid without assessing the actual requirement as well as failure to review the outstanding balances with the departmental officers periodically led to large sums(Rs.4.72 lakhs) remaining unadjusted for period ranging between 3 years to 8 years.

Government stated in April 1990 that the concerned officers had been asked to submit adjustment within one month failing which the advances outstanding against them would be recovered.

(ii) A sum of Rs.5.78 lakhs was placed at the disposal of Superintendent of Agriculture, Gandacherra by the District Rural Development Agency(DRDA), Udaipur during 1983-84 to 1987-88 for distribution of minikit for demonstration of pulses and oil seeds, of which Rs.2.05 lakhs was spent during 1983-84 to 1987-88. The balance amount of Rs.3.73 lakhs remained unspent(October 1989) due to reluctance on the part of the cultivators to implement the scheme. This has led to locking up of funds(Rs.3.73 lakhs) for more than 5 years.

Government stated in April 1990 that the Superintendent of Agriculture had been asked to refund the amount to the DRDA. Further development has not been reported(May 1990).

(iii) Government had fixed(February 1967) 5 per cent as the permissible annual loss in storage of fertilisers. It was noticed(October 1988) that in the office of the Superintendent of Agriculture, Sonamura, the loss in storage(Rs.2.89 lakhs) during 1987-88 varied from 5 to 26 per cent. No action had been taken by the Department to investigate the reasons for the

excess loss to see if it had been occasioned by procedural failures, etc.

Government stated in April 1990 that investigation had been initiated in this case.

(b) Health and Family Welfare Department

Financial irregularities and defects noticed during local audit are included in Inspection Report and reported to the departmental officers for taking corrective measures. Settlement of 55 Inspection Report containing 253 observations involving Rs.219.52 lakhs in respect of Health and Family Welfare Department issued from 1981-82 to 1988-89 were pending as at the end of September 1989. Of these 16 Inspection Reports containing 60 observations have been outstanding for over four years. In respect of 28 Inspection Reports involving 191 observations, not even the first replies had been received (November 1989). Year-wise details are indicated below :-

Year	Number of outstanding		Number for which first replies not received	
	Inspection Reports	Observa- tions	Inspection Reports	Observation
1981-82	5	8	1	8
1982-83	7	26	2	
1983-84	2	5	2	5
1984-85	2	11	1	5
1985-86	12	53	7	41
1986-87	12	34	5	24
1987-88	7	54	4	50
1988-89	8	52	6	47
	55	253	28	191

The irregularities noticed mainly relate to non-recovery of amounts due from suppliers and Government Officials (Rs.3.64 lakhs), non-adjustment of money drawn on Abstract contingent bills(Rs.162.83 lakhs), non-production of Actual Payees' receipts(Rs.6.02 lakhs) and other reasons(Rs.49.03 lakhs).

Some of the important points remaining unsettled are mentioned below :-

(i) According to the approved terms and conditions laid down in the Notice Inviting Tenders and Supply Orders, the suppliers of medicines are entitled to reimbursement of Central Sales Tax(CST) wherever applicable over the price only, and no insurance or other charge is admissible.

During test-check(February 1988) of the records(February 1987 to January 1988) of the Director of Health Services, Agartala, it was noticed that 4 per cent surcharge in addition to 4 per cent CST was paid(March 1987) to two firms for supply of medicines resulting in excess payment of Rs.0.32 lakh. Provisions of Central Sales Tax Act do not cover such payment.

The matter was reported to Government in June 1988; their reply had not been received (November 1989).

(ii) The Superintendent of Victoria Memorial Hospital, Agartala had a Government approved rate/running contract valid upto 31st March 1988 with two drug manufacturing firms for supply of a life-saving drug(Ampicillin 250 mg) at the rate of Rs.750 per thousand capsules. The last supply from the firms was obtained in December 1987 for use in the VM Hospital where the average daily consumption was about 450 capsules.

It was noticed in audit(October 1988) that the stock register was not maintained since April 1987. As a result, the stock position was not ascertainable at any given point of time. Suddenly on 15th March 1988, the authority realised that only 800 capsules were in

stock in order to replenish the stock, the Superintendent, VM Hospital resorted to local purchase of 30,000 capsules from a local firm without call of tender at the rate of Rs.1,375 per thousand capsules. The supply orders were split up to keep the transaction within the financial power of the Superintendent. This resulted in an extra expenditure of Rs.0.22 lakh.

The matter was reported to Government in December 1989 followed by a reminder in March 1990; their reply had not been received (June 1992).

CHAPTER IV

PUBLIC WORKS DEPARTMENT

4.1 Roads and Bridges Programme

4.1.1 Introduction

The socio-economic development of a State, to a large extent, is related to the upgradation of its existing roads. According to the data compiled by the North Eastern Council (NEC) in 1980-81, in the entire North Eastern Region, the network of road per lakh population was found to be the lowest (227 km) in Tripura.

According to the latest classification introduced from 1981-82, the State had 198 km of National Highways, 136 km of State Highways, 287 km of district roads and 4,977 km of rural roads at the end of 1988-89. Of the total length of 5,598 Km, 2,093 km were carpeted, 1,720 km were either metalled or bricksolated and 1,785 km were *kachcha* roads.

The State Public Works Department is responsible for construction and maintenance of roads of the above categories, except 198 km of National Highways which were transferred to the Border Roads Organisation, in 1971.

The programme for development of State highways, district roads and rural roads aimed at linking all the administrative headquarters from the State level to the tehsil level, providing areas of production with outlets to market centres, connecting villages with each other as well as to the nearest district road or the State Highway and also filling up of all gaps catering to the administrative, social, economic and cultural needs of the State.

The abbreviations used in this Review are listed in the Glossary in Appendix 10 (at page 303)

4.1.2 Organisational set up

The Public Works Department (PWD) which is in charge of execution of both the roads and building works is headed by a Chief Engineer. For implementation of the programme, the PWD has 5 Circles (working : 4 ; planning : 1) each being looked after by a Superintending Engineer. Besides there are two cells, one for traffic engineering and one for research, development and quality promotion. Each of the Divisions and cells is functioning under an Executive Engineer.

4.1.3 Audit coverage

Records of the PWD for 1984-85 to 1988-89 in the office of the Chief Engineer, 3 Circle offices and 20 Divisions and cells located in 3 districts were test checked during May to August 1989. Results of test check are set out in the succeeding paragraphs:

4.1.4 Highlights

- Of the 66 schemes test checked, 9 schemes were still incomplete (July 1989) even after 7 to 13 years of their commencement due to delay in land acquisition proceedings although Rs.475.48 lakhs were spent against their estimated cost of Rs.287.83 lakhs.

(Paragraph 4.1.7)

- 14 schemes were completed at a cost of Rs.490.31 lakhs against their estimated cost of Rs.254.61 lakhs (cost over-run varying from 10 to 340 per cent) after 4 to 13 years of their commencement. The Department attributed the delay in completion to delay in acquisition of land, inadequate supply of raw materials and labour, contractual difficulties and inadequate flow of funds.

(Paragraph 4.1.7)

- Notwithstanding the fact that a resource crunch had affected the progress of ongoing schemes, new schemes were being taken up every year. As a result the existing ongoing schemes were getting further delayed.

(Paragraph 4.1.7)

- Percentage of establishment cost to Works expenditure in a year varied from 19 in 1986-87 to 23 in 1984-85 against the prescribed norm of 11 per cent as a result of over- staffing.

(Paragraph 4.1.8)

- The Department incurred idle establishment cost of Rs.35.64 lakhs between January 1980 and June 1992.

(Paragraph 4.1.9)

- A road from Dangabari to Bagafa was lying in a state of disuse resulting in avoidable expenditure of Rs.308.79 lakhs on transportation of food grains and other controlled commodities under Government's Public Distribution System, by a longer route.

(Paragraph 4.1.10)

- Absence of control over issue and consumption of bitumen resulted in excess consumption of bitumen worth Rs.50.15 lakhs during 1985-86 to 1988-89.

(Paragraph 4.1.11)

- There was avoidable expenditure of Rs.3.08 lakhs on the use of a costlier compound of bitumen which was meant to be used only under monsoon conditions.

(Paragraph 4.1.12)

- Construction of semi-permanent type (SPT) bridges, without obtaining the necessary hydraulic data resulted in washing away of 8 SPT bridges costing

Rs.11.52 lakhs, during floods. The cost of reconstruction of these bridges was Rs.13.70 lakhs.

(Paragraph 4.1.13)

- Rupees 7.78 lakhs in 1984-85 and Rs.13.13 lakhs in 1988-89 could have been saved by construction of RCC spun pipe culverts *ab initio* in place of 175 SPT bridges of shorter spans.

(Paragraph 4.1.14)

- Against the norm of 1,500 hours per year, average utilisation of a road roller worked out to 691 hours only per year during 1984-85 to 1988-89.

(Paragraph 4.1.15)

The Department incurred an avoidable expenditure of Rs.32.44 lakhs between 1972-73 and 1988-89 for carriage of material for an additional distance of 100 km due to bad planning.

(Paragraph 4.1.16)

- Non-utilisation of the services of gangmen on regular employment for undertaking ordinary repair works and execution of these works through contractors resulted in an avoidable expenditure of Rs.1,418.19 lakhs during 1984-85 to 1988-89.

(Paragraph 4.1.17(a))

- Soil tests were not conducted in 89 per cent of cases to determine California Bearing Ratio (CBR) before construction of roads.

(Paragraph 4.1.17(c))

- Non-ascertaining the High Flood Level during construction of roads resulted in washing away/

scouring off of 30 km of roads during floods. The Department had to spend Rs.32.40 lakhs towards repair and reconstruction of these roads.

(Paragraph 4.1.17(d))

- Due to lack of coordination between two wings of the PWD, a road from Gandacherra to Raisyabari constructed at a cost of Rs.32.38 lakhs in 1974-75 became unserviceable within one year of its completion, as portions of the road were submerged during construction of the Gumti Hydel Project reservoir dykes.

(Paragraphs 4.1.17(g))

4.1.5 Outlay and expenditure

The programme is mainly financed by the State Government. The expenditure on improvement of a number of roads with strategic importance is, however, borne by the Central Government under the Strategic Roads Programme. Besides, the North Eastern Council provides funds for construction and improvement of selected roads. Some funds are also allocated annually by the Government of India to the State Government from the Central Road Fund (CRF), to meet non-plan expenditure mainly on research and development schemes and on some specific road and bridge construction projects.

The budgeted and actual outlays under the programme during 1984-85 to 1988-89 are as under :-

Budget provision and expenditure
(in lakhs of rupees)

Year	Plan							
	State		Centrally Sponsored		NEC		Total	
	<u>Provi- sion</u>	<u>Expen- diture</u>	<u>Provi- sion</u>	<u>Expen- diture</u>	<u>Provi- sion</u>	<u>Expen- diture</u>	<u>Provi- sion</u>	<u>Expen- diture</u>
1984-85	685.00	780.83	108.25	76.87	176.79	156.03	970.04	1013.73
1985-86	953.00	1101.08	98.45	56.04	366.81	167.98	1418.26	1325.10
1986-87	1134.00	1413.43	48.00	38.82	260.00	172.32	1442.00	1624.57
1987-88	1101.00	1631.99	56.90	54.40	310.00	201.38	1467.00	1887.77
1988-89	1159.00	1749.95	66.65	67.37	214.00	159.81	1430.65	1977.13
	<u>5023.00</u>	<u>6677.28</u>	<u>378.25</u>	<u>293.50</u>	<u>1327.60</u>	<u>857.52</u>	<u>6727.95</u>	<u>7828.30</u>

during 1984-85 to 1988-89

(in lakhs of rupees)

Non-plan					
State		CRF		Total	
<u>Provi- sion</u>	<u>Expen- diture</u>	<u>Provi- sion</u>	<u>Expen- diture</u>	<u>Provi- sion</u>	<u>Expen- diture</u>
294.95	357.69	5.00	1.92	294.95	359.61
329.20	427.25	2.40	Nil	329.20	427.25
344.68	561.49	3.50	0.22	344.68	561.71
492.96	571.41	3.50	0.16	492.96	571.57
402.95	651.70	2.40	6.69	402.95	658.39
<u>1864.74</u>	<u>2569.54</u>	<u>16.80</u>	<u>8.99</u>	<u>1864.74</u>	<u>2578.53</u>

The Department could not fully utilise the funds made available to it under the Centrally Sponsored Programme (release : Rs.404.00 lakhs ; expenditure : Rs.293.50 lakhs), the NEC programme (release : Rs.1286.60 lakhs ; expenditure : Rs.857.52 lakhs) and the Central Road Fund allocation (release : Rs.10.00 lakhs ; expenditure : Rs.8.99 lakhs) during the period, the percentage of utilisation being 73, 67 and 90 respectively.

4.1.6 Targets and achievements

The physical targets, and the achievement there-against during the Sixth plan period (1980-81 to 1984-85) and year-wise from 1985-86 to 1988-89 are given below:

Period	Physical target	Total length of roads constructed (in kilometres)	Budget provision (in lakhs of rupees)	Expenditure
Sixth Plan (1980-81 to 1984-85)	900	405	4142.94	4458.74
1985-86	100	120	1418.26	1325.10
1986-87	130	130	1442.00	1624.57
1987-88	150	154	1467.00	1887.77
1988-89	120	137	1430.65	1977.13
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	1400	946	9900.85	11273.31
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While it would appear that the achievement exceeded the targets during the years 1985-86 to 1988-89, it was seen in audit that the achievements included the roads constructed under State Plan Schemes, Centrally Sponsored Programmes and North Eastern Council (NEC) Programmes and the physical targets indicated in the table related only to State Plan

Schemes. The Department did not fix targets under Centrally Sponsored and NEC Programme in any of the years. Besides, the physical targets under the State programmes did not indicate the break-up under different categories of roads, such as black-topped, water-bound macadam/soled and *kachcha*, as a result of which a proper comparison of the achievements with targets was not possible.

It was further noticed that 760 schemes were sanctioned during the years 1984-85 to 1988-89. However, a test check of 80 schemes, for which the records were made available, revealed that 14 schemes were completed at a cost of Rs.490.31 lakhs while 66 schemes remained incomplete even after Rs.1872.41 lakhs had been spent upto 1988-89.

4.1.7 Delay in execution

Of the 66 incomplete schemes, scrutiny of 29 schemes in audit, disclosed that in respect of 9 schemes, work orders were awarded to the contractors without handing over clear sites. Public resistance coupled with delay in land acquisition proceedings resulted in poor progress of works. Though Rs.475.48 lakhs had been spent against the estimated cost of Rs.287.83 lakhs, the schemes remained incomplete (July 1989) even after 7 to 13 years from the date of commencement. In the remaining 20 schemes with a total estimated cost of Rs.566.26 lakhs, although Rs.498.66 lakhs had been spent upto 1988-89 they remained incomplete (July 1989) due to various reasons such as erosion by flood (1 scheme), disturbance caused by extremists (7 schemes), contractual difficulties (1 scheme), inaccessibility of the area (2 schemes) and inadequate supply of labour and raw materials (9 schemes).

14 schemes (estimated cost of Rs.254.61 lakhs) were completed at a total cost of Rs.490.31 lakhs after 4 to 13 years from the date of their commencement. The cost over-run varied from 10 per cent to 340 per cent. Delay in completion of the schemes was attributed to delay in acquisition of land, inadequate supply of raw

materials and labour, contractual difficulties and inadequate flow of funds.

It was noticed that the Department did not make adequate provision of funds while making allocations which was essential for their timely implementation. 25 schemes, scheduled to be completed within a period of 6 months to 2 years, were sanctioned during 1986-87 at a total estimated cost of Rs.639.46 lakhs against which a meagre allocation of Rs.77.61 lakhs were provided during 1986-87 to 1988-89, forming 12 per cent of the total requirement. Again, 16 schemes were sanctioned during 1987-88 at a total cost of Rs.222.94 lakhs with a stipulation to complete them, within a period of 2 to 12 months, while funds provided for these schemes during 1987-88 and 1988-89 was only Rs.35.06 lakhs forming a meagre 15 per cent of the total requirement. Completion of 41 schemes was thus delayed. While new schemes were being taken up every year despite paucity of funds, the on-going schemes were starved of funds indicating a total lack of planning.

4.1.8 High cost of establishment

Though the departmental codes prescribe that establishment cost should not exceed 11 per cent of the total works expenditure, the percentage of establishment cost varied from 19 in 1986-87 to 23 per cent in 1984-85 as shown below:

Year	Expenditure on works	Establishment cost	Percentage of establishment cost to works expenditure
(in lakhs of rupees)			
1984-85	1865.80	426.38	23
1985-86	2277.74	475.81	21
1986-87	3020.24	574.52	19
1987-88	3401.74	673.24	20

The high cost of establishment was mainly due to the disproportionate increase in staff strength unrelated to the volume of work being undertaken.

4.1.9 **Infructuous expenditure on establishment**

(i) At the instance (June 1979) of the Government of India, the Department set up a Traffic Engineering Cell (in March 1981) for carrying out investigations into the traffic pattern and behaviour in the State to facilitate planning, programming, development and construction of roads on scientific lines. The cell had not been provided with vehicles nor were necessary instruments such as mobile weigh bridge, automatic traffic counter, noise meter made available, for traffic density studies. No personnel were sponsored for job specialisation training. As a result, against the norms of 40 traffic census reports to be prepared per annum on the basis of field investigations, only 6 such reports were prepared by the cell during its 11 years of existence upto 1991-92. As the vital instruments were not provided, these reports remained deficient also in several important aspects. Out of these 6 reports, 4 reports (along with supporting data) were damaged (in 1985-86 and 1986-87) by rain water. The remaining 2 reports, being of poor utility, were not used (June 1992). Thus, the expenditure of Rs.16.00 lakhs (upto June 1992) incurred on the establishment cost of the cell has proved infructuous.

(ii) The Government of India advised (December 1976) the Department to set up a Survey and Evaluation Division to survey, evaluate, compile and disseminate information about the availability of materials locally or in near by areas for reducing road construction costs and ensuring optimal use of natural resources of the State. Accordingly, the Division was set up in January 1980. A soil testing laboratory was also attached to the Division in January 1981. Since its creation, the Division did not conduct (June 1992) any survey and evaluation of locally available materials, for want of survey instruments and trained personnel.

The expenditure of Rs.15.09 lakhs incurred by the Department upto June 1992 on idle establishment was rendered infructuous.

As recommended by a High Level Technical Panel set up by the Planning Commission, 25 per cent of ordinary cement used in construction of bridges, culverts and in other masonry works was to be attempted to be replaced by pozzolana (a cheaper variety of cement) as this would give more satisfactory results like better workability, resistance to ingress of moisture etc., and also reduce consumption of cement, leading to overall economy in the cost of construction.

In order to utilise the existing reserve of limestone and clay in the State, the Tripura Small Industries Corporation (TSIC) had set up (1986-87) a limestone pozzolana mixture (LPM) plant at Kumarghat with a capacity of 12 tonnes per day. The Public Works Department did not explore the possibility of procurement and utilisation of the product being manufactured in the State, and a separate wing created for the purpose of taking up such a study was allowed to remain idle for the last 12 years. Replacement of ordinary cement by LPM would have resulted in a saving of Rs.192.98 lakhs during 1986-87 to 1988-89 on procurement of ordinary cement (the average requirement of which was 31,000 metric tonnes per year), as LPM being cheaper by Rs.830 per tonne on an average.

(iii) In August 1987, the Department set up a 'Research, Development and Quality Promotion' Cell under the planning Circle. The cell consisting of an Executive Engineer, one Assistant Engineer and a peon was not assigned any work as of June 1992 relating to research, development and quality promotion. The Department had incurred an expenditure of Rs.4.55 lakhs on pay and allowances of the idle staff (June 1992).

4.1.10 Road lying unused

To establish a direct communication between the North and South Districts, a road (total length: 95 km) was constructed linking Ambassa on the National

Highway No.44 to Bagafa on the State Highway (Agartala to Sabroom) in 1974-75 at a cost of Rs.131 lakhs. A stretch of the road from Dangabari to Bagafa (length: 68 km) was left incomplete. 15 km of this portion was bricksoled, 35 km metalled with a stabilising coat, 18 km were only with formation (an earth work without any surfacing) and construction of a bridge of 30 metre span on the road over Rangacherra was not taken up. The Department could not assign any reason for non-completion of this stretch and no target date for opening this stretch to through traffic had been fixed.

In August 1987, the Executive Engineer of Amarpur Division reported to the Superintending Engineer of the 3rd Circle that the road had been totally damaged and it required improvement including reconstruction of all the 14 semi-permanent bridges. No improvement work was, however, taken up till July 1989 except reconstruction of 2 SPT bridges at a cost of Rs.3.55 lakhs.

A study by audit showed that the Government could have saved Rs.308.79 lakhs on transportation of foodgrain and other controlled commodities from Dangabari to Bagafa if the 68 km stretch had been opened for through traffic by 1976-77. The savings would have been possible due to reduction of distance from Ambassa in Amarpur by 110 km.

4.1.11 **Non-repair of roads and excess consumption of bitumen**

According to the norms formulated (August 1977) by an expert committee set up by the Ministry of Surface Transport and circulated to all the State PWDs, wearing courses of roads in hilly areas like Tripura were to be renewed every six years. But the Department could not state how much of its existing road length was taken up for periodical renewal during 1984-85 to 1988-89.

It was, however, noticed that during 1985-86 to 1988-89, renewal was due on 703 km besides construction of 645 km and annual patch repairs on 1,168 km (1985-86), 1,250 km (1986-87), 1,400 km (1987-88) and 1,550 (1988-89).

According to the norms formulated by the Committee, the requirement of bitumen was 0.6 tonne per km for patch repairs and 8 tonnes per km for renewal and construction. On this basis, the requirement of bitumen during 1985-86 to 1988-89 works out to 14,004 tonnes, while the actual consumption was 15,194 tonnes. Thus, excess consumption during these years worked out to 1,190 tonnes of bitumen valued at Rs.50.15 lakhs. Absence of control over issue and consumption resulted in the excess consumption of bitumen. The working Divisions were required to maintain a register in the prescribed form for enforcing control over consumption of bitumen vis-a-vis the quantity of work done. It was seen in audit that none of the 13 Divisions were maintaining such registers (July 1989).

4.1.12 Extra avoidable expenditure

Bitumen emulsion, a costlier compound of bitumen, was to be used on damp surfaces along with wet aggregate. Use of this costlier material for repair of roads was, therefore, to be limited only during the monsoon, for economic reasons.

It was noticed that out of 134 tonnes of bitumen emulsion utilised during 1986-87 to 1988-89 by 5 working divisions, 94 tonnes were utilised either before the onset of the monsoon which is usually from June to September each year, or after the monsoon was over. This resulted in an extra expenditure of Rs.3.08 lakhs on use of bitumen emulsion instead of ordinary bitumen.

4.1.13 Construction of semi-permanent bridges without hydraulic data

Proposals for administrative approval and technical sanction regarding construction of semi-

permanent type (SPT) bridges* were to be supported by cross-sections along with the estimates of the levels of the bed, low water surface and high flood level (HFL). But such hydraulic data were neither indicated in the estimates nor collected in a systematic manner by the Divisions and the estimates were cleared without insisting on such data.

Test-check disclosed that 8 SPT bridges valued at Rs.11.52 lakhs constructed without ascertaining bed levels, low water surface, HFL etc. were washed away by floods during 1985-86 and 1988-89. The Department spent Rs.13.70 lakhs towards their reconstruction. The North East Frontier Railway reported in December 1986 that an SPT bridge constructed by the PWD over river Kakri near Dharmanagar Railway Station, not being designed on the basis of hydraulic data, was having insufficient waterway leading to damage of railway properties during floods.

4.1.14 Wasteful expenditure on semi-permanent type bridges

A scrutiny of the estimates of repair of 136 SPT bridges disclosed that these bridges required frequent repairs and periodic reconstruction, entailing substantial recurring expenditure. According to the established practice in the Public Works Department in Tripura it is seen that it is possible to construct permanent structures like RCC spun pipe culverts in place of SPT bridges where the span involved is comparatively shorter ie. upto 10.80 metres, thus avoiding the recurring expenditure on SPT bridges.

* Semi-permanent type bridges are made of wood, and are designed to carry light and medium vehicular traffic.

It was seen in audit that 175 out of 405 SPT bridges under the jurisdiction of the Santirbazar Division had spans not exceeding 10.80 metres. Had RCC Spun pipe culverts been constructed in place of SPT bridges *ab initio*, the Department could have saved recurring expenditure ranging between Rs 7.78 lakhs in 1984-85 and Rs.13.13 lakhs in 1988-89. The Department, however, did not analyse the comparative economy in construction of RCC Spun pipe culverts and SPT bridges vis-a-vis the recurring expenditure incurred on these two types of bridges in maintenance and repairs.

13 working Divisions under 4 working Circles are engaged in construction and maintenance of bridges. But only one Division (Santirbazar) could submit data regarding the actual number of SPT bridges under its control along with technical details like span etc., but no such records were maintained in the other 12 Divisions. It was also noticed that expenditure incurred on repair and reconstruction of SPT bridges was Rs.315.92 lakhs during the years 1984-85 to 1988-89.

The Superintending Engineer, Udaipur stated (July 1989) that the work of replacement of SPT bridges by RCC spun pipe culverts in a phased manner had been taken up in Udaipur Circle.

4.1.15 Under-utilisation of road rollers

Although the Department had 81 road rollers (July 1989) deployed in 13 working Divisions, no norm based on work load was followed in assessing their requirement, procurement and distribution. The Department did not conduct the requisite work load study before effecting the purchases of road rollers. As such, it was not possible to ascertain whether 81 road rollers were actually required by it. The Ministry of Surface Transport, however, directed (October 1983) all the State PWDs to adopt a norm of 1500 working hours per year per road roller in assessing the requirement of such machines and also in evaluating their performance on economic footing. Test-check of roads maintained by 8 working Divisions in respect of

13 road rollers acquired between 1975-76 and 1987-88 at a total cost of Rs.19.50 lakhs showed that the working hours per year per road roller during 1984-85 to 1988-89 were only 691 on an average. The under-utilisation was mainly due to delay in repair, shortage of drivers, and lack of planning for optimum utilisation of a road roller by minimising the idle hours.

4.1.16 **Avoidable expenditure on unnecessary carriage**

Since March 1972, construction materials like bitumen, cement, joists etc., required by the Department were being carried in trucks to its Arundhutinagar stock yard at Agartala from outside the state via Dharmanagar and Teliamura by engagement of contractors. Under this arrangement, Teliamura Division located at Teliamura was taking delivery of its construction materials from Arundhutinagar stockyard at Agartala during the last 17 years resulting in back carriage of the materials to its own stockyard (constructed in 1971 to hold stock for the Division for 2 to 3 months). The extra expenditure due to the prevailing arrangement was Rs.4.00 lakhs (at 1989-90 rates) per year towards carriage of materials for a total distance of 100 km from Teliamura to Arundhutinagar stockyard and back (50 km each way). Thus, Rs.32.44 lakhs were spent extra due to lack of proper planning of transportation and stocking of construction materials.

4.1.17 **Other topics of interest**

(a) Services of gangmen were to be utilised in ordinary repair works for roads and bridges. The Department had 1185 gangmen on the pay-roll of its regular establishment and had spent Rs.613.24 lakhs on their pay and allowances from 1984-85 to 1988-89. Test check revealed that in none of the working Divisions, the services of the gangmen were utilised and the repair works were being got done through contractors. The Department could have saved a sizeable amount of Rs.1418.19 lakhs given to the contract labour engaged in ordinary repair works had it utilised the services of the gangmen employed.

(b) A wooden bridge with 3 tonne loading capacity constructed at a cost of Rs.4.46 lakhs over river Gumti on Sonamura - Nidaya road in January 1989, and opened to traffic in February 1989, collapsed twice between February and March 1989 and Rs.0.38 lakh were spent on its repairs. The Department stated (July 1989) that the collapses were due to absence of enforcement of restriction on the laden weight of the vehicular traffic.

(c) For stabilisation of soil to the required extent and providing the optimum thickness to the pavement, it was essential to conduct the California Bearing Ratio test (CBR) of the soil, samples of which were to be taken from every half kilometre of the road length under construction. As such, between 1984-85 and 1988-89, for a total road length of 641 kilometers constructed by the Department, 1282 CBR tests were to be conducted. But the records of the soil testing laboratory of the Department showed that tests were conducted in only 142 cases (11 per cent) for determining the CBR during the period.

(d) Test-check revealed that in the North District, 30 kilometres of roads were either washed away or scoured off in 1985 (18 kilometres) and 1988 (12 kilometres) during floods. No High Flood Level (HFL) were ascertained for the affected portions of these roads before their construction. The Department spent Rs.32.40 lakhs towards repair and reconstruction of the roads which were washed away or scoured off.

(e) In 1972, the Department procured 2 machines for conducting consolidation tests in the soil testing laboratory at a cost of Rs.1.50 lakhs. But the records revealed that no consolidation tests had so far (July 1989) been conducted in the laboratory. The Department stated (July 1989) that the laboratory had no trained hands to operate the machines. Thus, the expenditure of Rs.1.50 lakhs incurred on the machines proved infructuous.

(f) Work of a double lane RCC bridge over river Muhuri on Bagafa - Belonia road (estimated cost of

Rs.19.83 lakhs) was awarded (1974-75) to a Calcutta based firm. Although there was a time overrun of 12 years (July 1989) and Rs.48.14 lakhs (243 per cent of the original estimate) were spent upto March 1989, the bridge still remained incomplete. The delay in construction was attributed to cancellation (1978-79) of the contract with the firm which not only constructed a defective well but also went for arbitration and won the case on the ground that the Department supplied wrong data on the sub soil strata. The Department paid Rs.1.39 lakhs to the firm during 1988-89 as compensation. The balance work was awarded to another firm in November 1985. According to the Department, the second award was delayed for 7 years due to its inability to prepare the balance work statement as the concerned papers had to be sent to the arbitrator.

(g) On completion of the formation work at a cost of Rs.32.38 lakhs, the road from Gandacherra to Raisyabari (Length 30 kilometres), was opened to traffic during 1974-75. But as a result of construction of the dykes for the Gumti reservoir under the Gumti Hydro electric project, the road became unusable from 1975-76 as a large portion of it was submerged. The situation arose because of lack of co-ordination between the two wings of the Department. Although the communication between Gandacherra and Raisyabari remained snapped for the last 14 years, the Department did not take any action to restore it (July 1989).

4.1.18 The matter was reported to Government in October 1989, their reply had not been received (June 1992).

4.2 Deep Tube well Schemes

4.2.1 Introduction

Surface water being insufficient to cater to the needs of minor irrigation in the State, deep tubewell schemes were introduced by Government to tap the underground sources of water as well.

4.2.2 Organisational set up

The schemes are administered by the Irrigation and Flood Control Wing of the Public Works Department headed by a Chief Engineer who is assisted by a Superintending Engineer supervising the work of three Executive Engineers each in charge of a Division.

4.2.3 Audit coverage

A test check of records maintained by the Department relating to the period from 1983-84 to 1987-88 was conducted in December 1988 and January 1989. The points noticed are mentioned in the succeeding paragraphs.

4.2.4 Highlights

Against the target of 7900 hectares, the Department could create a potential of 5434 hectares only at a cost of Rs.346.96 lakhs till the end of 1988-89.

(Paragraph 4.2.5)

- Utilisation of potential was only 58 per cent of potential created. Shortfall was due to poor power supply, non-provision of distribution channels and inadequate maintenance of machines.

(Paragraph 4.2.6 & 4.2.7)

- Eight deep tubewell schemes completed at a total cost of Rs.18.82 lakhs were abandoned due to improper selection of sites resulting in non-availability of water within a reasonable depth.

(Paragraph 4.2.9)

- Materials worth Rs.1.32 lakhs booked in 1980-81 remained (April 1989) at the site of the abandoned work.

(Paragraph 4.2.11)

4.2.5 Target and Achievement

Till the end of the Sixth Five year Plan, the Department created a potential of 3208 hectares at a total cost of Rs.178.44 lakhs against the target of 4500 hectares. The following table indicates the position of budget provision, expenditure incurred and potential created till the end of 1988-89:-

Year	Budget provi- sion	Expendi- ture incurred	Potential targeted	Potential created
-----	-----	-----	-----	-----
	(In lakhs of rupees)		(Progressive in hectares)	
Upto				
1984-85	200.00	178.44	4500	3208
1985-86	47.00	40.85	5000	4520
1986-87	74.50	67.00	6386	4900
1987-88	48.50	41.23	7300	5228
1988-89	83.75	19.44	7900	5434
	-----	-----		
	453.75	346.96		

It would appear from the table that while the achievement in 1985-86 was 71 per cent of the target those in the subsequent years fell short of the target considerably ranging between 27 and 42 per cent.

It was noticed that out of 207 Deep Tubewell schemes proposed, only 113 were taken up during 1980-81 to 1987-88 at a total estimated cost of Rs.369.32 lakhs of which only 78 schemes could be completed at a cost of Rs.327.52 lakhs. The number of schemes completed till the end of March 1989 was 96.

4.2.6 Utilisation of potential.

Out of 3208 hectares for which irrigation potential was created till the end of the sixth Plan period, only 1088 hectares were brought under actual irrigation. Thus, utilisation was only 34 per cent of the potential created. The position of utilisation in the subsequent years was as follows :-

Year	Potential created (Progressive)	Potential utilised during	Percentage
-----	-----	-----	-----
	(in hectares)		
Upto			
1984-85	3208	1088	34
1985-86	4520	1888	42
1986-87	4900	2237	46
1987-88	5228	2772	53
1988-89	5434	3129	58

Actual utilisation of available potential, though improved in the Seventh Plan period, was only 58 per cent in 1988-89.

The shortfall in utilisation was attributed by the Department to the following:

- i) irregular/non supply of power;
- ii) non-execution of distribution system for want of land; and
- iii) irregular maintenance of pumps and channels, which resulted in denial of benefits to area envisaged under the scheme. No remedial measures had been taken for ensuring better utilisation.

4.2.7 Poor benefit to cultivators

Test check of 5 DTW schemes disclosed that most of the schemes failed to benefit the desired number of cultivators, viz. (i) Paschim Noabadi, (ii) Negicherra, (iii) Lefuga, (iv) Purathal Rajnagar and (v) Chandra Thakurpur designed to benefit 455 cultivators and completed in 1986-87 could not benefit a single cultivator. 15 other DTW schemes designed to benefit 1885 cultivators and completed in the same year, could benefit only 701 cultivators (37 per cent).

Reasons for poor performance of the schemes were (i) irregular/non supply of power and (ii) defects in pumps.

