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

**FOR THE YEAR ENDED  
31 MARCH 1994**

**GOVERNMENT OF ARUNACHAL PRADESH**



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COMMISSIONER OF REVENUE AND FINANCE

31 MARCH 1904  
FOR THE YEAR ENDED

OF INDIA  
COMPTROLLER AND AUDITOR GENERAL  
BEFORE OF THE





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## **PREFATORY REMARKS**

This report has been prepared for submission to the Governor under article 151 of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for 1993-94 together with other points arising from audit of financial transactions of the Government of Arunachal Pradesh. It also includes certain points of interest arising from the Finance Accounts for the year 1993-94.

The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the year 1993-94 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 1993-94 have also been included, wherever considered necessary.







## OVERVIEW

This Report contains eight chapters. Chapter I gives information about the Financial position of the State for 1993-94 and Chapter II comments on the Government's control over expenditure during the year. The remaining six chapters contain 2 reviews on developmental/welfare programmes and other activities and 21 paragraphs containing comments on various irregularities noticed by Audit during the test-check of records. Some of the important and interesting points highlighted in the Report are summarised in the succeeding paragraphs.

### 1. Accounts of the State Government

The liabilities of the State Government decreased from Rs.265.47 crores as at the end of March 1993 to Rs.256.52 crores as at the end of March 1994, while the assets increased from Rs.989.25 crores to Rs.1244.52 crores during the same period.

#### Revenue Receipts

The revenue receipts of the State Government increased by Rs.374.00 crores during the five years from Rs.289.17 crores in 1989-90 to Rs.663.17 crores in 1993-94. The increase was 129 *per cent*. The State's own tax revenue increased from Rs.2.32 crores in 1989-90 to Rs.3.63 crores in 1993-94. The non-tax revenue raised by the State during the corresponding period increased from Rs.35.73 crores to Rs.83.95 crores.

The State's share of net proceeds of income tax, Union Excise Duties/Taxes and Grants-in-aid increased from Rs.251.12 crores to Rs.575.59 crores between 1989-90 and 1993-94 - an increase of 129 *per cent*. The revenue raised by the State to the total revenue receipts was 13 *per cent* in 1993-94 as against 12 *per cent* in 1992-93.

#### Revenue Expenditure

The total revenue expenditure increased from Rs.256.66 crores to Rs.398.91 crores over the period 1989-90 to 1993-94. The Plan expenditure increased from Rs.77.20 crores to Rs.126.65 crores (an increase of 64 *per cent*) while the Non-Plan expenditure increased from Rs.179.46 crores to Rs. 272.26 crores (an increase of 51 *per cent*) during the same period.

During 1993-94, as against the budget provision of Rs.143.06 crores (including supplementary) the plan expenditure was Rs.126.65 crores resulting in a shortfall of Rs.16.41 crores. The non-plan revenue expenditure of Rs.272.26 crores exceeded the budget provision of Rs.267.94 crores by Rs.4.32 crores.

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.All abbreviations used in the report are listed in Glossary at Appendix V at page 90-91.



## Public Debt and Investment

Public Debt declined sharply from Rs.349.50 crores at the end of 31 March 1990 to Rs.141.39 crores at the end of 31 March 1991 mainly on account of Central Government loans aggregating Rs.224.09 crores having been written off during 1990-91 and increased to Rs.225.26 crores at the end of 1993-94. The other liabilities on account of small savings, provident funds, etc. registered an increase of 409 *per cent* from Rs.10.97 crores to Rs.55.85 crores between 1989-90 and 1993-94.

The repayment of Central Government loans and interest thereon aggregating Rs.25.41 crores during 1993-94 constituted 79 *per cent* of the Central Government loans (Rs.32.13 crores) received during the year. Government paid interest totalling Rs.27.53 crores on debt and other obligations during 1993-94, while the interest received on all accounts was Rs.4.09 crores only leaving a net interest burden of Rs.23.44 crores.

Against an investment of Rs.8.58 crores as on 31 March 1994 in various statutory corporations, Government companies and Co-operative societies, dividend earned during the year was a meagre Rs.0.01 crore.

The State Government took ways and means advances of Rs.4.68 crores during 1993-94 and repaid the entire amount.

Amount outstanding on account of Government loans and advances paid to Government companies, Co-operatives societies etc. for developmental and non-developmental activities stood at Rs. 13.50 crores at the end of 1993-94. The interest received during the year was Rs. 0.14 crore.

(Paragraphs 1.1 to 1.15)

## 2. Appropriation Audit and Control over Expenditure

Against the total budget provision of Rs.622.50 crores (including supplementary) actual expenditure was Rs.604.24 crores. The overall saving of Rs. 18.26 crores was the net effect of the saving of Rs.48.93 crores in 52 cases of grants and 6 cases of appropriations and excess of Rs. 30.66 crores in 13 cases of grants and one case of appropriation. The excess requires regularisation by the Legislature under Article 205 of the Constitution of India.

The supplementary provision of Rs.52.98 crores obtained during 1993-94 constituted 9 *per cent* of the original budget provision. Supplementary provision aggregating Rs.2.05 crores obtained in respect of 13 cases of grants during the year proved unnecessary.

In 17 cases of grants and 2 cases of appropriations, the expenditure during the year in each case fell short of the provision by more than Rs.10 lakhs and more than 10 *per cent* of the total provision.

(Paragraphs 2.1 and 2.2)



### 3. Audit reviews

#### (i) Jawahar Rozgar Yojana (JRY)

The Centrally sponsored scheme Jawahar Rozgar Yojana which amalgamated the on going National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP) was launched by Government of India in April 1989 with the objective of generating additional gainful employment for the unemployed and underemployed men and women in the rural areas in the creation of Community and social assets.

Against the total available fund of Rs. 1173.11 lakhs received during 1989-90 to 1993-94, the State Government could spend Rs. 966.82 lakhs.

The department incurred expenditure of Rs.112.69 lakhs on administration during the period from 1989-90 to 1993-94 against the admissible amount of Rs.51.81 lakhs resulting in excess expenditure of Rs.60.88 lakhs on this score.

According to guidelines the funds are to be kept in Savings Bank Account in Bank or Post Office but DRDA Pasighat kept Rs.15 lakhs in term deposit account which was contrary to the guidelines of the scheme.

Physical achievement in employment generation fell short of the targeted mandays by 25 to 52 *per cent* during 1989-90 to 1993-94.

As against the prescribed norm of 30 *per cent* participation of women, the actual percentage varied between 9 and 24 *per cent* during 1990-91 to 1992-93.

Against the target of 983 houses to be constructed under Indira Awas Yojana, the achievement for the period upto March 1994 was only 737 houses.

No evaluation of the impact of the scheme was conducted by the State.

(Paragraph 3.1)

#### (ii) Central Purchase Organisation (C.P.O) Scheme

The State Government has been supplying food stuff and other essential commodities to the Government officials and their dependant family members posted in



the interior places in the State on 'no profit no loss' basis through the Central Purchase Organisation (C.P.O) of the Directorate of Supply and Transport, Arunachal Pradesh from the year 1955.

While fixing the selling price of food stuff 30 *per cent* surcharge is levied on the procurement cost for covering the expenses. For five years upto 1993-94, the actual expenditure exceeded the selling price *plus* surcharge by Rs.415.45 lakhs.

The Department also carries passengers in the planes used for transportation of food stuff etc. and realises the fare from passengers actually carried and proportionate air freight charges for the materials airlifted in respect of other Departments. Proportionate ejection crew charges recoverable from the other Government Departments aggregating Rs.16 lakhs for the period from 1989-90 to 1993-94 had not been claimed along with air freight of 21119 passengers from 1991-92 to 1993-94.

The Department sustained air dropping losses of Rs.9.67 lakhs in excess of allowable limits during five years ending 31 March 1994.

There was shortage of food stuff valued at Rs.7.96 lakhs due to godown losses besides storage loss of Rs.3.56 lakhs for damage/deterioration of different commodities during five years upto 1993-94.

Due to rejection of lowest rates for purchase of Skid Board used for air dropping the Government had to incur an excess expenditure of Rs. 57.36 lakhs during the last five years ended 31 March 1994.

(Paragraph 8.4.)

#### 4. Other important points

##### (a) Civil Departments

The PWD did not conduct the initial survey to fix the alignment of a road. As a result the alignment of the road had to be changed and an expenditure of Rs. 8.44 lakhs on formation cutting proved unfruitful.

(Paragraph 4.3)

An expenditure of Rs. 3.27 lakhs on survey and investigation of Itanagar-Gohpur Road proved wasteful as the survey report was not traceable and a fresh survey had to be conducted.

(Paragraph 4.4)

Minor irrigation project at Yusum taken up in February 1986 stipulated to be completed within two years, remained incomplete even after a lapse of 7 years rendering the entire expenditure of Rs. 22.61 lakhs (March 1993) unproductive. Further works have not been taken up so far (March 1994).

(Paragraph 4.6)

In 10 Co-operative societies there were 10 cases of misappropriation of Rs. 3.14 lakhs and in 17 Societies there were accumulated shortage of stocks valued at Rs.38.77 lakhs as of July 1994.

In respect of 14 defunct Co-operative societies outstanding loans/share capital amounting to Rs. 5.04 lakhs remained to be recovered.

(Paragraph 7.2)

### **(b) Revenue Receipts**

The total receipts of the State during the year 1993-94 amounted to Rs. 663.17 crores. This comprised tax revenue of Rs. 3.63 crores, non-tax revenue of Rs. 83.95 crores, State Government's share of divisible Union taxes of Rs. 149.58 crores and Grants-in-aid of Rs. 426.01 crores from the Union Government.

(Paragraphs 6.1 and 6.2)

79 Inspection Reports containing 212 observations with money value of Rs. 721.51 lakhs issued upto December 1993 were pending settlement at the end of June 1994.

(Paragraph 6.3)

Undue concession to the mill to which Government has no commitment for supply of timber, etc. under Government quota, resulted in a loss of revenue of Rs. 1.13 lakhs.

(Paragraph 6.4)

### **(c) Commercial and Trading Activities**

There were five Government companies (including two subsidiaries) and two Departmentally-managed commercial and quasi-commercial undertakings in the State as on 31 March 1994.

(Paragraphs 8.2.1 and 8.3.1)

The aggregate paid-up capital of these companies as on 31 March 1994 was Rs.6.05 crores of which Rs.5.91 crores was invested by the State Government and Rs.0.14 crore by a holding company. The State Government loan to the extent of Rs.6.98 crores was outstanding as on 31 March 1994 against three companies.

(Paragraph 8.2.2)

None of the companies had finalised their accounts for the year 1993-94. The accounts were in arrears for period ranging from two to twelve years.

(Paragraph 8.2.3)



The two Departmentally managed commercial and quasi-commercial undertakings viz., the State Transport Services and the State Trading Scheme had finalised their accounts upto 1990-91 and 1989-90 and incurred a cumulative loss of Rs.9.57 crores, and Rs.8.54 crores, respectively.

(Paragraphs 8.3.2 and 8.3.5)

Due to consumption of raw-materials in excess of prescribed norms for production of cement during the period from 1988-89 to 1990-91, the Parasuram Cement Limited incurred an additional expenditure of Rs.9.12 lakhs.

(Paragraph 8.5.1)

## CHAPTER-I

### ACCOUNTS OF THE STATE GOVERNMENT

#### 1.1 Summarised Financial Position

The financial position of the Government of Arunachal Pradesh as on 31 March 1994 as emerging from the Appropriation Accounts and the Finance Accounts for the year 1993-94, the Abstract of Receipts and Disbursements and the details of Sources and Application of Funds are given in the following statements :-



## I - Summarised Financial position of

Amount as on 31 March 1993 (Rupees in crores)	Liabilities	Amount as on 31 March 1994 (Rupees in crores)
1	2	3
44.32	<b>Internal Debt</b>	52.62
	(i) Market loans	32.22
	(ii) Loans from other Institutions	<u>20.40</u>
151.38	<b>Loans and Advances from the Central Government</b>	172.64
	(i) Non-Plan Loans	49.06
	(ii) Loans for State Plan Schemes	81.89
	(iii) Loans for Central Plan Schemes	0.35
	(iv) Loans for Centra- lly Sponsored Plan Schemes	1.03
	(v) Loans for Special Schemes	<u>40.31</u>
0.05	<b>Contingency Fund</b>	0.05
43.24	<b>Small Savings, Provide- nt Funds, etc.</b>	55.85
-	<b>Reserve Fund</b>	2.00
8.08	<b>Deposits</b>	3.51
723.78	<b>Surplus on Government Accounts</b>	988.00
	(i) Revenue Surplus as on 31 March 1993	723.78
	(ii) Revenue Surplus during the year	264.26
	(iii) Less: Miscellaneous adjustment	<u>0.04</u>
18.40	<b>Suspense and Miscel- laneous</b>	(-) 30.15
<b>989.25</b>		<b>1244.52</b>



## Government of Arunachal Pradesh as on 31 March 1994

Amount as on 31 March 1993 (Rupees in crores)	Assets	Amount as on 31 March 1994 (Rupees in crores)
4	5	6
1056.96	<b>Gross Capital Outlay on Fixed Assets</b>	1219.84
	(i) Investment in Shares of Com- panies, Corpo- rations, etc,	8.58
	(ii) Other Capital Outlay	<u>1211.26</u>
12.73	<b>Loans and Advances</b>	13.50
	(i) Loans for other Industries and Minerals	6.10
	(ii) Loans for Co-operatives	2.86
	(iii) Loans to Gove- rnment Servants, etc.	2.36
	(iv) Other Loans	<u>2.18</u>
0.65	<b>Other Advances</b>	5.87
43.94	<b>Remittances</b>	69.82
(-)125.03	<b>Closing Cash Balance</b>	(-)64.51
	(i) Departmental Cash Balance	0.57
	(ii) Cash Balance Investment	5.60
	(iii) Deposits with Reserve Bank of India	<u>(-)70.68*</u>
<b>989.25</b>		<b>1244.52</b>

\* See explanatory Notes (4) and (5)



## II - Abstract of Receipts and Disbursements for the year 1993-94

## Section - A - Revenue

Receipts	Disbursement				
( Rupees in crores )	( Rupees in crores )				
<b>I. Revenue Receipts</b>	663.17	<b>I. Revenue Expenditure</b>	398.91		
(i) Tax Revenue	3.63	Sector	<u>Non-Plan</u>	<u>Plan</u>	<u>Total</u>
(ii) Non-Tax Revenue	83.95	(i) General Services	101.83	0.42	102.25
(iii) State's Share of net proceeds of Taxes on Income other than Corporation Tax	6.40	(ii) Social Services	61.54	51.28	112.82
(iv) State's Share of Union Excise Duties	143.18	(iii) Agriculture and Allied Activities	61.73	34.92	96.65
(v) Non-Plan Grants	105.48	(iv) Rural Development	3.12	13.81	16.93
(vi) Grants for State Plan Schemes	289.39	(v) Special Area Programme	0.02	0.59	0.61
(vii) Grants for Central Plan Schemes	4.51	(vi) Irrigation and Flood Control	4.80	12.72	17.52
(viii) Grants for Centrally Sponsored Schemes	23.78	(vii) Energy	20.88	0.79	21.67
(ix) Grants for Special Plan Schemes	2.85	(viii) Industries and Minerals	3.08	2.27	5.35
		(ix) Transport	12.34	6.12	18.46
		(x) Science, Technology and Environment	-	0.12	0.12
		(xi) General Economic Services	<u>2.92</u>	<u>3.61</u>	<u>6.53</u>
			272.26	126.65	398.91
		<b>II. Revenue Surplus Carried over to Section - B</b>			264.26
	<b>663.17</b>				<b>663.17</b>



## Section - B - Others

Receipt	Disbursement	
	(Rupees in crores)	(Rupees in crores)
<b>I. Opening Cash Balance</b>	(-)125.03	162.89
		<b>I. Capital Outlay</b>
		<b>Sector</b>
		<u>Non-Plan</u> <u>Plan</u> <u>Total</u>
		(i)General Services      -      5.53      5.53
		(ii)Social Services      -      29.12      29.12
		(iii)Agricultural and Allied Activities      (-)1.15      3.95      2.80
		(iv)Rural Development      -      1.26      1.26
		(v)Special Area Programme      -      6.83      6.83
		(vi)Irrigation and Flood Control      -      2.25      2.25
		(vii)Energy      -      41.81      41.81
		(viii)Industry and Minerals      -      1.43      1.43
		(ix)Transport      -      70.54      70.54
		(x) Science, Technology and Environment      -      0.03      0.03
		(xi)General Economic Services      -      1.29      1.29
		(-)      1.15      164.04      162.89
<b>II. Recoveries of Loans and Advances</b>	0.95	<b>II. Loans and Advances disbursed</b>
(i)From Government Servants	0.68	(i)To Government Servants
(ii)Others	<u>0.27</u>	(ii)Others
		1.12 <u>0.60</u>
<b>III. Revenue surplus brought down</b>	264.26	<b>III. Public Debt Disbursement</b>
Less: Miscellaneous adjustment	(-) 0.04	(i)Repayment of internal Debt other than Ways and Means Advances
<b>IV. Public Debt Receipts</b>	50.33	5.22
(i) Internal Debt other than Ways and Means Advances	13.52	(ii)Repayment of Ways and Means Advances
(ii)Ways and Means Advances	4.68	4.68
(iii)Loans and Advances from Central Government	<u>32.13</u>	(iii)Repayment of Loans and Advances from Central Government
		<u>10.87</u>



## Section - B - Others

Receipt	Disbursement
	(Rupees in crores)
<b>V. Public Account Receipts</b>	413.47
(i) Small savings, Provident Funds, etc.	21.18
(ii) Deposits and Advances	37.93
(iii) Suspense and Miscellaneous excluding Departmental Balance	(-) 44.55
(iv) Remittances	396.91
(v) Reserve Fund	<u>2.00</u>
	<b>IV. Public Account Disbursements</b>
	483.07
	(i) Small savings, Provident Funds etc.
	8.57
	(ii) Deposits and Advances
	47.72
	(iii) Suspense and Miscellaneous excluding Departmental Balances
	4.00
	(iv) Remittances
	<u>422.78</u>
	<b>V. Closing Cash balance</b>
	(-) 64.51
	(i) Departmental Cash Balance
	0.57
	(ii) Cash Balance Investment
	5.60
	(iii) Deposit with reserve Bank of India
	(-) 70.68
	<b>603.94</b>
	<b>603.94</b>



## STATEMENT -- III

## Sources and Application of Funds for the year 1993-94

Sl. No.	Sources	(Rupees in crores)	Sl. No.	Application	(Rupees in crores)
1.	Revenue Receipts	663.17	1.	Revenue Expenditure	398.91
2.	Recoveries of Loans and Advances	0.95	2.	Lending for development and other purposes	1.72
3.	Decrease in Public Debt	29.56	3.	Capital Expenditure	162.89
			4.	Increase in closing cash balance	60.52
4.	Reserve Fund	2.00			
5.	Net Receipts from Public Account:	(-71.64)			
(a)	Increase in Small Savings, Provident Funds, etc.	12.61			
(b)	Decrease in Deposits and Advances	(-) 9.79			
(c)	Effect of Remittance Balances	(-)25.87			
(d)	Effect on Suspende and Miscellaneous Balances	(-)48.55			
(e)	Miscellaneous adjustment	(-) 0.04			
		624.04			624.04

624.04

624.04



### Explanatory Notes

1. The summarised financial statements are based on the statements of the Finance Accounts and Appropriation Accounts of the State Government and are subject to notes and explanations contained therein.
2. Government accounts being mainly on cash basis, the revenue surplus of the year has been worked out on cash basis. Consequently, amounts payable or receivable or items like depreciation, variation in stock figures, etc. do not figure in the accounts.
3. Although a part of the revenue expenditure (grants) and the loans are used for Capital formation by the recipients, its classification in the accounts of the State Government remains unaffected by end use.
4. The excess drawal of Rs.70.68 crores includes Rs.57.02 crores drawn in excess by the U.T.Government upto 19 February 1987. The final decision regarding treatment of the Cash balances of the U.T.Government period is awaited from the Government of India. The balance is under reconciliation.
5. There was a difference of Rs.5.58 crores between the figures reflected in the accounts viz.(-)Rs.13.66 crores and that intimated by the R.B.I. (-) Rs. 8.08 crores. The difference is under reconciliation.

