Report of the Comptroller and Auditor General of India

For the year ended 31 March 2001

GOVERNMENT OF TRIPURA

OA (Com) Section

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APPENDICES

PREFACE

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.

2. Chapters I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2001.

3. The remaining chapters deal with the findings of performance audit and audit of transactions in the various departments including the Public Works and Irrigation Department, audit of Stores and Stock, audit of Autonomous Bodies and departmentally run commercial undertakings.

4. The Report also contains the observations arising out of audit of Statutory Corporations, Boards and Government Companies and the observations on Revenue Receipts.

5. The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 2000-2001 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 2000-2001 have also been included, wherever necessary.

OVERVIEW

OVERVIEW

This Report includes two chapters containing observations of Audit on the Finance and the Appropriation Accounts of the State Government for the year 2000-2001 and six other chapters, comprising 8 reviews on development and other activities, apart from 25 audit paragraphs containing audit comments on various irregularities. A synopsis of the important findings contained in the reviews and paragraphs is presented below.

1. An overview of the finances of the State Government

Assets and liabilities: Assets of the State Government increased by 13 *per cent* from Rs.2619.56 crore in 1999-2000 to Rs.2951.76 crore in 2000-2001, while the liabilities increased by 23 *per cent* from Rs.1867.99 crore to Rs.2296.17 crore during the year.

Revenue receipts: Revenue receipts of the State Government increased from Rs.1438.26 crore in 1999-2000 to Rs.1638.06 crore in 2000-2001 registering an increase of 14 *per cent*. The total receipts from the Central Government (Rs.1417.97 crore) during the year represented 87 *per cent* of the total revenue receipts and 82 *per cent* of the revenue expenditure (Rs.1734.04 crore). Tax revenue raised by the State grew by 23 *per cent* from Rs.101.74 crore in 1999-2000 to Rs.125.58 crore in 2000-2001 and non-tax revenue by 24 *per cent* from Rs.76.19 crore to Rs.94.51 crore during the same period.

Revenue expenditure: Revenue expenditure of the State grew by 19 *per cent* from Rs.1461.07 crore in 1999-2000 to Rs.1734.04 crore in 2000-2001 and constituted 83 *per cent* of total expenditure (Revenue and Capital taken together) in 2000-2001. The rate of growth in non-plan component of revenue expenditure during the last 5 years was higher (115 *per cent*) than the plan expenditure (36 *per cent*). During 2000-2001, the revenue expenditure was more than the revenue receipts, resulting in revenue deficit of Rs. 95.98 crore.

During 2000-2001, the State Government paid interest of Rs.226.03 crore on debt and other obligations. The interest burden had an increase of 22 *per cent* over that of previous year and 105 *per cent* over a period of 5 years ending March 2001.

Investment and return: The State Government invested Rs.24.01 crore during 2000-2001. Of this, Rs.11.06 crore was in Statutory Corporation, Rs.10.23 crore in Government Companies, and Rs.2.72 crore in Co-operative Societies and Banks. With these fresh investments, the total investment of the Government stood at Rs.222.85 crore as of March 2001. No dividend/interest was received by the Government on such investments.

Fiscal deficit: Fiscal deficit is defined as the excess of revenue and capital expenditure (including net loans given) over the revenue receipts (including grants-in-aid received). During 2000-2001, fiscal deficit was Rs.445.16 crore, which had increased by 266 *per cent* over the level of 1996-97.

Public debt and other liabilities: During the five years ending 2000-2001, there was 131 *per cent* growth in internal debt, 78 *per cent* growth in loans and advances from Central Government and 146 *per cent* growth in other liabilities. The net availability of funds from public debt and other liabilities for investment and other expenditure ranged between 6 *per cent* and 39 *per cent* after repayments during the 5 years ending March 2001.

Analysis of financial performance with indicators: Some of the major findings that emerged from analysis of financial performance of the State Government with various indicators were as follows : (i) the interest burden on the Government was substantial and was on a rising trend; (ii) there was much scope for augmentation of tax base; and (iii) the Government had not been earning any dividend/interest on the investments.

(Paragraph 1)

2. Appropriation Audit and Control over Expenditure

Excess expenditure over grants/appropriations not regularised for the past several years: Though it was mandatory for the Government to get the excess expenditure over grants/appropriations regularised, such excess expenditure of Rs.755.32 crore pertaining to the years from 1987-88 to 2000-2001 was yet to be regularised.

Overall savings/excess : Against the total gross provision of Rs.2653.12 crore, the total gross expenditure during the year was Rs.2330.17 crore. The overall saving of Rs.322.95 crore was the net effect of savings of Rs.404.87 crore in 56 grants/appropriations, and excess of Rs.81.92 crore in 5 grants and 4 appropriations.

Supplementary grants : Supplementary grants of Rs.55.53 crore obtained in 30 cases proved unnecessary in view of aggregate savings of Rs.220.55 crore. In other 2 cases, supplementary provision of Rs.3.85 crore proved insufficient, leaving an aggregate uncovered excess expenditure of Rs.16.43 crore.

Surrender of savings : There were 51 cases in which savings amounting to Rs. 164.91 crore were not surrendered, though, as per the financial rules, the spending departments were required to surrender the amount of a grant/appropriation or portion thereof to the Finance Department as and when the saving was anticipated. In 35 cases out of 51, the amount of available savings of Rs. 50 lakh and above in each case was not surrendered, which aggregated Rs. 160.73 crore.

Expenditure incurred without budget provision : Expenditure of Rs.59.45 crore was incurred in 9 cases under 6 grants/appropriations, although no budget provision for them was available during the year 2000-2001.

Reconciliation of departmental figures : The Controlling Officers were required to reconcile the departmental figures of expenditure with figures booked by the Accountant General (Accounts and Entitlement) before closure of the accounts for the year. Such reconciliation in respect of expenditure of Rs.49.95 crore had not been carried out by one Controlling Officer (*viz.,* The Secretary, Rural Development Department).

Rush of expenditure : The financial rules require that the Government expenditure should be evenly distributed throughout the year to avoid rush of expenditure at the end of the year. Contrary to this, under 7 grants/appropriations, expenditure of Rs.24.01 crore was incurred in March 2001. This constituted 10 *per cent* and above of the total expenditure of these grants/appropriations during the year 2000-2001.

(Paragraph 2)

3. Audit reviews on development / welfare programmes etc.

3.1 Prevention and Control of Diseases

With a view to containing the magnitude of the diseases causing major health problems, the Government of India (GOI) started a number of Centrally sponsored schemes between 1962 and 1987, grouped under a common heading of 'Prevention and Control of Diseases'. The schemes are National Tuberculosis Control Programme (NTCP), National Leprosy Eradication Programme (NLEP), National AIDS Control Programme and National Programme for Control of Blindness (NPCB). A review of the schemes covering the period from 1996-97 to 2000-2001 revealed that their objects remained unfulfilled for lack of effective planning. Inadequate infrastructural facilities and shortage of manpower coupled with failure to perform the prescribed duties by some of the crucial functionaries plagued the programme.

- As the number of sputa examined (67,124) had substantially been lower by 63 *per cent* than the target (1,81,070) for the years 1996-97 to 2000-2001, there remained the danger of a large number of sputum positive cases going undetected every year. This resulted in the chain of transmission of tuberculosis virtually remaining unbroken.
- Supervision of peripheral health institutions by District Tuberculosis Centres fell much short of prescribed standards. Against the requirement of 244 visits per year in 61 PHIs, the visits actually paid were 77 and 101 during 1999-2000 and 2000-2001.
- 4,910 suspected leprosy cases identified during Modified Leprosy Elimination Campaign in 1998-99 were not brought under treatment due to lack of

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bacteriological testing facilities. Further, leprosy patients were released from treatment without identifying their Bacterial Index.

- Against the requirement of 30,000 cataract operations by 4 District Mobile Eye Units during 1996-2001, a target of 26,000 operations was fixed; of this 13,723 operations only were carried out.

- Against the total number of children (1-6 years) ranging from 1,91,640 (1996-97) to 2,14,500 (2000-2001), the number of children covered by vitamin A solution ranged from 76,024 to 96,784, indicating a coverage of 37 to 49 *per cent* only.

- The performance of Family Health Awareness Campaign was very poor. Against the targeted population ranging from 5.64 lakh to 7.74 lakh in 24 Health Institutions, actual attendance in the camps ranged from 4 to 5 *per cent* and the STD patients covered by treatment ranged from 18 to 29 *per cent* of the cases identified.

- Five Blood Banks in the State claimed by the Department to have been modernised were found not to have been actually modernised as only 11 items of equipment out of 40 major items were provided to the blood banks. Spreading of HIV infection from the infected persons was allowed to continue unchecked as persons afflicted with HIV/AIDS were neither informed of the disease, nor treated and provided with counselling, as envisaged in the programme.

(Paragraph 3.1)

3.2 Implementation of Environmental Acts and Rules relating to Air Pollution and Wastes Management

In order to achieve the objectives of prevention, control and abatement of air pollution, the Air (Prevention and Control of Pollution) Act, 1981, was enacted by Parliament. Implementation of the provisions of the act and rules related therewith was entrusted to the Tripura State Pollution Control Board (TSPCB). An audit review of implementation of the act and rules for the period from 1995-96 to 2000-2001 revealed that the Board had failed in its main objects due to inadequate manpower, although funds were made available on regular basis by the State Government / Government of India for implementing various pollution control programmes/schemes.

- Shortfall in utilisation of funds by Tripura State Pollution Control Board ranged from 83 to 93 *per cent* resulting in accumulation of unspent balance of Rs. 1.92 crore at the end of March 2001.

- Though the board had identified 2,422 industrial plants, only 1,238 plants, being 51 *per cent* of the total, were brought under the consent management.

- During the period from 1992-93 to 2000-2001, the State Government had conducted only 3,395 vehicular smoke emission tests (VSETs) out of 6,93,472 tests required to be done which represent achievement of 0.49 *per cent* only.

- The Board reported excess expenditure of Rs. 4.37 lakh to the Government of India over the actual expenditure of Rs. 2.87 lakh incurred by it against the funds received for preparation of Zoning Atlas and Siting of Industries (ZASI), under World Bank funded Environmental Management Capacity Building Project.

- Absence of adequate treatment facilities of bio-medical wastes in Agartala Municipal area added to the causes for increase in both air and water borne diseases.

(Paragrpah 3.2)

3.3 Accelerated Urban Water Supply Programme

With the main objective to provide safe and adequate water supply facilities to the entire population of the towns having population less than 20,000 as per 1991 census, the Centrally sponsored Accelerated Urban Water Supply Programme (AUWSP) was launched in 1993-94. Implementation of the programme in the State during 1993-94 to 2000-2001 was reviewed in audit. Laxity on the part of the State Government in contributing matching share to run the schemes resulted in stalling the progress of implementation and also depriving the State of matching Central assistance. There was excessive delay in implementation leading to heavy cost escalation and instances of diversion of scheme funds were many.

- The State Government released only Rs. 30 lakh during 2000-2001 against Rs. 3.14 crore as Central share released by the GOI during the 8 years ending 2000-2001, though the former was supposed to contribute half of the total funds.

- Inaction on the part of the Department in implementation of Kamalpur project for an inordinately long period of 5 years led to escalation of the project cost by Rs. 92 lakh.

- Out of Rs. 3.15 crore booked as expenditure, Rs.2.49 crore was spent on items pertaining mostly to ongoing State Urban Water Supply Schemes which were outside the purview of AUWSP.

(Paragraph 4.1)

3.4 Rural Water Supply Programme

Accelerated Rural Water Supply Programme (ARWSP) with 100 *per cent* Central assistance aimed at supplementing of the efforts being made by the State Government under the State sector Minimum Needs Programme (MNP). The assistance, with a view to accelerating the pace of coverage by drinking water supply, was to be provided to the State on the basis of matching provision/expenditure incurred under the MNP. Implementation of the composite programme comprising both the ARWSP and the MNP during 1997-98 to 2000-2001 was reviewed in audit. The implementation was found to have been deficient in many aspects like diversion of funds, idle expenses, lack of priority in taking up work, high O&M expenditure on schemes, tardy implementation, defective planning and inefficient execution.

- During 1997-98 to 2001, Rs. 30.98 lakh was found to have been irregularly diverted by Public Health Engineering (PHE) and Rural Development Department (RDD) from ARWSP and MNP funds.

- In a mismatch between planning and execution, only 40 deep tubewells out of 195, constructed during 1997-2001, were in locations mentioned in action plans prepared by the Panchayat bodies and approved by the State Level Co-ordination Committee.

- As per the programme, the habitations as on 1 April 1999 were reclassified with reference to adequacy and safety factors in providing drinking water facilities and the data were sent to the GOI. The revised classification proved arbitrary as there was no evidence that necessary survey to collect the requisite data was ever conducted for this.

- The principle for giving priority of coverage to 'Not Covered' (or NC) habitations as envisaged in the programme was ignored. The target for covering 982 such habitations within 1997-98 was not achieved even at the end of 2000-2001 when 287 such habitations were left uncovered.

- Defective design and drawing for construction of 8 overhead tanks resulting in the works having been taken up anew led to wasteful expenditure of Rs. 33.31 lakh and extra liability of Rs. 1 crore incurred by the PHE on them.

- During 1997-98 to 2000-2001, the PHE procured 225 pump sets in excess of requirement resulting in extra avoidable expenditure of Rs. 1.06 crore.

- The pace of construction and commissioning of iron removal plants (IRPs) lacked element of urgency in absence of any fixed timeframe before the executing agencies. During 3 years ending 2000-2001, only 8 IRPs (out of 77 approved) were found to have been commissioned.

- Three PHE Divisions incurred wasteful expenditure of Rs. 11.09 lakh during 1998-2001 in unsuccessful drillings at 25 locations. The prescribed procedure to assess availability/potentiality of ground water source was not followed before taking up such drilling.

(Paragraph 4.2)

3.5 Integrated Audit of the Water Resources Wing of Public Works Department including Manpower Management

Water Resources Wing of the Public Works Department (PWD) acts as the main instrumentality for giving phillip to Agriculture, which is the mainstay of the economy of Tripura, by implementing medium and minor irrigation programmes. Working of the wing with special reference to the above two programmes covering the period from 1996-97 to 2000-2001 was reviewed in audit. The medium irrigation projects were found to have suffered from time and cost overruns indicating deficiency in project management. Materials management was weak causing delay in completion of schemes and also delay in commissioning on their completion. Creation of irrigation potential was much short of targets. No norms were being followed to assess the requirement of staff.

- Annual savings under non-plan budget of the Department during 1996-97 to 2000-2001 totalling Rs. 48.27 crore coupled with plan expenditure exceeding the budget provision in all the years except 1999-2000 were indicative of defective budgeting.
- Faulty design of canal under Gumti Medium Irrigation Project, necessitating consequent change of the design, led to unfruitful expenditure of Rs. 38.72 lakh.
- In respect of 50 minor irrigation schemes, constructed between 1996-97 to 2000-2001 at a total cost of Rs. 2.01 crore, pipe lines could not be laid for a length of 58.916 km due to non-availability of pipes. As a result, 975 hectares of land could not be brought under irrigation cover.
- There was inordinate delay ranging from 1 to 8 years in completion of 84 minor irrigation schemes sanctioned between 1987-88 and 2000-2001 and completed in 1996-97 to 2000-2001 at a cost of Rs. 9.27 crore due to shortage of pipes and materials etc., resulting in delayed extension of facilities to the beneficiaries.
- 58 minor irrigation schemes completed between 1996-97 and 2000-2001 at a cost of Rs. 1.60 crore to provide assured irrigation for 5531 hectares of land, had not been commissioned for want of power connections resulting in locking up of Government funds amounting to Rs. 1.60 crore and denial of irrigation facilities to the targeted areas.
- Against the target for creation of 15,252 hectares of irrigation potential under minor irrigation programme during 1996-97 to 2000-2001, actual achievement was 9,458 hectares.
- During 1996-97 to 2000-2001, only 55 to 91 *per cent* of the total irrigation potential created was actually utilised. The shortfall was due to shortage of power, absence of field channels/pipe lines etc, which the Department failed to provide.

(Paragraph 4.3)

3.6 Stores and Stock Management of Printing and Stationery

The General Administration (Printing and Stationery) Department consisting of two wings, *viz.,* 'Press' and 'Forms and Stationery' is entrusted with the task of printing for all offices/departments of the State Government and for autonomous bodies under its control. For this purpose, the Department procures/produces stores of different kinds to cater to their requirement and also runs a press. Stores and Stock Management of the Department covering a period of five years ending 2000-2001 was reviewed in audit. Unnecessary procurement of stock resulting in locking up of capital, printing of forms without assessing the requirement, under-utilisation of printing machines and keeping a large number of machines idle without repair were noticed.

- The Department did not prepare Proforma Accounts as required under the General Financial Rules, in absence of which the financial results of working of the press remained unascertainable.
- Unnecessary procurement of paper resulted in locking up of funds of Rs.21.32 lakh, as of 31 March 2001.
- Printing of forms without assessing the annual requirement led to accumulation of 26.80 lakh forms worth Rs.9.02 lakh.
- Under-utilisation of seven offset printing machines resulted in short outturn of impressions varying from 30 to 51 *per cent* during the five years from 1996-97 to 2000-2001.
- Vital records like log books and history sheets for machines had not been maintained. In the absence of these records, the internal control mechanism remained ineffective.

(Paragraph 5.1)

3.7 Arrears of Sales Tax and recovery of dues treated as arrears of Land Revenue

An audit review on Arrears of Sales Tax and their recovery by Finance (Excise and Taxation) Department covering the period from 1996-97 to 2000-2001 on the basis of test check of records in respect of 8 charges (Agartala: 5; and District level: 3) was conducted. The review disclosed that not disposing of referred back cases, inability to locate whereabouts of assessees, cancelling registration of dealers without realising assessed dues, not initiating or delay in instituting certificate proceedings and poor disposal of certificate cases, amongst other things, resulted in piling up of huge arrears of Sales Tax working out to Rs. 14.15 crore pending collection as of 31 March 2001.

- Non-disposal of referred back cases had resulted in blockage of Government revenue amounting to Rs. 65.27 lakh in 120 cases.
- In 32 cases, whereabouts of assessees could not be located, which had resulted in loss of Government revenue of Rs. 13.62 lakh.

- The Department cancelled the registration of 11 dealers without realising assessed dues of Rs. 24.84 lakh.

- Due to non-initiation of Certificate Proceedings in 289 cases, Government revenue of Rs. 93.18 lakh remained unrealised.

- Institution of Certificate Proceedings were delayed ranging upto 221 months in 137 cases by 7 Charges involving revenue of Rs. 75.03 lakh leaving little scope for recovery of assessed dues.

- Poor disposal of certificate cases led to huge accumulation of arrears. Out of the targeted amount of Rs. 11.94 crore, Rs. 45.36 lakh could only be recovered.

- In 155 cases involving recovery of arrear dues of Rs. 8.13 lakh, interest amounting to Rs. 10.03 lakh was not assessed.

(Paragraph 6.3)

3.8 Working of Tripura Forest Development and Plantation Corporation Limited

The Tripura Forest Development and Plantation Corporation (TFDPC) Limited was incorporated in March 1976 as a Government Company, with the objectives of improving production in rubber and other plantations by taking over Government rubber plantations and expansion of plantations in new areas. Working of the Company for the period from 1995-96 to 1999-2000 was reviewed in audit. Low achievement in plantation of rubber as compared to target, lower stand per hectare and poor tapping operation, massive shortfall in achievement of yield with reference to the State average, lower efficiency in centrifuging of latex and excess process loss, low performance of the scheme for plantation of Dioscorea and processing of Diosgenin and poor output in timber treatment plant, inter alia, contributed to massive loss to the company. All of these factors were indicative of inefficient management of the Company activities.

- Due to lower stand per hectare and lack of effective control on tapping operation, the company suffered a loss of revenue to the tune of Rs.119.77 crore.

- The company, being the largest single owner of rubber plantations in the State holding 91 *per cent* of total yielding area, accounted for only 40 *per cent* of the total yield of the State and suffered a potential loss of revenue amounting to Rs. 130.59 crore due to shortfall in achievement of yield with reference to the State average.

- Absence of effective control on collection of latex in company's plantations resulted in excess yield of scrap over the norm and loss of revenue of Rs. 0.92 crore.

- Lower efficiency in centrifuging the latex to cenex and excess process loss in production of cenex and Estate Brown Crepe (EBC) over the norm led to loss of potential revenue of Rs. 1.84 crore.

- Due to inadequate supply of wood, installation of insufficient number of steam kiln and under-utilisation of vacuum pressure vessel etc., the company suffered a loss of revenue of Rs. 0.30 crore in Timber Treatment Plant.

(Paragraph 8.2)

4. Other important points

(a) Civil

Idle expenditure / infructuous expenditure/ wasteful expenditure / extra expenditure

- Discontinuance of the functioning of the hiring centres of the Agriculture Department for non-allocation of running costs for the centres led to idling of machinery as well as idle pay and allowances of Rs. 19.67 lakh to technical and operational staff besides denial of intended benefits to farmers.

(Paragraph 3.3)

- Expenditure of Rs. 7.67 lakh incurred by the Industries and Commerce Directorate through different implementing departments on execution of preliminary works without seeking approval to the project report proved infructuous due to change of site.

(Paragraph 3.7)

- The Executive Engineer, Stores Division (PWD), Agartala, incurred wasteful expenditure of Rs. 15.52 lakh on procurement of cement without test certificate.

(Paragraph 4.5)

- The Public Works Department had to pay an extra amount of Rs. 11.18 lakh against electricity bills as letter of credit was not made available in time by the Government.

(Paragraph 4.6)

- Failure of the Public Works Department to get the work done by the first contractor due mainly to departmental lapses and award of balance work to another contractor resulted in an extra expenditure of Rs. 8.56 lakh.

(Paragraph 4.10)

- Machinery purchased by the Rural Development Department at a cost of Rs. 11.82 lakh was lying idle for two and a half years.

(Paragraph 5.3)

Failure to recover dues

- Cost of unused materials (Rs. 4.32 lakh) and extra expenditure (Rs. 1.64 lakh) recoverable from original contractors on rescinded works remained unrecovered due to inaction of the Agriculture Department. Besides, unfruitful expenditure of Rs. 3.07 lakh was incurred on unfinished works left abandoned.

(Paragraph 3.4)

- Although the relevant agreements were closed, a total recoverable amount of Rs. 9.53 lakh was not recovered from the contractors by the Executive Engineer (PWD), Teliamura Division.

(Paragraph 4.8)

Undue benefit to contractors

- Failure to deduct Tripura Sales Tax at source by the Executive Engineer, Stores Division (PWD), as per agreements entered with the contractors led to loss of Rs. 9.59 lakh to the State Exchequer and also extending undue benefit to contractors.

(Paragraph 4.7)

- The Executive Engineer, Stores Division (PWD), extended undue benefit of Rs. 9.04 lakh to the contractor by making excess payment of Rs. 5.43 lakh and by receiving loose, partly damaged bags of cement worth Rs. 3.61 lakh replaceable by the supplier at his risk and cost as per agreement.

(Paragraph 4.9)

Poor performance of livestock farms

- State Poultry Farm at Gandhigram, Regional Exotic Cattle Breeding Farm at Radhakishore Nagar, Regional Exotic Duck Breeding Farm at Radhakishore Nagar, Rabbit Breeding Farm at Radhakishore Nagar and Regional Goat Breeding Farm at Debipur, all in West Tripura District, although set up by the Animal Resource Development Department as model farms to be run on scientific lines, failed to achieve their objectives and due to poor performance lost even their demonstrative value to the potential farmers.

(Paragraph 3.5)

Locking up of funds

- Retention of unspent amount of Rs. 11.15 lakh, by the Inspector of Schools, Jirania, West Tripura District, pertaining to a discontinued programme resulted in locking up of Rs. 4.76 lakh with consequent loss of interest of Rs. 3.63 lakh, besides irregular utilisation of Rs. 6.39 lakh.

(Paragraph 3.6)

- Materials worth Rs. 20.52 lakh procured by the Stores Division (PWD), mainly in March 1997 had remained idle in store.

(Paragraph 4.4)

- Procurement of aluminium conductor steel reinforced (ACSR) by the Power Department on the basis of inaccurate assessment led to locking up of Rs. 28.40 lakh and loss of Rs. 10.50 lakh towards interest.

(Paragraph 4.11)

- The Executive Engineer, Stores Division (PWD), procured materials much in excess of requirement between 1994-95 and 1999-2000, which resulted in blocking up of funds of Rs.11.57 crore as of March 2001 and consequent loss of interest of Rs.3.92 crore.

(Paragraph 5.2)

AC bills not adjusted

- Rupees 10.73 crore, drawn in 1218 AC bills by 4 Directorates and 5 DDOs during 1984-85 to 2000-2001, on account of implementation of various central and State sector schemes, was lying outstanding, as of June 2001.

(Paragraph 3.8)

(b) Revenue

Loss / non-realisation of revenue

- There were short levy of interest amounting to Rs. 1.41 lakh and non-realisation of interest on Sales Tax and penalty of Rs. 2.38 lakh.

(Paragraph 6.6)

- Failure in initiating timely action by the Deputy Transport Commissioner in revalidating of Bank Drafts or having fresh Bank Drafts in lieu thereof under National Permit Scheme led to loss of revenue of Rs. 5.03 lakh.

(Paragraph 6.10)

Short levy of interest

- There was short levy of interest by Rs. 14.35 lakh on unpaid amount of sales taxes.

(Paragraph 6.7)

(c) Commercial

Loss/short realisation of revenue

- Non-imposition of penalty (Rs. 73.49 lakh) by 13 Electrical Sub-Divisions for delay in payment of electricity charges and inadmissible allowance of rebate (Rs. 11.36 lakh) by 8 Electrical Sub-Divisions to consumers led to a loss of revenue amounting to Rs. 84.85 lakh.

(Paragraph 8.3)

- Computation of energy charges at lower rate resulted in short realisation of Rs. 6.08 lakh by two Electrical Sub-Divisions.

(Paragraph 8.4)

CHAPTER I : AN OVERVIEW OF THE FINANCES OF THE STATE GOVERNMENT

Introduction

1.1 This chapter discusses the financial position of the State Government, based on the analysis of the information contained in the Finance Accounts. The analysis is based on the trends in the receipts and expenditure, the quality of expenditure and the financial management of the State Government. In addition, the chapter also contains a section on the analysis of indicators of financial performance of the Government, based on certain ratios and indices developed on the basis of the information contained in the Finance Accounts and other information furnished by the State Government. Some of the terms used in this chapter are described in the **Annex-I** to this chapter.

Financial position of the State

1.2 In the Government accounting system, comprehensive accounting of the fixed assets like land and buildings etc., owned by the Government, is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred by the Government. Abstract of such liabilities and the assets of the Government of Tripura as on 31 March 2001, compared with the corresponding position on 31 March 2000 is given below:

(Rupees in crore)

Liabilities				
As on 31 March 2000				**As on 31 March 2001**
523.45		Internal Debt		650.62
	345.61	Market Loans bearing interest	422.41	
	0.23	Market Loans not bearing interest	0.23	
	109.86	Loans from LIC of India	163.51	
	67.75	Loans from other Institutions	64.47	
681.95		Loans and Advances from Central Government		670.31
	9.01	Pre- 1984-85 Loans	7.70	
	330.40	Non-Plan Loans	258.74	
	315.91	Loans for State Plan Schemes	375.32	
	0.43	Loans for Central Plan Schemes	1.20	
	10.69	Loans for Centrally Sponsored Plan Schemes	10.84	
	1.42	Ways and Means Advances	1.42	
	14.09	Loans for Special Schemes	15.09	
582.07		Small Savings, Provident Funds, etc.		896.17
0.36		Reserve Fund		---
54.46		Deposits not bearing interest		46.26
10.00		Contingency Fund		10.00
15.05		Remittance balances		22.81
0.65		Suspense and Miscellaneous balances		---
751.57		Accumulated surplus on Government Account:		655.59
	774.38	Revenue Surplus as on 31 March 2000:	751.57	
	22.81	Revenue Deficit for the year 2000-2001:	95.98	
2619.56				2951.76

(Rupees in crore)

Assets				
As on 31 March 2000			As on 31 March 2001	
2319.29		Gross capital outlay on Fixed Assets		2665.99
	198.85	Investment in Government Companies and Statutory Corporations, etc.	222.85	
	2120.44	Other Capital Outlay on General, Social and Economic Services	2443.14	
49.19		Loans and Advances by the State Government		51.68
	34.35	Other Development Loans	34.28	
	14.84	Loans to Government Servants and Miscellaneous Loans	17.40	
1.14		Other Advances		1.23
...		Reserve Fund		29.73
...		Suspense and Miscellaneous Balances		5.82
...		Remittance Balances		
249.94		Cash Balance		197.31
	Nil*	Cash in Treasuries	NIL*	
	5.82	Departmental Cash Balance including permanent advances	2.82	
	260.72	Cash balance investment	265.39	
	(-) 16.60**	Deposits with Reserve Bank of India	(-) 70.90**	
2619.56				2951.76

*** Rs.1353 only.**

**** Minus balance was the net difference between receipts and disbursement of the State Government for the year 1999-2000/2000-2001 after incorporating all adjustments made by RBI for the year 1999-2000/2000-2001 upto 25 April 2000/25 April 2001.**

It would be seen from the above table that while the liabilities consist mainly of internal borrowings, loans and advances from the Government of India, and receipts from the Small Savings, Provident Funds etc., the assets comprise mainly the capital outlay, loans and advances given by the State Government and the cash balance. It would also be seen that while the liabilities grew by 23 *per cent*, the assets grew by only 13 *per cent* during 2000-2001. The liabilities had increased mainly due to incurring more internal debt (Rs.127.17 crore) and net increase in deposits under Small Savings and Provident Funds etc. in Public Account (Rs.314.09 crore).

Sources and applications of funds

1.3 The position of sources and applications of funds of the State Government during the current and the preceding year is shown below:

1999-2000				2000-2001
Amount (Rupees in crore)				Amount *(Rupees in crore)*
		Sources		
1438.26		1.Revenue Receipts		1638.06
2.37		2.Recoveries of Loans and Advances		1.87
262.04		3.Increase in Public Debt		115.53
157.48		4.Net Receipts from Public Account		277.00
	129.22	Increase in Small Savings and Provident Funds	314.09	
	(-) 0.07	Decrease in Reserve Funds	(-) 30.08	
	3.95	Decrease in Deposits and Advances	(-) 8.30	
	10.82	Decrease in Suspense Balances*	(-) 6.46	
	13.56	Increase in Remittance Balances	7.75	
1860.15		**Total**		**2032.46**

* Suspense and Miscellaneous, excluding Departmental Balances, Permanent Cash Imprest, Cash Balance Investment Account and other accounts.

1999-2000				2000-2001
		Applications		
1461.07		Revenue Expenditure		1734.04
267.20		Capital Expenditure		346.69
2.87		Lending for development and other purposes		4.36
129.01		Decrease in cash balance including permanent advances, departmental cash balance and cash balance investment		(-) 52.63
1860.15		**Total**		**2032.46**

1.4 The main sources of funds include the revenue receipts of the Government, public debt and the net receipts in the Public Account. These are applied mainly on revenue and capital expenditure. It would be seen that the revenue receipts (Rs.1638.06 crore) constitute the most significant source of funds for the State Government. While their relative share increased from 77 *per cent* in 1999-2000 to 81 *per cent* during 2000-2001, the share of recoveries of loans and advances decreased from 0.13 *per cent* to 0.09 *per cent*. The net receipts from the Public Account, however, increased sharply as their share went up from 8.47 *per cent* in 1999-2000 to 13.63 *per cent* in 2000-2001. This was mainly due to net increase of Rs.184.87 crore in Small Savings and Provident Funds offset by decrease of Rs. 65.35 crore under Deposit and Advances, Suspense balances and Remittance balances over the previous year. The receipts from the public debt went down from 14 *per cent* to 6 *per cent* of the total receipts.

1.5 The funds were mainly applied for revenue expenditure, whose share went up from 79 *per cent* to 85 *per cent* which remained higher than the share of the revenue receipts (81 *per cent*) in the total receipts of the State Government. A notable change during the year was that while the percentage of lending for development purposes went up from 0.15 *per cent* to 0.21 *per cent*, the percentage of capital expenditure went up from 14 *per cent* to 17 *per cent*.

Financial operations of the State Government

1.6 **Annex-II** gives the details of the receipts and disbursements made by the State Government. The Revenue expenditure (Rs.1734.04 crore) was higher than the revenue receipts (Rs.1638.06 crore) during the year, resulting in a revenue deficit of Rs.95.98 crore. The Revenue receipts (Rs. 1638.06 crore) comprised tax revenue (Rs.125.58 crore), non-tax revenue (Rs.94.51 crore), State's share of Union taxes and duties (Rs.236.22 crore) and grants-in-aid from the Central Government (Rs.1181.75 crore). The main sources of tax revenue were sales tax (65 *per cent*), State excise (16 *per cent*) and stamps and registration fees (5 *per cent*). Non-tax revenue came mainly from economic services (69 *per cent*), general services (6 *per cent*), social services (5 *per cent*) and interest receipts (20 *per cent*).

1.7 The capital receipts comprised Rs.1.87 crore from recoveries of loans and advances by State Government and Rs.165.48 crore from Public Debt. Against this, the expenditure was Rs.346.69 crore on capital outlay, Rs.4.36 crore on disbursement of loans and advances and Rs.49.95 crore on repayment of Public Debt. The receipts in the Public Account amounted to Rs.1284.28 crore, against which the disbursements of Rs. 1007.28 crore were made. The net effect of the transactions in the Consolidated Fund, Contingency Fund and

Public Account was a decrease of Rs. 52.63 crore in the cash balance from Rs.249.94 crore at the beginning of the year to Rs.197.31 crore at the end of the year.

1.8 The financial operations of the State Government pertaining to its receipts and expenditure are discussed in the following paragraphs, with reference to the information contained in **Annex-II** and the time series data on State Government finances for the five years' period from 1996-97 to 2000-2001, as presented below.

(Rupees in crore)

	1996-97	1997-98	1998-99	1999-2000	2000-2001
Part A. Receipts					
1. Revenue Receipts	**1028.92**	**1082.10**	**1268.35**	**1438.26**	**1638.06**
(i) Tax Revenue	**60.50 (6)**	**71.64 (7)**	**84.13 (7)**	**101.74 (7)**	**125.58 (8)**
Taxes on Agricultural Income	0.20 (#)	0.17 (#)	0.64 (1)	0.78 (1)	0.25 (#)
Taxes on Sales, Trade, etc.	35.69 (59)	42.39 (60)	47.70 (57)	57.78 (57)	81.08 (65)
State Excise	12.41 (21)	14.96 (21)	17.00 (20)	20.11 (20)	19.79 (16)
Taxes on Vehicles	1.40 (2)	1.83 (3)	3.51 (4)	3.60 (3)	4.26 (3)
Stamps and Registration Fees	3.62 (6)	3.93 (5)	4.82 (6)	5.10 (5)	5.94 (5)
Land Revenue	0.58 (1)	1.67 (2)	3.37 (4)	2.57 (2)	1.82 (1)
Other Taxes	6.60 (11)	6.69 (9)	7.10 (8)	11.80 (12)	12.44 (10)
(ii) Non-Tax revenue	**40.66 (4)**	**34.87 (3)**	**44.83 (3)**	**76.19 (5)**	**94.51 (6)**
(iii) State's share of Union taxes and duties	**318.78 (31)**	**429.77 (40)**	**457.02 (36)**	**529.55 (37)**	**236.22* (14)**
(iv) Grants-in-aid from Government of India	**608.98 (59)**	**545.82 (50)**	**682.37 (54)**	**730.78 (51)**	**1181.75 (72)**
2. Misc. Capital Receipts	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
3. Total Revenue and Non-debt Capital Receipts (1+2)	**1028.92**	**1082.10**	**1268.35**	**1438.26**	**1638.06**
4. Recoveries of Loans and Advances	**4.47**	**1.06**	**1.20**	**2.37**	**1.87**
5. Public Debt Receipts	**94.80**	**131.14**	**218.04**	**304.05**	**165.48**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	34.72	41.32	97.09	145.30	148.33
Net transactions under Ways and Means Advances and Overdrafts	NIL	NIL	NIL	NIL	NIL
Loans and Advances from Government of India♥	60.08	89.82	120.95	158.75	17.15
6. Total Receipts in the Consolidated Fund (3+4+5)	**1128.19**	**1214.30**	**1487.59**	**1744.68**	**1805.41**
7. Contingency Fund Receipts	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
8. Public Account Receipts	**617.68**	**600.97**	**668.21**	**875.18**	**1284.28**

(#) Negligible

* This figure represents: (i) Union Excise duties: Rs. 158.29 crore; (ii) Taxes on Income other than Corporation Tax: Rs. 22.16 crore; (iii) Service Tax and share of net proceeds assigned to States: Rs. 55.77 crore.

♥ Includes Ways and Means Advances from GOI.

	1996-97	1997-98	1998-99	1999-2000	2000-2001
9. Total Receipts of the State (6+7+8)	**1745.87**	**1815.27**	**2155.80**	**2619.86**	**3089.69**
Part B. Expenditure/ Disbursement					
10. Revenue Expenditure	**907.16 (79)**	**1060.39 (83)**	**1175.62 (85)**	**1461.07 (85)**	**1734.04 (83)**
Plan	270.29 (30)	306.52 (29)	323.70 (28)	343.04 (23)	366.88 (21)
Non-plan	636.87 (70)	753.87 (71)	851.92 (72)	1118.03 (77)	1367.16 (79)
General Services (including Interests Payments)	291.03 (32)	349.39 (33)	408.92 (35)	540.99 (37)	646.44 (37)
Economic Services	237.40 (26)	296.05 (28)	300.98 (26)	328.09 (23)	404.47 (23)
Social Services	373.71 (41)	397.75 (37)	448.76 (38)	573.47 (39)	663.55 (38)
Grants-in-aid and Contributions	5.02 (1)	17.20 (2)	16.96 (1)	18.52 (1)	19.58 (1)
11. Capital Expenditure	**241.68 (21)**	**215.26 (17)**	**208.93 (15)**	**267.20 (15)**	**346.69 (17)**
Plan	253.31 (105)	207.79 (97)	197.10 (94)	257.94 (97)	332.14 (96)
Non-Plan	(-)11.63 (-5)*	7.47 (3)	11.83 (6)	9.26 (3)	14.55 (4)
General Services	21.16 (9)	3.66 (2)	4.19 (2)	6.32 (2)	8.25 (2)
Economic Services	141.50 (58)	131.94 (61)	104.99 (50)	155.41 (58)	217.88 (63)
Social Services	79.02 (33)	79.66 (37)	99.75 (48)	105.47 (40)	120.56 (35)
12. Disbursement of Loans and Advances	**6.28**	**3.28**	**3.36**	**2.87**	**4.36**
13. Total (10+11+12)	**1155.12**	**1278.93**	**1387.91**	**1731.14**	**2085.09**
14. Repayments of Public Debt	**23.68**	**29.94**	**34.81**	**42.01**	**49.95**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	8.00	11.36	13.18	17.04	21.16
Net transactions under Ways and Means Advances and Overdrafts	NIL	NIL	NIL	NIL	NIL
Loans and Advances from Government of India[Ψ]	15.68	18.58	21.63	24.97	28.79
15. Appropriation to Contingency Fund	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
16. Total Disbursement out of Consolidated Fund (13+14+15)	**1178.80**	**1308.87**	**1422.72**	**1773.15**	**2135.04**
17. Contingency Fund Disbursements	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
18. Public Account Disbursements	**590.50**	**549.45**	**593.91**	**717.70**	**1007.28**
19. Total disbursement by the State (16+17+18)	**1769.30**	**1858.32**	**2016.63**	**2490.85**	**3142.32**
*** *Minus* figure was due to more receipts and recoveries than expenditure.**					

[Ψ] Includes Ways and Means Advances from GOI.