4.2.8 Delay in execution

According to the target DTW schemes were required to be completed within one year. Test check of records revealed that the delay in completion of the following schemes ranged between 1½ and 4 years for reasons shown against each:

Sl. No.	Name of the DTW scheme	Date of expenditure sanction	Date of completion	Time taken for completion	Reasons for delays
1.	Attarabhoila	27-4-84	13-5-88	4 years	(i) M&FC Division took over after 1 year of assigning by P.H. Engineering Division. (ii) delay in supply and installation of pump.
2.	North Deocherra	10-7-86	27-7-88	2 years	Power connection was provided after one year of completion of other works.
3.	Lefuga	17-8-83	January 1987	3-1/2 years	-do-
4.	Dhanpur	2-11-85	April 1986	1-1/2 years	Non-construction of Pump House and field channel.

Sl. No.	Name of the DIW scheme	Date of expenditure sanction	Date of completion	Time taken for completion	Reasons for delays
5.	Totabari	4-2-87	--	--	Delayed by more than 2 years (January 1989) for want of land for channel.
6.	Dudpuskarini	7-10-86			-do-

4.2.9 Abandoned scheme

Eight schemes (estimated cost : Rs.28.95 lakhs) completed between 1981 and 1987 at a total cost of Rs.18.82 lakhs were abandoned between December 1983 and December 1987 due to (i) improper selection of sites, (ii) absence of adequate water strata and poor discharge of water.

The Government, thus, incurred unfruitful expenditure of Rs.18.82 lakhs apart from its failure to create of irrigation potential of 80 hectares.

It was further noticed that the Department had not undertaken proper survey to determine the suitability of the proposed site or the availability of adequate water within a reasonable depth.

No records regarding salvage of the materials used in the above schemes could be shown to Audit.

4.2.10 Infertuous expenditure

The sinking of the tube well at North Noagaon was taken up in December 1978. Work order for construction of distribution line was issued in March 1979. In January 1980, it was found that no water was available at the site where the tubewell was sunk. Another site was selected in October 1980 for sinking of the tubewell. But this too had to be adandoned in April 1981 due to non-availability of water within the reach. Meanwhile, work worth Rs.0.23 lakh had been executed.

Besides, a pump house also had been constructed in October 1980 at the second site at a cost of Rs.0.16 lakh in addition to miscellaneous expenditure of Rs.0.02 lakh.

Thus, the execution of subsidiary works without ensuring the success of the tubewell rendered the expenditure of Rs.0.41 lakh infructuous.

4.2.11 Other points of interest

(i) Due to non-availability of water-bearing strata upto 700 feet, the DTW scheme at Chamubasti in Salema block was abandoned in June 1986, whereas the records of the MIFC Division, Kumarghat revealed that Rs.0.76 lakh being the cost of materials booked during 1985-86 in advance remained in the accounts of the scheme till February 1988. At the instance of audit (June 1987) material worth Rs.0.26 lakh was transferred to other schemes in February 1988. Spun pipes worth Rs.0.50 lakh were lying unutilised (April 1989).

(ii) An amount of Rs.1.32 lakhs being cost of materials were booked in advance during 1979-80 and 1980-81 in the work of DTW scheme at Tilthai. The scheme was abandoned due to low discharge of water. The materials were lying unutilised (April 1989).

(iii) No review was conducted by the Department exclusively for DTW schemes to ascertain the working result of their schemes.

The matter was reported to Government in June 1989 followed by D.O. reminder in December 1989; reply had not been received (June 1992).

4.3 Special audit

The accounts of the Executive Engineer, Minor Irrigation and Flood Control Division No.I for the period from November 1979 to July 1982, were test-checked in August to November 1982. Some serious irregularities such as wrong adjustment of temporary

advances, inflated amounts of temporary advances issued to various disbursing officers, wrong analysis of closing balance, etc., were noticed in the cash books and the Department was advised (February 1983) to carry out an investigation. A scrutiny by a part-time departmental investigation team headed by the Finance Officer of the Department, which was started in 1984, dragged on till 1987. Citing the non-availability of records as a serious constraints, the team could not point out anything other than a shortage of Rs.16,201 in cash.

A special scrutiny of the accounts for the period from November 1979 to January 1986, undertaken by Audit in January 1988 on the request of the Finance Department also had to be discontinued in April 1988 due to non-availability of all relevant records. It was, however, noticed that some temporary advances made even in 1985 were outstanding, and irregularities in the subsidiary cash book had continued even in 1984. The amount of defalcation noticed from available records was Rs.54,285 on account of the above but the actual figures were not known, in the absence of a substantial volume of records like vouchers, acquittance rolls, deposit-at-call receipts registers, counterfoils of receipts books, tender receipt registers, etc.

The difficulties encountered by Audit were reported to Government in May 1988, but no satisfactory solution was found. the irregularities uncovered to the extent possible were also intimated to Government (December 1988); their further comments had not been received (June 1992).

4.4 Extra expenditure due to delay in finalisation of tenders.

Tenders for supply of PVC pipes of different diameters (estimated cost Rs.126.61 lakhs) were called for (August 1987) by an Executive Engineer, Irrigation, Flood Control and Public Health Engineering Wing (IFC & PHE). Seven tenders were received and were opened in September 1987. The Chief Engineer (IFC & PHE)

recommended the 3rd lowest rate in December 1987 offered by Firm 'A' for Rs.174.77 lakhs for acceptance by the Supply Advisory Board (SAB). The SAB accepted the proposal in February 1988. The second lowest tender was rejected on the ground of inclusion of unacceptable conditions and the lowest for unsatisfactory workmanship in the past.

Meanwhile, the validity period of the tenders which had expired on 17th December 1987 was extended by firm 'A' upto 31st December 1987 on a request from the Department. But no response to a second request from the Department for further extension upto the 15th March 1988 was received. On 15th March 1988, the Chief Engineer (IFC & PHE) submitted another proposal for acceptance of the fifth lowest rates tendered by firm 'B' at his tendered amount of Rs.187.59 lakhs. The proposal was accepted by the SAB on 30th March 1988. A work order was issued on the 31st March 1988 to the firm. The supply was completed in September 1989 against stipulated date of September 1988. Rs.106.48 lakhs were paid to the firm in September 1989.

Though the rates offered by the tenderers were valid for 90 days only, the Department took 157 days in finalising a tender.

As a result of unusual delay at various stages the Department had to incur an extra expenditure of Rs.10.95 lakhs.

It was further noticed that the second lowest tenderer who had initially included certain conditions in the tender, had withdrawn (16th January 1988) the conditions before the SAB examined the tenders. The fact had been duly pointed out by one of the members, but the tender was not considered by the SAB, without any recorded reason.

The matter was reported to Government in December 1989; reply had not been received (June 1992)

4.5 Extra payment beyond the terms of the agreement.

Pd/m
The Chief Engineer, Minor Irrigation, Flood Control, Irrigation and Public Health Engineering of the Public Works Department received (May 1988) an offer from a local manufacturer for supply of high density Polythene Pipes at the rates approved by the Director General of Supplies and Disposal plus ten per cent on account of price preference admissible to local manufacturers, plus transportation cost of raw materials from Calcutta to Agartala. Taxes and Duties payable by the firm would be payable extra. The Chief Engineer submitted (August 1988) a proposal to the Supply Advisory Board for procurement of pipes at Rs.102.57 and Rs.69.29 per metre for 110 mm and 90 mm dia pipes respectively.

The proposal being approved by the Supply Advisory Board in August 1988, the Department executed an agreement with the firm in October 1988 for supply of 24000 metres 110 mm dia and 36000 metres 90 mm dia pipes within March 1989. It was stipulated in the agreement that Tripura Sales Tax and Central Sales Tax on raw materials would be paid extra over the rates agreed to.

The firm supplied 24120 metres 110 mm dia and 36000 metres 90 mm dia pipes till June 1989 for which a sum of Rs.65.57 lakhs was paid (July 1989). The amount included Rs.9.92 lakhs on account of reimbursement of Customs Duty on imported raw materials.

The Chief Engineer admitted (May 1989) the claim though there was no provision in the agreement for payment of anything extra except Sales Tax. It was further noticed that the DGS&D rate contract which formed the very basis of the agreement and approval of the rates by the SAB without any call for tenders did not make any provision for any extra payment other than Sales Tax.

Thus, the reimbursement of Customs Duty to the contractor beyond the terms of the agreement, resulted in an extra payment of Rs.9.92 lakhs.

The matter was reported to Government in November 1989; reply had not been received (June 1992).

The Department, however, stated that further reimbursement of Customs Duty to the firm had been stopped. It was also decided to effect recovery of entire amount already paid to the firm on this account. However, no recovery has yet been made (June 1992).

Flood Control and Irrigation Wing

4.6 Extra expenditure due to injudicious execution of work without proper planning

The work order for construction of headwork over Ghoracherra at Haripur under the "Diversion scheme over Ghoracherra" estimated to cost Rs.30.85 lakhs was issued in December 1982 to contractor 'A' at the tendered amount of Rs.19.49 lakhs, against the estimated cost of Rs.10.93 lakhs with a stipulation that the work would be started in January 1983 to be completed by January 1984.

The contractor started the work in the first week of April 1983 and stopped the work in the following week as the coffer-dam constructed to keep the flow of the river away from the work site was washed away due to heavy rains. The work was, however, started again in November 1983. Meanwhile the design of the headwork was changed (April 1983), from "Glacis type spillway with gates" to "Ogee type spillway with crest raised to pond level at 28.5 metres". The work continued till 6th April 1985 when flood water damaged the abutment wall completely, while the flare wall on the right bank of cherra (stream) was partly damaged, mainly due to failure of the coffer-dam. An estimate to get the structures restored was prepared by the Department in June 1985 and the work was got done through another contractor 'B' between November 1985 and May 1986 at a total cost Rs.5.30 lakhs.

As per terms of the agreement, contractor 'A' was responsible to construct the coffer-dam at his own cost. He was also to design and maintain the said dam according to the requirement of the site. Though the coffer-dam was to be designed by the contractor, the Department had the responsibility to check and approve the design, but the Department did not ask the contractor to resubmit the design for check.

Collection of hydrological data for a number of years was necessary before finalising the design for any structure across a river. But no such data had been collected. The Executive Engineer stated (September 1989) that the High Flood Level (HFL) had been taken as RL 28.35 M arbitrarily without obtaining the relevant data. In June 1985, when the flood level reached RL 29.35 M, the structure was damaged.

Thus, due to lack of proper planning and injudicious execution of work, an extra expenditure of Rs.5.30 lakhs had to be incurred by the Department.

The matter was reported to Government in November 1988; reply had not been received (June 1992).

4.7 Non-recovery of value of materials.

Construction of a School building at Udaipur was awarded to contractor 'A' under an agreement entered in September 1982 at 116.32 per cent above the estimated cost of Rs.2.38 lakhs with the stipulation that the work would be completed in 8 months.

The contractor executed work worth Rs.2.23 lakhs and was paid Rs.1.89 lakhs till November 1984 when the contract was rescinded due to failure of the contractor to complete the work. Material worth Rs.2.60 lakhs were issued to the contractor till April 1984 for use in the work. The contractor utilised materials worth Rs.1.55 lakhs only in the work. The remaining material worth Rs.1.05 lakhs were not returned by him. The balance work (estimated cost : Rs.1.51 lakhs) was awarded (October 1985) to contractor 'B' at 197.81 per cent above the estimated cost at the risk and cost of the

original contractor. The extra cost involved as worked out by the Department was Rs.0.76 lakh.

The Department had not observed the rules that materials should be issued to contractors only in accordance with the physical progress of work. As a result, the materials issued in excess of immediate requirements remained un-recovered. According to the provisions of the agreement, materials remaining unutilised in the work were required to be recovered at double the issue rate, if it was not returned to the Department in good condition.

Thus, a total sum of Rs.3.10 lakhs was recoverable from the contractor.

Against this, only Rs.0.53 lakh was available with the Department for adjustment (Rs.0.33 lakh : amount of the final bill; and Rs.0.20 lakh : Security Deposit). The balance amount of Rs.2.72 lakhs had not been recovered from the contractor (June 1992).

Government while accepting the objection, stated (May 1990), "Apparently there were lapses on the part of the departmental Officials concerned in regard to issue of materials not in proportion to the progress of work" and that the matter was under examination for further departmental action.

4.8 Excess payment due to incorrect analysis of rate

The estimate of Rs.193 lakhs for earthwork for the main canal and branches under Gumti Irrigation Scheme was prepared in August 1984 on the assumption that the earth required for the main canal embankment would be available locally along with the alignment of the canal. Accordingly, the earthwork of three segments of the main canal were awarded (December 1984 to April 1985) to two contractors after calling for tenders.

During execution of the work, it was noticed (May 1985) that earth available locally was not sufficient to complete the embankment and the contractors were allowed to carry earth by mechanical transport from a

distance ranging from one to three kilometres. To cover the extra cost involved, separate items were allowed on the Schedule Rate of 1979 with contractor's overall percentage under clause 12 of the agreement. The rates of the original items were reduced by the amount of cost of one additional lead and one additional lift as per Schedule Rate of 1979 along with contractors percentage on that item.

It was noticed in audit (August 1987) that the estimated rate for the original item of earthwork was arrived at by taking two leads and two lifts into consideration though the item specified "all leads and lifts". It was further noticed that the rate for the extra item for carriage by mechanical transport included the cost of initial lead 50 metres or part and initial lift (1.5 metre) as per Schedule Rate of 1979.

Thus, the cost for one lead and lift has been included twice, once in the original earthwork and again in the extra item for carriage by mechanical transport resulting in double payment for one item of work.

The total excess payment thus made (August 1988) works out to Rs.2.52 lakhs as shown below :-

Group	Quantity of earthwork involved in mechanical transport	Rate at which payment for original item made Rupees/cum	Rate at which payment should have been made Rupees/cum	Excess Payment
-----	-----	-----	-----	-----
Group I	16219 cum	9.09	3.63	91,799.54
Group II	15876 Cum	9.92	3.69	87,794.28
Group III	8865 cum	13.00	5.19	73,147.00
			Total	2,52,740.82

The matter was reported to Government in February 1988; reply had not been received (June 1992).

4.9 Short recovery of hire charge

*PHF II
5/86 to 5/87*

The Executive Engineer, Public Health Engineering Division No. II, Kumarghat issued direct rotary drilling rigs on hire basis to 2 contractors for drilling and development of deep tubewells under the "Accelerated Rural Water Supply Scheme" between April 1986 and March 1987. Heavy Tools and Plant (T&P) was required to be made over and taken back at the specified place and charges were to be recovered at the prescribed rates from the date of making over till the date of its return even though such T&P might not have been in working condition for certain periods except for major breakdown necessitating its return to the workshop for which, the decision of the Engineer-in-Charge would be final. According to the terms of the agreements, Rs.647 per day or part thereof was to be recovered as hire charges for each rig from the contractor's bills.

It was, however, noticed that though the machines were issued to the contractors for 405 days in different spells between April 1986 and March 1987, hire charges of Rs.0.92 lakh were recovered for 143 days instead of 405 days. The effective days (143) for recovery was calculated on the basis of actual working hours each day divided by 24 hours. As a result, the Department sustained a loss of revenue of Rs.1.70 lakhs (405 x Rs.647 - Rs.0.92 lakh). The Department indicated that the matter was under examination.

The matter was brought to the notice of the Secretary Public Works Department (July 1989), who agreed with the audit point of view. However, no recovery has so far been ordered (June 1992).

4.10 Extra financial benefit to contractors

(Am)

The Finance (Amendment) Act, 1987 (No.46 of 1987) stipulated that cases in which Income Tax has to be deducted under section 194 C of the Act, *ibid*, the

deduction shall be increased by a surcharge for the purpose of the Union Government only, calculated at the rate of five per cent of such Income Tax. All payments made after 16th December 1987 would fall under the purview of the amended Act.

During Central audit (February - May 1989) of the Accounts of the Public Works Divisions vouchers it was noticed that no deduction of surcharge was made from contractors' bills by 24 Executive Engineers for payments made between January and May 1988. Non-deduction of surcharge thus resulted in an extra financial benefit to contractors amounting to Rs.0.64 lakh. On this being pointed out in audit (April and July 1989), Executive Engineer Southern Division III, Udaipur and Northern Division, Dharmanagar stated (January 1990 and July 1989) that circulars to that effect were received in July 1988 and August 1989 respectively and were being acted upon accordingly. But report on recovery had not been received (June 1992).

The matter was reported to Government (February 1990); reply had not been received (June 1992).

point

4.11

Extra payment to contractor

It was observed (November 1988) that a quantity of 283.5 cubic metre (cum), out of 774 cum of cement concrete work (1 : 2 : 4) in floor and foundation at the tendered rate of Rs.800 per cum, was done after executing some additional items like finishing and plastering the exposed surface with cement mortar (1 : 3 : 6 mm thick) not provided for in the aforesaid cement concrete work. The rate together with the additional items of work involved in the quantity of 283.5 cum of the work worked out to Rs.820.11 per cum after taking into account the escalated cost of extra labour and materials incorporated in the additional work in accordance with the clarificatory order issued (April 1974) by the Department for computation of rate in such cases. The Department, however, paid the contractor at the rate of Rs.1021.05 per cum by allowing escalation over the basic rate instead of

restricting it to the differential increase on account of labour and materials.

The incorrect computation of rate for 283.5 cum of cement concrete work with additional items of work led to extra payment of Rs.0.57 lakh to the contractor.

The matter was reported to Government in February 1989. The reply had not yet been received (April 1990).

4.12 Extra expenditure due to acceptance of tender at higher rate

Tender for supply of 750 cubic metre (3 mm size) peagravel* of different sizes was called for (April 1985) by the Executive Engineer, Public Health Engineering Division No. III, Udaipur. Out of four tenders received the offer of contractor 'A' was the lowest at Rs.1,266.00 per cubic metre for Golaghat variety. His offer was rejected by the Superintending Engineer in September 1985, without recording any reason.

Tenders were called for the second time in October 1985, the lowest rate offered by another contractor for the same variety was Rs.1,498.00 per cubic metre. The rate being considered high, tender was rejected in December 1985.

The supply of Golaghat variety of peagravel was again put to tender for the third time in December 1985, with the same size and specification. The rate offered by the former contractor 'A' for the same variety at Rs.1,332.55 per cubic metre was accepted in March 1986. Accordingly, an agreement was executed and the contractor was paid (September 1987) Rs.10.58 lakhs for 793.772 cubic metre.

* Peagravel is a type of small gravel used as aggregate along with cement in concrete mixture.

Thus, due to rejection of the offer of the contractor 'A' in the first instance and subsequent acceptance of the offer of the same contractor for the same variety at higher rate an extra expenditure of Rs.0.54 lakh was incurred.

The matter was reported to Government in December 1988 but reply had not been received (June 1992).

4.13 Stores and Stock

4.13.1 Material Management and Inventory control

Priced Stores Ledgers showing receipts, issues and balances of stores of Public Works Department are to be maintained in every Public Works Division and ledgers are required to be closed for both quantities and values at the end of every month. Out of 16 Divisions under the Public Works Department 3 Divisions had no stock, as these Divisions had not been authorised by the Government to hold any stock. Information collected from the remaining 13 Divisions disclosed that except for two Divisions, none of the 11 Divisions were maintaining Priced Stores Ledgers during the last 16 to 24 years (March 1989).

4.13.2 Minus stock balance

The stores and stock accounts in respect of one Division (Southern Division No.I, Udaipur) disclosed minus balance of Rs.13.19 lakhs as on 31st March 1988 due to non-adjustment/mis-classification of debits to stock, even after receipt of materials.

Action to investigate and reconcile the same had not been taken as of March 1989.

4.13.3 Excess over Reserve Stock limit

In 4 Divisions, the value of stores held as on 31st March 1988 was Rs.840.16 lakhs which exceeded the Reserve Stock Limit of Rs.517.00 lakhs fixed by the Government as detailed below :-

Sl. No.	Name of Division	Value of Reserve Stock limit sanctioned	Value of stock held on 31st March 1988
-----	-----	-----	-----
			(In lakhs of Rupees)
1.	Ambassa Division	8.00	22.88
2.	Southern Division No.II	6.00	46.03
3.	Amarpur Division	3.00	18.80
4.	Stores Division	500.00	752.45
		-----	-----
		517.00	840.16

This resulted in substantial blocking of funds. The excess had not been regularised as of March 1989.

4.13.4 Physical verification of stock

(a) The stores held in stock are required to be physically verified at least once in a year and the results of verification placed on record. The Divisional Officer is required to arrange for physical verification of the balances as per Bin Cards with those shown in the Priced Stores Ledgers before taking up the physical verification of stock. Since the Priced Stores Ledgers had not been maintained, the verification conducted in 14 Divisions were based on unreconciled quantities exhibited in the Bin Cards.

(b) Test check of the physical verification reports of 5 Divisions disclosed shortages and discrepancies amounting to Rs.24.76 lakhs, as on 31st March 1989. The details are as follows:

(i) Agartala Division No.III

Cement worth Rs.0.39 lakh was found short on physical verification of stores conducted in August 1964 and December 1965. Value of stores found short was placed under "Miscellaneous Works Advance" pending decision. But no action had yet been taken as of March 1989 to investigate the cause of the shortages.

(ii) Northern Division, Dharmanagar

Value of materials worth Rs.0.89 lakh (Sal piles: Rs.0.81 lakh; MS Rod : Rs.0.02 lakh; and bricks: Rs.0.06 lakh) found short on physical verification conducted in December 1986 and December 1987 had neither been charged to "Miscellaneous Works Advance" nor any action taken (March 1989) to investigate the shortages of stores or process the case for write off.

It was further noticed that while value of stock as per Priced Stores Ledgers was Rs.11.13 lakhs as on 31st March 1987, as per monthly accounts it was shown as Rs.0.34 lakh only.

The difference of Rs.10.79 lakhs is yet to be reconciled (March 1992).

(iii) Teliamura Division

The value of stock as per Priced Stores Ledgers was Rs.10.08 lakhs as on 31st March 1978, whereas according to the monthly account it was shown as Rs.0.18 lakh. The discrepancy of Rs.9.90 lakhs has not been reconciled.

(iv) Kumarghat Division

During physical verification of stores conducted in 1988, 148 barrels of bitumen weighing 23.68 tonnes (value Rs.0.88 lakh) were reported as damaged due to leakage and prolonged storage. No action had been taken to find out the cause of the damage.

(v) Ambassa Division

During March 1976 to December 1986, survey reports for write off of materials valued at Rs.0.21 lakh were sent to competent authority for obtaining sanction. But no sanction had been received as of June 1992.

4.13.5 Maintenance of tools and plant accounts

The records of 14 Divisions (out of 16 Divisions) which were found maintaining Tools and Plant account during 1987-88 disclosed the following :

(a) The consolidated accounts of the receipts, issues and balances of Tools and Plant required to be closed at the end of each month, were not closed in any of the Divisions for the periods varying from 1 to 17 years.

(b) Physical verification of Tools and Plant Accounts of all the 14 Divisions for the period upto March 1988 had not been conducted.

4.13.6 Results of test check of stores and stock accounts of few major stock holding Divisions are detailed below :

(i) Purchase of portable steel bridge(Baily bridge)

In order to restore communication system disrupted due to heavy floods in the State every year, the Department purchased (May 1984) a 100 feet long Baily bridge at a cost of Rs.10.76 lakhs. The bridge with all components was received by the Department in September 1984 and is lying in stock since then. In April - June 1987, the Department also purchased another 2 sets of 100 feet long and 1 set of 150 feet long Baily bridges at a total cost of Rs.54.01 lakhs for flood affected areas. The sets procured have not been utilised and were lying in stock since then.

Thus, the decision for purchasing the bridges was made without proper assessment resulting in blocking of funds to the extent of Rs.64.77 lakhs.

Apart from these purchase, the Stores Divisions also purchased (between March 1985 and September 1986) another 5 numbers of 110 feet long Baily bridges at a total cost of Rs.86.15 lakhs. The entire expenditure incurred by the Division was debited to stock. The materials received by the Division (between February 1986 and May 1986) were handed over to the Border Road

Development Board between February 1986 and October 1988. But these were not shown as charged to works, leading to inflated exhibition of stock account by Rs.86.15 lakhs.

4.13.7 Amounts pending recovery from other organisations

The Stores Division supplied to Tripura Small Industries Corporation (TSIC) Limited 4040.190 MT of billets in January 1981 and November 1985 for rerolling, against which finished products of 3607.008 MT (total consumption with wastage 3895.569 MT) was recovered and unused billet of 68.210 MT was returned by the TSIC. The remaining quantity of 76.412 MT of billets valued at Rs.2.64 lakhs has not been returned by the TSIC.

No action to recover the amount has been taken by the Division (March 1989).

4.13.8 Railway claims remaining unsettled

(a) A sum of Rs.103.75 lakhs as on 31st March 1988 was lying outstanding against claims raised by 4 Divisions with the North East Frontier Railway as detailed below:

Sl. No.	Name of Division	Period of claim	Amount
---	-----	-----	-----
			(In lakhs of rupees)
1.	Stores Division	1972-73 to 1987-88	101.38
2.	Southern Division No.II	1976-77 to 1978-79	0.73
3.	Ambassa Division	1963-64 to 1970-71	0.99
4.	Southern Division No.I	1961-62 to 1978-79	0.65

			103.75

The claims pertain to loss/damage in transit etc. There was nothing on record to show that the Department pursued the matter with a view to obtain speedy settlement of the claims.

(b) Claim for Rs.2.20 lakhs on account of cement damaged in Railway transit during the period 1985-86 to 1987-88 was rejected by the Railways on the ground that (i) the quality of cement was prone to clodding (ii) the loading was not supervised by any Railway staff.

The result of further action in this regard is awaited (June 1992).

4.13.9 Incorrect stock balance in monthly account

Advance payment amounting to Rs.468.00 lakhs were made to different units of the Steel Authority of India Limited (SAIL) upto 31st March 1988 and classified as "Miscellaneous Public Works Advances" pending receipt of materials. On reconciliation with the returns of different units of SAIL it was found that the balance still pending with SAIL was Rs.29.86 lakhs, which meant that the materials worth Rs.438.14 lakhs had been received by the division. But there was no entry in the stock book indicating receipt of these materials. In the absence of debit in the stock accounts the Division had no means to watch the receipt of stores against advance payments.

Action to regularise the transaction is still awaited (June 1992).

4.13.10 Surplus and unserviceable stores

Stores, tools and plants worth Rs.5.66 lakhs lying surplus, unserviceable and in damaged condition with the following Divisions are awaiting disposal by sale /write off/auction/transfer to other Divisions.

Sl. No.	Name of division	Particular of material	Value in lakhs of rupees	Year since when lying	Remarks
1.	Stores Division	Water supply materials	2.35	1972	The unserviceable materials were lying in stock for 17 years. disposal (March 1989)
		Wooden Chassis	0.50	1964	Damaged due to prolonged storage in open yard. report survey proposed disposal (March 1989)
2.	Kumarghat Division	Paid and roof felt	0.25	N.A.	Declared serviceable un- Awaiting disposal (March 1989)
3.	Ambassa Division	Gelatine/fuge Cement water-proofing compound	0.04	Between 1969 and 1978	Unserviceable survey report processed. Awaiting disposal (March 1989).
4.	Southern Division No. II	Stone chips	0.02	1979	Awaiting disposal (March 1989)
		Paints various shades	0.23	1964	Unserviceable due to long storage awaiting disposal (March 1989)
		One vehicle and one road roller	0.30	N.A.	Awaiting disposal (March 1989)

Sl. No.	Name of division	Particular of material	Value in lakhs of rupees	Year since when lying	Remarks
5.	Tellamur Division	3 vehicles 1 road roller 1 stone crusher	0.80	1979	The vehicle is off the road and the machinaries are unserviceable. Awaiting disposal (March 1989).
6.	Southern Division No.1	3 vehicles	0.66	1971	The vehicles are off the road. Awaiting disposal (March 1989).
		Paints	0.15	1984	Unserviceable due to long storage. Awaiting disposal (March 1989)
7.	Amarpur Division	Tools and plants	0.80	1980	Unserviceable Awaiting write-off (March 1989).
		One vehicle	0.25	1970	The vehicle are off the road. Awaiting disposal (March 1989).
		Store materials sal piles, wire etc.	0.03	1978	Completely damaged awaiting write-off (March 1989).

N.A. = Not Available

The matter was reported to Government in September 1989; reply has not been received (June 1992).

POWER DEPARTMENT**4.14 Blocking up of capital**

Between October 1980 and November 1981 and again in November 1983 the Executive Engineer, Gumti Electrical Division, Jatanbari procured 225.31 tonnes mild/tor steel rounds of 28 and 32 mm diameter for the construction of the third power generation unit at Tirthamukh. 72.442 tonnes were issued to the work during 1983-84 and the construction of the third generation unit was completed and the unit commissioned in January 1984. Out of the balance of 152.868 tonnes in stock, 38.500 tonnes were issued to other works during 1984-85 to 1985-86. Thus 114.368 tonnes of steel valued at Rs.5.16 lakhs has been lying in stock unutilised since 1985-86. The Division stated (June 1988) that the estimate on the basis of which the steel was procured was not available.

It was also noticed from the records that the steel were offered for sale to North Eastern Electric Power Corporation (NEEPCO) at a rate of Rs.8825 per tonne. The NEEPCO, however, refused to accept the offer due to high rate. Thus, procurement of steel without proper firm assessment of requirement led to blocking up of capital of Rs.5.16 lakhs since 1985-86.

The matter was reported to Government in June and November 1988; reply has not been received (June 1992).

4.15 Outstanding Inspection Reports

Audit observations on financial irregularities and defects in initial accounts, noticed during local audit and not settled on the spot, are communicated to the Heads of Offices and to the next higher departmental authorities through the audit Inspection Reports. The more serious irregularities are reported to the Heads of Departments and Government. The Government has prescribed that first replies to Inspection Reports should be sent within one month.

The outstanding Inspection Reports in respect of Public Works Department and Power Department are discussed below:

Public Works Department

At the end of September 1989, one hundred and twenty nine Inspection Reports relating to Public Works Department issued upto March 1989 contained 1060 unsettled paragraphs. Yearwise break up of the outstanding Inspection Reports/paragraphs are given below:

Year	Number of inspection reports	Number of paragraphs outstanding	Number of reports for which first replies not received
-----	-----	-----	-----
1983-84	6	4	1
1984-85	7	70	-
1985-86	34	210	6
1986-87	22	149	4
1987-88	25	284	7
1988-89	25	206	16
	-----	-----	-----
	129	1060	34

These included 34 Inspection Reports for which even the first replies had not been received despite repeated reminders.

The more important types of irregularities noticed during inspection of Divisions are summarised below:-

Sl. No.	Nature of irregularity	Number of cases	Amount, involved (in lakhs of rupees)
i)	Extra expenditure on account of change of specification and non observance of rules/ extra expenditure due to rejection of lowest tenders	88	461.68
ii)	Avoidable expenditure due to delay in handing over site/ finalisation of tenders	93	158.44
iii)	Irregular expenditure due to non-observance of rules and procedures	27	74.84
iv)	Recoveries not effected from contractors	67	106.50
v)	Unauthorised financial aid to contractors	18	46.77
vi)	Wasteful expenditure	32	101.38
vii)	Short recovery of the cost of materials etc., issued to contractors	12	52.87
viii)	Unauthorised expenditure due to execution of works beyond permissible limit	12	597.77
ix)	Miscellaneous	83	226.98
		432	1827.23

Some of important points remaining unsettled are mentioned below:-

(a) 243 RCC spun pipes worth Rs.5.91 lakhs were received in Public Works Divisions, Kanchanpur from Public Works Division, Ambassa. The cost of the pipes was adjusted in the books of Kanchanpur Division in the accounts of March 1981 by debit to work and per contra credit to purchase.

The Kanchanpur Division could neither produce the carriage bills for the materials, nor was any debit raised by the Ambassa Division through Cash settlement Suspense Account.

(b) Rupees 40391.63 received by a Public Works Division in the form of cheque/deposit at call in 1976 on account of earnest money/security ;deposit were not remitted to the Treasury and continued to be shown in the closing balance of the Division in the cash book. This being pointed out by audit persistently in November 1986 and November 1987 the Division stated in November 1987 that the cheques/Deposits at call were not available in the cash chest though these were being shown in the cash balance.

The matter was reported to the Government in November 1987; reply has not been received (June 1992).

Power Department

At the end of the September 1989, fifty six reports relating to the Power Department issued upto March 1989 contained unsettled paragraphs. Yearwise breakup of outstanding inspection reports is given below:

Year	Number of inspection reports	Number of paragraphs	Number of report for which first replies not received
-----	-----	-----	-----
1983-84	6	28	-
1984-85	4	19	-
1985-86	11	73	4
1986-87	13	87	5
1987-88	10	69	4
1988-89	12	81	8
	-----	-----	-----
	56	357	21

These included 21 Inspection Reports for which even the first replies has not been received.

The more important types of irregularities noticed during inspection and local audit of Power Department are summarised below:-

Sl. No.	Name of irregularities	Number of cases	Amount involved (in lakhs of rupees)
i)	Extra expenditure on account of charge of specification and non-observance of rules/ due to rejection of lowest tenders	36	204.16
ii)	Avoidable expenditure due to delay in handing over site/finalisation of tenders	20	37.85
iii)	Irregular expenditure due to non-observance of rules and procedures	13	163.84
iv)	Recoveries pending from contractors	54	123.46
v)	Unauthorised financial aid to contractors	3	4.42
vi)	Wasteful expenditure	3	2.16
vii)	Unadjusted items	75	1307.61
viii)	Miscellaneous	20	76.59
		-----	-----
		224	1920.09

Some of the more important observations remaining unsettled are indicated below:-

a) **Extra payment due to defective agreement with contractor**

While accepting a tender (November 1981) for erection and commissioning of a power line, the basic price of zinc required in galvanising the members of the tower supporting the line was stipulated at Rs.15,250 (plus sales tax per tonne as on 1st July 1981) based on the statement of the contractor, for determining the amount of price escalation. Accordingly, Rs.0.94 lakh was paid to the contractor in January 1987 towards price escalation. But it was noticed (March 1987) that the Director General of Supplies and Disposal had reported (September 1981) that the basic price of zinc was Rs.16,000.00 plus sales tax on 1st July 1981.

Elect
VI
2/86 to
2/87

Acceptance of the tender on the basis of incorrect data furnished by the contractor without proper verification, led to an extra payment of Rs.0.20 lakh on account of escalation of price on 25.37 tonnes of zinc used in galvanising 390.37 tonnes of tower members.

The matter was reported to the Government in June 1987; reply has not been received (June 1992).

(b) In terms of the agreement, the Security Deposit realised against a work is not to be refunded to a contractor before expiry of the stipulated maintenance period, after completion of the work, as recorded in the measurement book.