Based on the foregoing statements and other supporting data, the following paragraphs present an analysis of the management of the finance of the Government during 1993-94.

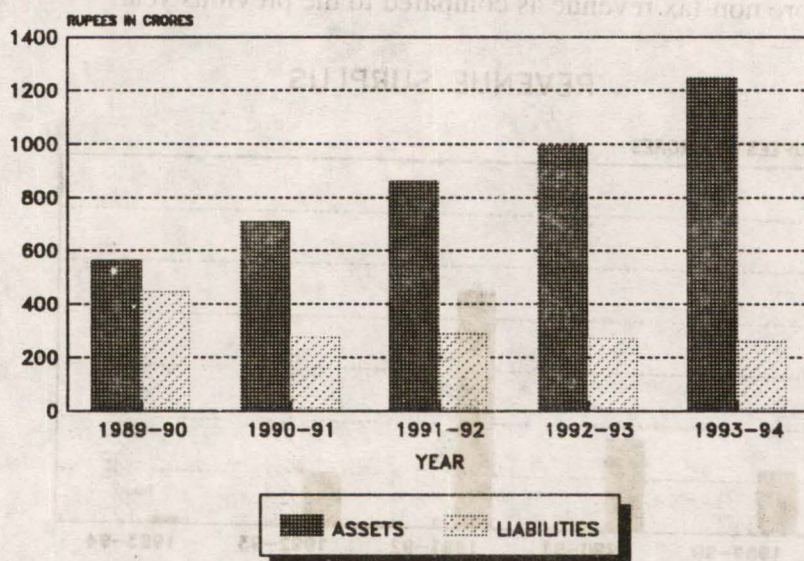
### 1.2 Assets and Liabilities of the State

The assets comprising capital investments, loans and advances and the total liabilities of the State during the last five years were as under:-

Year	Assets ( Rupees in Crores )	Liabilities
1989-90	560.52	442.30
1990-91	706.47	278.05
1991-92	858.43	288.44
1992-93	989.25	265.47
1993-94	1244.52	256.52



## ASSETS AND LIABILITIES OF THE STATE



During the five years ending 1993-94, the assets have grown by **122 per cent** while the liabilities have decreased by **42 per cent**. The pattern of central assistance in the State is in the form of **90 per cent** grants and **10 per cent** loans. The grants form a part of revenue receipt of the State, a substantial portion of which remains unutilised resulting in growing gap between assets and liabilities.

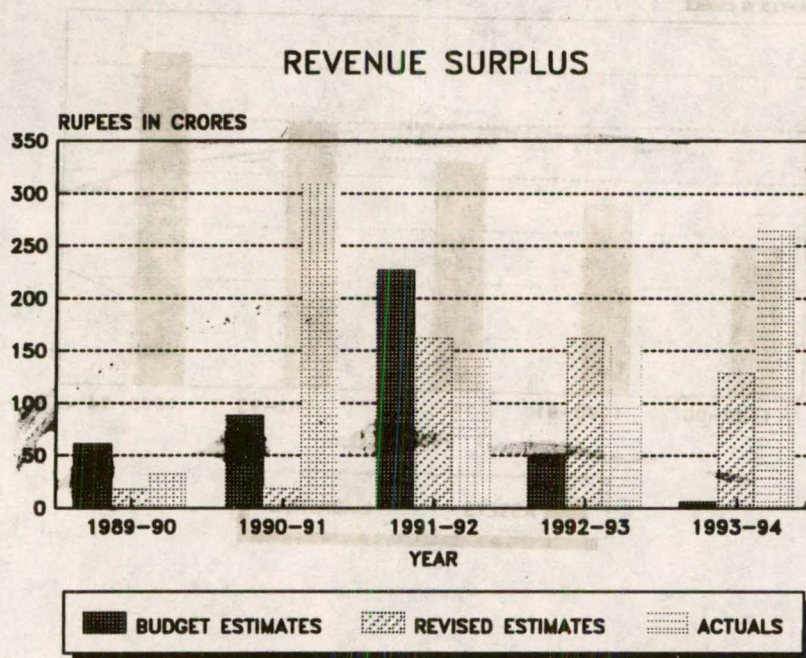
### 1.3 Revenue Surplus

The revenue surplus envisaged in the Budget estimate for the year 1993-94 was Rs.5.48 crores. This was increased to Rs.129.54 crores in the Revised estimate. Against this the actual surplus was Rs.264.26 crores. The position of revenue surplus envisaged in the Budget/Revised estimates and the actuals during the period from 1989-90 to 1993-94 are given below :-

Year	Revenue Surplus		
	Budget Estimate	Revised Estimate	Actuals
	( Rupees in Crores )		
1989-90	60.30	16.82	32.51
1990-91	87.28	19.43	310.20
1991-92	226.05	163.09	141.57
1992-93	46.95	162.33	155.55
1993-94	5.48	129.54	264.26



The surplus was mainly due to receipts of more grants-in-aid from Government of India and State's share of Central taxes and duties and also receipts of more non-tax revenue as compared to the previous year.



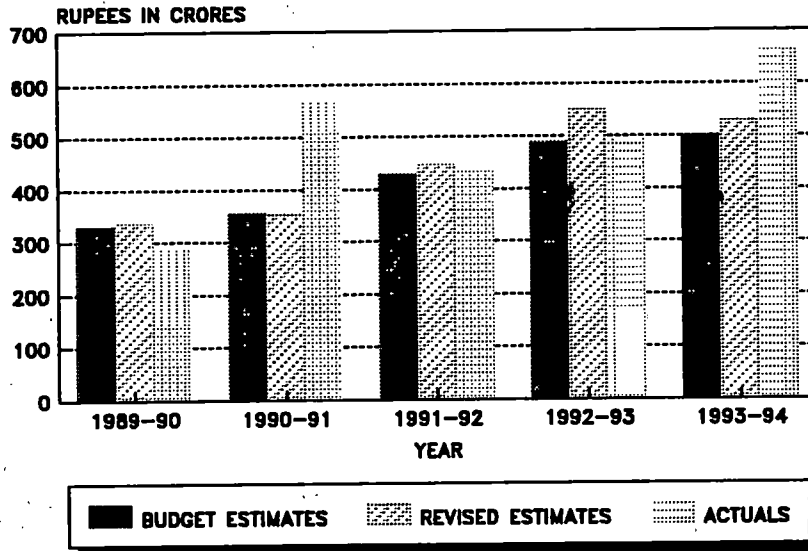
#### 1.4 Revenue Receipt

The actual revenue receipts during the five years ending the period 1993-94 are given below :-

Year	Budget Estimate	Revised Estimate	Actuals	
			Amount	Percentage of growth over the previous year
(Rupees in Crores)				
1989-90	328.89	335.01	289.17	11
1990-91	353.86	352.14	568.42	97*
1991-92	427.96	445.06	434.83	(-) 24
1992-93	487.52	549.65	497.13	14
1993-94	498.68	526.61	663.17	33

\* The substantial difference between actuals and the revised estimates for 1990-91 was due to write off of Government of India loans as per recommendation of the 9th Finance Commission.

## REVENUE RECEIPT



The position of revenue raised by the State and the State Share of Union taxes and grants received from Government of India was as follows:-

	1989-90	1990-91	1991-92	1992-93	1993-94
	(Rupees in Crores)				
I. Revenue raised by the State Government :					
(a) Tax Revenue	2.32	2.64	4.09	4.54	3.63
(b) Non-Tax Revenue	<u>35.73</u>	<u>264.89</u>	<u>49.21</u>	<u>54.42</u>	<u>83.95</u>
Total of I:	<u>38.05</u>	<u>267.53</u>	<u>53.30</u>	<u>58.96</u>	<u>87.58</u>
II. State shares of net proceeds of Taxes on income other than Corporation Tax:	1.95	3.01	3.68	4.01	6.40
III. Receipts from Government of India:					
(i) State's share of Union Excise Duties	50.35	65.60	93.73	111.95	143.18
(ii) Grants-in-aid	<u>198.82</u>	<u>232.28</u>	<u>284.12</u>	<u>322.21</u>	<u>426.01</u>
Total of II+III :	<u>251.12</u>	<u>300.89</u>	<u>381.53</u>	<u>438.17</u>	<u>575.59</u>



	1989-90	1990-91	1991-92	1992-93	1993-94
	(Rupees in Crores)				
IV. Total receipts of Government(I+II+III) (Revenue Account)	289.17	568.42	434.83	497.13	663.17
V. Percentage of revenue raised to total revenue receipts	13	47	12	12	13

After excluding the amount of Central Government loans of Rs.224.09 crores written off and accounted as receipts under non-tax revenue during 1990-91, the total receipts of the year worked out to Rs.344.33 crores, the percentage of revenue raised to total revenue raised worked out to 13.

Thus the actual revenue receipts of the State Government increased by 129 **per cent** from Rs.289.17 crores in 1989-90 to Rs.663.17 crores in the year 1993-94. The revenue from the State's own resources increased by 130 **per cent** during these years. Tax revenue raised by the State Government increased by 56 **per cent** from Rs.2.32 crores in the year 1989-90 to Rs.3.63 crores in the year 1993-94, while collections from non-tax revenue increased by 135 **per cent**, from Rs.35.73 crores in the year 1989-90 to Rs.83.95 crores in the year 1993-94. Further analysis of the State's revenue receipts is given in Chapter VI of this Report.

### 1.5 State's share of Union Taxes/Duties and Grants-in-aid from the Central Government

The aggregate of the State's share of Union Taxes/Duties and the Grants-in-aid from the Central Government during the year 1993-94 was Rs.575.59 crores representing 87 per cent and 144 per cent of the total revenue receipts and revenue expenditure of the State Government respectively. The year-wise details for the period 1989-90 to 1993-94 are given below :-

Year	State's share of Union Taxes and Duties	Grants-in-aid	Total	Percentage of total to	
				Revenue receipt	Revenue expenditure
	( Rupees in Crores )				
1989-90	52.30	198.82	251.12	87	98
1990-91	68.61	232.28	300.89	53	117
1991-92	97.41	284.12	381.53	88	130
1992-93	115.96	322.21	438.17	88	128
1993-94	149.58	426.01	575.59	87	144



Except in 1989-90, the State Government did not spend the full amount received from Government of India.

### 1.6 Revenue Expenditure

The revenue expenditure (Plan) during the year 1993-94 was Rs.126.65 crores against the budget provision of Rs.143.06 crores (including supplementary) disclosing a shortfall of Rs.16.41 crores. The Non-Plan revenue expenditure during the year was Rs.272.26 crores against the budget provision of Rs.267.94 crores (including supplementary) disclosing an excess of Rs.4.32 crores. The main reasons for excess/savings in expenditure are given in chapter II of the Report. Further, details wherever furnished by the State Government are available in the Appropriation Accounts of the State Government for the year 1993-94.

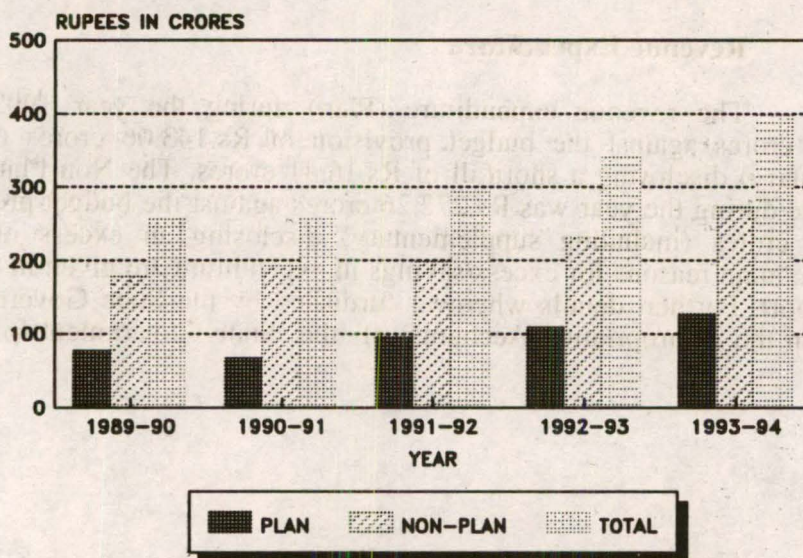
### 1.7 Growth of Revenue expenditure

The revenue expenditure (both Plan and Non-Plan) during the last five years was as follows :-

Year	Revenue expenditure		
	Plan	Non-Plan	Total
	(Rupees in Crores)		
1989-90	77.20	179.46	256.66
1990-91	66.76	191.46	258.22
1991-92	95.34	197.92	293.26
1992-93	108.84	232.74	341.58
1993-94	126.65	272.26	398.91



## GROWTH OF REVENUE EXPENDITURE



The total revenue expenditure increased from Rs.256.66 crores in 1989-90 to Rs.398.91 crores in 1993-94 showing an increase of **55 per cent**. The expenditure under plan increased by Rs.17.81 crores (**16 per cent**) during the year while that under non-plan increased by Rs.39.52 crores (**17 per cent**) as compared to previous year.

### 1.8 Non-Plan Revenue Expenditure

The following table shows the details of non-Plan revenue expenditure, other than interest payments where there has been significant increase over five years.

	1989-90	1993-94	Percentage increase
	(Rupees in Crores)		
1. Food storage and Warehousing	14.10	38.25	171
2. Power	9.33	20.87	124
3. Pension and Miscellaneous			
General Services	2.96	6.53	121
4. Police	11.93	22.49	89

### 1.9 Capital Expenditure

The Capital expenditure during 1993-94 was Rs.162.89 crores against the budget estimate of Rs.180.11 crores indicating a shortfall of Rs.17.22 crores.



The main reasons for shortfall in expenditure wherever furnished by the Government are given in Chapter II of this Report. Further details are available in the Appropriation Accounts of the State Government for the year 1993-94.

### 1.10 Investment and Returns

In 1993-94 Government invested Rs.8.58 crores in various Government Companies (Rs. 6.33 crores) and Co-operative Societies (Rs.2.25 crores). The investments of the Government in the share capital of different Government companies/Co-operative Societies and the dividend/interest received during the five years period from 1989-90 to 1993-94 were as follows :-

Year	Total investment at the end of the year	Dividend/ interest received during the year	Percentage of dividend/ interest to total investment
( Rupees in Crores )			
1989-90	6.52	0.04	0.61
1990-91	6.62	0.02	0.30
1991-92	7.26	0.02	0.28
1992-93	8.04	0.01	0.12
1993-94	8.58	0.01	0.12

Thus the return on investment in the respective years was insignificant and was very much less than the rate of interest of 13.5 per cent for long term Government borrowings during this period.

### 1.11 Public Debt and Other Liabilities

Under Article 293(1) of the Constitution of India, a State may borrow within the territory of India, upon the security of the Consolidated Fund of the State within such limit, if any, as may be from time to time fixed by the Act of the State Legislature. No law has been passed by the State Legislature laying down such a limit.

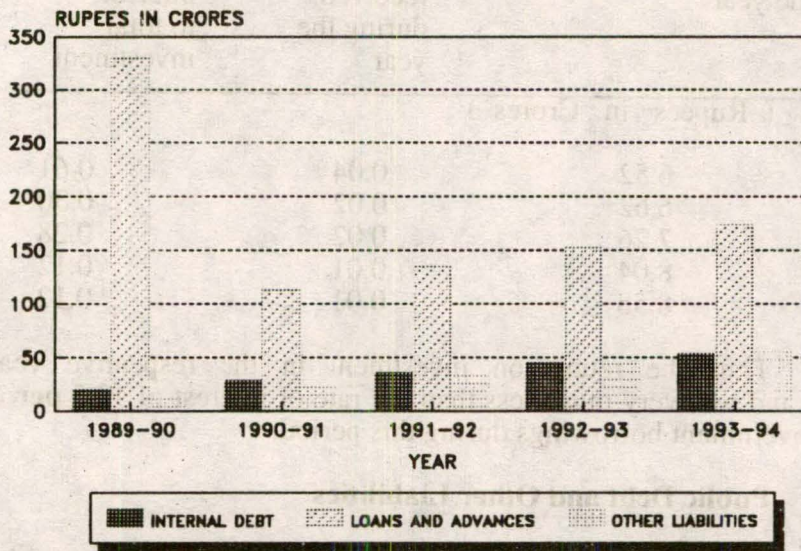
Public Debt of the State consists of internal debt and loans and advances from the Central Government. Internal Debt comprises long-term loans raised in the open market and loans received from financial institutions etc. This also includes Ways and Means advances from the Reserve Bank of India and other bonds issued by the State Government. Loans and advances from the Central Government represent loans received from Government of India for execution of various plan/non-plan schemes. Besides, the Government had other liabilities on account of funds raised through Small Savings, Provident Funds, etc.

The details of such liabilities of the State Government during the five years ending March 1994 are given below:-



Year	Internal Debt	Loans and Advances from Central Government	Total Public Debt	Other Liabilities	Total Liabilities
1989-90	19.78	329.72	349.50	10.97	360.47
1990-91	28.18	113.21	141.39	22.34	163.73
1991-92	35.15	135.33	170.48	33.15	203.63
1992-93	44.32	151.38	195.70	43.24	238.94
1993-94	52.62	172.64	225.26	55.85	281.11

### PUBLIC DEBT AND OTHER LIABILITIES



Public Debt ( Rs.349.50 crores) at the end of the year 1989-90 had declined sharply to Rs.141.39 crores at the end of the year 1990-91 on account of Central Government loans aggregating Rs.224.09 crores having been written off during the year and again increased to Rs.225.26 crores during the year 1993-94. The other liabilities increased from Rs.10.97 crores to Rs.55.85 crores between the period 1989-90 and 1993-94.



## 1.12 Debt Services

The State Government had not made any amortisation arrangements for debts.

The following table shows the outgo of funds on account of interest payments (gross) during the five years ending 1993-94:-

Year	Opening balance		Small savings, provident Fund etc.	Total Obligations	Interest paid	Percentage of interest to	
	Internal debt	Loans and Advances from Central Government				Total Obligation	Total Revenue Expenditure
1	2	3	4	5	6	7	8
(Rupees in crores)							
1989-90	14.16	328.08	7.79	350.03	16.70	5	7
1990-91	19.78	329.72	10.97	360.47	16.21	5	6
1991-92	28.18	113.21	22.34	163.73	21.37	13	7
1992-93	35.15	135.33	33.15	203.63	21.83	11	6
1993-94	44.32	151.38	43.24	238.94	27.53	12	7

It would be seen that the outflow of funds for payment of interest during the period has been Rs.103.64 crores and was between 6 and 7 per cent of the revenue expenditure.

Interest received during the year was Rs.4.09 crores while the interest paid on debt and other obligations was Rs.27.53 crores leaving net interest burden of Rs.23.44 crores (4 per cent of the total revenue receipts and 646 per cent of the tax revenue of the State).

The repayment of Government of India loans and payment of interest thereon during the five years was as follows:-

Year	Repayment			Loan received during the year	Percentage of repayment to loan received
	Principal	Interest	Total		
(Rupees in Crores)					
1989-90	26.57	15.79	42.36	28.21	150
1990-91	13.01	8.76	21.77	20.59	106
1991-92	16.96	12.71	29.67	39.08	76
1992-93	7.87	11.53	19.40	23.92	81
1993-94	10.87	14.54	25.41	32.13	79



During the period from 1989-90 to 1990-91 the repayment of outstanding loan and payment of interest thereon had exceeded the loans received during these years. During the year 1993-94, the repayment of loan and interest constituted 79 per cent of the amount of loan received from the Central Government.