	1996-97	1997-98	1998-99	1999-2000	2000-2001
Part C. Deficits					
20. Revenue Deficit (-)/ Surplus (+) (1-10)	(+)121.76	(+) 21.71	(+) 92.73	(-) 22.81	(-) 95.98
21. Fiscal Deficit (3+4 - 13)	121.73	195.77	118.36	290.51	445.16
22. Primary Deficit (21-23)	11.52	75.81	(-) 22.22	105.30	219.13
Part D. Other data					
23. Interest payments (percentage of Revenue expenditure)	110.21 (12)	119.96 (11)	140.58 (12)	185.21 (13)	226.03 (13)
24. Arrears of Revenue ** (percentage of Tax and Non-Tax revenue receipts)	8.53 (8)	9.61 (9)	9.91 (8)	9.64 (5)	14.35 (7)
25. Financial Assistance to local bodies etc.	89.60	128.16	71.07	73.37	100.52
26. Ways and Means Advances/Overdraft availed (days)	Nil	12	73	Nil	1
27. Interest on Ways and Means Advances/Overdraft (Rs. in crore)	Nil	0.02	0.33	Nil	0.01*
28. Gross State Domestic Product (GSDP)[1]	2756.82	3298.34	3814.18	4153.70	4524.42
29. Outstanding Debt (year-end)	658.95	760.14	943.37	1205.41	1320.93
30. Outstanding guarantees (year-end)	68.32	76.55	44.02	93.89	83.64 ◂
31. Maximum amount guaranteed (year-end)	67.01	87.69	63.82	79.82	157.22
32. Number of incomplete projects	83	104	78	14	21
33. Capital blocked in incomplete projects	67.14	120.41	96.23	25.40	20.20

*** Rs. 0.89 lakh only.**

◂ Outstanding guarantees include interest of Rs. 7.91 crore.

**** The information on arrears of revenue as furnished by the taxation authorities included only Sales Tax and Agricultural Income Tax.**

Note :

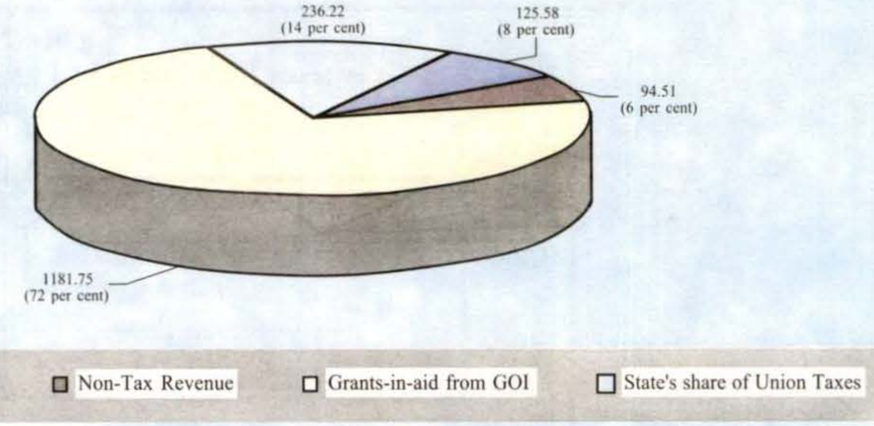
1. GSDP shown at current prices for 2000-2001 (Quick Estimate) and for 1999-2000 (provisional estimate) received (August 2001) from Statistics Department, Government of Tripura, Agartala.

2. Figures in breakets represent percentages (rounded) to total of each sub-heading.

Revenue receipts

1.9 The revenue receipts consist of tax and non-tax revenue, and receipts from Government of India (GOI). Their relative shares are shown in Figure 1. During the year, the revenue receipts increased by 14 *per cent* over that of previous year.

Figure 1
Revenue Receipts 2000-2001
(Rupees in crore)
1638.06



Tax revenue

1.10 This constitutes 8 *per cent* of the revenue receipts. Time series data (paragraph 1.8 above) show that the contribution of Sales Tax (major constituent) had increased from 57 *per cent* in 1999-2000 to 65 *per cent* in 2000-2001. The other major constituent of tax revenue *viz*., the State Excise had declined from 20 *per cent* in 1999-2000 to 16 *per cent* in 2000-2001 after remaining stagnant at 20 *per cent* during the two consecutive years 1998-1999 and 1999-2000. The stamps and registration fees had remained static at 5 *per cent* during 1999-2000 and 2000-2001.

Non-tax revenue

1.11 The non-tax revenue constituted 6 *per cent* of the revenue receipts of the State Government in 2000-2001, and had increased by 1 *per cent* over the previous year.

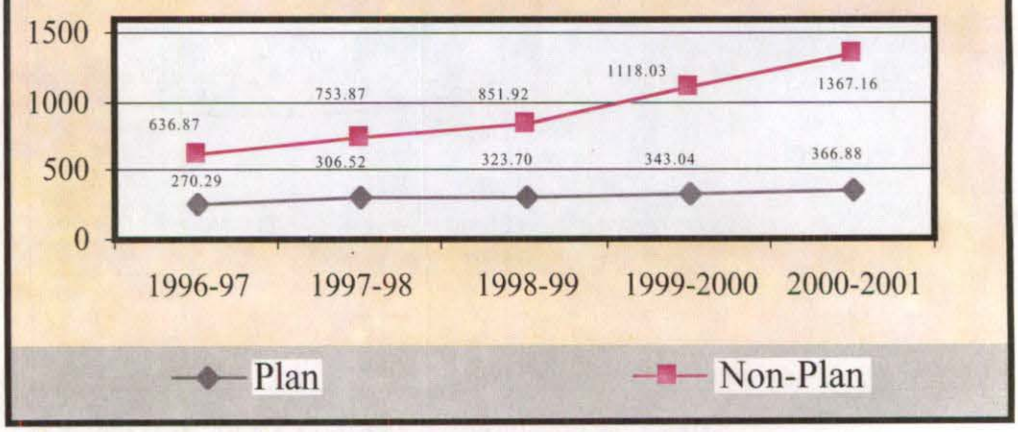
State's share of Union taxes and duties and grants-in-aid from the Central Government

1.12 The State's share of Union taxes and duties decreased by 55 *per cent* over the previous year, while the grants-in-aid from the Central Government increased by 62 *per cent*. However, as a percentage of revenue receipts, both of them taken together were 86 *per cent* during the year 2000-2001 which came down from 88 *per cent* in 1999-2000.

Revenue expenditure

1.13 During 2000-2001, revenue expenditure exceeded revenue receipt, which resulted in revenue deficit of Rs. 95.98 crore. Revenue expenditure accounted for most (83 *per cent*) of the expenditure (i.e. Revenue and Capital taken together) of the State Government. The increase of revenue expenditure was, however, mainly on the non-plan side by 22 *per cent* compared to an increase of 7 *per cent* on the plan side over the previous year. A comparison of the data for the last 5 years shows that the growth in non-plan component (115 *per cent*) of revenue expenditure far surpassed that of plan expenditure (36 *per cent*), as may be seen in Figure 2.

Figure 2
Growth of Plan and Non-Plan revenue expenditure
(Rupees in crore)



1.14 Sector-wise analysis in time series data (paragraph 1.8 above) shows that while the expenditure on General Services increased by 122 *per cent*, from Rs.291.03 crore in 1996-97 to Rs.646.44 crore in 2000-2001, the corresponding increase in expenditure on Social Services and Economic Services was only 78 and 70 *per cent* respectively. As a proportion of total revenue expenditure, the share of General Services increased from 32 *per cent* in 1996-97 to 37 *per cent* in 2000-2001, and the share of Social Services and Economic Services decreased from 41 *per cent* to 38 *per cent*, and 26 *per cent* to 23 *per cent* respectively.

Interest payments

1.15 Interest payments increased by 105 *per cent* from Rs.110.21 crore in 1996-97 to Rs.226.03 crore in 2000-2001 against the increase of 22 *per cent* as compared to the previous year. This is further discussed in the section on financial indicators (paragraph 1.39).

Financial assistance to local bodies and other institutions

1.16 The quantum of assistance in the form of grants provided to different local bodies etc., during the period of five years ending 2000-2001 was as follows :

	1996-97	1997-98	1998-99	1999-2000	2000-2001
	(Rupees in crore)				
Universities and Educational Institutions	14.89	16.13	15.99	34.07	24.27
Municipal Corporations and Municipalities	1.51	0.72	4.41	3.73	10.24
Zilla Parishads and Panchayati Raj Institutions	5.02	51.83	39.13	20.15	36.31
Development Agencies	11.20	12.23	2.90	1.60	1.65
Hospitals and Other Charitable Institutions	Nil	2.85	1.41	1.45	Nil
Other Institutions	56.98	44.40	7.23	12.37	28.05
Total	**89.60**	**128.16**	**71.07**	**73.37**	**100.52**
Percentage of growth over previous year	(-) 21	43	(-) 45	3	37
Assistance as a percentage of revenue expenditure	10	12	6	5	6

The assistance to the Municipal Corporations and Municipalities, Zilla Parishads and Panchayati Raj Institutions, and other Institutions had considerably increased in 2000-2001 over the previous year, whereas, it had sharply decreased by 29 *per cent* in respect of Universities and Educational Institutions as compared to the previous year.

Loans and Advances by the State Government

1.17 The Government gives loans and advances to Government companies, corporations, autonomous bodies, co-operatives, non-government institutions, etc., for developmental and non-developmental activities. The position for the last five years given below shows that the outstanding amount have increased by Rs.7.38 crore (17 *per cent*) from Rs.44.30 crore in 1996-97 to Rs.51.68 crore in 2000-2001. There was substantial recovery of loans and advances during the year 1996-97 (Rs. 4.47 crore) which declined by 76 *per cent* (Rs.1.06 crore) during 1997-98 followed by marginal increase (Rs. 1.20 crore) in 1998-99 and Rs. 2.37 crore in 1999-2000. Then there was a sharp decline by 21 *per cent* to Rs. 1.87 crore in 2000-2001. The realisation was only 4 *per cent* of outstanding balance at the beginning of the year 2000-2001.

1.18 In respect of loans the detailed accounts of which are maintained by the departmental officers, all such departmental officers are required to furnish to the Accountant General (Accounts and Entitlement), each year, the detailed accounts including arrears (as on 31 March) in recovery of loans and interest thereon. Information about arrears as on 31 March 2001 had not been received (November 2001) from any of these officers.

	1996-97	1997-98	1998-99	1999-2000	2000-2001
	(Rupees in crore)				
Opening balance	42.49	44.30	46.52	48.68	49.19
Amount advanced during the year	6.28	3.28	3.36	2.88	4.36
Amount recovered during the year	4.47	1.06	1.20	2.37	1.87
Closing balance	44.30	46.52	48.68	49.19	51.68
Net addition	1.81	2.22	2.16	0.51	2.49
Interest received	3.96	0.38	0.19	11.62	18.49

Capital expenditure

1.19 Capital expenditure leads to asset creation. In addition, financial assets arise from funds invested in institutions or undertakings outside Government *i.e.,* public sector undertakings (PSUs), corporations, etc and loans and advances. During the last five year period (1996-2001) the capital expenditure has grown by 43 *per cent.* Compared to the growth of total expenditure (Revenue, Capital and Loans and Advances taken together) recording an increase of 81 *per cent* during the same period. The share of capital expenditure in total expenditure has grown from 15 *per cent* in 1999-2000 to 17 *per cent* in 2000-2001. Time series data (paragraph 1.8 above) show that most of the capital expenditure has been on Economic and Social Services and mainly on the Plan side.

Quality of expenditure

1.20 Government spends money for different activities ranging from maintenance of law and order and regulatory functions to various developmental activities. Government expenditure is broadly classified into Plan and Non-plan under Revenue and Capital heads. While the Plan and Capital expenditure is usually associated with asset creation, the Non-plan and Revenue expenditure is identified with expenditure on establishment, maintenance and services.

1.21 Wastage in public expenditure, diversion of funds and funds locked up in incomplete projects would also impinge negatively on the quality of expenditure. Similarly, funds transferred to Deposit heads in the Public Account, after booking them as expenditure, can also be considered as a negative factor in judging the quality of expenditure. As the expenditure was not actually incurred in the concerned year, it should be excluded from the figures of expenditure for that year. Another possible indicator is the increase in the expenditure on General Services, to the detriment of Economic and Social Services.

The following table lists out the trend in these indicators:

(Rupees in crore)

	1996-97	1997-98	1998-99	1999-2000	2000-2001
1. Plan expenditure as a percentage of : - Revenue expenditure - Capital expenditure	 30 105	 29 97	 28 94	 23 97	 21 96
2. Capital expenditure to total expenditure (*per cent*)	21	17	15	15	17
3. Expenditure on General services (*per cent*) - Revenue - Capital	 32 9	 33 2	 35 2	 37 2	 37 2
4. Amount of wastages and diversion of funds detected during test audit (Rupees in crore)	7.08	24.52	31.68	50.72	16.67
5. Non-remunerative expenditure on incomplete projects (Rupees in crore)	67.14	120.41	96.23	25.40	20.20
6. Unspent balances under deposit heads (PL Accounts), booked as expenditure at the time of their transfer to the deposit head (Rupees in crore)	46.87	51.00	59.56	26.65	16.09

It would be seen that the share of Plan expenditure on the Revenue side had a sharp decline in 2000-2001 compared to the level of 1996-97. The share of Plan expenditure in the capital side also decreased similarly during the five year period. The expenditure on General Services, during the five year period, had been on the increase on the Revenue side, though on the Capital side it had remained static at 2 *per cent* from 1997-98 to 2000-2001 after a sharp decline from 9 *per cent* in 1996-97.

1.22 It would be seen from the above table that unspent balance under deposit heads (in Personal Ledger Accounts) booked as expenditure had an upward trend for two consecutive years upto 1998-99. The trend was reversed in 1999-2000 and 2000-2001.

Financial Management

1.23 The issue of financial management in the Government should relate to efficiency, economy and effectiveness of its revenue and expenditure operations. Subsequent chapters of this report deal extensively with these issues especially as they relate to the expenditure management in the Government, based on the findings of the test audit. Some other parameters, which can be segregated from the accounts and other related financial information of the Government, are discussed in this section.

Investments and returns

1.24 Investments are made out of the capital outlay by the Government to promote developmental, manufacturing, marketing and social activities. The sector-wise details of investments made and the number of concerns involved*

* These differ with No. of concerns and amounts invested as mentioned in Chapter-VIII, which was based on information furnished by the Managements. Number of statutory corporations includes here Assam Financial Corporation, a joint venture with other States, which has been excluded from Chapter-VIII. The State Government has been asked to reconcile the differences in amounts invested in the Corporation/Companies(October 2001).

were as under :

Sector	Number of concerns	Amount invested	
		As on 31 March 2001	During 2000-2001
		(Rupees in crore)	
(1) Statutory Corporations	2	70.04	11.06
(2) Government Companies	9	111.19	10.23
(3) Co-operative Institutions (including Bank)	677	41.62	2.72
Total	**688**	**222.85**	**24.01**

No dividend has been received by the Government on the above investments.

(Rupees in crore)

Year	Investment at the beginning of the year	Rate of interest on Government borrowings (in percentage)	Total interest liability	Return of investment to Government
1996-97	121.98	13.85	16.89	Nil
1997-98	145.85	13.05	19.03	Nil
1998-99	162.66	12.15	19.76	Nil
1999-2000	177.98	12.25	21.80	Nil
2000-2001	198.85	10.82	21.51	Nil
Total			**98.99**	

Thus, while the Government was raising high cost borrowings from the market, it had been increasing the investment in the above institutions year after year without getting any return therefrom. During the last 5 years, interest liability on the investments made out of borrowed funds at the prevailing market borrowing rates works out to Rs. 98.99 crore which represents 44 *per cent* of the total investment as of March 2001.

1.25 As of 31 March 2001, the Government invested Rs.111.19 crore in 9 Government companies. Eight of these companies were running under loss (one in the process of liquidation) and the accumulated loss for all the 8 working Companies taken together was Rs. 25.32 crore.

Incomplete Projects

1.26 As of 31 March 2001, there were 21 incomplete projects (costing Rs. 25 lakh and above) in which total amount of Rs.20.20 crore was invested. The projects were due for completion by the end of March 2001, but their non-completion led to locking up of Rs.20.20 crore.

Arrears of revenue

1.27 The arrears of revenue pending collection increased by 49 *per cent* during the year. The outstanding arrears remained in the range of 7 to 9 *per cent* of the revenue raised (both tax revenue and non-tax revenue taken together) during each of the years 1996-97 to 2000-2001. Of the arrears of Rs.14.35 crore as of March 2001, Rs.1.31 crore (9 *per cent*) was pending for more than five years, and pertained to Sales Tax (Rs.1.24 crore) and Agricultural Income Tax (Rs.0.07 crore). The overall position of arrears of revenue, compared to the previous year, showed a slightly slackening of the revenue efforts of the State Government.

Ways and means advances and overdraft

1.28 Under an agreement with the Reserve Bank of India, the State Government had to maintain with the Bank a minimum daily cash balance of Rs.10 lakh. If the balance fell below the agreed minimum on any day, the deficiency had to be made good by taking ways and means advances (WMA)/overdraft (OD) from the Bank. In addition, special ways and means advances are also made by the Bank whenever necessary. Recourse to WMA/OD means a mismatch between the receipts and expenditure of the Government, and hence reflects poorly on the financial management in the Government. During the year 2000-2001, the Government had taken Rs. 43.28 crore as Ways and Means Advances and repaid the same leaving no outstanding at the end of the year. Rs. 0.89 lakh was paid as interest on ways and means advances at the rate of 7 *per cent*. To make up the deficiency in the cash balance, the holdings of the Government of India Treasury Bills were rediscounted on 178 days during the year 2000-2001.

Deficit

1.29 Deficit in Government account represents gaps between the receipts and expenditure. The nature of deficit is an important indicator of the prudence of financial management in the Government. Further, the ways of financing the deficit and the application of the funds raised in this manner are important pointers of the fiscal prudence of the Government. The discussion in this section relates to three concepts of deficit *viz.*, Revenue Deficit, Fiscal Deficit and Primary Deficit.

1.30 The Revenue Deficit is the excess of revenue expenditure over revenue receipts. The Fiscal Deficit may be defined as the excess of revenue and capital expenditure (including net loans and advances given) *minus* the revenue receipts (including grants-in-aid received). Primary Deficit is fiscal deficit less interest payment. The following exhibit gives a break-up of the deficit/surplus in Government account.

CONSOLIDATED FUND				
				(Rupees in crore)
Receipt	**Amount**		**Disbursement**	**Amount**
Revenue	1638.06	**Revenue deficit 95.98**	Revenue	1734.04
Misc. capital receipts -	-		Capital	346.69
Recovery of loans & advances	1.87		Loans & advances disbursed	4.36
Sub Total	**1639.93**	**Gross fiscal deficit :445.16**	**Sub Total**	**2085.09**
Public debt receipts	165.48		Public debt repayment	49.95
Total	**1805.41**	**A: Deficit in Consolidated Fund : 329.63**		**2135.04**
Receipt		**Public account**	**Disbursement**	
Small savings, PF etc.	467.01		Small savings, PF etc	152.92
Deposits and advances	167.22		Deposits and advances	175.52
Reserve funds	NIL		Reserve funds	30.08
Suspense & misc.	40.82		Suspense & misc.	47.28
Remittances	609.23		Remittances	601.48
Total Public Account	**1284.28**	**B: Surplus in Public Account : 277.00**		**1007.28**
Decrease in cash balance (A-B) :52.63				

There was a revenue deficit during the year amounting to Rs. 95.98 crore. The fiscal deficit was Rs.445.16 crore which was offset by net proceeds of the public debt of Rs.115.53 crore and led to a net deficit of Rs.329.63 crore in the Consolidated Fund. This, combined with surplus of the Public Account (Rs.277.00 crore), resulted in an overall decrease of the Cash Balance by Rs.52.63 crore as a result of which the cash balance of Rs. 249.94 crore as on 31 March 2000 decreased to Rs. 197.31 crore as on 31 March 2001. Time series data (paragraph 1.8 above) show that the fiscal deficits gradually increased from 1996-97 to 2000-2001, barring a temporary dip in 1998-99. Overall increase in fiscal deficit during 2000-2001 over the level of 1996-97 was 266 *per cent.*

Application of the borrowed funds (Fiscal Deficit)

1.31 The fiscal deficit represents total net borrowings of the Government. These borrowings are applied for meeting the Revenue Deficit (RD), for making the Capital Expenditure (CE) and for giving loans to various bodies for developmental and other purposes. The relative proportions of these applications would indicate the financial prudence of the State Government and also the sustainability of its operations, because continued borrowing for revenue expenditure would not be sustainable in the long run. The following table shows the position of fiscal deficits in respect of the Government of Tripura for the last five years :

Ratio	1996-97	1997-98	1998-99	1999-2000	2000-2001
RD/FD♣	(-)1.00	(-)0.11	(-)0.78	0.08	0.22
CE/FD	1.99	1.10	1.76	0.92	0.78
Net loans/FD	0.01	0.01	0.02	0.00	0.00
Total	1.00	1.00	1.00	1.00	1.00

It would be seen that during the three years ending 1998-99, the State had revenue surplus, which together with the funds borrowed went mainly to meet capital expenditure. During the year 1999-2000 and 2000-2001, the State had Revenue Deficit, which was an indication that the State had to depend on the borrowings to meet even the revenue expenditure.

Guarantees given by the State Government

1.32 Guarantees are given by the State Government for due discharge of certain liabilities like repayment of loans, share capital, etc., raised by the Statutory corporations, Government companies and Co-operative institutions etc., and payment of interest and dividend by them. They constitute contingent liability of the State. No law under Article 293 of the Constitution had been passed by the State Legislature laying down the limits within which Government may give guarantees on the security of the Consolidated Fund of the State. Time series data (paragraph 1.8 above) list the amounts of guarantees given by the Government and the amounts outstanding at the end of each year during 1996-2001. Against the maximum amount of Rs.157.22 crore guaranteed by the Government upto 31 March 2001, Rs.75.73 crore was outstanding as principal and Rs. 7.91 crore as interest.

1.33 The Government had not levied any fee or charge in lieu of the amount guaranteed nor had it set up any fund for meeting the liabilities which may arise on invocation of guarantees.

1.34 The amount guaranteed and sub-guaranteed remaining outstanding relates to 1 Statutory Corporation, 4 Government Companies, 9 Co-operative Institutions and Banks, Notified Area Authorities (now renamed as Nagar Panchayats and three other institutions/organisation. Complete information relating to one Government Company⊟, one Co-operative Institution✓, Agartala Municipal Council and one other Institution✱ was not furnished by the Government.

Public debt

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

♣ As the State had revenue surplus during 1996-97 to 1998-99, the ratio has been prefixed by a *minus* sign.

⊟ Tripura Tea Development Corporation Ltd.
✓ Tachai Tea Estate Co-operative Society.
✱ Tripura Khadi and Village Industries Board.

such limit. The details of the total liabilities of the State Government as at the end of the last five years, representing the closing balance for each, are given in the following table. During the five-years' period, the total liabilities of the Government had grown by 117 *per cent*. This was on account of 131 *per cent* growth in internal debt, 78 *per cent* growth in loans and advances from Government of India and 146 *per cent* growth in other liabilities. During 2000-2001, Government borrowed Rs.79.95 crore in the open market at interest rates of 10.52 and 10.82 *per cent* per annum.

(Rupees in crore)

Year	Internal debt	Loans and advances from Central Government	Total public debt	Other liabilities*	Total liabilities	Ratio of debt to GSDP†
1996-97	281.33	377.62	658.95	371.61	1030.56	0.37
1997-98	311.28	448.86	760.14	428.75	1188.89	0.36
1998-99	395.19	548.18	943.37	503.91	1447.28	0.38
1999-2000	523.46	681.95	1205.41	636.89	1842.30	0.44
2000-2001	650.62	670.31	1320.93	912.69	2233.62	0.49

1.36 The amount of funds raised during 2000-2001 through Public debt, the amount of repayment and net funds available are given in the following table:

(Rupees in crore)

	1996-97	1997-98	1998-99	1999-2000	2000-2001
Internal debt ∞					
Receipt	34.72	41.32	97.09	145.30	191.61
Repayment (principal + interest)	41.24	47.24	53.81	75.61	144.35
Net funds available(*per cent)*	(-)6.52 (-19)	(-)5.92 (-14)	43.28 (45)	69.69 (48)	47.26 (25)
Loans and advances from GOI					
Receipt during the year	60.08	89.82	120.95	158.75	17.15
Repayment (principal + interest)	55.19	64.25	77.11	94.23	107.40
Net funds available (*per cent)*	4.89 (8)	25.57 (28)	43.84 (36)	64.52 (41)	(-) 90.25 (-526)
Other liabilities					
Receipt during the year	243.59	260.18	314.44	383.46	616.47
Repayment	221.70	203.04	239.29	250.48	340.66
Net funds available (*per cent)*	21.89 (9)	57.14 (22)	75.15 (24)	132.98 (35)	275.81 (45)

It would be seen that during each of the years between 1996-97 and 2000-2001 only 6 *per cent* to 39 *per cent* of the borrowings etc. (Internal Debt, Loans and Advances from GOI and other liabilities taken together) were available for investment and other expenditure after meeting the repayment obligations✦. The net availability, however, decreased to 13 *per cent* of the borrowings in 2000-2001 over the previous year.

* Other liabilities include small savings etc., reserve fund, and deposits.

† Debt means total public debt *plus* other liabilities.

∞ Internal debt as depicted in the table excludes Ways and Means Advances.

✦ Availability for investment and other expenditure (in percentage) – 1996-97: 6; 1997-98: 20; 1998-99: 30; 1999-2000: 39; and 2000-2001: 28.

Indicators of the financial performance

1.37 A Government may either wish to maintain its existing level of activity or increase its level of activity. For maintaining its current level of activity, it would be necessary to know how far the means of financing are sustainable. Similarly, if Government wishes to increase its level of activity it would be pertinent to examine the flexibility of the means of financing and, finally, Government's increased vulnerability in the process. All the State Governments continue to increase the level of their activity principally through Five Year Plans which translate to Annual Development Plans and are provided for increase in the State Budget. Broadly, it can be stated that non-plan expenditure represents Government maintaining the existing level of activity, while plan expenditure entails expansion of activity. Both these activities require resource mobilisation increasing Government's vulnerability. In short, financial health of a Government can be described in terms of sustainability, flexibility and vulnerability. These terms are defined as follows:

(i) Sustainability

Sustainability is the degree to which a Government can maintain existing programmes and meet existing creditor requirements without increasing the debt burden.

(ii) Flexibility

Flexibility is the degree to which a Government can increase its financial resources to respond to rising commitments by either expanding its revenues or increasing its debt burden.

(iii) Vulnerability

Vulnerability is the degree to which a Government becomes dependent on and therefore vulnerable to sources of funding outside its control or influence, both domestic and international.

(iv) Transparency

There is also the issue of financial information provided by the Government. This consists of Annual Financial Statement (Budget) and the Accounts. As regards the budget, the important parameters are timely presentation indicating the efficiency of budgetary process and the accuracy of the estimates. As regards accounts, timeliness in submission, for which milestones exist, and completeness of accounts, would be the principal criteria.

1.38 Information available in Finance Accounts can be used to flesh out Sustainability, Flexibility and Vulnerability that can be expressed in concrete terms of certain indices/ratios worked out from Finance Accounts. The list of such indices/ratios is given in the **Annex-I**. **Annex-III** indicates the behaviour of these indices/ratios over the period from 1996-97 to 2000-2001. The implications of these indices/ratios for the State on the financial health of the State Government are discussed in the following paragraphs.

1.39 The behaviour of the indices/ratios is discussed below:

(i) Balance from current revenues (BCR)

BCR is defined as revenue receipts *minus* plan assistance grants *minus* non-plan revenue expenditure. A positive BCR shows that the State Government has surplus from its revenues for meeting plan expenditure .The **Annex-III** shows that the State Government has had negative and decreasing BCRs in the last five years, which indicated that the Government had to depend only on borrowings for meeting its plan expenditure.

(ii) Interest ratio

Interest ratio is defined as - $\dfrac{\text{Interest payment} - \text{Interest receipts}}{\text{Total revenue Receipts} - \text{Interest receipts}}$

The higher the ratio, the lesser the ability of the Government to service any fresh debt and meet its revenue expenditure from its revenue receipts. In the case of Tripura, the ratio has moved in the range of 0.10 to 0.13. The ratio (0.11) remained static in 1997-98 and 1998-99 but it increased to 0.13 in 2000-2001. A rising interest ratio has adverse implications on the sustainability since it points out to the rising interest burden.

(iii) Capital outlay/capital receipts

This ratio would indicate to what extent the capital receipts are applied for capital formation. A ratio of less than one would not be sustainable in the long run in as much as it indicates that a part of the capital receipt is being diverted to unproductive revenue expenditure. On the contrary, a ratio of more than one would indicate that capital investments are being made from revenue surplus as well. The trend analysis of this ratio would throw light on the fiscal performance of the State Government. A rising trend would mean an improvement in the performance. In the case of Tripura, the ratio was more than one upto 1997-98, with the ratio reaching a high of 2.07 in 1996-97. But the trend was reversed thereafter and the ratio gradually declined from 1.14 in 1997-98 to 0.81 in 2000-2001, which indicated that substantial part of capital receipts were not available for investment and diverted to meet revenue expenditure during 1998-99 to 2000-2001.

(iv) Tax receipts Vs Gross State Domestic Product (GSDP)

Tax receipts consist of State taxes and State's share of Central taxes. The latter can also be viewed as Central taxes paid by people living in the State. Tax receipts suggest sustainability. But the ratio of tax receipts to GSDP would have implications for the flexibility as well. While a low ratio would imply that the Government can tax more, and hence its flexibility, a high ratio may not only point to the limits of this source of finance but also its inflexibility. Financial Indicators exhibited at Annex-III show that in the case of Tripura, this ratio had ranged between 0.08 and 0.16 during the five years' period ending 2000-2001. Similarly, the ratio of State tax receipts compared to GSDP had also been constant at 0.02 upto 1998-99 but in 1999-2000 and 2000-2001 it was static at 0.03. The ratio suggests that the State Government had the option to raise more resources through taxation.

(v) Return on Investment (ROI)

The ROI is the ratio of the earnings to the capital employed. A high ROI suggests sustainability. The return of Government investments in statutory corporations, Government companies, and co-operative institutions was nil as no dividend/interest has been received by the Government on the investment made during the years 1996-97 to 2000-2001.

(vi) Capital repayments Vs Capital borrowings

This ratio would indicate the extent to which the capital borrowings are available for investment, after repayment of capital. The lower the ratio, the higher would be the availability of capital for investment. In the case of Tripura, this ratio had shown declining trend from 0.25 in 1996-97 to 0.14 in 1999-2000, but again increasing to 0.43 in 2000-2001 with indication of less mobilisation of capital for investment.

(vii) Debt Vs Gross State Domestic Product (GSDP)

The GSDP is the total internal resource base of the State Government, which can be used to service debt. An increasing ratio of Debt/GSDP would signify a reduction in the Government's ability to meet its debt obligations and therefore increasing the risk for the lender. In the case of Tripura, this ratio has moved in the range between 0.36 and 0.49 during the five years ending 2000-2001. The gradual increase of the ratio from 1997-98 onwards indicates the government's increasing inability to meet its debt obligations.

(viii) Revenue deficit/Fiscal deficit

During the period of three years ending 1998-99, the State had revenue surplus. But in the year 1999-2000 and 2000-2001, the State had revenue deficit. This means that the State had to depend on the borrowings to meet even the revenue expenditure. Increase in revenue expenditure was mainly due to steep increase in non-plan expenditure like salaries of the State Government employees. The government had to pay salary bills for Rs. 475.32 crore in 1998-99, Rs. 699.71 crore in 1999-2000 and Rs. 830.49 crore in 2000-2001. Since fiscal deficit represents the aggregate of all the borrowings, the revenue deficit as a percentage of fiscal deficit would indicate the extent to which the borrowings of the Government are being used to finance non-productive revenue expenditure. Thus, the higher the ratio the worse is the financial condition of the State because that would indicate that the debt burden is increasing without adding to the repayment capacity of the State. During 2000-2001, 22 *per cent* of the borrowings were applied to revenue expenditure as compared to 8 *per cent* in 1999-2000. This is an unfavourable trend.

(ix) Primary deficit Vs Fiscal deficit

Primary deficit is the fiscal deficit *minus* interest payments. This means that, the less the value of the ratio, the less the availability of funds for capital investment. In the case of Tripura, this ratio had been in the range of (-) 0.19 to 0.49 during the five years ending 2000-2001. This suggests that funds available for capital investment after meeting interest obligations were small and even negative during 1998-99.

(x) Guarantees Vs revenue receipts

Outstanding guarantees, including the letters of comfort issued by the Government, indicate the risk exposure of a State Government and should therefore be compared with the ability of the Government to pay, *viz.,* its revenue receipts. Thus, the ratio of the total outstanding guarantees to total revenue receipts of the Government would indicate the degree of vulnerability of the State Government. In the case of Tripura, this ratio decreased to 0.05 in 2000-2001 from 0.07 in 1999-2000, indicating decrease in vulnerability (Annex-III).

(xi) Assets Vs Liabilities

This ratio indicates the solvency of the Government. A ratio of more than 1 would indicate that the State Government is solvent (assets are more than the liabilities) while a ratio of less than 1 would be a contra indicator. This ratio had all along been more than 1 and had moved in the range of 1.29 to 1.63. In the year 2000-2001 the State was not in a better position as compared to the previous year as the ratio had declined from 1.40 to 1.29 (Annex-III).

(xii) Budget

Submission of Vote on Account during the last quarter of the previous financial year was followed by submission of Budget during the second quarter of 2000-2001. The details are given in the following table :

Preparation	Month of submission	Month of approval
Vote on Account	February 2000	February 2000
Budget	July 2000	July 2000
Supplementary	March 2001	March 2001

Chapter II of this Report carries a detailed analysis of variations in the budget estimates and the actual expenditure as also of the quality of budgetary procedure and control over expenditure. It indicates defective budgeting and inadequate control over expenditure, as evidenced by persistent surrenders of significant amounts every year *vis-a-vis* the final modified grant. Significant variations (excess/saving) between the final modified grant and actual expenditure were also persistent.

Conclusion

1.40 The rising interest burden over the last 5 years had adverse implications on the sustainability of the State's finances. While the Government was resorting to high cost borrowings from the markets and increasing its investments every year in the Government Companies/Corporations and other bodies, the return on these investments was nil all along. The ratio of State tax receipts to GSDP was meagre, showing that there was much scope for augmentation of tax base. The State has fallen into revenue deficit during 1999-2000 and 2000-2001 after having a continuous spell of revenue surplus over the years, which indicates an unhealthy sign of taking recourse to borrowed funds for meeting revenue expenditure.

ANNEX-I

(Reference : Paragraphs 1.1 and 1.38)

Part A. Government Accounts

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

Part I : Consolidated Fund

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

Part II : Contingency Fund

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

Part III : Public Account

Receipts and disbursements in respect of small savings, provident funds, deposits, reserve fund, suspense, remittances, etc., which do not form part of the Consolidated Fund, are accounted for in Public Account and are not subject to vote by the State Legislature.

II. Form of Annual Accounts

The accounts of the State Government are prepared in two volumes *viz*., the Finance Accounts and the Appropriation Accounts. The Finance Accounts present the details of all transactions pertaining to both receipts and expenditure under appropriate classification in the Government accounts. The Appropriation Accounts, present the details of expenditure by the State Government *vis-a-vis* the amounts authorised by the State Legislature in the budget grants. Any expenditure in excess of the grants requires regularisation by the Legislature.

Part B. List of Indices/ratios and basis for their calculation

(Referred to in paragraph 1.38)

Indices/ratios		Basis for calculation
Sustainability		
Balance from current revenue	BCR	Revenue Receipts *minus* all Plan grants (under Major Head 1601-02,03,04,05) and Non-Plan revenue expenditure
Primary Deficit		Fiscal Deficit – Interest Payments
Interest Ratio		$\frac{\text{Interest payments – Interest receipts}}{\text{Total Revenue Receipts – Interest Receipts}}$
Capital Outlay Vs Capital receipts	Capital outlay	Capital expenditure as per Statement No 12 of the Finance Accounts
	Capital receipts	Internal Loans (net of ways and means advances) + Loans and advances from Government of India + Net receipts from small savings, PF etc. + Repayments received against loans advanced by the State Government - Loans advanced by the State Government
Total tax receipts Vs GSDP		
State tax receipts Vs GSDP		
Indices/ratios		Basis for calculation
Flexibility		
- Balance from current revenue		As above
- Capital repayments Vs Capital borrowings	Capital Repayments	Disbursements under Major heads 6003 and 6004 *minus* repayments on account of Ways and Means Advances/ Overdraft under both the major heads
	Capital Borrowings	Addition under Major Heads 6003 and 6004 *minus* addition on accounts of Ways & Means advances/overdraft under both the major heads
	State Tax Receipts	Statement 10 of Finance Accounts
Incomplete Projects		As per details in Finance Accounts.
- Total Tax Receipts Vs GSDP	Total Tax Receipts	State Tax receipts *plus* State's share of Union Taxes
- Debt Vs GSDP		

Vulnerability - Revenue Deficit - Fiscal Deficit - Primary Deficit Vs Fiscal Deficit	Primary Deficit	Paragraph 1.30 of the Audit Report Paragraph 1.31 of the Audit Report Fiscal Deficit *minus* interest payments
Total outstanding guarantees including letters of comfort Vs Total revenue receipts of the Government	Outstanding guarantees	Paragraph 1.32 of the Audit Report
	Revenue Receipts	Paragraph 1.4 and 1.9 of the Audit Report
Assets Vs Liabilities	Assets and Liabilities	Paragraph 1.2 of the Audit Report
	Debt	Borrowings and other obligations at the end of the year (Statement No 3 of the Finance Accounts)

ANNEX-II

(Reference : Paragraphs 1.6 and 1.8)

ABSTRACT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR 2000-2001

(Rupees in crore)

Receipts				Disbursements					
1999-2000 Total		2000-2001		1999-2000 Total		Non-Plan	Plan	Total	2000-2001
	Section-A : Revenue								
1438.26	**I. Revenue Receipts**		**1638.06**	**1461.07**	**I. Revenue Expenditure**				**1734.04**
101.74	-Tax Revenue	125.58		**540.99**	**General Services**	**643.79**	**2.65**	**646.44**	
76.19	-Non-Tax Revenue	94.51		**573.47**	**Social Services**	**426.54**	**237.01**	**663.55**	
529.55	-State's Share of Union Taxes	236.22		356.72	-Education, Sports, Arts and Culture	309.42	97.32	406.75	
55.95	-Non-Plan Grants	462.44		71.13	-Health and Family Welfare	48.20	34.53	82.73	
565.07	-Grants for State/Union Territory Plan Schemes	594.12		19.35	-Water Supply, Sanitation, Housing and Urban Development	21.69	4.23	25.92	
16.32	-Grants for Central Plan Schemes	18.83		5.59	-Information and Broadcasting	3.57	2.65	6.22	
84.07	-Grants for Centrally sponsored Plan Schemes	90.18		71.34	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	10.90	69.48	80.38	
9.37	-Grants for Special Plan Schemes (NEC)	16.18		3.94	-Labour and Labour Welfare	3.75	0.66	4.41	
				44.90	-Social Welfare and Nutrition	28.42	28.13	56.55	
				0.50	-Others	0.59	Nil	0.59	
				328.09	**Economic Services**	**277.25**	**127.22**	**404.47**	
				118.06	-Agriculture and Allied Activities	81.19	54.79	135.98	
				77.69	-Rural Development	21.61	50.85	72.46	
				0.60	-Special Areas Programme(NEC)	-	5.58	5.58	
				8.16	-Irrigation and Flood Control	14.39	2.73	17.12	
				82.45	-Energy	111.40	0.20	111.60	
				14.13	-Industry and Minerals	8.72	9.54	18.26	
				15.05	-Transport	27.69	0.38	28.07	
				5.56	-Communication	6.35	0.03	6.38	
				0.39	-Science Technology and Environment	0.13	0.30	0.43	
				6.00	-General Economic Services	5.77	2.82	8.59	
				18.52	**Grants-in-aid and contributions**	**19.58**	**Nil**	**19.58**	
22.81	**II. Revenue deficit carried over to Section-B**		**95.98**		**II. Revenue surplus carried over to Section-B**	**Nil**	**Nil**	**Nil**	**Nil**
1461.07	**Total : Section A :**		**1734.04**	**1461.07**	**Total :**	**1367.16**	**366.88**	**1734.04**	**1734.04**

(Rupees in crore)

Receipts				Disbursements					
1999-2000		**2000-2001**		**1999-2000**					**2000-2001**
Total				**Total**		**Non-Plan**	**Plan**	**Total**	
	Section-B : Others								
120.93	**III. Opening cash balance including permanent advance and cash balance investment**		**249.94**	**NIL**	**III. Opening overdraft from Reserve Bank of India**				NIL
NIL	**IV. Miscellaneous capital receipts**		NIL	**267.20**	**IV. Capital Outlay-**	**14.55**	**332.14**	**346.69**	**346.69**
				6.32	**General Services**	**-**	**8.25**	**8.25**	
				105.47	**Social Services**	**1.12**	**119.44**	**120.56**	
2.37	**V. Recoveries of loans and advances**		**1.87**	0.77	-Education, Sports, Arts and Culture	-	4.65	4.65	
1.40	From Government servants	1.58		7.26	-Health and Family Welfare	-	3.55	3.55	
0.97	From others	0.29		41.27	-Water Supply and Sanitation	1.12	56.91	58.03	
NIL	**VI. Revenue surplus brought down**		**NIL**	54.32	-Housing and Urban Development	Nil	54.32	54.32	
304.05	**VII. Public debt receipts**		**165.48**	NIL	-Information and Broadcasting	Nil	Nil	Nil	
145.30	Internal debt other than Ways and Means	148.33							
NIL	Net transactions under Ways and Means Advances including Overdraft	NIL		1.81	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	Nil	Nil	Nil	
158.75	Loans and advances from GOI	17.15		0.04	-Social Welfare and Nutrition	Nil	0.01*	0.01	
				Nil	-Others	Nil	Nil	Nil	
875.18	**VIII. Public Account receipts**		**1284.28**	**155.41**	**Economic Services**	**13.43**	**204.45**	**217.88**	
252.72	Small savings and provident funds etc.	467.01		4.07	-Agriculture and Allied Activities	3.24	3.39	6.63	
0.04	Reserve fund	NIL		12.99	-Rural Development	Nil	26.19	26.19	
146.72	Deposits and Advances	167.22		9.59	-Special Areas Programme	Nil	18.37	18.37	
38.31	Suspense and Miscellaneous	40.82		28.34	-Irrigation and Flood Control	Nil	30.03	30.03	
437.39	Remittances	609.23		37.40	-Energy	Nil	75.45	75.45	
				5.63	-Industry and Minerals	Nil	5.98	5.98	
NIL	**IX. Closing overdraft from RBI**		NIL						
				51.84	-Transport	10.19	40.72	50.91	
				0.06	-Science, Technology and Environment	Nil	0.07	0.07	
				5.49	-General Economic Services	Nil	4.25	4.25	

* Rs. 40,699 only rounded off to Rs. 0.01 crore.