It was noticed (July 1984) that a security deposit of Rs.0.75 lakh realised from a contractor between November 1981 and December 1983 was released to the contractor in January 1984 (Rs.0.50 lakh) and March 1984 (Rs.0.25 lakh) though the work was in progress (July 1984).

The matter was reported to the Government in August 1985; reply has not been received (June 1992).

(c) A driver was posted on transfer (August 1984) to an Electrical Division which had only one vehicle and where the two drivers required for duty were already available. The inability to utilise the services of the third driver was expressed by the Executive Engineer of the Division in August 1984 to the higher authority. But no action to post the additional driver elsewhere was taken by the Department till March 1986 when the third driver was transferred to a sub-division under the same Division where there was not vehicle at all. A total sum of Rs.0.30 lakh was spent on pay and allowances of the driver till December 1986.

The Executive Engineer of the Division stated (December 1987) that the services of the driver were being partly utilised by the sub-division in other miscellaneous work.

CHAPTER V

REVENUE RECEIPTS

5.1 General

5.1.1 Trend of revenue receipts

(a) The total receipts of the State during the year 1988-89 amounted to Rs.395.62 crores. This comprises tax revenue of Rs.18.36 crores and non-tax revenue of Rs.15.68 crores, State's share of divisible Union taxes Rs.121.25 crores and grants-in-aid of Rs.240.33 crores received from Government of India.

5.1.2 Analysis of Revenue Receipts

An analysis of the receipts during the year 1988-89, along with corresponding figures for the preceding two years is given below :-

	1986-87	1987-88	1988-89 (*)	Percentage of revenue receipts to total receipts
(In lakhs of rupees)				
I Revenue raised by the State Government				
(a) Tax revenue	1151.14	1357.47	1835.62	4.6
(b) Non-tax revenue	1475.82	1498.07	1568.29	4.0
Total	2626.96	2855.54	3403.91	8.6
II Receipts from Government of India				
(a) State's share of net proceeds of divisible union taxes	8170.68	9667.15	12125.11	30.7
(b) Grants- in-aid	16693.95	18896.65	24032.88	60.7
Total	24864.63	28563.80	36157.99	91.4
III Total receipts of the State Government (I+II)	27491.59	31419.34	39561.90	

(*) For details, see statement 10 -Detailed account of revenue by minor heads in the Finance Accounts of the Government of Tripura 1988-89.

(b) Tax Revenue raised by the State

Receipts from tax revenue during 1988-89 constituted about 54 per cent of the State's own revenue receipts. The details of major sources of tax revenue raised during the year 1988-89, alongside figures for the preceding two years is given below:-

	1986-87	1987-88	1988-89	Percentage increase(+) or decrease (-) in 1988-89 over 1987-88
	(In lakhs of rupees)			
1. Taxes on Agricultural Income	10.14	3.51	6.35	(+)81
2. Other Taxes on Income and Expenditure	95.13	119.02	191.55	(+)61
3. Land Revenue	34.16	22.21	49.86	(+)124
4. Stamps and Registration Fees	116.82	119.12	151.43	(+)27
5. State Excise	87.83	113.59	260.59	(+)129
6. Sales Tax	690.04	858.91	1024.01	(+)19
7. Taxes on Vehicles	60.33	63.95	81.95	(+)28
8. Taxes and Duties on Electricity	0.22	0.19	0.19	--
9. Other Taxes and Duties on Commodities and Services	56.47	56.97	69.69	(+)22
Total	1151.14	1357.47	1835.62	(+)35

The increase of 81 per cent under 'Agricultural Income Tax' was due to increased collection of tax. The increase of 61 per cent under 'Other Taxes on Income and Expenditure' was due to enhanced realisation of professional taxes consequent upon the revision of pay of Government employees. Increase of 124 per cent under 'Land Revenue' was due to more receipts under the sub-head 'Other Receipts'.

The increase of 27 per cent under 'Stamps and Registrations' was due to more sales of Judicial and Non-Judicial stamps.

The increase of 129 per cent under 'State Excise' was due to more realisation of duty on merger of Sales tax with Excise duty with effect from 1st November 1988 on Country fermented liquors and Foreign liquors and Spirits.

The increase of 19 per cent under 'Sales Tax' was due to normal growth of receipts under the State Sales Tax Act.

The increase of 28 per cent under 'Taxes on Vehicles' was due to registration of new vehicles, issue of new National Permits and collection of arrear taxes.

The increase of 22 per cent under 'Other Taxes and Duties on Commodities and Services' was due to more collection of Entertainment tax.

(c) Non-tax revenue of the State

Non-tax revenue receipts of the State constituted about 46 per cent of the State's own revenue receipts. The details of major sources of non-tax revenue received during the year 1988-89, alongside the figures for the preceding two years are given below:-

	1986-87	1987-88	1988-89	Percentage of Increase(+) / Decrease(-) in 1988-89 over 1987-88
	(In lakhs of rupees)			
1. Public Works	43.91	51.97	50.42	(-) 3
2. Other Administrative Services	37.10	43.23	57.49	(+)33
3. Education, Sports, Art and Culture	41.72	53.81	45.67	(-)15
4. Social Security and Welfare	17.86	14.31	16.50	(+)15
5. Crop Husbandry	66.95	91.37	92.17	(+) 9
6. Dairy Development	0.14	0.06	0.05	(-)17
7. Fisheries	8.18	25.57	40.84	(+)60
8. Forestry and Wild Life	396.70	386.27	296.40	(-)23
9. Power	378.78	421.78	588.06	(+)39
10. Village and Small Industries	18.00	14.67	16.57	(+)13
11. Others	466.48	395.03	364.12	(-) 8
Total	1475.82	1498.07	1568.29	(+) 5

(a) The increase of 33 per cent under 'Other Administrative Services' was due to more receipts under the sub-head 'Other Receipts'.

(b) The decrease of 15 per cent under 'Education, Sports, Art and Culture' was due to less receipts under University and Higher Education.

(c) The increase of 15 per cent under 'Social Security and Welfare' was due to more receipts under the sub-head 'Other Receipt'.

(d) The increase of 60 per cent under 'Fisheries' was due to more harvesting of fish from Gumti reservoir and more production of fish seeds.

(e) The decrease of 23 per cent under 'Forestry and Wild life' was due to restriction on free felling of trees.

(f) The increase of 39 per cent under 'Power' was due to collection of arrears and sale of more power.

(g) The increase of 13 per cent under 'Village and Small Industries' was due to receipts of royalty on use of natural gas.

5.2 Variation between Budget estimates and actuals

5.2.1 The variations between the Budget estimates and the actual receipts for the years 1988-89 are given below: -

	Budget Estimates	Actuals	Variation Increase(+) / Decrease(-)	Percentage of variation
	(In lakhs of rupees)			
1. Tax Revenue	1422.00	1835.62	(+)413.62	(+)29
2. Non-Tax Revenue	1469.00	1568.29	(+)99.29	(+) 7
3. Share of Union Taxes	11782.00	12125.11	(+)343.11	(+) 3
4. Grants-in- aid	21558.99	24032.88	(+)2473.89	(+)11
Total	36231.99	39561.90	(+)3329.91	(+) 9

5.2.2 The variation between Budget estimates and actuals in respect of some of the important heads of revenue for the year 1988-89 are indicated below :-

Heads of Revenue	Budget Estimates	Actuals	Variation Increase(+) / Decrease(-)	Percentage of variation
	(In lakhs of rupees)			
1. Sales Tax	936.00	1024.01	(+)88.01	(+) 9
2. State Excise	123.00	260.59	(+)137.59	(+)112
3. Taxes on Vehicles	60.00	81.95	(+)21.95	(+)37
4. Other Taxes on Income and Expenditure	95.00	191.55	(+)96.55	(+)102
5. Land Revenue	34.00	49.86	(+)15.86	(+)47
6. Taxes on Agricultural Income	3.00	6.35	(+)3.35	(+)112
7. Stamp and Registration	93.00	151.43	(+)58.43	(+)63

(a) The increase of 9 per cent under 'Sales Tax' was due to normal growth.

(b) The increase of 112 per cent under 'State Excise' was due to merger of Sales Tax with Excise duty.

(c) The increase of 37 per cent under 'Taxes and Vehicles' was due to collection of arrear taxes and issue of new National Permits.

(d) The increase of 102 per cent under 'Other Taxes on Income and Expenditure' was due to collection of more professional tax arising out of pay revision.

(e) The increase of 112 per cent under 'Taxes on Agricultural Income' was due to more assessment and realisation of taxes.

The Land Revenue and Stamps and Registration Department did not furnish reasons for variation.

5.3 Cost of collection

Expenditure incurred in collecting the major revenue receipts during the period 1986-87 to 1988-89 are given below :-

Head of account	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection
(in lakhs of rupees)				
1. Taxes on Agricultural Income	1986-87	10.14	0.31	3
	1987-88	3.51	0.37	11
	1988-89	6.35	0.97	15
2. Other Taxes on Income and Expenditure	1986-87	95.13	1.88	1
	1987-88	119.02	2.75	2
	1988-89	191.55	4.50	2
Head of account	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection
(in lakhs of rupees)				
3. Stamps and Registration	1986-87	116.82	17.82	15
	1987-88	119.02	15.78	13
	1988-89	151.43	27.08	18
4. State Excise	1986-87	87.83	7.23	8
	1987-88	113.59	8.28	7
	1988-89	260.59	12.27	5
5. Sales Tax	1986-87	690.04	18.99	3
	1987-88	858.91	15.77	2
	1988-89	1024.01	24.38	2
6. Taxes on Vehicles	1986-87	60.33	5.34	9
	1987-88	63.95	7.07	11
	1988-89	81.95	N A	--
7. Other Taxes and Duties on Commodities and Services	1986-87	56.47	1.93	3
	1987-88	56.97	2.31	4
	1988-89	69.69	3.29	5

N A :Not Available

5.4 Analysis of collection

The break-up of total collection of Sales Tax during the year 1988-89 as per records made available by the Departments is given below :-

	Sales Tax (In lakhs of rupees)
(a) Amount collected at pre-assessment stage	885.26
(b) Amount collected on regular assessment	37.61
(c) Amount refunded	NIL
(d) Net collection of tax	922.87*

(*) Information from Udaipur and Kailashahar have not been received. Full particulars of Agricultural Income Tax have not been received.

5.5 Assessment of arrears

The number of assessments due for disposal, assessments finalised and assessments pending finalisation at the end of March 1988, as well as figures for the preceding year, as per records made available by the Sales Tax and Agricultural Income tax Departments are indicated below :-

Year	Number of cases due for assessment	Number of cases com- pleted	Number of cases pend- ing at the end of the year	Percentage of assess- ment pending (col.4 to 2)
-----	-----	-----	-----	-----
(a) Sales Tax 1987-88				
Arrear cases	1339	1268	71	5
Current cases	2447	1035	1412	58
Remand cases	198	174	24	12
	-----	-----	-----	-----
Total	3984	2477	1507	38
1988-89				
Arrear cases	1566*	688	880	56
Current cases	2220	691	1529	69
Remand cases	219	219	--	--
	-----	-----	-----	-----
Total	4007	1598	2409	60
(b) Agricultural Income Tax 1987-88				
Arrear cases	184	38	146	43
Current cases	82	7	75	91
Remand cases	100	--	100	100
	-----	-----	-----	-----
Total	366	45	321	88
1988-89				
Arrear cases	221	117	104	47
Current cases	174	78	96	55
Remand cases	93	--	93	100
	-----	-----	-----	-----
Total	488	195	293	60

* Differs from the closing balance of 1987-88. This is under reconciliation.

The year-wise break-up of assessment in arrear as at the end of March 1989 in respect of Sales Tax is given below:

Upto 1986-87	571
1987-88	331
1988-89	1507

	2409

In respect of Agricultural Income Tax, year-wise break-up has not been furnished by the Department.

Information from Udaipur and Kailasahar not received.

5.6 Uncollected revenue

Analysis of arrears of revenue pending collection as on 31st March 1989 in respect of some important sources of revenue, as reported by the department concerned, and corresponding figures for the preceding year is indicated below :-

Sl. No.	Sources of revenue	Amount pending collection as on		Arrears of revenue outstanding for more than 5 years as on		Remarks
		31st March 1988	31st March 1989	31st March 1988	31st March 1989	
(In lakhs of rupees)						
1.	Sales Tax	233.44	280.60	8.60	N.A.	Recoveries of Rs.135.77 lakhs had been stayed by Courts and Tribunals. Demand amounting to Rs.60.03 lakhs had been certified for recovery as arrears of land revenue. Rs.35.37 lakhs had been pending in Appeal. Rs.15.29 lakhs were under process of recovery. The balance (Rs.34.14 lakhs) was in other stages.
2.	Agricultural Income Tax	14.29	13.88	7.02	N.A.	Recoveries of Rs.1.34 lakhs had been stayed by Courts and Tribunals. Demand amounting to Rs.2.66 lakhs had been certified for recovery as arrears of land revenue. Recovery of Rs.5.09 lakhs had been stayed by Government. Rs.1.92 lakhs were under other processes.

Sl. No.	Sources of revenue	Amount pending collection as on		Arrears of revenue outstanding for more than 5 years as on		Remarks
		31st March 1988	31st March 1989	31st March 1988	31st March 1989	
(In lakhs of rupees)						
3.	Power (Electricity Duty)	167.71	292.01	167.71	212.69	The position of arrears of revenue prior to 1978-79 were not made available to audit. The amount of arrear in respect of one collecting office was Rs.124.30 lakhs for the period 1984-85 to 1988-89. Information from other collecting agencies was not made available to audit.
4.	Police	N.A.	55.44	N.A.	N.A.	The revenue remained outstanding since 1978-79. Year-wise break up of the outstanding revenue was not furnished by the Department. The arrear represents charges for deploying Home Guards to various Departments/undertakings of both Central and State Governments. Rs.22.73 lakhs were recoverable from the Central Government whereas Rs.32.71 lakhs were due from the State Government. The Department could not furnish the reasons for the outstanding but stated that the matter was under correspondence.

Sl. Sources No. of revenue	Amount pending collection as on		Arrears of reve- nue outstanding for more than 5 years as on		Remarks
	31st March 1988	31st March 1989	31st March 1988	31st March 1989	
(In lakhs of rupees)					

5. Agriculture Department	N.A.	25.44	N.A.	22.56	The outstanding revenue represents the sale proceeds of Agricultural inputs remained at hands of store keepers Village Level Workers and other Agricultural Staff. Reasons for pending amount had not been explained.
6. Fisheries	N.A.	0.82	N.A.	N.A.	The amount represents the outstanding lease rent recoverable from various Co-operative Societies for the period 1981-82 to 1988-89 under Superintendent of Fisheries Central Zone Agartala. Information from other zones was not made available to audit. Yearwise break up of the outstanding was also not furnished by the Department.

Sl. Sources No. of revenue	Amount pending collection as on		Arrears of reve- nue outstanding for more than 5 years as on		Remarks
	31st March 1988	31st March 1989	31st March 1988	31st March 1989	
	(In lakhs of rupees)				
7. Jail	N.A.	1.35	N.A.	0.06	The amount re- presents sale pro- ceeds of articles manufactured in the jail and sup- plied to various Government Depart- ments. The Depart- ment did not furnish any rea- sons for the outstanding.
8. Indus- tries	N.A.	1.78	N.A.	0.45	The uncollected amount represents the licence fee for houses/sheds let out to private parties. The rea- sons for outstand- ing and year-wise break up could not be furnished by the Department.

N.A. NOT AVAILABLE.

The Land Revenue Department, Education Department, Motor Vehicles Department and Forest Department have not furnished the required information(March 1990).

5.7 Frauds and evasions

The details of cases of frauds and evasions of sales tax detected, finalised and pending at the end of 31st March 1989, was not furnished by the Departments.

According to the Sales Tax Department, out of 891 cases of searches made at Churaibari check post, 779 cases were booked for evasion during 1988-89 and Rs.6.94 lakhs collected as penalties from the defaulters.

5.8 Outstanding local audit reports and audit objections

Audit observations on incorrect assessments of revenue and defects in accounting of revenue receipts noticed in audit and not settled on the spot are communicated to Heads of Offices and departmental authorities through audit inspection reports. The more important and serious irregularities are also reported to the heads of Departments and to Government. Besides, statements indicating the number of objections outstanding for over six months/one year are also sent to the Government for expediting their settlement.

At the end of June 1989, in respect of local audit reports issued upto December 1988, 850 audit objections were still to be settled as per details given below. The corresponding position in the earlier two years has also been indicated:

	As at the end of		
	June 1987 -----	June 1988 -----	June 1989 -----
Number of local audit reports	368	384	236
Number of audit objections	1,261	1,306	850
Money value (in lakhs of rupees)	354.13	360.10	176.82

Year-wise break-up of the outstanding local audit reports, audit objections and the money value involved at the end of June 1989, is given below :

Year	Number of local audit	Number of objec- tions	Amount of receipts involved (in lakhs of rupees)
Upto			
1986-87	176	569	101.94
1987-88	16	45	5.97
1988-89	44	236	68.91
	-----	-----	-----
	236	850	176.82

Receipt-wise break-up of outstanding local audit reports, audit objections and the money value involved therein, as on 30th June 1989, is indicated below :

Name of receipts	Number of local audit reports	Number of audit objections	Amount of receipts involved (in lakhs of rupees)
1. Sales Tax	35	233	47.27
2. State Excise	12	22	2.27
3. Motor Vehicle Taxes	4	31	8.18
4. Stamps and Registration	8	11	0.44
5. Land Revenue	50	66	1.78
6. Forest Receipts	40	214	77.99
7. Amusement Tax	5	9	0.09
8. Professional Tax	7	10	5.39
9. Electricity Duty	59	245	23.19
10. Taxes on Agricultural Income	6	9	10.22
	-----	-----	-----
Total	236	850	176.82

In respect of 24 inspection reports containing 144 paragraphs (involving revenue effect of Rs.140.83 lakhs) issued during 1985-86 to 1988-89, even first replies had not been received till 31st December 1989. The outstanding were noticeably high in respect of Sales Tax Department (233 paragraphs) and Forest Department (214 paragraphs).

Details of the outstanding observations in respect of three Departments are shown below:

Year	(A) Forest Department Number of outstanding		Number for which first replies were not received	
	Inspection Reports	Para- graphs	Inspection Reports	Paragraphs
1983-84	2	6	--	--
1984-85	6	29	--	--
1985-86	7	48	1	6
1986-87	6	41	2	12
1987-88	5	20	2	6
1988-89	14	70	9	63
Total	40	214	14	87

Year	(B) Sales Tax Number of outstanding		Number for which first replies were not received	
	Inspection Reports	Para- graphs	Inspection Reports	Paragraphs
1983-84	7	22	--	--
1984-85	1	10	--	--
1985-86	4	55	--	--
1986-87	7	39	--	--
1987-88	9	48	--	--
1988-89	7	59	6	50
Total	35	233	6	50

(C) State Excise

Year	Number of outstanding		Number for which first replies were not received	
	Inspection Reports	Paragraphs	Inspection Reports	Paragraphs
1983-84	2	2	--	--
1984-85	2	2	--	--
1985-86	1	3	--	--
1986-87	1	2	--	--
1987-88	3	7	1	1
1988-89	3	6	3	6
Total	12	22	4	7

SALES TAX

5.9 Results of audit

The test check of sales tax assessments and other records of seven units, conducted during the year 1988-89, revealed under-assessment of tax amounting to Rs.12,08 lakhs in 40 cases, which broadly fall under the following categories:

	Number of cases	Amount (in lakhs of rupees)
1. Turnover escaped assessment	4	2.13
2. Under-assessment of tax	25	8.80
3. Short realisation of tax	8	0.64
4. Under charge of interest	3	0.51
	-----	-----
Total	40	12.08
	-----	-----

Out of 40 cases noticed in audit, the Department has since effected recovery of Rs.2,596 in one case. In 5 cases involving revenue of Rs.38,158 the objections have been admitted and report on recovery has not been received (January 1990).

Some of the important cases are mentioned in the following paragraphs.

5.10 Arrears in Sales Tax

5.10.1 Introductory

In Tripura Sales Tax is levied and collected under the Tripura Sales Tax Act, 1976, which came into force with effect from 1st July 1976.

5.10.2 Scope of audit

The records relating to assessment for the period from 1976-77 to 1988-89 maintained by the Commissioner

The abbreviations used in this Review are listed in the
Glossary in Appendix 10 (at page 303)

of Taxes, the Superintendents of Taxes (eight Superintendents) and Certificate Officers, were test checked in audit in July - August 1989. The important points noticed are indicated in the succeeding paragraphs.

5.10.3 Organisational set up

At the apex level for administration of the Act is the Commissioner of Taxes who is the Head of the Department. He is assisted by an Assistant Commissioner of Taxes and eight Superintendents of Taxes of whom five are stationed at Agartala and one each in South and North Districts.

There is also a one member Sales Tax Tribunal to hear the appeal cases.

5.10.4 Highlights

- As on 31.3.89 the arrears of revenue to the extent of Rs.2.81 crores were awaiting realisation against 1625 cases.

(Paragraph 5.10.5)

- The number of assessment cases finalised during 1988-89 and their percentage compared to the assessments finalised during the year 1986-87 decreased from 4733 (77 per cent) in 1986-87 to 2022 (46.17 per cent) in 1988-89.

(Paragraph 5.10.5.2)

- In the assessment circle West Tripura District, there was a delay in the assessment from one year to four years in respect of 19 cases involving Rs.9.38 lakhs.

(Paragraph 5.10.5.3)

- 662 cases involving Rs.60 lakhs were pending with the concerned certificate officers for recovery as on 31st March 1989.

(Paragraph 5.10.6.1)

- Despite the directions from the Hon'ble High Court, the Department failed to realise the tax to the extent of Rs.3.53 lakhs in three cases.

(Paragraph 5.10.8)

5.10.5 Trend in arrears

As per provisions of the Tripura Sales tax Rules, assessment proceedings are required to be initiated at the close of a year or at the closure of the business during the year on the basis of the returns furnished by the assessee and completed within eight years beyond which the cases become time-barred. If the sales tax dues including interest, penalty etc., are not paid within the time specified in the notice (30 days) or within the extended period, if any, the assessing authority may institute certificate cases for realisation of such dues as arrears of land revenue. As per information furnished by the Department arrears of sales tax as on 31.3.89 amounted to Rs.281 lakhs involving 1625 cases. The position of arrears for preceding four years is as follows:

At the end of	Number of pending cases	Amount in arrears (Rupees in lakhs)
-----	-----	-----
1984-85	1216	157.00
1985-86	1050	177.00
1986-87	1330	186.00
1987-88	1720	240.00
1988-89	1625	281.00

Arrears at the end of 1988-89 increased by 78 per cent from 1984-85.

5.10.5.1 The arrears of Rs.281 lakhs involving 1625 cases as on 31.3.89 were outstanding at the following stages:

	Number of cases	Amount (Rupees in lakhs)
	-----	-----
1. Pending with the Appellate Authority of the Department	181	35.00
2. Pending with the Tribunal	262	67.00
3. Under certificate proceedings	662	60.00
4. Pending with the Courts	111	69.00
5. Other stages	409	50.00
	-----	-----
	1625	281.00

5.10.5.2 Despite the need for prompt finalisation of assessment cases being stressed by the Commissioner of Taxes in the monthly meetings held by him with the assessing officers, actual assessment completed during three years from 1986-87 to 1988-89 ranged between 77 and 46.17 per cent of total number of cases due for disposal as shown below:

Year	Opening balance	Cases due for assess- ment	Cases asses- sed	Closing balance	Percen- tage
-----	-----	-----	-----	-----	-----
1986-87	3322	6147	4733	1414	77.00
1987-88	1414	4477	2890	1587	64.6
1988-89	1587	4379	2022	2357	46.17

The Government stated (October 1989) that due to shortage of assessing staff at the initial stage there were arrears in assessment cases. The above table, however, indicates gradual decline in the number of cases disposed of from year to year.

5.10.5.3 A test check of records relating to one assessing authority in West Tripura District disclosed that there was delay of more than one year to three years in finalisation of assessments leading to accumulation of arrears to the extent of Rs.9.38 lakhs involving nineteen cases, as shown below:-

A.	More than one year 7 cases relating to 1980-81 to 1982-83	Rs.3.74 lakhs.
B.	More than two years 3 cases relating to 1979-80 to 1981-82	Rs.1.40 lakhs.
C.	More than three years 9 cases relating to 1977-73 to 1981-82	Rs.4.24 lakhs.

5.10.6 Delay in finalisation of certificate cases leading to accumulation of arrears

As per provisions of the Sales Tax Act, 1976 in the event of non-payment of sales tax dues, within the dates specified in the demand notice the Commissioner shall institute certificate proceedings for realisation of Sales Tax dues, as arrears of land revenue under Tripura Land Revenue and Land Reforms Act, 1960. The powers to settle the certificate cases in respect of Tripura West District were conferred on the Accounts Officer of the Sales Tax Department in May 1983. These powers were transferred to the Superintendents of Taxes West, South and North Districts within their respective jurisdiction in January 1985, February 1985 and February 1986 respectively.

5.10.6.1 The civil authorities transferred 222 undisposed cases to the Accounts Officer, West District on the date of transfer of power (May 1983). Thereafter the Accounts Officer received 490 current cases from the different assessing authorities of West District till the end of January 1985.

As per the records of the Certificate Officer (Accounts Officer) 152 cases were pending till January 1990. The Department could not produce records indicating the manner in which the balance 560 cases were disposed of, and the stages in which these were lying. Scrutiny of records further disclosed that the outstanding cases were due to :

- (i) Non-availability of defaulting debtors at the addresses recorded in the Certificate of Registration.
- (ii) Non-existence of immovable property for attachment and sale.
- (iii) Death of dealers.
- (iv) Non-existence of firms.

It was noticed that certificate cases were not initiated immediately on expiry of the specified period mentioned in the notice. A test check of records, however, disclosed that eight cases involving Rs.8.11 lakhs were referred to the certificate officer after the lapse of period of 6 months to 30 months after the specified period. Further 662 cases (152 cases with the Accounts Officer and 510 cases with the respective Superintendents of Taxes) involving Rs.60.00 lakhs were lying undisposed of as on 31st March, 1989. No records indicating the reasons and stages at which the cases were pending with the respective Superintendents of Taxes functioning as certificate officers have been maintained in the office of the Commissioner of Taxes;.

5.10.7 A few cases of delay in completion of assessment and institution of certificate cases leading to accumulation of arrears are discussed below:

(i) In West Tripura District in the case of a firm assessments for the years 1981-82 and 1982-83 were finalised in May 1986 and an additional demand for Rs.1.17 lakhs was raised against which the assessee deposited Rs. 0.15 lakh between December 1986 and January 1987 and Rs.0.10 lakh in February 1989 leaving a balance of Rs.0.92 lakh still unpaid. Certificate proceedings which were initiated by the concerned authorities in December 1988 were neither pursued to its logical end nor was any action to attach the immovable property taken to realise the outstanding amount.

(ii) In West Tripura District assessments of a dealer for the period from 1976-77 to 1980-81 were finalised in January 1985 and a demand notice for Rs.1.14 lakhs was issued in January 1985. Since the assessee did not deposit the tax due within the specified time, as also the assessee had the address outside the State (Assam), for realising the sales tax due as arrears of land revenue the case was referred to the District Magistrate and Collector, West Tripura who took up the case with the concerned Collector in Assam only in October 1986. Aggrieved, the dealer appealed to the Assistant Commissioner and to the Tribunal. The Tribunal in its order dated 11th November 1986 stayed the order of certificate proceedings till 29.12.86 but the Department did not proceed further with the case thereafter resulting in the amount remaining outstanding (June 1990).

(iii) In West Tripura District the assessment of a dealer for the year 1981-82 and for the next five years viz 1982 to 1986-87 were finalised in January 1984 and May 1987 and demand notice for the additional amount of Rs.0.36 lakh and Rs.0.69 lakh were issued in February 1984 and in May 1987 respectively. The dealer, however, preferred an appeal to the Assistant Commissioner of Taxes against the demand for 1981-82 which was rejected in June 1984. The matter was referred to the Certificate Officer (Accounts Officer) in August 1984 for recovery. The dealer deposited Rs.0.07 lakh between

February 1985 and October 1986 leaving a balance of Rs.0.29 lakh still unpaid.

Against the demand for 1982-83 to 1986-87 the case was referred to the Certificate Officer in December 1987. The dealer deposited Rs.0.01 lakh in December 1987 leaving a balance of Rs.0.68 lakh still unpaid. The dealer discontinued its business in 1983-84 whereas the registration was cancelled only in May 1987.

After initiation of certificate proceedings (August 1984 and December 1987) no action was, however, taken to realise the amount of Rs.0.97 lakh in both cases by issuing warrant of distraint or attachment of property.

(iv) A dealer of West Tripura District was assessed to tax for the years 1980-81 and 1981-82 in November 1987 and further reassessed in October 1988. Accordingly demands were raised for Rs.2.14 lakhs and Rs.0.62 lakh in November 1988 respectively. Since the dealer did not respond to the tax demands certificate proceedings for recovery of arrears of sales tax for both the years were initiated in January 1989 and an amount of Rs.0.40 lakh was collected in February 1989 and in April 1989 in respect of the assessment year 1980-81 leaving a balance of Rs. 1.74 lakhs still unrealised. Rupees 0.20 lakh were collected in February 1989 and May 1989 in respect of the year 1981-82 leaving a balance of Rs.0.42 lakh. No further action was, however, taken thereafter to realise the arrear dues amounting to Rs.2.16 lakhs in both the cases.

(v) In West Tripura District the assessment of a dealer for the years 1976-77 to 1982-83 was finalised in May 1984 and a demand for Rs.2.41 lakhs was raised. The dealer, however, preferred an appeal before the Appellate Authority who in August 1984 directed the dealer to deposit an amount of Rs.1.20 lakhs (being 50 per cent of tax demand) by September 1984 for the appeal being admitted. The dealer deposited Rs.1.20 lakhs in December 1984 as directed but the matter has since been pending with the Appellate Authority.

Again assessment for the year 1983-84 was completed in September 1984 and a demand for Rs.18.22 lakhs was raised. The dealer filed an appeal in October 1984 before the Appellate Authority which was rejected in July 1985. Further appeal made by the dealer before the Tribunal, was also rejected in May 1987 as the dealer did not deposit 50 per cent of the amount taxed. The dealer finally deposited Rs.9.31 lakhs and the appeal was admitted by the Tribunal and reassessment was ordered in February 1988 which was finalised in March 1988 raising a demand for Rs.7.70 lakhs. The dealer again went in appeal before the Tribunal who ordered fresh re-assessment in May 1989. Re-assessment had not, however, been finalised as of July 1989.

In yet another case, assessment for the year 1984-85 was completed in March 1986 and a demand for Rs.5.10 lakhs was raised in March 1986. The dealer filed an appeal before the Appellate Authority who ordered for re-assessment in February 1988. Not satisfied with the orders of the appellate authority, the dealer filed an appeal before the Tribunal who while partly upholding the appellate order of May 1989 ordered for the fresh assessment of the case. The reassessment has not been completed as of July 1989.

(vi) A dealer in West Tripura District was assessed to tax in December 1985 for three years from 1982-83 to 1984-85 and an additional demand for Rs.1.08 lakhs was raised. As the dealer did not respond to the demand notice and to deposit tax, certificate proceedings were initiated against him and the case referred to the District Magistrate and Collector who issued demand notice in August 1986 for realisation of the amount as arrears of land revenue plus interest at the rate of 25 per cent from 18.1.86. The matter was not, however, pursued thereafter by the Department, resulting in the amount remaining unrecovered as of June 1990.

(vii) In West Tripura District assessment of a dealer for 3 years from 1980-81 to 1982-83 was completed in January 1984 and a demand notice for an additional amount of Rs.2.22 lakhs was raised.

Aggrieved by the assessment order the dealer filed an appeal before the Appellate Authority, who rejected the same in July 1984. But the Department did not make any further efforts to realise the amount (June 1992).

5.10.8 In the following cases the Department did not take any action as per directives of the Court.

(i) In West Tripura District assessment of a dealer for 5 years from 1979-80 to 1980-81 and 1982-83 and 1985-86 was completed in November 1988 and additional demand for Rs.1.01 lakhs was raised (December 1988). Aggrieved by the assessment orders, the assessee appealed to the Assistant Commissioner of Taxes, and then to the Tribunal and finally to the Hon'ble High Court. As the requisite 50 per cent of the tax due was deposited by the dealer the Hon'ble High Court directed the appellate authority to hear the appeal on its merits and decide the case in accordance with the law. The appellate authority admitted the appeal in March 1989 and fixed the date of hearing on 28.4.89, but no hearing was held till June 1992.

(ii) In West Tripura District assessments of a dealer for the years 1982-83, 1983-84 and 1984-85 were finalised in November 1988 raising a demand for Rs.1.09 lakhs. The dealer filed an appeal before the Hon'ble High Court which was disposed of with the direction to pay requisite 50 per cent of the tax due along with 25 per cent of the interest accrued in March 1989. Report of realisation has not been received (June 1992).

(iii) In West Tripura District the assessments of a dealer for four years viz. from 1979-80 to 1982-83 was finalised in January 1984 and an additional demand for Rs.1.68 lakhs was raised. Aggrieved by the assessment order, the dealer filed appeals before the Assistant Commissioner of Sales Tax, Tribunal and the Hon'ble High Court. The High Court in its order dated August 1984 remanded the case to Assistant Commissioner for hearing with directions to the assessee to deposit 15 per cent of the tax due. The dealer deposited Rs.0.25 lakh (15 per cent) in August 1984 but the appeal was rejected in September 1984. Since then no action has

been taken to realise the balance amount of Rs.1.43 lakhs till June 1992.

5.10.9 Arrears in appeal cases pending with the department

181 appeal cases involving revenue of Rs. 35.00 lakhs were pending for disposal as on 31st January 1990 with the Appellate Authority of the Department.

Test-check of records relating to one Superintendent of Taxes further disclosed that 18 appeal cases involving Rs. 2.59 lakhs had been lying undisposed of since 1987-88 and 20 cases involving Rs. 1.52 lakhs since 1986-87 till August 1989.

It was, however, noticed that in another charge, the number of outstanding cases (143) involving Rs. 9.27 lakhs at the end of 1987-88 was reduced to 118 cases involving Rs. 7.68 lakhs. The Government stated (October 1989) that the initial accumulation of arrears had caused due to shortage of officers. The position has improved now with the expansion of the organisation.

Whereas a test-check of records relating to both the charges mentioned above indicated that there was practically no improvement in the settlement of old cases.

5.10.10 Cancellation of registration certificate

(1) A dealer of West Tripura District who was assessed to tax of Rs. 2.58 lakhs between January 1984 and June 1988 for the years 1981-82 to 1987-88 closed down his business in June 1987. His registration certificate was cancelled in April 1988 as he failed to comply with the statutory obligation of the Act. Assessment for the year 1987-88 was finalised in June 1988 i.e., after cancellation of the registration certificate and a demand for Rs. 0.70 lakh was raised in the same month. The demand-notice could not be served as the dealer was not available at the given address.