### 1.13 Loans and Advances by the State Government

The State Government has been advancing loans to Government Companies, Co-operatives, etc. for developmental and other activities. The position of such loans during the five years period from 1989-90 to 1993-94 is indicated below :-

	1989-90	1990-91	1991-92	1992-93	1993-94
	(Rupees in Crores)				
Opening balance	6.95	8.54	9.89	11.23	12.73
Amount advanced during the year	2.13	1.96	2.09	2.37	1.72
Amount repaid during the year	0.54	0.61	0.75	0.87	0.95
Closing balance	8.54	9.89	11.23	12.73	13.50
Net addition	1.59	1.35	1.34	1.50	0.77
Interest received	0.69	0.0016	0.80	0.20	0.14

Information about arrears in recovery of loans and advances (including interest) as on 31 March 1994 has not been received from departmental authorities who maintain the detailed accounts ( October 1994).

### 1.14 Ways and Means Advances

Under an agreement with the Reserve Bank of India, the Government has to maintain with the Bank on all days a minimum balance of Rs.10 lakhs. If the balance falls below the agreed minimum, the Government can take ordinary Ways and Means Advances from the Bank. In addition, Special Ways and Means Advances are also made available against Government of India securities held by the State Government. If even after the maximum advances are given, the cash balance is below the prescribed minimum, the deficit is left uncovered and is treated as overdraft.

During 1993-94 the State Government took Ways and Means Advances of Rs.4.68 crores from Reserve Bank of India and the entire amount was repaid along with interest of Rs.0.0014 crore.

The extent to which the Government maintained the minimum

balance with the Bank during the year 1993-94 is given below:-

(i)	Number of days on which the minimum balance was maintained without obtaining any advance,	363 days
(ii)	Number of days on which minimum balance was maintained by taking Ordinary Ways and Means Advances	2 days
(iii)	Number of days on which there was shortfall from minimum balance after taking above advance but no overdraft was taken	...
(iv)	Number of days on which overdraft was taken	...
<b>Total :</b>		<b>365 days</b>

### 1.15 Guarantees given by the Government

The contingent liabilities of Rs.4.75 lakhs (Principal : Rs.4.50 lakhs and Interest : Rs.0.25 lakh) outstanding as on 31 March 1987 for guarantees given by the Government of India on behalf of the Union Territory Government of Arunachal Pradesh prior to the attainment of Statehood have become the liability of the State Government and was outstanding as on 31 March 1994.

The position as on 31 March 1994 regarding the guarantees given by the State Government on behalf of Statutory Corporations, Local Bodies and Other Institutions had not been furnished (October 1994).



## CHAPTER - II

### APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

#### 2.1 General

The summarised position of actual expenditure of the State during the year 1993-94 against grants/ \*appropriations is as follows :-

	Original grant/ appropria- tion	Supplemen- tary grant/ appropria- tion	Total	Actual expenditure	Variation Excess (+) Saving (-)
( In lakhs of rupees )					
I. Revenue					
Voted	3,28,40.26	50,97.85	3,79,38.11	3,91,65.03	(+)1226.92
<b>Charged</b>	<b>31,40.22</b>	<b>22.13</b>	<b>31,62.45</b>	<b>28,45.16</b>	<b>(-)317.29</b>
II. Capital					
Voted	1,83,61.68	132.80	1,84,94.48	1,66,47.26	(-)1847.22
III. Public Debt					
<b>Charged</b>	<b>24,57.16</b>	<b>-</b>	<b>24,57.16</b>	<b>16,09.47</b>	<b>(-)847.69</b>
IV. Loans and Advances					
Voted	153.01	45.20	1,98.21	1,57.09	(-)41.12
Total					
Voted	5,13,54.95	52,75.85	5,66,30.80	5,59,69.38	(-)661.42
<b>Charged</b>	<b>55,97.38</b>	<b>22.23</b>	<b>56,19.61</b>	<b>44,54.63</b>	<b>(-)1164.98</b>
Grand Total :	5,69,52.33	52,98.08	6,22,50.41	6,04,24.01	(-)1826.40

#### 2.2 Results of Appropriation Audit

The overall saving was the net result of saving in 58 grants/appropriations and excess in 13 grants as shown below :-

\* In a demand, the grants are voted and appropriations are charged.



	Savings		Excess		Net Saving (-) Excess (+)	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
( In lakhs of rupees )						
Voted	17,48.41 (in 36 grants )	1979.19 (in 16 grants )	2975.33 (in 11 grants )	90.84 (in 2 grants)	(+)1226.92	(-)1888.35
Charged appropriation	317.29 (in 5 appropriations)	847.69 (in 1 appropriation)	--	---	(-)317.29	(-)847.69
	<u>2065.70</u>	<u>2826.88</u>	<u>2975.33</u>	<u>90.84</u>	<u>(+) 909.63</u>	<u>(-)2736.04</u>

The supplementary grants and appropriations of Rs.52,98.08 lakhs obtained during 1993-94 constituted 9 per cent of the original grants and appropriations as against 12 per cent in the previous year.

### 2.2.1(a) Excess over grants/appropriations

In the Revenue Section, there was total excess of Rs.29,75,32,980 in 11 grants while the excess in the capital section amounted to Rs.90,83,666 in 2 grants as detailed below :-

Sl. No.	Number and name of grant/appropriation	Total grant /appropriation	Expenditure	Excess
( In rupees )				
<b>Revenue Section (Voted)</b>				
1.	8-Police Department	22,42,63,000	22,53,25,239	10,62,239
2.	15-Medical Department	20,56,91,000	21,13,12,144	56,21,144
3.	19-Industries Department	5,08,11,000	5,69,96,000	61,85,000
4.	25-Rehabilitation and Settlement Department	2,12,44,000	2,13,12,401	68,401
5.	28-Animal Husbandry and Veterinary Department	7,49,20,000	7,72,77,451	23,57,451
6.	30-State Transport Department	5,02,12,000	7,00,03,467	1,97,91,467
7.	31-Public Works Department	20,82,52,000	35,81,26,249	14,98,74,249
8.	32-Roads and Bridges	8,35,06,000	8,39,80,219	4,74,219



Sl. No.	Number and name of grant/appropriation	Total grant /appropriation	Expenditure	Excess
( In rupees )				
9.	34-Power Project	14,32,49,000	24,68,15,893	10,35,66,893
10.	38-Irrigation and Flood Control Project	1,50,000	1,50,406	406
11.	40-Housing	4,55,85,000	5,41,16,511	85,31,511
	Total:			<u>29,75,32,980</u>
<b>Capital Section (Voted)</b>				
12.	34-Power Project	41,00,00,000	41,80,84,666	80,84,666
13.	45-Central/Centrally Sponsored Scheme	5,01,000	15,00,000	9,99,000
	Total:			<b>90,83,666</b>

These excesses require regularisation under Article 205 of the Constitution.

### 2.2.1(b) Excess expenditure of previous years not got regularised by the Legislature

Excess expenditure aggregating Rs.2,78,78,81,208 covering 234 cases of grants and 16 cases of appropriations, pointed out in the Reports of the Comptroller and Auditor General of India for the years 1980-81 to 1992-93 is yet to be regularised (November 1994). The yearwise break up is given below:-

Year	Number of cases		Amount of excess	
	Voted grants	Charged appropriations	Voted grants Rs.	Charged appropriations Rs.
1980-81	12	1	4,91,50,562	543
1981-82	16	1	8,52,29,169	453
1982-83	19	2	18,54,72,757	3,772
1983-84	20	3	9,37,03,752	64,913
1984-85	14	2	8,62,35,599	861
1985-86	17	1	8,81,62,686	9,560
1986-87	13	...	6,56,00,239	...
(U.T Period)				
1986-87	33	...	12,71,95,746	...
(State Period)				
1987-88	17	2	7,20,60,492	1,85,84,112
1988-89	13	1	8,18,60,983	46,32,52,167
1989-90	15	1	7,82,16,510	9,66,58,001
1990-91	15	1	4,88,37,365	23,72,71,069
1991-92	18	1	35,62,87,373	27,49,48,076
1992-93	12	-	27,90,74,548	-
Total	234	16	1,69,70,87,781	1,09,07,93,427

### 2.2.2 Unnecessary supplementary provision

In 13 cases of grants, the entire supplementary provision of Rs.2,05.16 lakhs obtained, proved wholly unnecessary as the expenditure was less than even the original provision as detailed below:-

Sl. No.	Number and name of grant/appropriation	Original provision	Supplementary provision	Total provision	Total expenditure	Final Saving
( In lakhs of rupees )						
<b>Revenue Section(Voted)</b>						
1.	16-Art and Cultural Affairs Department	1,02.69	1.10	1,03.79	90.56	13.23
2.	20- Labour Department	39.73	0.10	39.83	30.46	9.37
3.	23 -Forest Department	20,09.51	9.30	20,18.81	18,52.12	1,66.69
4.	24- Agriculture Department	11,99.92	12.72	12,12.64	10,55.04	1,57.60
5.	29- Co-operative Department	1,78.10	0.75	1,78.85	1,62.09	16.76
6.	33 -North Eastern Areas	60.23	94.30	1,54.53	59.28	95.25
7.	35 -Publicity Department	2,35.95	7.64	2,43.59	2,28.53	15.06
8.	42 -Rural Development Department	6,84.80	6.48	6,91.28	6,42.24	49.04
9.	43 -Fisheries Department	1,76.60	2.02	1,78.62	1,74.47	4.15
10.	46 -State Public Service Commission	29.22	0.33	29.55	28.99	0.56
11.	52- Sports and Youth Services	86.08	9.37	95.45	75.21	20.24
<b>Capital Section(Voted)</b>						
12.	19-Industries Department	1,02.00	5.00	1,07.00	54.10	52.90
13.	33- North Eastern Areas	7,50.00	56.05	8,06.05	6,83.20	1,22.85

### 2.2.3 Unutilised provision

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



Sl No.	Number and name of grant/appropriation	Amount of savings (In lakhs of rupees) Percentage of savings to total provisions	Remarks
<b>Revenue Section (Voted)</b>			
1.	11- Social Welfare Department	46.23 (18)	Against the final savings of Rs. 46.23 lakhs. Rs.19.93 lakhs were surrendered (March 1994). Reasons for savings have not been intimated (November 1994).
2.	16-Art and Cultural Affairs Department	13.23 (13)	Out of final saving of Rs.13.23 lakhs, Rs.7.25 lakhs were surrendered (March 1994). Reasons for saving have not been intimated (November 1994).
3.	24-Agriculture Department	1,57.60 (13)	Out of final savings of Rs.157.60 lakhs, Rs. 132.60 lakhs were surrendered (March 1994). Savings were reportedly due to curtailment of expenditure as a measure of economy.
4.	33-North Eastern Areas	95.25 (62)	No part of the saving was surrendered. Reasons for final savings have not been intimated (November 1994).
5.	45-Central/Centrally Sponsored Scheme	3,58.34 (12)	No part of the saving was surrendered. Saving of Rs.241.78 lakhs was reportedly due to revision of plan outlay. Reasons for balance saving have not been intimated (November 1994).
6.	47-Administration of Justice	13.02 (83)	Against the final savings of Rs.13.02 lakhs, Rs.12.95 lakhs were surrendered (March 1994). Reasons for savings have not been intimated (November 1994).
7.	48-Horticulture Department	60.80 (12)	Out of final savings of Rs.60.80 lakhs, Rs.21.82 lakhs were surrendered (March 1994). Saving of Rs. 21.82 lakhs was reportedly due to curtailment of expenditure as a measure of economy. Reasons for balance savings have not been intimated (November 1994).
8.	50-Secretariat Economic Services	20.95 (30)	Against the final savings of Rs.20.95 lakhs, Rs.19.96 lakhs were surrendered (March 1994). Saving of Rs.19.96 lakhs was reportedly due to adoption of economy measure. Final savings of Rs.0.99 lakh was reportedly due to non-filling up of vacant posts.
9.	52-Sports and Youth Services	20.24 (21)	No part of the savings was surrendered. Reasons for saving have not been intimated (November 1994).
<b>Revenue Section (Charged)</b>			
1.	2-Governor	15.70 (21)	No part of the savings was surrendered. Savings of Rs.0.27 lakh was reportedly due to re-appropriation of fund to other heads of Accounts and Rs.4.62 lakhs were reportedly due to curtailment of tours by the Hon'ble Governor. Saving of Rs.0.06 lakh was reportedly due to non-submission of bills in time. Reasons for balance savings have not been intimated (November 1994).

Sl No.	Number and name of grant/appropriation	Amount of savings (In lakhs of rupees) Percentage of savings to total provisions	Remarks
2.	12-Social Security and Welfare	98.90 (99)	Against the final saving of Rs.98.90 lakhs, Rs.98.50 lakhs were surrendered (March 1994). Reasons for saving have not been intimated (November 1994).
Capital Section(Voted)			
1.	14-Education Department	25.27 (37)	No part of the saving was surrendered. Reasons for savings have not been intimated (November 1994).
2.	19-Industries Department	52.90 (49)	Out of final savings of Rs.52.90 lakhs, Rs.28.00 lakhs were surrendered (March 1994). Reasons for balance savings have not been intimated (November 1994).
3.	21-Food and Nutrition	159.79 (41)	Against the final saving of Rs.159.79 lakhs, Rs.12.39 lakhs were surrendered in March 1994. Reasons for balance savings have not been intimated (November 1994).
4.	29-Co-operative Department	11.50 (20)	Out of final savings of Rs.11.50 lakhs, Rs.11.00 lakhs were surrendered (March 1994). Reasons for savings have not been intimated (November 1994).
5.	30-State Transport Department	42.98 (21)	Out of final savings of Rs.42.98 lakhs, Rs.3.35 lakhs were surrendered (March 1994). Saving of Rs.16.00 lakhs was reportedly due to revision of plan allocation.Reasons for balance saving have not been intimated (November 1994).
6.	31-Public Works Department	656.31 (17)	Out of final savings of Rs.656.31 lakhs, Rs.6,09.66 lakhs were surrendered (March 1994). Savings of Rs.5,96.41 lakhs was reportedly due to revision of plan outlay. Reasons for balance savings have not been intimated (November 1994).
7.	32-Roads and Bridges	6,34.84 (10)	Against the final savings of Rs.6,34.84 lakhs, Rs.6,34.00 lakhs were surrendered (March 1994). Reasons for saving have not been intimated (November 1994).
8.	33-North Eastern Areas	1,22.85 (15)	No part of the savings was surrendered. Reasons for final savings have not been intimated (November 1994).

#### 2.2.4 Persistent Savings

During the period of three years ending 1993-94, persistent saving of 10 per cent and above were noticed in the following grants/ appropriations :-



Sl. No.	Number and name of grant/appropriation	Percentage of saving to total provision		
		1991-92	1992-93	1993-94
Revenue Section (Charged)				
1.	2 - Governor	26	21	21
Revenue Section (Voted)				
2.	33 - North Eastern Areas	79	50	62
3.	50 - Secretariat Economic Services	40	29	30
Capital Section(Voted)				
4.	24 - Agriculture Department	92	100	100
5.	31 - Public Works Department	22	28	17

### 2.2.5 Persistent Excesses

During the period of three years ending 1993-94, persistent excesses were noticed in the following grants :-

Sl. No.	Number and name of grant/appropriation	Percentage of excess to total provision		
		1991-92	1992-93	1993-94
Revenue Section (Voted)				
1.	30 - State Transport Department	5	4	39
2.	31 - Public Works Department	121	120	72
3.	34 - Power Project	8	20	72

### 2.2.6 Injudicious/Excessive/Unnecessary re-appropriation

A few instances, where re-appropriation of funds during the year proved either injudicious/excessive or unnecessary are given below :-

#### (a) Injudicious re-appropriation

(i) In the following cases, withdrawal of provisions proved injudicious in view of the final excess :-



Sl. No.	Number and name of Grant	Head of Account	Total Grant	Total Expenditure	Excess
1	2	3	4	5	6
( In lakhs of rupees )					
1.	8 -Police Department	2055-Police A(d)109-District Police O 1491.21 S 20.16 R(-) 31.25	1480.12	1487.74	7.62
2.	28 -Animal Husbandry and Veterinary Department	2403-Animal Husbandry (i)C(a)001- Direction amd Administration O. 107.18 R(-) 0.70	106.48	130.23	23.75
3.	-Do-	(iii)C(a)102- Cattle and Buffalo Deve- lopment O. 179.47 R(-) 1.33	178.14	184.81	6.67
4.	31-Public Works Department	4059-Capital Outlay on Public Works A(80)800-Other Expenditure A(80)800(i)-Other Major works inclu- ding Jail Building O. 524.00 R(-) 39.00	485.00	490.74	5.74
5.	34-Power Project	2801-Power C(e)05-052 Mechinary and Equip- ment O. 150.00 R(-) 150.00	...	187.78	187.78
6.	45-Central/ Centrally Sponsored Scheme	2402-Soil and Water Conser- vation C(a)800(2)- National Water Development Project for Rainfed Area O. 0.01 R(-) 0.01	...	21.70	21.70



**(b) Excessive/Unnecessary re-appropriation**

In view of the final savings, the augmentation of provision by way of re-appropriation in the following cases proved to be excessive/unnecessary:-

Sl. No.	Number and name of Grant	Head of Account	Total Grant	Total Expenditure	Excess
1	2	3	4	5	6
( In lakhs of rupees )					
1.	14-Education Department	2202-General Education B(a)800-Other Expenditure B(a)800(i) Stipend to Student of Secondary Level of Education O. 144.50 R. 18.74	163.24	146.20	17.04
2.	19-Industries Department	2851-Village and Small Industries C(f)103-Handloom Industries O. 76.45 R. 70.00	146.45	92.45	54.00
3.	28-Animal Husbandry and Veterinary Department	2404-Dairy Development C(a)102-Cattle cum Dairy Development Project O. 35.40 S. 2.20 R. 12.59	50.19	32.69	17.50
4.	31- Public Works Department	4215-Capital Outlay on Water Supply and Sanitation B(c)01-Water Supply B(c)-800-Other Expenditure B(c)01-800(2)Water Supply Scheme under LIC Loan R. 82.00	82.00	21.71	61.29
5.	33-North Eastern Areas	2552-North Eastern Areas C(c)800(10)-Rural Works Department -C(c)800(15) Renewable Resources of Energy S. 35.00 R. 3.50	38.50	8.00	30.50

1	2	3	4	5	6
6.	34-Power Project	2801-Power C(e)05-800(ii) (B)-Power purchase R. 350.00	350.00	284.03	65.97
7.	45-Central/Centrally Sponsored Schemes	2501-Special Programme for Rural Development C(b)01-800(i) State Institute of Rural Development O. 2.00 R. 63.00	65.00	40.01	24.99

Reasons for augmentation of provisions by re-appropriation in excess of requirement have not been intimated (December 1994).