(Rupees in crore)

Receipts			Disbursements				
1999-2000 Total		2000-2001	1999-2000				2000-2001
	Section-B : Others						
			2.87	**V.**	**Loans and Advances Disbursed**		**4.36**
			2.64		-To Government Servants	4.15	
			0.23		-To others	0.21	
			22.81	**VI.**	**Revenue deficit brought down**		**95.98**
			42.01	**VII.**	**Repayment of Public Debt**		**49.95**
			17.04		-Internal Debt other than Ways and Means Advances	21.16	
			NIL		-Net transactions under Ways and Means Advances including Overdraft	NIL	
			24.97		-Repayment of Loans and Advances to Central Government	28.79	
			717.70	**VIII.**	**Public Accounts Disbursements**		**1007.28**
			123.50		-Small Savings and Provident Funds	152.92	
			0.11		-Reserve Fund	30.08	
			142.77		-Deposits and Advances	175.52	
			27.49		-Suspense	47.28	
			423.83		-Remittances	601.48	
			249.94	**IX.**	**Cash Balance at end**		**197.31**
			Nil*		-Cash in Treasuries	NIL*	
			5.82		-Departmental Cash Balance including permanent advance	2.82	
			260.72		-Cash Balance investment	265.39	
			(-) 16.60		-Deposit with Reserve Bank of India	(-) 70.90	
1302.53	**Total : Section B :**	**1701.57**	**1302.53**		**Total : Section B :**		**1701.57**

*** Rs.1353 only.**

Explanatory Notes for tables at paragraphs 1.2 and 1.3 as well as Annex-II :

1.The abridged accounts in the statements have to be read with comments and explanations in the Finance Accounts.

2.Government accounts being mainly on cash basis, the surplus on Government account, as shown in paragraph 1.2 indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures etc., do not figure in the accounts.

3.Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlement etc.

4.There was a difference of Rs. 3.48 crore between the figure reflected in the accounts (debit : Rs. 70.90 crore) and that (debit: Rs. 67.42 crore) intimated by the RBI under "Deposit with Reserve Bank". The difference of Rs. 3.48 crore is under reconciliation (September 2001).

ANNEX – III
(Reference : Paragraphs 1.38 and 1.39)

FINANCIAL INDICATORS FOR GOVERNMENT OF TRIPURA

	1996-97	1997-98	1998-99	1999-2000	2000-2001
Sustainability					
BCR(Rs. in crore)	(-)15.26	(-)117.66	(-)186.11	(-) 354.60	(-) 448.41
Primary Deficit (PD) (Rs. in crore)	11.52	75.81	(-)22.22	105.30	219.13
Interest ratio	0.10	0.11	0.11	0.12	0.13
Capital outlay/ Capital receipts	2.07	1.14	0.71	0.62	0.81
Total Tax receipts/GSDP	0.14	0.15	0.15	0.16	0.08
State Tax Receipts/GSDP	0.02	0.02	0.02	0.03	0.03
Return on Investment ratio	NIL	NIL	NIL	NIL	NIL
Flexibility					
BCR (Rs. in crore)	(-)15.26	(-)117.66	(-)186.11	(-) 354.60	(-) 448.41
Capital repayment / Capital borrowings	0.25	0.23	0.16	0.14	0.43
Debt/GSDP	0.37	0.36	0.38	0.44	0.49
Vulnerability					
Revenue Surplus (RS)/ Revenue Deficit (RD)(-) (Rs. in crore)	121.76	21.71	92.73	(-) 22.81	(-) 95.98
Fiscal Deficit (FD) (Rs. in crore)	121.73	195.77	118.36	290.51	445.16
PD/FD	0.09	0.39	(-)0.19	0.36	0.49
RD/FD	(-)1.00	(-)0.11	(-)0.78	0.08	0.22
Outstanding Guarantees/revenue receipts	0.07	0.07	0.03	0.07	0.05
Assets/Liabilities	1.63	1.57	1.53	1.40	1.29

Note:

1. The interest payment in 1998-99 was more than the fiscal deficit, hence the negative figure for primary deficit.

2. Definition of capital outlay and capital receipts is at Part B of Annex-I.

CHAPTER II : APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

Introduction

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

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

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

2.4 The summarised position of actual expenditure during 2000-2001 against 56 grants/appropriations is as follows:

Summary of Appropriation Accounts – 2000-2001

APPROPRIATION ACCOUNTS :	**Appropriation Accounts for the year 2000-2001**
Total No. of grants :	**56 Grants/Appropriations**

Total provision and actual expenditure:

Provision	Amount *(Rs. in crore)*	Expenditure	Amount *(Rs. in crore)*
Original Supplementary	2532.37 120.75		2330.17
Total gross provision	**2653.12**	**Total gross expenditure**	**2330.17**
***Deduct*-Estimated recoveries in reduction of expenditure**	170.02	***Deduct*-Actual recoveries in reduction of expenditure**	151.84
Total net provision	**2483.10**	**Total net expenditure**	**2178.33**

Voted and Charged provision and expenditure:

	Provision (Rupees in crore)		Expenditure (Rupees in crore)	
	Voted	Charged	Voted	Charged
Revenue	1883.20	209.37	1600.76	230.00
Capital	509.30	51.25	406.17	93.24
Total Gross	**2392.50**	**260.62**	**2006.93**	**323.24**
Deduct-recoveries in reduction of expenditure	170.02	-	151.84	-
Total : Net	**2222.48**	**260.62**	**1855.09**	**323.24**

Total provision and actual expenditure classified according to nature of expenditure:

(Rupees in crore)

	Nature of expenditure	Original grant/ Appro-priation	Supple-mentary grant/ appro-priation	Total	Actual expenditure	Saving(-) Excess(+)
Voted	I.Revenue II.Capital III.Loans and Advances	1790.97 478.06 9.14	92.23 22.05 0.05	1883.20 500.11 9.19	1600.76* 401.97* 4.20	(-) 282.44 (-) 98.14 (-) 4.99
Total Voted		**2278.17**	**114.33**	**2392.50**	**2006.93**	**(-) 385.57**
Charged	IV.Revenue V Capital VI.Public Debt	209.20 - 45.00	0.17 - 6.25	209.37 - 51.25	230.01 - 93.23	(+) 20.64 - (+)41.98
Total Charged		**254.20**	**6.42**	**260.62**	**323.24**	**(+) 62.62**
Appropriation to Contingent Fund (if any)		-	-	-	-	-
Grand Total		**2532.37**	**120.75**	**2653.12**	**2330.17***	**(-)322.95**

Excess over provision relating to previous years requiring regularisation

2.5 As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. However, the excess expenditure amounting to Rs.289.17 crore for the years from 1996-97 to 2000-2001 was yet to be regularised (November 2001).

(Rupees in crore)

Year	Number of grants	Number of Appropriations	Amount of excess	Amount for which explanations not furnished to PAC
1996-97	14	4	26.17	26.17
1997-98	8	7	44.07	44.07
1998-99	11	3	113.06	113.06
1999-2000	7	5	23.95	23.95
2000-2001	5	7	81.92	81.92
		Total	**289.17**	**289.17**

* These are gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure (under revenue expenditure: Rs. 96.72 crore; capital expenditure:Rs. 55.13 crore).

In addition to the above, the excess expenditure amounting to Rs.466.15 crore for the period from 1987-88 to 1995-96 was not regularised (November 2001).

Results of Appropriation Audit

2.6 The overall savings of Rs. 322.95 crore was the result of saving of Rs.404.87 crore in 56 grants and appropriations, offset by excess of Rs. 81.92 crore in 5 grants and 4 appropriations.

2.7 Supplementary provision of Rs. 55.53 crore made during the year in 30 cases proved unnecessary in view of aggregate savings of Rs. 220.55 crore in these cases as detailed in **Appendix – I.**

2.8 In 16 cases, additional requirement of Rs. 36.06 crore, supplementary grants and appropriations of Rs. 53.99 crore were obtained resulting in savings of Rs. 10 lakh and above in each case, aggregating Rs. 17.93 crore. Details of these cases are given in **Appendix – II.**

2.9 The excess of Rs. 16.80 crore in 5 grants and Rs. 65.12 crore in 4 appropriations require regularisation under Article 205 of the constitution. Details of these are given in **Appendix – III.**

2.10 In 2 cases, supplementary provision of Rs. 3.85 crore proved insufficient, leaving an aggregate uncovered excess expenditure of Rs. 16.43 crore as per details given in **Appendix – IV.**

2.11 In 45 cases, expenditure fell short by more than Rs. 10 lakh and above in each case and also by more than 10 *per cent* of the total provision as indicated in **Appendix** – V. Out of 45 cases, in 2 cases (Sl. Nos. 42 and 44), 100 *per cent* of the provision was not utilised.

2.12 In 4 cases, there were persistent savings in excess of Rs. 10 lakh in each case and 10 *per cent* of the total provision during last three years ending 2000-2001 as detailed in **Appendix – VI.**

2.13 In 8 cases, expenditure exceeded the approved provisions by more than Rs. 50 lakh and also by more than 10 *per cent* of the total provision. Details are given in **Appendix – VII.**

Excessive/unnecessary re-appropriation of funds

2.14 Re-appropriation is transfer of funds within a grant from one unit of appropriation where savings are anticipated to another unit where additional funds are needed. Significant cases where injudicious re-appropriation of funds proved excessive or resulted in savings by over Rs. 10 lakh in each case under 20 grants and appropriations are indicated in **Appendix – VIII.**

Expenditure without provision

2.15 As envisaged in the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds thereof. It was, however, noticed that expenditure of Rs. 59.45 crore was incurred in 9 cases under 6 grants/appropriations as detailed in **Appendix- IX**, although no budget provisions were made in the original estimates/supplementary demands, and no re-appropriation orders were issued.

Anticipated savings not surrendered

2.16 According to Financial Rules, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. However, at the close of the year 2000-2001, there were 51 cases in which savings amounting to Rs. 164.91 crore had not been surrendered. In 35 cases out of 51, the available savings for surrender of Rs. 50 lakh and above in each case were not surrendered, which aggregated to Rs. 160.73 crore. Details are given in **Appendix – X.**

Surrender in excess of actual savings

2.17 The amount surrendered was in excess of actual savings, indicating inadequate budgetary control. As against the total amount of actual savings of Rs.98.31 crore in 3 grants, the amount surrendered was Rs.102.48 crore, resulting in excess surrender of Rs.4.17 crore. Details are given in **Appendix-XI.**

Trend of recoveries and credits

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

2.19 In 7 grants/appropriations, the actual recoveries adjusted in reduction of expenditure of Rs. 151.84 crore (Revenue: Rs. 96.72 crore; Capital: Rs. 55.12 crore) against the estimated recoveries of Rs. 170.02 crore (Revenue: Rs. 108.00 crore; Capital: Rs. 62.02 crore) were less by Rs. 18.18 crore. The details are given in **Appendix** to the Appropriation Accounts 2000-2001.

Non-receipt of explanations for savings/excesses

2.20 For the year 2000-2001, explanations for savings/excesses were not received in respect of 41 grants/appropriations out of 56. In other words in respect of 73 *per cent* of grants/appropriations, explanations were not received.

Unreconciled expenditure

2.21 Financial rules require that the Departmental Controlling Officers should reconcile periodically the departmental figures of expenditure with those booked by the Accountant General (Accounts and Entitlement). Out of 61 Controlling Officers, only one Controlling Officer (Secretary, Rural Development Department) did not reconcile expenditure of Rs. 49.95 crore pertaining to the year 2000-2001.

Rush of expenditure

2.22 The Financial Rules require that Government expenditure be evenly phased out throughout the years as far as practicable. Rush of expenditure at the close of the year can lead to infructuous, nugatory or ill-planned expenditure. In 7 cases, the expenditure in March 2001 was found to have been 10 *per cent* and above of the total expenditure for the year. Details are given in **Appendix - XII**.

CHAPTER III : CIVIL DEPARTMENTS

SECTION-A

HEALTH AND FAMILY WELFARE DEPARTMENT

3.1 Prevention and Control of Diseases

The main objective of the programme for prevention and control of diseases remained unfulfilled for lack of effective planning. Inadequate infrastructural facilities and shortage of manpower coupled with failure to perform the prescribed duties by some of the crucial functionaries plagued the programme. Leprosy Eradication Control Programme suffered due to lack of re-constructive surgery facilities for rehabilitation of the leprosy patients.

Highlights

Against the release of grants of Rs.6.67 crore (including spillover funds of Rs.0.46 crore) by the Government of India between 1996-97 and 2000-2001, Rs.5.65 crore only was spent, as of March 2001.

(Paragraph 3.1.11(a))

As the number of sputa examined (67,124) had substantially been lower by 63 *per cent* than the target(1,81,070) for the years 1996-97 to 2000-2001, there remained the danger of a large number of sputum positive cases going undetected every year. This resulted in the chain of transmission of tuberculosis virtually remaining unbroken.

(Paragraph 3.1.15)

Against 78,525 sputa required to be examined in 20 Peripheral Health Institutions of the District Tuberculosis Centre, Agartala, during 1996-2001, a target for examination of 59,500 sputa was fixed, out of which 28,706 sputa were actually examined indicating a shortfall of sputum examination by 63 *per cent* with reference to the norm.

(Paragraph 3.1.17)

Supervision of peripheral health institutions by District Tuberculosis Centres fell much short of prescribed standards. Against the requirement of 244 visits per year in 61 PHIs, the visits actually paid were 77 and 101 during 1999-2001.

(Paragraph 3.1.20)

4,910 suspected leprosy cases identified during Modified Leprosy Elimination Campaign in 1998-99 were not brought under treatment due to lack of bacteriological testing facilities. Further, leprosy patients were released from treatment without identifying their Bacterial Index.

(Paragraphs 3.1.25 and 3.1.26)

Against the requirement of 30,000 cataract operations by 4 District Mobile Eye Units during 1996-2001, a target of 26,000 operations was fixed; of this, 13,723 operations only were carried out.

(Paragraph 3.1.34)

Against the total number of children (1-6 years) ranging from 1,91,640 (1996-97) to 2,14,500 (2000-2001), the number of children covered by vitamin A solution ranged from 76,024 to 96,784, indicating a coverage of 37 to 49 *per cent* only.

(Paragraph 3.1.36)

The performance of Family Health Awareness Campaign was very poor. Against the targeted population ranging from 5.64 lakh to 7.74 lakh in 24 Health Institutions, actual attendance in the camps ranged from 4 to 5 *per cent* and the STD patients covered by treatment ranged from 18 to 29 *per cent* of the cases identified.

(Paragraph 3.1.44)

Five Blood Banks in the State claimed by the Department to have been modernised were found not to have been actually modernised as only 11 items of equipment out of 40 major items were provided to the blood banks. Spreading of HIV infection from the infected persons was allowed to continue unchecked as persons afflicted with HIV/AIDS were neither informed of the disease, nor treated and provided with counselling, as envisaged in the programme.

(Paragraphs 3.1.45 and 3.1.47)

Introduction

3.1.1 With a view to containing the magnitude of the diseases causing major health problems, the Government of India (GOI) started various Centrally sponsored schemes grouped under a common heading of "Prevention and Control of Diseases".

3.1.2 National Tuberculosis (TB) Control Programme (NTCP) launched in 1962 was reviewed in 1992 by a committee of experts and, based on the findings of the committee, a Revised Strategy for National Tuberculosis Control Programme (RNTCP) was evolved in 1993-94. It was decided by the GOI to extend the programme throughout the country in a phased manner with the aim to detect 75 *per cent* of the TB cases and cure at least 85 *per cent* of the cases so detected.

3.1.3 National Leprosy Control Programme launched in 1954-55 was redesignated as National Leprosy Eradication Programme (NLEP) in 1983. The objective of the programme was to achieve elimination of leprosy by 2000 AD by reducing the leprosy cases to less than 1 per 10,000 population.

3.1.4 AIDS (Acquired Immuno-Deficiency Syndrome) is a fatal disease, caused by HIV and is non-curable. National AIDS Control Programme was launched in 1987 with the objective to bring down the spread of HIV.

3.1.5 National Programme for Control of Blindness (NPCB) was launched in 1976 with the aim to reduce blindness from 1.4 *per cent* of the population to 0.3 *per cent* by 2000 AD by providing District Hospitals and Mobile Eye Units with better eye care facilities and various ophthalmic services.

Organisational set up

3.1.6 The State TB Officer, responsible for implementation of the programme, is assisted by 3 District Tuberculosis Officers (DTOs) of 3 District Tuberculosis Centres (DTCs)[#] through 61 Peripheral Health Institutions (PHIs).

3.1.7 The State Leprosy Officer is responsible for supervision of National Leprosy Eradication Programme. The Programme is implemented by Zonal Leprosy Officer, Agartala and he is assisted by 3 District Leprosy Officers posted at Agartala, Santirbazar and Manu and 3 Leprosy Control Societies located at these stations.

3.1.8 National AIDS control Programme is implemented by the Programme Officer of State AIDS Cell upto 1998-99 and thereafter by the Project Director, Tripura State AIDS Control Society and is integrated with 2 State Hospitals (GB Hospital and IGM Hospital), 3 District Hospitals (Udaipur, Kailashahar and Kamalpur), 10 Sub-Divisional Hospitals, 9 Rural Hospitals and 50 Primary Health Centres (PHCs).

3.1.9 The Programme Officer of State Ophthalmic Cell is responsible for implementation of National Programme for Control of Blindness. The programme is implemented through 4 District Blindness Control Societies (DBCSs)[•], 4 District Hospitals[➔], 4 District Mobile Units (DMUs)[Ψ], 2 Sub-Divisional Hospitals (Dharmanagar and Melaghar) and 36 PHCs.

Audit coverage

3.1.10 Implementation of the above four programmes during the period from 1996-97 to 2000-2001 was reviewed in audit between December 2000 and May 2001 based on test check of records of 4 District Hospitals, 2 State Hospitals, 4 Sub-divisional Hospitals (Bishalgarh, Melaghar, Dharmanagar and Belonia), 2 Community Health Centres (Jirania and Teliamura), 11 PHCs[Θ], 3 DTCs, 3 Leprosy Control Units, and 4 DMUs, covering an expenditure of Rs. 1.90 crore (19.42 *per cent* of the total expenditure). The results of audit are discussed in succeeding paragraphs.

Outlay and expenditure

3.1.11 For National AIDS Control Programme, 100 *per cent* cost is borne by the GOI. For National TB Control Programme, only the cost of anti-TB drugs is borne by the GOI, while the operational expenditure including salary of staff is met by the State Government. For both the National Leprosy Eradication Programme and National Programme for Control of Blindness, the GOI provides the entire cost, except salary of staff which is borne by the State

[#] West District, Agartala; South District, Udaipur ; and North District, Kailashahar.

[•] West, South, North and Dhalai.

[➔] BR Ambedkar Hospital (Agartala), Tripura Sundari (TS) Hospital (Udaipur), Rajib Gandhi Memorial (RGM) Hospital (Kailashahar) and Bimal Sinha Memorial (BSM) Hospital (Kamalpur).

[Ψ] West, South, North and Dhalai.

[Θ] Narsingarh, Bamutia, Mohanpur, Bisramganj, Madhupur, Kakraban, Manu, Panisagar, Santirbazar, Fatikroy, and Kadamtala.

Government. The grants released by the GOI and the expenditure thereagainst including the expenditure under State Plan during the period from 1996-97 to 2000-2001 are detailed in **Appendix-XIII.**

(a) Against the release of grants of Rs.6.67 crore by the GOI (including spillover funds of Rs. 0.46 crore) between 1996-97 and 2000-2001, Rs. 5.65 crore was spent by the State Government, leaving an unspent balance of Rs. 1.02 crore as of March 2001. Savings under NLEP were attributed by the State Government mainly to release of grants by the GOI to the State and to the Societies for the purposes which were identical. Savings under NPCB were due to not taking up of the works of constructions of an eye operation theatre and 10 - bedded eye ward (both at Ambassa) during 2000-2001 in absence of administrative approval from GOI.

(b) Grants of Rs. 50 lakh under AIDS Control Programme for the year 1998-99, though sanctioned, were not released by the GOI due to poor utilisation of funds by the State during earlier years and also due to not forming State AIDS Control Society during the year.

(c) Salaries of the staff deployed under National TB Control Programme and financial assistance to TB patients were booked under non-plan and amalgamated with other non-plan items. As such, actual expenditure incurred by the State Government under the programme could not be ascertained.

National TB Control Programme

Infrastructure

3.1.12 The target fixed for creation of infrastructure for the period ending 1996-97 and achievement thereagainst, as of 2000-2001, are shown below:

Particulars	Target	Achievement
District Tuberculosis Centres (DTCs)	3	3
50 - bedded TB ward (at GB Hospital)	1	1
20 - bedded TB wards (at TS Hospital, Udaipur, and RGM Hospital, Kailashahar)	2	NIL

Records indicated that two 20 - bedded TB wards were constructed in 1986 at a total cost of Rs. 15 lakh at Udaipur and Kailashahar. But the buildings were utilised by the Health Department for education and training and not handed over to the State TB Officer for utilisation under the programme.

Staffing pattern

3.1.13 For smooth functioning of DTCs, various key posts were to be created as per Manual of District Tuberculosis Programme brought out by the National TB Institute, Bangalore. It was noticed that the 3 DTCs suffered from shortage of key personnel (Second Medical Officers: 2; Treatment Organisers: 4; Laboratory Technicians: 3; Statistical Assistants: 3), which adversely affected the implementation of the programme. The State TB Officer informed (April 2001) that posts fell vacant due to retirement or death of the personnel. But the reasons for not filling up the posts during the last 3 to 4 years were not stated.

Identification of TB cases

3.1.14 Sputum positive cases are responsible for transmission of Tuberculosis in the community. Maximum number of sputum positive cases should be detected to break the chain of transmission. On an average, which is also the national average, 2.5 to 3 *per cent* of patients who are attending hospitals have chest symptoms, which is taken as a norm by the department and 2.5 to 3 *per cent* chest symptomatic patients are subjected to sputum examination. Of this, 10 *per cent* are estimated to be sputum positive. The target fixed for sputum examination and detection of sputum positive cases during 1996-2001 and actual achievement thereagainst with other relevant details are detailed in **Appendix–XIV**.

3.1.15 It would be seen that the number of sputa examined (67,124) during the years was far less than the target (1,81,070). The norm for estimation of sputum positive cases based on the number of sputa examined suggests that the number of sputum positive cases would have increased had the number of sputa examined been larger. As the number of sputa examined had substantially been lower by 63 *per cent* than the target for these years, there remained the danger of a large number of sputum positive cases going undetected every year. This ultimately made the chain of transmission of tuberculosis virtually remaining unbroken.

Sputum examination in Peripheral Health Institutions (PHIs)

3.1.16 As per revised strategy of NTCP, PHIs[±] are required to examine 500 chest symptomatic cases per one lakh population per year, and 3 samples of sputum are to be examined for each chest symptomatic patients.

3.1.17 **Appendix-XV** indicates that against 78,525 sputa required to be examined during 1996-2001 in 20 PHIs of West District, a target of 59,500 sputa to be examined was fixed and, out of this, 28,706 were actually examined, indicating a shortfall in performance by 63 *per cent* with reference to the norm.

3.1.18 Regarding shortfall of sputum examination, the State TB Officer stated (April 2001) that the State Government had accepted the target fixed by the GOI for the benefit of the common people. But to achieve the goal of Revised National Tuberculosis Control Programme (RNTCP), more manpower was required particularly in laboratory section and supervision of different sections of a District Tuberculosis Centre. The State TB officer stated (December 2001) that the action plan for the RNTCP was being processed to be submitted to the GOI. Funds would be released bthe GOI for recruitment of additional manpower only after approval of the action plan.

[±] The health institutions, other than the DTC, implementing the programme. There are 61 PHIs in the State.

Treatment

3.1.19 As per objective of the programme 85 *per cent* of the TB cases detected were to be cured. The number of cases brought under treatment and cured between 1996-97 and 2000-2001 with other relevant details as supplied by the Department are shown below:

Year	Cases brought under treatment					Number of patients cured	No. of patients trans-ferred to outside centres	Number of patients who did not complete their treat-ment	Number of deaths	Total number of patients going out of treatment (7 to 10)	Number of patients remaining at the end of the year (6 *minus* 11)
	Old	New	Number of patients brought back under treatment	Number of patients trans-ferred from outside centres	Total (2 to 5)						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1996-97	2,907	2,462	15	536	5,920	1,532	233	1,303	7	3,075	2,845
1997-98	2,845	2,511	118	196	5,670	1,465	348	1,733	7	3,553	2,117
1998-99	2,117	2,397	180	845	5,539	1,557	432	1,076	33	3,098	2,441
1999-2000	2,441	2,013	256	589	5,299	1,585	793	636	50	3,064	2,235
2000-2001	2,235	2,132	189	667	5,223	1,711	697	475	52	2,935	2,288
Total	**12,545**	**11,515**	**758**	**2,833**	**27,651**	**7,850**	**2,503**	**5,223**	**149**	**15,725**	**11,926**

It would be noticed that 14,422 patients (2,907+11,515) were brought under treatment during the period 1996-2001, out of which 12,258 cases were to be cured as per target of the programme. Against this, 7,850 cases only were cured indicating 54 *per cent* efficiency in curing the patients. It is also noticed that out of 5,223 cases where the patients did not complete their treatment, only 758 cases were brought back under treatment. Apparently, the Department failed in its role of counsellor and motivator of T.B. patients for taking up the prescribed treatment regularly. Given the nature of T.B. disease, this did not only result in wasteful expenditure on incomplete medication, but also to the contra purpose of making those patients immune towards simpler line of medication.

Supervision

3.1.20 According to the Manual of District Tuberculosis Programme, supervision of PHIs by a team set up by the District TB Centre should be systematic and thorough. The DTC team should visit each PHI once in every quarter to raise the work standard and to provide guidance. Test check of the records of 3 DTCs for the years 1999-2000 and 2000-2001 indicated that against the requirement of 244 visits per year in 61 PHIs at the rate of 4 visits per PHI per year, the visits actually paid were 77 in 1999-2000 and 101 in 2000-2001. The shortfall in visits ranged from 59 to 68 *per cent*. The DTOs, Udaipur and Kailashahar stated that due to shortage of manpower and non-availability of departmental vehicles, required number of visits to PHIs could not be made.

National Leprosy Eradication Programme

3.1.21 Leprosy is a chronic infectious disease caused by Mycobacterium Leprae. It affects mainly the nerves, skin, muscles, eyes, bones and internal organs.

Infrastructure

3.1.22 A sound infrastructure is required to be created for proper implementation of the programme. The target fixed for creation of infrastructure during the period ending 1996-97 and achievement thereagainst are shown below:

Name of the units	Target	Achievement
1. Leprosy Control Units (LCUs)	3	3
2. Urban Leprosy Centres (ULCs)	3	3
3. Survey, Education and Treatment Centres (SETs))	75	75
4. Temporary Hospitalisation Wards (THWs)	3	NIL
5. Re-constructive Surgery Unit (RSU)	1	NIL
6. Sample Survey-cum-Assessment Unit (SSAU)	1	NIL

In low endemic districts i.e. the districts with comparatively low incidence of leprosy, Multi Drug Treatment (MDT) services are required to be provided through Mobile Leprosy Treatment Units (MLTUs). In spite of the fact that all the districts in Tripura fall under this category, even the creation of infrastructure like MLTUs was never targeted in the programme. It was also seen that the State Government failed to create 3 Temporary Hospitalisation Wards (THWs), one Re-constructive Surgery Unit (RSU) and one Sample Survey-cum-Assessment Unit (SSAU) so far although the programme had been under implementation for more than four decades since 1954-55. The programme thus suffered due to lack of the temporary hospitalisation facilities for leprosy patients and a re-constructive surgery facilities for their rehabilitation.

3.1.23 As stated (August 2001) by the Department, 3 THWs were constructed at Hapania, Manu and Santirbazar prior to 1996-97. The THWs at Hapania could not be commissioned due to setting up of a Communicable Disease Centre (CDC) while the THW of Manu could not be commissioned due to resistance by the local people. Further, the THW at Santirbazar was being utilised as LCU.

Shortage of staff

3.1.24 Each LCU was required to be manned by a Medical Officer, 4 Non-Medical Supervisors and 20 Para-Medical Workers (PMWs). Each ULC and each SET was to be served by a Para-Medical Worker. Records showed that against the requirement of 138 PMWs[Φ] as per norms, 78 PMWs were in position due to non-sanction of more posts of PMWs by the GOI. It was noticed that the services of 5 Laboratory Technicians (out of 6), 2 Physiotherapists(out of 2), 2 Health Educators (out of 2) and 7 LD Clerks (out of 10) were utilised by the Health Department to maintain general health services and never made available in implementing the NLEP.

[Φ] For LCUs : 60 ; for ULCs : 3 ; and for SETs :75.

Identification and treatment

3.1.25 The target fixed for identification of cases during 1996-2001 and achievement thereagainst, according to the Department, are detailed below :

Year	Old cases registered〃	New cases		Total cases treated〃 (2+4)	Discharged		Balance remaining under treatment
		Target	Detected and treated		Released after treatment	Other reasons*	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1996-97	883	100	212	1095	372	41	682
1997-98	682	100	201	883	402	80	401
1998-99	401	100	574	975	273	41	661
1999-2000	661	50	117	778	565	39	174
2000-2001	174	20	88	262	96	6	160
Total		**370**	**1,192**		**1,708**	**207**	

The above data indicate that 1,192 new leprosy cases were detected against a total target of 370, indicating fixation of very low target. To achieve the goal of elimination and to detect hidden cases of leprosy, Modified Leprosy Elimination Campaign (MLEC) was organised during 1998-99. Records of 2 LCUs (Santirbazar and Manu) showed that 4,910 suspected cases were identified during the campaign; but, due to lack of laboratory facilities and laboratory technicians, bacteriological tests of these suspected cases could not be conducted, confirmed, and brought under treatment.

3.1.26 "Bacterial Index was the only objective way of monitoring the benefit of treatment. It should be done at regular intervals‣". But it was noticed that patients were released from treatment (RFT) by the District Leprosy Officers without identifying their bacterial index. The Leprosy Officers stated that due to lack of Laboratory Technicians bacterial index could not be done.

Surveillance

3.1.27 Bacteriological surveillance of all the cases after completion of treatment was an important part of MDT therapy and essential for successful treatment. As recommended by the GOI, the cases should be bacteriologically examined at least once in a year and for a period ranging from 2 to 5 years. But no such surveillance was carried out, indicating laxity in implementation of the programme.

National Blindness Control Programme

3.1.28 Blindness is one of the most significant health as well as social problems. The main diseases responsible for blindness in India‣ are cataract (55 *per cent*), trachoma (20 *per cent*), small pox (3 *per cent*), xerophthalmia (2 *per cent*), glaucoma (0.8 *per cent*) and other causes (19.2 *per cent*).

〃 All the old cases registered were shown as treated.

* Other reasons include number of patients who died and who were not traceable.

‣ 'Preventive and Social Medicine' by Park and Park.

Infrastructure

3.1.29 The programme envisaged to upgrade 4 District Hospitals, 2 Sub-Divisional Hospitals, 4 District Mobile Units and 36 PHCs within 2000-2001 by providing required infrastructure for eye care. The Department claimed (January 2001) that upgradation of all the above health institutions had been completed. But it was seen (June 2001) that 29 PHCs out of 36 were yet to be provided with Ophthalmic Assistants[♥]. Absence of trained paramedical workers, may adversely affect the quality of the eye care services in these PHCs.

Shortage of manpower

3.1.30 As per norms of NPCB, 8 Ophthalmic Surgeons, 44 Ophthalmic Assistants and 4 Camp Co-ordinators were required for the State to man the infrastructure already created. But records showed that the Department was yet to fill up 25 posts of Ophthalmic Assistants and all the 4 posts of Camp Co-ordinators, as of June 2001. As a result the performance of the programme had been affected adversely. As stated (August 2001) by the Programme Officer, State Ophthalmic Cell, the vacant posts of Ophthalmic Assistants could not be filled up due to non-availability of qualified persons.

Physical performance

(a) Cataract surgery

3.1.31 As per norms of the GOI, 250 cataract surgeries per lakh population were required to be conducted.

3.1.32 The details given in the **Appendix-XVI**, as furnished by the Department, show that against the total of 43,891 cataract operations required to be done during 1996-97 to 2000-2001 as per norms, a target of 30,760 operations was fixed, against which 33,551 operations were actually conducted. The shortfall worked out to 24 *per cent* with reference to the norm although achievement of the target had been shown as over-achieved.

(b) Camps organised

3.1.33 Each District Mobile Unit was required to conduct 1500 cataract operations each year.

3.1.34 Data obtained for the years 1996-97 to 2000-2001 from 4 DMUs compiled in **Appendix-XVII** indicate that, against the requirement of 30,000 cataract operations as per norm, a target of 26,000 operations was fixed against which 13,723 operations only were conducted during the period. Thus, the performance of the DMUs fell short of the prescribed norm by 54 *per cent.* The DMUs were also required to hold camps in underserved areas including tribal and geographically difficult areas. It was noticed that against 60 PHCs located in different rural areas, camps were held by covering only 38 PHCs.

[♥] As per norm, each PHC was to be provided with one Ophthalmic Assistant.

The shortfall in covering the areas was attributed (March 2001) by the Department to shortage of manpower and insurgency problems.

Vitamin A prophylaxis

3.1.35 The diseases like Xerophthalmia and Keratomalacia often leading to blindness are caused by Vitamin A deficiency and are largely limited to the children in the age group of 1-6 years. For this purpose, Vitamin A prophylaxis was introduced under the National Family Welfare Programme to provide 2 lakh International Units (IU) of it every six months to the children of this age group.

3.1.36 Records of the National Family Welfare Programme showed that against the estimated number of children ranging from 1,91,640 (1996-97) to 2,14,500 (2000-2001) in the age group of 1-6 years, the number of children covered by Vitamin A ranged between 76,024 and 96,784, indicating a coverage of 37 to 49 *per cent* (detailed in **Appendix-XVIII**), though a large number of cases of Xerophthalmia (765 Nos.) was detected as per ophthalmic records test checked.

3.1.37 To be able to contain Xerophthalmia, the whole family should be kept under surveillance for one year and the children for 5 years. But no such surveillance was being carried out.

National AIDS Control Programme

3.1.38 AIDS is a fatal disease caused by HIV and is transmitted through sexual contact, STD patients, blood transfusion, contaminated needles and from HIV infected mother to her foetus or to her child during breast feeding. Since AIDS is not curable, the objective of the programme was to bring down the spread of HIV infection. The programme was to be implemented through (i) intervention for high risk group, (ii) STD control, (iii) intervention for general community,(iv) blood safety, (v) voluntary testing centres, and (vi) sentinel surveillance.

Infrastructure

3.1.39 For implementation of the programme, the target fixed for creation of infrastructure and achievement thereagainst (1996-97 to 2000-2001) are shown below :

Name of the units	Target	Achievement
Blood Banks	6	5
STD Clinics	3	3
Sentinel Surveillance Centres	4	1
Blood Component Separation Facilities	1	NIL
Zonal Blood Testing Centres	3	1
Voluntary Testing Centres	3	1

Intervention for groups at high risk

(a) Targeted intervention

3.1.40 Sex workers, truck drivers, injecting drug users, STD patients, industrial workers etc are the groups at high risk and vulnerable to spread HIV. The project aims to reduce the spread of HIV in groups at high risk by identifying target population and providing peer counselling and condom promotion.

3.1.41 It was noticed that the Department did not take any steps to identify the target groups, nor was there any arrangement for providing peer counselling or for condom promotion.

(b) Control of sexually transmitted diseases (STD)

3.1.42 In view of the similarities in the dominant modes of transmission, it is utmost important that STD prevention and care facilities should be strengthened and upgraded by providing laboratory testing facilities and technical manpower. Three STD clinics were claimed to have been strengthened by the Department in 3 district hospitals, which meant that the clinics should have had the above facilities.