The Department initiated certificate proceedings for the demand of 1981-82 to 1982-83 in September 1984. Rs. 0.03 lakh only could be realised in April 1987 against the demand of Rs.0.36 lakh for 1981-82. For 1982-83, further recovery has not been intimated (July 1989). While notice was issued for the demand of 1986-87 to the Executive Engineer and other agencies having business transaction with the assessee no steps were, however, taken for the realisation of amounts against the demands for the years 1983-84 to 1984-85.

(ii) In West Tripura District a dealer (Partnership firm) was assessed to tax demand of Rs. 0.95 lakh for the year 1980-81 to 1981-82 in January 1984. The firm applied for cancellation of registration certificate in January 1985, as it discontinued its business in the year 1981-82. The registration certificate was cancelled in March 1987. The case was subsequently referred to the Certificate Officer for recovery in September 1984 and an amount of Rs. 0.05 lakh only was realised against the demand of Rs. 0.95 lakh leaving the balance amount of Rs. 0.90 lakh un-realised (June 1992).

✓ 5.11 Turnover escaping assessment

As per Tripura Sales Tax Act, 1976, bricks are taxable at the rate of 10 per cent. In Sales Tax Charge I, Agartala the turnover of a dealer for the assessment year 1985-86 was assessed (April 1987) at Rs. 3.68 lakhs being the sale value of 8.94 lakh bricks. However, it was noticed in audit (April 1988) that the closing stock was determined at 7.64 lakh bricks while the same worked out to be 13.06 lakh bricks leaving a difference of 5.42 lakh bricks. Thus an amount of Rs. 2.30 lakhs being the sale value of 5.42 lakh bricks escaped assessment resulting in under assessment of tax amounting to Rs. 23,039.

On the omission being pointed out in audit (April 1988), the assessing officer raised (January 1989) an additional demand of Rs. 23,039.

The matter was reported to Government in September 1988 and the Government stated (June 1989) that the assessee did not deposit the amount and had filed an appeal with the Appellate Authority (January 1990).

5.12 Under-assessment of turnover

As per the Tripura Sales Tax Act, 1976, if any dealer has concealed the particulars of his turnover or deliberately furnished inaccurate particulars of turnover, the dealer is liable to pay penalty of a sum not exceeding one and a half times of the amount of tax payable, besides the tax.

In West Tripura District, the assessment of a dealer of bricks for the year 1985-86 was completed in April 1987 with closing stock of 20,34,725 bricks. However, during audit (April 1988) it was noticed from the physical verification report of bricks as prepared by Inspector and available in the assessment records that the actual closing stock of bricks was 4,12,500 bricks (250,000 bricks and 500 cum bats). Thus 16,22,225 bricks sold during 1985-86 escaped assessment, resulting in short levy of sales tax amounting to Rs. 81,111.

On this being pointed out in audit (April 1988) the assessing authority raised an additional demand for Rs. 81,111.

The Government to whom the matter was reported (October 1989) stated in their reply that the demand notice issued by the Superintendent of Taxes had been received back unserved. The matter was being enquired into by the Area Inspector. Report on further development had not been received (June 1992).

5.13 Incorrect deduction from taxable turnover

(a) As per Section 3 A(I) (a) of the Tripura Sales tax Act, 1976 any transfer of property in goods involved in the execution of a works contract shall be deemed to be sale of those goods by the persons making the transfer.

✓ (a) In West Tripura District while assessing (February 1988) a dealer, who deals in taxable goods and who was also a Government contractor for three years from 1979-80 to 1981-82, a total deduction of Rs. 9.45 lakhs on account of taxable goods used by the assessee in execution of works under different contracts during the period was made from the gross turnover (1979-80 : Rs. 6.28 lakhs; 1980-81:Rs. 3.04 lakhs and 1981-82: Rs. 0.13 lakh). The mistake resulted in short levy of tax amounting to Rs. 94,968.

On the mistake being pointed out in audit (April 1988), the assessment was revised in January 1989 and an additional demand of Rs. 94,968 was raised. Report on realisation had not been received (August 1989).

The Government in their reply (November 1989) stated that as the assessee failed to deposit the tax certificate, proceedings had been initiated by the Superintendent of Taxes; Further report had not been received (June 1992).

✓ (b) In South Tripura District while assessing (June 1987) a firm engaged in manufacture and sale of bricks and brick products for the year 1985-86 the assessing authority allowed a deduction of Rs.2.40 lakhs on account of 4 lakh bricks used by the assessee in execution of works contract from the gross turnover. This resulted into a short levy of tax amounting to Rs. 28,000 at 12 per cent.

The mistake was pointed out by audit in May 1988 to the Department, their reply had not been received (June 1992).

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Para I (B) of PTA
1/87 to 2/87

Para-2 of PTA
1/87 to 4/87

On the matter being reported to the Government in September 1988 and followed by a reminder in December 1988 the Government stated (November 1989) that the reassessment was in progress; final reply had not, however, been received (June 1992).

5.14 Short levy due to incorrect determination of taxable turnover

(4) As per Tripura Sales Tax Act, 1976, every registered dealer shall furnish such returns of his turnover by such dates and to such authorities as may be prescribed. If in the course of any proceedings under this Act, the authority is satisfied that the dealer has concealed the particulars of his turnover or deliberately furnished inaccurate particulars of such turnover, the dealer is liable to pay penalty in addition to tax payable by a sum not exceeding one and half times of the amount of tax.

In West Tripura District while finalising the assessment (August 1987) of a dealer engaged in manufacture and sale of bricks and brick products for the year 1986-87 the turnover of the assessee was determined at Rs. 3.32 lakhs against the returned turnover of Rs. 81,020. Of these 50 per cent was taxed at 10 per cent and the balance at the increased rate of 12 per cent applicable from October 1986. While determining the turnover, 2,49,923 bricks were taken as opening balance of the year and the selling rate of bricks and bats were taken as Rs. 370 per thousand and Rs. 85 per cubic metre respectively. Tax payable was calculated as Rs. 36,522 and a penalty of Rs. 7304 was also levied for inaccurate return.

It was noticed in audit (April 1988) that as per assessment records of the same dealer for the preceding two years there had been a closing balance of 4,05,799 bricks at the end of 1985-86. The rates approved by Government during 1986-87 varied from Rs. 480 (2nd class) and Rs. 590 to Rs. 620 (1st class) per thousand bricks while the rate for bats was Rs. 175 per cubic metre.

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para-3 of p81
1/88 to 2/88

Thus, the turnover which works out to Rs. 6,42,445 computed at the minimum approved rate would have been liable to a tax of Rs. 70,669.

On the discrepancies being pointed out in audit (April 1988), the Department revised the assessment in August 1988 and raised an additional demand for Rs. 28,260 (including Rs. 5,813 on account of penalty). The Government, however, stated (November 1989) that on an appeal, the Revisional Authority had directed (August 1988) the Superintendent of Taxes to reduce the penalty amount of Rs. 5,813 from the demand. Accordingly the Superintendent of Taxes issued notice to the dealer on 27th September 1989 under Section 26(2) of the Act. Further developments had not been reported (January 1990).

(b) As per provisions of the Tripura Sales Tax Act, 1976, every registered dealer is required to maintain a true account of all taxable goods produced/procured for sale in the State. The Act also provides that, if a dealer conceals the particulars of taxable turnover in any way, he shall pay by way of penalty, in addition to the tax payable by him, a sum not exceeding one and a half times that amount.

In West Tripura District, the assessing authority, while assessing (May 1986) a dealer for the period from 1981-82 to 1984-85, noticed that the assessee had neither maintained any stock books nor had specified the nature of goods sold or purchased in his books of accounts for the period under assessment. The assessing authority, therefore, determined the taxable turnover at Rs. 26.64 lakhs by enhancing the returned turnover by 5 per cent.

Audit scrutiny (February 1987) of assessment records of the assessee for the year 1980-81, however, revealed that the assessee had a closing balance of goods valued at Rs. 1.31 lakhs which was omitted to be taken into account by the assessing authority. Further, turnover for the year 1982-83 was taken as Rs. 3.61 lakhs as against actual sale of Rs. 5.68 lakhs as per sale records.

On this being pointed out (February 1987) the assessing authority on further examination of the case revised the assessments on the basis of a total turnover of Rs. 34.88 lakhs for the years 1981-82 to 1984-85 and raised an additional demand for Rs. 85,316 including penalty of Rs. 17,281 in September 1988.

The Government to whom the matter was reported, stated (October 1989) that the case was sub-judice, since the dealer had preferred an appeal before the Additional Commissioner of Taxes. Further reply had not been received (June 1992).

(c) In South Tripura District while finalising the assessment (September 1986) of a dealer engaged in manufacture of bricks for the year 1984-85 and 1985-86, turnover for the year 1984-85 was determined on the basis of opening stock of 6512 numbers instead of 250,000 (closing stock of 1983-84).

The discrepancy being pointed out (February 1987) in audit the case was reviewed by the Department in November 1988 and admitted (September 1989) that the discrepancy pointed out was due to defective maintenance of accounts by the dealer for the years 1982-83 and 1983-84.

The turnover of the year 1982-83 and 1983-84 was, however, revised (November 1988) and tax re-assessed raising an additional demand for Rs. 28573.

On this being pointed out (June 1987) in audit the Government in their reply (October 1989) stated that the dealer has discontinued his business and as such the additional demand could not realised. However, certificate proceedings have been initiated to recover the pending dues. Reports on further development had not been received (June 1992).

(d) In Tripura South District the assessment of a partnership firm dealing in bricks and brick products for the year 1981-82 was made (May 1984) on the basis of a turnover of Rs. 3.89 lakhs and a tax of Rs. 46,695 was determined together with an interest of Rs. 7,789.

On an appeal the appellate authority directed re-assessment which was completed in April 1985 on the basis of the same turnover, the interest levied earlier was reduced to Rs. 5,836.

It was noticed in audit (January 1986) that the firm had sold bricks and brick products worth Rs. 8.13 lakhs to the Public Works Department during the year 1981-82. Thus, the turnover for the year could not be less than Rs. 8.13 lakhs. Assessment of tax on the basis of a turnover of Rs. 3.89 lakhs only thus resulted in a short levy of tax of Rs. 42,412.

On this being pointed out (May 1986), in audit the Government in their reply stated that the case could not be re-examined due to revision petition filed by the assessee. The assessing authority had, however been directed (June 1989) to re-examine the case. Further development in this regard had not been reported (June 1992).

(e) As per the Tripura Sales Tax Act 1976, on sale of polythene pipes, tax is leviable at 8 per cent at the point of first sale in the State.

In West Tripura District while assessing (March 1988) a manufacturer of polythene pipes the turnover for the year 1986-87 was determined at Rs. 60,000 taking the opening balance of 4224.25 metres of pipe on 1st April 1986.

It was, however, noticed in Audit (April 1989) that as per assessment records of the assessee the opening balance of stock as on 1st April 1986 worked out to 7474.42 metres. This resulted in turnover of Rs. 2.75 lakhs escaping assessment with consequent short levy of tax to the extent of Rs. 21976.

On this being pointed out (April 1988) in audit the turnover for the year 1987-88 was increased by Rs. 2.75 lakhs while assessing (July 1989) the dealer for 1987-88 and a demand amounting to Rs. 21976 was raised in July 1989. Report on recovery has not been received (June 1992).

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The Government to whom the matter was reported in October 1989 stated that notice under Section 26 A of the Act, *ibid* had been issued to the Executive Engineer, Resource Division for recovery of the pending dues of the dealer, the report of recovery had not been received (June 1992).

STATE EXCISE

5.15 Results of audit

Test-check of records in Departmental excise offices conducted in audit during the year 1988-89, revealed short recovery and non-recovery of excise duty and other irregularities in 5 cases, which broadly fall under the following categories :-

	Number of cases	Amount (in lakhs of rupees)
	-----	-----
1. Loss of excise duty due to non-supply of country liquor to vendors	1	0.16
2. Loss of excise duty due to late renewal of licence	1	0.09
3. Short realisation of excise duty due to issue of liquor beyond the concessional rate	2	0.06
4. Loss of excise duty due to non-settlement of country liquor shop	1	1.30
	-----	-----
Total	5	1.61
	----	----

Out of 5 cases noticed in audit, the Department has since effected recovery of Rs. 3,636 in one case. In 2 cases involving revenue duty of Rs. 25,212 audit objections had been admitted and report on recovery had not been received (June 1992).

An important case is mentioned in the following paragraph:

5.16 Loss of revenue due to non-maintenance of
reserve stock of country liquor

As per terms of the licence and bond executed with the owner of a Bonded Warehouse for country liquor in Tripura West district, the licensee is required to issue a minimum quantity of 500 London proof litres of country liquor to the retail vendors everyday and to maintain a minimum stock balance of 15000 London proof litres at the end of the days transaction. Failure to issue the quantity due to insufficient stock renders the licensee liable to compensate the loss of revenue, as may be determined by Government, in addition to the forfeiture of the security deposit.

*Collector Tripura
24/10/89
7/188 to
6/189* It was noticed in audit (July) that a licensee did not issue country liquor during the period from 11th May to the 21st May 1989 as the warehouse had become dry. But no compensation on account of the loss of revenue which amounted to Rs. 88000 (at the rate of Rs. 16 per London proof litre on the minimum stipulated quantity of 500 London proof litre for 11 days) was realised. The security deposit of Rs. 10,000 available was also not forfeited.

On this being pointed out (October 1989) in audit the Department raised (November 1989) a demand for Rs. 1.71 lakhs (based on average daily issue during March 1989) against the licensee.

The Government to whom the matter was reported (October 1989) confirmed the demand raised by the Department and stated (January 1990) that due to certain problems, the Uttar Pradesh Government did not issue export permit. Hence, the fulfilment of terms of the licence and the bond executed by the Bonded Warehouse may not be practicable at all times. The reply of the Government is not tenable as the reasons for non-issue of export permit by Uttar Pradesh State have not been explained as also due to the fact that

both the Department and the bonded warehouse were supposed to see and before executing the bond that the liquor was to be imported from outside the state and they could have taken adequate steps to get the minimum stock balance of country liquor maintained by the licencee.

FOREST RECEIPTS

5.17 Results of audit

Test-check of records in the Departmental offices conducted during 1988-89 revealed short recovery and non-recovery of forest receipts to the extent of Rs. 38.97 lakhs in 40 cases, which may be broadly categorised under the following heads:-

	Number of cases -----	Amount (in lakhs of rupees) -----
1. Loss of revenue due to issue of permit at a rate lower than the approved rate	1	0.27
2. Under assessment of capitalised value of forest produce	2	26.38
3. Loss of revenue due to sale of timber on permit system instead of by departmental operations	1	0.02
4. Other irregularities	36	12.30
Total	40	38.97
	----	----

Out of 40 cases noticed in audit, the Department had since effected recovery of Rs. 36,523 in 6 cases and in 2 cases involving revenue of Rs. 6,456 audit objections had been admitted and report on realisation had not been received (January 1990).

The important cases are mentioned in the following paragraphs.

5.18 Loss in sale of Cashew nuts

According to procedure followed in Tripura Forest Department, Cashew nuts produced in the Forest Area of Tripura are disposed of by auction or tender. Accordingly, the rate for the sale of Cashew nuts in 1985-86 was approved by the Government at Rs. 5.25 per Kilogram after calling tenders.

In the Beat Offices at Chailengta (Manu Forest Division), Ashabari (Sadar Forest Division) and Garzi (Udaipur Forest Division) 13,322.40 Kilogram of Cashew nuts were collected. Instead of putting the Cashew nuts collected to auction the Government decided (November 1986) to sell the entire quantity to the North Eastern Regional Agricultural Marketing Corporation (NERAMAC), a Government of India undertaking, at Rs. 5.25 per kilogram despite the fact that a private party 'A' had offered a rate of Rs. 6.50 per kilogram in October 1986. As to the reasons for the decision, it was stated by Government (January 1990) that the cashew nuts so sold would be processed in the factory of NERAMAC and thereby improve the Socio-economic condition of the local people by way of generation of employment. NERAMAC lifted a total quantity of 11,546.40 kilograms in November - December 1986.

The balance quantity (1,776 kilograms less 260 kilograms utilised for raising plantations, 238 kilograms as rat damaged/driage and 336 kilograms lying in stock) was sold by the Department to 'A' in February 1987 at a negotiated rate of Rs. 8.08 per kilogram.

NERAMAC, on the other hand, sold 10,000 kilograms (out of 11,546.40 kilograms) to a third party instead of processing the same in its plant which had not come up, at Rs. 8.00 per kilogram. Information about balance quantity had not been received (January 1990).

Thus, as a result of sale of 11,546.40 kilograms to NERAMAC at a such lower rate without assessing the

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market value, the Department sustained a loss of Rs. 31,752.60 (11,546.40 X 2.75).

On this being pointed out in audit (July 1989) the Government stated (January 1990) that it had the prerogative and proprietary right to dispose such produce in such manner as it deemed fit when it is not only the money that comes into consideration but also many other social considerations and general welfare. But how the instant deal, where NERAMAC acted as middlemen to earn an un-intended profit, served a social purpose or resulted in welfare had not been explained.

5.19 Loss of revenue on sale of timber in auction

According to the orders issued by Government in July 1972, seized timber and logs are to be disposed of by auction.

Under Sadar Forest Division 242 numbers of Teak logs containing 21.117 cubic metre of timber of different girth classes (30 cm to less than 45 cm; to less than 60 cm and 60 cm to less than 90 cm) were seized (September 1986) from a beat and were transported to depot (Hatipara) at a cost of Rs. 5600. Timber, after being sorted out into five lots was put to tender in November 1986 and the highest rate of Rs. 2225 per cubic metre was received, second highest being Rs. 1856 to Rs.2010, which was recommended to the Chief Conservator of Forests for acceptance both by the Divisional Forest Officer and Conservator of Forests, Western Circle on 23rd December 1986 and 30th December 1986 respectively as the rates received were more than the upset price. But the Department in February 1987 considered that the rates offered were low and held negotiations with the offerer and enhanced the same to Rs.2325.00 per cubic metre after negotiation, but the contractor backed out. The rate of the second highest bidder ranged from Rs. 1896 to Rs. 2010 per cubic metre. The lots were thereafter put to auction in December 1987, but there was no response. A re-auction was held in March 1988 and the timber was sold at a nominal price of Rs. 505.27 per cubic metre which

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7/89 to 6/88
1 of 2
Rs. 32,860
Rs. 32,332

fetched only Rs.11,556 in all as the timber was extensively damaged due to exposure etc. This resulted in a loss of revenue amounting to the extent of Rs.39,332.

On the matter being reported to Government in December 1988 the Government stated in April 1990 that since the logs seized were obtained from young species they were immature and not resistant to natural decay and since storing them in godowns was impracticable these were kept in open space as the practice. Government reply is not tenable since the avoidable loss occurred only because of this delay in accepting the highest tender, despite the fact that the first offer, was higher than the upset price fixed by the Department.

Some of the important objections remaining unsettled are mentioned below briefly:

(a)(1) As per rules, forest produces are allowed to be removed from Department's custody on full payment of royalty and sales tax in advance. A scrutiny of the records of the Divisional Forest Officer, Northern Forest Division, Kailashahar, however, revealed (December 1987) that two permit holders were allowed to transport 42.466 cubic metre Departmentally operated timber on payment of Rs. 40,500 as against Rs. 68,201 actually payable. This was pointed out in audit (May 1986) but report on realisation of the balance amount of Rs. 27,701 had not yet been received (January 1990).

(ii) In another Forest Division (Manu Forest Division) 85 sal poles measuring 849.7 running metres were allowed to be lifted on a payment of Rs. 77,760 only as against Rs. 95,867 leviable. On this being pointed out in audit (June 1987), a demand for the balance amount of Rs. 18,107 was raised (June 1987) but report on realisation had not yet been received (June 1992).

(b)(i) Provision of rule for advance realisation of forest royalty and sales tax in full is also applicable in cases of sale of forest produce to other government Department/Organisation as well. The records of the

Divisional Forest Officer, Udaipur Forest Division, Udaipur revealed (January - February 1985) that forest produce worth Rs. 3.09 lakhs was supplied on credit to different Government Department/autonomous body during the period from 1978 to 1985. On this being pointed out in audit., the Department in their reply (November 1986) stated that out of Rs. 3.09 lakhs, Rs. 1.74 lakhs had been realised. Report on realisation of the balance amount of Rs. 1.35 lakhs has not been received (January 1990).

(ii) In another Forest Division (Teliamura Forest Division) it was revealed that coffee seedlings worth Rs. 49,110 were supplied (August 1987) on credit to the Autonomous District Council but neither any claim was preferred for realisation of the amount nor was any demand register for credit sale maintained to watch recovery of sale proceeds. On this being pointed out in audit (December 1987), the Divisional Officer preferred a claim for Rs. 49,110 (December 1987); report on realisation had not yet been received (January 1990).

(iii) In yet an other case, scrutiny of records of the same Forest Division it was revealed (December 1987) that 161.799 cubic metre of billet firewood valued at Rs. 12,944 and 54.566 cubic metre karai round log valued at Rs. 50,091 were supplied during 1985-86 on credit to another Government Department but neither any claim was preferred for realisation of the amount nor was any demand register for credit sale maintained. On this being pointed out in audit (December 1987, the Divisional Forest Officer stated in his reply (October 1988) that an amount of Rs. 50,092 had been realised. Report on realisation of the balance amount of Rs. 12,943 had not been received (January 1990).

5.20 Short levy of agricultural income tax

The schedule B of the Bengal Agricultural Income Tax (Tripura Amendment) Act, 1978^{7.9.78} which came into force with effect from September 1989, provides that Agricultural Income Tax at the rate of seventy paise in the rupee is leviable where the total annual

Agricultural Income of a company, Firm or other Association exceeds Rs. one lakh.

In the course of audit (October 1985) it was noticed that the taxable agricultural income of a private company for the year 1978-79 was assessed as Rs. 2.94 lakhs (July 1984) by the assessing officer which was revised by the appellate authority (March 1985) on an appeal made by the assessee determining the taxable income as Rs. 2.90 lakhs. But during the revisions the rate of tax was taken as forty paise in a rupee instead of seventy paise in a rupee as prescribed in the Amendment Act, *ibid*. This resulted in short levy of tax amounting to Rs. 87,146.

The Government to whom the matter was reported (December 1985) and followed up by reminder in July 1986 and June 1987 stated (December 1989) that since the dealer had deposited the assessed tax during the pendency of the appeal and the Agricultural Income Tax Tribunal (District Judge) Agartala had disposed of a Tribunal appeal, the matter relating to short levy of Agricultural Income Tax was being filed in the court of Agricultural Income Tax Tribunal for fresh order. Further report had not been received (June 1992).

5.21 Non-levy/short levy of Land Revenue

According to Rule 24 of the Tripura Land Revenue and Land Reforms Rules, 1961 read with Section 20(1) of the Tripura Land Revenue and Land Reforms Act, 1960 if any land is held for any purpose other than agriculture land revenue shall be charged at Rs. 200 per acre per annum.

In Mohanpur tehsil Kachari it was noticed (May 1989) that in the case of two brick kiln owners land revenue amounting to Rs. 4343 was realised on 20.10 acres of land leased to them for the period from April 1982 to April 1989 and from April 1986 to April 1989 at the rate of Rs. 50 per acre per annum instead of Rs. 200 per acre per annum resulting in short levy of land revenue amounting to Rs. 13,029. Further, in the case of one kiln owner, land revenue amounting to Rs. 10,768

on 13.46 acres leased by him for the period from April 1982 to April 1986 was not at all levied and collected. Thus non-levy/short levy of land revenue resulted in a loss of revenue of Rs. 0.24 lakh to Government.

The cases were pointed out to Department in July 1989 and to Government in November 1989. While accepting the under-assessment, Department stated (February 1990) that action had been initiated to realise the balance amount. Reply regarding non levy of land revenue had not been received (June 1990). Government had endorsed the views of the Department without comments.

CHAPTER VI

Financial assistance to Local Bodies and others

6.1 Grants

6.1.1 Details of grants

During 1988-89, Rs.2557.38 lakhs (7 per cent of the revenue expenditure during the year) were paid as grants to Local Bodies as shown below :-

	Amount (<u>in lakhs of rupees</u>)
Educational Institutions (including universities)	576.00
Panchayat Samities	89.43
Rural Development Agencies	260.27
Individual persons belonging to Scheduled Castes/Scheduled Tribes, <i>Jhumias</i> and new migrants	130.50
Village and Small Industries Units	531.29
Agartala Municipality and Notified Area Authorities	406.58
Autonomous District Council	191.36
Medical Family Welfare	20.00
Cooperative Societies	333.42
Others	18.53
Total	<u>2557.38</u>

6.1.2 Utilisation of grants

Under the rules, wherever conditions are attached to the grants, utilisation certificates are required to be furnished by the grantees to the departmental officers who after proper verification are required to forward them to the Accountant General within a period of 18 months from the date of payment of grants.

At the end of September 1989, 666 utilisation certificates for grants amounting to Rs.5945.86 lakhs were outstanding. Of these, 204 certificates (Rs.328.43 lakhs) related to the grants paid upto March 1986. The remaining 462 certificates (Rs.5617.43 lakhs) related to the grants paid during April 1986 to March 1988. The Department-wise details of outstanding certificates are given in Appendix 7.

In the absence of utilisation certificates, it is not possible to verify whether the concerned grants were utilised for the purpose for which they were given.

6.1.3 Audit of financial assistance to Local Bodies and others

According to the provisions of Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the accounts of bodies and authorities substantially financed by grants and/or loans from the Consolidated Fund are to be audited by the Comptroller and Auditor General of India. For this purpose, a body or authority is deemed to be substantially financed if the total amount of grants and loans during a particular year (including unutilised balance of past grants or loans) is not less than Rs.5 lakhs (Rs.25 lakhs since 1983-84) and also constitutes atleast 75 per cent of the total expenditure of the institution during that year.

There is a statutory requirement (Section 15) that the Comptroller and Auditor General of India shall scrutinise the procedure by which the sanctioning authorities satisfy themselves about the fulfillment of the conditions attached to such grants and loans.

As in the previous years, for identification of such bodies and authorities, the Finance Department was requested in April 1989 to instruct all the Departments to furnish information about grants and loans given by them to the bodies and authorities during 1988-89 along with the total expenditure for the year of such bodies and authorities. However, no information for 1988-89

has been received (November 1989) from several Departments which normally release large grants and loans, including those of Agriculture, Education, Finance, Forest, Health and Family Welfare, Local Self-Government and Panchayats, and Community Development. Similar information is wanting from the above Departments from the year 1985-86.

6.1.4. Audit entrusted to the Comptroller and Auditor General

Besides audit under Section 14 and 15 of the Act, the Comptroller and Auditor General of India also conducts audit of certain autonomous bodies/authorities, the audit of which are entrusted to him under Section 19(3)/20(1) of this Act.

With effect from 1983-84 the reports on the accounts of an autonomous body the audit of which is entrusted to the Comptroller and Auditor General of India under Section 19(3) of the Act are required to be submitted to the State Government for laying before the Legislature. Only two non-commercial bodies viz., Tripura Khadi and Village Industries Board and Tripura Tribal Areas Autonomous District Council (so long it had been under the 7th Schedule of the Constitution of India i.e., from 1981-82 to 1985-86) were under the audit of the Comptroller and Auditor General of India under Section 19(3) of the Act.

There has been persistent delay in submission of annual accounts by the Tripura Khadi and Village Industries Board as shown below :

<u>Accounts for the year</u>	<u>Date of receipt</u>
1979-80	June, 1984
1980-81	March, 1985
1981-82	March, 1985
1982-83	August, 1987
1983-84	August, 1987
1984-85 onwards	Not received

The accounts of the Autonomous District Council (under the 7th Schedule) from 1981-82 to 1985-86 were not submitted owing to non-finalisation of the forms of annual accounts. The Government have, however, finalised the forms of accounts only in June 1989. The accounts for the said years was awaited ().

In respect of twelve other autonomous bodies (non-commercial), the audit of accounts of which was entrusted to the Comptroller and Auditor General of India under Section 20(1) of the Act *ibid*, the Audit Reports are to be submitted to Government and the concerned bodies. Of them, accounts of nine autonomous bodies (Notified Area Authorities - Sonamura, Khowai, Udaipur, Belonia, Sahroom, Amarpur, Kailashahar, Kamalpur and Dharmanagar) for the years from 1977-78 to 1987-88 were not submitted since inception and the accounts of the autonomous body (Agartala Municipality) were in arrears from 1977-78 to 1987-88. Non-submission of accounts was due to failure of the concerned bodies to adopt the forms of accounts prescribed under the relevant Act/Rules.

The matter was reported to the Government in July 1989; reply had not been received (June 1992).

6.1.5 Audit under Section 14

Number of Autonomous Bodies

Of the 17 autonomous bodies under the audit control of the Accountant General (Audit), Tripura, 3 bodies, as detailed below, attracted audit under Section 14 as they were substantially financed by Government.

Sl. No.	Autonomous bodies	Total	Bodies attracted under Section 14 (1) of the Act
1.	Board of Secondary Education	1	-
2.	Khadi and Village Industries Board	1	-
3.	District Rural Development Agency	3	3
4.	Social Welfare Advisory Board	1	-
5.	Agartala Municipality	1	-
6.	Notified Area Authorities	9	-
7.	Autonomous District Council	<u>1</u> <u>17</u>	-- <u>3</u>

6.1.6 Delay in preparation of annual accounts

The accounts of the District Rural Development Agency, West Tripura District, Agartala for the year 1987-88 had not been received as of September 1989.

6.1.7 Audit under Section 20

Agartala Municipality

Demand and collection of revenue of holding tax and arrears of revenue

The demand and collection of holding tax during the years ending 1987-88 to 1988-89 were as under :-

		<u>1987-88</u>	<u>1988-89</u>
		<u>(In lakhs of rupees)</u>	
<u>Demand</u>			
	Current	17.10	17.42
	Arrears	<u>20.46</u>	<u>26.20</u>
	Total	<u>37.56</u>	<u>43.62</u>
<u>Collection</u>			
	Current	4.91	5.42
	Arrear	6.25	9.77
	Rebate	<u>0.20</u>	<u>0.36</u>
	Total	<u>11.36</u>	<u>15.55</u>
Percentage of collection over total demand		30	36

The outstanding amount on account of holding tax as on 31st March 1989 was Rs.28.07 lakhs (excluding the rebate of Rs.0.36 lakhs).

Poor realisation was due mainly to non-issuance of quarterly bills to tax payers regularly in current cases and heavy back log in issuance of demand notices in respect of arrear cases. Out of an approximate 6,000 arrear cases, notices could be served only against 526 cases during 1987-88 and 1620 cases during 1988-89.

6.1.8 Employment of muster roll workers without assessing the actual requirement

During 1988-89, the Municipal authority engaged 244 muster roll workers, for periods ranging between 55 days and 333 days at the rate of Rs.19.50 per day per worker on 'no work no pay' basis for Group- C (95 persons), Group-D (91 persons) and as casual labourers (58 persons). Against the budget provision of Rs.1 lakh, an expenditure of Rs.4.25 lakhs as wages was incurred during the year. Though the Municipal authority requested the State Government to provide additional funds no funds for the purpose were provided. No records for assessing the work load, on the basis of which the workers were employed, could be produced to audit.

The matter was reported to the Government; reply has not been received (June 1992).

6.1.9 Outstanding Inspection Reports and paragraphs

Financial irregularities and defects noticed during local audit of various non-commercial autonomous bodies (State) audited under various Sections of the Comptroller and Auditor General's (DPC) Act, 1971 are included in Inspection Reports issued to the bodies concerned and copies thereof endorsed to Government so that appropriate action is taken to remedy matters within a reasonable time. Compliance to 26 Inspection Reports containing 285 paragraphs issued from 1971-72 to 1988-89 were pending as on 30th September 1989. In respect of 3 cases involving 46 paragraphs, even the first replies had not been received.

6.1.10 Some of the important points remaining unsettled are mentioned below briefly :

(a) Tripura Board of Secondary Education Excess issue of paper

During 1981-82 to 1985-86, work orders for supply of 13.55 lakhs of blank answer scripts and 33.50 lakhs of loose sheets were placed by the Board with the Tripura Government Press. 7657 reams of double full scape white paper were issued by the Board to the Press during the said period for the purpose. The Press, in turn, supplied during all these five years 12.48 lakhs answer scripts and 28.84 lakhs loose sheets for which 6900.80 reams of paper was required as per norms prescribed by the Press. The excess quantity of 756.20 reams of paper valued at Rs.0.54 lakh was not returned by the Press.

The Board stated (January 1989) that the matter had been taken up with the Printing and Stationery Department. Further developments were awaited (June 1992).

(b) Construction of sanitary latrines

In order to improve the hygienic condition of the locality, the Notified Area Authority (NAA), Kailashahar disbursed Rs.0.86 lakh during 1979-80 to

1983-84 as loan to the residents for construction of sanitary latrines. According to the terms and conditions, the loan carried interest and would be disbursed in two instalments i.e. 50 per cent after execution of mortgage bond and the rest 50 per cent after completion of the septic tank. Repayment in equal monthly instalments not exceeding Rs.25 was to commence after one year from the payment of second instalment. The construction was to be completed within six months from the date of payment of second instalment.

14 beneficiaries only the first instalment (Rs.0.14 lakh). During audit, it was noticed that out of 36 beneficiaries who had taken both the instalments of loan (Rs.0.72 lakh). Only 9 beneficiaries had refunded Rs.0.8 lakh being the first instalment of loan at the rate of Rs.200 per year.

There was nothing on record to indicate that the sanitary latrines had actually been constructed by the recipients of both the instalments. As regards the recipient of the first instalment only, it was not clear as to how the money had been utilised by the beneficiaries. No follow up action was taken by the NAA.

The matter was reported to Government (July 1987); reply has not been received (June 1992).

**(c) District Rural Development Agency West
Tripura, Agartala**

With a view to providing benefit to the Integrated Rural Development Programme (IRDP) beneficiaries, a scheme for Farm Forestry mainly for creation of nursery beds for raising rubber saplings etc., was approved by the State Level Sanctioning Committee (SLSC) on 21st August 1978. Tripura Forest Development and Plantation Corporation Limited (TFDPC), the implementing agency was advanced a total sum of Rs.15.50 lakhs during 1978-79 to 1981-82. The SLSC, *inter alia* decided that IRDP fund should not be utilised for items like salaries, wages, travelling allowances, etc., as these are the normal expenditure of the TFDPC and the fund was to be

utilised only for creation of nursery beds for raising rubber saplings and distribution of them to the beneficiaries.