### 2.2.7 Shortfall/excess in recoveries

Under the system of gross budgeting the demands for grants presented to the legislature are for gross expenditure and exclude all receipts and recoveries which are adjusted in the accounts in reduction of expenditure. The anticipated receipts and recoveries are shown separately in the budget estimates. During the year 1993-94 the anticipated receipts and recoveries and actuals were as under :-

Sl. No.	Number and name of grant	Budget estimates	Actuals	Variations More (+) Less (-)
(In lakhs of rupees)				
<b>Revenue Section (Voted)</b>				
1.	21 - Food and Nutrition	55.00	65.60	(+)10.60
2.	26 - Rural Works Department	...	73.87	(+)73.87
3.	31 - Public Works Department	...	15,98.99	(+)15,98.99
4.	34 - Power Project	...	3,80.71	(+)3,80.71
	<b>Total Revenue (Voted)</b>	<b>55.00</b>	<b>21,19.17</b>	<b>(+)20,64.17</b>
<b>Capital Section(Voted)</b>				
5.	21 - Food and Nutrition	3,50.35	3,43.54	(-)6.81
	<b>Total Capital Section(Voted)</b>	<b>3,50.35</b>	<b>3,43.54</b>	<b>(-)6.81</b>



## CHAPTER III

### CIVIL DEPARTMENTS

#### Rural Development Department

#### 3.1 Jawahar Rozgar Yojana (JRY)

##### 3.1.1 Introduction

Jawahar Rozgar Yojana (JRY), a centrally sponsored scheme, was launched by Government of India, in April 1989, after amalgamating the on going programmes of National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP).

The programme was implemented on cost sharing basis between the Central and State Government in the ratio of 80:20.

The Programme included two other sub-schemes, *viz.*, Indira Awas Yojana (IAY) and Million Wells Scheme (MWS).

The main objective of the Programme was generation of additional gainful employment for the unemployed and under-employed men and women in rural areas. Other objectives of the programme were creation of sustained employment by strengthening the rural economic infrastructure by creation of community and social assets in favour of rural poor for their direct and continuing benefits;

Overall improvement in the quality of life in rural areas.

People below the poverty line were the target group under the programme and preference was given to SCs/STs and freed bonded labourers. 30 per cent of the employment opportunities were reserved for women.

##### 3.1.2 Organisational set up

The Director of Rural Development was in overall charge of the Programme and was assisted by District Rural Development Agencies (DRDAs) and Block Development Officers (BDOs).

At village level, the Programme was implemented by the Anchal Samities under the technical supervision of the Block Agencies/DRDAs.

##### 3.1.3 Audit Coverage

The implementation of the scheme during the period from 1989-90 to 1993-94 was reviewed in Audit (April - July 1994) based on test-check of records of the Directorate of Rural Development, six DRDAs (out of 11), 9 blocks (out of 48 blocks) and twelve Anchal Samities (out of 58).

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The abbreviations used in the review are listed in Glossary in Appendix V (Page.90-91).



### 3.1.4 Highlights

- Against the total available fund of Rs. 1173.11 lakhs received during 1989-90 to 1993-94, the expenditure was Rs.966.82 lakhs.

(Paragraph 3.1.6)

- The department incurred expenditure of Rs.112.69 lakhs on administration during the period from 1989-90 to 1993-94 against the admissible amount of Rs.51.81 lakhs resulting in excess expenditure of Rs.60.88 lakhs on this score.

(Paragraph 3.1.6(a))

- According to guidelines the funds are to be kept in Saving Bank Account in Bank or Post Office but DRDA Pasighat kept Rs.15 lakhs in term deposit account which was contrary to the guidelines of the scheme.

(Paragraph 3.1.6(e))

- Physical achievement in employment generation fell short of the targeted mandays by 25 to 52 per cent during 1989-90 to 1993-94.

(Paragraph 3.1.8(a))

- As against the prescribed norm of 30 per cent participation of women the actual percentage varied between 9 and 24 per cent during 1990-91 to 1992-93.

(Paragraph 3.1.8 (b))

- Against the target of 983 houses to be constructed under Indira Awas Yojana, the achievement for the period upto March 1994 was only 737 houses.

(Paragraph 3.1.9 (a)(i))

- No evaluation of the impact of the scheme was conducted by the State.

(Paragraph 3.1.10)

### 3.1.5 Planning

(a) According to the schemes, the DRDAs are required to prepare



Annual Action Plan equivalent to the value of 125 per cent of its share of funds allocated in the preceding year before the beginning of the financial year. No work can be taken up unless it forms the part of the Annual Action Plan. In the Annual Action Plan, completion of the incomplete works should be given priority over the taking up of new works. No work is to be taken up which cannot be completed within two financial years. The Gram Sabha is to be apprised of the progress of implementation of the Programme at least twice a year.

The plans for development of villages are to be discussed thoroughly in the meetings of the village Panchayat and the final decision arrived at is to determine the plan of works to be taken up during a particular year.

Scrutiny of annual action plan of DRDA, Tezu for the year 1993-94 revealed that the action plan was prepared after the starting of the financial year. There was also no indication in the action plan that the Anchal Samiti wise schemes were approved by the Governing body. The annual action plan under JRY for 1993-94 in respect of Chayangtajo Anchal Samiti under DRDA, Seppa indicated that 38 schemes consisting of construction of Log Bridge, Porter Track, Minor Irrigation Channel, Anganwadi Building, School Building, etc. with the estimated cost of Rs. 3.75 lakhs were included in the annual action plan. The entire estimated cost was shown under wage component with no cost under material component.

(b) **Identification of beneficiaries**

The PAC in its 94th and 107th Reports on NREP recommended that it was desirable to have reliable estimates of the people in need of employment in different areas of the districts and estimate of demand for employment during various seasons in a year. The committee further recommended that a system of registering the workers and issuing them identity cards should be evolved so that the employment provided benefit to the poorest of the poor and all the necessary entries such as days on which work was given, wages paid, etc. could be made and verified at subsequent stages. The Estimate Committee observed (April 1993) that the Ministry issued instructions to all the states only in November 1991 for preparing the list of people below poverty line. During review it was noticed that the State Government also did not take any action in the matter till 1992 and no comprehensive survey was conducted prior to 1992.

Neither was any attention given to the PAC and Estimate Committee's recommendations in the matter of preparation of reliable estimated demand for employment during various seasons in a year nor any action for preparation of the estimates of unemployed/under-employed persons from families living below the poverty line and registering the workers and issuing them identity cards was taken.

The Directorate stated (June 1994) that the people living below poverty line were identified by the Blocks conducting house hold surveys every year in connection with the IRDP. The BPL families as identified under IRDP became the beneficiaries under JRY to get wage employment during agricultural lean season.



### 3.1.6 Finance and Expenditure

#### Funding pattern

The expenditure of the programme was to be shared by the Centre and State in the ratio 80:20. Six per cent of the resources was to be earmarked for Indira Awas Yojana and 20 per cent for Million Wells Scheme. Two per cent of annual allocation was allowed to be spent on administrative/contingent expenditure at Staff/ District/Block and Village Panchayat level. The DRDA can spend up to a maximum of Rs.5 lakhs on training of officials/non officials.

Atleast 60 per cent (50 per cent upto 1989-90) of the sources have to be spent on the wage component. The State Government are also to provide foodgrains to workers as part of their wages (which is compulsory from 1992-93).

A maximum of 10 per cent of the allocation can be used for incurring expenditure on maintenance of assets.

Funds to village panchayats will be distributed by DRDA within one week of its receipt from the State Government and it shall be spent by the VPs during the same year. If carry over funds are more than 25 per cent, the DRDA can impose a cut to the extent of the amount retained.

The yearwise release of fund by Central/State Government, expenditure thereagainst on the scheme and opening and closing balance are as under :-

Year	Opening balance	Release of fund		Misc.receipts (interest etc)	Total		Closing balance
		Central	State		Fund (including interest)	Expenditure	
( Rupees in lakhs )							
1989-90	-	245.72	61.43	-	307.15	95.50	211.65
1990-91	211.65	251.31	77.38	-	540.34	223.75	316.59
1991-92	316.59	27.05	47.30	18.68	409.62	221.17	188.45
1992-93	188.45	131.34	86.90	33.26	439.95	234.80	205.15
1993-94	205.15	<u>127.74</u>	<u>65.00</u>	-	397.89	<u>191.60</u>	206.29
		783.16	338.01	51.94		966.82	

Thus between Rs.188 lakhs to Rs.317 lakhs remained unspent at the end of each year during the period from 1989-90 to 1993-94, reasons for which were not stated (October 1994).

#### (a) Excess expenditure on salary of staff

According to guidelines, DRDAs can spend up to a maximum of 5 per cent (revised to 2 per cent) from 1991-92 of the annual allocations on the



administration/contingencies.

Test-check of records of the Directorate revealed that the expenditure on administration exceeded the prescribed limit as indicated below:-

Year	Allocation of fund	Amount to be spent on admn./contingen- cies	Actual Expenditure	Excess Expenditure
(Rupees in lakhs)				
1989-90	307.15	15.36	17.22	1.86
1990-91	330.67	16.53	21.85	5.32
1991-92	330.68	6.61	22.80	16.19
1992-93	327.73	6.55	23.00	16.45
1993-94	338.00	<u>6.76</u>	<u>27.82</u>	<u>21.06</u>
		51.81	112.69	60.88

Thus expenditure on salary of staff (Rs.112.69 lakhs) exceeded by Rs.60.88 lakhs over the prescribed limit (Rs.51.81 lakhs) during the period from 1989-90 to 1993-94. Reasons for such excessive expenditure have not been intimated (October 1994).

**(b) Delay in release of Central and State share**

The State Government is required to release the grants to the DRDAs within a week after the release of the Central assistance along with its own matching share.

Records, however, revealed that there was delay in release of Central and State share ranging from 2 to 6 months (Appendix I)

Similarly, DRDAs, Bomdila and Tawang took 1 to 17 months and 2 to 6 months respectively in releasing funds to Anchal Samities. Reasons for delay were not stated (October 1994).

**(c) Diversion of JRY funds at DRDAs level**

As per scheme, diversion of resources from one district to another and also from one village Panchayat to another, is not permissible.

Test-check of records at DRDAs level revealed diversion of resources to other purposes not falling under the purview of the scheme in the following cases:-

(i) During 1992-93 and 1993-94 DRDA, Ziro spent a total amount of Rs. 2.42 lakhs for construction of Semi-permanent type production centre building of the District Industries Centre, Ziro. The building was meant for strengthening the departmental infrastructure to accommodate inputs of knitting, carpentry etc. under the Deputy Director, District Industries Centre, Ziro.



The proposal for construction of Production Centre Building was initiated at DRDA level at the instruction of the Deputy Commissioner-cum-Chairman, DRDA, Ziro and administrative approval and financial sanction to the proposal was also accorded by him.

Utilisation of JRY funds for strengthening the infrastructure of the Sectoral department of the State Government by the DRDA was irregular and deprived the target group of the benefit.

(ii) During 1991-92 to 1993-94 DRDA, Ziro diverted a total amount of Rs. 4.00 lakhs from JRY funds towards construction of TRYSEM building of District Industries Centre, Ziro. Any infrastructural development under TRYSEM was to be met from the allocation of IRDP and such diversion of funds from JRY was not permissible and has deprived the target group of the benefit.

(iii) DRDA, Khonsa spent Rs. 0.38 lakh during 1993-94 towards procurement of family cards (15000) required under Employment Assurance Scheme (EAS) out of JRY interest money at the instance of the Directorate.

The issue of instruction by the Directorate that expenditure on family cards should be met either from IRDP Administrative infrastructure expenses or from JRY Administration expenses/contingent charges was not in order.

**(d) Non-submission of final accounts against advance payment**

DRDA, Tawang made advance payment of Rs.4.65 lakhs (January to March 1991) to the Executive Engineer, Rural Works Division (RWD), Tawang for construction of 38 houses (estimated cost of each house :Rs. 12,100) under IAY, reportedly under the direction of the State Government. Final accounts against the advance payment were not submitted as of June 1994.

**(e) Opening of Term Deposit Account**

According to JRY Manual, the JRY funds are required to be kept in the bank or a post office in an exclusive and separate savings bank account by the DRDAs/Village Panchayats. But contrary to this provision, the DRDA, Pasighat opened a term deposit account of Rs. 15 lakhs for one year with the State Bank of India, Pasighat on 15 November 1991 as per orders of the Deputy Commissioner-cum-Chairman, DRDA, Pasighat.

**(f) Excess expenditure under Social Forestry Work**

DRDA, Khonsa spent Rs. 6.41 lakhs during 1991-92 on creation of Social Forestry out of the available fund of Rs. 11.57 lakhs against the permissible limit of Rs. 2.89 lakhs (25 per cent of Rs. 11.57 lakhs) as per scheme.

Project Director, DRDA, Khonsa stated (June 1994) that the work of Social Forestry was not incorporated in the Annual Action Plan for 1991-92 due to non-receipt of demands from Anchal Samities in time and the work was



undertaken as per demand from the poor people, which resulted in excess expenditure. It was further stated that the specified norm will be adhered to in future.

**(g) Excess expenditure on stationery**

Village Panchayats/Anchal Samities may incur an annual expenditure upto a maximum of Rs. 250 out of JRY resources for purchasing stationery items.

Scrutiny of records at DRDA, Along revealed that Rs. 31,900 was spent on office stationery for Executive Officers, Anchal Samities Offices during 1993-94 (against 3 supply orders) as against the prescribed amount of Rs. 250. The amount was appropriated from the provision against JRY Training Programme. This has thus, resulted in excess expenditure of Rs.31,650. Besides, according to the financial power vested with DRDA, a maximum of Rs. 2000 in each case per annum can be spent on office stationery while the Deputy Commissioner-cum-Chairman can sanction upto Rs. 3000 in each case per annum. The expenditure incurred was, therefore, irregular.

**3.1.7 Physical Progress**

(i) According to the scheme, physical targets were to be achieved under the following sectors :-

- A. Directly Productive Economic Assets
- B. Social-Economic Community Welfare Assets
- C. Indira Awas Yojana
- D. Million Wells Scheme
- E. Social Forestry

Year-wise expenditure reported to the Government of India on the above sectors/groups was as shown below :-



## Expenditure during

Sectors	1989-90	1990-91	1991-92	1992-93	1993-94
	(Rupees in lakhs)				
(i) Directly Productive economic assets	5.27	21.43	13.97	35.22	28.69
Percentage to total expenditure	(7)	(11)	(7)	(17)	(18)
(ii) Socio-Economic Community Welfare Assets	64.50	158.92	138.93	103.70	67.01
Percentage to total expenditure	(83)	(79)	(70)	(49)	(41)
(iii) Indira Awas Yojana	4.68	7.85	31.22	37.13	26.88
(iv) Million Wells Scheme	NIL	NIL	NIL	17.80	39.00
(v) Social Forestry	<u>3.03</u>	<u>13.70</u>	<u>14.25</u>	<u>17.95</u>	<u>2.20</u>
	77.48	201.90	198.37	211.80	163.78

The percentage of expenditure on directly Productive assets ranged between 7 and 18 while on Socio-Economic Welfare assets varied between 41 and 83 to the total assets during the period from 1989-90 to 1993-94, though the Estimate Committee of the 10th Lok Sabha recommended (April 1993) that priority should be given to directly productive investment in items like irrigation, watershed development, afforestation, etc. which are labour intensive at construction as well as at post construction stages.

## (ii) Creation of durable assets by Anchal Samities

Test-check of records at Block level indicated that despite clear direction in the scheme for the creation of need based durable assets for the benefit of the rural poor, achievements were insignificant as indicated below:-

In Ziro I Block of Lower Subansiri district the percentage of durable assets created during 1992-93 and 1993-94 was as shown below :-

Year	Value of total works done (Rupees in lakhs)	Value of durable assets created (Rupees in lakhs)	Percentage of durable assets created
1989-90	3.22	2.13	66
1990-91	9.15	2.27	25
1991-92	0.99	0.11	11
1992-93	2.49	0.09	4
1993-94	3.19	0.18	6

It would be seen that the percentage of durable assets created were 4 and 6 per cent during 1992-93 and 1993-94 respectively with reference to total assets created. No reasons were furnished for the low percentage of productive durable assets.



**(iii) Creation of productive assets**

The Estimate Committee of the 10th Lok Sabha observed (April 1993) that no explicit focus on prioritisation of assets being created under the JRY and recommended that care should be taken that these works dovetail with an overall plan for development of each region under which priority should be given to directly productive investment in items like irrigation, watershed development, afforestation etc., which are labour intensive at construction as well as at post construction stages.

Test-check of records of DRDA/Anchal Samiti level revealed deficiencies in the creation of economically productive assets.

(a) DRDA, Khonsa released Rs.41.62 lakhs to the Anchal Samities during 1989-90 to 1992-93 for taking up different types of work under JRY. The percentage of work done in terms of expenditure by the Anchal Samities is indicated below :-

	Percentage of work done (1989-90 to 1992-93)
1. Social Forestry	11 to 22
2. Porter track/Link Road	31 to 60
3. Construction of Community Hall/School	3 to 19
4. Construction/Development of Play ground	15 to 34

Thus high priority was given to construction of porter track/link road which are Kuchha, non-durable and unproductive. There was no proper planning for the works to be taken up keeping in view the observations made by the Estimate Committee.

(b) Lumla Anchal Samiti under DRDA, Tawang received Rs.4.16 lakhs during 1989-90 as Panchayat share for implementation of JRY. Out of this, Rs.1.37 lakhs was spent on construction of footpath between February 1990 and March 1990. This constituted 43 per cent of the total assets created under the Yojana and footpaths can not be classified as durable assets. The footpaths were also not formally handed over to PWD/RWD for future maintenance.

(c) DRDA, Pasighat spent Rs.9.05 lakhs (54 per cent) and Rs.3.82 lakhs (32 per cent) out of the total expenditure of Rs.16.85 lakhs and Rs.12.06 lakhs during 1990-91 and 1991-92 respectively on the construction of link road (Kuchha), which are not considered as durable assets under JRY.

**(iv) Wage and Non-Wage Components**

Total expenditure on Wage/Non-wage components and their ratio during the period from 1989-90 to 1993-94 are given below :-



Year	Total Expenditure	Stipulated ratio	Expenditure on wage component	Expenditure on non-wage component	Ratio between wage and non wage component
					(Rupees in lakhs)
1989-90	95.50	50 : 50	66.85	28.65	70 : 30
1990-91	223.75	60 : 40	152.15	71.60	68 : 32
1991-92	221.17	60 : 40	130.49	90.68	59 : 41
1992-93	234.80	60 : 40	133.84	100.96	57 : 43
1993-94	191.60	60 : 40	134.12	57.48	70 : 30

Expenditure towards wage component fell short of the prescribed limit during 1991-92 and 1992-93.

Test-check of records of Dirang Anchal Samiti under DRDA, Bomdila revealed that in the construction of primary school building at Thembang under JRY a total sum of Rs.1.04 lakhs (wage Rs.0.41 lakh material Rs.0.63 lakh) i.e., in the ratio of 39:61 between wage and non-wage component, was spent during March 1992. Thus, the approved norms were not maintained in this work. The other irregularities noticed were as under :-

- (a) There was delay ranging from one to four months in payment of wages to the labourers.
- (b) The fund to meet the cost of construction was diverted from IAY.
- (c) The delivery challans in support of delivery of materials could not be produced to audit.

**(v) Irregularities in execution of works under JRY**

Test-check of records at DRDA, Pasighat relating to different works executed under JRY by the Blocks/Anchal Samities during 1989-90 and 1990-91 revealed the following irregularities.

- (a) Works like construction of porter tracks, link road, bridges etc. were got done by the Village labourers through Muster Rolls by the Extension Officer (Engg.), who was the technical staff in the Block/Anchal Samiti. No reference of the Measurement Book or record of completion certificate was found in the Muster Rolls.
- (b) In many cases the date of commencement of the work was not recorded in the Muster Rolls, in the absence of which it was not judicious on the part of the DRDA to pass the amount of the Muster Rolls.
- (c) No list of beneficiaries was found appended to the Muster Rolls and as such Audit could not examine the bonafide of the labourers as beneficiaries for the scheme.
- (d) Not a single female labour was selected and engaged in the work.



(e) Out of the total value of the work done during 1989-90 and 1990-91 for Rs. 5.48 lakhs, the following irregularities were noticed in respect of payment vouchers for Rs.4.31 lakhs.