3.1.43 But, test check of records of Tripura Sundari Hospital, Udaipur, revealed that laboratory testing facilities were not provided for detecting diseases like syphilis, gonorrhoea etc. In RGM Hospital, Kailasahar, it was noticed that no specialist was posted, nor were there any laboratory testing facilities. Reasons for these shortfalls were not stated.

3.1.44 Family Health Awareness Campaigns were taken up during April 1999, December 1999 and June 2000 by organising camps at various places for detection and treatment of STD patients. Records of 24 health institutions spread over three districts test checked indicated a very poor performance of Health Awareness Campaigns as shown below:

Period of campaign	Population targeted (40 to 50 *per cent* of total population of the areas covered)	Actual attendance in camps	Percentage of attendance	STD patients identified and referred to clinics	Patients that actually attended STD clinics	Percentage of coverage by treatment
April 1999	5,63,848	28,214	5	6,099	1,787	29
December 1999	7,58,151	34,976	4	8,726	2,252	26
June 2000	7,73,909	34,591	4	8,607	1,540	18

This indicates that against the targeted population ranging from 5.64 lakh to 7.74 lakh, actual attendance in the camps was between 4 and 5 *per cent* and the STD patients covered by treatment ranged from 18 to 29 *per cent* of the cases identified inspite of incurring expenditure of Rs. 36.59 lakh in the campaigns. The amount allocated for the campaigns during 1999-2000 and 2000-2001 could not be indicated by the Department (June 2001), though asked for in audit.

Intervention for general community

(a) Blood Safety

3.1.45 As per national blood safety policy, testing of every unit of blood against syphilis, hepatitis B, malaria and HIV by all blood banks was mandatory. The Department claimed to have modernised 5 Blood Banks. But it was noticed that against 40 items of equipment required to be provided in modern blood banks, only 11 items were provided. Even Elisa reader machine, essential for detecting HIV, was not provided in 3 blood banks at Udaipur, Dharmanagar and Kailashahar.

3.1.46 There are 40 components in our blood. As per National Blood Policy, only the component which is required by a patient should be transfused. If separation facilities are available, transfusion of undesirable component can be avoided. The State Government was, therefore, required to establish blood component separation facilities in all blood banks for rational use of blood. It was seen that infrastructure for blood component separation, though targeted in 1996-97 for one Blood Bank (at GB Hospital), was not provided, as of March 2001.

3.1.47 Records of all the 5 blood banks indicated that 48,101 blood units were tested between 1996-97 and 2000-2001, against which 86 HIV seropositive cases were detected. The matter had been kept secret and no counselling was provided to the patients. Even the patients concerned were not informed of the results of blood testing✈. This increased the risk of spreading of HIV infection from the infected persons to the members of their families, expectant/lactating mothers and the would be/newly born babies. This was not at all conducive to the programme objective of bringing down the spread of HIV.

(b) Voluntary testing and counselling

3.1.48 This would involve increasing availability and demand for voluntary testing especially joint testing of couples and providing counselling services. It was envisaged in the programme that one voluntary testing centre would be set up in each district and the target for setting up 3 centres by 1996-97 was fixed. It was noticed that only one such centre started functioning at GB Hospital, Agartala, in 1999-2000, though stated to have been established in 1996-97 i.e., three years earlier.

3.1.49 The performance of voluntary testing centre is shown below :

Year	Number of sites offering the services	Number of volunteers targeted for screening	Attendance per site	Number of couples jointly tested	HIV positive cases detected
1999-2000	1	250	83	NIL	1
2000-2001	1	250	99	NIL	-

It was also noticed that the voluntary testing centre was established without providing any Elisa Reader for detection of HIV. Not turning up of any couples for joint testing was also an indication of poor performance of awareness campaign taken up by the Department.

(c) Sentinel Surveillance

3.1.50 Limiting the spread of HIV infection requires constant surveillance by screening high risk groups (sex workers, injecting drug abusers, migrated labourers, truck drivers etc.). For this purpose, one surveillance centre was

✈ In addition, one such case under the component 'voluntary testing, and counselling' and 17 others under the component 'sentinel surveillance' were also detected without informing the patients of the results of blood testing.

set up in 1996-97 at GB Hospital, Agartala. The staff members of the surveillance centre were required to collect samples of blood from the high risk groups for HIV screening. But, it was noticed that no such active surveillance was carried out by the centre. The number of blood units screened and HIV seropositive cases detected are shown below :

Year	Name of group	Number of blood units tested	Number of HIV positive cases detected
1996-97	STD patients	1,029	1
1997-98	-Do-	1,177	2
1998-99	-Do-	1,511	5
1999-2000	-Do-	888	4
2000-2001	-Do-	794	5

3.1.51 Counselling was an essential part of AIDS Control Programme for prevention of spreading HIV infection and taking care of the patients. Under the programme, annual recurring grant from the GOI for salary of 2 Counsellors was admissible. But it was noticed that no Counsellors were appointed and no counselling was being done. Thus, the objective of the programme was frustrated.

Monitoring

3.1.52 State AIDS Control Society established in April 1999 under the National AIDS Control Programme was to be manned for effective implementation as well as monitoring of the programme. It was noticed that out of 26 posts[*] sanctioned for the society, only one post of the Project Director was filled up so far (March 2001).

3.1.53 Under National Tuberculosis Control Programme, PHIs are required to send the monthly reports to the DTO in time. It was noticed that 7 PHIs out of 24 under the DTC (North), Kailashahar, did not send their monthly reports during the years 1999-2000 to 2000-2001 in spite of visits by the DTC team.

3.1.54 Evaluation should be an integral part of intervention programme to measure the extent to which the diseases have been contained and to assess how effectively the infrastructure was working. But no such evaluation was carried out during the period from 1996-97 to 2000-2001. As a result, the Department is in the dark as to whether leprosy cases were reduced to less then 1 per 10,000 population and blindness cases were reduced to 0.3 *per cent* of the total population by 2000, as envisaged under the respective programmes.

Recommendations

3.1.55 To improve detection of leprosy cases, the special drive like Modified Elimination Campaign should be taken up periodically.

3.1.56 Supervisory activities organised by the District Tuberculosis Centres in relation to peripheral health institutions should be strengthened.

[*] This includes key posts like Addl. Project Director ; Jt. Director (Surveillance); Dy. Director (STD); Dy. Director (Surveillance); Dy. Director (Blood Safety); Asstt. Director (STD), etc.

3.1.57 Adequate laboratory testing facilities should be provided under both the National Leprosy Control and AIDS Control Programmes.

3.1.58 Since expectant mothers constitute one of the vulnerable groups for spreading HIV, greater vigilance and surveillance are called for on the part of programme authorities.

3.1.59 Treatment and counselling of HIV infected persons, hitherto ignored, should be introduced.

3.1.60 The above points were reported to the Government in July 2001, their replies have not been received as of November 2001.

SCIENCE, TECHNOLOGY AND ENVIRONMENT DEPARTMENT

Tripura State Pollution Control Board

3.2 Implementation of Environmental Acts and Rules relating to Air Pollution and Wastes Management

The Tripura State Pollution Control Board (TSPCB) was established in January 1988 for prevention and control of water pollution, air pollution and wastes management by listing and categorising of industries, and by conducting analysis of air and water quality of the State. The Board had failed in its main objectives due to inadequate manpower, although funds were made available on regular basis by the State Government/Government of India for implementing various pollution control programmes/schemes.

Highlights

Shortfall in utilisation of funds by Tripura State Pollution Control Board ranged from 83 to 93 *per cent* resulting in accumulation of unspent balance of Rs. 1.92 crore at the end of March 2001.

(Paragraph 3.2.4)

The Auditor of the Board was not appointed on the advice of the Comptroller and Auditor General of India as required by both the Water Act, 1974 and Air Act, 1981.

(Paragraph 3.2.4)

Though the board had identified 2,422 industrial plants, only 1,238 plants, being 51 *per cent* of the total, were brought under the consent management.

(Paragraph 3.2.7)

During the period from 1992-93 to 2000-2001, the State Government had conducted only 3,395 vehicular smoke emission tests (VSETs) out of 6,93,472 tests required to be done which represent achievement of 0.49 *per cent* only.

(Paragraph 3.2.15)

The Board reported excess expenditure of Rs. 4.37 lakh to the Government of India over the actual expenditure of Rs. 2.87 lakh incurred by it against the funds received for preparation of Zoning Atlas and Siting of Industries (ZASI), under World Bank funded Environmental Management Capacity Building Project.

(Paragraph 3.2.20)

Absence of adequate treatment facilities of bio-medical wastes in Agartala Municipal area added to the causes for increase in both air and water borne diseases.

(Paragraphs 3.2.21 to 3.2.23)

Introduction

3.2.1 The Air (Prevention and Control of Pollution) Act, 1981 was enacted by Parliament, to achieve the objectives of prevention, control and abatement of air pollution. The Tripura State Pollution Control Board (TSPCB), constituted in January 1988 in pursuance of the Water (Prevention and Control of Pollution) Act, 1974, is also to be deemed to be the State Board for the prevention and control of air pollution constituted under the Air (Prevention and Control of Pollution) Act, 1981. It has to exercise the powers and perform the functions of the State Board for the prevention and control of air pollution in the State. Accordingly, the State Government framed the Tripura State Pollution Control Board Rules, 1989.

Organisational set up

3.2.2 The Controlling Department of the Board is Science, Technology and Environment Department, with the Secretary to the Department as the administrative head. The General Body of the Tripura State Pollution Control Board consists of a full time Chairman, a Member-Secretary, one member of the State Legislative Assembly, three Chairpersons of local authorities, eleven officials representing 9 Departments[o]. In addition, there are two members drawn from fields associated with environmental programmes and one member from Central Pollution Control Board. During the period covered by audit, the Member-Secretary functioned as Drawing and Disbursing Officer of the Board upto 30 December 1999 and thereafter the charge of the DDO was taken over by the Executive Engineer of the Board.

Audit coverage

3.2.3 The activities of the Tripura State Pollution Control Board in regard to air pollution and wastes management for the period from 1995-96 to 2000-2001 were test checked during February to April 2001. Besides those pertaining to Science, Technology and Environment Department, the offices covered included Agartala Municipal Council, Directorate of Industries and Commerce, Directorate of Health Services, offices of the three Chief Medical Officers at the District level, seven hospitals[Ψ] and six Nagar Panchayats. The results of the test check are mentioned in the succeeding paragraphs.

Financial arrangement

3.2.4 The Board receives grants from the State Government, Central Pollution Control Board (CPCB), Ministry of Environment and Forest and also receives fees from industrial plants and other establishments for issuing consent certificates to establish/operate these concerns. The annual accounts of the Board have been prepared and audited upto March 1998 by a Chartered Accountant under Section 36 of the Air Act, 1981 and Section 40 of the Water Act, 1974. The Auditor of the Board was not appointed on the advice of the Comptroller and Auditor General of India as required by both the Water and Air Acts. Yearwise details of funds received *vis-à-vis* expenditure incurred by the Board during 1995-96 to 2000-2001 are indicated in **Appendix-XIX**. Data in respect of 1998-99 to 2000-2001 are provisional as the annual accounts are yet to be finalised (April 2001). Scrutiny of receipts and expenditure of the

[o] Science, Technology and Environment, Forest, Transport, Industries and Commerce, Public Health Engineering, Agriculture, Health & Family Welfare, Urban Development and Law Departments.

[Ψ] State level: 2; District level: 3; Sub-Divisional level: 2.

Board revealed continued shortfall in utilisation of funds ranging from 83 to 93 *per cent* of the total funds available resulting in accumulation of unspent balance of Rs. 1.92 crore as of March 2001.

3.2.5 Grants received from the State Government, the GOI and from the World Bank through the CPCB upto 2000-2001 for laboratory management and various other programmes for control of pollution were either not utilised or partially utilised by the Board during the years from 1995-96 to 2000-2001 as indicated in **Appendix-XX** and shortfall in utilisation varied from 35 to 100 *per cent* during these years. The average shortfall in utilisation was 79 *per cent*. The reasons for shortfall in utilisation were attributed (October 2001) by the Government to poor infrastructure and manpower in the organisation.

Consent management

3.2.6 Under Section 21 of the Air Act, 1981, read with Rule 8 of the Tripura State Pollution Control Board (Control of Air Pollution) Rules 1989, no person shall, without the previous consent of the State Board, establish or operate any industrial plant in an air pollution control area. The consent issued by the State Board is valid for one year and requires to be renewed on expiry of its validity failing which penalty equivalent to 100 *per cent* of the amount of consent fee should be paid for each year of default along with normal fee for renewal.

3.2.7 Information furnished by the Board on the basis of an incomplete survey revealed that, as of April 2001, there were 2,422 industrial plants in the State, of which the Board brought only 1,238 plants under consent management, leaving 1,184 plants outside its fold. As against this, the records of the Director of Industries and Commerce showed that in the State there were 12,910 industrial plants[†] as of March 2001. The wide difference between the two sets of information on the number of industrial plants in the State was mainly because the survey started by the Board was still not complete. Even no record was maintained by the Board to indicate the categorisation of the plants already brought under consent management under Control of Air Pollution Rules.

3.2.8 According to the Board (March 2001), consent fees under the Air Act were being collected at the minimum rate along with fees under the Water Act **(Appendix-XXI)**. The Board realised Rs. 1.80 lakh in respect of 1986[*] consents/renewals under the Air Act as against 7,810[✢] consents/renewals due as of March 2001 resulting in short renewal of 5,824 consents with consequent short realisation of Rs. 6.01 lakh. Consent fees due and not realised in respect of 11,672 (12,910–1,238) which were not brought under consent management worked out to at least Rs. 70.03 lakh (11,672 units × 6 years × Rs.100) during 1995-96 to 2000-2001. Thus, consent fees of Rs. 76.04 lakh (Rs. 6.01 lakh +

[†] Of which, 10,317 received temporary / provisional registration certificates and 2,593 permanent registration certificates.

[*] Total number of cases shown in columns 3 and 5 of **Appendix XXI**.

[✢] Total number of cases shown in columns 3 and 4 of the **Appendix XXI**.

Rs. 70.03 lakh) under the Air Act, computed at the minimum rate, remained unrealised at the end of March 2001.

3.2.9 Rule 9 of the Control of Air Pollution Rules, 1989 read with Section 24 of the Air Act, 1981 authorises the Board to inspect/investigate the industrial plant/factory which has applied for consent and to take samples of air or emission etc, for analysis. The Board has the power to penalise any industrial plant which fails to comply with the provisions of the Act mentioned above. Although 5,824 renewals were due during the period from 1988-89 to 2000-2001, the Board initiated action against 11 industrial plants only by issuing show cause notices and closure orders and no further remedial action was on record. Also, action was not taken against the remaining plants except issuing letters inviting applications for renewals in some cases.

3.2.10 The Government stated (October 2001) that the organisation did not take legal action as the whole process was likely to be considerably delayed.

3.2.11 Thus, the Board failed to conduct proper monitoring on consent management, and to penalise the defaulters for non-compliance of the provisions of the Acts and Rules.

Health profile of the State

3.2.12 Scrutiny of statistical data, furnished by the Director of Health Services (DHS), Tripura, Agartala for the years 1995-1998[ᗢ] (**Appendix-XXII**) revealed that 11.69 to 15.44 *per cent* of the total patients treated in the State during 1995 to 1998 suffered from diseases, *viz*., bronchitis, acute upper respiratory infection, pulmonary tuberculosis, whooping cough etc., caused by air pollution, spread through micro-organisms and other chemical pollutants in the air. The ambient air quality of Tripura for residential areas exhibits presence of Suspended Particulate Matter (SPM) and Respirable Particulate Matter (RPM), which were 47 to 183 *per cent* and 400 *per cent* above the prescribed national standards[*] and which are due to pollutants emitting out of vehicular smoke. The poor quality of air as mentioned above is attributable to weak control mechanism, not implementing various air pollution control programmes and also lack of compliance to the provisions of Rule 115 of Central Motor Vehicles Rules, 1989 related to conducting of vehicular smoke emission tests (VSETs).

Vehicular Smoke Emission Tests – non-compliance to Rules and Act

3.2.13 Pollutants from vehicular smoke contribute to creation of major health hazards, viz., coronary heart disease, cancer, tuberculosis of lungs, asthma, bronchitis, blood cancer and neurological problems. Ambient air quality of the State reveals that pollution of air in Agartala town and other major towns* of

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ᗢ Information on account of air borne diseases, treatment, death etc, relating to the years 1999 and 2000 could not be furnished by the DHS as these were stated (March 2001) to be under preparation.

* The maximum permissible limit prescribed as national standards is 200 mcg/m^3 of air for SPM and 100 mcg/m^3 of air for RPM.

* Bishalgarh, Jirania, Teliamura, Mohanpur in West District and Matabari, Amarpur in South District.

the State are caused due to pollutants emitting from vehicular smoke and dusts.

3.2.14 Sub-rule (7) of Rule 115 of the Central Motor Vehicles Rules, 1989 stipulates that every motor vehicle shall carry "Pollution Under Control" (PUC) certificate to be issued by an agency authorised by the State Government. The certificate shall be valid for six months. The State Government authorised the Tripura State Pollution Control Board (August 1992) to conduct vehicular smoke emission tests (VSETs) and to issue 'PUC' certificates. The authority had been transferred subsequently to Transport Department (February 1997).

3.2.15 Scrutiny revealed that, during the period from 1992-93 to 2000-2001, the Board and the Transport Department had conducted 3,395 VSETs out of 6,93,472 tests due in all* and issued 2884 PUC certificates. This was 0.49 *per cent* of the VSETs required to be done.

3.2.16 Thus, although vehicular smoke is the major factor of air pollution in the State, the Board and the Transport Department failed to comply with the relevant provisions of the Act and rules to check the pollution created by vehicular smoke.

3.2.17 The Government stated (October 2001) that such a huge task cannot be taken and completed successfully by the Board or the Transport Department alone, but remained silent about how this could be made possible.

Zoning Atlas for Siting of Industries – incorrect exhibition of expenditure

3.2.18 Proper siting of industries is a strong pollution preventive instrument that ensures environmental soundness of the industrial development. Environmental planning programme, started in 1995, with the preparation of Zoning Atlas for Siting of Industries (ZASI), came under the World Bank funded Environmental Management Capacity Building Project.

3.2.19 The CPCB released the following funds to the Board during the period from 1997-98 to 2000-2001 under the project:

Year	Funds released *(Rupees in lakh)*	Particulars
1997-98	3.00	Preparation of Zoning Atlas
1998-99	4.00	- do -
1999-2000	2.36 3.00	ZASI Workshop Industrial Estate Planning (IEP)
2000-2001	3.00	ZASI – Regional Planning Study

3.2.20 The GOI instructed the Board to maintain separate accounts for the World Bank funded project and to send Audited Statement and Audit Certificate and also to refund all unspent amount to the CPCB. The

* Calculated on the basis of the number of vehicles on road as per data furnished by the State Transport Department.

expenditure statements were liable to be audited by the CPCB as well as by the World Bank. The format for audit certificate prescribed by GOI was also not followed by the Board. Instead, the Board furnished to the GOI incorrect Audited Statement prepared by a Chartered Accountant appointed by the Board, showing utilisation of Rs. 6.77 lakh received during 1997-98 to 1998-99, on account of preparation of Zoning Atlas, as detailed below:

Year	Actual expenditure as per Board's books and accounts	Expenditure shown in the Audited Statement *(In rupees)*	Excess expenditure shown in the statement
1997-98	35,530	3,52,426	3,16,896
1998-99	2,14,593	3,24,269	1,09,676
1999-2000	36,776	47,199	10,423
Total	2,86,899	7,23,894	4,36,995

Thus, the Board had shown expenditure of Rs. 7.24 lakh against grant of Rs.7.00 lakh received for preparation of Zoning Atlas whereas the actual expenditure was Rs. 2.87 lakh, resulting in over-statement of expenditure by Rs. 4.37 lakh.

Wastes management

Listing of hospitals, nursing homes and bio-medical wastes management

3.2.21 Government of India requested the State Government (November 1999) to enforce Bio-medical Wastes (Management and Handling) Rules, 1998 from 1 January 2000 in all the hospitals and nursing homes, according to which treatment facilities like incinerators, autoclaves/micro wave systems for disposal of the bio-medical wastes were to be set up by different categories of hospitals and similar establishments. This required listing of hospitals, nursing homes and pathological laboratories by the State Pollution Control Board. It was noticed (April 2001) in audit that the Board categorised and listed the total quantum of solid bio-medical wastes, including organic wastes, generated in Tripura. This was done with the technical help of Environment Division, National Productivity Council, New Delhi. But the wastes generating establishments remained yet to be enumerated and categorised. The interim report of the Council prepared in March 2001 revealed that the total bio-medical wastes generated in Tripura was 1,451 Kg per day and, in addition, 131 m^3 of waste water per day is generated from them. In addition to this, as disclosed by the report, the bio-medical wastes generated from Animal Health Care Centres was 29,870 Kg per year and about 7,800 m^3 of liquid waste was generated from Animal Stocks and Artificial Insemination (AI) Centres per year. It was, however, noticed in audit that no action was taken by the Board (September 2001) for treatment and disposal of bio-medical wastes generated in the State.

3.2.22 The practice for safe disposal of Bio-medical Wastes in State Hospitals, Nursing Homes, Pathological Laboratories, Veterinary Hospitals, Artificial Insemination Centres, Disease Investigation Laboratories etc, was not being followed.

3.2.23 It was noticed in audit that the treatment facilities, viz. incinerators, autoclaves, and microwave systems were neither set up by the Government nor did the Board take up the matter with the Health Department/Local Bodies. Even the 'Competent Authority' required to be set up under BMW Rules, 1998, was not established in Tripura. Nor did the Board issue any instructions to the concerned establishment for treatment and appropriate disposal of the wastes. Absence of treatment facilities of bio-medical wastes in Agartala Municipal area, has added to the causes for increase in both air and water borne diseases. Thus, lack of awareness and initiative on the part of the Board/Government in bio-medical wastes management has led to creating hazards for public health and environment.

Hazardous wastes management

3.2.24 The Hazardous Wastes (Management and Handling) Rules, 1989 (as amended in 2000), under the Environment (Protection) Act, 1989 provide control of generation, collection, treatment, transport, storage and disposal of hazardous wastes. Powers to implement these rules have been given to the Board and the State Governments. The GOI requested (March 1997) to enlist the hazardous wastes generating units in the State in accordance with the provisions of the Hazardous Wastes Rules in order to bring them under management and control. An amount of Rs. 5 lakh was also granted by the GOI to the Board (1999-2000) for the work and the target date of achieving 100 *per cent* compliance to the Hazardous Wastes Rules was fixed by the GOI as March 2001. The Board, with the help of National Productivity Council, New Delhi, listed and categorised (March 2001) the hazardous wastes generating units and prepared the Interim Report with proposals of plans to be formulated and implemented for management and control of hazardous wastes. The highest quantum of hazardous wastes i.e. 80,000 m^3 per year is generated from processing of latex. About 240 tonnes of spent acid is generated from lead acid battery reconditioning process, which are discharged in municipal drains; lead scrap generation is about 1,200 tonnes per year; and about 198 tonnes of oil containing sludge and 13 tonnes of cloth contaminated with oil is generated from repairing and servicing of automobiles.

3.2.25 According to the report of the National Productivity Council, no organised waste disposal system exists in the State and the hazardous wastes generated by the industries are continued to be disposed of indiscriminately and some hazardous wastes are dumped along with municipal solid wastes without treatment. The position was far from being satisfactory even after 13 years of existence of the Board whose sole objective was to take suitable measures to control pollution.

Manpower position

3.2.26 The sanctioned strength for manpower of the Board was reduced from 20 to 10[☼] (Technical–3; Scientific–4; Group-D and Ministerial Workers–3) with effect from 1997-98. But with the enforcement of various statutes, there had been considerable increase in the responsibility and area of activities of

[☼] Manpower in position: Technical - 2; Scientific –4; Group-D and Ministerial Workers- 3.

the Board. Setting up of the laboratory with sophisticated and costly machinery in 1997-98 at a cost of Rs. 17.58 lakh remained ineffective due to shortage of technical and skilled staff. The GOI decided (February 2001) to provide salary support to 14 posts* upto Xth Five Year Plan (i.e., the five years ending 2006-07) through CPCB with the condition that the State Board with the assistance from the State Government would make provision for the salary from the XIth Five Year Plan onwards. The recruitment should be made within six months, i.e., by August 2001, positively. The Board proposed (March 2001) for creation of 23 posts but no response from the Government had yet been received (June 2001).

Monitoring and evaluation

3.2.27 Section 10(I) of the Air Act read with Rule 4(b) of the Control of Air Pollution Rules, 1989, stipulates that the State board shall meet at least once in every three months to conduct its transaction of business. But scrutiny revealed that, during the period from 1995-96 to 2000-01, the board held only 5 meetings, with a gap of 9 to 20 months in between. Periodical evaluation of air quality, together with listing of hazardous wastes generating units, proper coordination with the Local Bodies and the concerned Government Departments for control of air pollution and wastes management by way of disemination of relevant information and guidelines issued from time to time were mostly ignored by the Board during the period under review. The Government stated (October 2001) that the Board was trying its best to have co-ordination among the line departments / organisations to the desired extent but the response was not encouraging.

Recommendations

3.2.28 To ensure proper implementation of the air quality management programme and the process of disposal and treatment of various kinds of wastes, monitoring and evaluation process and co-ordination among the various departments of the State Government/Local bodies should be strengthened.

3.2.29 The Board should list out and categorise all wastes generating units in the State and issue instructions to them for treatment and disposal of the wastes as per rules.

3.2.30 The State Government should take effective steps for creation/sanction of different categories of posts required by the State Pollution Control Board for its proper and smooth functioning.

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* Scientist-C:1; Scientist-B:1; Environmental Engineer:1; Assistant Environmental Engineer:1; Junior Scientific Assistant:2; Junior Laboratory Assistant/UDC:2; Data Entry Operator:1; Assistant/UDC:1; Personal Assistant:2; Junior Accounts Officer:1 and Attendant:1.

SECTION B

AGRICULTURE DEPARTMENT

3.3 Idle pay and allowances

Discontinuance of the functioning of the hiring centres for non-allocation of running costs for the centres led to idling of machinery as well as idle pay and allowances of Rs. 19.67 lakh to technical and operational staff besides denial of intended benefits to farmers.

With a view to providing technical assistance to farmers, the Superintendent of Agriculture, Jirania, maintains establishments of two hiring centres (Jirania and Briddhanagar) with 5 power tillers at Jirania and 4 power tillers at Briddhanagar with required number of technical and operational staff. The hiring centres were established to facilitate availability of power tillers to the needy farmers on hire at the rate fixed by the Government from time to time.

Test check (May 1999) of the records of Superintendent of Agriculture, Jirania and subsequent information obtained (March 2001) revealed that the functioning of both these hiring centres had been kept suspended since August 1998 due to non-allocation of funds for meeting expenditure on maintenance and operational costs of power tillers. As a result, the services of the technical and operational staff (18 Nos.)✈, which were field-specific, could not be utilised in any other areas as stated by the Superintendent of Agriculture in April 2001. Meanwhile, the decision of the Government in March 2000 to transfer the implementation of the hiring centre scheme to Panchayat Samity had also not materialised pending drawing up of modalities for transfer etc.

Thus, failure of the Department to provide funds for running and maintenance of the power tillers and delay in transfer of the scheme to Panchayat Samity led to un-productive expenditure on pay and allowances of Rs. 19.67 lakh for the period from August 1998 to March 2001, besides idling of the 9 power tillers (approximate cost Rs.7 lakh @ Rs.77,750 per power tiller) and depriving the farmers of the intended benefits.

The Government stated (August 2001) that the functioning of the hiring centres was discontinued w.e.f. August 1999 due to power tillers being out of order. The reply, however, does not corroborate the facts brought out in the para, which were duly confirmed (May 1999) by the Superintendant of Agriculture, under whose direct control the hiring centres were functioning. Moreover, in either case, the fact remains that the department incurred idle expenditure on pay and allowances of the staff in non-functioning establishments.

✈Junior Engineer 3 Nos.; Power Tiller Driver 4 Nos.; Permanent Labourers 5 Nos.; Casual Labourers 4 Nos.; Helper 1 No. and Daily Rated Worker 1 No.

3.4 Non-recovery of dues from contractors and unfruitful expenditure

Cost of unused materials (Rs. 4.32 lakh) and extra expenditure (Rs. 1.64 lakh) recoverable from original contractors on rescinded works remained unrecovered due to inaction of the Divisional Officer. Besides, unfruitful expenditure of Rs. 3.07 lakh was incurred on unfinished works left abandoned.

(a) The work relating to construction of a 200 tonne capacity godown at Nutannagar under Mohanpur Agriculture Sub-Division was awarded (January 1989) by the Executive Engineer (West), Agriculture Department, to contractor 'A' at his tendered value of Rs. 3.62 lakh (52 *per cent* above the estimated cost of Rs. 2.38 lakh) stipulating completion within 60 days from the date of handing over of site in February 1989. The contractor after executing approximately 75 *per cent* of the work, discontinued it and was paid Rs. 2.71 lakh in January 1992 for the work done. The contract was rescinded at the risk and cost of the original contractor only in August 1996 and the balance work was awarded (March 1998) to Contractor 'B', who had completed the work in July 2000 at a total cost of Rs. 2.55 lakh excluding extra item for Rs. 0.28 lakh. As a result, extra expenditure of Rs. 1.64 lakh* incurred on completion of work stood recoverable from Contractor 'A'. Further, an amount of Rs. 2 lakh (after adjusting Security Deposit of Rs. 0.24 lakh available with the division) was also recoverable from him on account of unutilised materials not returned.

No action was initiated by the Division to recover the amount, as of April 2001.

The Government stated (December 2001) that the police was informed in September 1993 for recovery of the cost of materials, and in October 2001 for recovery of extra expenditure, with no responds till date.

(b) Mention was made in para 3.1.17.1 (iii) of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1994 about rescission of a contract (July 1992) against the work ('construction of regulated market at Kalyanpur'), after payment of Rs. 3.07 lakh (61.65 *per cent* of the tendered value of Rs. 4.98 lakh) to a contractor. The contractor had left the work (October 1991), keeping with him unutilised materials valued at Rs. 2.32. lakh (at double the issue rate).

Test check (August 2000 and April 2001) of the records of the Executive Engineer (West), Agriculture Department revealed that the balance work (tendered value : Rs. 1.91 lakh) was put to tender (April 2000), but the work could not be awarded for want of funds as of April 2001. Meanwhile, the executed portion of the unfinished work was also reported (September 1996) to be in dilapidated condition. The Divisional Officer stated (April 2001) that effecting recovery of dues would not be possible without taking recourse to judicial process as the defaulting contractor was not responding to any of the departmental communications.

* (Rs. 2.71 lakh + Rs. 2.55 lakh – Rs. 3.62 lakh).

The Government stated (May 2001) that efforts would be made to complete the work departmentally in case awarding of work by inviting tender fails, but remained silent on recovery of dues from the defaulting contractor. The Government did not spell out the reasons for sustained failure in taking appropriate action even after a lapse of about ten years.

In December 2001, the Government stated that legal action had been taken against the contractor for recovery of the cost of materials and the balance work had been taken up departmentally.

ANIMAL RESOURCES DEVELOPMENT DEPARTMENT

3.5 Functioning of Livestock Farms

3.5.1 The declared objective of the Animal Resources Development Department is to stabilise animal husbandry practice as a profitable one and to establish it as a subsidiary source of income through integrated programming of production, processing and marketing of animal products. As one of the means to achieve the objective, the Department had established 18 livestock farms so far (March 2001) all over the State since 1969, besides taking up a number of other activities like upgrading of local livestock through cross breeding, control of livestock diseases, training of farmers in better animal husbandry practices, etc. The farms were set up as model farms to be run on scientific lines. Out of 18 farms, 3 have not been functioning since 1994-95. Through random sampling, 5 farms[*] (out of the existing 15[◆]) were selected in audit to examine, in terms of a number of performance indicators, how far the objective was achieved.

3.5.2 Of the farms selected in audit, 3[♥] were being financed by the North Eastern Council (NEC) initially for a number of years in the plan sector and then transferred to the non-plan sector within the responsibility of the State, one[♠] by the Centre and the State on 50:50 basis in the plan sector and one[°] by the State both in the plan and non-plan sectors. Most of the farms were, however, found to have been financed from sources more than one in addition to the source indicated in the general pattern.

State Poultry Farm at Gandhigram

3.5.3 During 1995-96 to 2000-2001, the Department spent Rs. 3.96 crore[†] on the farm.

[*] Poultry, Cattle, Duck, Rabbit and Goat: one farm in each category.
[◆] Pig: 7; Poultry: 3; Rabbit: 2; Cattle: 1; Duck: 1; Goat: 1.
[♥] Regional Exotic Cattle Breeding Farm; Regional Exotic Duck Breeding Farm; and Regional Goat Breeding Farm.
[♠] Rabbit Breeding Farm at Radhakishore Nagar.
[°] State Poultry Farm at Gandhigram.
[†] State plan: Rs. 2.02 crore; State non-plan: Rs. 1.49 crore; Central plan: Rs. 0.45 crore.

Production of eggs

3.5.4 Based on average layer strength* maintained round the year and the norm of productivity of exotic birds fixed by the Indian Council of Agricultural Resarch (ICAR), which was 240 eggs per layer per year*, the farm should have produced 40.22 lakh eggs during 1995-96 to 2000-2001. But the actual production was less by 8.94 lakh eggs leading to revenue loss of Rs. 17.88 lakh*. The Government stated (November 2001) that the factors responsible for low production were non-availability of balanced feed round the year, non-procurement of parent stock every year and lack of proper housing.

Hatching and production of chicks

3.5.5 During 1995-96 to 2000-2001, 51 *per cent* of the total production of 31.28 lakh eggs were set for hatching against the norm of 75 *per cent**. The Assistant Director stated (June 2000) that the deviation from norm was due to lack of accommodation in brooder and rear houses as well as production of eggs which were small in size and unsuitable for hatching. Again, based on norms of hatchability (i.e. 70 *per cent* of the eggs set for hatching), the farm, should have produced 16.42 lakh day old chicks, against which the actual production was 12.08 lakh. This resulted in financial loss of Rs. 69.44 lakh* to the farm. The Government stated (November 2001) that low production of chicks was due to lack of required cooling system in the egg store room and well-ventilated facilities in the hatching room, which were installed only during 2000-2001.

Mortality of adult birds

3.5.6 The mortality rate of adult birds during the period was high in the range of 14 to 23 *per cent* with reference to the norm of 2 *per cent*°. The Government attributed (November 2001) that the high mortality rate mainly to irregular supply of balanced feed, non-availability of vaccines, attack of wild cats and high environmental temperatures during summer days.

Culling

3.5.7 Between April and December 1999, all the 2,851 layer birds constituting the parent stock of the farm were sold out as 'culled'. The ICAR laid down that a layer bird can be declared 'culled' only when it was found to be unproductive or poor producer or to be suffering from stunted growth and physical deformities. There was no recorded evidence that the parent stock

* 1995-96: 1965; 1996-97: 3733; 1997-98: 2328; 1998-99: 4069; 1999-2000: 1306; 2000-2001: 3353.
* Poultry Production: Panda and Mohapatra (page 135); published by ICAR.
* Calculated at the average market rate of Rs. 2.00 worked out by the National Agricultural Bank for Rural Development.
* The norm as communicated (February 2000) by the Assistant Director of the State Poultry Farm to the Director.
* Based on the average market rate of Rs. 16 per day-old chick as reported by the Assistant Director in February 2000.
° Evaluation of study of State Poultry Farm (1994): Evaluation Organisation, Planning and Co-ordination Department (page 4).

thus 'culled' had fulfilled any of the above conditions. The Government stated (November 2001) that the stock had to be sold out due to scarcity of livestock ration.

Breeding

3.5.8 For breeding purpose, the number of cocks and hens should be maintained at the optimum ratio of 1:10[8]. Based on this, the farm should have maintained 1,675 cocks during 1995-96 to 2000-2001 against the stock of 16,754 layer hens. But the scrutiny revealed that the farm actually maintained 2,629 cocks, i.e., 954 cocks in excess of requirement. This led to unnecessary expenditure of Rs. 5.11 lakh on 511.12 quintals of feed for maintenance of the excess stock of cocks. The Government stated (November 2001) that the additional stock of cocks was being maintained as 'reserve'. The reply was not tenable as the ICAR norm did not provide for maintenance of any such reserve stock.

Regional Exotic Cattle Breeding Farm at Radhakishore Nagar

3.5.9 During 1995-96 to 2000-2001, the Department spent Rs. 13.39 crore[♥] on the farm.

Milk production

3.5.10 Based on the average number of milch cows maintained per day (34.5) during the period, the number of days involved (2,192) and the norm of productivity of milk per cow per day (8 kg)[➪] the farm should have produced 6,04,992 kg of milk. But the actual production was only 4,45,185 kg leading to a shortfall in production of 1,59,807 kg valued at Rs. 25.57 lakh[▽] during the period under review.

3.5.11 The Government stated (November 2001) that the shortfall in production was due to poor quality of feeds and fodder, 'hard' green fodder being supplied which was avoided by the cows, failure to supply balanced feeds by Feed Mixing Plant and funds constraint hampering maintenance and infrastructural development.

Heavy loss in production of green fodder

3.5.12 Through spending an amount of Rs. 1.91 crore towards seeds, fertilisers and wages for the labourers engaged, the farm produced green fodder worth Rs. 28.71 lakh during 1995-96 to 2000-2001, incurring a total loss of Rs. 1.62 crore. The Government reply was silent on incurring such a heavy loss in running the farm indicate the acute failure in management.

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[8] Poultry Production: Panda and Mohapatra; ICAR (page 29).

[♥] State plan: Rs. 7.33 crore; Central plan: Rs. 0.80 crore; State non-plan: Rs. 5.26 crore.

[➪] As intimated (August 2000) to Audit by the Deputy Director of R.K. Nagar Farm Complex.

[▽] 1,59,807 kg X Rs. 16 (i.e. the average market price per kg as worked out by the NABARD).

Shortfall in production of green fodder

3.5.13 The farm had a total cultivable land of 2045.25 acres[@] throughout the years, with which it could have produced 1,02,263 tonnes* of green fodder, against which the actual production was 7,297 tonnes (7.14 per cent). The shortfall was attributed (August 2000) by the Assistant Director (Fodder) mainly to much of the cultivable area having been allowed to remain uncultivated, lack of irrigation facilities, irregular supply of seeds and fertilisers and shortfall in output from wage labourers. The Government reply was silent on this point.

Excess issue of feed concentrate

3.5.14 According to the ICAR norm, a milch cow at the optimum level of milk production of 10 kg per day can be maintained with 42 kg of green fodder and 1 kg of feed concentrate per day. As indicated above, with the total cultivable land available, the farm could have produced 1,02,263 tonnes of green fodder which was sufficient to maintain 9.5 times[‡] of the existing strength[⊛] of milch and non-milch cows during the period under review. But the farm not only failed to produce the minimum quantity of green fodder as per norm , but also failed to produce even the required quantity of green fodder for the existing strength (10,740 tonnes). Against this, the actual production of green fodder was only 7,297 tonnes. The deficiency was met by the farm by issue of 372.923 tonnes of feed concentrate in excess of 255.714 tonnes[✈] which was the normal requirement as per ICAR standard. This resulted into extra avoidable expenditure of Rs. 37.29 lakh on 372.923 kg of feed concentrate. In spite of this, the shortfall in production of milk was 1,59,807 kg during the period under review.

Regional Exotic Duck Breeding Farm at Radhakishore Nagar

3.5.15 The expenditure incurred on the farm by the Department during 1995-96 to 2000-2001 was mixed up with the expenditure on Regional Exotic Cattle Breeding Farm.