In the course of audit of the accounts of the DRDA, West Tripura, it was noticed that an expenditure of Rs.0.65 lakh incurred by the Corporation towards salaries, cost of furniture etc. was adjusted in the accounts of DRDA during 1978-78 to 1980-81, which was contrary to the decision of SLSC.

The matter was reported to the DRDA, West Tripura, the State Government and the Government of India in November 1987. The DRDA stated in July 1989 that the matter had been taken up with the Corporation, further developments were awaited (June 1992).

6.2 FINANCIAL ASSISTANCE TO COOPERATIVE SOCIETIES

6.2.1 Investment in share-capital

Government has been rendering financial assistance to cooperative societies in the form of subscription to share capital, loans, grants and subsidies. The investment by Government in their share capital for the last three years was as under :-

Year	Number of societies	Amount (in lakhs of	Dividend <u>rupees)</u>
1986-87	681	605.81	NIL
1987-88	794	664.60	NIL
1988-89	897	751.45	NIL

Government stated (January 1989) that most of the societies had not earned any profit during the last five years and the few societies (number not specified) that had earned profit could not pay dividend as the accounts of those societies had not been audited.

6.2.2 Loans, Grants and Subsidies

The loans, grants and subsidies paid by Government to the cooperative societies during the three years ending 31st March 1989 were :-

(a) Loans

Year	Balance at the end of previous year	Advanced during the year	Amount due for recovery	Amount recovered	Balance at the end of the year
			Prin- cipal	Inter- est	Prin- cipal

(In lakhs of rupees)

1986-87	462.83	91.44	182.99	187.71	0.11	NA	554.16
1987-88	554.16	72.62	193.12	NA	NA	NA	626.78
1988-89	626.78	132.62	205.00	NA	NA	NA	759.40

The over-due principal and interest constitute 33 per cent and 34 per cent respectively of the cooperative credit at the end of March 1987.

(b) Grants and subsidies

The position of grants and subsidies as at the end of 31st March 1989 are shown below :-

Year	Grants and subsi- dies	Utilisation certifica- tes due		Utilisation certifica- tes recei- ved		Utilisation certificates outstanding	
		Num- ber	Amount in lakhs	Num- ber	Amount in lakhs	Num- ber	Amount in lakhs
		of rupees			of rupees		of rupees
Upto							
1985-86	-	-	43.00			-	-
1986-87	119.50	562	89.95	12	2.18	550	87.77
1987-88	158.76	846	158.76	50	5.90	796	152.86
1988-89	208.56	91	208.56	-	-	91	208.56

In March 1975, the Department paid an interest (7 1/4 per cent) bearing loan of Rs.34.92 lakhs to Tripura State Consumers' Cooperative Bank Limited, Agartala to be repaid in 35 monthly instalments but only Rs.22.01 lakhs were realised upto September 1980. The Government decided (October 1980) to convert the balance amount (Rs.12.91 lakhs) into share capital contribution but interest (Rs.9.05 lakhs) due from the Bank upto August 1989 remained unrealised.

6.2.3 Borrowings

Loans and subsidy received by the Department from National Cooperative Development Corporation (NCDC) and National Bank for Agricultural and Rural Development (NABARD) and repayments made there-against are given below:

Parti- culars	<u>1985-86</u>		<u>1986-87</u>		<u>1987-88</u>		<u>1988-89</u>		
	NC	NAB	NC	NAB	NC	NAB	NC	NAB	
	<u>DC</u>	<u>ARD</u>	<u>DC</u>	<u>ARD</u>	<u>DC</u>	<u>ARD</u>	<u>DC</u>	<u>ARD</u>	
Loans received	41.95	5.80	70.67	0.92	23.48	3.61	148.06	-	
Loans repaid	11.69	7.59	13.02	8.68	18.21	9.64	27.50	0.99	
Interest paid	13.83	4.68	18.00	4.93	22.23	3.13	26.16	1.03	
Subsidy received	6.12	-	9.72	-	5.81	-	18.15	-	

An amount of Rs.40.44 lakhs (Principal: Rs.18.21 lakhs and interest: Rs.22.23 lakhs), which was due for repayment to NCDC in October 1987 was paid only in April 1988. As a result, the Department had to pay Rs.3.10 lakhs (June 1989) towards penal interest.

6.2.4 Review of audited accounts

A review of audited accounts of 5 cooperative banks revealed the following position :

Sl. No.	Name of the cooperative Bank	Position as at audited upto	Government investment as share	Borrowings from State Government	Profit	Cumulative loss
<u>(In lakhs of rupees)</u>						
1.	Tripura Cooperative Land Development Bank Limited, Agartala.	30th June 1988	13.00	85.22	-	91.74
2.	Tripura State Cooperative Bank Limited, Agartala.	30th June 1987	43.41	252.30	36.05	-
3.	Agartala Cooperative Urban Bank Limited.	30th June 1988	3.28	16.08	0.81	-
4.	Tripura Apex Marketing Cooperative Society Limited, Agartala.	30th June 1982	28.76	16.74	-	2.68
5.	Tripura Apex Weavers' Cooperative Society Limited, Agartala.	30th June	76.05	NIL	-	3.40

The total Government investment on these 5 cooperative banks was Rs.164.5 lakhs. Two firms earned a profit totalling Rs.36.86 lakhs but had not paid any dividend to the Government. Out of these two, Tripura State Cooperative made a profit in consecutive 2 years but no dividend was paid to the Government. The cumulative loss of the remaining 3 cooperatives was Rs.97.82 lakhs.

6.2.5 Arrears in audit

As at the end of June 1989, audit of 3497 units pertaining to the year upto 1988-89 were pending since 1972-73. Category-wise position of arrears was as follows:-

Sl. Category No. of society	Number of society as in June 1989	Number of units pend- ing upto <u>1984-85</u>	Number of units pending during				Total	
			1985- 86	1986- 87	1987- 88	1988- 89		
1. Apex Socie- ties	10	11	5	6	8	8	38	
2. Large size Agricultural Multipurpose Societies	55	430	4	12	1	48	495	
3. Primary Agricultural Cooperative Societies	212	773	63	50	23	211	1120	
4. Primary Multipurpose Cooperative Societies	14	51	6	2	2	14	75	
5. Others excluding 513 dormant societies	462	1344	297	306	498(-)	666	1769	
Total	<u>753</u>	<u>2609</u>	<u>375</u>	<u>376</u>	<u>532(-)</u>	<u>385</u>	<u>3497</u>	

Part of the arrear was due to posts of auditors remaining unfilled for months.

6.2.6 Outstanding audit fees

Under Rule 76 of Tripura Cooperative Societies Rules, 1976 every Cooperative Society shall pay to the State Government, audit fees for audit of its accounts for each Cooperative year. The position of outstanding audit fees at the end of June 1989 is given below :-

Year	Audit fee outstand- ing at the beginning of the year	Fees levied during the year	Total	Fees realised during the year	Balance at the end of the year
	(In lakhs of rupees)				
1985-86	1.52	0.40	1.92	0.05	1.87
1986-87	1.87	0.11	1.98	0.01	1.97
1987-88	1.97	0.84	2.81	0.40	2.41
1988-89	2.41	0.31	2.72	0.42	2.30

Category-wise break up of outstanding audit fees at the end of June 1989 is as under :-

Sl. No.	Category of society	Number of society	Amount
			(In lakhs of rupees)
1.	Apex Societies	10	0.25
2.	Primary Multipurpose Co-operative Societies	14	0.15
3.	Large sized Agricultural Multipurposen Societies	55	0.25
4.	Primary Apex Co-operative Societies	212	1.01
5.	Others	975	0.64
			<u>2.30</u>

Government, to whom the case was referred (October 1989), stated (May 1990) that the Field Officers have been directed to ensure realisation of pending audit fees and a good response had been obtained. But the quantum of audit fees realised as a result of direction had not been stated.

LOCAL SELF GOVERNMENT DEPARTMENT

(Agartala Municipality)

6.3 Construction of a Super market

The Agartala Municipality decided (October 1982) to construct a Super Market comprising 164 stalls at an estimated cost of Rs.19.42 lakhs. The stalls were to be

let out to the hawkers at a monthly rent of Rs.4.00 per square feet. The project was proposed to be financed with a loan from the Housing and Urban Development Corporation (HUDCO). The work was entrusted to a Calcutta based firm in November 1982 at a cost of Rs.26.00 lakhs, with a stipulation that the work would be completed in twelve months from the date of handing over of the site (May 1983). A mobilisation advance of Rs.2.50 lakhs to be adjusted at the rate of 10 per cent every month was also paid to the firm in April 1983 against a bank guarantee furnished by the firm.

While granting of the loan application (April 1983), the HUDCO imposed (August 1984) a condition that the plan for construction of the market should be revised. Accordingly, the plan and the estimate were revised (December 1985) to cost Rs.24.24 lakhs. HUDCO released a total loan of Rs.10.98 lakhs in two instalments, Rs.4.68 lakhs in November 1986 and Rs.6.30 lakhs in July 1987 at 15 per cent per annum. Out of this loan, Rs.10.69 lakhs were kept (August 1987) in a fixed deposit account with a bank for two years.

Meanwhile, the contractor continued with the work in terms of the original plan. 34 stalls were constructed till May 1987 for which a sum of Rs.8.02 lakhs was paid out of development grant received from the State Government (June 1987). The Municipal Authority had failed (July 1985) to get a revised agreement executed and further work was stopped thereafter. A sum of Rs.1.25 lakhs out of Rs.2.50 lakhs paid as mobilised advance remained unrecovered. The agreement with the firm was rescinded in August 1989.

The following points were noticed:-

i) Though it was originally decided to finance the project with loan from HUDCO, conditionalities for grant of such a loan were not ascertained before issuing the work order.

ii) Though the revision of the plan was found necessary in August 1984, no action to stop the work on the original plan was taken till June 1987.

iii) The bank guarantee against which an advance of Rs.2.50 lakhs was paid expired in June 1986 and was not revalidated though an unsecured advance of Rs.1.25 lakhs still remained unrecovered.

iv) The loan received from HUDCO was not utilised for the work. A sum of Rs.2.33 lakhs was earned as interest on the deposit till August 1989 while interest of Rs.3.14 lakhs was paid to HUDCO on the same amount during the period.

v) The expenditure of Rs.8.02 lakhs incurred till 1986 on Super Market did not yield any return.

The matter was reported to the Government in January 1990; their reply had not been received (June 1992).

CHAPTER VII

GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

7.1 General

This chapter deals with the results of audit of

- Government Companies
- a Statutory Corporation and
- a Departmentally managed Government Commercial and quasi-Commercial Undertaking.

Paragraph 7.2 gives a general view of the Companies, Paragraph 7.3 deals with general aspects relating to the Statutory Corporation, Paragraph 7.4 deals with the departmentally-managed Government Commercial and quasi-Commercial Undertaking and Paragraph 7.5 deals with a review on the working of Tripura Forest Development and Plantation Corporation Limited. Paragraph 7.6 contains a review on Implementation of Gas Thermal Projects and Paragraph 7.7 deals with miscellaneous topics of interest.

7.2 Government Companies - General view

7.2.1 There were nine Government Companies as on 31st March 1989 as against eight Government Companies as on 31st March 1988. The new Company viz. Tripura Horticulture Corporation Limited was incorporated on 7th April 1987.

7.2.2 Appendix 8 gives the particulars of up-to-date paid up capital, outstanding loans, amount of guarantees, working results etc., in respect of these Government Companies. The position is summarised as under:-

(a) As against the aggregate paid up capital of Rs.18.27 crores in eight Companies as on 31st March 1988, the aggregate capital as on 31st March 1989 stood at Rs.24 crores in nine Companies. The investment in

tripura State Bank Limited at the end of both these years was Rs.3.75 lakhs.

Details of agency-wise share holding in these Companies as on 31st March 1989 were as under :-

Particulars	Number	<u>Amount invested</u>			Total
		of State	Central	Others	
		Compan-ies	Govern-ment	Govern-ment	
(Rupees in crores)					
1.Companies wholly owned by the State Government	6	12.85	-	-	12.85
2.Companies jointly owned with the Central Government/ Others	3	9.45	0.32	1.38	11.15
3.Subsidiaries	Nil	Nil		Nil	Nil
Total	<u>9</u>	<u>22.30</u>	<u>0.32</u>	<u>1.38</u>	<u>24.00</u>

(b) The balance of long term loans outstanding in respect of six Companies as on 31st March 1989 was Rs.13.41 crores as against Rs.12.16 crores outstanding for six Companies as on 31st March 1988.

(c) The State Government had guaranteed the repayment of loans raised by five Companies and payment of interest thereon. The amount guaranteed and outstanding thereagainst as on 31st March 1989 was Rs.11.03 crores and Rs.6.14 crores, respectively, as shown in Appendix .

7.2.3 A synoptic statement showing the financial results of the nine Companies based on the latest available accounts is given in Appendix 9.

None of the Companies had finalised its accounts for the year 1988-89. The position of arrears of accounts of the Government Companies is summarised below :-

Extent of arrears	Number of years involved	Number of Companies involved	Investment by Government as on 31-3-1989	Reference to Sl.No. of the Appendix
			Capi- Loan tal	7.1
(Rupees in lakhs)				
1979-80 to 1988-89	10	1	106.81	- 1
1980-81 to 1988-89	9	1	131.44	241.37 2
1981-82 to 1988-89	8	1	50.00	Nil 6
1982-83 to 1988-89	7	1	927.01	Nil 3
1983-84 to 1988-89	6	1	573.02	Nil 5
1985-86 to 1988-89	4	2	424.98	Nil 4 and 7
1987-88 to 1988-89	2	1	45.00	Nil 8
Under liquida- tion since 1970-71	-	1	3.75	Nil 9
		<u>9</u>	<u>2262.01</u>	<u>241.37</u>

In the absence of final accounts of these Companies the productivity of the investment of Rs.24 crores (State Government Rs.22.30 crores, Central Government Rs.0.32 crore and others Rs.1.38 crores) could not conclusively be vouchsafed. The position of arrears in finalisation of accounts was last brought to the notice of the Government on 19th January 1990.

7.3 Statutory Corporation - General aspects

7.3.1 As on 31st March 1989, there was one Statutory Corporation in the State viz., Tripura Road Transport Corporation.

7.3.2 The Corporation was established on 23rd October 1969 under the Road Transport Corporations Act, 1950 to provide economic and efficient road transport services. The Corporation started functioning from 14th July 1970. Since the North East Frontier Railway covers only a small portion of the State from rail-head at Churaibari to Pencharthal (31 Km.), road transport is the Principal means of Public transportation in the State.

As on 31st March 1989 the State Government had contributed Rs.11.79 crores towards the capital of the Corporation. The contribution of the Government of India (Railways) towards capital of the corporation at the end of March 1989 was Rs.3.64 crores.

The annual accounts of the Corporation have been finalised upto 1983-84. The accounts for the year 1984-85 onwards were in arrears. The delay in finalisation of accounts was last brought to the notice of the State Government in January 1990.

The accounts for 1983-84 disclosed a net loss of Rs.1.60 crores. The cumulative net loss of the Corporation upto 31st March 1984 was Rs.8.67 crores.

7.4 Departmentally-managed Government Commercial and quasi-Commercial Undertaking

As on 31st March 1989, there was one Departmentally-managed Commercial Undertaking viz., Electric Supply Undertaking. The Undertaking has so far (March 1991) compiled its proforma Accounts upto the year 1985-86. The cumulative loss of the Undertaking as at the end of 1985-86 was Rs.25.44 crores.

The Government capital invested at the close of 1985-86 was Rs.82.10 crores and net fixed assets were Rs.71.88 crores including works - in-progress, stores and materials in hand and fuel, coal and oil at cost (Rs.22.11 crores).

FOREST DEPARTMENT

7.5 Tripura Forest Development and Plantation Corporation Limited

7.5.1 Highlights

- Tripura Forest Development and Plantation Corporation Limited was formed in March 1976 for acquiring from the Government the existing rubber and other plantations and to cultivate, develop and carry on business in rubber, citronella and other plantations.

(Paragraph 7.5.2)

- The paid-up capital of the Company as on 31st March 1989 was Rs.498.02 lakhs. The Company borrowed long term loans of Rs.314.07 lakhs.

(Paragraphs 7.5.5.1 and 7.5.5.2)

- The annual accounts of the Company for the years 1983-84 to 1988-89 were not finalised. The Company sustained a loss of Rs.107.78 lakhs upto 1988-89 (provisional).

(Paragraphs 7.5.6 and 7.5.6(i))

- The Company implemented its initial project consisting of three parts during a period of 10 years from 1976-77 to 1985-86 at a total cost of Rs.541 lakhs against the financial outlay of Rs.664.64 lakhs. The Company took up implementation of a second project from 1986-87 though the project report prepared in November 1988 has not been approved by the Board of Directors so far (May 1990).

(Paragraph 7.5.7)

- The rubber plantations were to start yielding from the eighth year. Out of 2,065.15 hectares of rubber plantations to come under tapping by 1988-89, only 692.00 hectares of plantations could be

brought under tapping. This resulted in estimated loss of 3,094.59 tonnes of rubber valuing Rs.513.20 lakhs during the period from 1981-82 to 1988-89.

(Paragraph 7.5.8(b))

- During 1977-78 to 1986-87, 1,214.88 hectares of plantations costing Rs.41.46 lakhs were destroyed due to fire, cattle grazing, storms, etc.

(Paragraph 7.5.8(b))

- As against the expected yield of 3,019.10 tonnes of rubber during 1976-77 to 1988-89, the actual yield was 1,593.11 tonnes. Shortfall in production was 1,425.99 tonnes valuing Rs.213.80 lakhs.

(Paragraph 7.5.8(b)(ii))

- Due to improper maintenance of plantations raised, the Company failed to avail the cash subsidy of Rs.99.98 lakhs from the Rubber Board.

(Paragraph 7.5.13)

7.5.2 Introduction

Tripura Forest Development and Plantation Corporation Limited was incorporated in March 1976 as a Government Company to acquire rubber and other plantations in the State and to develop and carry on mainly the business of rubber, citronella* and bamboo plantation produces. Other related activities of the Company included construction of roads, buildings, logging and marketing of timber, establishment of a latex centrifuging factory and crepemill, @ cultivation of dioscorea floribunda for extraction of iocogenin used in manufacture of various hormones and contraceptive

* a type of fragrant grass whose oil keeps insects away.

@ wrinkled rubber sheet used for shoe soles.

pills, implementation of rural development programme and rehabilitation of backward communities and ex-servicemen through plantation schemes.

7.5.3 Organisational set-up

The overall management of the Company is vested in a Board of Directors under the chairmanship of State's Minister of Forests. As on 31st March 1989 there were 15 Directors including two non-official Directors, all appointed by the Government. The day-to-day affairs of the Company are looked after by the Managing Director.

The Company had six divisions including one medicinal and phyto-chemical division.

7.5.4 Scope of Audit

The working of the Company upto 1979-80 was reviewed in paragraph 7.4 of the Report of the Comptroller and Auditor General of India for the year 1981-82 and the Report was discussed by the Committee on Public Undertakings (1985-86) in its thirteenth Report. The present review deals with the performance of the Company upto 1988-89 based on test check of records of the Company's head office as well as those of the Divisional offices.

7.5.5 Source of Funds

7.5.5.1 Share capital

The authorised capital of the Company was increased in September 1987 from Rs.500 lakhs to Rs.1000 lakhs. The paid-up capital as on 31st March 1989 was Rs.498.02 lakhs subscribed by the State Government (Rs.468.52 lakhs) and the Central Government (29.50 lakhs). Allotment of equity shares against contribution of Rs.75 lakhs received from the State Government in 1988-89 was not made as on 31st March 1989. Pursuant to an agreement entered into with the Government in February 1981, the Board of Directors allotted in March 1983 equity shares for Rs.8.52 lakhs against the surplus of logging and marketing operations

upto 1979-80. The Board approved (March 1987) allotment of shares against surplus of Rs.1.92 lakhs accruing in 1980-81 but share certificates against that one allotment were not issued (March 1989). Further, as per the aforesaid agreement, the value of the forest growth accruing on 418.66 hectares of rubber, 7.2 hectares of citronella and 55.40 hectares of bamboo plantations which were transferred to the Company in 1976-77 were to be treated as equity of the Government in kind. The value of Government properties such as roads, buildings, lakes, etc., transferred to the Company in 1976-77 were also to be treated as such. The value of the above properties including plantations as transferred to the Company had not yet been assessed (May 1990).

The Government stated (March 1990) that in absence of formal transfer of forest land and other forest properties by them, the value thereof was not assessed and that the matter was being looked into on priority basis.

7.5.5.2 Borrowings

The borrowings of the Company as on 31st March 1989 amounted to Rs.314.07 lakhs from two nationalised banks.

In 1980-81, the Company drew Rs.50 lakhs from two banks (Rs.25 lakhs from each) against the refinance scheme sanctioned in April 1977 by the Agricultural Refinance and Development Corporation, Bombay (ARDC) for implementation of the first phase of the project (1976-77 to 1980-81). The loan was to be repaid in 1990-91. The Company paid accumulated interest of Rs.10.29 lakhs in 1987-88 and Rs.21 lakhs in 1988-89. Interest of Rs.57.83 lakhs remained to be paid as on 31st March 1989.

ARDC also sanctioned in October 1982 the second phase of the project (1981-82 to 1985-86) with a

financial assistance of Rs.264.07 lakhs under the refinance scheme to be drawn over the period in a phased manner. The Company drew Rs.46.96 lakhs in 1984-85. The balance amount of Rs.217.11 lakhs was drawn after the project period (Rs.46.97 lakhs in 1986-87, Rs.47 lakhs in 1987-88 and Rs.123.14 lakhs in 1988-89). The second phase loan of Rs.264.07 lakhs was repayable during the period from 1989-90 to 1992-93 and interest at the rate of Rs.12.5 per cent per annum was payable. The Company did not ascertain its liability on account of interest payable as on 31st March 1989.

The State Government guaranteed in February 1981 and March 1985 the payment of interest and repayment of loans raised for both the two phases. The Government stated (March 1990) that the second phase loan money was drawn by the Company much later than the time schedule as it could generate its own resources at the early stage of the second phase.

7.5.6 Financial position and working results

The annual accounts of the Company for the period from 1983-84 to 1988-89 were not finalised. Compilation of accounts of various years was in progress (May 1990).

7.5.6(i) Financial position

The financial position of the Company as on 31st March 1989 according to provisional accounts prepared by the Company was as given below :

	1986-87	1987-88	1988-89
	(Rupees in lakhs)		
<u>Sources of funds</u>			
Share capital	418.02	498.02	573.02
Secured loans	143.93	143.93	314.07
Trade dues and other liabilities	<u>101.62</u>	<u>142.94</u>	<u>173.19</u>
	<u>663.57</u>	<u>784.89</u>	<u>1060.28</u>
<u>Application of fund</u>			
Net fixed assets	425.52	524.08	636.89
Current assets	180.36	192.36	315.36
Loans and advances	0.19	0.20	0.25
Accumulated losses	<u>57.50</u>	<u>68.25</u>	<u>107.78</u>
	<u>663.57</u>	<u>784.89</u>	<u>1060.28</u>
Capital invested (a)	561.95	641.95	887.09

7.5.6(ii) Working results

The following table summarises the working results of the Company for the three years upto 1988-89 as per the provisional accounts prepared by the Company :

	1986-87	1987-88	1988-89
	(Rupees in lakhs)		
<u>Income</u>			
Sales	34.06	54.45	57.09
Other income	<u>0.27</u>	<u>1.30</u>	<u>1.13</u>
	<u>34.33</u>	<u>55.75</u>	<u>58.22</u>
<u>Expenses</u>			
Establishment charges	30.35	33.82	53.19
Other charges	<u>22.90</u>	<u>32.68</u>	<u>44.56</u>
	<u>53.25</u>	<u>66.50</u>	<u>97.75</u>
Net loss	<u>18.92</u>	<u>10.75</u>	<u>39.53</u>

(a) Capital invested represents paid-up capital plus long term loans.

The annual accounts of the Company finalised upto 1982-83 disclosed a cumulative loss of Rs.14.25 lakhs. As per calculations provisionally made by the Company, a cumulative loss of Rs.107.78 lakhs (excluding depreciation) was sustained by the Company upto 1988-89. The main reasons for losses as seen in audit were (a) discontinuance of the marketing of bamboo since 1983-84, (b) failure to achieve the projected turnover in rubber due to non-achievement of targeted yield and (c) high operating and overhead costs.

7.5.7 Project estimates and execution

(a) The Forest Department prepared (March 1976) an initial project report for implementation by the Company over a period of 10 years from 1976-77 to 1985-86 in three parts as detailed below :

- (i) Part I Project roads and buildings
- (ii) Part II Project logging, extraction and marketing
- (iii) Part III Project plantation.

The total capital outlay during the initial project period of 10 years upto 1985-86 was estimated at Rs.664.64 lakhs (capital expenditure: Rs.314.76 lakhs, revenue expenditure: Rs.306.15 lakhs and overhead: Rs.43.73 lakhs to be financed from contribution by Government towards share capital: Rs.100 lakhs, banks loans: Rs.334.97 lakhs, internal surplus: Rs.185.02 lakhs and depreciation fund: Rs.44.65 lakhs. Since all the plantations raised during the project period would not attain maturity to produce yield during the period, the project report provided for cost of maintenance of plantations, operating costs and overheads during the post project period also. The financial outlay during 1986-87 to 1988-89 was estimated at Rs.323.88 lakhs (maintenance of plantations: Rs.161.63 lakhs, operating costs: Rs.145.45 lakhs and overheads: Rs.16.80 lakhs).

The internal rate of return was estimated at 24 per cent and cost benefit ratio at 1:1.9.

As against the projected capital outlay of Rs.664.64 lakhs upto 1985-86, the Company spent Rs.541 lakhs (capital expenditure: Rs.323.56 lakhs, revenue expenditure and overhead: Rs.217.44 lakhs). The Company incurred expenditure of Rs.723.76 lakhs (maintenance of plantations: Rs.180.96 lakhs; operating costs and overheads: Rs.502.75 lakhs) during the period from 1986-87 to 1988-89 against estimated outlay of Rs.323.88 lakhs (maintenance of plantations: Rs.161.63 lakhs; operating costs and overhead: Rs.162.25 lakhs). The Company also incurred capital expenditure of Rs.39.05 lakhs on construction of buildings, roads, vehicles, etc., during the period though no such provision was made in the project report.

The Company was to start earning profit from the second year of its operation. The Company, however, sustained an estimated cumulative loss of Rs.101.36 lakhs against estimated profit of Rs.170.66 lakhs as per projections.

The Company failed to generate the internal resources as estimated in the project report. The sale proceeds to be realised by the Company upto 1988-89 was estimated at Rs.858.01 lakhs (rubber: Rs.474.37 lakhs, citronella: Rs.7.68 lakhs, bamboo: Rs.14.11 lakhs and logging and marketing: Rs.361.85 lakhs) against which the Company could realise only Rs.325.09 lakhs (rubber: Rs.264.81 lakhs, citronella: Rs.4.95 lakhs, logging and marketing: Rs.43.35 lakhs and miscellaneous: Rs.11.98 lakhs). While the Company could not achieve its target in logging and marketing due to non-transfer by Government of the forest area earmarked in the project report, it discontinued the operation in bamboo in 1983-84 due to absence of demand. The Company could not achieve the targeted turnover in rubber due to its failure to bring the plantation under tapping in phases as projected as well as attain the expected level of yield from trees brought under tapping.

The Government, however, stated (March 1990) profitability as projected could not be materialised due to non-transfer by the Government of the project area of 18,650 hectares described in the project report.

(b) On the basis of a project profile approved (December 1983) by the Government, the Company took up implementation of a second project from 1986-87 onwards with the object of raising 10,000 hectares of rubber plantations by 1997-98 and construction of roads and buildings, etc., as were required therefor. As per the project profile, the capital outlay for construction of roads, buildings, etc., and creation of 2,200 hectares of rubber plantations was estimated at Rs.338.43 lakhs during the period from 1986-87 to 1988-89. While keeping the broad object of raising 10,000 plantations content, the Company varied in its annual budgets the yearly phasing of plantations and the financial outlay. Against the financial targets of Rs.387.26 lakhs (Plantation: Rs.299.76 lakhs; roads and buildings: Rs.87.50 lakhs as per the annual budgets during 1986-87 to 1988-89. The Company spent Rs.177.33 lakhs* (plantations: Rs.172.19 lakhs; roads and buildings: Rs.5.44 lakhs). The Company failed to achieve the targets due to absence of land, want of trained field staff and infrastructural facilities.

The second project report prepared in November 1988 by a private consulting organisation at a fee of Rs.0.50 lakh has not so far (May 1990) been approved by the Board of Directors.

7.5.8 Implementation of the first project

Part I Project roads and buildings

The project report envisaged construction of 44.5 kilometres of road during the project period of 10 years at a cost of Rs.11.10 lakhs. It also envisaged

*Excluding incurred in the South II division during 1988-89 as the accounts were not available in head office.

construction of 62 numbers of various buildings at a cost of Rs.8.20 lakhs upto 31st March 1989, the Company spent Rs.1.50 lakhs on roads, Rs.6.84 lakhs on buildings and Rs.2.87 lakhs on other minor works. The details of constructions were not available with the Company.

Part II Project logging and marketing

As per the project report, plantation programme over an area of 5,000 hectares was to be undertaken. Of this, 2,500 hectares were in wooded areas and the balance in open areas. The average annual plantation in wooded areas was projected at 250 hectares. Moreover, the Company was also to handle timber obtainable from 50 hectares of annual plantation in the Udaipur range. At an annual yield of 55 cum per hectare from wooded areas and 60 cum per hectare from the Udaipur range it was estimated that the Company would handle 16,750 cum (say, 15000 cum) of timber annually.

The total capital outlay for the logging and marketing was estimated at Rs.217.45 lakhs (capital expenditure: Rs.8.86 lakhs, revenue expenditure: Rs.193.73 lakhs and overhead: Rs.14.86 lakhs). The cumulative profit of this component was estimated at Rs.149.33 lakhs out of the sale proceeds of Rs.361.85 lakhs.

The actual achievement in extraction and marketing of timber against the annual target of 15,000 cum could not be furnished by the Company. As against the sale proceeds of Rs.361.85 lakhs as projected, the Company could realise Rs.43.35 lakhs upto 1988-89. The low sale proceeds was due to non-transfer of reserve forest area by the Forest Department.

As per the accounts of the Company, surplus of Rs.15.39 lakhs on logging and marketing was earned upto 1982-83. The Company, however, sustained a loss of Rs.0.22 lakh in this operation in 1983-84 (provisional).

The projected as well as the actual working results of the Company for the period from 1980-81 to 1985-86 are given in the table below :-

Year	Income		Expenditure		Profit(+)/ Loss (-)	
	<u>Tar- get</u>	<u>Achieve- ment</u>	<u>Tar- get</u>	<u>Achieve- ment</u>	<u>Tar- get</u>	<u>Achieve- ment</u>
	(Rupees in lakhs)					
1980-81	43.63	4.02	24.48	2.10	19.15	(+)1.92
1981-82	41.85	2.64	23.84	1.60	18.01	(+)1.04
1982-83	41.00	4.02	23.67	2.00	17.33	(+)2.02
1983-84	41.50	2.00	24.01	2.22	17.49	(-)0.22
1984-85	43.25	2.83	25.34	2.02	17.91	(+)0.81
1985-86	43.25	4.03	25.39	1.99	17.86	(+)2.04

The Company continued the scheme beyond the project period. The achievement against the targets of extraction of timber (2000 cum) and firewood (14,000 cum) during 1986-87 to 1988-89 at a total cost of Rs.4.23 lakhs could not be furnished to Audit.

Part III Plantation

The project report envisaged plantation and maintenance of 5,000 hectares of rubber, 100 hectares of citronella and 100 hectares of bamboo during the span of 10 years at a total cost of Rs.288.33 lakhs (rubber: Rs.284.93 lakhs, citronella: Rs.2.06 lakhs and bamboo: Rs.1.34 lakhs). It also contemplated transfer to the Company of 465.63 hectares of rubber plantation

N.B. Figures for actual workings for 1983-84 to 1985-86 are provisional.

raised by the Government during 1963 to 1975, 69.12 hectares of bamboo raised at Patichari during 1961 to 1972 and 7.20 hectares of citronella raised at Juri during 1974 and 1975. The cost of maintenance of plantations raised by the Government and proposed to be transferred to the Company was estimated at Rs.48.47 lakhs (rubber: Rs.45.18 lakhs, sal: Rs.3.14 lakhs, bamboo: Rs.0.10 lakh and citronella: Rs.0.05 lakh during the period from 1976-77 to 1985-86. Besides, 1024.41 hectares of existing sal/miscellaneous plantations were also proposed to be transferred to the Company.

(a) Transfer of land

As per the project report, the project area was to cover 18,650 hectares spread in 8 blocks within the jurisdiction of Southern, Udaipur, Sadar, Teliamura and Northern Forest Divisions in reserved forests. According to an agreement entered into in February 1981, the Government agreed to transfer 5,681.26 hectares of forest land including existing rubber (418.66 hectares), bamboo (55.40 hectares) and citronella (7.2 hectares) to the Company on lease basis for a period of 42 years initially. Government also agreed to transfer suitable land for creation of nurseries, roads and buildings constructions and other activities and also for expansion under the projects. In 1976-77 the Government transferred 425.86 hectares of existing plantations to the Company. Subsequently, from time to time, the Company took over from Government land for plantations and nurseries. But the actual area of Government land under possession of the Company was not available on record of the Government or the Company. The manner of transfer of land in favour of the Company was not available. No lease deed in terms of the agreement was executed by the Government. The land taken over from the Forest Department was not surveyed to ascertain the actual area.

The Government in their reply (March 1990) refrained from offering any comment on the matter.

(b) Stockings of plantations and maturity of plants

The Company did not maintain any register of plantations and nurseries showing therein the variety of trees planted, initial plantations, mortality, replanting/vacancy fillings and conditions of stockings, etc. No periodical reports were obtained from the plantations centres in this regard. No physical verification was conducted. However, the position of stockings in rubber plantation was assessed by the Management once in November 1980 and again in November 1985. Assessment made by the Company in November 1980 disclosed that as against the norm of 77.75 per cent in a well stocked rubber plantation of 445 numbers of bud-wood stumps, plantations raised upto 1975 had stockings in November 1980 ranging between 15 to 75 per cent in case of 23 plantations out of 31. In respect of rubber plantations raised during 1976 to 1980, stockings against norms were far below. stockings in 1976 plantations was 81 per cent against norm of 83.15 per cent those of 1978 plantations in the third year was 77.39 per cent against norm of 88.76 per cent. Stockings of 1979 and 1980 plantations upto second year were 81.77 and 85.77 per cent against norm of 94.38 per cent.