Muster Rolls were prepared for a period more than 15 days and even for a month. Thus, there was abnormal delay in making payment of wages to the labourers. In respect of the works under Social Forestry the labour payment was deferred for a year or more depriving the poor labourers of their due wages.

(vi) **Irregularities in payment of wages**

Scrutiny of records of DRDA, Along revealed that for the construction of School Buildings of Operation Black Board (OBB) under JRY, wages were paid at higher rates ranging from Rs. 22.32 per day to Rs. 27.25 against the prevalent minimum wage of Rs. 19 in the State. For construction of two School Buildings, Rs. 2.23 lakhs was paid in March 1994 as wages for 9333 (unskilled) mandays resulting in an extra expenditure of Rs. 45,177 (Rs. 2,22,504 - Rs. 19 X 9333).

**3.1.8 Generation of employment**

(a) The year-wise physical target fixed in terms of mandays of employment and achievement made thereagainst are indicated below :-

Year	Target	Achievement	Shortfall	Percentage of shortfall
		(Mandays in lakhs)		
1989-90	9.60	7.25	2.35	25
1990-91	12.41	8.66	3.75	30
1991-92	12.40	6.53	5.87	47
1992-93	10.01	6.52	3.49	35
1993-94	10.01	4.85	5.16	52

The percentage of shortfall in achievement ranged from 25 to 52 during 1989-90 to 1993-94. Reasons for shortfall have not been stated (October 1994).

(b) JRY provided for special safeguard for women beneficiaries below the poverty line and accordingly 30 per cent of the employment opportunities were reserved for women. The percentage of participation of women workers during 1990-91 to 1992-93 was as shown below:-



Year	Total generation of employment	Participation of women workers (Mandays in lakhs)	Percentage of women workers	Percentage of shortfall
1990-91	8.66	0.51	6	24
1991-92	6.53	0.68	10	20
1992-93	6.52	1.40	21	9
1993-94		Not available		

The percentage of shortfall in participation of female workers ranged between 9 and 24 during 1990-91 to 1992-93. The reasons for the shortfall have not been intimated (October 1994).

### 3.1.9 Other components

#### (a)(i) Indira Awas Yojana (IAY)

The objective of the Yojana is to provide houses free of cost to members of SCs/STs and freed bonded labourers below the poverty line. Houses are to be built in clusters with common facilities.

No design for IAY is prescribed except that the plinth area of the houses under the Yojana should be 17-20 sq.mt. with kitchen, smokeless chullah and the sanitary latrine unit.

(b) Yearwise fund allotted and expenditure vis-a-vis physical targets and achievements under the Yojana are shown below:

Year	Fund	Expenditure (Rupees in lakhs)	Number of houses	
			Target	Achievement
1989-90	18.43	4.68	100	99
1990-91	41.94	7.85	190	68
1991-92	-	31.22	278	233
1992-93	40.88	37.13	282	218
1993-94	9.58	26.44	133	120
Total	110.83	107.32	983	737

The percentage of shortfall in respect of financial achievement was 3 while the physical achievement was 25.

#### (ii) Improper implementation of IAY

DRDA, Pasighat paid Rs.1.16 lakhs to the BDO, Yingkiang by cheque in February 1992 for construction of 8 units of low cost houses under IAY during 1990-91 and sanctioned in May 1991.



Scrutiny of records revealed that the houses were constructed at higher cost (Rs.0.69 lakh per unit) than the prescribed limit (Rs.0.15 lakh per unit). The excess (Rs.0.54 lakh per unit) was borne by the beneficiaries, which shows that the real beneficiaries below the poverty line were deprived of the benefit of the scheme.

**(b) Million Wells Scheme (MWS)**

The objective of the Million Wells Scheme (MWS) is to provide open irrigation wells free of cost to poor, small and marginal farmers belonging to SCs/STs and freed bonded labourers. Where wells are not feasible due to geological factors, the amounts allotted under MWS may be utilised for other schemes of minor irrigation, etc.

In the State the MWS was being implemented only from 1992-93. Out of the total available fund of Rs.96.47 lakhs during 1992-93 and 1993-94, Rs.57.23 lakhs (59 per cent) was spent on the construction of 70 minor irrigation canals/wells. Neither was any survey as envisaged conducted nor target fixed.

**(c) Operation Black Board(JRY)**

**(i) Construction of School buildings under Operation Black Board(JRY)**

As a component of JRY the construction of school buildings under Operation Black Board (OBB) is also envisaged.

The State Government sanctioned Rs.4.52 lakhs being Education Department's share for construction of 5 school buildings at different locations under DRDA, Bomdila in February 1993. The estimated cost of 5 school buildings was Rs.11.29 lakhs, out of which Education Department's share was Rs.4.52 lakhs (40 per cent) and JRY share was Rs.6.70 lakhs (60 per cent). The JRY share was again apportioned between centre and state on 80:20 basis i.e., central share Rs.5.42 lakhs and state share Rs.1.35 lakhs. The Government sanctioned state share of Rs.1.35 lakhs in March 1994.

Though Rs.1.35 lakhs was utilised on purchase of building materials (March 1993), not a single school building was completed as of June 1994 mainly due to non-release of central share of Rs.5.42 lakhs. The construction work was carried out between April 1993 and February 1994 by engagement of labour, but huge amount of wages (Rs.1.02 lakhs) remained unpaid (June 1994) for want of fund. Thus, the very purpose of the scheme of income generation to the un-employed/ underemployed persons has been defeated because of delay in payment of wages.

**(ii) Construction of two school buildings under OBB (JRY) at Pankeng and Mori Village under DRDA, Along**

The Government released (19 February 1993) Rs.3.06 lakhs as Education Department's share for the construction of two school buildings at Pankeng and Mori under DRDA, West Siang, Along. The estimated cost of the



buildings was Rs.3.65 lakhs for Pankeng and Rs.4 lakhs for Mori. The JRY share for these buildings was Rs.4.59 lakhs.

The expenditure on the works was as under :-

	Wage	Materials (R u p e e s)	Total	Ratio	Mandays
Pankeng	1,11,186	2,53,291	3,64,477	30:70	4318
Mori	1,11,318	2,88,477	3,99,765	27:73	5015

It would be seen from the above that against the prescribed ratio of 60:40 between wage and non-wage component, the expenditure was incurred at the ratio of 30:70/27:73. The labour rate paid for the work varied from Rs.22 to Rs.27 against the prescribed rate of Rs.19 under minimum wage act. Reasons for non-adherence of the prescribed ratio have not been intimated (October 1994).

### 3.1.10 Monitoring and evaluation

There was no separate monitoring cell for the scheme. During 1993-94, the Government of India sanctioned 31 technical posts at various levels which remained unfilled (June 1994). In the absence of technical staff, the technical aspects could not be fully ensured because of total dependance on line departments.

No evaluation studies could be initiated so far (June 1994) reportedly due to shortage of manpower and fund.

To assess the impact of the programme, concurrent evaluation was conducted by the Ministry through the Agricultural Finance Corporation Ltd. (January to June 1992) covering all the districts in the Country. The findings of the concurrent evaluation of the State indicated mainly lack of training of Panchayat Chiefs, poor coverage of women beneficiaries, poor quality of assets acquired, delays in works and payment of wages. There was no follow up action on the remedial measures suggested by the State Government (September 1993) on these findings.

The above points were brought to the notice of Government in August 1994; reply has not been received (October 1994).

## Finance Department

### 3.2 Misappropriation, losses, etc.

Twentythree cases of misappropriation, losses, etc., of Government money amounting to Rs.12.76 lakhs, reported to Audit up to March 1994, on which final action was pending at the end of June 1994 are as under :-



<u>Particulars</u>	<u>Number</u>	<u>Amount</u> (In lakhs of rupees)
(i) Cases awaiting departmental action	10	7.61
(ii) Cases in court of law	4	3.29
(iii) Cases awaiting orders for recovery or write off	<u>9</u>	<u>1.86</u>
Total:-	23	12.76

Departmentwise analysis of outstanding cases in which final action was pending at the end of June 1994 is given in Appendix-II.

The matter was reported to Government in August 1994; reply has not been received (October 1994).



## CHAPTER IV

### WORKS EXPENDITURE

#### Public Works Department

#### 4.1 Excess payment

In February 1990, the Executive Engineer, Banderdewa Store Division executed 2 agreements with 2 carriage contractors 'A' and 'B' for carriage of cement, bitumen, steel and other engineering materials by road from Assam, Bihar, Bengal and various other places to all the designated stations of the Public Works Department (PWD) stockyards in Arunachal Pradesh as per tenders approved (February 1990) by the Chief Engineer (CE), Zone - I (PWD). The agreements inter alia also provided the element of Railway Wagon Clearance charge (RWCC) at Rs.30 per tonne apart from the separate cartage rates and the time-schedule of 1 year. Cartage rates agreed initially were enhanced due to price escalation by 20 per cent from November 1990 by the CE and the validity of the agreements was last extended upto August 1992 as per communication (January 1992) of the Superintending Engineer. But no revision in the prevailing agreed rate (Rs.30 per tonne) of RWCC was effected as confirmed by the Chief Engineer (June 1994).

It was seen in audit (September 1993) that the Divisional Officer paid RWCC of Rs.0.90 lakh in 12 vouchers and Rs.1.02 lakhs in 13 vouchers to 'A' and 'B' during March 1992 to July 1992 against their respective agreements in force (August 1992) in excess of the agreed rate (Rs.30 per tonne) by allowing 20 per cent enhancement on RWCC.

The matter was reported to Government in December 1993; reply has not been received (October 1994).

#### 4.2 Non recovery of mobilisation advance and cost of materials

The work "Construction of permanent 'T' beam RCC bridge over river Khondakhowa on NH 52A" was awarded (December 1990) by the Naharlagun Public Works Division to a Guwahati based firm at their tendered rate of Rs.28.56 lakhs against the estimated cost of Rs.18.59 lakhs. The firm was paid mobilisation advance of Rs.2.86 lakhs (December 1990) against which some machines (cost: Rs.3.50 lakhs) were pledged by the contractor (May 1991). The firm took up the work in January 1991 and, after executing a portion of the work valued at Rs.8.25 lakhs expressed (April 1992) their inability to execute further work for want of requisite machinery although the contractor was to provide/arrange machinery at his own cost. The division rescinded the contract (June 1992) and took up the balance work through another agency at no extra cost (December 1993).

Test check (January 1993) revealed that at the time of rescission of the contract, Rs.5.28 lakhs (unrecovered amount of mobilisation advance :Rs.2.36 lakhs; materials not utilised/returned :Rs.2.92 lakhs) was recoverable from the firm of which an amount of Rs.1.04 lakhs (value of work done but not paid:



Rs.0.24 lakh; security deposit :Rs.0.60 lakh; earnest money :Rs.0.20 lakh) and machines worth Rs.3.50 lakhs were available for adjustment and Rs.0.74 lakh was due to be recovered from the firm. The division stated (December 1993) that there was no scope left for the division to recover the same.

The matter was reported to Government in March 1993; reply has not been received (October 1994).

#### **4.3 Unfruitful expenditure of Rs.8.44 lakhs due to change of alignment of road**

Formation cutting from 10.765 Km to 11.150 Km inter alia of the Itanagar- Gohpur Road was executed by the Capital Division 'B' at a cost of Rs.8.44 lakhs prior to December 1989 and the entire road work was transferred to Nirjuli Division (December 1989). The C.E., Zone II during inspection of the road (May 1991) observed that the formation level from 10.765 Km to 11.150 Km was not in proper gradient and on his advice, the Executive Engineer, Nirjuli Division submitted (October 1991) an estimate for Rs.25.77 lakhs for improvement of gradient of the road in the above chainages, which was, however, not sanctioned by NEC (June 1994).

Scrutiny of "Alignment Plan" of the proposed work revealed that the estimate for improvement of the road was actually for construction of a parallel road in a new alignment by the side of the above portion of the road. The work in the new alignment had been taken up (May 1991) departmentally and was completed (February 1992) at a cost of Rs.20 lakhs. The Division stated (May 1993) that the old alignment was abandoned and was not usable. Change of alignment attributed (April 1994) by the Department was to avoid the horizontal and sharp curves.

Thus, failure of the Department to conduct proper survey for fixing the alignment and grade etc. resulted in unfruitful expenditure of Rs.8.44 lakhs.

The matter was reported to Government/Department in July 1993; replies have not been received (October 1994).

#### **4.4 Wasteful expenditure on survey and investigation**

For Survey and Investigation of Itanagar-Gohpur Road, North Eastern Council (NEC) had sanctioned (August 1978) an amount of Rs.1.21 lakhs. Accordingly, preliminary survey for a length of 11 Km in place of the proposed 23 Km was conducted in 1978 at a total cost of Rs.3.27 lakhs.

As the survey details of 1978 was not traceable, a fresh survey was taken up in two stages in December 1981 and November 1982 and completed during the later half of 1981-82 and 1983-84 respectively at a total cost of Rs.4.71 lakhs by charging the same directly to the work "Formation Cutting-Phase I" and without obtaining fresh sanction from the NEC.

Thus, expenditure of Rs.3.27 lakhs incurred on the earlier survey



was wasteful.

The matter was reported to Government/Department in July 1993; replies have not been received (October 1994).

#### **4.5 Excess payment**

The distances between the designated points at Guwahati and the designated points of Public Works Department(PWD) stock-yards as approved (August 1991) by the State Government for movement of materials were 335 km, 489 km and 516 km (Banderdewa, Likabali and Margherita) respectively. The carriage bills however, preferred by 2 carriage contractors "A" and "B" indicated inflated distances ranging between 23 km and 25 km in 14 cases with respect to the 3 destinations mentioned above. The Division admitted those inflated claims and paid Rs.1.03 lakhs in 4 cases and Rs.3.02 lakhs in 10 cases respectively during the period from June 1992 to July 1993. This resulted in excess payments to the tune of Rs.4.05 lakhs in 14 vouchers test checked in Audit (September 1993).

The matter was reported to Government in December 1993; reply has not been received (October 1994).

### **Rural Works Department**

#### **4.6 Unproductive expenditure**

The work "Construction of minor Irrigation Project at Yusum" to irrigate 67 hectares of land at a cost of Rs.11.97 lakhs (revised to Rs.25.55 lakhs in December 1989) was taken up by the Rural Works Division, Tawang in February 1986 with the stipulation to complete the same within 2 years.

Test-check of records (May 1993) revealed that the division had completed formation cutting of irrigation channel (2200 metres) and cement concrete work (1515 metres) till January 1992. Other items of work, viz. headwork, intake tank, etc. remained to be taken up as of May 1993. Non-completion of the project even after a lapse of 7 years has resulted in the total expenditure of Rs.22.61 lakhs (March 1993) becoming unproductive, besides defeating the very objectives of the Scheme.

The matter was reported to Government in July 1993; reply has not been received (October 1994).

#### **4.7 Wasteful expenditure**

The Government accorded administrative approval (November 1986) to the construction of Minor Irrigation Project (MIP) at Paidhar at an estimated cost of Rs.2.58 lakhs (revised to Rs.4.70 lakhs in March 1991).



The site of the Project was inspected by the Executive Engineer (May 1988) who reported that the land on which the alignment of the MIP passed through was unstable and instructed the Assistant Engineer to prepare technical estimate for the stability of land as well as MIP channel. However, without obtaining technical sanction, the Tawang Division executed the formation cutting and cement concrete works of the Project between October 1989 and November 1990 at a cost of Rs.2.76 lakhs. Execution of further works was kept in abeyance since monsoon of 1990 when the channel was washed away and the matter was reported to the higher authorities (April 1991). The Division intimated (July 1994) that the scheme was finally abandoned as the channel had been washed away completely during the flood/monsoon of 1990.

Thus, execution of works without obtaining technical sanction rendered the expenditure of Rs.2.76 lakhs wasteful.

The matter was reported to Government in July 1993; reply has not been received (October 1994).



## CHAPTER V

### STORES AND STOCK

#### Public Works Department

##### 5.1 Unutilised spare parts worth Rs.4.67 lakhs

In pursuance of orders (November 1989) the work "Construction of Itanagar - Gohpur Road " was transferred (December 1989) from Capital 'B' Public Works Division to Nirjuli Public Works Division and accordingly the only bull-dozer (D120) purchased (March 1986) at a total cost of Rs.18 lakhs by charging the work alongwith spareparts worth Rs.5 lakhs, was also transferred in April 1990. However as per records the Nirjuli Division declined to take over bull dozer spare parts (52 items) worth Rs.4.67 lakhs which were also purchased by the former Division between February 1987 and October 1987. The Nirjuli Division had not taken over the spare parts (July 1994) despite instructions of the SE as the same were not good for use.

The Department stated (September 1994) that procurement and utilisation status of the spare parts were under investigation. Further developments have not been intimated (October 1994).

##### 5.2 Blockage of fund

Test-check of records (April 1993) revealed that Bomdila Public Works Division purchased (April 1983 to February 1988) materials like steel wire rope, angle, copper coated wire etc. valued at Rs.1.96 lakhs without assessing the requirement. The entire materials so purchased remained unutilised as of April 1993 with the Division, resulting in unnecessary blockage of Government fund. The division stated (July 1994) that considering the remoteness of the area, materials were kept in stock for use as and when required for urgent restoration works. It was further stated that as the materials were lying idle for a considerable time, efforts were made to transfer the same to other Divisions. Further developments were, however, not intimated (October 1994).

The matter was reported to Government in July 1993; reply has not been received (October 1994).

##### 5.3 Splitting up of purchases

According to codal provisions, tenders should invariably be invited from suppliers when the estimated cost is Rs. 5000 or more. Further, a Superintending Engineer(SE) has been delegated with financial powers to make local purchases of stores upto Rs. 60,000 per item, subject to a ceiling of Rs. 4 lakhs per annum per division under his Circle. This limit for direct purchases also applies to the value of each article or class of similar articles or inter-connected articles purchased at one time. The indents should, under no circumstances, be split up to bring them within the prescribed limits.



It was, however, noticed (September 1993) that the SE, Capital Circle (CC) before his retirement (March 1993) issued random supply orders to various firms by splitting up purchases of various articles like silicagel (Rs. 1.49 lakhs), paints and oils (Rs. 2.17 lakhs), glass panes (Rs. 1.18 lakhs), fibre corrugated sheets (Rs. 7.02 lakhs), other building materials (Rs. 6.83 lakhs), water supply materials (Rs. 19.36 lakhs) and bitumen emulsion (Rs. 12.36 lakhs) amounting to Rs. 50.41 lakhs during the year 1991-92 (Rs. 22.77 lakhs) and 1992-93 (Rs. 27.64 lakhs) to restrict the amount of each order within his delegated power. Though the value of total quantity of each article purchased at a time far exceeded the prescribed ceiling, tenders were not invited even in a single case.

Further, the Department did not assess any requirement as such, nor could the Banderdewa Public Works Store Division, justify its requirement for their future use, as no demand was ever placed with the Central Store Division at Banderdewa by any of the executing divisions for such materials, nor were those materials utilised in any work till the date of Audit (September 1993). The Division had not furnished even the first reply to the report, nor had the Department confirmed (November 1994) the above points in spite of specific communication (August 1994).

The matter was reported to Government in December 1993; reply has not been received (October 1994).



## CHAPTER VI

### REVENUE RECEIPTS

#### A-GENERAL

##### 6.1 Trend of revenue receipts

The total receipts of Government of Arunachal Pradesh for the year 1993-94 were Rs.663.17 crores against the anticipated receipts of Rs.551.57 crores. Out of the total receipts of Rs.663.17 crores revenue raised by the State Government amounted to Rs.87.58 crores, of which Rs.3.63 crores represented tax revenue and Rs.83.95 crores non-tax revenue.