Productivity

3.5.16 Although the duck farm was established for production eggs and supply of ducklings to local farmers and the neighbouring States, no target was found to have been fixed by the department for the purpose. The farm also had an objective to act as a demonstration farm.

[@] 454.48 acres during 1995-96 to 1997-98; 229.71 acres during 1998-99 to 1999-2000; 222.39 acres during 2000-2001.

* The productivity norm for green fodder as prescribed by the North Eastern Council is 50 tonnes per acre in the minimum.

[‡] 1,02,263 tonnes ÷ 42 kg = 24,34,833 cattle days (one cow maintained for a day = one cattle day) divided by 2,55,714 cattle days maintained by the farm during the period (this figure is arrived at first multiplying average herd strength round the year by 365/366 (i.e. the number of days in the year) and then adding such figures for all the years together).

[⊛] 1995-96: 115; 1996-97: 115; 1997-98: 122; 1998-99: 103; 1999-2000: 99; 2000-2001: 146.

[✈] @ 1 kg per day per cow.

3.5.17 During 1995-96 to 2000-2001, against Rs. 45.55 lakh spent towards feeding of layer birds, the farm produced and sold eggs, ducklings and adult birds on culling as well as duck manure valued at Rs. 29.93 lakh☼ at the average market rate resulting in loss of Rs. 15.62 lakh to the farm. The loss was substantial and running of a duck breeding farm with so much loss was not a matter suitable for demonstration to any interested farmer who was likely to be discouraged in duck breeding practice after being subjected to such demonstration. The farm thus lost also its demonstrative value.

3.5.18 The Government stated (November 2001) that steps had been taken to improve the functioning of the farm with better management practice.

Rabbit Breeding Farm at Radhakishore Nagar

3.5.19 During 1997-98 to 2000-2001, the Department spent Rs. 22.80 lakh* on the Rabbit Breeding Farm.

Breeding

3.5.20 The farm was to obtain 3,612 kids during 1997-98 to 2000-2001 as per ICAR norm (24 kids per doe per year) from the average number of does maintained by it throughout the year ranging from 30 to 50. But the actual production was 2,008 kids, the shortfall being 1,604 kids valued at Rs. 0.64 lakh. The Government stated (November 2001) that the position would improve on providing better accommodation to the rabbits shortly.

Defective project report

3.5.21 The In-charge of the Rabbit Breeding Farm stated (July 2001) that the poor fertility rate was, inter-alia, due to high temperature and humidity in the farm and controlled breeding in view of absence of demand from the farmers and the general public. These reasons conflicted with the project report of the farm submitted to the Government of India to obtain its sanction. In that report, the State Government had said that "climatic condition for Tripura suits rabbit farming favourably", "there is tremendous demand of meat in Tripura" and "rabbit meat is not unfamiliar or unknown to the people of Tripura".

Regional Goat Breeding Farm at Debipur

3.5.22 During 1995-96 to 2000-2001, the Department spent Rs. 2.47 crore✣ on the Regional Goat Breeding Farm.

Breeding

3.5.23 Based on the standard kidding rates per breedable goat per year➺ and the average herd strength of breedable goats maintained round the year◈, the

☼ The sale value at the market rate had been obtained (December 2001) from the Deputy Director, Radhakishore Nagar Farm Complex.

* State plan: Rs. 5.50 lakh; Central Plan: Rs. 8.30 lakh; NEC (plan): Rs. 9 lakh.

✣ State plan: Rs. 1.67 crore; Central Plan: Rs. 0.17 crore; State non-plan: Rs. 0.63 crore.

➺ Barbari: 2.6 and Black Bengal: 3 vide C. Devendra and W.J.A. Payne: Goat and Sheep Production in Tropics (page 45); and Report of the Comptroller and Auditor General of India on Government of Tripura, 1986-87 (page 22).

◈ Barbari (B) and Black Bengal (BB): 1995-96: BB 60; 1996-97: BB 60; 1997-98: B 14, BB 44; 1998-99: B 12, BB 60; 1999-2000: B 14, BB 173; 2000-2001: B 12, BB 90.

farm should have obtained 135 and 1,461 kids from Barbari and Black Bengal breeds respectively. But the actual production was 42 and 409 kids respectively, representing a massive shortfall of 69 and 72 *per cent*. The Deputy Director of the farm stated (August 2001) that the poor fertility was due to malnutrition and poor hygienic conditions in the goat sheds.

Feeding

3.5.24 A total area of 600 hectares (ha) of land was available with the farm for fodder cultivation during 6 consecutive years ending 2000-2001 (i.e. 100 ha per year). The farm cultivated fodder only in 119 ha of land during the period. It was seen that 84.784 tonnes of green fodder valued at Rs.0.71 lakh was produced during this period after spending Rs. 48.66 lakh✿ on wages of labourers exclusively engaged for fodder cultivation.

Manpower

3.5.25 Although not required, a Dairy Officer was found to have been posted in the farm from April 1996 to January 2001 resulting in wasteful expenditure of Rs. 6.15 lakh♣ on his salary. The Government stated (November 2001) that the Dairy Officer was posted to look after milk production from goats. The reply was not found tenable in audit as there was no evidence that the farm had ever stored, processed and distributed any goat milk for which the service of a Dairy Officer was required.

3.5.26 Scrutiny further revealed that although a Fodder Officer had been posted in the farm since November 1993, 3 more Fodder Officers were posted there anew between April 1998 and January 2000 without any allocation of work and were paid Rs. 7.19 lakh as salary up to March 2001. The Government stated (November 2001) that the services of the Fodder Officers were required to improve fodder production. The reply was not tenable, as the Department spent Rs. 11.03 lakh between 1995-96 to 2000-2001 on salary of Fodder Officers, number of whom ranged from one to four with meagre production of 0.71 lakh tonnes of fodder during the period, which did not even cover the cost of their salary.

EDUCATION DEPARTMENT

3.6 Irregular utilisation and idling of funds of discontinued scheme

Retention of unspent amount of Rs. 11.15 lakh pertaining to a discontinued programme resulted in locking up of Rs. 4.76 lakh with consequent loss of interest of Rs. 3.63 lakh, besides irregular utilisation of Rs. 6.39 lakh.

With the introduction of a Central Scheme *viz.* "National Programme for Nutritional Support to Primary Education" (NPNSPE) with effect from 15 August 1995, the Mid-day Meal (MDM) Programme, an identical State

✿ 65 SREP workers engaged per day @ Rs. 40 per day X 312 days in a year = Rs. 8.11 lakh, multiplied by 6 years.

♣ Average monthly salary of Rs. 10,608 X 58 months.

scheme, implemented throughout the State since 1980 had been discontinued with effect from 1 November 1995. Accordingly, unspent balances relating to the discontinued programme were to be deposited to the relevant receipt head of the Government account.

Test check (August 1996 and April 2001) of the records of the Education Inspectorate, Jirania, revealed that on the advice of the Inspector of Schools, 40 Implementing Officers (Heads of Primary Schools) refunded (November 1995) an unspent amount of Rs. 11.15 lakh lying with them as on the date of discontinuance, to the Education Inspectorate, Jirania. The Inspector of Schools, instead of refunding the same to the Government, utilised Rs. 6.39 lakh[&] for purpose not related with the scheme. The balance amount of Rs. 4.76 lakh continued to remain with the Inspectorate, as of April 2001.

On this being pointed out, the Inspector of Schools, Jirania stated (April 2001) that the unspent funds were retained on the advice of the higher authority, but did not spell out the reasons for such retention as well as irregular utilisation.

Thus, the decision to retain the unspent funds, pertaining to a scheme which had long been discontinued, ended up in irregular utilisation of Rs. 6.39 lakh besides locking up of Rs. 4.76 lakh for the period from November 1995 to April 2001 with consequent loss of interest of Rs. 3.39 lakh, calculated at the prevailing borrowing rate[☞] of the Government, during the period.

The Government stated (November 2001) that steps had already been taken to deposit the unspent amount in the Government exchequer.

INDUSTRIES AND COMMERCE DEPARTMENT

3.7 Infructuous expenditure

Expenditure of Rs. 7.67 lakh incurred on execution of preliminary works without seeking approval of project report proved infructuous due to change of site.

For encouraging industrialisation in backward areas, Government of India in continuation of its policy towards "No Industry Districts" declared in June 1984, introduced (June 1988) a scheme for setting up of Growth Centres throughout the country. Accordingly, one such Growth Centre was allocated (December 1988) to Tripura State. A draft project report envisaging setting up of Growth Centre at Uttar Champamura in West Tripura district was submitted (February 1991) to the Government of India by the Tripura Industrial Development Corporation Ltd. (TIDC), the nodal implementing agency nominated by the State Government for the purpose.

[&] Rs. 4 lakh paid to Food , Civil Supplies and Consumers' Affairs Department being transport and distribution cost of food grains lifted by Education Department in separate schemes and Rs. 2.39 lakh paid to General Administration (Printing and Stationery) Department for meeting liability of the Education Department against printing cost.

[☞] 13.85 *per cent* per annum (the rate prevalent in 1995-96).

In January 1995, Government of India while rejecting the draft project report on the ground that the projected Growth Centre would not be commercially viable, suggested the State Government to submit a revised proposal scaling down the size of the project area substantially. Following this, a revised proposal, as per Central Guidelines, was submitted (April 1997) on a new location abandoning altogether the site selected earlier. The change of site was attributed to the land not being contiguous, law and order problems around the area and other difficulties in land development. The revised project was approved (November 1997) and the work was under progress (March 2001).

It was, however, noticed in test check (February – March 2000) of records of the Director, Industries and Commerce that pending approval of the Growth Centre Project, preliminary works for creation of infrastructural facilities at the proposed site at Uttar Champamura was taken up. Out of Rs. 14.70 lakh advanced to different implementing departments of the State Government in 1988-89, Rs. 7.67 lakh had been spent (cost of land Rs. 0.95 lakh, cost of preparation of draft project report Rs. 1.54 lakh, cost of approach road Rs. 4.76 lakh, earth work Rs. 0.30 lakh and miscellaneous Rs. 0.12 lakh) as of March 1992 and balance amount of Rs. 7.03 lakh was lying unutilised with the implementing departments as of November 2001. With the change of site at Uttar Champamura, further works on the project remained abandoned since April 1997.

Thus, improper selection of site and execution of works in anticipation of project clearance by the Centre rendered the expenditure of Rs. 7.67 lakh infructuous.

The Government, to whom the matter was referred (April 2001) stated (June 2001) that the site would be utilised as an "Industrial Area/Industrial Estate" for fruitful utilisation of the infrastructure already created, but did not spell out as to why the infrastructure could not be put in any gainful use for last 10 years or more.

MISCELLANEOUS DEPARTMENTS

3.8 Abstract Contingent Bill

According to the Treasury Rules, Detailed Countersigned Contingent (DCC) Bills in respect of Abstract Contingent (AC) Bills drawn by the Drawing and Disbursing Officers (DDO) are required to be submitted to the Controlling Officer within one month of the drawal of the AC bills, who shall submit the same after his countersignature to the Accountant General within another month. Further, while drawing a fresh AC bill, every DDO shall also furnish a certificate to the effect that DCC bills in respect of all AC bills drawn more than a month before the date of presentation of that bill have been submitted to the Controlling Officer.

Test check (April – June 2001) of the records of 4 Directorates☞ and 5 DDOs✍ revealed that Rs. 10.73 crore drawn on account of implementation of various Central and State sector schemes through 1218 AC bills during the period from 1984-85 to 2000-2001 were lying outstanding as of June 2001, details of which are given in **Appendix – XXIII**.

The reasons for poor utilisation of funds drawn and resultant delay in adjustment of AC bills were attributed by the DDOs to delayed preparation of estimate of works, delay in formation of Implementing Committees, non-execution/slow progress in execution of works and non-submission of vouchers etc. by the implementing officials.

The salient points noticed in course of audit were as follows:

(1) Four DDOs⚮ had drawn Rs. 2.52 crore in 690 AC bills during March 2001 for construction of 32 Junior Basic school buildings. But, pending formation of the Implementing Committees to take up the works, the entire funds were deposited in Current Deposit Accounts of the accredited bank branches operated by these DDOs and remained locked up as of June 2001. The cost of the funds remaining outside Government account worked out to Rs. 7.88 lakh at the prevailing Government borrowing rate♦.

(2) Inspector of Schools, Dharmanagar (Sri C.R. Malakar) had drawn Rs. 20 lakh between November 1997 and January 1999 in 41 AC bills for construction of 5 school buildings at a cost of Rs. 4 lakh each.

The entire amount (Rs. 20 lakh) though received by Shri Malakar himself during January 1998 to January 1999 as implementing officer of the above works, was kept with him i.e. outside Government account. The status of construction was not reported nor was the amount refunded to the Government as of June 2001.

(3) Inspector of Schools, Sonamura had drawn Rs. 22.19 lakh in 17 AC bills between January 1997 and December 1999 for construction and repair of school buildings and toilets and retained the same in his cash chests for periods ranging from 3 months to 13 months before being disbursed to implementing officials. The delay in disbursement was attributed to non-preparation of estimates of works and non-formation of implementing

☞ (1) Directorate of Sports and Youth Affairs, (2) Directorate of Higher Education, (3) Directorate of School Education and (4) Directorate of Information, Cultural Affairs and Tourism.

✍ (1) Inspector of Schools, Dharmanagar, (2) Inspector of Schools, Sonamura, (3) Inspector of Schools, Kailashahar, (4) Inspector of Schools, Udaipur and (5) Deputy Director of Agriculture (West), Agartala.

⚮ (1) Inspector of Schools, Dharmanagar Rs. 0.87 crore
(2) Inspector of Schools, Kailashahar Rs. 0.75 crore
(3) Inspector of Schools, Udaipur Rs. 0.45 crore
(4) Inspector of Schools, Sonamura Rs. 0.45 crore

♦ 12.5 *per cent* with effect from 1 June 2000.

committees, etc. The cost of funds thus remaining outside Government account worked out to Rs. 1.49 lakh calculated at Government lending rate prevailing from time to time.

Thus, the reasons for pendency of adjustment of AC bills, as analysed in audit, are summed up below:

In total disregard to the provision of financial rules, funds had been drawn especially at the fag end of the financial years in anticipation of demand, obviously to avoid lapse of budget grants.

Drawal in AC bills were made without adequate prior planning for incurring expenditure within a definite time frame.

Lack of co-ordination among controlling departments, DDOs and various implementing officials.

No effective monitoring system was found to have been in operation in order to watch over the implementation of various works and timely submission of adjustments against funds drawn in AC bills.

(4) The statutory requirement of furnishing certificate regarding submission of DCC bills against AC bills drawn more than a month before the drawal of any fresh bill was not complied with. This indicated lapses in scrutiny of bills on the part of treasuries before passing for payment.

The matter was reported to the Government in September 2001; their reply had not been received (November 2001).

CHAPTER IV : WORKS EXPENDITURE

SECTION - A

PUBLIC WORKS DEPARTMENT

4.1 Accelerated Urban Water Supply Programme

Laxity on the part of the State Government in contributing matching share to run the schemes handicapped the progress of implementation. The laxity also deprived the State of matching Central assistance amounting to Rs.55.07 lakh during the period from 1994-95 to 1997-98. Excessive delay in implementation of a scheme led to heavy escalation of the project cost. Instances of diversion of scheme funds were many, which were avoidable had the programme been closely monitored.

Highlights

The State Government released only Rs. 30 lakh during 2000-2001 against Rs. 3.14 crore as Central share released by the GOI during the 8 years ending 2000-2001, though the former was supposed to contribute half of the total funds.

(Paragraph 4.1.8)

Inaction on the part of the Department in implementation of Kamalpur project for an inordinately long period of 5 years led to escalation of the project cost by Rs. 92 lakh.

(Paragraphs 4.1.11 and 4.1.12)

Out of Rs. 3.15 crore booked as expenditure, Rs.2.49 crore was spent on items pertaining mostly to ongoing State Urban Water Supply Schemes which were outside the purview of AUWSP.

(Paragraph 4.1.18)

Introduction

4.1.1 The Centrally sponsored Accelerated Urban Water Supply Programme (AUWSP) for towns having population less than 20,000 as per 1991 census was initiated by the Government of India (GOI) from the Annual Plan of 1993-94. The programme is funded on grant basis; 50 *per cent* of the funds is to come from the GOI and 50 *per cent* from the State Government including 5 *per cent* beneficiary contributions.

4.1.2 The main objective of the programme is to provide safe and adequate water supply facilities to the entire population of the towns coming under its purview.

Organisational set-up

4.1.3 The State Public Works Department is responsible for implementation of the programme through its Public Health Engineering (PHE) wing. The Department is headed by an Engineer-in-Chief and the wing by a Chief

Engineer. 4 PHE Divisions* (out of 5) are directly involved in execution of works under the supervision of 2 Superintending Engineers (SEs)+.

Audit coverage

4.1.4 Implementation of the programme in the State during 1993-94 to 2000-2001 was reviewed in audit between December 2000 and April 2001 by test check of records of the Chief Engineer (PHE) and the Executive Engineer, PHE Division III covering one out of four schemes taken up in the State and an expenditure of Rs. 1.18 crore out of Rs. 3.15 crore reported to have been spent. The results are indicated in the following paragraphs.

Financial performance

4.1.5 The following table indicates yearwise availability of funds and expenditure incurred under AUWSP, as per records made available by the Department.

Year	Opening balance	Amount of Central share actually released by GOI (allocation in brackets)	Amount of State share released	Total funds available under AUWSP during the year	Expenditure	Closing balance
(Rupees in lakh)						
1993-94	Nil	5.16 (5.41)	Nil	5.16	Nil	5.16
1994-95	5.16	Nil (7.30)	Nil	5.16	Nil	5.16
1995-96	5.16	Nil (9.13)	Nil	5.16	Nil	5.16
1996-97	5.16	Nil (9.40)	Nil	5.16	Nil	5.16
1997-98	5.16	Nil (29.24)	Nil	5.16	Nil	5.16
1998-99	5.16	42.11 (42.11)	Nil	47.27	NIL	47.27
1999-2000	47.27	91.44 (91.44)	Nil	138.71	45.69	93.02
2000-2001	93.02	175.25 (175.25)	30.00	298.27	269.39	28.88
Total		**313.96 (369.28)**	**30.00**		**315.08**	

Scrutiny revealed the following:

4.1.6 The GOI was wrongly informed in October 2000 by the State Government that Rs. 5.16 lakh was spent under the programme during 1994-95. It was seen in audit that the amount was spent on the ongoing State plan schemes during the year and not on AUWSP.

4.1.7 There was excessive delay in release of Central share by the State Government to the implementing department. Rs. 42.11 lakh was released in 1998-99 after 62 days, Rs. 87.95 lakh in 1999-2000 after 77 days and Rs. 88.17 lakh in 2000-2001 after 63 days. While the Department was solely in need of funds the State Government delayed the release though the Central funds were at hand.

4.1.8 Against Rs. 3.14 crore released as Central share by the GOI during 1993-94 to 2000-2001, the State share was a meagre amount of Rs. 30 lakh

* PHE Divisions II. III, IV and V located at Kumarghat, Udaipur, Agartala and Ambassa respectively.

+ Circles I and II, both at Agartala.

only released during 2000-2001. Five *per cent* contribution from the urban local bodies towards the project cost as per stipulation of the programme was also not received. During 1994-95 to 1997-98, the programme was deprived of Central share totalling Rs. 55.07 lakh. The amount, though allocated, was not released as the matching share from the State was not forthcoming. On the other hand, the GOI had been misinformed through the reports for the year 1999-2000 and the half year ending September 2000 sent by the State Government that, during 1999-2000 and 2000-2001, Rs. 25 lakh and Rs. 1.25 crore respectively were released as matching State share. Records revealed that first release of State share of Rs. 30 lakh only was made in January 2001 and that too without any budget provision during 2000-2001. This was in violation of the principles of sound financial management.

Basis for selection of towns

4.1.9 The programme envisaged supply of water to urban population at the rate of 70 litres per capita per day (lpcd). To augment the capacity of the existing sources in the urban areas, the programme envisaged to give priority in coverage to the towns with low per capita supply of water. A State Level Selection Committee (SLSC), despite having been constituted in July 1995 was not functioning. Meanwhile, a report was sent to the GOI in February 1994 containing information on 6 towns on the existing per capita per day supply (lpcd). If the information was taken into account, the priority in coverage of the first 4 towns under the programme should have gone to Kumarghat (31.84 lpcd), Belonia (36.17 lpcd), Amarpur (37.48 lpcd), and Sabroom (42.83 lpcd). Another SLSC was constituted afresh in August 1999 and at the instance of this committee, Kamalpur and Sonamura were proposed to the GOI for selection excluding Amarpur and Sabroom from the priority list without recording any reasons. This was in violation of the underlying principle of the programme.

Physical performance

4.1.10 As per 1991 census, 11 Nagar Panchayats in the State (out of 12) were having population less than 20,000, all of which were problem towns to come under the purview of AUWSP. Of these, till March 2001, project reports for 4 had been approved by the Government of India for implementation, particulars of which are given in the following table:

Sl. No.	Name of the town	Population as per 1991 census	Date of approval of the project by GOI	Estimated cost (*Rupees in crore*)
1.	Kamalpur	4,300	March 1994; February 1999	0.41; (Revised) 1.33
2.	Belonia	13,274	December 1999	2.88
3.	Kumarghat	14,641	May 2000	4.17
4.	Sonamura	8,136	January 2001	1.40

None of the projects had been completed, as of October 2001.

Laxity in implementation

4.1.11 For Kamalpur project, the GOI released in March 1994 Rs.5.16 lakh (i.e. one-fourth of the 50 *per cent* Central share against the estimated cost of

Rs.41.31 lakh). The Department did nothing to execute the scheme with the Central share, nor did it release the matching share of 50 *per cent* of the estimated cost during the next 5 years, except preparation and submission of a fresh project report for an estimated cost of Rs. 1.33 crore to the GOI in December 1998. Against this, the GOI released an additional amount of Rs.42.11 lakh as Central share in March 1999. The Central share received against the project, thus, worked out to Rs.47.27 lakh. The project was to be completed by 2000. But the State Government did not release its matching share for the project against the Central share received either during 1998-99 or during the years that followed, as of March 2001, and the latest physical progress report (i.e. upto March 2001) made available revealed that the project was not likely to be completed before March 2002.

4.1.12 Laxity in implementation of the scheme led to escalation of the project cost by Rs.92 lakh (i.e. Rs.1.33 crore *minus* Rs. 41 lakh) during 5 years from 1994 to 1999. Unless the pace of implementation was quickened and side by side the matching share was released as per requirement, the project cost will continue to escalate and there will be chances of even the earlier investment turning unproductive.

Expenditure analysis

4.1.13 Scrutiny of expenditure booked under AUWSP during 1999-2000 and 2000-2001 revealed the following facts and irregularities:

4.1.14 Of Rs. 137.08 lakh booked as expenditure on Kamalpur project upto March 2001, Rs.77.76 lakh was actually spent on a 0.72-MGD treatment plant which was being constructed under a State plan scheme.

4.1.15 Again, of Rs.125 lakh shown to have been spent on Belonia project, Rs.49.08 lakh was spent on construction of an overhead tank taken up under State sector Minimum Needs Programme. Moreover, an amount of Rs.68.95 lakh was spent on construction of a 1-MGD treatment plant while the GOI - approved project envisaged construction of a 0.3-MGD treatment plant. The scope and design of the plant had been changed without any prior approval of the GOI.

4.1.16 Although the work on Sonamura project had not yet been taken up and even administrative approval and expenditure sanction were yet to be issued (March 2001), Rs.53 lakh was shown to have been spent on the project. Of this, Rs.15.92 lakh was actually spent on an existing treatment plant beyond the purview of the GOI - approved project. The balance of Rs.37.08 lakh was spent by PHE Division IV, Agartala in March 2001 on settlement of CSS claims for the cost of materials indented and received in September 1991 (i.e. before the introduction of AUWSP).

4.1.17 Kumarghat project was approved in May 2000, but the work was not started (October 2001).

4.1.18 While the total estimated cost for the 4 approved projects under AUWSP was Rs. 9.78 crore, the amount actually spent on items within the purview of the approved schemes was Rs. 0.66 crore only. Out of Rs. 3.15 crore booked as total expenditure during 1998-99 to 2000-2001 the balance of Rs. 2.49 crore, was spent on items, pertaining mostly to ongoing State Urban Water Supply Schemes which were outside the perview of AUWSP.

Monitoring and evaluation

4.1.19 There was no effective infrastructure at the State level for monitoring and evaluation of the programme with reference to planning, physical achievement and expenditure incurred. This contributed to adoption of merely a mechanical approach in planning which lacked community participation in contravention of the instructions contained in the scheme guideline. Quarterly and half-yearly progress reports were not being prepared and submitted to the GOI on regular basis. After a lapse of more than 5 years since first receipt of Central shares, only 1 out of 13 half-yearly reports and 2 out of 26 quarterly reports due were sent in October 2000. Moreover, contradictory information was found to have been included in two sets of reports e.g. expenditure incurred under AUWSP during April 2000 to September 2000 was Rs.90 lakh as per quarterly progress reports, while it was Rs.212.95 lakh as per progress report for the half-year ending September 2000.

4.1.20 The above points were reported to the Government in August 2001; their replies have not been received as of November 2001.

PUBLIC WORKS AND RURAL DEVELOPMENT DEPARTMENTS

4.2 Rural Water Supply Programme

The programme suffered from diversion of funds, idle expenses, lack of priority in taking up work, high O&M expenditure on schemes, tardy implementation, defective planning and inefficient execution. There were instances of wasteful expenditure which could have been avoided. Monitoring was weak and concurrent evaluation was absent.

Highlights

During 1997-98 to 2000-2001, Rs. 30.98 lakh was found to have been irregularly diverted by Public Health Engineering (PHE) and Rural Development Department (RDD) from ARWSP and MNP funds.

(Paragraph 4.2.13)

In a mismatch between planning and execution, only 40 deep tubewells out of 195, constructed during 1997-2001, were in locations mentioned in action plans prepared by the Panchayat bodies and approved by the State Level Co-ordination Committee.

(Paragraph 4.2.15)

As per the programme, the habitations as on 1 April 1999 were reclassified with reference to adequacy and safety factors in providing drinking water facilities and the data were sent to the GOI. The revised classification proved arbitrary as there was no evidence that necessary survey to collect the requisite data was ever conducted for this.

(Paragraphs 4.2.18 to 4.2.20)

The principle for giving priority of coverage to 'Not Covered' (or NC) habitations as envisaged in the programme was ignored. The target for covering 982 such habitations within 1997-98 was not achieved even at the end of 2000-2001 when 287 such habitations were left uncovered.

(Paragraph 4.2.22)

Defective design and drawing for construction of 8 overhead tanks resulting in the works having been taken up anew led to wasteful expenditure of Rs. 33.31 lakh and extra liability of Rs. 1 crore incurred by the PHE on them.

(Paragraphs 4.2.30 to 4.2.35)

During 1997-98 to 2000-2001, the PHE procured 225 pump sets in excess of requirement resulting in extra avoidable expenditure of Rs. 1.06 crore.

(Paragraph 4.2.41)

The pace of construction and commissioning of iron removal plants (IRPs) lacked element of urgency in absence of any fixed timeframe before the executing agencies. During 3 years ending 2000-2001, only 8 IRPs (out of 77 approved) were found to have been commissioned.

(Paragraph 4.2.46)

Three PHE Divisions incurred wasteful expenditure of Rs. 11.09 lakh during 1998-2001 in unsuccessful drillings at 25 locations. The prescribed procedure to assess availability/potentiality of ground water source was not followed before taking up such drilling.

(Paragraphs 4.2.52 and 4.2.53)

Introduction

4.2.1 Accelerated Rural Water Supply Programme (ARWSP) was introduced in 1972-73 by the Government of India (GOI) to assist the States to accelerate the pace of coverage by drinking water supply. The programme aimed at supplementing of the efforts being made by the State Government under the State sector Minimum Needs Programme (MNP). The technology mission on drinking water and related water management, called National Drinking Water Mission was launched in 1986 to give the programme a mission approach by way of ensuring maximum inflow of scientific and technical input. The mission was renamed Rajiv Gandhi National Drinking Water Mission in 1991. From 1 April 1999, the GOI had revamped the programme which, amongst others, aimed at ushering in reforms by institutionalising community participation in the rural water supply sector. The revamped programme categorised the problem habitations into five categories[☼] with reference to adequacy and safety factors in providing drinking water facilities to the rural population. Under the revised system, the changed definition of 'not covered' habitation is a habitation having either no source of water or having a source or sources supplying less than 8 litres of water per capita per day (lpcd). This system of categorisation replaced the earlier one consisting of Not Covered (NC), Partially Covered (PC) and Fully Covered (FC).

4.2.2 A habitation is to be treated as fully covered if 40 litres of safe drinking water per capita per day is provided for human beings. Drinking water is defined as safe if it is free from bacteria, causing water borne diseases, and chemical contamination (fluoride, brackishness, excess iron, arsenic, and nitrate beyond their permissible limits).

Organisational set-up

4.2.3 Under the programme, there are two systems adopted for supply of drinking water to the rural population, one of which is piped water supply from deep tubewells (DTWs) and another is supply of water through creation of spot sources, i.e., mark II and mark III tubewells, sanitary wells etc.

4.2.4 The PWD (PHE) executes both the ARWSP and MNP and in both of them the adopted system is piped water supply, while the Rural Development Department (RDD) executes only the MNP by way of creating spot sources. Tripura Tribal Area Autonomous District Council (TTAADC) headed by a Chief Executive Officer takes up similar work in its own area under the MNP with the funds provided by the RDD. In the PHE side, execution of the

☼ Not Covered/No Safe Source(NC/NSS), Partially Covered/No Safe Source (PC/NSS), Partially Covered/Safe Source (PC/SS), Fully Covered/No Safe Source (FC/NSS) and Fully Covered/Safe Source (FC/SS).

programmes is entrusted with 4 PHE Divisions, working under the supervision chain of two Superintending Engineers (PHE), one Chief Engineer (PHE) and the Engineer-in-Chief of the PWD. In the RDD side, the execution of the programme is entrusted with 38 BDOs and 4 Executive Engineers each in charge of an RD Engineering Division, under the supervision chain of 4 District Collectors and the Secretary, Rural Development Department. Another SE (PHE) working under the PWD is responsible to run a Monitoring Cell and an Investigation Unit and is the nodal authority for co-ordination, investigation, planning and timely submission of reports and returns to the GOI in respect of all the components under the programme.

Audit coverage

4.2.5 An audit review on implementation of the programme during 1992-93 to 1996-97 had appeared in the Report of the Comptroller and Auditor General of India for the year ended March 1997.

4.2.6 The present review of the Programme covering the period 1997-98 to 2000-2001 was conducted between February and June 2001. The offices covered were those of the CE (PHE), 3 SEs (PHE), 4 PHE Divisions[✍], Joint Secretary (RD), 3 RD Engineering Divisions[☞], 4 DMs and 10 BDOs[✈]. Expenditure covered was 37 *per cent* of the total expenditure incurred during the period under review. The points noticed are discussed in the succeeding paragraphs.

Funding pattern

4.2.7 100 *per cent* Central assistance for ARWSP is allocated to the State on the basis of matching provision made/expenditure incurred by the State under the State Sector Minimum Needs Programme. Release for ARWSP is not to exceed the provision made by the State for MNP. Upto 20 *per cent*[❁] of ARWSP funds for sub-mission projects[❦], upto 15 *per cent* [▲] for operation and maintenance of assets created and at least 25 *per cent* for drinking water supply to SCs and 10 *per cent* for STs are to be earmarked. The same principle in earmarking of a specific percentage of funds is also to be followed for MNP. In addition, from 1999-2000, 100 *per cent* Central assistance for each of the programme components, *viz.*, Human Resource Development (HRD), Information Education and Communication (IEC), Management Information System (MIS) and Sector Reform is also being provided[❍]. Moreover, for purchase of rigs, water supply in rural schools, and monitoring and investigation unit, the funds are to be made available from 1999-2000 onwards

[✍] PHE Divisions II, III, IV and V.

[☞] West, South and Dhalai.

[✈] Jirania, Dukli, Bishalgarh, Mohanpur, Melaghar, Teliamura, Matabari, Kakraban, Ambassa, Gournagar.

[❁] 5 *per cent* prior to 1999-2000.

[❦] Total funds of which are to be shared at 75:25 ratio between the GOI and the State up to 1997-98 and from 1999-2000 onwards (the ratio was 50:50 in 1998-99).

[▲] 10 *per cent* prior to 1999-2000.

[❍] In case of MIS, the funds were being shared in the 80:20 ratio between the GOI and the State prior to 1999-2000.

at 50:50 ratio from the GOI and the State, while prior to 1999-2000 the first and the third components were being entirely financed from the ARWSP and MNP funds.

Financial performance

Outlay and expenditure

4.2.8 The budget provision, funds released by the GOI and expenditure incurred under ARWSP and MNP during the period from 1997-98 to 2000-2001 as reported by the Department were as under:

Year	ARWSP				MNP			
	Budget provision	Funds released by GOI	Expenditure reported by the State Government	Excess(+)/ savings(-) with reference to funds released from GOI	Budget provision	Funds released by State	Expenditure reported by the State Government	Excess(+)/ savings (-) with reference to budget provision
	(Rupees in crore)							
1997-98	5.25	*7.77	7.95	(+) 0.18	11.47	11.47	12.06	(+) 0.59
1998-99	12.48	21.45	21.29	(-) 0.16	22.06	22.06	22.12	(+) 0.06
1999-2000	15.39	16.72	16.62	(-) 0.10	21.66	21.66	21.66	NIL
2000-2001	17.65	15.72	15.80	(+) 0.08	21.81	21.81	20.62	(-)1.19
Total :	**50.77**	**61.66**	**61.66**	**NIL**	**77.00**	**77.00**	**76.46**	**(-) 0.54**

*This includes unutilised funds of Rs. 0.05 crore relating to previous years.

Note : (i) In addition, for rural water supply programme, the PWD(PHE) received Rs. 3.90 crore forming part of the grant under Prime Minister's Gramodyog Yojana (PMGY) released from GOI during 2000-2001. Against this, Rs. 3.97 crore was spent. Similarly, the RDD received Rs. 4.15 crore on the same account during the period and the amount is shown as included in the funds released by the State under MNP during 2000-2001. The expenditure against this had been shown as included in expenditure incurred under MNP during the year, and could not be segregated.

(ii) Under the programme components HRD and MIS, Rs. 8.83 lakh and Rs. 13.84 lakh respectively received by RDD as Central assistance prior to 1997-98 remained unspent. Under MIS, an additional amount of Rs. 4.75 lakh was received by the State during the period under review. Rs. 6.16 lakh and Rs. 13.80 lakh under HRD and MIS respectively remained as unspent at the end of the period.

Audit scrutiny revealed the following irregularities:

4.2.9 Under the component of IEC, a project report was sent twice (in October 1996 and February 1998) by RDD to the GOI. The GOI returned the project report last in February 1998 with the directions to prepare the project report in accordance with the national guidelines, which had not yet been attended to. One of the major defects of the project reports sent twice was that neither of them comprised the financial requirement for implementation of the programme.

4.2.10 Although the GOI provided Rs. 18.59 lakh for purchase of 6 computers and necessary accessories to go with them, *inter alia,* during the 5 years ending March 2001, the Department failed to purchase the computers but spent Rs.4.79 lakh for premature purchase of 6 uninterrupted power supply systems (UPSs) between December 1999 and March 2000.

4.2.11 Against Rs. 2.28 crore under MNP received from the RDD by TTAADC during 1999-2000, Rs. 1.34 crore was shown as spent by the latter in February 2001. But the RDD had shown the entire balance of Rs. 2.28 crore as spent during 1999-2000 in the progress report sent to the GOI in June 2000, thus, inflating the financial achievement.

4.2.12 It was noticed that, as of 31 March 2001, 8 BDOs of the North District and 4 BDOs of Dhalai District were retaining Rs. 1.52 crore in their current deposit accounts. But the RDD had shown the entire amount as spent and included the amount in the expenditure statement furnished to the GOI in June 2001.

Diversions of funds

4.2.13 Rs. 30.98 lakh[✈] was found to have been diverted from ARWSP and MNP funds during April 1997 to March 2001 by the RDD and the PHE to other purposes, which was not permissible.

Planning

Mismatch between planning and execution

4.2.14 The State Level Co-ordination Committee (SLCC), headed by the Chief Secretary, is the competent authority for approval of Annual Action Plan, to be prepared on the basis of recommendations received from the panchayat bodies, and also for periodical review of progress of scheme implementation and serviceability of drinking water sources. For this purpose, the committee was required to meet at least once in every three months. But the committee met only three times during 1997-98 to 1999-2000, with no meetings held during 2000-2001.

4.2.15 During 1997-98 to 1999-2000, the SLCC approved action plans for implementation of 279 DTW schemes, indicating a location for each. But at the time of execution of the work of drilling and development of DTWs, the PHE invited tenders without making any linkage with the locations approved by the SLCC and developed 195 DTWs under ARWSP and MNP during 1997-98 to 2000-2001. Audit scrutiny revealed that, of 195 DTWs developed by the PHE during the period, only 40 DTWs were from the list of DTWs approved by the SLCC.

4.2.16 It was, thus, evident that the practice adopted for drilling and development of DTWs by the PHE negated the very objective of the SLCC meetings.

[✈] Rs. 14.96 lakh towards purchase of 5 Jeeps by the PHE and Rs. 16.02 lakh for construction of 2 departmental godowns by the RDD and one office building by the PHE.

Identification of problem habitations

4.2.17 As per survey conducted in early 1997, out of 7412 habitations of the state, 982 habitations, having no assured source of drinking water within a distance of 1.6 km in plains or within 100 metres elevation difference in the hills were identified as not covered (NC) habitations, 2400 habitations having capacity of the system to provide drinking water less than 40 lpcd were identified as partially covered (PC) habitations and the remaining 4030 habitations having capacity of the system for providing 40 lpcd were identified as fully covered (FC) habitations.

4.2.18 With reference to the changed criteria, the PHE prepared and sent (June 2000) a status report on habitations of the State in June 2000. According to the report, as on 1 April 1999, there were 1849 habitations under the category of NC/NSS, 482 under PC/NSS, 4952 under FC/NSS and 129 under FC/SS. As per this report, there were no habitations under the category of PC/SS.

4.2.19 It was seen that the revised categorisation was never used by the PHE in the subsequent reports sent to GOI. As a result, the correct progress made towards achieving the ultimate target to bring all the habitations into the category of FC/SS was not verifiable.

4.2.20 Moreover, the re-categorisation of the habitations with reference to adequacy and safety factors in providing drinking water facilities required resurvey of all the habitations as well as testing of water quality being supplied to them. There was no evidence that the implementing agencies had ever taken up the work. It may, therefore, be reasonably concluded that the recategorisation was done, without collecting any data, in an arbitrary manner.

Physical progress

Target and achievement

4.2.21 The following table indicates yearwise target and achievement in coverage of habitations of different categories during 1997-98 to 2000-2001 under ARWSP and MNP as reported by the State Government to the Government of India.