The last available stock position (November 1985) revealed that while some plantations had been totally damaged, others had stockings varying from 16 to 98 per cent. No stock taking of trees was conducted by the Company after November 1986.

It was further noticed that due to non-survival of stockings in plantations raised between 1973-74 and 1979-80, heavy vacancy fillings were done in subsequent years to maintain reasonable stockings. This reduced the average age of trees in plantations. As a result, plantations could not be brought under tapping from the eighth year onward. As per the project report, 2,540.53 hectares of rubber plantations were to come under tapping at the end of March 1989. However, on the basis of actual plantations raised in each year (excluding

plantations destroyed over the years) 2,065.15 hectares of rubber plantations should have come under tapping by 1988-89, against which only 692.00 hectares could be brought under tapping. During 1981-82 to 1988-89, against the cumulative area of 6,290.37 hectares of plantations to be brought to yield, only a cumulative area of 2,995.00 hectares was brought under tapping. Thus, there was a shortfall of cumulative area of 3,295.37 hectares which resulted in short production of 3,094.59 tonnes of rubber during 1981-82 to 1988-89. The loss of revenue due to Company's failure to bring plantations under tapping in time worked out to Rs.513.20 lakhs during the period. The reasons for deficiencies in raising well stocked rubber plantation during the first project period were stated (1989) to be lack of expertise and non-standardisation of plantation techniques, non-availability of required number plantation workers and chemical fertilisers in peak season and damage by large scale cattle grazing and fire.

The Government stated (March 1990) that damage and destruction of plantations due to natural calamities, ethnic troubles, tribal unrest, etc., necessitated massive vacancy filling accordingly, expected area could not be brought under tapping.

Test check (April-June 1989) of records disclosed that during the period 1977-78 to 1986-87, 1,214.88 hectares of rubber plantations were destroyed due to fire (805.33 hectares), cattle-grazing (381.55 hectares) storm (8.00 hectares) and other reasons (20.00 hectares). The capital cost of plantations destroyed worked out to Rs.41.46 lakhs. No steps have been taken so far (June 1989) for insuring them against fire hazards.

The Government stated (March 1990) that destruction of plantations was caused by extremists and miscreants under a difficult law and order situation in the State also by uncontrolled fire, non-existence of any element of fencing in the project report.

(i) Planting operations

The year-wise phasing of the rubber plantations programme during the first project period and its execution were as under :

Year	Physical			Financial		
	Tar- get	Achieve- ment	Short- fall(-)/ Excess(+)	Tar- get	Achieve- ment	Short- fall(-)/ Excess(+)
	(In hectares)			(Rupees in lakhs) *		
1976-77	150.00	128.00	(-) 22.00	2.69	2.28	(-) 0.41
1977-78	300.00	273.00	(-) 27.00	6.01	5.42	(-) 0.59
1978-79	500.00	416.50	(-) 83.50	11.59	11.03	(-) 0.56
1979-80	550.00	607.20	(+) 57.20	18.51	13.12	(-) 5.37
1980-81	575.00	675.72	(+) 100.72	25.49	14.07	(-) 11.42
1981-82	575.00	644.10	(-) 69.10	32.04	30.34	(-) 1.70
1982-83	575.00	582.43	(+) 7.43	38.46	41.74	(+) 3.28
1983-84	575.00	449.50	(-) 125.50	44.37	48.44	(+) 4.07
1984-85	600.00	605.50	(+) 5.50	50.46	55.62	(+) 5.16
1985-86	<u>600.00</u>	<u>505.00</u>	<u>(-) 95.00</u>	<u>55.33</u>	<u>71.64</u>	<u>(+) 16.31</u>
	<u>5000.00</u>	<u>4886.95</u>	<u>(-) 113.05</u>	<u>284.95</u>	<u>293.70</u>	<u>(+) 8.77</u>

The Company raised another 1,964.62 hectares of rubber plantations during the period from 1986-87 to 1988-89 under its second project. The target as per the annual budgets of the Company and the achievements were as under :-

Year of creation	Physical			Financial*		
	Tar- get	Achieve- ment	Short- fall(-)/ Excess(+)	Tar- get	Achieve- ment	Short- fall(-)/ Excess(+)
	(In hectares)			(Rupees in lakhs)		
1986-87	700.00	794.95	(-) 94.95	67.08	26.66	(-) 40.42
1987-88	1000.00	766.05	(-) 233.95	101.91	67.66	(-) 34.25
1988-89	<u>1000.00</u>	<u>403.62</u>	<u>(-) 596.38</u>	<u>117.14</u>	<u>77.87</u>	<u>(-) 39.27</u>
	<u>2700.00</u>	<u>1964.62</u>	<u>(-) 735.38</u>	<u>286.13</u>	<u>172.19</u>	<u>(-) 113.94</u>

The Government stated (March 1990) that the targets in plantations could not be fulfilled due to restriction on utilisation of forest areas as a result of the Forest Conservation Act, 1980.

The Company could raise 4,886.75 hectares of plantations at a cost of Rs.293.70 lakhs including the cost of maintenance of plantations. As against the projected expenditure of Rs.3,365.45, Rs.4,433.04 and Rs.5,572.00 per hectare in 1979-80, 1980-81 and 1981-82, actual expenditure was Rs.2,160.74, Rs.2,082.00 and Rs.4,710.00 per hectare respectively. It was seen in audit that the low expenditure was due to poor maintenance of plantations. Similar was the position regarding maintenance of pre-project plantations. As against the target of Rs.45.18 lakhs during 1976-77 to 1985-86, Rs.30.19 lakhs was spent. Poor maintenance was mainly due to non-availability of various chemical fertilisers in time and required number of workers in peak season.

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- * Excluding allocation of administrative expenses of Rs.46.23 lakhs.
 - ** Including establishment expenses and cost of creation of plantation.
 - ** Excluding expenditure incurred by the South II Division.

(ii) Yield

The rubber statistics as per 'Rubber Grower's Companion, 1990' published by the Rubber Board, Kottayam showed average yield of rubber in India during the period from 1976-77 to 1988-89 as ranging between 772 and 974 Kgs. per hectare. The project report, however, envisaged yield of only 500 Kgs. of rubber annually per hectare gradually increasing to 700 Kgs. from clonal plantations. The annual yield from plantations of high yielding varieties was anticipated at 700 Kgs. per hectare gradually increasing to 1000 Kgs. The table below shows the actual yield compared with the all India average during 1976-77 to 1988-89:

Year	Area tapped	Expected yield	Actual yield	Shortfall in pro- duction	Value (Rupees in lakhs)
(1)	(2) (In hectares)	(3)	(4) (In tonnes)	(5)	(6)
1976-77	42.51	32.82	20.21	12.61	0.81
1977-78	51.41	39.69	28.18	11.51	0.76
1978-79	60.56	46.75	33.48	13.27	0.98
1979-80	97.76	75.47	39.13	36.34	3.16
1980-81	122.00	96.14	50.95	45.19	5.32
1981-82	180.00	140.22	81.55	58.67	7.72
1982-83	240.00	199.20	92.93	106.27	13.98
1983-84	265.00	227.11	114.31	112.80	15.21
1984-85	286.00	253.40	131.88	121.52	17.26
1985-86	341.00	306.22	147.10	159.12	23.57
1986-87	413.00	382.44	171.67	210.77	31.47
1987-88	578.00	545.63	305.00	240.63	39.53
1988-89	<u>692.00</u>	<u>674.01</u>	<u>376.72</u>	<u>297.63</u>	<u>54.02</u>
		<u>3019.10</u>	<u>1593.11</u>	<u>1425.99</u>	<u>213.80</u>

The low level of production which was about 50 per cent of the all India average was attributed (1989) by Government to factors like inadequacy of field staff, improper supervision and lack of skill. The Government also stated that production was likely to increase substantially with the improvement in working conditions and methods of collection.

During the course of test check of monthly fertiliser statements of 31 centres out of 44, it was also noticed that non-application of fertilisers at the right time was a potent cause for low production. As for example, out of 5,230 tonnes of fertilisers utilised in these centres during the period 1980-81 to 1987-88, only 50 per cent (2,687.81 tonnes) could be applied in time as prescribed by the Rubber Board. Untimely application of fertilisers, thus retarded the growth of rubber plant.

Perusal of records of the Company showed that though the Management was aware of the shortfall in production, no effective steps were taken to improve the position.

The Government stated (March 1990) that compared with reference to yield of first generation rubber, plantations that were brought under tapping during the seventies showed performance better than that in Kerala. They stated that estimated loss was to be viewed in the light of unforeseen contingencies on the ground and that the situation would definitely improve in future as a result of expertise gained at all levels.

7.5.9 Tapping

The Company followed the alternate day tapping system. With a view to regulating tapping and engagement of tappers the Board of Directors decided (March 1981) that a tapper would tap two blocks of 300 trees each on each alternate day. Scrutiny of records disclosed the following irregularities in tapping :-

- (a) tappers did not report for tapping at 5 a.m. (the appointed time) in the morning.
- (b) tappers remained absent from duties without prior permission.
- (c) tappers did not tap all the 300 trees in a block.
- (d) all the latex and scrap were not collected by tappers.
- (e) absence of collection cups hampered collection.
- (f) inadequate supervision of the supervising staff.
- (g) tapping remained suspended during rainy day due to non-supply of protective rainguards.

No steps were taken by the management to rectify the deficiencies. The Management also did not fix target for total number of blocks to be tapped in a year. The actual number of blocks tapped in a year was also not available.

The loss of production and revenue due to suspension of tapping on rainy days worked out to 82.47

tonnes valuing Rs.12.65 lakhs during 1984-85 to 1987-88.

The Government stated (March 1990) that tapping was a highly skilled job and the efficiency in this regard was to be acquired by a worker over the years. The Rubber Board also did not have sufficient field facility and staff to impart training to the non-traditional plantation workers to upgrade their performance.

(b) Yield per tree/block

A scrutiny (April/June 1989) of tapping in 6 out of 11 centres disclosed that yield of dry rubber content in latex fluctuated widely from centre to centre and from year to year without any recorded reasons as given below :-

Name of centre	Year	No. of trees tapped	Yield		
			Total	Per tree	Per block
(In kilogrammes)					
1. Patichari	1984-85	22,200	42,607	1.92	576
	1985-86	22,200	38,134	1.71	515
	1986-87	22,200	40,146	1.81	543
	1987-88	22,200	34,231	1.54	463
2. Kalsimuck	1984-85	2,700	4,347	1.61	483
	1985-86	4,300	6,763	1.57	471
	1986-87	4,300	8,844	2.06	617
	1987-88	4,500	13,190	2.93	879
3. Manu	1984-85	1,200	3,145	2.62	786
	1985-86	1,200	4,039	3.36	1,009
	1986-87	1,200	4,136	3.47	1,034
	1987-88	1,200	3,181	2.65	795
4. Gulirey	1984-85	1,500	1,830	1.22	365
	1985-86	1,500	2,820	1.88	564
	1986-87	1,500	2,670	1.78	535
	1987-88	1,500	3,105	2.07	620
5. Pathalia	1984-85	19,200	28,032	1.46	437
	1985-86	19,200	33,798	1.76	529
	1986-87	19,200	37,056	1.93	579
	1987-88	19,200	44,736	2.33	598
6. Bankumari	1984-85	7,800	13,416	1.72	517
	1985-86	7,800	14,820	1.90	571
	1986-87	7,800	15,288	1.96	587
	1987-88	7,800	17,160	2.20	660

It was, however, found that the all India average of rubber yield per tree was 3.04 Kg. It would be seen thus excepting two years in one block (1985-86 and 1986-87 in Manu), the rubber yield per tree fell short of the average by 52 per cent to 4 per cent.

Reasons for variation from centre to centre and from year to year were not investigated by the Management. No action was also taken by Management for full utilisation of yielding capacity of trees.

7.5.10 Accounting of rubber

Yield obtained from rubber trees in the form of field latex, lump, tree laces and shell scrap which contain moisture. The stock accounts are maintained on the basis of dry rubber content (DRC) in them. Normal latex contains about 30 to 40 per cent DRC. This crop is processed in various marketable forms.

No stock account of field latex obtained and issued for manufacture of sheets was maintained by the Company and hence, reconciliation between latex issued and sheets obtained was also not done. The head office maintained account of the stock of rubber produced in a quarter and disposal thereof in an abstracted form in a register. The register was not authenticated by any officer of the Company. The consolidated figure of production during a quarter worked from the daily production statements and disposal calculated separately on the basis of delivery orders issued to successful tenderers over a period were recorded in the register. This rendered the ascertainment of stock position at a centre on a particular date difficult. Further, physical verification of stock of rubber at periodical intervals was not done. Cost records of production were also not maintained.

7.5.11 Short-production of superior quality of rubber

The Company processes field latex into sheets. No norm has been fixed by the Company for production of field latex sheet rubber in the grades of RMA IX and

RMA I which fetched comparatively higher prices. The Plantation Corporation of Kerala Limited prescribed (April 1972) that 85 per cent of rubber sheets produced should be in the grades of RMA IX and RMA I. The actual recovery of RMA IX was insignificant in the Company. Based on the norm of the Plantation Corporation of Kerala Limited the shortfall in production of RMA IX and RMA I was 245.43 tonnes during 1985-86 to 1988-89 with resultant loss of revenue of Rs.1.77 lakhs.

The Government stated (March 1990) that under the existing conditions the quality of production of RMA IX and RMA I was bound to be limited and it was still premature to fix any norm for quality of rubber production.

7.5.12 Loss due to delay in disposal of rubber

According to prevailing practice, the Company invited sealed tenders for disposal of the sheet and scrap rubber produced in the preceding quarter. Tenderers were required to deposit a security deposit of Rs.0.05 lakh on acceptance of tenders and were also required to deposit the full value of rubber before issue of delivery orders. No time limit for depositing value was specified in the tender documents and the Company waited indefinitely for tenderers to take delivery of goods.

It was seen in audit (April-June 1989) that due to failure of successful tenderers to deposit the value of rubber and lift the materials, 49.42 tonnes of rubber (sheet: 38.92 tonnes, scrap: 10.50 tonnes) produced by the Company during April 1981 to June 1982 valued at Rs.6.78 lakhs remained undisposed of till February 1983 when the lower rates offered by local dealer was accepted and 46.42 tonnes of rubber could be disposed of at Rs.4.83 lakhs. In Tripura condition, sheet rubber start rotting if stored for a period exceeding six months. Had the Management taken timely action and fixed time limit for depositing value, the loss of Rs.1.92 lakhs could have been avoided.

The Government stated (March 1990) that the quality of the stock was sub-standard. Further, there was nothing on record regarding disposal of the balance quantity of 2.8 tonnes.

7.5.13 Cash subsidy

In accordance with the Rubber Board's Rubber Development Scheme for financial assistance to rubber growers in the form of cash subsidy to a maximum extent of Rs.5000 per hectare, the Company applied to Rubber Board, from time to time, for sanction of cash subsidy amounting to Rs.201.84 lakhs upto March 1989 on 5,697.63 hectares of rubber plantations stated to have been raised during 1980-81 to 1988-89. The Board, however, paid upto the end of March 1989 an amount of Rs.101.86 lakhs on an average of 2,824.74 hectares of plantations and rejected the balance amount on the ground of improper maintenance of plantations by the Company, sub-standard and damaged plantations. Due to failure of the Management to create, maintain and preserve the plantations properly, the Company failed to avail itself of the benefit of cash subsidy amounting to Rs.99.98 lakhs otherwise admissible from the Rubber Board.

Out of Rs.101.86 lakhs paid by the Board upto March 1989, it recovered from the Company Rs.6.58 lakhs on the ground that the plantations on which the subsidy was sanctioned earlier were found subsequently as having been totally/partially damaged.

The Government stated (March 1990) that the subsidy being an incentive for extension of a particular plantation crop and there had been no financial loss due to non-admissibility thereof. As regards amount recovered by the Rubber Board, it was stated that the matter was referred to the Rubber Board for reconsideration.

7.5.14 Wasteful expenditure in raising polybag nursery

Test check of available records disclosed that the Company raised 11.12 lakh polybag nursery plants during 1986-87 and 1987-88 out of which 3.69 lakh plants were utilised by the Company. Of the balance of 8.19 lakh plants, 3.60 lakhs were damaged and 1.32 lakhs did not sprout. The reasons for damages were not investigated. At the average cost of Rs.3 per polybag plant, the wasteful expenditure worked out to Rs.14.76 lakhs on this account.

The Government stated (March 1990) that large-scale polybag nursery was raised at the instance of the Rubber Board with the understanding that the Board would arrange to supply budded stumps, but due to communication difficulties the Board could not arrange supply of budded stumps. As a result, the polybags filled up with soil were damaged.

7.5.15 Works advance

As per prescribed procedure funds are advanced by the Divisional Managers each month to the officer incharge of each plantation centre who is to submit the adjustment accounts by the seventh of the succeeding month. It was, however, seen in audit that substantial amounts remained unadjusted with the subordinate officers at the end of each month. The position at the end of March of the last four years upto 1987-88 is given below :

Year	No. of officers involved	Amount outstanding (Rupees in lakhs)
1984-85	20	3.24
1985-86	22	4.42
1986-87	26	2.77

As per the monthly accounts for 1988-89 so far (June 1989) submitted by the Divisional Managers, North and South Divisions, out of Rs.133.30 lakhs (opening balance: Rs.1.96 lakhs, advances: Rs.131.34 lakhs) advanced to subordinate officers upto February 1989 adjustments of Rs.88.16 lakhs were submitted by them and advances of Rs.45.14 lakhs remained unadjusted. Besides, monthly accounts upto October 1988 so far submitted by the Divisional Manager, Sadar Division also showed that out of Rs.31.86 lakhs (opening balance: Rs.1.41 lakhs and advances: Rs.30.45 lakhs) advanced to such officers of the Division, Rs.7.00 lakhs remained unadjusted.

The Government stated (March 1990) that action had since been taken to adjust the outstanding advances.

7.5.16 Integrated Rural Development Programme

Mention was made in paragraphs 3.5.7 of the Report of the Comptroller and Auditor General of India for the year 1983-84 about implementation by the Company of the farm forestry schemes under the Integrated Rural Development Programme (IRDP). The following schemes were to be taken up in seven blocks where the Small Farmers Development Programme had been under implementation:

- (a) setting up of rubber nursery for raising seedlings for distribution to beneficiaries,
- (b) cultivation of citronella and its distribution, and
- (c) setting up of training centres in rubber cultivation.

As against advance of Rs.15.50 lakhs received from Tripura Rural Development Agency (TRDA) during 1978-79 to 1981-82, the Company incurred an expenditure of Rs.14.14 lakhs upto 1981-82. The Company spent Rs.2.66 lakhs in 1982-83 in anticipation of sanction by TRDA. The excess expenditure of Rs.1.30 lakhs was not regularised (June 1989). The governing body of DRDA,

West decided (February 1983) to stop funding the scheme on the ground that the works done were the Company normal works.

Targets and achievements in respect of creation and maintenance of planting materials during 1978-79 to 1982-83 were as under :-

Items of works		1978-79	1979-80	1980-81	1981-82	1982-83	Total
a. Creation and main-tenance of seed-ling nursery (beds in number)	Target	1400	2800	3800	5600	5600	19200
	Achie-vement	1400	3907	4020	3130	1552	14009
b. Creation and main-tenance of bud-wood mother plants (in number)	Target	9800	38000	15850	34650	39650	137950
	Achie-vement	9800	12000	9315	8000	5000	44115
c. Budgraft-ing (number in lakhs)	Target	-	1.75	4.00	5.60	5.00	16.35
	Achie-vement	-	3.55	3.79	4.86	2.00	14.20

Of 14.20 lakh budgrafting done, 400 budded stumps were distributed to 200 beneficiaries in Melaghar Block in 1979-80. During 1980-81 and 1981-82, 2,500 and 1,500 budded stumps respectively were distributed to beneficiaries of this Block; though the number of beneficiaries in these cases were not on record. Besides, 41,000 budded stumps were supplied to the Forest Department free of cost. Thus, only 4,400 stumps were utilised for the purpose of IRDP. Records did not reveal that any follow up action was taken to ascertain that plantations were raised and maintained by beneficiaries upto the yielding stage (8th year).

(ii) Setting up of Training Centre

One training centre was established (1979-80) at Sachirambari under the South Division at a cost of Rs.1.23 lakhs to impart training to beneficiaries. The scheme provided that on completion of training, each trainee was to get 25 rubber stumps as minikit free of cost for planting in his field. The trainee was also to be advised to take up larger rubber plantation with assistance from the Rubber Board and the Banks. It was seen from records that during July 1979 to November 1982, 124 beneficiaries were trained at a cost of Rs.1.14 lakhs, but there was nothing on record that they were provided with minikits.

The Government stated (March 1990) that the Company had demanded re-imbursement of the excess expenditure and that no responsibility was entrusted with it for supervising plantations raised by the beneficiaries. It was further stated that the beneficiaries under the scheme for the Block Authorities approached the Company for collection of minikits.

7.5.17 Setting up of a rubber processing factory

With a view to processing latex produced in the State in a better marketable form to fetch higher prices, the Managing Director approached (November 1977) the Rubber Board to advise the Company regarding establishment of modern processing factories. Accordingly, the Rubber Board prepared (December 1979) two project reports for -

- (a) setting up of a latex centrifuging factory at Patichari at a cost of Rs.28.47 lakhs, and
- (b) setting up of a crumb rubber factory at Ratachera at a cost of Rs.34.19 lakhs.

As per the project report, the latex centrifuging factory for producing latex concentrate and skim crope (a by product) was to be set up in two stages. The first stage with a capacity of processing 3,000 Kgs. of

DRC of field latex per day (in three shifts) was to be commissioned in 1983-84 at a cost of Rs.19.23 lakhs. The second stage was to be completed between January and December 1985 at a cost of Rs.9.24 lakhs. The factory was proposed to be expanded to process 6,000 Kgs. of DRC of field latex per day by 1990. For skim processing, a skim mill was to be set up.

The crumb rubber factory at Ratachera in the North Tripura District was to be set up during 1983-84 to 1984-85.

The sites of the two factories were finally selected in October 1981 by the Rubber Board at takmachera and Ratachera. However, the Company did not proceed further with establishment of crumb rubber factory.

(ii) Capital investment

The project report of the latex centrifuging factory envisaged fixed capital of Rs.28.47 lakhs in two phases. Due to non-implementation of the project in time, the report had to be revised (September 1985) and cost increased to Rs.137 lakhs. The detailed break-up is given below:-

Categories	Original Project			Revised Project		
	<u>Report</u>			<u>Report</u>		
	Stage	Stage	Total	Stage	Stage	Total
	I	II		I	II	
	(Rupees in lakhs)					
1.Site deve-						
lopment	0.20	-	0.20	0.50	-	0.50
2.Building and						
civil works	4.93	1.84	6.77	35.50	12.50	48.00
3.Plant and						
machinery	8.50	5.50	14.00	17.30	13.80	31.10
4.Supporting						
services	1.75	0.60	2.35	19.00	1.80	20.80
5.Residential						
buildings	-	-	-	10.00	10.00	20.00

6. Equipment and facilities	3.85	1.30	5.15	8.50	2.60	11.10
7. Consultancy, conveyance,						
etc.	-	-	-	4.00	1.50	5.50
	<u>19.23</u>	<u>9.24</u>	<u>28.47</u>	<u>94.80</u>	<u>42.20</u>	<u>137.00</u>

The capital cost increased by Rs.83.03 lakhs excluding new items (residential buildings: Rs.20 lakhs and consultancy, conveyance, etc.: Rs.5.50 lakhs).

(iii) Finance

During 1983-84 and 1984-85, the State Government contributed Rs.75 lakhs towards the share capital of the Company for setting up the latex centrifuging factory and crepe mill.

The North Eastern Council (NEC), Shillong approved in October 1986 the project as a NEC scheme during the remaining period of the 7th Five Year Plan and paid to the company Rs.122.50 lakhs upto 1988-89. The Company received a further amount of Rs.6.85 lakhs from the State Government during 1986-87 and 1988-89 for commissioning of a 33 KV line at the project site.

The expenditure of Rs.21.05 lakhs incurred by the Company upto 1985-86 out of Rs.75 lakhs received from Government was adjusted in March 1987 against fund released by NEC. Thus the entire amount of Rs.75 lakhs obtained from the Government was not spent for the purpose.

(iv) Procurement of plant and machinery

On the recommendation (June 1981) of the Rubber Board, the consultant of the Company for setting up the factory, the Company procured from Sweden and United Kingdom one Alfa Level Latex Concentrator (Industrial Centrifuge) and one high speed mechanical latex stability apparatus for concentrated natural rubber

latex at a cost of Rs.6.73 lakhs (in foreign exchange). In addition Rs.3.84 lakhs was spent towards customs duty, transportation, clearing agent's commission etc. The machines were received by the Company in December 1982. The Company purchased (November 1988) the creepers at a cost of Rs.7.88 lakhs from a firm in Kerala which has also not been installed so far (May 1990).

(v) Execution

Work order for preparation of civil drawings and designs, fabrication and erection of structural steel works was issued (February 1985) to a Cochin based firm at a cost of Rs.13.14 lakhs. The firm was selected on recommendation (April 1983) of the Rubber Board. The firm was to complete erection and fabrication structural steel at site within one month from the date of handing over site with columns ready or by the end of seventh month whichever was later. The firm supplied the structural steel works by June 1988. The erection was still to be done (April 1989). A sum of Rs.15 lakhs was so far (April 1989) paid to the firm.

The foundation work was allotted to the State PWD in February 1987. On the basis of estimates prepared by PWD from time to time for civil works in three phases, viz., (i) factory buildings, office blocks, machinery foundation, internal roads and culverts, (ii) staff quarters, and (iii) other works, the Company advanced Rs.50.35 lakhs to the Executive Engineer, Southern Division II between February 1987 and April 1988. Further, Rs.6.85 lakhs were deposited (August 1986 - June 1987) with the Executive Engineer, Electrical Division No.VI, Udaipur for commissioning of 33 KV sub-station at Takmachera.

The Managing Director stated (May 1989) that 40 per cent works in construction of factory buildings, 50 per cent of that of staff quarters and 15 per cent of that of sinking of deep tube well were done. The electrification programme was in progress. Due to delay in executing the project and increase in cost of materials, the Managing Director estimated (May 1989) that the cost of the project was likely to go up

further by Rs.68.50 lakhs. No formal date has so far been fixed for completion of the project. The estimated cost over-run of the project worked out to Rs.177.03 lakhs over the initial project estimate of Rs.28.47 lakhs. There was already a delay over 5 years in completion of the first phase of the project with reference to the targeted year of 1983-84.

The main reasons for the time over-run and the cost over-run were as follows :

- (a) non-availability of required technical know-how,
- (b) failure of consultants to render the engineering and technical services,
- (c) inordinate delay in selection of a competent contractor, and
- (d) failure of the State PWD to take up and execute the civil and foundation works, etc.
- (e) Non-resorting to open tender system for the Company when it was apparent that local engineers might not be in a position to execute the work.

The Government stated (March 1990) that the scheme had been delayed due to various factors like fixing up of Agency to implement the scheme, performance of the State PWD, shortage of construction materials, etc. The scheme was likely to be implemented during the Eighth Plan period.

**7.5.18 Project for cultivation of dioscorea
 floribunda and extraction of diosgenin
 from dioscorea tubers**

The composite project for cultivation of dioscorea floribunda and extraction of diosgenin from dioscorea tubers was sanctioned (December 1986) by NEC, Shillong for being implemented during the remaining period of the 5th Five Year Plan at an estimated cost of Rs.142.90 lakhs. The project was to be implemented by the State Government through the agency of the Company and the responsibility for maintenance of the project

after the 7th Plan period was to devolve on the State Government/Company. The main objects of the project were as under :

(a) cultivation of dioscorea floribunda and other commercial dioscorea species over 200 hectares of land during 1986-87 to 1989-90 at the rate of 50 hectares per year at a cost of Rs.66.90 lakhs including infrastructure development, equipment, vehicle and establishment expenses, and

(b) establishment of a chemical plant for extraction of diosgenin, an ingredient widely used in manufacture of steroid hormones, sex hormones, cortisones and oral contraceptive pills, with an annual capacity of 10 tonnes at a cost of Rs.76 lakhs.

The Government constituted (May 1987) a Committee of eight members to supervise the implementation of the programme.

2. Finance

The Company received Rs.72.50 lakhs from NEC during 1986-87 to 1988-89. Out of this, Rs.29.76 lakhs was expended during the period (plantation: Rs.19.61 lakhs and factory: Rs.10.14 lakhs).

3. Project execution

(i) Planting operation

As against the targeted plantation of 150 hectares of dioscorea floribunda upto 1988-89 at a cost of Rs.35.27 lakhs, only 5.10 hectares of plantations at a cost of Rs.12.69 lakhs could be raised. The main constraints as stated by the Managing Director in April 1989 were :

(a) non-availability of planting materials, and

(b) encroachment over project land.

Upto 1988-89, 59.76 tonnes of planting materials (Dioscorea floribunda: 55.76 tonnes and Dioscorea composite: 4 tonnes) could be procured.

The Managing Director reported to the Government in May 1989 that due to excessive cost of planting materials, the cost of cultivation per hectare had gone up to Rs.0.65 lakh as against Rs.0.32 lakh projected earlier. The failure of the Company to raise the targeted plantations for ensuring regular supply of the required quantity of tubers to the proposed plant and the high costs of planting operations jeopardized the viability of the project itself.

In the meantime, the Company sustained a loss of Rs.1.83 lakhs in transporting (May-July 1988) 10.75 tonnes of dioscorea floribunda in the flood affected areas of Assam as the entire consignment got spoilt due to prolonged storage (32 days against the permissible time of 12 days) in closed bags.

The Government stated (March 1990) that a revised scheme had been submitted for implementation as on-going scheme during the Eighth Plan period.

(ii) Setting up of factory

For executing the factory part of the project, the Company advanced Rs.0.70 lakh as consultancy fees out of total of Rs.1 lakh to the Council of Scientific and Industrial Research (CSIR) upto March 1989 and Rs.0.80 lakh to a contractor in January 1989. An amount of Rs.9.57 lakhs was also advanced to the Executive Engineer, Division No.VI, Udaipur for execution of civil works at Sovapur. Records of the Company, however, did not disclose that any work in establishment of the factory was actually done besides final selection (February 1989) of site of the factory near Agartala.

7.5.19 Accounts manual and internal audit

Even after 13 years of operation, the Company has not brought out an Accounts Manual. The Company has no internal audit wing. No outside agency was also engaged for internal audit.

7.5.20 Physical verification of assets

The Company did not devise any procedure for physical verification of its fixed and current assets. No physical verification of the fixed assets was conducted for the last four years upto 1988-89.

7.5.21 Stores Ledger

The Company has introduced submission of monthly returns of fertilisers by officers in charge of plantation centres. But no stores ledger was maintained at Head Office on the basis of those returns. A test check in audit revealed that item-wise balances in those returns were not correctly arrived at. Due to non-maintenance of various stores ledgers at Head Office, the quantity and value of various stores materials purchased, utilised and held in stock at the end of particular period could not be ascertained in audit.

The Government stated (March 1990) that action was being taken to devise an effective system of maintaining stores accounts and registers and for carrying out physical verification of assets.

7.5.22 Discrepancies in maintenance of accounts

The accounting system being followed in the Company has the following defects:

(i) A register of fixed assets showing full particulars including quantitative details and situation of fixed assets was not maintained. As a result, the assets created by the Company from its own resources, those transferred by Government and other assets created by the Company in connection with the schemes could not be ascertained in audit.

(ii) The Company did not maintain a register of charges in respect of mortgages and charges created.

(iii) The Company did not devise a system of stores control.

(iv) There was inordinate delay in submission of monthly accounts by subordinate officers to the Division offices and by the Divisional Managers to the Head Office. Accounts for November 1988 onwards were pending (June 1989) with the Divisional Managers, Sadar Division and those from March 1989 onwards were pending with the Divisional Managers, North and South Divisions.

(v) No entries were made in the measurement books in respect of works done through the muster rolls.

(vi) No register for claims raised to the Rubber Board for cash subsidy was maintained to watch recovery.

POWER DEPARTMENT

7.6 Gas Thermal Projects

7.6.1 Highlights

- Availability of natural gas throughout the economic life of the Gas Power Station was not considered before preparation of the project reports.

(Paragraph 7.6.6)

- Escalation in project cost was 198 per cent in respect of Baramura Units I and II, although many items of civil works remained incomplete. While vital items of works for Rokhia Units I and II and Baramura Unit III were still under execution the cost over-run in both the cases was already 50 per cent and 60 per cent respectively.

(Paragraph 7.6.7)

- Loss of generation attributable to time over-run in commissioning of Baramura Units I and II was 69.08 million units (MU) valued at Rs.4.84 crores. This was 79.16 MU valued at Rs.5.54 crores upto October 1989 in respect of Rokhia Units I and II and Baramura Unit III.

(Paragraph 7.6.8.1 and 7.6.8.2)

- Loss in operation of the Baramura project (Units I and II) increased from Rs.97.85 lakhs in 1986-87 to Rs.128.08 lakhs in 1988-89 mainly due to increase in the cost of generation from 99 to 104 paise per Kwh while the average revenue earned remained static at 70 paise per kwh during the same period.

(Paragraph 7.6.10)

- The consumption of gas was more than the norm of 0.3 cum per Kwh of energy generated, as envisaged in Project Report. Excess consumption of gas resulted in extra expenditure of Rs.2.17 crores during 1986-87 to 1988-89 in running Baramura Units I and II.

(Paragraph 7.6.11)

- Failure to send 5 engineers abroad on training for 7 weeks at a cost of Rs.1 lakh led to an avoidable expenditure of Rs.107.24 lakhs on erection, testing and commissioning of the Rokhia Gas Thermal Project. Besides, there was an excess payment of Rs.76.76 lakhs due to overlapping agreements.

(Paragraph 7.6.12)

- Inordinate delay in setting up of a waste heat recovery plant for which a feasibility report was prepared by Calcutta Electric Corporation at a cost of Rs.1.20 lakhs resulted in loss of

generation of 82.56 MU of additional energy valued at Rs.5.78 crores during 1986-87 to 1988-89.

(Paragraph 7.6.15)

- Failure of a water treatment plant constructed at a cost of Rs.2.50 lakhs to supply potable water led to extra expenditure of Rs.6.43 lakhs on alternative arrangement for carriage of potable water in truckloads.

(Paragraph 7.6.16.1)

- There was no appreciable decrease in the dependence on import of power from other States and the gap between the demand and actual availability of energy widened owing to deficiency in the project management and plant operation.