##### 6.2 Analysis of revenue receipts

(a) An analysis of the receipts during the year 1993-94, alongwith corresponding figures for the preceding two years, is given below :-

	1991-92	1992-93	1993-94
	( In crores of rupees )		
I. Revenue raised by State Government			
(a) Tax revenue	4.09	4.54	3.63
(b) Non-tax revenue	<u>49.21</u>	<u>54.42</u>	<u>83.95</u>
Total :	53.30	58.96	87.58
II. Receipts from Government of India			
(a) State's share of divisible union taxes	97.41	115.96	149.58
(b) Grants-in-aid	<u>284.12</u>	<u>322.21</u>	<u>426.01</u>
Total :	381.53	438.17	575.59
III. Total receipts of State (I + II)	434.83	497.13	663.17
IV. Percentage of (I to III)	12	12	13

##### (b) Tax revenue raised by the State

Receipts from tax revenue constituted 4 per cent of State's own revenue receipts during the year 1993-94. Details of tax revenue for the year 1993-



94 and those of the preceding two years are given below :-

	1991-92	1992-93	1993-94	Percentage of Increase (+) Decrease (-) with reference to 1992-93
(In lakhs of rupees)				
1. State Excise	199.45	192.71	145.03	(-) 25
2. Land Revenue	83.30	103.63	32.61	(-) 69
3. Taxes on Vehicles	44.20	52.01	66.41	(+) 28
4. Sales Tax	42.80	49.82	69.54	(+) 40
5. Other Taxes and Duties on commodities and Services	32.32	35.93	40.93	(+) 14
6. Stamps and Registration fees	6.77	10.81	8.56	(-) 21
7. Taxes and Duties on Electricity	0.27	0.14	0.03	(-) 79
Total :	409.11	445.05	363.11	

The reasons for variations though called for from the concerned department, have not been received (December 1994).

**(c) Non-tax revenue of the State**

The principal sources of non-tax revenue were Forestry and Wild Life, Road Transport, Interest Receipts, Power and Miscellaneous General Services which constituted 94 per cent of the revenue raised by the State during 1993-94.

Details of the non-tax revenue receipts under the principal heads of revenue for the year 1993-94 and the preceding two years are given below :-



	1991-92	1992-93	1993-94	Percentage of Increase (+) Decrease (-) with reference to 1992-93
(In lakhs of rupees)				
1. Forestry and Wild Life	2594.48	2847.79	3964.54	(+) 39
2. Non-Ferrous Mining and Metallurgical Industries	312.59	386.65	286.04	(-) 26
3. Road Transport	298.39	369.30	409.82	(+) 11
4. Interest Receipts	239.87	291.82	409.04	(+) 40
5. Power	312.53	290.57	569.45	(+) 96
6. Miscellaneous General Services	419.60	275.06	1717.13	(+) 524
7. Public Works	247.03	273.26	342.52	(+) 25
8. Others	120.42	193.10	159.70	(-) 17
9. Crop Husbandry	65.80	147.08	75.63	(-) 49
10. Other Administrative Services	96.76	133.61	209.49	(+) 57
11. Animal Husbandry	76.38	85.29	98.79	(+) 16
12. Education, Sports, Art and Culture	64.62	54.28	76.20	(+) 40
13. Village and Small Industries	42.32	50.22	52.45	(+) 4
14. Minor Irrigation	28.53	42.17	22.11	(-) 47
15. Other Rural Development Programme	1.48	2.27	2.24	(-) 1
Total :	4920.80	5442.47	8395.15	(+) 54

Reasons for substantial variations though called for from the concerned department, have not been received (December 1994).

### 6.3 Outstanding Inspection Report

Audit observation on incorrect assessments, under assessments, non-levy and short levy of taxes, duties, fees and other revenue receipts etc. and defects in initial records noticed during local audit and not settled on the spot, are communicated to the departmental authorities, heads of departments and also to Government, where necessary, through Inspection Reports with the request for a response within a month of receipt of the audit observations. In addition, statements showing details of audit observations remaining outstanding for more



than six months are sent to departments and Government in July each year for expediting their settlement.

(i) Revenue head wise analysis of outstanding inspection reports, number of audit observations and the money involved as at the end of June 1994 is given below :-

Revenue Head	Number of Inspection Reports	Outstanding audit observations	Money value (in lakhs of rupees)
State Excise	6	11	58.79
M.V.Taxes	16	30	12.03
Forests	57	171	650.69
Total :	79	212	721.51

(ii) Yearwise analysis of the outstanding reports, audit observations and the money value involved is also given below :-

Year	Number of Inspection Reports	Number of outstanding observations	Money value (in lakhs of rupees)
1987-88	12	25	29.77
1988-89	7	15	90.20
1989-90	14	37	146.56
1990-91	8	25	138.29
1991-92	13	44	114.61
1992-93	14	32	132.83
1993-94	11	34	69.25
Total :	79	212	721.51

(b) Out of 79 inspection reports (issued upto December 1993) which were pending for settlement as on 30th June 1994, even first replies had not been received (November 1994) in respect of 7 inspection reports containing 20 audit observations as per details given below :-

Revenue Head	Number of Inspection Reports	Number of audit objections	Money value (in lakhs of rupees)
Forest	4	9	58.38
M.V.Taxes	3	11	9.55
Total:	7	20	67.93



**B - FOREST DEPARTMENT****6.4 Loss of revenue due to giving undue benefit to mill owner**

Government of Arunachal Pradesh, Forest Department in their order (June 1989) issued detailed guidelines fixing the norms/rates to be charged for disposal of seized/drift timber. This includes usual royalty, additional royalty, departmental charges and actual or notional extraction cost upto the point of disposal. However departmental charges are not to be realised in case of allotment of timbers to the various industries against committed Government quota.

In course of scrutiny of seized timber register maintained in Deomali Forest Division, it was noticed (September 1993) that 137 logs (Hollong/Mekai) measuring 106.703 m<sup>3</sup> were allotted to a non-committed mill during 1991-92 and a bill for Rs.3.06 lakhs was preferred (March 1992). The bill was subsequently reduced to Rs.1.93 lakhs (August 1992) treating the allotment against committed Government quota. Thus due to grant of undue concession the department sustained a loss of revenue of Rs.1.13 lakhs.

The matter was reported to the department/ Government in January 1994, followed by reminders in March, May and July 1994; their replies have not been received (October 1994).



## CHAPTER-VII

### FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

#### 7.1 Grants

During the period from April 1993 to March 1994, Rs. 8.99 crores (about 2 per cent of the revenue expenditure during the period) were paid as grants as shown below:-

	Amount (In Crores of Rupees)
Educational Institutions	6.07
Other Institutions	<u>2.92</u>
Total:	<u>8.99</u>

The broad purposes for which the grants were given were as under:-

	Amount (In Crores of Rupees)
(a) Art and Culture	0.46
(b) Education	6.07
(c) Medical and Public Health	0.02
(d) Rural Development Programme	2.20
(e) Others	<u>0.24</u>
Total:-	<u>8.99</u>

#### 7.2 Financial assistance to Co-operative societies

Section 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 requires the Comptroller and Auditor General to scrutinise the procedures by which the authorities sanctioning grants or loans from the Consolidated Fund to any Body or Authority for any specific purpose satisfies themselves about fulfilment of the conditions subject to which such grants or loans were given. As per sub-section (2) of the said section, the Comptroller and Auditor General shall not, however, have the right of access to the books and accounts of any corporation to which any such grants or loan was given if the law by or under which such corporation has been established provides for the audit of accounts of such corporation by an agency other than



Comptroller and Auditor General. According to the Arunachal Pradesh State Co-operative Societies Act, 1978 the accounts of the societies are to be audited by Registrar, Co-operative Societies or by the person authorised by him for this purpose. As such, a review of the working of the Co-operative Societies was conducted on the basis of records, reports, returns, copies of audited accounts and balance sheets of the societies as available with the Registrar of Co-operative Societies. The results of the review are furnished in succeeding paragraphs.

(a) The State Government have been providing financial assistance to Co-operative Societies in the form of share capital, loans, grants/subsidy.

Details of investment in share capital during each year for three years ending 31 March 1993 were as under:-

Year ended 31 March	Number of* Societies	Investment Amount*	Dividend/Interest received during the year* ----- (No. of Societies which paid dividend)
( Rupees in lakhs )			
1991	199	187.79	1.41(11)
1992	203	202.66	2.12(12)
1993	207	206.14	0.79(14)

(b) Loans, grants and subsidies extended to the Co-operative Societies during three years ending March 1993 were as follows:-

Year ending 31 March	Opening balance	Loans disbursed	Loans repaid	Closing balance	Grants/ subsidies
( Rupees in lakhs )					
1991	232.41	39.14	17.66	253.89	47.46
1992	253.89	37.17	20.60	270.46	37.89
1993	270.46	46.94	26.80	290.60	34.61

\* The figures differ with the figures of Finance Accounts. The reasons for difference are under investigation.



**(c) Utilisation certificates for grants/subsidies**

Utilisation certificates in respect of the following amounts of grants and subsidies had not been received by the department (July 1994).

Year in which disbursed	Grants/Subsidies	
	No. of Societies	Amount (In lakhs of Rupees)
1990-91	4	28.75
1991-92	14	31.14
1992-93	13	20.01
Total : 31		79.90

**(d) Audit of accounts**

85 annual accounts of three years ending 31 March 1993 of 56 societies in 10 districts were in arrears as detailed below:-

Name of districts	No. of Societies	Annual accounts in arrears (numbers)			Total
		1991	1992	1993	
1. West Kameng	13	4	7	13	24
2. East Kameng	2	-	-	2	2
3. Popumpare	1	-	-	1	1
4. Lower Subansiri	6	1	3	6	10
5. East Siang	10	1	3	10	14
6. West Siang	1	-	-	1	1
7. Lohit	12	1	1	12	14
8. Dibang Valley	2	-	-	2	2
9. Tirap	4	1	1	4	6
10. Changlang	5	3	3	5	11
Total:56	---	11	18	56	85

Reason for such heavy arrears had not been intimated (July 1994).

(e) According to Co-operative Societies Rules, each society is required to pay audit fee as determined by the department before expiry



of the year. Audit fees amounting to Rs. 1.33 lakhs remained unrealised (July 1994) by the department for the period upto 1992-93.

(f) Scrutiny of audited balance sheets and the auditor's reports on the accounts of 28 co-operative institutions revealed the following facts:-

(i) During 1992-93, there were 10 cases of misappropriation involving Rs. 3.14 lakhs, but the amounts were not recovered (July 1994).

(ii) Accumulated shortage of stock was for Rs. 38.77 lakhs upto 1992-93 in respect of 17 societies. Action taken to ascertain the reasons for shortage and for the recovery of cost thereof was not stated (July 1994).

(iii) There were 14 defunct societies as on 31 March 1993 from whom Rs. 2.51 lakhs as outstanding loans and Rs. 2.53 lakhs as outstanding share capital were yet to be recovered.

The matter was referred to Government in September 1994; reply has not been received (December 1994).



## CHAPTER - VIII

### GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

#### 8.1 Introductory

Government commercial concerns the accounts of which are audited by the Comptroller and Auditor General of India fall under the following categories:

#### Government companies and

Departmentally managed Government commercial and quasi-commercial undertakings.

Paragraph 8.2 gives a general view of the Government companies, paragraph 8.3 deals with Departmentally managed Government commercial and quasi-commercial undertakings, paragraph 8.4 contains a review on the working of Director of Supply and Transport (Central Purchase Organisation), Arunachal Pradesh and paragraph 8.5 deals with miscellaneous topics of interest.

#### 8.2 Government companies-General view

8.2.1 As on 31 March 1994 there were five Government companies (including two subsidiaries) in the State viz. Arunachal Pradesh Forest Corporation Limited, Arunachal Pradesh Industrial Development and Financial Corporation Limited, Arunachal Pradesh Mineral Development and Trading Corporation Limited, Parasuram Cement Limited, (a subsidiary of Arunachal Pradesh Industrial Development and Financial Corporation Limited) and Arunachal Horticultural Processing Industries Limited (Subsidiary of Arunachal Pradesh Industrial Development and Financial Corporation Limited) as against equal number of Government companies as on 31 March 1993.

The Nocte Timber Company Limited, a subsidiary of Arunachal Pradesh Forest Corporation Limited had ceased to be a Government company with effect from 31 March 1992 following disinvestment of equity shares held by the Arunachal Pradesh Forest Corporation Limited (Holding Company).



**8.2.2** Appendix-III gives the particulars of paid-up capital, outstanding loans, amount of guarantee given by the State Government and amount outstanding thereagainst, up-to-date working results etc. of these Government companies as at the end of 1993-94.

The position is summarised below:

(a) The aggregate paid-up capital of these five companies as on 31 March 1994 stood at Rs.604.94 lakhs of which Rs.591.44 lakhs were invested by the State Government and Rs.13.50 lakhs by the holding company.

(b) The balance of long-term loans outstanding in respect of three companies as on 31 March 1994 was Rs.1144.25 lakhs (State Government:Rs.697.50 lakhs and others Rs.446.75 lakhs) as against Rs.966.57 lakhs (State Government:Rs.697.50 lakhs and others:Rs.269.07 lakhs) as on 31 March 1993.

A synoptic statement showing the financial results of all these companies based on the latest available accounts is given in Appendix-IV.

**8.2.3** None of the companies had finalised its accounts for the year 1993-94.

The position of arrears in the finalisation of accounts is summarised below:

Total	291.44	697.50	13.50	1195.00	251.75
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Due to arrears in finalisation of accounts the productivity of investment of Rs.1288.94 lakhs (Capital Rs.591.44 lakhs and loans Rs.697.50 lakhs) by the State Government in these companies was not known.

The delay in finalisation of accounts was last brought to the notice of the Chief Secretary to the Government of Arunachal Pradesh in April 1994.

The Companies Act, 1956 empowers the Comptroller and Auditor General of India to issue directives to the auditors of the Government companies in regard to the performance of their functions. Such directives were issued in respect of two companies during the year 1993-94. In pursuance of the directives

Cesses to be a Government Company with effect from 31 March 1992.



Sl. No.	Name of the Company	Extent of arrears	No. of years involved	Investment by					
				Government		Holding Company		Others	
				Capital	Loan	Capital	Loan	Capital	Loan
(Rupees in lakhs)									
1.	Arunachal Pradesh Industrial Development and Financial Corporation Limited	1984-85 to 1993-94	10	92.50	697.50	-	-	-	251.75
2.	Arunachal Pradesh Forest Corporation Limited	1990-91 to 1993-94	4	399.72	-	-	-	-	-
3.	Arunachal Pradesh Mineral Development and Trading Corporation Limited	1990-91 to 1993-94	4	99.22	-	-	-	-	-
4.	Parasuram Cement Limited (Subsidiary of the company at Sl. No.1 above)	1985-86 to 1993-94	9	-	-	13.50	72.59	-	-
5.	Arunachal Horticultural Processing Industries Limited (Subsidiary of the company at Sl.No.1 above)	1982-83 to 1993-94	12	-	-	00.002	122.41	-	-
*6.	Nocte Timber Company Limited (Subsidiary of the company at Sl. No.2 above)	1990-91 and 1991-92	2	-	-	-	-	-	-
Total				591.44	697.50	13.50	195.00	-	251.75

Due to arrears in finalisation of accounts the productivity of investment of Rs.1288.94 lakhs (Capital:Rs.591.44 lakhs and loans:Rs.697.50 lakhs) by the State Government in these companies was not known.

The delay in finalisation of accounts was last brought to the notice of the Chief Secretary to the Government of Arunachal Pradesh in April 1994.

The Companies Act, 1956 empowers the Comptroller and Auditor General of India to issue directives to the auditors of the Government companies in regard to the performance of their functions. Such directives were issued in respect of two companies during the year 1993-94. In pursuance of the directives

\* Ceases to be a Government Company with effect from 31 March 1992.



so issued, reports of the company auditors on the accounts of these two companies were received. The important points noticed in these reports are summarised below:

Sl. No.	Nature of defects	Numbers of company(s) in which defects were noticed	Reference to Sl. No. in Appendix III and IV
1.	Non-production of physical verification reports in respect of fixed assets, finished goods	1	2
2.	Internal audit system not commensurate with the size and nature of business	1	2
3.	Procedure of physical verification of stock not adequate and reasonable with the size and nature of business	1	1
4.	Non deposit of sales tax, excise duty within the stipulated period	1	2
5.	Revaluation of fixed assets not done	2	1&2

8.2.4 Under Section 619(4) of the Companies Act, 1956, the Comptroller and Auditor General of India has a right to comment upon or supplement the reports of the Statutory Auditors. Under this provision, the review of the annual accounts of the Government companies is conducted in selected cases.

During the year 1993-94, review of accounts of two companies was undertaken under Section 619(4) of the Companies Act, 1956. Some major errors and omissions noticed in course of such review of annual accounts not pointed out by Statutory auditors are given below:



**Arunachal Pradesh Forest Corporation Limited**  
**(Annual accounts for the year 1989-90)**

**Balance sheet**

**1. Fixed assets (Schedule 'A')  
 (Plantation) Rs.284.66 lakhs**

This includes expenditure of Rs.13.90 lakhs being the expenditure incurred on Cardamon Plantation which, as per physical verification conducted in March 1989, has been destroyed and is not in existence. This has not been disclosed separately.

**2. Investment-Rs.17.97 lakhs (Schedule 'B')**

The investment by the Company in share capital of its subsidiary should have been shown at cost or market value which ever is less in terms of Part I to Schedule VI of the Companies Act, 1956. The above investment includes Rs.7,22,330/- being the value of 72,233 bonus shares of Rs.10 each. Consequently, the investments and Capital Reserve have been overstated by Rs.7,22,330 each.

**3. Profit and Loss Accounts**

**Payment to and provision for employees  
 (Schedule 2.5)**

**Gratuity-Rs.6.79 lakhs**

This has been overstated by Rs.1.57 lakhs due to excess provision of gratuity in respect of 10 officers who were not entitled to gratuity in terms of the Gratuity Act, 1972 resulting in overstatement of net loss by the corresponding amount.

**8.3 Departmentally managed Government commercial  
 and quasi-commercial undertakings.**

8.3.1 Though the State Transport Services and the State Trading Scheme of the Supply and Transport Directorate are commercial in nature and are functioning as such, these have not so far been declared as commercial organisations by the Government (June 1994).

8.3.2 The proforma accounts of the State Transport Services have been prepared upto the year 1990-91 and as per latest accounts, the accumulated losses since inception of the transport services from 1975 to 1990-91 amounted to Rs.9.57 crores against the capital of Rs.14.66 crores.



8.3.3 The financial position of the State Transport Service for the last three years upto 1990-91 is summarised below:

1. Liabilities	<u>1988-89</u>	<u>1989-90</u>	<u>1990-91</u>
	(Rupees in lakhs)		
(a) Government capital	908.98	1142.14	1466.50
(b) Interest on Government capital	85.39	114.67	151.20
(c) Sundry creditors	<u>17.00</u>	<u>17.00</u>	<u>17.00</u>
Total	1011.37	1273.81	1634.70
2. Assets			
(a) Gross block	644.12	795.84	949.24
(b) Less Depreciation	186.08	247.00	303.27
(c) Net fixed assets	458.04	548.84	645.97
(d) Current assets, loans and advances	27.60	27.52	31.97
(e) Accumulated losses	<u>525.73</u>	<u>697.45</u>	<u>956.76</u>
Total:	1011.37	1273.81	1634.70

8.3.4 The table below summarises the working results of the State Transport Services for the last three years upto 1990-91:

Particulars	1988-89	1989-90	1990-91
	(Rupees in lakhs)		
Revenue:	166.19	189.91	210.13
Expenditure	315.33	361.63	469.44
Loss:	149.14	171.72	259.31

Despite increase in revenue receipts in each of the three years upto 1990-91, the corresponding annual loss kept on increasing due to disproportionate increase in revenue expenditure during these years. The Management/ Department had not, however, identified the areas of continued increase in expenditure.