Year	NC to PC				NC to FC				PC to FC			
	Target	Achievement			Target	Achievement			Target	Achievement		
		ARWSP	MNP	Total		ARWSP	MNP	Total		ARWSP	MNP	Total
1997-98	900	-	51	51	82	-	43	43	440	256	92	348
1998-99	Nil	-	104	104	210	-	58	58	600	457	145	602
1999-2000	420	80	75	155	310	-	30	30	140	351	210	561
2000-2001	300	-	-	-	Nil	-	-	-	654	252	-	252
Total		**80**	**230**	**310**		-	**131**	**131**		**1316**	**447**	**1763**

Note: In addition, the PHE supplied information on achievement in rural water supply under PMGY during 2000-2001 as indicated in the following table:

Year	NC to PC		NC to FC		PC to FC	
	Target	Achievement	Target	Achievement	Target	Achievement
2000-2001	-	254	-	-	-	489

4.2.22 While furnishing the reply to audit review on Rajiv Gandhi National Drinking Water Mission incorporated in the Audit Report for 1996-97, the Department had stated (December 1997) that all the 982 NC habitations would be covered during 1997-98. Although the target was fixed accordingly, the achievement in coverage was only 94 (i.e. 9.57 *per cent*) of the target. Even at the end of 2000-2001, 287 NC habitations remained to be covered. In the meantime, as per status report prepared by the PHE, the number of NC habitations as on 1 April 1999 shot up to 1849, as habitations with water supply less than 8 lpcd were also to be included in the NC category under the revamped programme. But in setting the targets for 1999-2000 and 2000-2001, the concept was never taken into account, contrary to the objective of the revamped programme.

4.2.23 During 1997-98 to 2000-2001, 2252 PC habitations out of 2400 were upgraded to FC. Side by side, only 695 NC habitations out of 982 were upgraded to PC or FC. This was in contravention of the Government's decision to give priority to cover all the NC habitations over the PC category.

Coverage of NC habitations

4.2.24 In view of the programme having envisaged giving priority of coverage to NC habitations over others, the PHE transferred Rs. 5.56 crore between June 1997 and August 2000 to the TTAADC and Rs. 2.20 crore to four DMs of the State between January and February 2000 from the ARWSP funds, with a specific instruction to utilise these additional funds for creation of spot sources in the NC habitations only. No targets were laid down; nor was any timeframe fixed for this purpose.

Scrutiny of records revealed the following :

4.2.25 None of the 4 DMs and TTAADC authority furnished utilisation certificates indicating physical performance to the PHE, as of June 2001. As a result, the PHE was in the dark about the actual coverage, if any, of NC habitations with these additional funds.

4.2.26 An amount of Rs. 16.35 lakh* was placed by the DMs between January and February 2000 at the disposal of 5 BDOs** for coverage of NC habitations, though there were no NC habitations in those Blocks as on 1 April 1999 as reported by the DM (South) in April 2001 to the RDD and as noticed from the records of the DM(North) during audit of the amount received, the 5 BDOs spent Rs. 16.01 lakh for creation/renovation/re-sinking of spot sources in partially covered habitations instead of creating spot sources in NC habitation for which the amount was given.

4.2.27 Instead of creating new spot sources, the DM (West) utilised Rs. 14.75 lakh, out of Rs. 1 crore received on this account, for purchase of compressors, boring machines and repair of existing sources during 1999-2000.

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* DM North: Rs. 9.35 lakh; DM South:Rs. 7 lakh.

** Rupaichari : Rs. 3 lakh; Matabari : Rs. 3 lakh; Kakraban : Rs. 1 lakh; Kadamtala : Rs. 4.34 lakh; Panisagar : Rs. 5.01 lakh.

4.2.28 The entire amount of Rs. 2.20 crore placed with 4 DMs of the State in January and February 2000 was reported by the PHE to GOI as expenditure incurred during 1999-2000 by the PHE, though an amount of Rs. 8.90 lakh was found in audit to have remained unspent and was lying in the cash chests/PL Accounts etc. as of March 2001.

4.2.29 It was, therefore, evident that the implementing agencies did not show the required degree of sincerity to cover the NC habitations on priority basis as envisaged in the programme.

Execution of work

Defective design and drawing leading to wasteful expenditure of Rs.33.31 lakh with extra liability of Rs. 1 crore

4.2.30 Construction works for 8 overhead tanks, each with 40,000 gallon capacity (5 under PHE Division No. III, Udaipur and 3 under PHE Division No. II, Kumarghat) were awarded to 5 contractors between February and May 1997. The tendered value of the works was Rs. 73 lakh against the estimated cost of Rs. 41 lakh. The time for completion of each work was stipulated to be 9 months.

4.2.31 The execution of the works progressed upto bottom of tank/bottom of ring beam and the payment of Rs. 33.31 lakh against the value of works done was made between September 1997 and February 1998 to the contractors. In January 1998, some serious errors in the design and drawing prepared by an Assistant Engineer and approved by his Executive Engineer and the Superintending Engineer (PHE) were noticed by the successor of the latter. The quantity of steel actually required to be used in bracing and foundation ring beam was not shown correctly in the design as well as in the drawing, amongst several other errors.

4.2.32 As a result, the execution of all the 8 works were suspended in December 1997. On preparation of the revised design and drawing, the contractors were asked to resume the work as per original agreement. But they declined to execute the works and went to arbitration, the result of which was not available as yet (March 2001).

4.2.33 In the meantime, all the agreements were closed between January 1998 and January 1999 without making recovery of cost of materials valued at Rs. 11.65 lakh lying with the contractors.

4.2.34 Consequently, work orders for construction of those 8 overhead tanks anew on the basis of modified design and drawing were awarded between February 1999 and November 2000 to some other contractors at their tendered value of Rs. 1.73 crore against the revised estimated cost of Rs. 89.51 lakh. In the meanwhile, Rs. 1 crore had already been paid to them upto March 2001.

4.2.35 Thus, the execution of works on defective design and drawing followed by closure of the agreements resulted in wasteful expenditure of Rs.33.31 lakh apart from locking up of Rs. 11.65 lakh in the form of materials lying with the contractor. Moreover, this also resulted in incurring extra cost/liability amounting to Rs. 1 crore (Rs. 1.73 crore – Rs. 0.73 crore) in completion of the works.

4.2.36 No responsibility for the irregularities committed at different levels for preparation and approval of erroneous design and drawing had been fixed as yet (June 2001).

Delay in commissioning of schemes

4.2.37 Twenty four DTWs[•] constructed during 1997-98 to 1999-2000 by the PHE for providing drinking water to rural population were not commissioned mainly due to non-completion of pump houses/non-availability of electrical connections to the pump houses, as of March 2001.

4.2.38 Test check of records at PHE Division IV, Agartala disclosed that 13 DTWs, constructed along with pump houses, at a cost of Rs. 92.16 lakh during the period from 1997-98 to 1999-2000 were not commissioned. For providing electrical connections, payment of Rs. 20.82 lakh was made in advance by the PHE to the Power Department between July 1999 and December 2000. There was no evidence that the PHE pursued the matter further with the Power Department.

4.2.39 The schemes, if commissioned in time, could have provided drinking water to about 31,000 people in the rural areas.

4.2.40 Failure to assign due priority for completion of incomplete works first, as envisaged in the scheme, coupled with the lack of co-ordination between the PHE and Power Department resulted in non-commissioning of these 13 schemes in time. This also led to locking up of Rs. 1.13 crore spent on the schemes besides depriving a large section of the rural population of drinking water.

Unnecessary purchase of pump sets and abnormally high cost on repair

4.2.41 Test check of records revealed that against 195 successful bores achieved by the PHE under ARWSP and MNP during 1997-98 to 2000-2001, the department procured 615 pump sets of different types at a cost of Rs. 2.89 crore for installation in the pump houses, while only 390 pump sets (at the rate of two per scheme) were required to be procured in accordance with the norm fixed in the Manual on Water Supply and Treatment[▼]. (Of the two pump sets, one was to be on duty and the other to be a standby.) This resulted in procurement of 225 pump sets in excess of requirement involving extra expenditure of Rs. 1.06 crore[+].

4.2.42 During 1997-98 to 2000-2001, 4 PHE Divisions spent Rs. 98.94 lakh on repair of motors used in running the pumps of the deep tubewells. As per

[•] 16 in West District; 4 in South District and 4 in North District.

[▼] Brought out by Central Public Health and Environmental Engineering Organisation.

[+] Cost of 615 pump sets: Rs. 2.89 crore; proportionate cost of 225 pump sets: Rs. 1.06 crore.

calculation based on the number of motors in use and the cost of repair, it was seen that the divisions spent 30 *per cent* of the cost of a motor every year for operation and maintenance (i.e. O&M), which appeared to be in the higher side (as per programme, 10 *per cent* of the funds provided under the programme were to be spent on O&M. The percentage was raised to 15 from 1 April 1999).

4.2.43 As to the reasons, the Department stated that low voltage and non-installation of capacitors led to frequent burning of the motors, which in turn shot up the cost of repair. But no remedial measures to bring down the cost had yet been taken by the Department (June 2001).

Sub-Mission Projects

4.2.44 Sub-Mission Projects are undertaken by the State for providing safe drinking water to the rural habitations facing water quality problems. In the State, no other chemical contamination except presence of excess iron in drinking water is treated as a problem.

4.2.45 To deal with this problem, construction of iron removal plants (IRP) with deep tubewells and distribution of domestic filters to the rural population provided with drinking water facilities through spot sources were planned under the programme.

Installation of Iron Removal Plants

4.2.46 During 1998-99 to 1999-2000, the SLCC approved 77 IRPs at an estimated cost of Rs. 8.42 crore for installation with the deep tubewells, without fixing any timeframe for completion of the work. Accordingly, on spending of Rs.1.78 crore towards the construction of 38 IRPs (out of 77), the PHE completed and commissioned only 8 of them during 2000-2001, covering only 0.25 lakh rural population. This indicated that the performance in respect of construction and commissioning of IRPs in the State lacked any element of urgency in absence of any fixed timeframe before the executing agencies.

4.2.47 Moreover, test check of records revealed that at the time of selection of DTWs for installation of iron removal plants, no priority was given by the department as envisaged in the programme, for coverage of those habitations first where the extent of iron contamination was high.

Distribution of domestic filters

4.2.48 During 1997-98 to 2000-2001, the RDD placed funds of Rs. 5.53 crore with 4 DMs for distribution of indigenous domestic filters/plastic filters through the BDOs among the rural population of the State. Distribution of filters was to be made on realisation of contribution from the beneficiaries at the rate of 10 *per cent* of the manufacturing cost of the filter for the SC and ST population and 20 *per cent* for others. No implementing agencies (i.e., the BDOs), except in South District, realised the contributions from the beneficiaries.

4.2.49 It was seen in audit that 2113 domestic filters manufactured departmentally, valued at Rs. 4.94 lakh*, were damaged during 2000-2001 and 1550 filters got manufactured by the BDO, Bishalgarh during 1997-98 to 1998-99 at a cost of Rs. 3.63 lakh were lying in the open for the last two years (March 2001) as there was no demand for those filters from the users. The RDD decided to supply plastic filters instead of those made of cement from 1999-2000 onwards.

4.2.50 It was seen that Rs. 1.28 crore (Rs. 1.16 crore in 1999-2000 and Rs. 12 lakh in 2000-2001) were placed at the disposal of the RD Stores Division, Agartala for procurement of 25,000 plastic filters, against which only 10,000 plastic filters were procured at a cost of Rs. 34.75 lakh and issued to distributing agencies. The unspent balance of Rs. 93.37 lakh was lying with the Executive Engineer, RD Stores Division (March 2001), as he failed to procure the requisite number of filters for not being able to finalise the tenders.

4.2.51 Thus, the Sub-Mission Project for distribution of domestic filters suffered from deficiency in planning and inefficient execution.

Rig Management

Wasteful expenditure in unsuccessful drillings

4.2.52 To ensure successful drilling and development of deep tubewells, it is necessary to assess the availability/potentiality of ground water source in advance by applying the hydrogeological and geophysical techniques as well as by remote sensing techniques or by consulting the maps of ground water strata of the State, available with the Central Ground Water Board.

4.2.53 Scrutiny of records of 3 PHE Divisions revealed that none of the techniques were being applied by them before taking up any drilling work. As a result, the 3 Divisions incurred wasteful expenditure of Rs.11.09 lakh** during 1998-99 to 2000-2001 in unsuccessful drillings at 25 locations where no ground water strata could be found.

Infructuous expenditure of Rs. 29.71 lakh on establishment

4.2.54 During 1997-98 to 2000-2001, works relating to drilling and development of deep tubewells were executed either by placement of departmental Rigs with all accessories to the contractors on hire basis or by the contractor's own Rigs and, in both the cases, the Rig Operators were engaged by the contractor himself. As a result, the services of 4 Drillers, 1 Junior Operator and 1 Senior Helper posted to Rig Division, Agartala, since April 1997 were not utilised by the Department and the expenditure of Rs. 29.71 lakh incurred on their pay and allowances for the period from April 1997 to March 2001 proved infructuous.

* 2113 filters X Rs. 234 = Rs. 4.94 lakh (BDO, Dumburnagar: Rs. 1.25 lakh for 535 Nos ; BDO, Manu: Rs. 1.71 lakh for 729 Nos., and EE, RD Division, Ambassa: Rs. 1.98 lakh for 849 Nos).

** PHE Division II, Kumarghat: Rs. 3.34 lakh; Rig Division, Agartala: Rs. 5.72 lakh; and PHE Division III, Udaipur :Rs. 2.03 lakh.

4.2.55 On this being pointed out by Audit, the Executive Engineer, Rig Division informed (March 2001) that he had not even made any communication to his higher authorities for transferring the services of the idle manpower elsewhere for proper utilisation.

Materials management

Non-maintenance of records against assets created

4.2.56 According to the programme guidelines, the implementing department or agency, involved with implementation of rural water supply, was to maintain a register showing the details of drinking water sources created under ARWSP and MNP (i.e., date of commencement and completion of each work, estimated cost, cost of completion, depth in case of the spot source, agency responsible for O&M, and other relevant details). But none of the BDOs, DMs, EEs of RD Engineering Divisions, EEs of PHE Divisions, SEs (PHE) and the CE (PHE), whose records were test checked, maintained any such register. As a result, the details of work taken up for execution and amount spent etc., together with propriety of expenditure incurred on a specific scheme from time to time, could not be verified in audit.

4.2.57 Further, it was noticed that specific instructions were issued by the State Government in April 1998 for numbering all the water sources created under rural water supply programme. But there was no evidence found in audit that the work of such numbering was ever taken up by any of the implementing agencies covered by test check in audit.

Sector reform

4.2.58 The GOI had approved the introduction of Sector Reform in the drinking water sector from 1999-2000 with the objective of institutionalising community participation in rural water supply schemes. Against a pilot project approved for Rs. 28.19 crore to be implemented in West Tripura District, the GOI released Rs. 7.71 crore as the first instalment in March 2000.

4.2.59 The funds were made available to the District Water and Sanitation Committee (DWSC) set up in January 2000 for the purpose of implementation of the scheme. On receipt of 66 projects from the Village Water and Sanitation Committees (VWSCs) through BDOs, the DWSC approved only two projects in February 2001 and released Rs. 7.15 lakh to the VWSCs during February and March 2001 against the estimated cost of Rs. 21.88 lakh for the two projects. But the DWSC could not produce any evidence that the preconditions like signing of the memorandum of understanding (MOU) between the DWSC and the VWSC concerned and depositing of 10 *per cent* of the project cost by the beneficiaries were fulfilled before release of the amount.

4.2.60 43 projects received from the Village Committees in February – March 2001 were not cleared by the District Committee due to procedural defects in the proposals even though beneficiaries' contributions were deposited by the village committees. In the meantime, Rs. 85 lakh was placed (March 2001) to the EE, RD Engineering Division, Agartala for procurement of materials for 100 mark II/mark III tubewells.

4.2.61 The pace of implementation of the scheme for sector reform was so slow that not a single Village Committee could get the benefit under the scheme even after a lapse of one year since the funds were received.

Monitoring and evaluation

4.2.62 As envisaged in the programme, the Monitoring Cell would send to GOI a monthly 'progress monitoring report' by the twentieth of the following month. But it was seen in audit that not a single report was sent in time. Sending of 18 reports was delayed by 45 to 128 days and 6 reports were not sent at all. The Monitoring Cell is also responsible for monitoring quality of water at field level, adequacy of service and other related qualitative aspects of the programme and for controlling/regulating the quality of construction works in water supply schemes. But there was nothing on record that the cell had ever taken up any such work.

4.2.63 The records maintained by the PHE/RDD did not indicate that any evaluation of the programme was ever taken up by any departmental agency or any reputed independent organisation. As a result, the department was not in a position to identify the weak areas where immediate corrective action was to be initiated to improve the quality of programme implementation.

4.2.64 Thus, leaving aside the requirement of reporting to the GOI as prescribed regarding progress of the schemes, the State Government themselves did not establish any sound monitoring system of their own, which could have enabled them to have a firm control over the programme on an ongoing basis.

Recommendations

4.2.65 Coverage of NC habitations is to be given priority over others by formulating a timebound action plan and its execution.

4.2.66 The project for creating awareness among the rural population about use of safe water under the component of IEC should be prepared and started immediately on obtaining approval from GOI.

4.2.67 The concept of reclassification of habitations in terms of adequacy and safety in providing drinking water facilities should be introduced in planning and execution. The requisite data for such classification should be obtained by field survey method.

4.2.68 A constant process of monitoring and evaluation should be established for effective programme management.

4.2.69 The above points were reported to the Government in August 2001, their replies have not been received as of November 2001.

PUBLIC WORKS DEPARTMENT (WATER RESOURCES WING)

4.3 Integrated Audit of the Water Resources Wing of Public Works Department including Manpower Management

The medium irrigation projects taken up by the Department suffered from time and cost overrun, indicating deficiency in project management. Materials management was so weak that shortage of pipes and other materials left fifty minor irrigation schemes incomplete and caused delay in commissioning of eighty four such schemes on their completion. There was heavy shortfall in creation of irrigation potential, compared to targets. The Department also could not evolve any specific norms to assess the requirement of staff.

Highlights

Annual savings under non-plan budget of the Department during 1996-97 to 2000-2001 totalling Rs. 48.27 crore coupled with plan expenditure exceeding the budget provision in all the years except 1999-2000 were indicative of defective budgeting.

(Paragraphs 4.3.9 and 4.3.10)

The Executive Engineer, Irrigation and Flood Management Division I spent Rs. 24.78 lakh towards construction of Khowai left bank canal before possession of site on which the work was executed. This was injudicious and irregular.

(Paragraphs 4.3.24 to 4.3.26)

Faulty design of canal under Gumti Medium Irrigation Project necessitating consequent change of the design led to unfruitful expenditure of Rs. 38.72 lakh.

(Paragraphs 4.3.27 to 4.3.29)

In respect of 50 minor irrigation schemes, constructed between 1996-97 to 2000-2001 at a total cost of Rs. 2.01 crore, pipe lines could not be laid for a length of 58.916 km due to non-availability of pipes. As a result, 975 hectares of land could not be brought under irrigation cover.

(Paragraph 4.3.34)

There was inordinate delay ranging from 1 to 8 years in completion of 84 minor irrigation schemes sanctioned between 1987-88 and 2000-2001 and completed in 1996-97 to 2000-2001 at a cost of Rs. 9.27 crore due to shortage of pipes and materials etc., resulting in delayed extension of facilities to the beneficiaries.

(Paragraph 4.3.37)

58 minor irrigation schemes completed between 1996-97 and 2000-2001 at a cost of Rs. 1.60 crore to provide assured irrigation for 5,531 hectares of land, had not been commissioned for want of power connections resulting in locking up of Government funds amounting to Rs. 1.60 crore and denial of irrigation facilities to the targeted areas.

(Paragraphs 4.3.39 and 4.3.40)

Against the target for creation of 15,252 hectares of irrigation potential under minor irrigation programme during 1996-97 to 2000-2001, actual achievement was 9,458 hectares.

(Paragraph 4.3.42)

During 1996-97 to 2000-2001, only 55 to 91 *per cent* of the total irrigation potential created was actually utilised. The shortfall was due to shortage of power, absence of field channels/pipe lines etc, which the Department failed to provide.

(Paragraphs 4.3.44 to 4.3.46)

Failure on the part of the Divisional Officer to enforce the standard conditions of the contract resulted in extension of undue financial benefit of Rs. 16.41 lakh to a firm.

(Paragraphs 4.3.47 to 4.3.49)

Although Chawkidars were posted, materials costing Rs. 3.78 lakh were stolen from the stockyard of the Resource Division. The Department had neither investigated the matter nor was any action taken to fix up responsibility for the loss, indicating laxity in materials management.

(Paragraph 4.3.50)

Introduction

4.3.1 Water Resources Wing of the Public Works Department (PWD) acts as the main instrumentality for giving a phillip to Agriculture which is the mainstay of the economy of Tripura. The area of the State is 10.49 lakh hectares(ha), of which 2.80 lakh hectares (27 *per cent*) is cultivable and of this, 0.52 lakh hectares (19 *per cent*) is covered under irrigation, as of March 2000.

4.3.2 Under the Medium Irrigation Programme, three projects on the rivers Gumti, Khowai and Manu were launched by the Government in 1980-81, 1984-85 and 1986-87 respectively to create additional irrigation potential of 13,199 ha. Such projects are required to be approved by the concerned ministry of the Government of India after obtaining necessary technical clearance from the Central Water Commission (CWC)

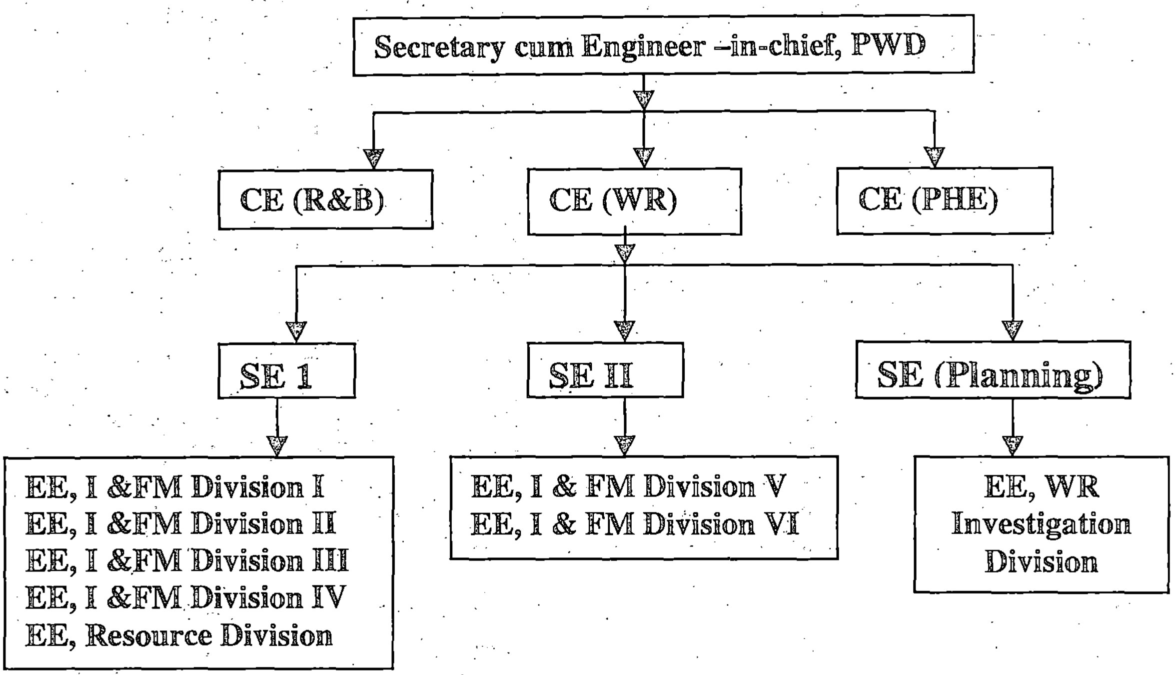
4.3.3 Side by side, the Minor Irrigation Programme was also taken up in the State since April 1978 and all the irrigation schemes having a cultivable command area (CCA) upto 2000 ha were classified under this programme.

4.3.4 The main objectives of the minor irrigation programme were (1) exploitation of ground water through construction of deep tube wells (DTWs) and supply and distribution of water to the cultivable command area through a net work of pipes/channels ; and (2) utilisation of surface water through lift irrigation and diversion schemes.

4.3.5 Apart from the above programmes, the State Government also implements another programme, *viz*, the Flood Management Programme.

Organisational set up

4.3.6 The execution of the above three programmes is entrusted to the Water Resources (WR) Wing of Public Works Department, headed by the Secretary cum Engineer-in-Chief assisted by a Chief Engineer (Water Resources) (who is also functioning as the Controlling Officer). The organisational chart given below would indicate the formations working under the control of the WR wing:



Abbreviations: CE – Chief Engineer; R & B – Roads and Buildings; WR – Water Resources; SE – Superintending Engineer; EE – Executive Engineer; I&FM – Irrigation & Flood Management.

Audit coverage

4.3.7 Integrated audit of the WR Wing of the department was conducted between January to May 2001. Records of the Chief Engineer, one Superintending Engineer (out of three) and six Executive Engineers (two at Agartala and one each at Udaipur, Belonia, Kumarghat and Kailashahar), out of nine, for the years 1996-97 to 2000-2001 were test checked by way of scrutinising budgeting process, expenditure control, programme management, contract management, materials management and manpower management covering expenditure of Rs. 105.61 crore (i.e. 59 *per cent*) of the total expenditure of the WR wing. Important points noticed are mentioned in the succeeding paragraphs.

Financial management

Budget provision and expenditure

4.3.8 The yearwise budget provision and expenditure incurred by the WR wing during 1996-97 to 2000-2001 as per Appropriation Accounts are given below:

Year	Plan		Non-plan		Total plan and non-plan	
	Budget provision	Expenditure	Budget provision	Expenditure	Budget provision	Expenditure
	(Rupees is crore)					
1996-97	18.97	19.68	17.41	8.37	36.38	28.05
1997-98	14.47	16.30	28.96	18.03	43.43	34.33
1998-99	14.79	16.41	17.11	8.86	31.90	25.27
1999-2000	30.75	28.19	23.57	12.76	54.32	40.95
2000-2001	28.87	29.13	29.85	20.61	58.72	49.74
Total	**107.85**	**109.71**	**116.90**	**68.63**	**224.75**	**178.34**

Note: Expenditure on medium irrigation projects was financed under Accelerated Irrigation Benefit Programme (AIBP) in the ratio of 2:1 by the Central and the State during 1996-97 to 1998-99. Thereafter the ratio was 3:1. The same ratio was applicable to Minor Irrigation Projects which were also brought under the AIBP for 1999-2000 onwards. The Central share was given as loans. The wing received Rs. 24.19 crore and Rs. 24.53 crore of Central loans upto 2000-2001 as Central loans for medium and minor irrigation projects respectively.

4.3.9 It would be seen from the above table that against the plan provision of Rs. 107.85 crore during the period 1996-97 to 2000-2001, the expenditure was Rs. 109.71 crore, which exceeded the budget provision by Rs. 1.86 crore. On the other hand, expenditure under non-plan during the period was less than the total budget provision by Rs. 48.27 crore. Annual savings under non-plan budget during all the years coupled with plan expenditure exceeding the budget provision in all the years except 1999-2000 were indicative of defective budgeting.

4.3.10 It was seen that the Department incurred plan expenditure of Rs. 2.64 crore under 5 minor heads* against which there were no budget provisions during 1996-97 and 1998-99 to 2000-2001.

Expenditure control

Non-observance of time schedule

4.3.11 Separate records/registers were not maintained by the Chief Engineer (WR) in order to watch timely submission of expenditure statements by the Circle Offices/Divisions. From a few monthly statements, which were produced to Audit, it was noticed that time schedule was not adhered to by the drawing and disbursing officers in submission of monthly statements of expenditure, some instances of which are indicated below :

* 052 under 2702 (1996-97), 103 under 2702 (1998-99), 103 and 800 under 2702 (1999-2000), 103 under 2702 (2000-2001).

4.3.12 As against due date of 10 September 1998, expenditure statements for August 1998 were received in the office of the Chief Engineer during 16 September to 2 November 1998 from all the Divisions/Circle Offices.

4.3.13 Expenditure statements for September 1999 due on 10 October 1999 were received from six divisions during 26 October 1999 to 8 November 1999. Even the statement in respect of the establishment of the Chief Engineer himself was received on 16 December 1999.

4.3.14 It was noticed in audit that submission of consolidated monthly expenditure statements by the Controlling Officer to the Finance Department was delayed by 95 to 138 days as shown below:

Month of report	Due date of submission	Actual date of submission	Period of delay
April 2000	15-5-2000	30-8-2000	107 days
May 2000	15-6-2000	19-9-2000	96 days
June 2000	15-7-2000	18-11-2000	126 days
July 2000	15-8-2000	18-11-2000	95 days
August 2000	15-9-2000	31-1-2001	138 days
September 2000	15-10-2000	31-1-2001	108 days
October 2000	15-11-2000	23-3-2001	128 days

4.3.15 Reasons for such abnormal delay in submission of reports were not stated (June 2001). The delay is compilation and submission of monthly expenditure statements came in the way of keeping timely watch by the Controlling Officer/Finance Department over the flow of expenditure against the sanctioned grant and appropriation for which the Government was accountable to Assembly.

Incomplete details in expenditure register

4.3.16 Test check of expenditure register maintained by the Chief Engineer revealed that the register did not contain details of grants sanctioned for the year, its monthly release and expenditure thereagainst, in the absence of which it was not possible for the Controlling Officer to exercise control over expenditure effectively. This resulted not only in rush of expenditure in March every year as indicated below but also in unrealistic budgeting, often leading to abnormal savings and excess as may be seen from the table showing the budget provision and expenditure above.

Rush of expenditure

4.3.17 Instances of heavy expenditure in March were noticed in some Divisions as detailed below :

Name of the Division	Year	Total expenditure during the year	Expenditure during the month of March	Percentage with reference to total expenditure
(Rupees in crore)				
1. I & FM Division I	1996-97	5.02	1.37	27
	1999-2000	7.91	3.16	44
2. I & FM Division II	1996-97	4.07	1.20	29
	1999-2000	1.52	0.38	25
3. I & FM Division III	1996-97	3.68	1.08	29
	1998-99	4.15	1.36	33
	1999-2000	6.28	2.22	35

Expenditure in March in all the three Divisions ranged between 25 and 44 *per cent* of the total expenditure.

Programme management

Medium Irrigation Programme

Khowai Medium Irrigation Project

4.3.18 Khowai Medium Irrigation Project was approved by the Central Water Commission (CWC) in May 1980 with an estimated cost of Rs.7.10 crore to irrigate 4,515 hectares of land in Tripura West District. The project was scheduled to be completed by March 1985. However, the work on the project was taken up in November 1984. In the meantime original estimated cost of the project (Rs.7.10 crore) was revised due to increase in the cost of materials and wages to Rs. 40.36 crore in 1990 and again to Rs. 59.75 crore in 1996, with the projected date of completion as March 2002, although the original scope of the Project was decreased by reducing the length of canal from 38.8 Km to 32.4 Km.

4.3.19 The project comprised construction of a barrage and two canals for a total length of 32.4 Km (Right Bank: 13.55 Km; and Left Bank : 18.85 Km), against which construction of the barrage and canal for a total length of 7.08 Km (Right Bank: 6.10 Km; and Left Bank: 0.98 Km) had been completed, as of March 2001, at a cost of Rs. 47.28 crore.

4.3.20 This indicates that 78 *per cent* of the canal work is yet to be completed to make the project fully operational. As per information furnished by the Department, only 400 ha of irrigation potential was created and utilised side by side. This was only 9 *per cent* of 4515 ha of irrigation potential targeted.

4.3.21 In the meantime, although the project was not completed, there was time overrun of 12 years* and cost overrun of Rs.40.18 crore, as of March 2001. According to the Department, short working seasons, area having been in a sensitive zone and transportation problem were the reasons behind the time and cost overrun.

Gumti Medium Irrigation Project

4.3.22 The Project was approved by the CWC in March 1979 at an estimated cost of Rs.5.88 crore to create an irrigation potential of 4,486 hectares in South Tripura District. The project report envisaged completion of the project in all respects by March 1984. The work of the project was started in April 1981. The original estimated cost was revised thrice (in 1985, 1990 and 1996) ultimately to reach the level of Rs.50 crore.

4.3.23 The project envisaged construction of a barrage and two canals for a total length of 45.9 Km (Right Bank: 23.4 Km; and Left Bank : 22.5 Km). Against this, 18.5 Km of canal (Left Bank : 3.5 Km; and Right Bank : 15.00 Km) had been constructed, apart from the barrage, as of March 2001, at a cost of Rs.37.90 crore, leaving 60 *per cent* of the canal work yet to be completed in order to make the project fully operational. As per information furnished by the Department, the irrigation potential created was 1,350 ha against the targeted potential of 4,486 ha. Against this, utilisation of irrigation potential was 1,175 ha. This was only 30 *per cent* of potential targeted and 87 *per cent* of potential created. The project, although incomplete, had in the meantime a time overrun of 15 years# and cost overrun of Rs. 32.02 crore, as of March 2001.

Construction of canal without acquisition of land

4.3.24 The Executive Engineer, Irrigation and Flood Management (I & FM) Division I, Agartala, awarded (March 1998) earth cutting work on Khowai left bank canal from 0 Km to 0.846 Km to contractor 'A' at his tendered cost of Rs.22.93 lakh with the stipulation to complete the work in 6 months.

4.3.25 The contractor had taken up the work in April 1998 and was paid Rs. 17.23 lakh in December 1999 for 55,000 cum, against 73,775.315 cum awarded for execution. Brick lining work for the same chainage was awarded (January 1999) to contractor 'B' at his tendered cost of Rs.10.86 lakh with the stipulation to complete the work in 2 months. The contractor commenced the work and was paid Rs.7.55 lakh in July 1999 for 4,193 cum against 6,032 cum awarded for execution and the work was in progress (June 2001).

4.3.26 Test check of records of the Division revealed that although Rs.24.78 lakh (Rs.17.23 + Rs. 7.55) had been spent by the Division in the meantime, it had not taken the possession of the site at which the work was going on.

* Number of years taken up so far (i.e. upto 2001) from the year of start (1984), compared to the number of years projected for completion as per project report.

Number of years taken up so far (i.e. upto 2001) from the year of start (1981), compared to the number of years projected for completion as per project report.

Execution of work on a land by spending Rs.24.78 lakh before taking physical possession of the land was injudicious and irregular.

Unfruitful expenditure

4.3.27 The work regarding construction of Gumti left bank canal from 4,298 metres to 6,065 metres was awarded (November 1986) by the Executive Engineer, I & FM Division III, Udaipur to a Calcutta based firm at a tendered cost of Rs.1.35 crore with the stipulation to complete the work in 12 months. The firm completed the work upto 4,540 metres only and suspended the work due to heavy landslides.

4.3.28 The firm was paid (July 1989) Rs.28.26 lakh against the total value of work done. Meanwhile, considering the earlier design faulty, as it was prone to be affected by landslides, the department decided to change the design of the canal and execute the work afresh by providing 'cut and cover' type conduit and accordingly the agreement was closed (May 1990). On being dissatisfied, the firm went to court. The court awarded (May 1999) compensation of Rs.8.39 lakh with 15 *per cent* interest per annum from 10 September 1997 to 6 October 1999.

4.3.29 Accordingly, Rs. 10.46 lakh * was paid to the contractor in March 2000. Thus, faulty design resulted in unfruitful expenditure of Rs.38.72 lakh⬍.

Benefit-cost ratio

4.3.30 The Benefit-cost ratio (BCR) is an indicator of the economic viability of the scheme. According to norms approved by the Central Water Commission, irrigation schemes having BCR greater than 1.50 calculated at 10 *per cent* discounted value was considered economically viable. While approving the scheme, BCR in respect of Khowai and Gumti Medium Irrigation Projects was worked out at 1.82 (1980) and 1.69 (1979) respectively.

4.3.31 The estimated cost in respect of both the projects increased manyfold*. There was time overrun 12 and 15 years as indicated earlier and the projects are still incomplete (June 2001). Expenditure incurred, as of March 2001, was Rs. 85.18 crore (Khowai: Rs. 47.28 crore; Gumti: Rs. 37.90 crore). Total irrigation potential created was only 1,750 hectares as against the target of 9,001 ha. Though funds upto 78 *per cent* (Rs. 85.18 crore) of the revised cost (Rs. 109.75 crore) had been utilised, irrigation potential created (1,750 ha) was only 19 *per cent* of the targeted potential (9,001 ha).

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* 1. Combined award on value of work done	Rs. 6.24 lakh
2. Escalation charge	Rs. 2.15 lakh
3. Interest on item 1 from 10.9.97 to 6.10.99	Rs. 2.07 lakh
	Rs.10.46 lakh

⬍ Rs. 28.26 lakh *plus* Rs. 10.46 lakh.

* Khowai : from Rs. 7.10 crore increased to Rs. 59.75 crore (i.e. 8.42 times) ; Gumti : from Rs. 5.88 crore increased to Rs.50.00 crore (i.e. 8.5 times).

4.3.32 Although the estimates of the schemes were revised, no fresh BCR had been worked out. Thus, BCR projected originally lost all its relevance leaving the economic viability of the project in jeopardy.

Minor Irrigation Programme

Incomplete schemes

4.3.33 The Minor Irrigation Programme envisaged co-ordinated development of canals, distributaries, field channels, land development etc. along with the construction of irrigation works with a view to ensuring full utilisation of potential created.

4.3.34 It was observed that 50 minor irrigation schemes (DTWs : 11; LI:39) designed to create irrigation potential of 2,095 hectares of cultivable land had been constructed by the Executive Engineer, I & FM Division I, Agartala, and commissioned in West District after laying/executing only 111.966 Km of distribution line against the target of 170.882 Km at a total cost of Rs. 2.01 crore during 1996-97 to 2000-2001, leaving a balance of 58.916 Km, due to non-availability of pipes. As a result, irrigation potential of only 1,120 hectares was created and 975 hectares of land was deprived of irrigation facilities.

4.3.35 The Executive Engineer stated (June 2001) that the Resource Division did not supply the requisite pipes in spite of sending requisition in time.

4.3.36 This indicated serious mismatch between the execution of works and procurement of materials to be used in such works, which in turn suffered from inherent weakness in total planning.

Delay in commissioning schemes

4.3.37 Test check of records of I & FM Division I, Agartala, revealed that delay in extension of irrigation facilities to 3,247 hectares of land ranged from 1 to 8 years due to delay in completion of 84 minor irrigation schemes (LI: 57; DTWs : 25 ; Diversion : 2) sanctioned between 1987-88 and 2000-2001 and constructed at a cost of Rs. 9.27 crore between 1996-97 and 2000-2001. This resulted in denial of the desired benefit to the targeted beneficiaries during the period of delay in commissioning.

4.3.38 Shortage of pipes and materials, erratic supply of power and land dispute were stated by the Executive Engineer to be the main reasons for delay in commissioning the schemes.

4.3.39 In addition, works of 58 minor irrigation schemes (LI : 45; and DTW: 13) located in 8 blocks[♦] were completed between 1996-97 and 2000-01 at a cost of Rs.1.60 crore to provide assured irrigation for 5,531 hectares of land. The schemes could not be commissioned, as of June 2001, due to lack of electrical connections. The reasons for non-availability of electrical connections and the action taken by the Department to ensure them were not indicated (June 2000) by the Department.

♦ Jirania, Mandai, Teliamura, Kalyanpur, Mohanpur, Hezamura, Khowai and Tulashikhar.

4.3.40 Thus, non-commissioning of 58 minor irrigation schemes resulted in locking up of funds of Rs. 1.60 crore besides denial of irrigation facilities for 5,531 hectares of land.