(Paragraph 7.6.17)

7.6.2 Introduction

The 10 megawatt (MW) Gumti Hydroelectric Power Project (GHPP) was the first power project commissioned in the State in June 1976 at a cost of Rs.16.60 crores. Although its installed capacity was augmented in January 1984 to 15 MW (cost: Rs.5.30 crores), its peaking capacity never exceeded 8.5 MW due to defective construction of its water conducting system. The defect is yet to be rectified (January 1990).

In 1981-82, with only one power plant in the State, the shortfall in the supply of power vis-a-vis demand was 5.5 MW. The shortfall was estimated to rise to 39.5 MW by 1989-90. A scheme was, therefore, formulated by the Power Department in December 1981 to set up a 10 MW Gas Thermal Power Station (GTPS) at Baramura, consisting of 2 units of 5 MW each at an estimated cost of Rs.4.63 crores. The first unit was commissioned in April 1986 and second in July 1986. In March and July 1986 two additional schemes were formulated to augment the installed capacity of GTPS: one additional 16 MW plant consisting of 2 units of 8

MW each at Rokhia at an estimated cost: Rs.12.30 crores and the other, a third 6.5 MW capacity plant estimated cost: Rs.5.26 crores to augment the existing 10 MW GTPS at Baramura. The three projects were approved by the Planning Commission in January 1983 (Baramura GTPS), November 1986 (Rokhia GTPS) and February 1987 (Baramura GTPS Third Unit) respectively.

The main objective of the projects was to generate power from the natural gas to be made available to the State by the Oil and Natural Gas Commission (ONGC) and to cater to the growing demand for power required for steady economic development of the State making it less dependent on import of power from the neighbouring States, the flow of which was inadequate, uneven and erratic.

7.6.3 Scope of Audit

Records relating to implementation of the projects in respect of three divisions for the period from 1983-84 to 1988-89 were reviewed by Audit and the findings are discussed in the succeeding paragraphs.

7.6.4 Organisational set up

The Power Department had created three new divisions for implementation of the projects in 1983-84 (Baramura Gas Thermal Electrical Division), 1987-88 (Gas Thermal Civil Division) and 1988-89 (Rokhia Gas Thermal Electrical Division), each headed by an Executive Engineer. The last two divisions are under the Superintending Engineer (Planning) and the first one is under the Superintending Engineer, Circle 2, under overall supervision of the Chief Engineer (Projects).

7.6.5 Budget provision and expenditure

Out of the three projects, the Baramura GTPS 3rd Unit was being financed by the North Eastern Council (NEC) while the other two (Rokhia and Baramura, Units I and II) by the State Government. The following table shows the yearwise plan budget provision vis-a-vis the

expenditure under all the projects taken together during 1982-83 to 1988-89.

Year	Budget provision			Expenditure
	State Govern-	North Eastern Council	Total	
			(Rupees in lakhs)	
1982-83	1.00	Nil	1.00	0.42
1983-84	110.00	Nil	110.00	130.93
1984-85	402.10	Nil	402.10	675.32
1985-86	447.00	Nil	447.00	484.64
1986-87	140.50	50.00	190.50	221.12
1987-88	528.40	220.00	748.40	973.17
1988-89	851.05	250.00	1101.05	1574.14
Total	<u>2480.05</u>	<u>520.00</u>	<u>3000.05</u>	<u>4059.74</u>

Besides, there was a non-plan expenditure of Rs.12.86 lakhs during 1987-88 to 1988-89 towards the Baramura GTPS. The excess appropriation is got regularised ex-post-facto. The wide variation between budget provision and expenditure was due to ad hoc assessment of the requirement of funds at the initial stage.

7.6.6 Preparation of project report without complete data about availability of gas

As on 1st January 1985 Tripura had a recoverable reserve of 1080 million cum of natural gas. According to the project report of Baramura Gas Thermal Power Station 3rd Unit (July 1986) and the revised estimates of the power station (March 1988), the requirement of gas per KW/annum is 2.34 million cum. Based on above data, with the full utilisation of the total installed capacity of 32.5 MW of the Gas Thermal Plants existing at present, as well as those under construction, the plants would be able to run only for 14 years though

the economic life of a gas power station is reckoned as 20 years. The ONGC informed the Department of the rate at which it would be able to supply gas daily to the project. The Department could not state as to why it had not ascertained this data before preparation of project reports between 1981-82 and 1986-87, nor were they able to state how the viability of the project was ascertained when the gas reserve was likely to be exhausted before the expiry of its economic life.

7.6.7 Escalation in project cost

(1) Against the original sanctioned estimated cost of Rs.463 lakhs of Baramura Gas Thermal Power Station, the actual cost was Rs.1377.51 lakhs (expenditure booked upto March 1989). Though the project was commissioned in April and July 1986, construction of sixty units of staff quarters, included in the project report, was not taken up and 12 units of staff quarters along with two bachelors' barracks remained incomplete (November 1989), although the cost overrun reached 198 per cent.

(2) The original estimate sanctioned in November 1986 for Rokhia GTPS was Rs.1,230 lakhs against which Rs.1841.04 lakhs were spent upto March 1989 while the cost overrun was already 50 per cent of the original estimate, a substantial portion of the project works remained incomplete. The incomplete items included 70 per cent of civil works, 75 per cent of control room building, 90 per cent of machine foundation work and 20 per cent of foundation work for switchyard.

(3) The original estimate sanctioned in February 1987 for baramura GTPS 3rd unit was Rs.526 lakhs against which Rs.841.19 lakhs were spent upto September 1989. But the project has not yet been ready for commissioning due to non-completion of some vital items of work like supply and erection of turbo-generator coupling and control panels, laying of high pressure pipeline and augmentation of the existing 66 KW sub-station.

(4) Apart from escalation in cost of materials and labour, change in design and specification contributed

substantially to increase in the project cost. The original designs for 10 MW Rokhia GTPS and 5 MW Baramura GTPS 3rd unit were changed to 16 MW and 6.5 MW respectively. The change was due to (i) failure of the Department to assess the optimum output that could be attained with the ambient temperature and elevation level of the project site before receipt of the offer for supply of the gas turbine (GT) sets from a French firm (Hispano suiza) in the case of Baramura GTPS 3rd unit and (ii) preferential treatment on the ground of 'indigenisation' in award of the contract for supply of the GT sets in favour of the Bharat Heavy Electricals Limited (BHEL) which offered to supply 2 sets of 8 MW capacity each instead of 5 MW as mentioned in the notice inviting tenders for Rokhia GTPS.

The original project reports were erroneous since these were prepared without detailed investigations and collection of exhaustive data. As a result it became necessary to include several new items for which detailed technicalities were not initially worked out. The elements of Customs and Excise Duties were underestimated and cost of levelling of land was more than estimated due to inadequate survey ab-initio.

7.6.8 Slippage from construction schedule

The following table shows the extent of slippage from the scheduled date of commissioning in respect of the projects under reference :-

Name of the project	Date of sanction	Estimated cost (in lakhs of rupees)	Completion schedule	Revised estimate (in lakhs of rupees)	Present status
Baramura Units I & II	January 1983	463.00	March 1985	1592.00	Commissioned in April 1986 (Unit I) and July 1986 (Unit II)
Baramura Unit III	February 1987	526.00	March 1989	1118.00	Yet to be commissioned (January 1990)
Rokhia Units I & II	November 1986	1230.00	March 1989	2800.00	Yet to be commissioned (January 1990)

7.6.8.1 Commissioning of the Baramura GTPS was behind schedule by 13 months (Unit I) and 16 months (Unit II). This had resulted in loss of generation of 69.08 million units valued at Rs.4.84 crores upto October 1989.

This was mainly due to delay in finalisation of contract for supply of Gas Turbine (GT) sets as well as other suppliers. The Department took 9 months for evaluation of 14 tenders received in May 1982. Another 9 months were spent to consider a tender (at the instance of the empowered committee of the Industries Ministry of the Government of India) submitted by BHEL in July 1982 two months after the expiry of the last date for submission of tender. The Department finally

decided in November 1983 to split the award of contract between the French firm and BHEL and supply orders were issued accordingly in January and June 1984.

While both the firms were required to supply the equipment to the project site within 10 months from the date of placement of the orders, there was a significant delay in manufacture and supply of materials by BHEL (stipulated date of delivery was extended from January to November 1985 on the grounds of "Lapses for design changes, approval of control panel etc." on the part of the Department). As the technical parameters of the equipment to be manufactured and supplied were interlinked, the delivery schedule of the foreign firm was also affected with its indigenous counterpart. Thus, despatch of materials to the project site was completed only in January 1986 instead of October 1984.

7.6.8.2 For both the Rokhia GTPS and Baramura GTPS 3rd Unit, the target date for commissioning was March 1989. But the projects have not yet been commissioned (January 1990) due to failure on the part of the project authorities to keep the time schedule for completion of substantial portion of ancillary works at the project sites (civil works, control room building, machine foundation work, foundation work for switchyard, laying of high pressure pipeline and augmentation of the existing sub-station). Frequent changes in design along with changes in earlier layout of cable tranches, failure to supply essential materials like cement in time, non-provision of electrical connection at the work site for months together were some of the factors retarding the progress of work. This was indicative of lack of proper planning and coordination.

There was also failure on the part of BHEL to, complete delivery of the two GT sets for Rokhia and one alternator for Baramura 3rd Unit (to match with the turbine supplied by a foreign based firm) by March and August 1988 respectively as per contract. The delivery has not yet been completed (November 1989). The

estimated loss of generation attributable to the slippage in commissioning schedule of Rokhia GTPS and Baramura GTPS 3rd unit worked out to 79.16 million units (valued at Rs.5.54 crores) upto October 1989.

7.6.9 Operational performance of Baramura GTPS, Unit I and Unit II

The following table indicates the details of the operational performance of the Baramura Gas Thermal Power Station (Units I and II) for the three years upto 1988-89.

	1986-87	1987-88	1988-89
1.Hours available during the year	14,256	17,568	17,520
2.Hours lost due to outages	6,893	6,865	8,751
3.Hours available for generation	7,363	10,703	8,769
4.Units generated	76.63	107.03	87.69
5.Units generated (MKWH)	34.08	52.95	38.05
6.Units consumed in auxiliaries (MKWH)	0.34	0.53	0.38
7.Units despatched to grid (MKWH)	33.74	52.42	37.67
8.Plant availability factor	51.65	60.92	50.05
9.Plant load factor	23.91	30.14	21.72
10.Plant utilisation factor	46.29	49.47	43.39

(1) The Power Economy Committee of the Central Electricity Authority (CEA) fixed in 1971 the standard norm of plant availability factor (PAF) at 88 against which the PAF of the Baramura GTPS ranged from 50.05 to 60.92 during these years.

(2) The Plant Load Factor (PLF) ranging from 21.72 to 30.14 was also much lower than the PLF of 68.5 as envisaged in the project report.

(3) The Plant Utilisation factor (PUF) could also not be maintained at a satisfactory level. The factor varied between 43.39 and 49.47 during these years while the acute shortage of power in the State demanded running of the plant on full load even at the off peak period.

(4) Some major aspects having a bearing on the availability of the plant for operation as well as poor PLF and PUF are detailed below :

(a) The Department neglected periodical maintenance of GT sets, while a routine shut down and overhauling was required after first 8000 hours' run. The prescribed shut down was not allowed because of power crisis in the State. As a result, some major mechanical troubles developed in Unit I in February 1988 after 13,789 hours' run. The damage further increased and the unit went out of grid in June 1988. In July 1988, Unit I was got repaired after cannibalisation of Unit II which was under forced shut down from June 1988 to date due to extensive damage of its generator rotor and exciter. The Unit II remained inoperative, as the damaged parts dismantled from Unit I had not been repaired and the generator rotor and excitor sent to the BHEL workshop at Hyderabad for repair in August 1988 have not been received back (January 1990).

(b) Due to poor workmanship, the alternator (cost: Rs.106.31 lakhs) supplied By BHEL for matching the turbine supplied by the French firm for Unit II (the firm supplied the complete set for Unit I), started giving trouble since commissioning in July 1986. There were leakages of lubricating oil and stator winding was showing high temperature due to incorrect ventilation system. There was a major breakdown in June 1988 and prior to that it operated only 5432 hours available during the period. The BHEL alternator was also costlier than the alternator of Unit I, supplied by the French firm, by Rs.32.16 lakhs. It was noticed that the

Department went in for BHEL alternator in spite of the caution signalled (June 1984) by the CEA that the BHEL workmanship had not developed much in gas thermal power technology.

(c) The project personnel were not conversant with the operation and maintenance of the plant, as reported (October 1988) by the two fact finding committees, one set up by the CEA and the other by the Department itself. This was so even after four of the project personnel (one Executive Engineer, one Overseer and two Chargemen) had been deputed for training abroad (in Paris) for 6 weeks during 1984-85 at the expense of the supplier of the GT sets (travel expenses of Rs.0.65 lakh were, however, borne by the Department). One Overseer who was trained in France was transferred in June 1989 to an ordinary maintenance and construction division (Electrical Division, Kumarghat) which is in no way connected with gas thermal plant.

(5) The value of the units of energy short generated (212.92 MKWH) during 1986-87 to 1988-89 worked out to Rs.15.35 crores.

7.6.10 Profitability analysis

The following table shows yearwise cost of generation and its impact on the profitability from operation of the project at Baramura for the three years ending 1988-89:

	1986-87	1987-88	1988-89
	(Rupees in lakhs)		
Interest on capital at charge (@ 8 per cent)	122.65	126.14	126.77
Depreciation on the capital cost (@ 5 per cent)	68.10	68.89	68.88
Operation and maintenance expenses	7.07	25.76	29.27
Establishment and other general expenses	1.72	3.27	5.73
Cost of fuel	<u>134.85</u>	<u>189.92</u>	<u>161.64</u>
Total cost of generation	334.39	413.98	392.29
Energy generated (MKWH)	34.08	52.95	38.05
Consumption in auxiliaries (MKWH)	0.34	0.53	0.38
Energy sent out	33.74	52.42	37.67
Cost of generation per KWH sent out (paise)	99	79	104
Average revenue per KWH sold (paise)	70	70	70
Loss per KWH (paise)	29	9	34
Total loss (in lakhs of rupees)	97.85	47.18	128.08

While the project report envisaged cost of generation per unit sent out at 47 paise, the actual cost ranged from 79 to 104 paise (if 50 per cent subsidy on the price of gas supplied by ONGC is not taken into account, the cost would further go to a range from Rs.1.15 to Rs.1.47).

The increase in the cost of generation was mainly due to low plant availability factor (60.92 to 50.05) and plant utilisation factor (49.47 to 43.39) leading to low generation, consumption of gas at a higher rate than the estimated quantity of 0.3 cum per KWH as envisaged in the project report. While project report envisaged return at 8.6 per cent in the first year, 12.79 per cent in the second year and 13.41 per cent from the third year onwards, there was a negative return of 7 per cent in the first year. The negative return further plummeted to 9 per cent in the third year.

7.6.11 Excess consumption of gas

The project report envisaged consumption of 0.3 cum of gas per KWH of energy generated. The calorific value of gas was taken as 10,000 kilo calorie (K cal) per cum. Considering the actual calorific value of gas consumed (8,500 Keal per cum) and after providing adjustment for the same, there was excess consumption of gas during all the three years upto 1988-89 as shown in the following table. The percentage of excess consumption to requirement was highest in 1988-89 (97 per cent).

	<u>1986-87</u>	<u>1987-88</u>	<u>1988-89</u>
Units generated (MKWH)	34.08	52.95	38.05
Gas required as per project report (after adjustment for lower calorific value) (million cum)	11.93	18.53	13.32
Gas actually consumed (million cum)	21.89	30.83	26.24
Excess consumption (million cum)	9.96	12.30	12.92
Percentage of excess consumption to requirement	83	66	97

The extra expenditure on excess consumption of gas during the three years worked out to Rs.2.17 crores. Some of the factors that contributed to the excess consumption as analysed by Audit were as under:

- (i) The plant was poorly maintained.
- (ii) There was flaring of excess gas due to wide fluctuations in load. Since consumption of gas cannot be regulated with fluctuations in load while the discharge of water can, proper coordination between the Gas Thermal Plants and the Hydel Plant would have remedied the situation.

- (iii) There were frequent starts and stops in the plant due to disturbance in the grid.

**7.6.12 Avoidable expenditure of Rs.107.24 lakhs
on erection, testing and commissioning**

Erection, testing and commissioning of the two Gas Turbine sets to be supplied by Bharat Heavy Electricals Limited (BHEL) for Rokhia GTPS were to be carried out by the Department under the supervision of the supplier for which a total sum of Rs.76.76 lakhs for the two sets was agreed to be paid as supervision charges over the price of the sets. For this purpose it was stipulated in the agreement executed in March 1988 that the supplier would arrange training of 5 Engineers from the Department at the works of its foreign (United States) collaborator (General Electric Company) as per programme to be drawn up by them. The expenses, other than the passage money, were to be borne by the supplier.

Accordingly, a seven week training programme in September 1988 for five engineers was arranged in the United States by BHEL's collaborator and this was communicated by the BHEL in April 1988 well in advance. But the Department failed to nominate engineers for undergoing the proposed training and BHEL and its collaborator ultimately cancelled the offer in July 1988 as per provision of the agreement.

As a consequence, the original plan for implementing the job of erection, testing and commissioning of the sets departmentally was dropped in February 1989 and another agreement with BHEL, which offered to perform the job itself, was executed in March 1989, stipulating that an amount of Rs.185 lakhs would be paid by the Department for the job. As the earlier rate of Rs.229 lakhs offered by the BHEL in February 1989 was felt 'too high' by the Department, the negotiated price of Rs.185 lakhs was accepted (March 1989) by the Department on condition that BHEL would submit detailed breakup of the cost. But this was not furnished and the Department did not have any scope to satisfy itself of the justification of the amount.

As per the first agreement (March 1988) for supply of equipment, BHEL was to be paid Rs.76.76 lakhs for supervising the job of erection, testing and commissioning originally contemplated to be taken up departmentally. This provision which became redundant with the execution of the second agreement should have been deleted from the first agreement. But this was not done. On the contrary, payments are being made for supervision against both the contracts. So far, the Department has paid Rs.76.76 lakhs against the first contract for supervision and Rs.157.45 lakhs against the second one (September 1990) against the complete job testing and commissioning of erection. As a result, an excess payment of Rs.76.76 lakhs has been made to the firm. Further, the failure of the Department to get its engineers trained in the time as per provision in the contract at a cost of Rs.1.00 lakh (the amount representing only the travel expenses for the trainee engineers) led to the failure of the Department to take up the job departmentally with a cost involvement of Rs.77.76 lakhs (Rs.1.00 lakh being the travel expenses for the supervision charge payable to the BHEL). The alternative arrangement for getting the job done by BHEL at a total cost of Rs.185.00 lakhs had thus resulted in additional expenditure of Rs.107.24 lakhs (Rs.185.00 lakhs minus Rs.77.76 lakhs).

The Department stated in March 1989 that it was not possible to implement the plan for taking up the job of erection, testing and commissioning of the gas turbine sets departmentally by getting its five engineers trained in the United States "due to inadequate availability of manpower resources". The reason forwarded was, however, not convincing as sending five engineers abroad on a training course for a short period of seven weeks was unlikely to have any appreciable effect on the existing availability of manpower resources (216 engineers in position against the sanctioned strength of 307 excluding leave reserve). Further, it was observed that the Department did send four engineers to France for similar training in connection with Baramura Unit III in April-May 1990 when the staff position was exactly the same i.e. 216

engineers against the sanctioned strength of 307. The third unit at Baramura was installed and commissioned by the Department at a cost of Rs.15.00 lakhs only as stated by the concerned Executive Engineer.

7.6.13 Manpower utilisation

7.6.13.1 High incidence of overtime payments

As per pay roll the number of operation and maintenance workers increased from 40 in 1986-87 to 57 in 1988-89 without any increase in the installed capacity of the Baramura GTPS. The incidence of overtime payments ranged from 20 to 28 per cent of regular pay and allowances during the same period. The working hours of the operation and maintenance staff of the power station are regulated by the Factory Act, 1948 which provides that the total number of hours of overtime shall not exceed 50 hours in a quarter. Test check revealed that, in contravention of the provision of the said Act, 11,718 man-hours of overtime were granted to the operation and maintenance staff of the power station during 1988-89, overtime per worker per quarter ranged between 64 hours and 422 hours. The amount of overtime wages paid for worked out to Rs.1.20 lakhs during the year.

7.6.13.2 Unauthorised appointment of daily rated/ part-time workers

As enjoined (March 1980) in a circular issued by the Finance Department and subsequently reiterated several times, daily rated or part-time workers were to be engaged only against the posts already created with concurrence of the Finance Department. During 1983-84 to 1985-86, the Department engaged 25 daily rated workers and 3 part-time workers for the project at Baramura without creation of corresponding posts against them as required under the prescribed procedure. Rs.8.25 lakhs were paid as wages upto October 1989 on such unauthorised appointments.

7.6.14 Extra expenditure due to inadequate planning

The project report did not envisage the shifting of divisional office to the Baramura project site and there was no provision in the project for any building for the Divisional office or residential accommodation for the divisional staff. But as per decision of the Department, the Baramura Gas Thermal Electrical Division was shifted from Agartala to the project site at a distance of 33 KM in June 1989. Further, the Department paid (June 1989) Rs.0.61 lakh to the Divisional staff as interest free advance (recoverable in 24 monthly instalments) which was sanctioned as per rules to the staff for movement to a new station in consequence of shifting of Headquarters, even though the staff continued to stay at Agartala as before for want of accommodation and other basic amenities at the project site.

Under the circumstances, the Department had to hire (June 1989) a mini-bus for transportation of the staff on all working days to the project site from Agartala and back and spent Rs.0.59 lakh upto October 1989 on transportation. The expenditure at the rate of Rs.0.13 lakh per month would continue to be incurred till residential accommodation is provided to the staff along with all the basic amenities at the project site. No action had been taken to construct the quarters for the Divisional staff as of November 1989.

7.6.15 Delay in implementation of the scheme for further utilisation of exhaust gas (Waste Heat Recovery Scheme)

In the process of conversion of heat energy to electrical energy by a turbo-gen set a considerable amount of heat potential in the natural gas is wasted. A waste heat recovery plant (WHRP) utilises the exhaust gas in a recycling process and generate additional power without consumption of any extra amount of gas. The capacity of such a plant may be upto 66 per cent of the installed capacity of the base plant from which the exhaust gas would be utilised and as such may be highly economical.

The Department got in touch with BHEL in March 1983 for a feasibility report. The report was not prepared even by April 1986. In July 1986, the work of preparation of a project report was awarded to Calcutta Electric Supply Corporation (CESC) which took more than two years against the stipulated period of 6 months to prepare the report. The report submitted in December 1988 was for construction of an 11 MW WHRP (cost: Rs.3128 lakhs) which would utilise exhaust gas from Unit I, II and III (combined installed capacity: 16.5 MW) at Baramura. The report prepared at a cost of Rs.1.20 lakhs, was submitted in January 1989 to the CEA which demanded certain clearance certificates from various authorities. The certificates are still under collection (October 1989).

Thus, although more than 6 years has elapsed since the first initiative was taken to have a waste heat recovery plant, the Department could not finalise the project report itself. With the timely installation of a WHRP at Baramura along with the base plant the Department could have generated 82.56 MKWH of additional energy since 1986-87 (value: Rs.5.78 crores) with the same fuel as was being consumed by the base plant.

7.6.16 Other topics of interest

7.6.16.1 Failure of water treatment plant

A mini water treatment plant was constructed by the Department through the agency of the Public Health Engineering Wing of the State Public Works Department at the Baramura Project site at a cost of Rs.3.51 lakhs in 1986-87. The plant was to supply purified water to the residential complex, but it failed to supply such water after its construction was over as (i)eration was not found to have been effective; (ii) filtration of mud and other particles was not upto the desired level; and (iii) test reports indicated that the water was not potable. As a result, the Department had to spend Rs.6.43 lakhs upto October 1989 on an alternative arrangement for carriage of drinking water by trucks from nearby sources.

The deficiency was supposed to have been rectified by the Gas Thermal Civil Division working under the Power Department itself since 1987-88. In March 1989, the division procured equipment at a cost of Rs.1.72 lakhs for modifying the plant to remove the deficiency. But the work of modification had not been taken up as of January 1990.

7.6.16.2 Dispute over payment of interest for delay in settlement of transactions

According to the agreed procedure, the cost of equipment supplied by a foreign firm was to be paid in its own country by a foreign bank in foreign exchange at the first instance by debiting the Government of India (GOI) account maintained with the foreign bank. The transaction was then to be communicated by the foreign bank to the Indian Banker (the United Bank of India or the UBI) which was appointed by the Department to transact on its behalf by operating its account and to deposit the rupee equivalent of the amount paid to the foreign firm into the GOI account with the Reserve Bank of India (RBI), New Delhi. In this process, interest at a fixed rate on the amount transacted for the delay, if any, between the date of payment in foreign exchange to the foreign firm and the date of payment of the rupee equivalent into the GOI account with the RBI was also to be paid to the GOI.

The Department, however, accepted the burden for payment of such interest for the normal transit period (Delay of 4 days as informally agreed (April 1986) between it and its banker). But in course of settling 6 transactions in connection with payment towards the cost of equipment for the Baramura GTPS Ist and 2nd Units, the delay ranged from 19 to 319 days for which the banker had paid Rs.5.04 lakhs on interest for delay beyond the initial 4 days between March 1984 and July 1987 into the GOI account. Such transactions instantly brought about a dispute between the Department and its banker as to who should bear the excess interest burden.

Indicating various reasons for the delay in payment, the India banker contended (July 1987) that none of these were within its own control. Some of the reasons put forward by it were (i) short payment made by it subsequently detected by the GOI; (ii) non-examination of correctness of deposit supposed to be examined by the Department as soon as the intimation of payment is received by it; (iii) non-receipt of any specific advice from the Department regarding payment when contacted over telex; and (iv) delay involved in the process for obtaining clarification over the nature of payment from the foreign banker.

The Department held (July 1987) that the interest burden for delay could have been avoided by the banker by proper calculation of short payment and making a lump-sum deposit with the RBI without awaiting clarification which could have been obtained afterwards.

But as the agreement between the banker and the Department was not drawn up with sufficient care to avoid such disputes the Department finally agreed (July 1987) to accept the claims preferred by the banker for Rs.1.62 lakhs on the strength of various documents supplied by it in connection with the delayed items of payment. The claims had not been reimbursed as of November 1989 pending settlement of the dispute over a further amount of Rs.3.42 lakhs.

7.6.17 Impact of the projects taken up

Rs.40.60 crores have been invested upto 1988-89 on the gas thermal projects. But due to shortcomings in running and maintenance of the plants already commissioned, together with delay in completion of the projects, there was no appreciable decrease in the dependence on import of power from other states. There being no additional effective capacity added by the hydro-electric plant, against the targets for making it less dependent on import of power from the neighbouring states the power generated by the Gas Thermal Plants had not exceeded 5 MW since 1986-87 on a sustained basis so far (October 1989) with the result that such

dependence has not been reduced. During 1986-87 to 1988-89, the Department had to pay Rs.12 crores against the energy import bills. The volume of import, which was 19.75 MU in 1985-86 increased to 52.51 MU in 1988-89, (i.e. 166 per cent) whereas increase in the peak demand, was 62 per cent which was 26 MW in 1985-86 and 42 MW in 1988-89.

Further the gap between the demand and actual availability of energy widened gradually from 30.53 MU in 1985-86 to 53.30 MU in 1988-89. This indicates that the gas thermal projects, as formulated and implemented so far, failed to cater to the growing demand for power required for steady economic development of the State, as envisaged.

7.7 Miscellaneous topics of interest

7.7.1 POWER DEPARTMENT

(i) Erroneous computation of energy consumption unit

The tariff rate prescribed for the domestic consumption of energy is 70 paise for first 60 units and 85 paise per unit for units in excess of 60, with a rebate at the rate of 10 paise per unit if paid within the due date.

During test check (September 1988) of Electrical Sub-Division, Bogafa, it was noticed by Audit that the Department worked out the consumption of power for the period 27th March 1988 to 27 June 1988 as 18826 units on multiplying the recorded unit of 9413 by 2 instead of 20 although the meter was a multiple unit requiring multiplication of units recorded by 20.

This has resulted in short billing of 1,69,434 units and total short realisation of Rs.1.27 lakhs.

The Government stated in November 1989 that 188260 units computed by Audit being the result of multiplication of recorded unit of 9413 by 20, was not acceptable, as it was much more than the average units of consumption of last one year. Accordingly the

5 DO/E
Bogafa
RA/7-5/88
1 of PRA
9/87 to
9/88

consumption of power had been worked out by the Department 40,900 units based on average consumption of last one year. But there was nothing in records to indicate that the meter was defective or inoperative during any time of the last year, in which case only average billing is permissible. Moreover, the consumption of energy during the preceding year had been worked out by multiplying the units recorded in the same meter by 20 and not by 2.

(ii) Inadmissible allowance of rebate and non-imposition of penalty

In terms of clause 28(c) of the Tripura Electric Supply Conditions 1985 rebate at the rate of 10 paise per unit is allowed if the bill is paid within the prescribed date. On the other hand, if the payment of the bill is delayed by more than 30 days after the prescribed date penalty at the rate of 5 paise per unit for every 30 days or part thereof is leviable.

It was noticed in Audit during November 1987 that in Bagafa Sub-division of Tripura South District rebate of Rs.0.48 lakh was allowed to 103 consumers during November 1985 to April 1987 despite non-payment of quarterly bills within the prescribed date. It was further noticed that 54 out of 103 consumers had delayed payment of quarterly bills by 34 to 511 days but no penalty, which would work out to Rs.0.63 lakh, was levied.

When this was pointed out by Audit in October 1989 the Government stated in November 1989 that Rs.0.18 lakh out of Rs.0.48 lakh on account of inadmissible rebate and Rs.0.34 lakh out of Rs.0.63 lakh on account of penalty had been realised and the balance amounts were under the process of recovery.

(iii) Erroneous billing resulting in short-realisation of revenue

In accordance with the provision of Tripura Electric Supply Conditions, 1985 when a meter stops functioning in a month/period, the electricity

S.D.O. (E)
Samaran
12/86 to 11/87

Non performance to
bill resulting short
loss in revenue.
S.D.O. (E)
Samaran
12/87 to 6/88

consumption charges during the period of meter stopped is required to be assessed on the basis of average consumption of electricity during the preceding three months relevant to that particular month/period.

During the course of test check conducted in March 1987, December 1987 and July 1988 it was noticed that this principle had not been observed in forty five cases leading to erroneous billing and consequent short realisation of revenue to the tune of Rs.0.76.

When this was pointed out in Audit, the concerned Sub-divisional Officers (Electrical) while accepting the short billing stated that action would be taken for realisation of this amount. The Chief Engineer (Electrical), however, stated (March 1990) that Rs.0.41 lakh has been realised, bill for Rs.0.25 lakh had been preferred and in the case of remaining amount of Rs.0.10 lakh pertaining to four cases, Department contented that pumps for irrigation works are not required to be operated from April to November as there were no demands from cultivators for extra water. Further the bills on average consumption basis for pumps under irrigation works are also not covered under the tariff schedule. The contention of the Department was, however, not convincing as there is no such provision in the tariff schedule specifying the period of dull season. Further in a similar case, Department had accepted the Audit views and realised electricity charges on the basis of average consumption as mentioned above.

The matter was reported to the Government in July 1987; their reply had not been received (June 1992).

(iv) Short realisation of revenue due to erroneous billing

According to the provisions of the Tripura Electric Supply Conditions 1985 when a meter of a particular consumer is found defective and remain inoperative for a particular period the electricity consumption bill for the period shall be prepared on

the basis of average consumption of electricity during the preceding three months.

During the course of test check of records in January 1988 of an Electrical Sub-division in West Tripura it was noticed that in respect of a consumer whose meter was found defective on 31st December 1985 bills for the period from 1-1-86 to 31-5-86 were preferred for the minimum units on the basis of connected load instead of at the average consumption of the preceding three months. As a result a short demand for a sum of Rs.0.61 lakh was during the 5 months.

It was further noticed from the records of the Department that the same meter was found to be functioning between 12th February 1986 and 3rd March 1986 and daily consumption recorded was 6662.50 units against the average daily consumption of 4550 units. Thus, even billing on the basis of average consumption, which is allowed for a temporary period only, was much against the interest of the Department. It was, therefore, all the more important to have the metre repaired or replaced on priority basis. The Department has, however, not taken any action to set it right during the period of 5 years (November 1989). Reasons for this omission are not on record.

S.D. O. (E)
Bardowali
1st of PIA 11/87 to 11/89
11/85 to 11/87
Belamma 12/86 to 11/87
1st of PIA

As a result of failure of the Department to replace a meter of one consumer the Department incurred a loss of revenue to the tune of Rs.10.51 lakhs (calculated on the basis of difference between the actual consumption noticed for the period 12th February to 3rd March 1986 and average consumption) till the end of March 1988.

When this was pointed out by Audit in January 1988, the Sub-division raised an additional demand for the amount in September-October 1988. The amount had not been realised as of November 1989.

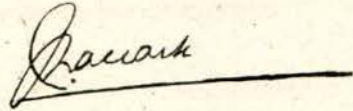
The matter was reported to the Government in March 1988; their replies had not been received (June 1992).

7.7.2 Loss due to delay in executing supply orders

The Tripura Jute Mills Limited entered into agreements (December 1984 and February 1987) to supply heavy cess cement bags to the Bokajan Cement Factory, Assam (a unit of the Cement Corporation of India). According to the terms of contract, the company was liable to pay liquidated damage at the rate of 1/2 *per cent* of the contract value in case of delay in delivery of the bags. The agreements further stipulated a lower price, for the delay in despatches.

During the test check of records (July-August 1988) it was observed that the company had supplied 94.32 lakh cement bags against the indented quantity of 93.55 lakh bags between April 1985 and March 1988. There had been delay in supplying the materials, for which it had to pay liquidated damage of Rs.3.34 lakhs. Farther, against Rs. 393.92 lakhs being value of supplies made, the Company was paid only Rs.389.19 lakhs by the Factory. The balance amount of Rs. 4.73 lakhs accounted for the lower price paid by the Factory due to late despatch. Thus, as a result of late delivery of materials, the Company had to sustain a loss of Rs.8.07 lakhs (Rs. 3.34 lakhs plus 4.73 lakhs). The reason for delayed despatch of consignment mainly attributable to under-utilisation of capacity as advanced by Management in July 1989, is not acceptable in-as-much as the quantity supplied was more than the quantity indented for.

The matter was reported to Government in October 1989; their reply had not been received (June 1992).