The delay in finalisation of the proforma accounts was last brought to the notice of the Government at the level of Chief Secretary in April 1994.

8.3.5 The proforma accounts of the State Trading Scheme have been prepared upto the year 1989-90 and as per latest accounts, the accumulated losses since inception of the scheme in 1955-56 upto the year 1989-90 amounted to Rs.8.54 crores.

The delay in finalisation of the proforma accounts was last brought to the notice of the Government at the level of Chief Secretary in April 1994.



## Supply and Transport Department

### 8.4 Central Purchase Organisation (CPO) Scheme

#### Highlights

The Central Purchase Organisation Scheme "for supply of foodstuff and other essential commodities to the Government official and their dependent family members posted in the interior places not connected by road".

While fixing the selling price of food stuff 30 per cent surcharge is levied on the procurement cost for covering the expenses. For five years up to 1993—94, the actual expenditure exceeded the selling price plus surcharge by Rs.415.45 lakhs.

(Paragraphs 8.4.1 and 8.4.6)

The Department also carries passengers in the planes used for transportation of food stuff etc. and realises the fare from passengers actually carried and proportionate air freight charges for the materials airlifted in respect of other Departments. Proportionate ejection crew charges recoverable from other Government Departments totalling Rs.16 lakhs for the period from 1989-90 to 1993-94 had not been claimed along with air freight of 21,119 passengers from 1991-92 to 1993-94.

(Paragraph 8.4.7.4)

The Department sustained air dropping losses in excess of allowable limits to the extent of Rs.9.67 lakhs during the five years ending on 31 March 1994.

(Paragraph 8.4.7.5)

There were also instances of short deposits of sale proceeds (Rs.8.71 lakhs) to treasuries, retention of sale proceeds for longer period, misappropriation of Rs.7.04 lakhs.

(Paragraph 8.4.7.7)

There were shortage of food stuff to the extent of Rs.7.96 lakhs besides stores loss of Rs.3.56 lakhs for damage/ deterioration of different commodities during five years up to 1993-94.

(Paragraph 8.4.9(a)&(b))

Due to rejection of lowest rates for purchase of Skid Board used for air dropping the Government had to incur an excess expenditure of Rs.57.36 lakhs during the last five years ended 31 March 1994.

(Paragraph 8.4.11(b))



### 8.4.1 Introduction

Prior to 1955 the procurement, distribution and sale of food-stuff and other essential commodities in erst-while North East Frontier Agency(NEFA) were arranged through private contractors by the Deputy Commissioners(then called Political Officers). In December 1955, the above system was replaced by the State Trading Scheme known as Central Purchase Organisation(CPO) scheme. The Director of Suply and Transport, Government of Arunachal Pradesh is responsible for air dropping of above stores to CPO centres in the interior places of the State not connected by road.

### 8.4.2 Aims and objects

The objective of the scheme is to procure food-stuff viz., Rice, Wheat(Atta) and Sugar from Food Corporation of India and other essential items viz., Salt, Mustard Oil, Vegetable Ghee, Tea, Dal,etc. from local market and distribute the same at 'no profit no loss' basis among the Civilian Government employees and their dependants posted in the interior places. The above facilities were also provided to the Central Reserve Police Force(CRPF) deployed in the interior places. The number of CPO centres along with feeder strength (including CRPF) during the period from 1989—90 to 1993-94 were as follows :

Year	Number of CPO centres	Feeder strength
1989-90	28	30120
1990-91	28	36113
1991-92	26	35514
1992-93	26	34625
1993-94	25	33837

According to guidelines of the scheme the category of the feeder strength viz, major,minor,engineering labourers,etc. was required to be indicated by the concerned Deputy Commissioner of the District to the Director of Supply and Transport against each CPO. But no such information was furnished by the Deputy Commissioners of the Districts concerned. During the five years ended 1993-94, three CPO centres were closed as the same were connected by road.

### 8.4.3 Organisational set up

The Director of Supply and Transport (DST) is in charge of overall affairs of administration and execution of the scheme, assisted by one Deputy Director, two Assistant Directors in charges of three Base depots as well as Deputy Commissioners for three Forward Focal Points (FFPs). Besides above, there is one Chief Accounts Officer who is responsible for proper accountal of transaction of the Department. From November 1991 the Transport Wing was separated named as Département of Transport (Arunachal Pradesh State Transport).



The CPO centres are headed by Circle Officers under the direct control of the Deputy Commissioners who also function as District Supply Officers(DSO). The Circle Officers are responsible for proper distribution of CPO commodities and maintenance of initial records and submission of prescribed periodical returns/ reports to the District Supply Officers who inturn forward those returns to the Directorate at Rowriah.

#### **8.4.4 Scope of Audit**

The working of CPO scheme for the period from 1989-90 to 1993-94 was reviewed during March to May 1994 in the Directorate and Base depots and the findings are contained in the succeeding paragraphs.

#### **8.4.5 Finance**

The table below indicates the budget provision,expenditure incurred, excess (+)/ saving(-) of expenditure under two major heads of accounts viz., 2408-Food, storage and warehouse and 4408-Capital Outlay on Food storage and warehouse for the last five years ended 1993-94:



## (i) EXPENDITURE

Major Head	1989-90			1990-91			1991-92			1992-93			1993-94		
	Final grant	Actual	(+)Excess (-)Savings	Final grant	Actual	(+)Excess (-)Savings	Final grant	Actual	(+)Excess (-)Savings	Final grant	Actual	(+)Excess (-)Savings	Final grant	Actual	(+)Excess (-)Savings
(Rupees in lakhs)															
A. 2408 Food storage and Warehouse	1500.89	1480.00	(-)20.89	1372.35	1255	(-)117.35	1294.66	1294.13	(-)0.53	2165.83	2140.28	(-)25.58	3876.75	3845.91	(-)30.84
B. 4408 Capital outlay on Food storage and Warehouse	276.92	274.55	(-)2.37	294.32	243.67	(-)50.65	311.23	296.30	(-)14.93	350.66	422.48	(+)71.82	376.00	232.71	(-)143.29

- A. 1989-90 There was a final/ultimate saving of Rs.20.89 lakhs after surrendering Rs.6 lakhs before the close of the financial year.  
 1990-91 There was final savings of Rs.117.35 lakhs after surrendering Rs.88.75 lakhs before the close of the financial year.  
 1992-93 Final saving of Rs.25.58 lakhs did not justify obtaining of supplementary grant of Rs.775.38 lakhs.  
 1993-94 Reasons for savings of Rs.30.84 lakhs were not on record.

Reasons for final savings were attributed by the organisation to non-receipt of claim from I.A.F., Carriage contractors and curtailment of expenditure under non-plan heads.

- B. 1990-91 Rs.4.50 lakhs only was surrendered against anticipated savings of Rs.55.15 lakhs.  
 1991-92 Supplementary provision of Rs.12.47 lakhs was superfluous in view of the final saving of Rs.14.39 lakhs.  
 1992-93 Excess expenditure of Rs.71.82 lakhs over the grants has not yet been regularised

Reasons for ultimate savings attributed by the Department to curtailment of non-plan expenditure

Reasons for excess expenditure over the grants in the year 1992-93 were not on record.

1993-94 Reasons for savings of Rs.143.29 lakhs were not on record.



## (ii) RECOVERIES

The estimated provision of recoveries and realisation thereagainst under heads of accounts during 1989-90 to 1993-94 were as under :

Major Head	1989-90			1990-91			1991-92			1992-93			1993-94		
	Esti- mated	Actual (+)Excess (-)Shortage		Esti- mated	Actual (+)Excess (-)Shortage		Esti- mated	Actual (+)Excess (-)Shortage		Esti- mated	Actual (+)Excess (-)Shortage		Esti- mated	Actual (+)Excess (-)Shortage	
C. 2408 Food storage and Warehouse	100.00	37.35	(-)62.65	51.57	23.26	(-)28.31	49.00	46.57	(-)2.43	56.37	18.80	(-)37.57	59.23	65.60	(+)6.37
D. 4408 Capital outlay on Food storage and Warehouse	208.92	272.57	(+)63.65	228.95	267.72	(+)38.77	228.23	278.07	(+)49.84	286.00	327.22	(+)41.22	339.40	343.54	(+)4.14

- C. The recoveries under the Head 2408 could not be achieved in any of those years except 1993-94.  
Reasons for shortfall was attributed by the Department to non-receipt of claim preferred against other Departments.
- D. Reasons for higher achievement were not on record.



#### 8.4.6 Working results

The CPO scheme is operated on no profit no loss' basis. According to guidelines of CPO scheme, 30 per cent surcharge was levied initially over the procurement cost to determine the selling price for covering the establishment cost, expenditure on packing materials, loss on air dropping and godown losses.

The table below indicates the surcharge @ 30 per cent, and actual expenditure on overheads alongwith the net result of each of the five years ended 1993-94:

	1989-90	1990-91	1991-92	1992-93	1993-94
(Rupees in lakhs)					
(Figures are provisional from 1990-91 onwards)					
A. Surcharge	63.19	61.85	64.35	75.73	69.28
B. Actual cost of Establishment	93.10	97.64	105.83	107.32	109.66
Expenditure on packing materials	49.14	27.36	15.76	27.30	49.43
Loss on air dropping	10.75	10.49	9.06	18.15	10.90
Godown loss	2.58	1.30	1.29	1.43	1.36
Total of B	155.57	136.79	131.94	154.20	171.35
Profit (+)/ loss (-)	(-)92.38	(-)74.94	(-)67.59	(-)78.47	(-)102.07

According to the scheme, the levy of surcharge was to be reviewed yearly based on financial results and revised accordingly to avoid the loss, if any. Although huge losses were being incurred under the scheme from year to year no review was carried out to cover the expenditure and to safeguard the interest of the Government to run the scheme on 'no profit no loss' basis.

#### 8.4.7 Performance appraisal

##### 8.4.7.1 Assessment of requirement

The requirement of CPO commodities was assessed after considering the feeder strength during a year and the scale of ration per head. The required quantity was computed by adding 10 per cent for air dropping loss. The Department procured rice, wheat (atta) and sugar from the Food Corporation of India and other commodities like dal, vegetable ghee, tea and mustard oil from open market.

About public sale of CPO commodities in the centres it was stipulated that prior approval of the Government should be obtained after furnishing adequate justification for such sale. Additional quantities of 954.224



MT for 1989-90, 1189.728 MT for 1990-91, 392.242 MT for 1991-92, 355.836 MT for 1992-93 and 331.516 MT for 1993-94 of rice were demanded by DSO's for public sale without any approval from the Government. The reasons for excess assessment of requirement without approval from the Government were not available on record.

The Department in reply (October 1994) had stated that public sale of commodities are done after obtaining the Government's approval. The contention of the Department is, however, not tenable as it was verified by audit in November 1994 that against 2892.030 tonnes (additional quantity) of rice procured during the period from 1989-90 to 1992-93, the Government's approval was obtained in 1992-93 for 2.75 MT only.

#### 8.4.7.2 Procurement

##### From Food Corporation of India

#### (a) Rice

The table below indicates the requirement of rice according to norms, actual procurement and percentage of excess procurement during the period from 1989-90 to 1993-94:

	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>
	( Figure in tonne)				
Requirement as per norms	3180.67	3813.53	3750.27	3656.40	3573.18
Procurement	5838.79	4166.61	5100.43	5555.27	4707.69
Excess procurement	2658.12	353.08	1350.16	1898.87	1134.51
Percentage of excess procurement	83.57	9.26	36.00	51.93	31.75

Procurement in excess of requirement was as high as 84 per cent in 1989-90 and ranged between 9 and 52 per cent in other years. The excess procurement led to blockage of fund as well as accumulation of closing stock as discussed in paragraph 8.4.7.3 (Infra) and 8.4.8(Infra).

#### (b) Wheat(atta),sugar

It was observed that there were shortfall in procurement of wheat(atta) and sugar, compared to requirement as per norms which are tabulated below for the last five years ended March 1994



	1989-90	1990-91	1991-92	1992-93	1993-94
Requirements	755.41	1590.33	905.70	1906.76	890.68
Actual procurement	394.84	480.16	365.40	403.04	395.35
Shortfall	360.57	1110.17	540.30	1503.72	495.33
Percentage of Shortfall	47.73	69.81	59.66	78.86	55.61

The percentage of shortfall varied from 47.73 to 66.33 per cent and 69.81 to 83.28 per cent in respect of procurement of sugar and wheat respectively during the last five years ended March 1994.

The Department stated (October 1994) that excess consumption of rice and less in case of other commodities equates the sum total of consumption against the total number of beneficiaries.

But the contention of the Department is not tenable as except in the years 1989-90 and 1992-93, the excess procurement of rice could not compensate the shortfall of procurement of wheat in the remaining years viz. 1990-91, 1991-92 and 1993-94.

**8.4.7.3 Locking up of funds in procurement of commodities from Food Corporation of India (F.C.I).**

According to the policy of the Government of India, foodstuff (rice, wheat (atta) and sugar) are to be allotted to the Director of Supply and Transport for implementation of the C.P.O. scheme on monthly quota basis, full value of which is required to be paid in advance to the F.C.I. On receipt of advance payment, F.C.I. issues release orders for lifting the commodities from their godowns. It was noticed in audit that in actual practice F.C.I. did not release the full quantity for lifting although advance payments were made to them by the Department. The short supply was generally recouped by F.C.I. after a period of 3 to 6 months. Huge balances ranging between Rs.12.79 lakhs in 1991-92 to Rs.36.90 lakhs in 1993-94 were retained by the F.C.I without supply of food stuff.

**8.4.7.4 Transportation of CPO commodities**

**Air-dropping**

For air dropping of CPO commodities and air-lifting of men and materials of other Government Departments, the Director of Supply and Transport (DST) was required to obtain approval of air tonnage for each year in advance from the Indian Air Force. The payment to the Indian Air Force is made on the basis of actual tonnage utilised and number of passengers carried. The Department recovers actual fare in respect of the passengers and proportionate air-freight charges for the materials air-lifted in respect of other departments.



As against Rs.574.63 lakhs recoverable from other Departments on account of air-freight charges during the period from 1989-90 to 1993-94 only Rs.156.50 lakhs were recovered (May 1994) leaving a balance of Rs.418.13 lakhs to be recovered. Air freight of 21119 passengers for the period from 1991-92 to 1993-94 was neither assessed nor claimed by the Department. The claim of Rs.16 lakhs being proportionate ejection crew's fee during the period from 1989-90 to 1993-94 paid to Defence authority by D.S.T. had not been preferred with other Departments.

The Department stated (October 1994) that proportionate ejection-crew's fees (Rs.16 lakhs) will be recovered from other Departments as pointed out by audit.

#### 8.4.7.5 Air dropping loss

The mode of air dropping loss had been divided into two parts with effect from 31 January 1989. The allowable limit of such loss had been fixed at 2 per cent and 15 per cent in the case of \*para drop and \*free drop respectively whereas in earlier periods only 5 per cent was determined as air dropping loss.

The quantity lost in air dropping by para drop and free drop, percentage of such losses and value thereof for the last five years ended 1993-94 were as follows :

Para drop	1989-90	1990-91	1991-92	1992-93	1993-94
	(Figures in M.T)				
Quantity dropped	2487.20	2914.70	2792.00	1413.90	30.80
Quantity lost	59.93	51.88	18.03	17.22	4.28
Percentage of loss	2.41	1.78	0.67	1.22	13.89
Value(Rupees in lakhs)	2.93	2.07	0.70	0.76	0.38
<b>Free drop</b>					
Quantity drop	1675.20	1998.20	1648.40	1974.20	746.90
Quantity lost	269.90	270.71	234.30	417.60	162.70
Percentage of loss	16.11	13.54	14.21	21.15	21.72
Value(Rupees in lakhs)	7.82	8.42	8.36	17.39	10.52

It was noticed that in para drop the limit of 2 per cent was exceeded by 0.41 and 11.89 per cent in 1989-90 and 1993-94 respectively whereas in free drop, the limit of 15 per cent was exceeded in 1989-90, 1992-93 and 1993-94 by 1.11, 6.15 and 6.72 per cent respectively resulting in loss of Rs.9.67 lakhs.

The reasons for losses recorded by the Department are as follows :

- \* 'Para drop' means package of CPO commodities dropped from the aircraft with the help of Parachutes.
- \* 'Free drop' means package of CPO commodities dropped from the aircraft without the help of Parachutes.



- (a) Dropping outside the dropping zone.
- (b) Bursting of parachutes.
- (c) Non-opening of parachutes.

The Department stated(October 1994) that the matter regarding high incidence of air dropping losses has been taken up with respective Deputy Commissioners. More over, high speed AN 32 air craft used by IAF caused excessive dropping loss.

It was, however, noticed in audit (November 1994) that the matter of deployment of low speed aircraft for air dropping was not taken up with IAF.

#### 8.4.7.6 Sales

##### 8.4.7.6.1 Credit Sale

It was stipulated by the Government that credit facilities may be availed of by Hospitals of the interior places provided payment was made within one month and the facilities would be discontinued in case of default.

It was noticed that the outstanding balance against the hospitals increased from Rs.1.88 lakhs in 1989-90 to Rs.4.06 lakhs in 1993-94. The Department has neither taken any remedial measure for immediate realisation of credit sales nor discontinued the credit facility to the defaulting parties.

#### 8.4.7.7 Cash management

Financial Rules of the Government provides that the receipt of the Government money should be entered in the Cash Book on the day of receipt and no amount be left unaccounted for. It was clearly mentioned in the Guidelines of the scheme that Circle Officers/DSOs are responsible for proper maintenance of Cash account and other initial records of CPO centres. In this connection the following points were noticed:

- (a) From a test check of records of Desali centre it was noticed that the sale proceeds were not deposited into the treasuries in full as shown below :

<u>Year</u>	<u>Sales</u> (Rupees in lakhs)	<u>Deposit</u>
1991-92	5.81	Nil
1992-93	5.43	0.77
1993-94	5.97	2.08
(upto December 1993)	-----	-----
Total :	17.21	2.85

While accepting the audit observations the Department stated(October 1994) that the matter is under investigation. The latest development has not yet been received (October 1994).

- (b) Two CPO centres viz. Wallang and Etalin were closed on



1 February 1990 and 8 May 1991. Cash in hand on the dates were Rs.58,222.60 and Rs.49,081.22 respectively which had not been deposited (May 1994) into treasury. Besides, Rs.0.85 lakh being the value of stores handed over to Co-operative Society had also not been realised (May 1994) by the Department. (a) (b) (c)

(c) A test check of records/returns of different CPO centres revealed that while depositing the sale proceeds into treasury, major portion was retained in hand. The table below indicates the position of deposit during April to July and July to October of each year against the sale proceeds for the month of April and July respectively.

No. of Centres	Year	Sales April	Deposit of Sale proceeds (Rupees in lakhs)				Retention at the end of July	Sales July	Deposit of sale proceeds (Rupees in lakhs)				Retention at the end of October		
			April	May	June	July			July	August	September	October			
27	1989-90	19.29	2.21	7.86	5.56	0.45	16.08	3.21	20.25	3.49	11.25	1.46	2.12	18.32	1.93
27	1990-91	20.84	4.03	5.15	3.07	0.78	18.03	2.81	23.80	3.19	11.35	4.40	1.84	20.78	3.02
25	1991-92	22.14	4.36	2.62	5.95	2.93	18.85	3.29	24.51	4.35	11.06	3.76	4.35	23.51	1.00
25	1992-93	25.61	3.47	7.65	6.46	1.87	19.45	6.16	23.63	3.56	4.38	10.40	3.34	21.68	1.95
17	1993-94	17.33	5.96	3.95	2.31	0.37	12.39	4.74	16.96	5.46	4.14	2.88	3.98	16.26	0.50

As per clause 27 of the Guide to CPO Schemes under no circumstances CPO sales proceeds should be utilised for any other departmental expenditure and should be regularly remitted to treasury. The retention of sale proceeds was thus contrary to provisions of the scheme.