Target and achievement

4.3.41 The targets for creation of sources and irrigation potential *vis-à-vis* actual creation during the years 1996-97 to 2000-2001 as furnished by the Department, are given below:

	Deep tubewells (DTWs)		Lift irrigation (LI)		Irrigation potential (in ha)		Shortfall in achievement in creation of irrigation potential (in ha)
Year	Target	Achievement	Target	Achievement	Target	Achievement	
1996-97	8	7	44	21	1,150	870	280
1997-98	13	2	69	9	4,200	373	3,827
1998-99	10	3	79	60	3,200	2,505	695
1999-2000	11	8	87	105	3,552	3,009	543
2000-2001	4	2	162	115	3,150	2,701	449
Total	**46**	**22**	**441**	**310**	**15,252**	**9,458**	**5,794**

It would be seen from the above table that :

4.3.42 Against the target of 15,252 ha of irrigation potential to be created during 1996-97 to 2000-2001, actual achievement was 9,458 ha i.e., there was a shortfall of 38 *per cent* in creation of irrigation potential.

4.3.43 It was seen that, out of 332 schemes reported to have been completed in the State during the period, 40 schemes (DTWs: 8 and LI : 32) remained incomplete in seven blocks[⊕], due to shortage of pipes. The expenditure on this account was Rs. 1.75 crore. As a result, besides blocking up of Rs. 1.75 crore, 857 ha[*] of land was deprived of irrigation facilities.

Utilisation of irrigation potential created

4.3.44 The table below indicates that the actual area irrigated against the potential created during the years 1996-97 to 2000-2001.

Particulars	1996-97	1997-98	1998-99	1999-2000	2000-2001
1. Number of schemes in operation	627	657	687	792	914
2. Irrigation potential actually created upto the end of the year (in hectares)	29434	29935	32299	35566	39267
3. Actual area irrigated during the year (in hectares)	18754	27273	22170	23679	21596
4. Percentage of area actually irrigated to the potential created	64	91	69	67	55

[⊕] Bishalgarh, Dukli, Melaghar, Jirania, Teliamura, Mohanpur and Khowai.

[*] Area to be covered by irrigation facilities to be provided by 40 schemes 1,619 ha *minus* area actually covered 762 ha.

It would be seen that, except in 1997-98, the potential created remained heavily under-utilised.

4.3.45 As indicated by the State Planning and Co-ordination Department in its evaluation study (February 2001), reasons for such poor utilisation were (i)shortage of power, (ii) absence of field channel/pipe lines, and (iii) non-availability of funds.

4.3.46 The Department had not yet taken any remedial measures (June 2001) to remove the shortcomings and to harness all the potential areas created so far.

Contract management

4.3.47 Construction of main barrage over river Khowai at Chakmaghat was awarded to National Project Construction Corporation Ltd. (a Govt. of India Enterprise) in December 1983 at a tendered cost of Rs. 4.98 crore with the stipulation to complete the work in 24 months. The work was commenced in November 1984 and was completed in November 1996. According to paragraph 5.2 of the Statement of Approval signed by the Work Advisory Board after final negotiation, the agency agreed to allow an overall rebate of 1 *per cent* of the contract value (i.e., the total value of work ultimately executed)[*].

4.3.48 It was seen in audit that the firm was paid a total amount of Rs. 20.79 crore from time to time as against Rs. 21.39 crore towards the total value of work done. But while making payment, the Divisional Officer, Khowai Headworks Division[δ], deducted Rs. 4.98 lakh being 1 *per cent* rebate on the tendered cost of Rs. 4.98 crore instead of Rs. 21.39 lakh being 1 *per cent* of the total value of work done. This resulted in extension of undue financial benefits to the firm to the extent of Rs. 16.41 lakh (Rs. 21.39 lakh – Rs. 4.98 lakh).

4.3.49 This being pointed out in audit, the Divisional Officer referred the matter to his higher authorities for decision (November 2000). The decision had not yet been communicated (May 2001).

Materials management

Theft case

4.3.50 Twenty two submersible cables and 1926 metres of PVC pipes of different diametres costing Rs. 3.78 lakh were stolen from the storeyard of Resource Division, Agartala between August 1997 and December 2000, although 13 Chowkidars were posted in the storeyard. The first information

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* As defined in the conditions of contract appended to the agreement, contract includes all the conditions, specifications, and instructions issued form time to time and all the documents taken together are to be deemed to form one contract and complementary to one another. Also, the works in relation to the contract mean the works by or by virtue of the contract agreed to be executed whether temporary or permanent and whether original, altered, substituted or additional.

δ The Division now stands wound up and merged with I&FM Division I.

report was lodged with the police but findings of the police investigations were still awaited (April 2001). The Division had neither conducted any investigation nor was any action taken to fix up responsibility for the loss, as of April 2001. The Department had also not conducted any physical verification of stores since 1995-96 indicating a total lack of departmental control on materials management.

Non-supply of materials resulting in unfruitful expenditure

4.3.51 A diversion scheme at Chandukcherra at Amarpur was commissioned in 1976-77 to irrigate a cultivable command area of 40 hectares. The scheme work was subsequently damaged and became non-functional since 1983. In order to make the scheme functional, the Executive Engineer, Irrigation and Flood Management Division, Udaipur, issued work order (December 1993) to a contractor at his tendered cost of Rs. 8.90 lakh. The contractor could not start the work upto May 1997 as the department did not supply materials as per agreement.

4.3.52 Scrutiny of records revealed that the contractor, after starting the work in June 1997 had to stop execution due to 'site constraints'. The contractor was paid Rs. 1.29 lakh (February 2000) being the value of work done and was relieved from the work, though the work was yet to be closed formally (March 2001). Meanwhile, the Department proposed to execute the work through the Block Development Officer, Amarpur, for which a revised estimate for Rs. 11.87 lakh was prepared.

4.3.53 Thus, failure on the part of the Department to supply materials as per agreement held up the work for more than 3 years and payment of Rs. 1.29 lakh to the contractor remained unfruitful.

Manpower management

Staffing

4.3.54 Details of sanctioned strength, men-in-position and vacancy, as of June 2001, were as under :

Category of post	Sanctioned strength	Men-in-position	Vacancy
1. Assistant Engineer	83	61	22
2. Junior Engineer	109	101	8
3. Draftsman	34	15	19
4. Tracer	30	16	14
5. Surveyor	56	28	28
6. Work Assistant	57	38	19
Total	**369**	**259**	**110**

The Department had not evolved any norms to assess the requirement of staff for various types of work performed by it. In reply to an audit query, the Department stated that vacancy was caused due to non-recruitment of staff for the last 4 to 5 years, but remained silent about reasons for non-recruitment. The absence of norms to determine manpower requirements showed that the

Department had no control mechanisms of its own for manpower management.

Engagement of workers without sanction

4.3.55 As per notification of May 1980 and September 1985 of the Finance Department, no department shall engage any worker without sanction of the competent authority. It was noticed in audit that Executive Engineer, Irrigation and Flood Management Division III, Udaipur, engaged from time to time 127✈ workers of different categories and paid Rs. 33.96 lakh towards their wages during 1997-98 to 1999-2000.

4.3.56 As there was no sanction of the competent authority for such engagement, the expenditure was irregular.

Monitoring and evaluation

4.3.57 The Department had not developed any mechanism to monitor and evaluate the implementation of various irrigation schemes concurrently or periodically. No monitoring cell had been established in the Office of the Chief Engineer, as of June 2001.

Recommendations

4.3.58 The Department should take immediate steps to complete the medium irrigation projects facing severe time and cost overrun, as they bear the risk of becoming economically unviable due to adverse benefit-cost ratio.

4.3.59 As execution of many schemes had been badly affected due to non-availability of materials, the Department should streamline and strengthen the entire process of procurement, storage and distribution of materials for timely completion of the schemes.

4.3.60 In order to utilise the potential already created, the constraints in supply of power should be removed by active involvement and in co-ordination with the Power Department.

4.3.61 The above points were reported to the Government in July 2001, their reply had not been received as of November 2001.

✈ Daily rated workers	37
Casual workers	77
Part time workers	13
	127

SECTION - B

PUBLIC WORKS DEPARTMENT

4.4 Blocking up of capital on idle inventory

Materials worth Rs. 20.52 lakh procured mainly in March 1997 had remained idle in store.

As per manualised provision[✈], materials are to be purchased strictly in accordance with the requirements of the work and care should be taken not to purchase stores in excess of requirement. The Divisional Officer of the Stores Division is also required to keep a special watch over slow moving items so as to avoid their accumulation in the stores. Since surplus materials[Φ] are liable to deterioration, if kept unnecessarily for a long time, and involve an avoidable expenditure on safe upkeep and locking up of capital, it is most essential that such materials are disposed of either by sale or transfer to other Divisions where these are required[+].

Scrutiny of the records of the Divisional Officer, Stores Division (PWD), Agartala, in audit (December 2000) and further materials collected in June 2001 revealed that 91.690 tonnes of 'M.S. Round' and 25.702 tonnes of 'R.S. Joist' of different diametres procured in March 1997 have been lying in AD Nagar and Dharmanagar stores without issue as at the end of March 2001. The value of these worked out to Rs. 20.52 lakh as per the then issue rate. The Divisional Officer could not dispose of these materials either by sale or by transfer to other Divisions. Thus, procurement of the materials in contravention of the manualised provision referred to above and failure of the Department to dispose of these materials for a period of 48 months resulted in blocking up of capital of Rs.20.52 lakh on these idle inventories. Besides, in order to meet its requirement for funds, the State Government had been borrowing from the open market at the interest rate of 13.85 *per cent* during the corresponding period. Had the funds of Rs. 20.52 lakh not been utilised for procurement of unnecessary stores, the State Government could have avoided payment of interest of Rs. 11.37 lakh on the borrowings.

The matter was reported to the Government in June 2001; reply had not been received (November 2001).

[✈] Paragraphs 37.9, 38.8 and 38.9 of CPWD Manual.

[Φ] Stores remaining in stock over a year shall be considered surplus vide Rule 119(3) of GFRs.

[+] Paragraph 46.3 of CPWD Manual.

4.5 Wasteful expenditure on procurement of cement

The Executive Engineer, Stores Division (PWD), Agartala, incurred wasteful expenditure of Rs. 15.52 lakh on procurement of cement without test certificate.

The Executive Engineer, Stores Division (PWD), Arundhutinagar (AD Nagar), Agartala, placed (July 1996) supply orders with a firm to supply 3000 tonnes and 1000 tonnes of 'Blast Furnace Slag Cement' at Rs. 4200 and Rs.3900 per tonne at AD Nagar and Sanicherra respectively, with the approval of Supply Advisory Board.

The firm supplied 3995.90 tonnes (3000 tonnes at Dharmanagar/Sanicherra and 995.90 tonnes at AD Nagar) of Jagannath brand cement during October 1996 to January 1997 without submitting manufacturing test certificate indicating the quality in respect of 1995.90 tonnes of cement supplied at AD Nagar and Sanicherra. The firm was accordingly paid Rs. 1.39 crore in March 1997 as against Rs. 1.59 crore payable as per agreement. Though 3000 tonnes of cement received at Dharmanagar/Sanicherra was issued by June 1997, Stores Sub-division at AD Nagar issued only 503.35 tonnes of cement during November 1996 to March 1999 leaving a balance of 492.55 tonnes (9851 bags), valued Rs. 15.52 lakh, at the rate at which payment was made, which could not be issued as the cement had lost its strength and got damaged due to clodding and thus, was not fit for use in any construction work. This was established from the laboratory test conducted in March 1999 and physical verification conducted in March 2000.

Thus, failure of the Department in issuing the cement to work on time resulted in its damage/clodding which led to wasteful / unproductive expenditure of Rs. 15.52 lakh.

The matter was reported to the Government in July 2001; reply had not been received (November 2001).

4.6 Extra expenditure of Rs. 11.18 lakh for delayed payment of electricity bills

The Department had to pay an extra amount of Rs. 11.18 lakh against electricity bills as letter of credit was not made available in time by the Government.

The Tripura Electric Supply Conditions 1985, as amended in 1992 provides for allowance of rebate if the payment of electricity consumption bill is made within the due date of payment. The conditions ibid also stipulate imposition of penalty for default in making payment of electricity consumption bill within 30 days from the due date of payment at the rate of 10 paise per unit per 30 days or part thereof.

Four Sub-Divisional Officers (Electrical) raised between August 1992 and August 1997 energy bills for Rs. 9.71 lakh against the Executive Engineer, Irrigation and Flood Management (IFM) Division No. III, Udaipur for consumption of energy under minor irrigation schemes. Against this, the Executive Engineer had actually paid (March 1998) Rs. 20.89 lakh in full settlement of the bills. The extra payment of Rs. 11.18 lakh comprised Rs.0.70 lakh as rebate disallowed and Rs. 10.48 lakh as penalty imposed for delayed payment of electricity bills.

The Executive Engineer stated (October 2000) that the delay was due to non-receipt of letter of credit in time from the Government.

Thus, delay in making provision for payment in time by the Government led to extra expenditure of Rs. 11.18 lakh for the Power Department.

The matter was reported to the Government in May 2001; reply had not been received (November 2001).

4.7 Loss to State Exchequer and extending undue benefit to contractors

Failure to deduct Tripura Sales Tax at source as per agreements entered with the contractors led to loss of Rs. 9.59 lakh to the State Exchequer and also extending undue benefit to contractors.

Against the amount of Rs. 12.19 lakh deductible towards 4 *per cent* Tripura Sales Tax (TST) on gross payments of Rs. 3.05 crore made to carriage contractors during 1993-94 to 2000-2001 as per agreements, the Executive Engineer, Stores Division deducted only Rs. 2.60 lakh. The Executive Engineer stated (November 2000) that deduction of TST had been stopped since August 1995 on the basis of letters issued (March 1993 and July 1995) to a carriage contractor by the Superintendent of Taxes (Charge II) of Agartala indicating that TST was not to be levied on the cost of transportation charges of any item. The Executive Engineer did not confirm the position from the Finance (Excise and Taxation) Department. However, when the matter was taken up by Audit with the Finance (Excise and Taxation) Department for clarification in January 2001, the Commissioner of Taxes informed (February 2001) that the TST was required to be deducted from the gross value of bills paid to the carriage contractors.

Thus, the Executive Engineer did not deduct Rs. 9.59 lakh towards TST from the carriage contractors' bills on the basis of unauthenticated information. This not only led to loss of Rs. 9.59 lakh to the State Exchequer but also to extending undue benefit to the contractors to that extent.

The matter was reported to the Government in May 2001; reply had not been received (November 2001).

4.8 Value of materials recoverable from contractors not recovered

Although the relevant agreements were closed, a total recoverable amount of Rs. 9.53 lakh was not recovered from the contractors by the Executive Engineer, Teliamura Division.

For execution of three works* awarded between January 1990 and September 1992, the contractors were issued materials▲ by the Executive Engineer, Teliamura Division, from time to time before closure of the relevant agreements in September 1998. A total payment of Rs. 20.76 lakh had been made to the contractors in February and March 1999 for the value of works partially executed and measured. The closure of agreements was attributed to suspension of works by the contractors due to (i) their inability to carry heavy materials to work site as the bridges on the road were not strong enough to withstand the load and (ii) insurgency activities in the area.

It was seen (March 1999) that, at the time of closure of the agreements, materials worth Rs. 5.38 lakh❖ supplied by the Department were lying unutilised with the contractors which had not been returned by them. The department also did not take any action (February 2001) either to get back the materials or to recover the cost thereof at double the issue rate, which worked out to Rs.10.76 lakh. The department was having total dues of Rs. 1.23 lakh only with it (security deposit: Rs. 1.08 lakh; withheld amount: Rs. 0.15 lakh). Thus, the net recoverable amount from the contractor worked out to Rs. 9.53 lakh.

The Executive Engineer informed (February 2001) that joint final measurements were yet to be done as the contractors had failed to present himself at the time of taking measurement by the Department. The contention was not tenable as the contractors had already been paid as indicated earlier on the basis of measurements accepted by them.

The matter was reported to the Government in May 2001; reply had not been received (November 2001).

* Laying metals and black topping of portions 10 to 12.50 Km, 12.50 to 15 Km and 15 to 17.50 Km of Pecharthal – Chebri Road under the Scheme sponsored by the North Eastern Council.

▲ *Jhama* metal (chips of over-burnt bricks) and bitumen.

❖ *Jhama* metal : Rs. 4.90 lakh; bitumen and empty bitumen drums : Rs. 0.48 lakh.

4.9 Excess payment and undue benefit to contractor

The Executive Engineer, Stores Division (PWD), Arundhutinagar, Agartala extended undue benefit of Rs. 9.04 lakh to the contractor by making excess payment of Rs. 5.43 lakh and by receiving loose, partly damaged bags of cement worth Rs. 3.61 lakh replaceable by the supplier at his risk and cost as per agreement.

The Executive Engineer, Stores Division (PWD), Arundhutinagar, Agartala invited tenders in February 1996 for supply of 4000 tonnes of cement (3000 tonnes at Arundhutinagar and 1000 tonnes at Sanicherra). The following rates offered by the lowest tenderer were accepted.

(i) For delivery at Arundhutinagar: 3000 tonnes @ Rs. 4201 per tonne including 7 *per cent* Tripura Sales Tax.

(ii) For delivery at Sanicherra: 1000 tonnes @ Rs. 3910 per tonne including 7 *per cent* Tripura Sales Tax.

The Divisional Officer then entered into an agreement with the tenderer and issued supply order on 26 April 1996. The terms and conditions of supply *inter alia* provided for supply of cement in new specified jute bags of 50 Kg capacity. Loose or damaged bags were not to be received but to be replaced by the supplier at his own risk and cost.

(A) During audit it was noticed (November 2000) from Goods Receipt Sheets that the tenderer supplied 2017.10 tonnes (reason for non-supply of balance quantity was not on record) during July 1996 to February 1997 for which he was paid Rs. 82.98 lakh in March 1997 as detailed below:

(i)	Supply at Arundhutinagar: 1431.60 tonnes @ Rs. 4201 per tonne	Rs. 60.14 lakh
(ii)	Supply at Sanicherra: 585.50 tonnes @ Rs. 3910 per tonne	Rs. 22.84 lakh
		Rs. 82.98 lakh

Since the rate accepted was inclusive of 7 *per cent* Sales Tax, the Divisional Officer should have paid Rs. 77.55 lakh after deduction of 7 *per cent* Tripura Sales Tax, which was not done. This resulted in excess payment of Rs. 5.43 lakh and extension of undue benefit to the contractor.

(B) It was further noticed that out of total supply of cement at Arundhutinagar, 2248 bags (112.40 tonnes) were found in loose and partly damaged condition. These loose and partly damaged bags of cement were to be replaced by the supplier at his risk and cost in terms of the conditions of supply. Instead, those were received and refilled/repacked by the Division into 1720 hand-stitched bags (86 tonnes) at the instance of the Superintending Engineer. However, the supplier was paid Rs. 3.61 lakh for supply of 86 tonnes only. Out of 1720 hand stitched bags, not a single bag could be issued (December 2000) due to clodding of the cement as was confirmed during the physical verification conducted in April 2000.

Thus, payment of Rs. 3.61 lakh against receipt of loose/partly damaged bags in violation of the terms and condition of supply was infructuous expenditure and extension of undue benefit to the contractor.

The matter was reported to the Government in June 2001; reply had not been received (November 2001).

4.10 Extra expenditure of Rs. 8.56 lakh for delay in completion of work

Failure of the Department to get the work done by the first contractor due mainly to departmental lapses and award of balance work to another contractor resulted in an extra expenditure of Rs. 8.56 lakh.

The Executive Engineer, Agartala Division-IV, awarded the work for "Construction of the permanent bridge over River Howrah near Jogendra Nagar" to Contractor 'A' in February 1995 at Rs. 1.81 crore (estimated cost: Rs. 1.30 crore) allowing two years' time for completion. The contractor commenced the work in March 1995 from one side of the bridge. The work of another side could not be taken up in time as the site for work, which was under dispute, was made available by the Department only in December 1996. There was scarcity of cement in the departmental stores also and as a result the contractor demanded (June 1997) enhancement of rate by 25 *per cent* for work done from March 1997. In the absence of any provision in the agreement, the demand was not acceded to and as such the work was suspended by the contractor. The Department, while agreeing (October 1997) to the above lapses, rescinded the contract in January 1998 and awarded the balance work through 2nd call to Contractor 'B' in August 1998. The work was completed in December 1999 for which the contractor 'B' was paid in March 2000 Rs. 66.11 lakh including extra item of Rs. 5.73 lakh. A comparative study of the expenditure incurred for getting the work done at the rate of Contractor 'B' with that of Contractor 'A' for the left out work of the original contract revealed that had the work been done by the original contractor with the site made available to him in time and regular supply of cement maintained by the Department, the work could be executed by Contractor 'A' at Rs. 51.82 lakh instead of Rs. 60.38 lakh paid to Contractor 'B'.

Thus, failure of the Department to provide clear site for work and to issue cement in time resulted in an extra expenditure of Rs. 8.56 lakh (60.38–51.82).

The matter was reported to the Government in June 2001; reply had not been received (November 2001).

POWER DEPARTMENT

4.11 Locking up of Government funds along with loss of interest

Procurement of aluminium conductor steel reinforced (ACSR) on the basis of inaccurate assessment led to locking up of Rs. 28.40 lakh and loss of Rs. 10.50 lakh towards interest.

The Executive Engineer, Electrical Stores Division, procured from two contractors 100 Km of a specific type[✎] of ACSR for construction of 33 KV line from Ambassa sub-station to Gandacherra (cost : Rs. 31.50 lakh) in March 1998. The contractors were asked (January 1998) to supply the conductor on urgent basis within two months to expedite the construction works. But it was seen in audit that only 10 Km of the conductor was issued to the user divisions during the next 3 years and 90 Km was lying in stock, as of January 2001.

The Executive Engineer stated (January 2001) that the bulk portion of the conductor could not be issued due to subsequent changes in the works programme by the Department. The details of changes could not be furnished by the Executive Engineer.

Thus, excess procurement of the conductor based on inaccurate assessment of requirement led to unnecessary locking up of funds of Rs. 28.40 lakh (i.e. the cost of 90 Km of the conductor lying idle), along with loss of Rs. 10.50 lakh[O] towards interest on the amount locked up during March 1998 to January 2001. Besides, the purpose for which ACSR were procured remained unfulfilled.

The matter was reported to the Government in May 2001; reply had not been received (November 2001).

4.12 Outstanding Inspection Reports

First reply for 28 out of 310 Inspection Reports issued during 1988-89 to 2000-2001 was not furnished by Public Works and Power Departments, while Government prescribed a time limit of one month from the date of receipt of Inspection Reportto furnish the reply.

Audit observations on financial irregularities and defects in maintenance of initial accounts noticed during local audit and not settled on the spot are communicated to the Auditee Departments and to the concerned higher Authorities through Inspection Reports. The more serious irregularities are reported to the Department and the Government. The Government had prescribed that the first reply to the Inspection Reports should be furnished by the concerned departments within one month from the date of their receipt.

[✎] Named 'raccoon'.

[O] Calculated at the rate of 13.05 *per cent* (applicable for the funds borrowed by the Government from market during 1997-98).

The position of outstanding reports in respect of Public Works and Power Departments is discussed below :

a) PUBLIC WORKS DEPARTMENT

A review of position of outstanding Inspection Reports relating to PWD revealed that 1011 Paragraphs included in 217 Inspection Reports issued upto March 2001 were pending settlement as of 30 June 2001. Of these, even first reply had not been received in respect of 16 Inspection Reports inspite of repeated reminders. Year-wise break-up of the outstanding Inspection Reports and paragraphs is given below :

Sl No.	Year	Number of outstanding		Number of Inspection Report of which even first reply had not been received
		Inspection Reports	Paragraphs	
1.	90-91	3	17	--
2.	91-92	21	98	--
3.	92-93	26	133	--
4.	93-94	17	61	--
5.	94-95	26	130	--
6.	95-96	21	98	--
7.	96-97	24	97	--
8.	97-98	35	89	2
9.	98-99	18	95	1
10.	99-2000	16	105	2
11.	2000-2001	10	88	11
	TOTAL	**217**	**1011**	**16**

The important irregularities noticed during inspection of PW Divisions during 2000-2001 are summarised below :

Sl No.	Nature of irregularities	Number of cases	Amount involved *(Rupees in lakh)*
1.	Extra/Irregular/Avoidable/ Unfruitful/Wasteful/ Unauthorised expenditure/Extra liability	32	555.88
2.	Recovery due from defaulting contractors	18	99.89
3.	Unauthorised retention of material by contractors/Unauthorised financial aid to contractor	2	14.92
4.	Extra liability due to award of work at higher rate	3	35.91
5.	Non-recovery of forest royalty	3	10.84
6.	Short realisation of Tripura Sales Tax	1	2.63
7.	Non-employment of technical staff	1	2.80
8.	Undue financial aid	2	30.88
9.	Award of work without call of tender	1	46.26
10.	Non-adjustment of advance payment	2	41.23
11.	Unaccounted Deposit-at-Call	3	21.24
12.	Short recovery of IncomeTax from the suppliers	1	6.03
14.	Blockage of funds	1	6.08
	TOTAL	**70**	**874.59**

b) POWER DEPARTMENT

235 Paragraphs included in 93 Inspection Reports issued upto March 2001 were not settled as of June 2001. Of these, for 12 Inspection Reports even the first reply had not been received despite repeated reminders (As of June 2001). Year-wise break-up of outstanding Inspection Reports and Paragraphs are given below :

Sl No.	Year	Number of outstanding		Number of Inspection Reports for which first reply has not been received
		Inspection Reports	Paragraphs	
1.	90-91	9	19	--
2.	91-92	7	27	--
3.	92-93	9	33	
4.	93-94	5	20	--
5.	94-95	7	26	--
6.	95-96	8	34	--
7.	96-97	10	24	--
8.	97-98	14	13	--
9.	98-99	12	5	--
10.	99-2000	7	25	7
11.	2000-2001	5	9	5
	TOTAL	**93**	**235**	**12**

The most important types of irregularities noticed during local audit of Power Department during 2000-2001 are summarised below:

Sl No.	Nature of irregularities	Number of cases	Amount involved *(Rupees in lakh)*
1.	Excess/Irregular/Unauthorised Expenditure /Payment etc.	7	62.96
2.	Non-recovery from defaulting contractors	2	5.65
	TOTAL	**9**	**68.61**

CHAPTER V STORES AND STOCK

SECTION A

GENERAL ADMINISTRATION (PRINTING AND STATIONERY) DEPARTMENT

5.1 Stores and Stock Management of Printing and Stationery

Stores and stock management of the Department was found to have been deficient in many respects. The Department did not fix maximum limit for holding inventory or minimum level for re-ordering. As a result, there had been unnecessary procurement of stock resulting in locking up of capital. Forms were printed without assessing the requirement. Printing machines remained continuously under-utilised. A large number of machines could not be put to use for want of maintenance. As Proforma Accounts were not being prepared, the financial results of working of the Press were not ascertainable.

Highlights

The Department did not prepare Proforma Accounts as required under the General Financial Rules, in absence of which the financial results of working of the press remained unascertainable.

(Paragraphs 5.1.5 to 5.1.7)

Unnecessary procurement of paper resulted in locking up of funds of Rs.21.32 lakh, as of 31 March 2001.

(Paragraphs 5.1.9 and 5.1.10)

Printing of forms without assessing the annual requirement led to accumulation of 26.80 lakh forms worth Rs.9.02 lakh.

(Paragraphs 5.1.14 and 5.1.15)

Under-utilisation of seven offset printing machines resulted in short outturn of impressions varying from 30 to 51 *per cent* during the five years from 1996-97 to 2000-2001. **(Paragraphs 5.1.17 and 5.1.18)**

Vital records like log books and history sheets for machines had not been maintained. In the absence of these records, the internal control mechanism remained ineffective.

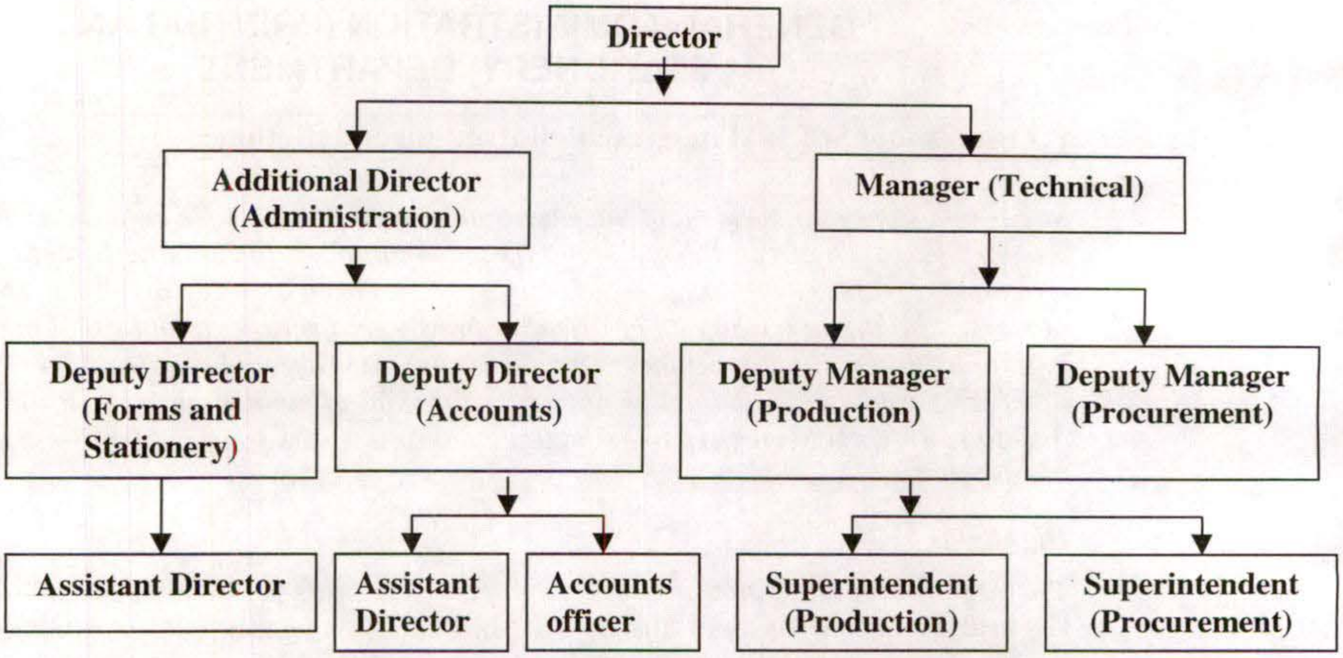
(Paragraph 5.1.26)

Introduction

5.1.1 The General Administration Department consists of two wings, *viz.*, 'Press' and 'Forms and Stationery' and is entrusted with the task of printing for all offices/departments of the State Government and for autonomous bodies under its control. For this purpose, stores of different kinds are procured/produced to cater to their requirement. To assist itself in carrying out the above responsibilities, the Department had been running a press, *viz.*, 'Tripura Government Press' at Agartala, since 1955.

Organisational set up

5.1.2 The following diagram shows the levels of formations of the Department headed by a Director (Printing and Stationery):



The post of the Deputy Director (Accounts) had not been filled up since April 1997 when the then incumbent was transferred to another department.

Audit coverage

5.1.3 A test check of records of the Department for the period from 1996-97 to 2000-2001 was conducted in audit between May and June 2001 by scrutinising purchase procedures, maintenance of stores and utilisation of materials and equipment with a specific focus on all major items purchased, maintained and utilised by the Department. The expenditure on stores and stock (Rs. 3.83 crore) thus covered constituted 20 *per cent* of the total expenditure incurred. The results of test check are mentioned in the succeeding paragraphs.

Provision and expenditure

5.1.4 Against the total budget provision of Rs.20.57 crore (plan: Rs.0.82 crore; non-plan: Rs.19.75 crore) during 1996-97 to 2000-2001, expenditure of Rs.18.91 crore (plan: Rs.0.46 crore; non-plan: Rs.18.45 crore) was incurred as reflected in the Appropriation Accounts for the concerned years. Of this, budget provision for stores and stock accounted for Rs. 4.53 crore (plan: Rs. 0.56 crore; non-plan: Rs. 3.97 crore), and expenditure Rs. 3.83 crore (plan: Rs. 0.40 crore; non-plan: Rs. 3.43 crore).

Non-maintenance of Annual Proforma Accounts

5.1.5 Mention was made in Para 3.14.5 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1997 that due to non-preparation of Profit and Loss Accounts of the Press since 1969-70 as required under departmental orders (July 1969), the financial results of working of the Press were not ascertainable. The Department had not taken any initiative (June 2001) to prepare such accounts even after the audit observation.

5.1.6 It was also necessary for all regular Government workshops and factories as per provision of Note 1 below Rule 299 of the General Financial Rules to keep 'Proforma Accounts' in accordance with the detailed rules and procedures prescribed in the departmental regulations. But the Government had not prescribed any rules and procedure for maintaining the proforma accounts as per the General Financial Rules as yet (November 2001).

5.1.7 The Government stated (August 2001) that Note 1 below Rule 299 of GFRs was not applicable to the press run by the Department as it was a service department/unit. But the reply is not acceptable in audit as proforma accounts are also being maintained in other service departments/units (e.g., in Power Department) of the State Government. Saraswaty Press Ltd., Kolkata, a Government of West Bengal undertaking, which was engaged by the State Government to study the functioning of the press, also recommended (November 1999) that for its effective running the accounts of the Press be maintained in a commercial pattern.

Purchases

5.1.8 To keep the press running, the Printing and Stationery Department purchases various kinds of paper and stationery for consumption in the Government Press by placing supply orders to different paper mills/firms throughout India against DGS&D rate contract and, from the open market, after observing codal formalities in case of emergency needs and when the requirements were small.

Procurement of paper in excess of requirement leading to unnecessary locking up of funds

5.1.9 According to Rule 103 of the GFRs, purchases shall be made in most economical manner and care should be taken not to purchase stores much in excess of actual requirement. During the period from 1987-88 to 1992-93 the Department procured 1,644 reams of seven varieties of paper at a cost of Rs.8.03 lakh even when there was a stock of 1,262 reams of three varieties of paper out of seven varieties indicated above, bringing the total stock to 2,906 reams. The total consumption during 1987-88 to 2000-2001 was only 1,607 reams i.e. 55.30 *per cent* of the total stock. This resulted in accumulation of 1,299 reams of paper being the unutilised stock valued at Rs.6.32 lakh[❦] at the end of the period.

5.1.10 Further, during the period from 1996-97 to 2000-2001, the Department procured 56,628 reams of six varieties of paper (these were in addition to the varieties already mentioned above) at a total cost of Rs.3.23 crore at DGS&D rate contract with an available stock of 3,636 reams at the beginning of 1996-97. During the period of five years (1996-97 to 2000-2001) 57,103 reams of papers were consumed out of 60,264 reams (56,628 + 3,636) leaving a closing stock of 3,161 reams as on 31 March 2001 valued at Rs.15 lakh[✻] resulting in unnecessary locking up of funds for the last 5 years.

5.1.11 This indicates that the Department made no realistic assessment based on actual need before procurement, right from 1987-88 to 2000-2001. The Department stated (June 2001) that no maximum limit for holding inventory

[❦] Rate per ream ranging from Rs. 261.50 to Rs. 945.22.
[✻] Rate per ream ranging from Rs. 285.69 to Rs. 1149.84.

or minimum level for re-ordering were fixed by the Government. Since the quality of paper deteriorates with time, in the absence of physical verification of stores over a decade, the condition of the unused stock was not ascertainable in audit.

5.1.12 The Government stated (August 2001) that the Department has no fixed requirement and always it had to keep the stock to meet unforeseen requirement of different departments. The Government also stated that adequate stock was required to be maintained to run the press and to cater to the demands of various departments.

5.1.13 The reply of the Government further confirms the position that procurement of paper was made without making any assessment of requirement and norms were not fixed by the Government for procurement of such consumables for the printing machines, which may be directly attributable to 45 *per cent* of the materials procured remaining unutilised even after a lapse of 8 to 14 years. Thus, absence of effective system for economic and efficient handling of procurement of materials has led to keeping excess stock for more than a decade with consequential blockage of funds.

Accumulation of excessive stock of forms

5.1.14 The Government Press is required to print forms, which are for common use by different departments, on the basis of assessment of average annual consumption during the previous years. Scrutiny revealed that the Press made no assessment of requirement and printed forms much in excess of actual requirement as may be seen from the following table:

Year	1996-97	1997-98	1998-99	1999-2000	2000-2001
Opening stock of forms (in numbers)	13,600	4,08,600	10,33,600	18,35,100	22,04,880
Forms printed	10,00,000	16,45,000	19,00,000	13,25,000	14,00,000
Total stock	10,13,600	20,53,600	29,33,600	31,60,100	36,04,880
Forms used	6,05,000	10,20,000	10,98,500	9,55,220	9,25,350
Percentage of consumption in relation to total stock.	60	50	37	30	26
Closing stock	4,08,600	10,33,600	18,35,100	22,04,880	26,79,530

5.1.15 During 1996-97 to 2000-2001, consumption of forms had been 60 to 26 *per cent* of the total stock available during the year. It would also be seen from the table that printing of forms without assessing actual requirement resulted in accumulation of 26,79,530 forms valued at Rs. 9.02 lakh[¤], as of 31 March 2001, which could have been avoided had the actual requirement been ascertained by the Department before printing.

5.1.16 The State Government attributed (August 2001) the reasons for accumulation of excess stock of forms mainly to non-lifting of forms by the indenting departments, 'probably' due to inadequate storing facilities in these departments and due to modifications carried out in respect of forms already printed.

[¤] Rate per 100 forms ranging from Rs. 16 to Rs. 64.

Procurement and maintenance of machinery

Under-utilisation of offset machines

5.1.17 The Offset Section of the press had four printing machines in 1996-97 which increased to seven in 1999-2000. During 1996-97 to 2000-2001, the machines were utilised for 30,988 hours as against the targeted minimum utilisation for 49,509 hours. This resulted in under-utilisation of the machines for 18,521 (49,509 – 30,988) hours, of which under-utilisation of 14,570 hours was attributed to mechanical faults and under-utilisation of remaining 3951 hours was attributed to staff shortage and power failure. One Bi-colour (HMT KRO) machine remained idle for three consecutive years from 1996-97 to 1998-99 and one Swift 150 DX machine with the targeted minimum outturn capacity of 12,000 impressions per day did not turn out a single impression during 2000-2001.

5.1.18 The reasons for not utilising the machines were also stated to be mechanical faults. Under-utilisation of the offset machines, as reflected from the performance data compiled by Audit from the records produced by the Department, had adverse effect on total output as may be seen from the table below:

Sl. No.	Particulars	1996-97	1997-98	1998-99	1999-2000	2000-2001
1.	Total minimum running hours targeted	7,105	8,500	10,118	11,242	12,544
2.	Actual running hours	4,048	4,301	7,055	7,346	8,238
3.	Shortfall in running hours	3,057	4,199	3,063	3,896	4,306
4.	Percentage of shortfall	43	49	30	35	34
5.	Total number of impressions due from the targeted running hours	69,18,000	84,70,000	1,04,78,000	1,13,56,000	1,21,96,000
6.	Number of impressions obtained from the actual running hours	37,42,445	41,72,194	72,68,855	79,76,177	84,72,463
7.	Shortfall in number of impressions obtained	31,75,555	42,97,806	32,09,145	33,79,823	37,23,537
8.	Percentage of shortfall	46	51	31	30	31
9.	Percentage of shortfall due to mechanical faults+	85	54	72	92	92

It would be seen from above that shortfall in obtaining impressions varied from 30 to 51 *per cent* during the years, of which 54 to 92 *per cent* were due to mechanical fault of the machines.

Inventory control of old and outdated machines

5.1.19 There were 20 printing and other machines lying idle and damaged for the last 6 to 29 years. The department identified 17 machines out of 20 mentioned above, relating to the Letter Press Section and Binding Section of the Press, which were declared 'old, outdated and obsolete' and were beyond economic repair. A six-member committee was formed (September 2000) comprising the Superintendent of Press, four Foremen and one Assistant Foreman. The Committee submitted its report (April 2001) with the recommendation to condemn 17 machines. The reasons adduced for most of the machines remaining idle were that 'machines were damaged' and that 'spare parts not available' since most of the machines were of foreign make. It

+ The percentage of shortfall due to mechanical faults has been derived in audit from the departmental records.

was noticed that, although all the machines were purchased from Indian suppliers, the Department did not enter into annual maintenance contract with the suppliers in order to get spare parts and after-sales service.