(J. M.R. MARAK)
Accountant General (Audit), Tripura

Agartala,
The

2 JUL 1993

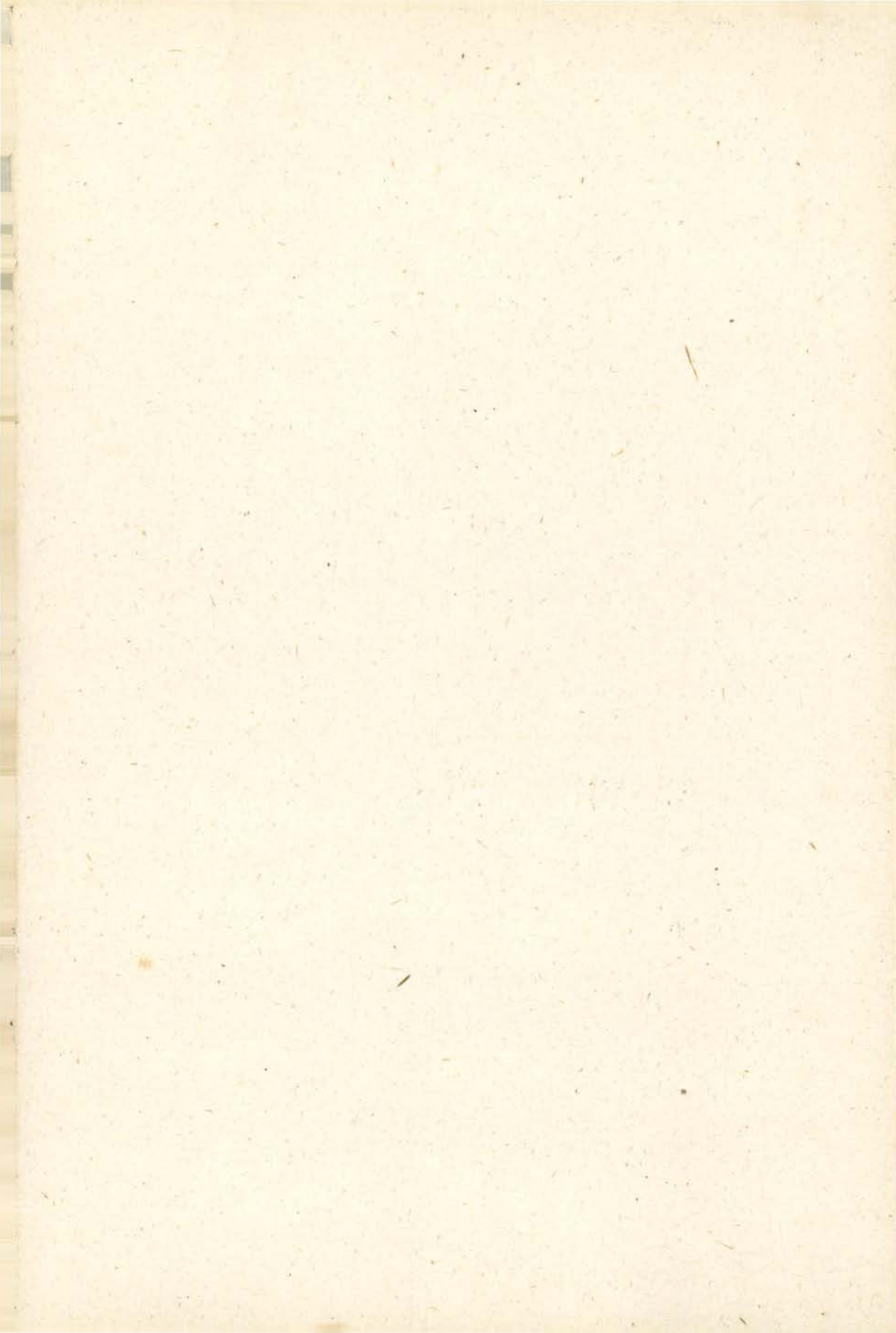
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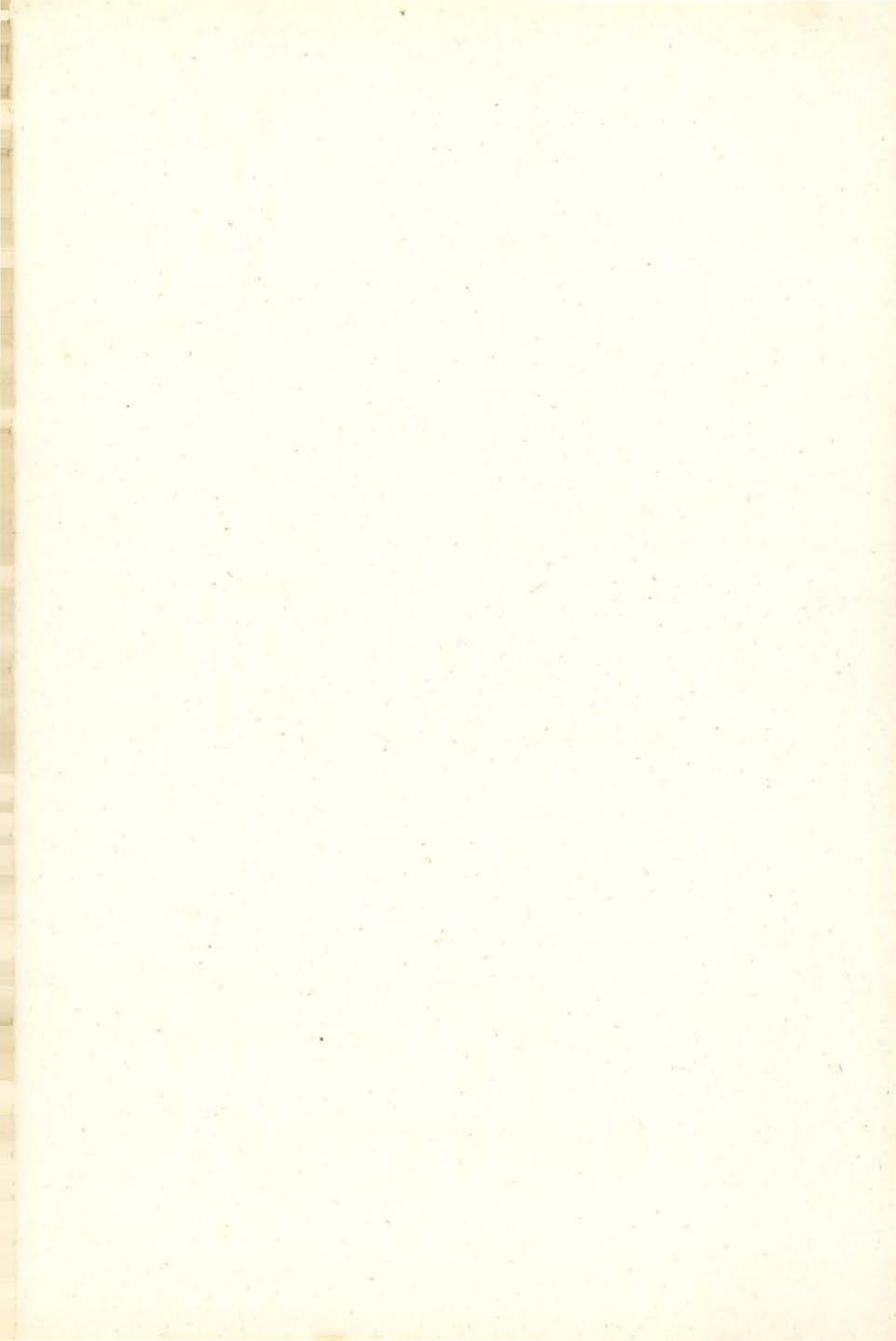
(C. G. SOMIAH)
Comptroller and Auditor General of India

New Delhi,
The

22 JUL 1993



APPENDICES



Appendix 1
(Reference : Paragraph 2.2.03 at page 16)
Excess over provision requiring regularisation

Sl. No.	Number and name of the grant/appropriation	Total grant/ appropriation Rs.	Expenditure Rs.	Excess Rs.
1	2	3	4	5
REVENUE SECTION (VOTED GRANTS)				
1.	9- Chief Minister's Secretariat and Secretariat Administration Department	3,48,89,000	3,79,13,738	30,24,738
2.	10- Statistical Department	85,86,000	93,46,816	7,60,816
3.	14- Public Works	36,36,74,000	42,40,20,118	6,03,46,118
4.	22- Medical Department	18,77,11,000	18,92,40,394	15,29,394
5.	24- Information, Cultural Affairs and Tourism	2,47,60,000	2,62,06,164	14,46,164
6.	35- Agricultural Department	14,30,45,000	14,63,06,403	32,61,403
7.	38- Rural Development Community Development	11,39,38,000	13,90,28,552	2,50,90,552
8.	39- Rural Development Department- Water Supply and Sanitation	3,46,79,000	3,97,31,594	50,52,594
9.	43- Labour and Employment Department	1,02,29,000	1,13,91,176	11,62,176
10.	47- Department of Science, Technology and Environment	82,00,000	1,02,02,223	20,02,223
11.	48- Tribal Rehabilitation in Plantation and Primitive Group Programme	1,38,81,000	1,45,27,748	6,46,748

Sl. No.	Number and name of the grant/appropriation	Total grant/ appropriation Rs.	Expenditure Rs.	Excess Rs.
1	2	3	4	5

CAPITAL GRANTS (VOTED GRANTS)

1.	6-Revenue Department Administrative Service	2,27,000	2,43,582	16,582
2.	15-Public Works Department (Building)	5,60,59,000	8,36,18,080	2,75,59,080
3.	16-Public Works Department (Roads and Bridges)	21,96,35,000	31,21,66,266	9,25,31,266
4.	24-Information, Cultural Affairs and Tourism	NIL	3,07,336	3,07,336
5.	37-Forest Department	75,00,000	75,02,913	2,913

CAPITAL SECTION (CHARGED APPROPRIATION)

6.	46-Finance Department (Capital)	12,24,80,000	65,72,43,765	53,47,63,765
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Grant Total : 75,95,03,868

APPENDIX 2
(Reference : paragraph 2.2.08 at page 23)
Injudicious Re-appropriation of funds

Serial Number	Number and name of grant and head of Account	Provision Original (O) Supplementary (S)	Re-appropriation	Total Grant	Actual expenditure	Excess (+) Saving (-)		
1	2	3	4	5	6	7		
(in lakhs of rupees)								
1. 6-Revenue Department Administrative Services								
	2053-District Administration	O-	106.49	R.	1.50	127.63	100.36	(-) 27.27
	094-Other Establishment	S-	19.64					
2. 11-Home (Police) Department (All voted)								
2055- Police								
	108- State Headquarter Police	O-	910.25	R.(-)	261.07	768.17	867.07	(+) 98.90
		S-	118.99					
3.(i) 14-Public Works Department								
2059- Public Works								
	102- Maintenance and repairs	O-	200.00	R.(+)	6.10	206.10	236.72	(+) 30.62
(ii) 2403-Animal Husbandry								
	103-Poultry Development	O-	1.05	R.(-)	1.50	---	11.17	(+) 11.17
(iii) 2851-Village and Small Industries								
	800- Other Expenditure	O-	1.40	R.(-)	0.60	0.80	21.47	(+) 20.67
(iv) 3050- Roads and Bridges								
	80- General 052-Machinery and Equipment	O-	11.00	R.(-)	2.50	8.50	14.76	(+) 6.26
4 15- Public Works Department Buildings (All voted)								
(i) 4059-Capital Out lay on Public Works								
	01-Office Building							
	101-Construction General Pool Administration	O-	174.40	R.(-)	27.10	147.30	327.31	(+) 180.01
(ii) 800-Other Expenditure								
	Provision for upgradation of standard of Administration as per award of the 8th Finance Commission	O-	41.59	R.(-)	5.00	36.59	42.96	(+) 6.37

APPENDIX 2
(Reference : paragraph 2.2.08 at page 23)

Serial Number	Number and name of grant and head of Account	Provision Original (O) Supplement-ary (S)	Re-appropriation
1	2	3	4
(in lakhs of rupees)			
5	17-Electricity(All Voted)		
(i)	2801-Power		
	05-Transmission and Distribution	O- 589.00	R. 2.85
	800- Other expenditure	S- 390.95	
(ii)	4552-Capital Outlay		
	800-Other expenditure (Gas Thermal Project)	O- 815.00	R.(-) 575.00
(iii)	4801- Capital Out lay on Power Project		
	800- Other expenditure	O- 543.00	R.(-) 33.26
6.	18-Irrigation and Flood Control Department		
	2702-Minor Irrigation		
	80-General	O- 139.58	R.(-) 0.60
	001-Direction and Administration	S- 29.82	
7.	19-Irrigation And Flood Control Department (Capital)		
	4215-Capital Outlay on Water supply & Sanitation		
	02- Sewarage and Sanitation		
	102-Rural Sanitation Services	O- 15.00	R.(-) 15.00
8.	21-Education (Social) Department (All voted)		
	2205-Art and Culture		
	102- Child Welfare Services	O- 170.40	R.(-) 64.93
9.	24-Information, Cultural Affairs and Tourism		
	3054- Tourism		
	102- Tourist Accommodation	O- 26.00	R. 0.90
10.	26- Tribal Welfare Department (All voted)		
(i)	277- Education	O- 148.90	R.(-) 10.24
(iii)	800- Other expenditure	O- 1439.45	R.(-) 4.68

Total grant	Actual Expenditure	Excess (+) Saving (-)
5	6	7
982.80	194.50	(-) 788.26
240.00	704.93	(+) 464.93
509.74	550.25	(+) 40.51
168.80	196.02	(+) 27.22
-----	2.48	(+) 2.48
105.47	118.96	(+) 13.49
26.90	9.85	(-) 17.05
138.66	174.95	(+) 36.29
1478.63	1763.70	(+) 285.07

APPENDIX 2
(Reference : paragraph 2.2.08 at page 23)

Serial Number	Number and name of grant and head of Account	Provision Original (O) Supplementary (S)	Re-appropriation	
1	2	3	4	
(in lakhs of rupees)				
11.	27- Welfare of Scheduled Castes Department (All voted)			
	2225- Welfare of Scheduled Tribes and Other Backward Classes			
	800- Other expenditure	O-	57.00	R.(-) 8.47
12.	30-Fisheries Department			
	2552-North Eastern Areas Scheme for Regional air breathing for fish seed farm	O-	8.00	R.(-) 6.40
13.	35-Agriculture Department			
(i)	2401-Crop Husbandry			
	105-Manures and Fertilisers	O-	135.00	R 30.00
(ii)	4401- Capital Out lay on Crop Husbandry			
	107-Plant Protection	O-	80.00	R 15.00
14.	36-Animal Husbandry Department			
	2403- Animal Husbandry			
	102- Cattle and Buffalo Development Breeding Operation Scheme for Cross breed heifers (C.S.S.)	O-	51.41	R.(-) 3.50
15.	37-Forest Department			
(i)	2406-Forestry and Wild Life			
	01-Forestry			
	001-Direction and Administration	O- 397.26 S- 65.62	R	7.51
(ii)	102-Social and Farm Forestry	O-	260.00	R 5.13
(iii)	105-Forest Produce	O-	20.00	R.(-) 12.05
16.	38-Rural Development Department			
(i)	Community Development			
	2501-Special Programme for Rural Development			
	001- Direction and Administration North Tripura District	O- 30.30 S- 1.51	R.(-)	1.71
(ii)	101-Subsidy to District Rural Development Agencies Scheme for development of Women and Children in Rural areas	O-	7.00	R.(-) 3.43

Total grant	Actual Expenditure	Excess (+) Saving (-)
5	6	7
48.53	64.30	(+) 15.77
1.60	8.61	7.01
165.00	151.81	(-) 13.19
95.00	84.41	(-) 10.59
47.91	54.82	(+) 6.91
470.39	405.55	(-) 64.84
265.13	195.67	(-) 69.46
7.95	15.49	(+) 7.45
30.10	46.97	(+) 16.87
3.57	48.57	45.00

APPENDIX 2
(Reference : paragraph 2.2.08 at page 23)

Serial Number	Number and name of grant and head of Account	Provision Original (O) Supplemen- tary (S)	Re-appro- piation	
1	2	3	4	
(in lakhs of rupees)				
(iii)	2501-Special Programmes for Rural Development 01-Integrated Rural Development Programme			
	001- Direction and Adminis-	O-	35.29	R 1.15
17.	39- Rural Development Department Water Supply and Sanitation	O-	100.53	R.(-) 3.31
	2215-Water Supply and Sanitation Execution (Rural Engineer- ing Division Agartala)	S-	1.87	
18.	43- Labour and Employment Department			
	2203- Labour and Employment	O-	16.22	R.(-) 2.26
	103-General Labour Welfare Education Centres and bahwaris	S-	4.44	
19.	46- Finance Department			
	7610- Loans to Government Servants, etc.	O-	250.00	R 27.20
	Festival Advance	S-	23.00	
20.	49-Horticulture Department			
	(i) 2402- Soil and Water Conservation	O-	155.00	R.(-) 99.00
	101- Soil Survey and Testing (Central Plan)			
	(ii) 2552-North Eastern Areas Scheme for Establishment of a seed farm for production of certified potato seed	O-	12.00	R.(-) 6.00

APPENDIX 3

(Reference : Paragraphs 3.8.6.1 and 3.8.7,
Statement of physical targets and achievements

Year	Unutilised foodgrains (in M.T.)	Foodgrains lifted from Food Corpo- rations godown against allotment for G.I. (in M.T.)	Foodgrains allotted by State Gove- rnment (in M.T.)	Total foodgrains available (in M.T.)
1983-84	--	206.00	294.61	500.61
1984-85	119.04	1030.00	NIL	1149.04
1985-86	302.03	653.00	295.47	1250.50
1986-87	293.48	1637.08	NIL	1930.65
1987-88	609.76	2628.89	NIL	3238.65
1988-89	26.38	527.00	NIL	553.38
Total		6681.97	590.08	

Pages 58 and 61)
achievements

Food grains Utilised (in M.T.)	Unutilised foodgrains (in M.T.)	Target in generation of mandays (Number in lakhs)	Achievements in generation of mandays (Number in lakhs)	Percentage of achievements over targets	Food-grains issued per man days (in Kg.)
381.57	119.04	2.21	1.85	83	2.06
847.01	302.03	8.86	8.47	96	1.00
957.02	293.48	6.53	12.09	185	0.79
1320.80	609.76	7.74	8.78	113	1.51
3212.27	26.38	9.07	10.57	116	3.04
525.44	27.94	6.54	5.21	80	1.00
7244.11		40.95	46.97		

APPENDIX 4

(Reference : Paragraphs 3.8.6.1
Statement of funds received and

(in lakhs

Year	Unspent balance	Fund received from Government of <u>India</u>		Fund received from State Government	Total fund received
		in cash	in kind		
1983-84	--	33.00	--		33.00
1984-85	12.15	131.00	--		143.15
1985-86	11.94	194.84	--		206.78
1986-87	23.20	168.00	27.42	16.45	235.07
1987-88 (-)	3.28	192.79	48.63	14.00	252.04
1988-89	10.09	169.95	9.75	--	189.79
Total		889.58	85.80	30.45	1005.83

and 3.8.7, Pages 58)
expenditure incurred
of rupees)

(Referred to in paragraph 3.6)

<u>Expenditure</u>		Total expen- diture	Unspent balance	Percentage of savings
Non- Wage	Wage			
4.24	16.61	20.85	12.15	37
46.51	84.70	131.21	11.94	8
66.76	116.82	183.58	23.20	11
124.82	113.63	238.45	(-) 3.38	1
92.38	149.57	241.95	10.09	4
101.13	74.85	175.98	13.81	7
435.84	556.18	992.02		

APPENDIX -5

(Reference: Paragraph 3.10.5 at page 84)
Statement of outlay and expenditure under Tribal Sub-Plan

Source of fund	1985-86		1986-87	
	Outlay	Expenditure	Outlay	Expenditure (In lakhs of
State Plan	3102.48	2777.18	3361.63	3602.16
Centrally Sponsored Scheme	-----	259.39	-----	319.57
Special Central Assistance	250.17	245.25	263.67	205.33
8th Finance Commission Award	66.98	50.80	61.45	54.73
Block Grant under first proviso to Article 275(1) of the Constitution	20.53	20.53	25.23	10.00
	<u>3440.16</u>	<u>3353.15</u>	<u>3711.98</u>	<u>4191.79</u>
Total {	Outlay		16941.24 Lakhs.	
	Expenditure		18306.03 Lakhs.	

 N.A. Not available

1987-88		1988-89	
Outlay rupees)	Expenditure	Outlay	Expenditure (Provisional)
4280.74	4125.99	4774.11	5695.74
----	N.A.	----	231.72
273.23	243.58	305.65	283.46
61.20	60.20	50.65	61.65
21.76	36.99	21.76	21.76
-----	-----	-----	-----
4636.93	4466.76	5152.17	6294.33

APPENDIX-6

(Reference: Paragraph 3.10.6

Statement showing the volume of business performed
records maintained by the Registrar

Year	Turnover of essential commodities handled	Total value of forest produce marketed	Total value of jute markrted
(In lakhs of			
1985-86	291.06	8.89	135.48
1986-87	409.18	10.91	90.19
1987-88	514.80	10.46	26.54
1988-89 (Provisional)	612.10	17.03	70.00

N.A. Not available.

at page 85)

by the LAMPS as per

of Co-operative Societies, Tripura.

Production
loan

Consumption
loan

rupees)

48.03

4.14

17.31

3.70

11.31

3.47

N . A.

4.55

APPENDIX-7

(Reference: Paragraph 6.1.2
Utilisation Certificates outstanding at the
(Amount in lakhs of rupees)

Department	year in which grants were paid	Outstanding on 1st October 1988	
		Number	Amount
Co_operation	1972-73	4	0.15
	1973-74	1	0.38
	1976-77	2	0.03
	1978-79	37	17.24
	1980-81	25	25.28
	1982-83	2	1.03
	1986-87	3	89.25
	1987-88	67	232.55
Education	1972-73	4	1.24
	1973-74	1	2.00
	1974-75	1	1.28
	1975-76	15	2.15
	1976-77	36	6.26
	1977-78	31	2.18
	1978-79	63	10.36
	1980-81	189	24.57
	1981-82	3	30.41
	1986-87	20	341.15
	1987-88	35	539.27

Pages 205 to 206)
end of September 1989

Utilisation Certificates

Received upto 30th
September 1989

Outstanding as on 30th
September 1989

Number
(amounts in lakhs of rupees)

Amount

Number

Amount

4 0.15

1 0.38

2 0.03

20 10.24

21 20.28

2 1.03

4 1.24

1 2.00

1 1.28

15 2.15

36 6.26

31 2.18

60 8.36

189 24.57

3 30.41

17 7.00

4 5.00

3 89.95

67 232.55

3 2.00

20 341.15

35 539.27

APPENDIX-7 Contd.
(Reference: Paragraph 6.1.2
Utilisation Certificates outstanding at the
(Amount in lakhs of rupees)

Department	year in which grants were paid	Outstanding on 1st October 1988	
		Number	Amount
Finance	1979-80	14	8.58
General Administration	1977-78	20	0.23
Industries	1976-77	1	0.23
	1977-78	14	3.49
	1978-79	8	4.27
	1979-80	18	26.78
	1981-82	5	2.48
	1986-87	6	234.35
Local Self Government (Municipality)	1987-88	41	391.22
	1985-86	99	181.51
	1986-87	67	94.50
	1987-88	81	268.84
Health and Family Welfare	1987-88	16	31.95
Panchyat	1984-85	2	1.21
	1986-87	4	497.26
	1987-88	56	499.31

Pages 205 to 206)
end of September 1989

Utilisation Certificates

Received upto 30th September 1989		Outstanding as on 30th September 1989	
Number	Amount	Number	Amount
<i>(amounts in lakhs of rupees)</i>			
14	8.58	-----	-----
20	0.23	-----	-----
1	0.23	-----	-----
14	3.49	-----	-----
8	4.27	-----	-----
18	26.79	-----	-----
3	1.48	2	1.00
----	----	6	234.35
----	----	41	391.22
99	181.51	-----	-----
67	94.50	-----	-----
----	----	81	268.84
----	----	16	31.95
2	1.21	-----	-----
----	----	4	497.26
----	----	56	499.31

APPENDIX-7 Concl'd.
 (Reference: Paragraph 6.1.2
 Utilisation Certificates outstanding at the
(Amount in lakhs of rupees)

Department	year in which grants were paid	Outstanding on 1st October 1988	
		Number	Amount
Scheduled Tribes/ Castes/Tribal Welfare	1973-74	9	1.16
	1974-75	94	13.81
	1975-76	107	18.84
	1976-77	105	32.40
	1977-78	69	63.17
	1978-79	26	71.01
	1979-80	19	70.31
	1980-81	9	66.60
	1985-86	58	202.90
	1986-87	58	924.98
Director of State Lotteries	1987-88	89	1420.40
	1979-80	14	8.58
	1982-83	21	14.35
Land Revenue	1985-86	2	1.75
Fisheries	1985-86	2	23.42
	1986-87	10	50.27
	1987-88	15	70.93
Forests	1987-88	21	25.00
		1719	6653.57

Pages 205 to 206)
end of September 1989

Utilisation Certificates

Received upto 30th
September 1989

Outstanding as on 30th
September 1989

Number Amount
(amounts in lakhs of rupees)

Number Amount

9 1.16

94 13.81

107 18.84

105 32.40

69 63.17

20 60.01

6 11.00

9 60.31

10 10.00

9 66.60

58 202.90

58 924.98

89 1420.40

14 8.58

21 14.35

2 1.75

2 23.42

10 50.27

15 70.93

21 25.00

1053 707.71

666 5945.86

APPENDIX 8
(Reference paragraph 7.2.2
Statement showing particulars of
loans, working result etc., of the

Serial Number	Name of the Company	Paid up capital at the end of current year				Loan out- standing at the clo- se of the current year
		State Government	Central Government	Others	Total	
1	2	3(a)	3(b)	3(c)	3(d)	4
						(Rupees
1.	Tripura Small In- dustries Corpora- tion Ltd., Agartala	106.81	Nil	Nil	106.81	160.00
2.	Tripura Handloom and Handi- craft Deve- lopment Corporation Ltd., Agartala	128.44	3.00	Nil	131.44	241.33
3.	Tripura Jute Mills Ltd., Agartala	927.01	Nil	Nil	927.01	568.55
4.	Tripura Industrial Development Corporation Ltd., Agartala	273.00	Nil	138.50	411.50	13.85
5.	Tripura Forest Development Corporation Ltd., Agartala	543.52	29.50	Nil	573.02	314.07

at Page 221 to 222)
paid up Capital, outstanding
Companies as on 31.3.1989.

Amount of guar- antee given	Amount of guara- ntee out stand- ing at the close of the year	Position at the end of year for which <u>accounts were finalised</u>			Remarks
		year for which accounts were fina- lised	Paid up capital- at the end of the year	Accumu- lated profit(+) loss(-)	
5(a)	5(b)	6(a)	6(b)	6(c)	6(d) 7
in Lakhs)					
75.00	Nil	1978-79	33.99	(-) 22.72	Nil
Nil	Nil	1979-80	31.44	(-) 1.07	Nil
614.43	614.43	1981-82	373.00	(-) 121.28	Nil
3.00	Nil	1984-85	48.00	(-) 2.66	Nil
314.07	Nil	1982-83	134.02	(-) 14.25	Nil

APPENDIX 8 - Concl'd.
 (Reference paragraph 7.2.2
 Statement showing particulars of
 loans, working result etc., of the

Serial Number	Name of the Company	Paid up capital at the end of current year				Loan out- standing at the clo- se of the current year
		State Government	Central Government	Others	Total	
1	2	3(a)	3(b)	3(c)	3(d)	4
						(Rupees
6.	Tripura Tea Develop- ment Corpo- ration Ltd Agartala	50.00	Nil	Nil	50.00	Nil
7.	Tripura Rehabili- tation Plantation Corporation Ltd., Agartala	151.98	Nil	Nil	151.98	43.02
8.	Tripura Horticulture Corporation Ltd., Agartala	45.00	Nil	Nil	45.00	Nil
9.	Tripura State Bank Ltd., (in li- quida- tion)	3.75	Nil	Nil	3.75	---
Total	Rs. 2.229.51	32.50	138.50	2400.51	1340.82	

at Pages 221 to 222)
paid up Capital, outstanding
Companies as on 31.3.1989.

Amount of guar- antee given	Amount of guara- ntee out stan- ding at the close of the year	Position at the end of year for which <u>accounts were finalised</u>				Remarks
		year for which accounts were fina- lised	Paid up capital- at the end of the year	Accumu- lated profit(+) loss(-)	Any exce- ss of loss over paid up capital	
5(a)	5(b)	6(a)	6(b)	6(c)	6(d)	7
In lakhs)						
Nil	Nil	1980-81 (1st Accounts)	Nil	Nil	Nil	-
96.00	Nil	1984-85	26.00	(-) 3.37	Nil	-
Nil	Nil	1st Accounts for the year 1987-88 are awaited				

Under liquidation since 1970-71

Summarised financial result of Government Companies for

Name of the Company	Name of the Department	Date of incorporation	Period of Accounts	Year in which finalised	Total capital invested at the end of the year of accounts
1	2	3	4	5	6
(Figures in					
1. Tripura Small Industries Corporation Ltd., Agartala	Industries	30.4.65	1978-79	1984-85	48.57
2. Tripura Handloom and Handicraft Development Corporation Ltd., Agartala	..	5.9.74	1979-80	1988-89	56.13
3. Tripura Jute Mills Ltd.,	..	10.10.74	1981-82	1986-87	854.59
4. Tripura Industrial Development Corporation Ltd., Agartala	..	28.3.74	1984-85	1986-87	68.00
5. Tripura Forest Development and Plantation Corporation Ltd., Agartala	Forest	26.3.76	1982-83	1984-85	191.83
6. Tripura Tea Development Corporation Ltd., Agartala	Industries	11.8.80	1980-81	1988-89	Nil
7. Tripura Rehabilitation and Plantation Corporation Ltd., Agartala	Tribal Welfare	3.2.83	1984-85	1988-89	26.00
8. Tripura Horticulture Corporation Ltd., Agartala	Agriculture	7.4.87			1st Accounts
9. Tripura State Bank Ltd., (in liquidation)					- Under

Note :-

(1) Capital invested represents paid and free reserve and surplus at the

(2) Capital employed represents net work in progress) plus working

7.2.3 at page 222)

the year for which account were finalised into 31.3.1989

Profit (+) Loss (-)	Total interest charged to profit & Loss Accounts	Inter- rest on long term loan	Total return on capi- tal inv- ested	Capital employ- ed	Total return on ca- pital empl- oyed	Perc- entage of total return on capi- tal in- vested	Perc- entage of total return on capital employed		
7	8	9	10	11	12	13	14		
lakhs of rupees)									
(-)	2.38	0.72	0.61	(-)	1.77	36.92	(-) 1.66	--	--
(-)	1.07	1.27	1.27	(+)	0.20	39.04	(+) 0.20	0.35	0.51
(-)	121.21	19.85	19.85	(-)	101.36	768.96	(-) 101.36	--	--
(-)	0.20	Nil	Nil	(-)	0.20	65.34	(-) 0.20	--	--
(-)	14.25	7.81	Nil	(-)	14.25	182.62	(-) 6.44	--	--
	Nil		Nil	Nil	Nil	Nil	Nil	Nil	--
(-)	3.73	Nil	Nil	(-)	3.73	22.26	(-) 3.73	--	--

for the year 1987-88 are awaited.

liquidation since 1970-71

up capital plus long term loans
close of the year.

fixed assets (excluding capital
capital at the close of the year

APPENDIX - 10
Glossary of abbreviation

<u>Abbreviation</u>	<u>Expanded form</u>
ADC	Autonomous District Council
EDO	Block Development Officer
BHEL	Bharat Heavy Electrical Limited
BIDC	Block Industrial Development Committee
CBR	California Bearing Ratio
CEA	Central Electricity Authority
CEA	Chief Executive Officer
CESE	Calcutta Electric Supply Corporation
CFS	Concessional Finance Scheme
CIAS	Central Infrastructural Assistance Scheme
CIS	Central Investment Subsidy
CISS	Central Investment Subsidy Scheme
CRF	Central Road Fund
CST	Central Sales Tax
cu.m	Cubic metres
DGS&D	Director General of Supplies and Disposals
DIC	District Industries Centres
DNES	Department of Non-conventional Energy Sources
DRC	Dry Rubber Content
DRDA	District Rural Development Agency
DTW	Deep Tube-Well
DWCRA	Development of Women and Children in Rural Areas
FCI	Food Corporation of India
GCI	Galvanised Corrugated Iron
GOI	Government of India
GT	Gas Turbine
GTPS	Gas Thermal Power Station
HFL	High Flood Level

HPC	Handloom Pilot Centres
HUDCO	Housing and Urban Development Corporation
ICDS	Integrated Child Development Service
IDBI	Industrial Development Bank of India
IFC	Industrial Finance Corporation/ Irrigation Flood Control
IRDP	Integrated Rural Development Programme
ITDP	Integrated Tribal Development Project
ITI	Industrial Training Institute
Kg	Kilogram
KW	Killowatt
KWh	Killo watt hour
LAMPS	Large- Sized Multipurpose Societies
MT	Metric Tonne
MW	Megawatt
NAA	Notified Area Authority
NABARD	National Bank for Agricultural and Rural Development
NCDC	National Co-operative Development Corporation
NEC	North Eastern Council
NEEPCO	North Eastern Electric Power Corporation
NERAMAC	North Eastern Regional Agricultural Marketing Corporation
NESP	Non-Conventional Energy Source Programme
NID	No-Industry District
NREP	National Rural Employment Programme
ONGC	Oil and Natural Gas Commission
PAF	Plan availability Factor
PHE	Public Health Engineering
PLA	Personal Ledger Accounts
PVC	Poly Vinyl Chloride
PWD	Public Works Department
RBI	Reserve Bank of India

RLEGP	Rural Landless Employment Guarantee Programme
SAB	Supply Advisory Board
SAIL	Steel Authority of India
SC	Scheduled Caste
SDO	Sub-Divisional Officer
SEP	Self Employment Programme
SLSC	State Level Sanctioning Committee
SPT	Semi-Permanent Type
ST	Scheduled Tribe
STED	Science, Technology and Environment Department
TAWCS	Tripura Apex Weavers Co-operative Societies
TFDPC	Tripura Forest Development and Plantation Corporation Limited
THHDC	Tripura Handloom and Handicrafts Development Corporation
TJML	Tripura Jute Mills Limited
TRDA	Tripura Rural Development Agency
TRP & PGP	Tripura Rehabilitation and Plantation and Primitive Group Programme
TSIC	Tripura Small Industries Corporation
TTAADC	Tripura Tribal Areas Autonomous District Council
TTDC	Tripura Tea development Corporation