(d) The Department did not maintain any consolidated records of cases of misappropriation of sale proceeds. It was noticed that a sum of Rs.7.04 lakhs was misappropriated out of sale proceeds as intimated by District Supply Officers.

Records of 9 centres also revealed that from 1989-90 to 1993-94 sale proceeds of Rs.8.71 lakhs were short deposited (May 1994). Except issue of occasional reminder for depositing the balance amount, no administrative action against the incumbents was initiated by the D.S.T.

#### 8.4.8

#### Stock of CPO commodities

The stock holding limit as per the scheme is as follows :

- (i) April to September 120 days  
 (ii) October to March 80 days

The table below indicates the sales, closing stock and month's sales for the four years ended 1992-93:



Year	Sales	Closing stock	Represents month's sales
------	-------	---------------	--------------------------

1989-90	2731.81	1337.71	7.62
1990-91	268.03	87.88	5.12
1991-92	277.04	88.18	4.93
1992-93	326.43	139.43	6.63

(a) The closing stock held by the Department was more than the limit prescribed by the Government. The closing stock represents 73.68, 60.17, 46.29 and 44.24 per cent of procurement during the years 1989-90, 1990-91, 1991-92 and 1992-93 respectively. The holding of excess stock resulted in locking up of funds; chances of deterioration of the quality of food stuff could not be ruled out.

#### 8.4.9 Godown loss

Registers maintained by the Directorate in respect of godown losses of the organisation were incomplete due to non-receipt of necessary returns from CPO centres. The position of godown loss as a whole, therefore, could not be ascertained in audit. However, as per review of records available in the Directorate year-wise position of godown losses for five years ended 31 March 1994 are indicated below:

(a) During the five years the godown losses were 1920.53 quintals of CPO commodities valued at Rs.7.96 lakhs which includes 1321.04 quintals of Superfine Rice, 96.95 quintals of Atta and 125.12 quintals of Sugar valued at Rs.5.24 lakhs, Rs.0.24 lakh and Rs.0.81 lakh respectively. The losses were neither investigated nor any action was taken to prevent such losses in future.

(b) Besides there was loss of 756.55 quintals of CPO items worth Rs.3.56 lakhs during the five years from 1989-90 to 1993-94 due to deterioration of quality as revealed from physical verification reports which included 659.11 quintals of S.F Rice (Value Rs.2.69 lakhs), 33.60 quintals of Common Rice (value:Rs.0.10 lakh), 62.37 quintals of Sugar (value : Rs.0.43 lakh) and 1.47 quintals of Atta (value: Rs.0.01 lakh).

#### 8.4.10 Accounts and Internal audit

The accounts of the Directorate as a whole of the CPO scheme are maintained on the basis of various prescribed returns received from the Central Purchase Organisation centres, Base camps & Forward Focal Points.

The finalisation of proforma accounts of the Department are in arrears from the year 1990-91 onwards due to non-receipt of returns from the CPO centres, Base depots etc. There was no internal audit wing of the D.S.T. organisation (May 1994).



#### 8.4.11 Other topics of interest

(a) Open tenders were invited for procurement of CPO commodities viz. Mustard Oil, Arahara and Musur Dal (other than FCI items) for the year 1989-90 on 5 November 1988 with last date of receiving tenders being 20 December 1988. On receipt of the tenders the Director of Supply and Transport recommended acceptance of lowest rates. The Government on the contrary directed the Director of Supply and Transport, Rowrah to go for re-tendering on 20 March 1989 without assigning any reasons. The Government accepted the lowest rates which were much higher than the original tendered rates. The Department incurred an excess expenditure of Rs.2.05 lakhs.

(b) For air dropping of C.P.O. commodities the Department purchases Skid-Board of different specification on open tender basis. The skid-Boards are specialised dropping equipments and acceptance of its suitability by the India Air Force authority is final.

It was noticed in audit that in most of the cases the Department rejected the lowest offered rates and purchased Skid-Board at higher rates from different suppliers during the period from 1989-90 to 1993-94. The reasons for rejection of the lowest rate were attributed to (i) incapability of the supplier to supply at their offered rates (ii) quality being below standard. It was, however, noticed in audit that the samples of Skid-Board as submitted by the lowest tenderers along with their tenders were never tested by the proper authority to judge their quality/ suitability.

Due to rejection of lowest rates and the purchase of 33034 nos of Skid-Board at higher rates during the period from 1989-90 to 1993-94, the Department incurred an extra expenditure of Rs.57.36 lakhs.

It was also observed that 1,000 nos of Skid-Board purchased by the Departments from Ordnance Equipment Factory, Kanpur during the year 1991-92 were found defective and the Department had to incur an expenditure of Rs.1.42 lakhs in rectifying the defects.

(c) For procurement of CPO commodities advances are being drawn from the Treasury through Abstract Contingency Bills under Major Head of account: 4408-Capital Outlay on Food, Storage and Warehouse. It was noticed that against such drawals the sanctions of the Government to incur the expenditure in terms of Rule 126(2) of Receipt and Payment Rules were not obtained. The sanctioning letter of expenditure was issued by the D.S.T. though as per Delegation of Financial Powers no such power has been delegated to the D.S.T. Moreover, the expenditure was not of contingent nature.

The amount should have been drawn in Abstract Bill in form GAR 30 giving full description of the charges and number and date of the sanctioning letter of the Government. The adjustment bill in form GAR 29 is required to be furnished to the Accountant General(A&E), Arunachal Pradesh, Shillong with all supporting documents. It was noticed that adjustment bills of Rs.43.53 lakhs for the year 1989-90, Rs.28.25 lakhs for 1990-91, Rs.96.85 lakhs for 1991-92,



Rs.110.67 lakhs for 1992-93 and Rs.200.54 lakhs for 1993-94 were not prepared by the Department and furnished to the Accountant General(A&E) till the date of Audit (May 1994).

The matters were reported to the Government/Management in July 1994; Government's reply had not been received (November 1994).

## 8.5 Miscellaneous topics of interest Industries Department

### Parasuram Cement Limited

#### 8.5.1 Loss due to excess utilisation of raw materials

On a scrutiny of records of production of cement vis-a-vis consumption of various raw-materials it was noticed in audit(March 1994) that the norms prescribed in the techno-economic feasibility-cum-project report of the company prepared by the North Eastern Industrial and Technical Consultancy Organisation Limited (NEITCO Limited) for consumption of raw-materials were not adhered to by the company for production of 6694 MT of cement during the period from 1988-89 to 1990-91 which had resulted in excess utilisation/consumption of raw-materials valued at Rs.9.12 lakhs as tabulated below :

Raw-materials	Quantity required as per norms (MT)	Quantity utilised/ consumed (MT)	Excess utilisa tion/con sumption (MT)	Value ----- Rupees in lakhs
Lime Stone	8099.74	8674.60	574.86	1.16
Coke breeze	1405.74	1873.20	467.46	7.15
Gypsum	401.64	437.40	35.76	0.64
Clay	1740.44	1924.20	183.76	<u>0.17</u>
			Total :	9.12

The reasons for excess utilisation of raw-materials for production of cement were neither investigated by the Management nor the responsibility therefor had been fixed.

The matter was reported to the Government and the Management in April 1994; replies have not been received (November 1994).



**Arunachal Pradesh Industrial Development and Financial Corporation Limited**

Audit (May 1994) by the Department and furnished by the Accountant General (A&F) till the date of

The matters were reported to the Government/Management in July

**8.5.2 Unfruitful expenditure**

The company purchased for its printing unit at Naharlagun a Risograph 3500 Digital Scanner-cum-Printer Machine from a firm of Delhi at a cost of Rs.4.58 lakhs and paid the entire amount in advance in September 1989. The company also paid Rs.1.19 lakhs in September 1990 as advance payment to the firm towards maintenance charges of the machine for three years commencing from November 1990 as per service contract agreement made with the firm.

It was noticed in audit (February 1994) that the machine delivered by the firm in October 1989 could not be put to use since its installation (February 1990) due to some defects in the machine. The service engineer of the firm, who attended to the defects of the machine in October 1991, advised the company to ensure dust free room and also to obtain a CVT of 0.5 KVA for the machine for its effective operation. No action was taken by the Company in this regard.

The machine became faulty again and had been lying idle from October 1991 onwards. The company (December 1992) requested the firm either to replace the defective machine or to refund the cost of machine (Rs.4.58 lakhs) along with maintenance charges (Rs.1.19 lakhs) paid in advance. Further development is awaited (March 1994). Meanwhile, the service contract for the maintenance of the machine expired in November 1993.

The matter was reported to the Government/Management in April 1994; replies have not been received (November 1994).

Raw-materials	per norms	consumed	utilised	Excess
	Rs per ton	lakhs	lakhs	lakhs
Lime Stone	8099.71	274.86	274.86	1.16
Coke breeze	1402.74	467.46	467.46	7.12
Gypsum	401.64	32.76	32.76	0.40
Clay	131.01	183.75	183.75	0.12
<b>Forest Department</b>				
<b>Nocte Timber Company Limited</b>				
Total : 9.12				

**8.5.3 Avoidable expenditure**

The company procured 2.27 lakhs cft of round logs during the year 1991-92 against Government quota from Arunachal Pradesh Forest Corporation Limited (Holding Company) both under self operation (144572 cft) and Departmental Timber Operation (82428 cft) systems for manufacturing of plywood. Under Departmental Timber Operation (D.T.O) system the cutting, felling and dragging of trees and processing them into logs are done by the Forest Department. Logs are only allotted to Arunachal Pradesh Forest Corporation Limited, the authorised agent. Under self operation (S.O) system trees are allotted



to the purchasers for processing them into logs by the purchasers themselves.

Scrutiny of relevant records revealed that the average cost of procurement of round logs under Self Operation system during the year 1991-92 was Rs.26.21 per cft as against Rs.35 per cft under Departmental Timber Operation (D.T.O.) system.

The Board of Director (BOD) in their meeting held in December 1989 directed the company to procure quota timber under Self Operation system only. But contrary to such directives, 82428 cft round logs were procured by the Company during the year 1991-92 under D.T.O. system resulting in extra-avoidable expenditure of Rs.7.25 lakhs (82428 cft X Rs.8.79).

The matter was reported to the Government/Management in October 1993; replies have not been received (November 1994).



(ROCHILA SAIAWI)  
Accountant General (Audit)  
Assam, Meghalaya, Arunachal Pradesh  
and Mizoram

Shillong  
The

Countersigned



(C.G. SOMIAH)  
Comptroller and Auditor General of India

New Delhi  
The



In the past, the following information has been furnished to the Board of Directors of the company:

A summary of the results of the investigation of the records of the company of found logs under self-liquidation system in the year 1901-02 was \$2,384,100. The total amount of the logs sold was \$1,150,000. The total amount of the logs sold was \$1,150,000.

The Board of Directors (1901) in their meeting held in January 1902, decided to purchase the plant and self-liquidation system of the company in the year 1901-02. The total amount of the logs sold was \$2,384,100. The total amount of the logs sold was \$2,384,100.

The matter was reported to the Board of Directors in the year 1901-02. The total amount of the logs sold was \$2,384,100. The total amount of the logs sold was \$2,384,100.

*[Handwritten Signature]*

ROCHINA S. JAVIT  
 for Secretary (Legal Studies)  
 Legal Studies Association, Wash.  
 and District

Shirley  
 The

*[Handwritten Signature]*

ICJ SORVARI  
 Secretary and Auditor General of the

Law Office  
 The







## Appendix-I

(Reference to paragraph.3.1.6(b) at Page.34.)  
Statement showing delay in release of Central/State share

Year	Release of fund by Central Government		Release of Central and State share by the State Government				Period of delay			
	1st instl.	2nd instl. 3rd & 4th instl.	Central share		State share		Central share		State share	
			1st Instl.	2nd instl. 3rd & 4th instl.	1st instl.	2nd Instl. 3rd & 4th instl.	1st Instl.	2nd instl.	1st instl.	2nd instl.
1989-90	April/June/ July 1989 (Directly released to the DRDAs)	September 1989	-	-	August 1989	August 1989/ November 1989	-	-	4	-
1990-91	April 1990	August 1989 /March 1991	October 1990	October 1990/ March 1991	October 1990	October 1990/ March 1991	6	2	6	2
1991-92	September/ November 1991	NIL	February/ March 1992	NIL	February/ March 1992	March 1992	5/4	-	5/4	-
1992-93	April 1992	NIL	June 1992	NIL	June 1992	March 1993	2	-	2	-
1993-94	April/ September 1993	2nd instl received on April 1994	June 1993/ March 1994	Not released during the year	July 1993/ March 1994	-	3/6	-	3/6	-



## APPENDIX-II

(Reference to paragraph 3.2 at page.44)

## Statement showing Departmentwise break up of misappropriation, losses, etc.

Sl. Department No	Cases awaiting Departmental action		Cases in the Court of law		Cases awaiting orders for recovery or write off		Total	
	No. of cases	Amount in lakhs of rupees	No. of cases	Amount in lakhs of rupees	No. of cases	Amount in lakhs of rupees	No. of cases	Amount in lakhs of rupees
1. Community Development	1	0.13	-	-	-	-	1	0.13
2. Education	1	1.32	1	1.28	1	0.29	3	2.89
3. Forest	3	1.52	-	-	1	0.09	5	1.61
	1	Amount not intimated	-	-	-	-	--	--
4. General Administration	-	-	1	0.03	-	-	1	0.03
5. Public Works	2	1.46	1	1.64	2	0.66	5	3.76
6. Supply & Transport	1	0.53	1	0.34	4	0.46	6	1.33
7. Information & Public Relation	1	2.65	-	-	-	-	1	2.65
8. Industry	-	-	-	-	1	0.36	1	0.36
Total	10	7.61	4	3.29	9	1.86	23	12.76



## Appendix

## Statement showing particulars of paid-up capital, outstanding

(Referred to in paragraph

Sl. No.	Name of the Company	Paid-up capital at the end of the current year 1993-94					Loans outstanding at the close of the year 1993-94
		State Government	Central Government	Holding Company	Others	Total	
1	2	3(a)	3(b)	3(c)	3(d)	3(e)	4
							(Rupees in
1.	Arunachal Pradesh Industrial Development and Financial Corporation Limited	92.50	-	-	-	92.50	949.25
2.	Arunachal Pradesh Forest Corporation Limited	399.72	-	-	-	399.72	-
3.	Arunachal Pradesh Mineral Development and Trading Corporation Limited	99.22	-	-	-	99.22	-
4.	Parasuram Cement Limited (Subsidiary of Arunachal Pradesh Industrial Development and Financial Corporation Limited)	-	-	13.50	-	13.50	72.59
5.	Arunachal Horti-cultural Processing Industries Limited (Subsidiary of Arunachal Pradesh Industrial Development and Financial Corporation Limited)	-	-	00.002	-	00.002	122.41
	Total	591.44	-	13.502	-	604.942	1144.25



## III

## loans, working results, etc. of the Government Companies

8.2.2 page 61 )

Amount of guarantee given up to 1993- 94	Amount of guarantee outstanding at the end of 1993-94	Position at the end of the year for which accounts were finalised				Remarks
		Year for which accounts were fi- nalised	Paid-up capital at the end of the year	Accumulated profit(+)/ loss (-)	Any excess of accumulated loss over paid-up capital	
5(a)	5(b)	6(a)	6(b)	6(c)	6(d)	7
						lakhs)
-		1983-84	66.50	(-) 2.76	-	-
-	-	1989-90	399.72	(+) 19.27	-	-
-	-	-	-	-	-	Accounts not finalised since incep- tion
-	-	-	-	-	-	-do-
-	-	-	-	-	-	-do-



## APPENDIX

## Summarised financial results of the Government Companies

(Referred to in paragraph

Sl. No.	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	7
						(Rupees in
1.	Arunachal Pradesh Industrial Development and Financial Corporation Limited	Industries	August 1978	1983-84	1993-94	7.69
2.	Arunachal Pradesh Forest Corporation Limited	Forest	March 1977	1989-90	1993-94	426.09
3.	Arunachal Pradesh Mineral Development and Trading Corporation Limited	Industries	March 1991	-	-	-
4.	Parasuram Cements Limited (Subsidiary of the Company at Sl.No.1 above)	Industries	January 1984	-	-	-
5.	Arunachal Horticultural Processing Industries Limited (Subsidiary of the Company at Sl.No.1 above)	Industries	May 1982	-	-	-
6.	*Nocte Timber Company Limited (Subsidiary of the Company at Sl.No.2 above)	Forest	February 1981	1989-90	1993-94	192.51

Note : 1. Capital invested represents paid-up capital plus long term loans plus free reserves.

2. Capital employed represents net fixed assets (excluding capital works-in-progress plus working capital).



-IV

for the latest year for which accounts were finalised upto 31 March 1994.

## 8.2.3 at page 61 )

Profit(+)/ Loss()	Total interest charged to profit and loss accounts	Interest on long term loans	Total return on capital invested (8+10)	Capital employed	Total return on capital employed (8+9)	Percentage of total return on capital invested	Percentage of total return on capital employed	Remarks
8	9	10	11	12	13	14	15	16
lakhs)								
(-)0.24	0.16	2.63	2.39	137.10	(-)0.08	-	-	-
(+)5.06	4.11	4.11	9.17	492.63	9.17	2.15	1.86	-
-	-	-	-	-	-	-	-	Accounts not finalised since inception.
-	-	-	-	-	-	-	-	-do-
-	-	-	-	-	-	-	-	-do-
(-)31.24	-	-	(-)31.24	184.58	(-)31.24	-	-	*Ceases to be a Government Company from 31st March 1992



**APPENDIX-V****GLOSSARY OF ABBREVIATION**

BDO	-	Block Development Officer
BOD	-	Board of Director
BPL	-	Below poverty line
CC	-	Capital Circle
CE	-	Chief Engineer
CPO	-	Central Purchase Organisation
CRPF	-	Central Reserve Police Force
DRDA	-	District Rural Development Agency
DSO	-	District Supply Officer
DST	-	Director of Supply and Transport
DTO	-	Departmental Timber Operation
EAS	-	Employment Assurance Scheme
FCI	-	Food Corporation of India
IAF	-	Indian Air Force
IAY	-	Indira Awas Yojana
IRDP	-	Integrated Rural Development Programme
JRY	-	Jawahar Rozgar Yojana
MIP	-	Minor Irrigation Project
MT	-	Metric Tonne
MV	-	Motor Vehicle
MWS	-	Million Wells Scheme
NEC	-	North Eastern Council
NEFA	-	North East Frontier Agency
NH	-	National Highway
NREP	-	National Rural Employment Programme



OBB	-	Operation Black Board
PAC	-	Public Accounts Committee
PWD	-	Public Works Department
RCC	-	Reinforced Cement Concrete
RLEGP	-	Rural Landless Employment Guarantee Programme
RWCC	-	Railway Wagon Clearance Charge
RWD	-	Rural Works Department
SCs	-	Scheduled Castes
SE	-	Superintending Engineer
SF	-	Super Fine
SO	-	Self Operation
STs	-	Scheduled Tribes
TRYSEM	-	Training on Rural Youth for Self Employment
VPs	-	Village Panchayats





Operation Black Board	ORB
Public Accountants Commission	PAC
Public Works Department	PWD
Reformed Council of the City	REC
Small Business Development Program	SBDP
Railway Workers' Union	RWU
Rail Workers' Department	RWD
Sanitary Department	SD
Supervisory Personnel	SP
Street Cleaning	SC
Street Operation	SO
Technical Files	TF
Training in Retail Youth and Self-Employment	TRYS
Urban Industries	UI