5.1.20 The Government stated (August 2001) that in the meantime it had entered into Annual Maintenance Contract with two Kolkata based firms for some of the machines.

5.1.21 It was stated by the Department that 'straight line' method for charging depreciation on the value of machinery had been adopted. But it was seen in audit that the department had charged 10 *per cent* depreciation on the value of the machines by taking estimated useful life of the machines at 10 years to arrive at the zero value of the machines. This is against accepted accounting principles as according to the straight line method, estimated residual value is to be deducted from the original cost of machines before charging depreciation for its estimated useful life. But the department could not state the estimated residual value of the machines due to non-maintenance of records. By exhibiting the assets at zero value, the possibility of omitting them from the assets list after the useful life is over, could not be ruled out.

5.1.22 The Government stated (August 2001) that steps were being taken to set up a committee to work out the residual value of the machines for their estimated useful life etc.

5.1.23 Although the Department had taken 10 years as estimated useful life of all the seventeen machines, it was noticed that six out of seventeen machines were used for about one to eight years resulting in short utilisation of machines by two to nine years.

5.1.24 One paper varnishing machine, of these six, purchased at a cost of Rs. 0.44 lakh and installed in February 1988, was not utilised after trial run for want of 'raw materials'. Hence the procurement of the machine, without ascertaining its need and availability of raw materials, was injudicious and infructuous.

5.1.25 According to the Government (August 2001), the varnishing machine remained idle after trial run (1988) due to stoppage of the work of printing of Nationalised Text Books and awarding the work to private press. But the reply is not tenable as it was observed that printing of the Nationalised Text Books in the Government Press was stopped during 1994-95, i.e. after six years from the trial run of the machine.

5.1.26 Three other large and medium size machines of the Letter Press Section lying idle for the last six to twenty nine years and already damaged were not considered for disposal after formal condemnation. Further, the Department had not maintained log books and history sheets for the machines and no inventory of 'Dead Stock' was prepared as per the provisions of GFRs, as a result of which original purchase value of five out of the seventeen 'old, outdated and obsolete' machines could not be stated to Audit. This indicates failure of the Department in having effective inventory control and materials management in the Press.

Idle stock of machinery and consumables of the block making unit

5.1.27 Tripura Government Press had one block making unit from April 1981. The unit stopped functioning from May 1997. Services of the staff attached to the unit were transferred to offset printing section. Scrutiny revealed that various machines, instruments and consumables of the unit valuing Rs. 4.33 lakh were lying idle and un-utilised (June 2001). The Department did not conduct any verification of the idle machines and consumables in order to either utilise them otherwise or dispose of by declaring them as surplus items under Rule 119 (3) of the GFRs.

Outstanding claims

5.1.28 As of March 2001, there were outstanding claims for Rs. 5.61 crore[*] due from various Government agencies and autonomous bodies since 1980-81, preferred by the press towards the cost of printing and cost of forms and stationery. Except raising routine nature of annual bills, no effective steps to realise the outstanding dues were found on record (June 2001).

5.1.29 The Government stated (August 2001) that the matter regarding realisation of outstanding dues from various departments had been taken up in the meantime with the Finance Department.

Monitoring and Evaluation

5.1.30 Mention was made in para 3.14.13 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1997 that the Government constituted a High Power Committee in March 1990 to assess and evaluate the performance of the Press. The committee in its report had, *inter alia,* suggested (June 1992) engagement of a team of experts to fix productivity norms, setting up of a workshop for better maintenance of machines, transfer of pending jobs to other departmental presses of Agriculture, Home and Revenue Departments of the State Government, having less work, etc.

5.1.31 It was seen that the Government worked out (November 1993) machinewise productivity norms and imparted a short period training to a contingent of technical staff in minor repair of offset machines, but it did not help improving the situation due to lack of monitoring.

5.1.32 As a part of efficient materials management, a physical verification of all the stores is required to be made at least once in every year. Such physical verification had not been taken up since 1991-92.

Recommendations

5.1.33 The Department should arrange to conduct physical verification of all stores immediately and once in every year and place the results of verification on record for verification by audit.

5.1.34 Through effective inventory control, holding stores in excess of requirement should be avoided. It is imperative that maximum limit for holding stock as well as the minimum re-ordering level should be indicated.

5.1.35 Immediate steps should be taken to prepare Proforma Accounts as required under the General Financial Rules.

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[*] The break up is as follows:
1980-85: Rs. 0.19 crore; 1985-90: Rs. 0.23 crore; 1990-95: Rs. 1.15 crore; 1995-2000: Rs.2.57 crore; 2000-2001: Rs. 1.47 crore.

SECTION B

PUBLIC WORKS DEPARTMENT

5.2 Blocking up of funds

The Executive Engineer, Stores Division (PWD), Arundhutinagar, Agartala procured materials much in excess of requirement between 1994-95 and 1999-2000, which resulted in blocking up of funds of Rs.11.57 crore as of March 2001 and consequent loss of interest of Rs.3.92 crore.

Test-check of records of the Executive Engineer, Stores Division (PWD), Arundhutinagar, Agartala (January and May 2001) disclosed that the Division had procured various materials worth Rs. 20.86 crore between 1994-95 and 1999-2000 under different heads of account based on Letters Of Credit (LOC) received from the Engineer-in-Chief, PWD, Agartala. Out of the materials so procured, the Division could issue materials worth Rs. 9.29 crore between 1996-97 and 2000-2001 leaving a balance of materials worth Rs. 11.57 crore lying unutilised in the store as of March 2001. This resulted in blockage of funds amounting to Rs. 11.57 crore☞ and consequent loss of interest of Rs.3.92 crore✈ on the blocked up amount computed for the period between April 1995 and March 2001 with reference to the rates of interest✗ applicable during the period between 1994-95 and 2000-2001 on the borrowings of the Government.

The blockage of funds was due mainly to non-assessment of requirement in a proper and realistic manner based on works in progress and works to be executed and resorting to purchases at the fag end of each year to avoid the lapse of budget grant in violation of the manualised provisions.

The matter was reported to the Government in July 2001; reply had not been received (November 2001).

RURAL DEVELOPMENT DEPARTMENT

5.3 Idle expenditure on machinery

Machinery purchased at a cost of Rs. 11.82 lakh was lying idle for two and a half years.

For providing drinking water to 'Jampui Hills' area by lifting surface water from valley to hilltop, the Executive Engineer, Rural Development Division (West) procured (November 1998) through the Stores Division two high head centrifugal electric pump sets with accessories at a cost of Rs. 11.82 lakh from a Calcutta based firm.

☞ 1994-95: Rs. 0.67 crore; 1996-97: Rs. 0.84 crore; 1997-98: Rs. 1.05 crore; 1998-99: Rs.1.88 crore; and 1999-2000: Rs. 7.13 crore.

✈ 1994-95: Rs. 0.08 crore; 1995-96: Rs. 0.09 crore; 1996-97: Rs. 0.21 crore; 1997-98: Rs. 0.33 crore; 1998-99: Rs.0.54 crore; 1999-2000: Rs. 1.42 crore; 2000-2001: Rs. 1.25 crore.

✗ 1994-95: 12.50 *per cent*; 1995-96 and 1996-97: 13.85 *per cent*; 1997-98: 13.05 *per cent*; 1998-99: 12.15 *per cent*; 1999-2000: 12.25 *per cent*; 2000-2001: 10.82 *per cent*.

Test Check (June 2000) of the records of the Executive Engineer, Rural Development Engineering Division (West) revealed that the pump sets, though received by the Stores Division of the Department in November 1998, were lying idle in store as of April 2001. Meanwhile, warranty period of 18 months from the date of despatch (August 1998) was over (February 2000) even before the pumps could be installed and thus, the Department lost the benefit of protection coverage of the machinery assured by the company.

The Divisional Officer stated (April 2001) that the pump sets were kept by the Stores Division of the Department only as a custodian and any decision regarding its utilisation would be decided by the appropriate authority, but remained silent about the present condition of the machinery lying in the open for two and a half years and also did not specify who was the appropriate authority.

Thus, hasty procurement of machinery without adequate planning for utilisation resulted in idle investment of Rs. 11.82 lakh, besides denial of intended benefit of drinking water facility to the needy population residing in hilly areas.

The matter was reported to Government in July 2001; reply had not been received (November 2001).

CHAPTER VI : REVENUE RECEIPTS

General

Trend of revenue receipts

6.1.1 The total receipts of the State during the year 2000-2001 amounted to Rs.1638.06 crore. These comprise tax revenue of Rs. 125.58 crore and non-tax revenue of Rs. 94.51 crore, State's share of divisible Union taxes of Rs 236.22 crore and grants-in-aid of Rs. 1181.75 crore received from the Government of India.

Analysis of receipts during the year 2000-2001 and the preceding two years is given below :

		1998-99	1999-2000	2000-2001
		(Rupees in crore)		
I.	Revenue raised by the State Government			
	(a) Tax Revenue	84.13	101.74	125.58
	(b) Non-Tax Revenue	44.83	76.19	94.51
	Total	**128.96**	**177.93**	**220.09**
II.	Receipts from Government of India			
	(a) State's share of net proceeds of divisible Union taxes	457.02	529.55	236.22
	(b) Grants-in-aid	682.37	730.78	1181.75
	Total	**1139.39**	**1260.33**	**1417.97**
III.	Total receipts of the State Government (I+II)	**1268.35**	**1438.26**	**1638.06**
IV.	Percentage of I to III	10	12	13

Tax Revenue

6.1.2 Tax revenue of the State constituted about 57 per cent of the revenue raised by the State Government. An analysis of tax revenue for the year 2000-2001 and the preceding two years is given below :

S. No.	Heads of Revenue	1998-99	1999-2000	2000-2001	Increase(+) or decrease(-) in 2000-2001 over 1999-2000	Percentage of variation
		(Rupees in lakh)				
1.	Sales Tax	4770.16	5778.45	8108.49	(+) 2330.04	(+) 40
2.	State Excise	1699.79	2010.65	1978.72	(-) 31.93	(-) 2
3.	Other taxes on Income and Expenditure	586.57	1055.61	1120.61	(+) 65.00	(+) 6
4.	Stamps and Registration Fees	481.77	509.72	594.20	(+) 84.48	(+) 17
5.	Taxes on Vehicles	350.54	359.58	425.78	(+) 66.20	(+) 18
6.	Other Taxes and Duties on Commodities and Services	123.18	118.86	121.84	(+) 2.98	(+) 3
7.	Land Revenue	336.88	256.81	182.29	(- 74.52	(-) 29
8.	Taxes on Agricultural Income	63.61	78.20	24.67	(-) 53.53	(-) 68
9.	Taxes and Duties on Electricity	1.03	6.08	1.21	(-) 4.87	(-) 80
	Total	**8413.53**	**10173.96**	**12557.81**	**(+) 2383.85**	**(+) 23**

The reasons for variations in respect of heads of revenue where variation was substantial had not been received from the concerned departments (November 2001), though called for.

Non-Tax Revenue

6.1.3 Non-tax revenue of the State constituted 43 *per cent* of the revenue raised by the State Government. The details of major sources of non-tax revenue for the year 2000-2001 and the preceding two years are given below:

Sl. No.	Heads of Revenue	1998-99	1999-2000	2000-2001	Increase(+) or decrease (-) in 2000-2001 over 1999-2000	Percentage of variation
		(Rupees in lakh)				
1.	Power	1991.24	3392.95	3534.73	(+) 141.78	(+) 4
2.	Forestry and Wildlife	195.05	244.44	759.61	(+) 515.17	(+) 211
3.	Education, Sports, Art and Culture	34.26	26.26	70.86	(+) 44.60	(+) 170
4.	Crop Husbandry	157.37	121.09	143.27	(+) 22.18	(+) 18
5.	Other Administrative Services	122.90	266.83	104.17	(-) 162.66	(-) 61
6.	Water Supply and Sanitation	62.47	508.10	121.53	(-) 386.57	(-) 76
7.	Police	238.47	429.35	231.83	(-) 197.52	(-) 46
8.	Interest Receipts	359.92	1161.72	1849.27	(+) 687.55	(+) 59
9.	Stationery and Printing	139.41	174.95	142.03	(-) 32.92	(-) 19
10.	Animal Husbandry	48.52	43.32	59.64	(+) 16.32	(+) 38
11.	Industries	332.25	408.63	551.15	(+) 142.52	(+) 35
12.	Public Works	63.61	63.95	94.30	(+) 30.35	(+) 47
13.	Village and Small Industries	38.86	16.70	49.91	(+) 33.21	(+) 199
14.	Fisheries	16.72	33.16	45.25	(+) 12.09	(+) 36
15.	Other Rural Development Prgrammes	174.32	155.02	22.66	(-) 132.36	(-) 85
	Total	**3975.37**	**7046.47**	**7780.21**	(+) **733.74**	(+) **10.41**

The reasons for variations in respect of heads of revenue where variation was substantial had not been received from the concerned departments (November 2001), though called for.

Variations between Budget Estimates and Actuals

6.1.4 The variations between Budget Estimates (Revised) and actuals in respect of tax revenue for the year 2000-20001 are indicated below :

TAX REVENUE					
Sl. No.	Head of revenue	Budget estimates (Revised)	Actuals	Variation Increase(+)/ Decrease(-)	Percentage of variation over Budget estimates
		(Rupees in lakh)			
1.	Sales Tax	6550	8108.49	(+) 1558.49	(+) 24
2.	State Excise	2329	1978.72	(-) 350.28	(-) 15
3.	Other Taxes on Income and Expenditure	1270	1120.61	(-) 149.39	(-) 12
4.	Stamps and Registration Fees	448	594.20	(+) 146.20	(+) 33
5.	Taxes on Vehicles	425	425.78	(+) 0.78	-
6.	Other Taxes and Duties on Commodities and Services	256	121.84	(-) 134.16	(-) 52
7.	Land Revenue	112	182.29	(+) 70.29	(+) 63
8.	Taxes on Agricultural Income	56	24.67	(-) 31.33	(-) 56
9.	Taxes and Duties on Electricity	2	1.21	(-) 0.79	(-) 40

Reasons for variation as stated by the Department under the head Sales Tax was due to increase in tax rate in some items and also due to extension of tax base. Decrease in State Excise was due to reduction of business hours owing to law and order problem in the State. Taxes on Agricultural income decreased mainly due to non-completion of assessment by the Income Tax Authority and also due to unfavourable conditions prevailing in the Tea Industry. In respect of other items, reasons for variations had not been received from the concerned Departments of the Government (November 2001), though called for.

6.1.5 The variations in respect of some of the important heads of non-tax revenue for the year 2000-2001 are given below :

NON-TAX REVENUE					
Sl. No.	Head of revenue	Budget estimates (Revised)	Actuals	Variation Increase(+)/ Decrease(-)	Percentage of variation
		(Rupees in lakh)			
1.	Power	3750	3534.73	(-) 215.27	(-) 6
2.	Forestry and Wildlife	300	759.61	(+) 459.61	(+) 153
3.	Crop Husbandry	176	143.27	(-) 32.73	(-) 19
4.	Other Administrative Services	250	104.17	(-) 145.83	(-) 58
5.	Interest Receipts	850	1849.27	(+) 999.27	(+) 118
6.	Stationery and Printing	100	142.03	(+) 42.03	(+) 42
7.	Public Works	77	94.30	(+) 17.30	(+) 22
8.	Animal Husbandry	55	59.64	(+) 4.64	(+) 8
9.	Fisheries	18.70	45.25	(+) 26.55	(+) 142
10.	Other Rural Development Programmes	80	22.66	(-) 57.34	(-) 72
11.	Industries	360	551.15	(+) 191.15	(+) 53
12.	Water Supply and Sanitation	22	121.53	(+) 99.53	(+) 452

The variation under Fisheries as stated by the Fisheries Department was due to deposit of unspent balances of P.L. Account back into the Consolidated Fund. The variation under Forestry and Wildlife was due to realisation of outstanding value of land diverted under Forest Conservation Act (FCA) in earlier years. In respect of other departments the reasons for variations had not been received from the concerned departments of the Government (November 2001), though called for.

Cost of collection

6.1.6 The gross collection in respect of major revenue receipts, expenditure incurred on their collection and the percentage of such expenditure to gross collection during the years 1998-99, 1999-2000 and 2000-2001 along with relevant all India average percentage of expenditure on collection to gross collection for 1999-2000 are given below :

Head of revenue	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection	All India percentage of expenditure to gross collection
		(Rupees in lakh)			
1. Sales Tax	1998-99	4770.16	85.50	1.79	
	1999-2000	5778.45	98.14	1.70	1.56
	2000-2001	8108.49	116.39	1.44	
2. State Excise	1998-99	1699.79	47.03	2.77	
	1999-2000	2010.65	45.61	2.27	3.31
	2000-2001	1978.72	53.23	2.69	
3. Stamps and Registration Fees	1998-99	481.77	69.01	14.32	
	1999-2000	509.72	77.92	15.29	4.62
	2000-2001	594.20	86.47	14.55	
4. Taxes on Vehicles	1998-99	350.54	37.82	10.79	
	1999-2000	359.58	43.66	12.14	3.56
	2000-2001	425.78	44.39	10.43	

Arrears in assessment

6.1.7 The details of Sales Tax assessment and Agricultural Income Tax assessment cases pending at the beginning of the year, cases becoming due for assessment during the year, cases disposed of during the year and the number of cases pending finalisation at the end of each year during the years 1996-97 to 2000-2001 as furnished by the Departments along with percentage of cases finalised to total number of cases are given below :

Year	Opening balance	Cases due for assessment during the year	Total	Cases finalised during the year	Balance at the closing of the year	Percentage of cases finalised to total number of cases
(a) Sales Tax						
1996-97	4895	4799	9694	2964	6730	31
1997-98	6730	4660	11390	2231	9159	20
1998-99	9159	5198	14357	1725	12632	12
1999-2000	12632	5717	18349	3010	15339	16
2000-2001	15339	5891	21230	3801	17429	18
(b) Agricultural Income Tax						
1996-97	274	109	383	18	365	5
1997-98	365	46	411	35	376	9
1998-99	376	46	422	27	395	6
1999-2000	395	40	435	18	417	4
2000-2001	417	44	461	8	453	2

It is observed that, in all the years, the cases finalised during the year were less than the cases due for assessment during the year. Thus, there was a constant increase in the arrears.

Uncollected revenue

6.1.8 Analysis of arrears of revenue pending collection as on 31 March 2001 in respect of Sales Tax and Agricultural Income Tax as reported (November 2001) by the Department and corresponding figures for the preceding year are indicated below:

Heads of Revenue	Arrears pending collection as on		Arrears of revenue outstanding for more than 5 years as on		Remarks
	31 March 2000	31 March 2001	31 March 2000	31 March 2001	
(Rupees in lakh)					
1. Sales Tax	942.22	1415.26	131.39*	124.43	Out of Rs. 1415.26 lakh, recoveries amounting to Rs. 261.09 lakh had been stayed by courts, Rs.22.73 lakh by the Government, demands for Rs.1011.96 lakh had been covered by recovery certificates, and Rs. 119.48 lakh was at different stages of recovery.
2. Agricultural Income Tax	22.07	19.77	6.74	6.74	

Outstanding Inspection Reports and audit observations

6.1.9 Important irregularities in assessment of revenue and defects in the accounting of revenue receipts noticed in audit and not settled on the spot are communicated to Heads of Offices and departmental authorities through local audit reports. The more important and serious irregularities are reported to the Government. Besides, statements indicating the number of observations outstanding for over six months/one year are also sent to Government for expediting their settlement.

(a) At the end of June 2001 in respect of inspection reports issued upto December 2000, 1727 audit observations were still to be settled as per details given below. The corresponding position in the earlier two years has also been indicated alongside.

	At the end of		
	June 1999	June 2000	June 2001
Number of outstanding local audit reports	461	485	442
Number of outstanding audit observations	1862	1826	1727
Amount of receipts involved *(Rupees in lakh)*	2200.16	2428.46	2974.40

* The amount now intimated by the Department for 31 March 2000 differs from the amount of Rs. 143 lakh which was intimated earlier for the same date and included in the audit report of 1999-2000.

The year-wise break up of outstanding Inspection Reports, audit objections and amount involved at the end of June 2001 is given below:

Year	Number of Inspection Reports	Number of outstanding audit objections	Amount involved (*Rupees in lakh*)
Upto 1998-99	394	1529	1853.35
1999-2000	33	138	727.97
2000-2001 (upto December 2000)	15	60	393.08
	442	**1727**	**2974.40**

(b) The head-wise break-up of outstanding inspection reports, audit observations and amount involved therein as on 30 June 2001 is indicated below :

Class of receipts	Number of outstanding		Amount of receipts involved (*Rupees in lakh*)	Year to which observation relates	Number of Inspection Reports for which even 1st reply had not been received
	Inspection Reports	Audit Observations			
1. Sales Tax	88	313	972.77	1985-86 to 2000-2001	3
2. Forest	89	382	493.30	1987-88 to 2000-2001	-
3. Electricity	189	868	917.39	1988-89 to 2000-2001	8
4. Professional Tax	6	8	5.64	1992-93 to 2000-2001	-
5. Transport	6	25	365.78	1985-86 to 1999-2000	-
6. Agricultural Income Tax	8	17	2.67	1987-88 to 2000-2001	-
7. Excise	18	54	189.24	1993-94 to 2000-2001	-
8. Land Revenue	18	22	10.72	1993-94 to 1998-99	-
9. Stamps and Registration	15	23	2.77	1993-94 to 2000-2001	-
10. Entertainment Tax	5	15	14.12	1995-96 to 2000-2001	-
Total	**442**	**1727**	**2974.40**		**11**

Results of audit

Sales Tax

6.2.1 The test check of Sales Tax assessment and other records of 5 units conducted in audit during the year 2000-2001 revealed under-assessment/escapement of turnover, blockage of Government revenue, non-levy of penalty etc., amounting to Rs.301.48 lakh in 15 cases which broadly fall under the following groups :

Sl. No.	Type of objection	Number of cases	Amount involved (*Rupees in lakh*)
1.	Loss / blockage of revenue	5	115.75
2.	Delay in certificate proceedings against defunct dealers	1	50.96
3.	Non/Short realisation of composition money	3	122.14
4.	Non/short levy of penalty /interest	3	6.09
5.	Under-assessment of tax / tax evasion	3	6.54
		15	**301.48**

During 2000-20001, the Department accepted audit objections of Rs.301.48 lakh in all 15 cases.

State Excise

6.2.2 The test check of records in 4 units of State Excise conducted in audit during the year 2000-2001 revealed loss of excise duty and other irregularities amounting to Rs.63.31 lakh in 13 cases which broadly fall under the following categories :

Sl. No.	Type of objection	Number of cases	Amount involved (*Rupees in lakh*)
1.	Non-realisation of establishment cost	3	2.77
2.	Loss of excise duty	2	20.10
3.	Non-realisation of litreage* fees	2	0.38
4.	Non-realisation of transit loss	1	0.14
5.	Non-realisation of Sales Tax	1	9.47
6.	Non-deposit of Additional Sales Tax	1	2.25
7.	Non-realisation of Central Sales Tax	1	0.47
8.	Short realisation of excise duty	2	27.73
		13	**63.31**

* Litreage fee is payable by all the licensees for retail vending of IMFL assessed to have been sold during the previous 12 months.

SECTION – A

FINANCE (EXCISE AND TAXATION) DEPARTMENT

6.3 Arrears of Sales Tax and recovery of dues treated as arrears of Land Revenue

Highlights

The arrears of Sales Tax, pending collection as on 31 March 2001 were Rs. 14.15 crore.

(Paragraph 6.3.6)

Non-disposal of referred back cases had resulted in blockage of Government revenue amounting to Rs. 65.27 lakh in 120 cases.

(Paragraph 6.3.9)

In 32 cases, whereabouts of assessees could not be located, which had resulted in loss of Government revenue of Rs. 13.62 lakh.

(Paragraph 6.3.10)

The Department cancelled the registration of 11 dealers without realising assessed dues of Rs. 24.84 lakh.

(Paragraph 6.3.13)

Non-fixation of time limit for disposal of appeal/revision cases had resulted in blockage of Government revenue of Rs. 16.28 lakh in 42 cases.

(Paragraph 6.3.14)

Due to non-initiation of Certificate Proceedings in 289 cases, Government revenue of Rs. 93.18 lakh remained unrealised.

(Paragraph 6.3.17)

Institution of Certificate Proceedings were delayed ranging upto 221 months in 137 cases by 7 Charges involving revenue of Rs. 75.03 lakh leaving little scope for recovery of assessed dues.

(Paragraph 6.3.19)

Poor disposal of certificate cases led to huge accumulation of arrears. Out of targeted amount of Rs. 11.94 crore, Rs. 45.36 lakh could only be recovered.

(Paragraph 6.3.21)

There was no well-defined procedure for receipt and recording of requisition for recovery. Requisition for Rs. 9.28 lakh was not accounted for in the records of Certificate Officer, Agartala.

(Paragraph 6.3.26)

In 155 cases involving recovery of arrear dues of Rs. 8.13 lakh, interest amounting to Rs. 10.03 lakh was not assessed.

(Paragraphs 6.3.27 and 6.3.28)

Introduction

6.3.1 Under the Tripura Sales Tax Act, 1976, every dealer is required to submit to the assessing authority a monthly/quarterly return on the basis of self-assessment within the prescribed date(s). After making final assessment, a demand notice is served on the dealer for the balance tax, if any, payable within the prescribed date specified in the demand notice. For delayed payment of tax, a simple interest at the rate of 25 *per cent* per annum is payable by the dealer. Penalty is also leviable for violation of the provision of the Act. The dealer may prefer appeal against final assessment to the higher authority for some specific reasons. In the case of rejection of appeal the original demand stands, otherwise dues are revised on the basis of appellate order and revised demand notice is served for the dues remaining unpaid. Thus, tax, interest and penalty, which remain unpaid, constitute arrears of Sales Tax. Arrears of Sales Tax are recoverable as arrears of Land Revenue under Section 26A of Tripura Sales Tax Act, 1976, by adopting any or more of the following processes under Section 62 of the Tripura Land Revenue and Land Reform Act, 1960.

(a) by serving a written notice of demand on the defaulter;
(b) by distraint and sale of the defaulter's movable property, including the produce of the land; and,
(c) by the attachment and sale of the defaulter's immovable property.

Organisational set up

6.3.2 Sales Tax Organisation functions under the over all control of the Commissioner of Taxes, assisted by one Additional Commissioner, three Assistant Commissioners, 6 Superintendents of Taxes at Agartala and 3 Superintendents of Taxes at Kailashahar, Dharmanagar and Udaipur.

6.3.3 Superintendents of Taxes at Dharmanagar, Kailashahar and Udaipur are declared as Certificate Officers in respect of arrears under their jurisdiction.

6.3.4 One Assistant Commissioner is functioning as Certificate Officer in respect of 6 Charges at Agartala.

Scope of Audit

6.3.5 A review of arrears of Sales Tax in respect of 5 Charges and records of Certificate Officers and Appellate Authorities at Agartala and 3 Charges at district level for the years 1996-97 to 2000-01 was taken up with a view to analysing the cases for delay in recoveries and to highlight the system failure, if any, in recovery of arrears.

Position of arrears

6.3.6 The total arrears pending collection as on 31 March 2001 amounted to Rs. 14.15 crore. The proportion of arrears to the sales tax receipts yearwise for the last five years are given below :

(Rupees in lakh)

Year	Total arrears at various stages	Total receipts	Percentage of arrears to total Sales Tax receipts
1	2	3	4
1996-97	843.65	3569.44	24
1997-98	952.80	4238.90	22
1998-99	979.86	4770.16	21
1999-2000	942.22	5762.06	16
2000-2001	1415.26	8108.82	17

It would be seen from the above table that the percentage of arrears to the Sales Tax receipts ranged from 16 to 24 *per cent* at the end of each year. Department did not take action to locate the whereabouts of the dealers except issue of demand notice.

Correctness of arrears

6.3.7 Scrutiny of case registers of Certificate Officer, Agartala, revealed that there was a discrepancy of Rs. 147.85* lakh between the figures of arrear dues pertaining to the year 1977-78 to 2000-01 appearing in the case registers and that of the figures intimated by the Certificate Officers/Commissioner to Audit. The Department is yet to ascertain the reasons for discrepancy and reconcile it.

Delay in assessment leading to accumulation of arrears

6.3.8 Despite the need for prompt finalisation of assessment cases being stressed by the Commissioner of Taxes in the monthly meetings held by him with the Assessing Officers, actual assessment completed during the 5 years from 1996-97 to 2000-2001 ranged between 12 and 31 *per cent* of total number of cases due for disposal as shown below :

Year	Opening balance	Cases due for assessment	Total	Cases assessed	Closing balance	Percentage of cases assessed
1996-97	4895	4799	9694	2964	6730	31
1997-98	6730	4660	11390	2231	9159	20
1998-99	9159	5198	14357	1725	12632	12
1999-2000	12632	5717	18349	3010	15339	16
2000-2001	15339	5940	21279	2908	18371	14

On this being pointed out in audit (March 2001), the Department stated (May 2001) that delay in assessment was due to shortage of staff.

Non-disposal of remand/referred back cases

6.3.9 Commissioner of Taxes issued instruction (May 1993) to complete the re-assessment of remand cases in pursuance of or as a result of an order on appeal, revision and reference or review within one month from the date of

* 1105.04 worked out in audit
957.19 worked out by the Department
147.85 difference

receipt of the same from the higher forum. In none of 120 cases relating to 6 charges, re-assessment was completed as of September 2001, resulting in non-recovery of revenue of Rs. 65.27 lakh due from the assessees **(Appendix - XXIV)**.

Loss of Government revenue due to assessee not being traceable

6.3.10 Test check of records of 5 Charges[φ] revealed that in 32 cases involving Government revenue of Rs. 13.62 lakh due from 12 dealers, whereabouts of the assessees could not be located and revenue of Rs. 13.62 lakh **(Appendix - XXV)** outstanding with them could not be recovered. Out of these 32 cases, 4 dealers absconded before completion of assessment involving revenue of Rs. 6.56 lakh and 8 dealers absconded after the finalisation of assessment involving revenue of Rs. 7.06 lakh. Besides, one dealer had not filed his returns at all.

Cancellation of Registration before realisation of assessed dues

6.3.11 Rule 12 of Tripura Sales Tax Rules provides that when a registered dealer applies for cancellation or amendment of his certificate of registration, he shall submit the certificate alongwith his application to the Superintendent.

6.3.12 Further, in accordance with the provision under Section 7 (2) and (3) of the Tripura Sales Tax Act, 1976 the Commissioner of Taxes is empowered to cancel the registration of a dealer but sub-section (4) of this section provides that no order under sub-section (2) and (3) of this Section shall be made unless the applicant, the person concerned or the dealer has been given an opportunity of being heard.

6.3.13 Test check of records of 3 Charges (Charge I, Kailashahar and Udaipur) revealed that registration of 11 dealers involving 46 assessment years were cancelled without giving an opportunity of being heard resulting in revenue of Rs. 24.84 lakh remaining unrealised **(Appendix - XXVI).** Further audit enquiry (February 2002) revealed that the amount was not recovered as yet, nor did the department take any action to realise this.

Demand remaining un-recovered on account of appeal cases

6.3.14 Commissioner of Taxes prescribed time limit for Assessing Officers in respect of finalisation of proceedings after the cases are referred back to them from higher court but there is no time limit prescribed for disposal of cases in appeal/revision etc. As a result, huge sums of revenue are pending realisation on this account or due to stay on the recovery proceedings by the Appellate Authority. The Department did not take any action to vacate the stay orders. In 4 Charges[ϖ], 42 cases were pending for a period ranging from 2 to 11 years involving a revenue of Rs. 16.28 lakh **(Appendix - XXVII).**

Non-filing of Certificate Case/failure to initiate follow-up action

6.3.15 Sub-section (1) of Section 26 of Tripura Sales Tax Act, 1976, provides that if the demand in respect of any dues under this Act is not paid on or

[φ] Agartala Charges I,II,III,IV and Udaipur.

[ϖ] Agartala I,III,Kailashahar and Dharmanagar.

before the date specified as aforesaid, the dealer shall be deemed to be in default and case will be processed under Section 26A of the Act, for realisation of tax or penalty as arrears of Land Revenue.

6.3.16 For realisation of arrear dues as arrears of Land Revenue, Certificate Officers have been nominated, to whom, default cases are to be sent for initiating Certificate Proceeding. However, no time limit has been prescribed in the Act for initiating certificate proceedings against the defaulting dealers.

6.3.17 Review of records of 7 Charges[✦] revealed that due to non-initiation of Certificate Proceedings against 95[▼] dealers in 289 cases, assessed between June 1982 to September 2000, who had neither paid their tax dues after being assessed nor appealed against the assessment orders, Rs. 93.18[†] lakh remained unrealised for periods varying upto 19 years. The position of the cases are given below:

Sl. No.	Name of charge	Assessment year	Date/period of assessment (between June 1982 and September 2000)	No. of cases
1.	Agartala (Charges I to IV)	1980-81 to 1998-99	June 1982 and September 2000	221
2.	Dharmanagar	1984-85 to 1997-98	March 1988 and February 2000	39
3.	Udaipur	1987-88 to 1997-98	November 1988 and January 1999	11
4.	Kailashahar	1983-84 to 1996-97	June 1987 and January 1998	18
				289

Delay in initiating Certificate Proceedings

6.3.18 Under the Tripura Sales Tax Act, 1976, no time limit has been prescribed within which the Assessing Officer should initiate the Certificate Proceedings against a defaulter.

[✦] Agartala I,II,III,IV, Kailashahar, Dharmanagar and Udaipur.

[▼] Agartala–70, Kailashahar–6, Udaipur–5, Dharmanagar–14.

[†] Agartala – Rs. 68.10 lakh
Kailashahar – Rs. 7.94 lakh
Udaipur – Rs. 2.02 lakh
Dharmanagar – Rs. 15.12 lakh
Rs. 93.18 lakh

6.3.19 A test check of records of 7 Charges revealed that delays varying from 4 months to 221 months in initiating Certificate Proceedings against 38 dealers involving 137 assessment years resulted in blockage of revenue amounting to Rs. 75.03 lakh as detailed below:

Sl. No.	Name of Charge	No. of dealers	Assessment years involved	Period of assessment/date of assessment (between)	Period of delay as on the date of audit	Amount involved *(Rupees in lakh)*
1.	Agartala Charge I	6	26	January 1991 and December 1997	10 to 48 months	20.05
2.	Agartala Charge II	2	6	February 1994 and November 1994	4 to 5 months	0.87
3.	Agartala Charge III	2	8	November 1996 and April 1997	5 to 10 months	1.97
4.	Agartala Charge IV	14	54	March 1981 and May 1997	5 to 221 months	28.63
5.	Dharmanagar	3	10	April 1989 and May 1997	10 to 115 months	3.92
6.	Kailashahar	8	23	February 1985 and 1996	7 to 104 months	16.16
7.	Udaipur	3	10	May 1987 and September 1997	12 to 165 months	3.43
		38	**137**			**75.03**

Disposal of Certificate Cases

6.3.20 On initiating Certificate Proceedings under the Tripura Land Revenue and Land Reforms Act, 1960, several steps i.e. serving written notice of demand, distress warrant and attachment of properties of certificate debtors are to be taken by the Certificate Officer for recovery of dues.

Arrears pending due to inadequate action

6.3.21 In 128 cases received by all the Certificate Officers in the State upto March 2001 for effecting recoveries of Government dues worth Rs. 1193.89 lakh as arrears of Land Revenue, only an amount of Rs. 45.36 lakh could be recovered. Only in one case, movable property was attached and the security with the department was forfeited. In the remaining cases, no effective measures as provided in the Act, such as attachment and sale of their properties etc were adopted except issue of writs of demand notice.

Poor disposal of certificate cases by the Certificate Officer, Agartala

6.3.22 Further scrutiny of the records of Certificate Officer at Agartala, who received 1033 cases constituting 80 *per cent* of all the certificate cases (1287) processed by the Department, revealed (March 2001) that the number of cases settled was very low as compared to the cases pending.

6.3.23 Upto March 2001, Rs. 14 lakh was realised as against the total demand of Rs. 11.19 crore in 1033 cases. Audit scrutiny revealed that out of 1033 cases processed for Certificate Proceeding, only 155 cases had been fully settled; in 779 cases no realisation had taken place whereas in 99 cases there was part realisation. Such poor settlement contributed to heavy accumulation of outstanding dues aggregating to Rs. 11.05 crore.

6.3.24 On this being pointed out in audit, the department stated in May 2001 that the poor recovery was due to shortage of staff and enforcement machinery.

Non-recovery due to lack of co-ordination between Charge Officer and Certificate Officer

6.3.25 There was no well-defined procedure for receipt and recording of requisition for recovery. However, Certificate Proceedings are initiated for realisation of arrears for which the Assessing Officer sends the proposal of certificate case to the Certificate Officer and entrusts the details of such cases in a register maintained by the Certificate Officer for issue of certificates for realisation of dues. Reconciliation of entries in the register is required to be made in order to ensure that proper action had been taken in respect of each demand.

6.3.26 Test check of records of Charge IV, Agartala, revealed that certificate proposals in 2 cases involving Rs. 9.28 lakh initiated between August 1992 and February 1999 were neither received by the Certificate Officer nor pursued by the Charge Officer. These were not investigated, whereby the total dues of Rs.9.28 lakh escaped pursuance of both the Charge Officer and the Certificate Officer for realisation.

Loss of revenue due to non-levy of interest in certificate demand

6.3.27 Test check of records revealed that in 155 cases of 6 Charges[α] relating to the assessments periods ending between 1978-1979 to 1994-1995 the dealers had failed to make payments within the specified date mentioned in the demand notices. The Assessing Officers had sent the certificate of requisition to the Certificate Officer who had realised Rs. 8.13 lakh without levying interest as per provision of the Act.

6.3.28 This resulted in non-realisation of interest of Rs. 10.03 lakh.

Appointment of Certificate Officer

6.3.29 Prior to 25 September 1984, for recovery of dues which are treated as Arrears of Land Revenue, the cases were forwarded to the Circle Officer (Certificate Officer). Thereafter Government of Tripura, Revenue Department (Land Reforms Cell) in exercise of the powers conferred by Section 8 of the Tripura Land Revenue and Land Reforms Act, 1960, appointed one of the officers from the Sales Tax Department to function as Certificate Officer with the powers of Circle Officer under Chapter VII of the Act for the purpose of recovery of dues under the Tripura Sales Tax Act, 1976 (Tripura Act No. 11 of 1976).

6.3.30 It was, however, noticed that the Commissioner of Taxes appointed (January 1995) one Assistant Commissioner of Taxes to act as Certificate Officer, Agartala, without delegating the powers of Circle Officer under the above provision of the Act.

[α] Agartala charge No. I, II, III, IV, V & VI.

6.3.31 Therefore, the action of the Department appointing Certificate Officer without delegating relevant powers did not serve the purpose for which he was appointed.

Conclusion

6.3.32 Accumulation of huge arrears was mainly due to inadequate action by the department/government such as:

(a) Non-pursuance of cases for timely recovery;
(b) Delayed initiation of Certificate Proceedings;
(c) Non-attachment and sale of defaulter's properties as per provision of the Tripura Land Revenue and Land Reforms Act, 1960;
(d) Not taking any action to vacate the stay orders.

Recommendations

6.3.33 The Department may initiate measures for working out the correct position of arrears of Sales Tax.

6.3.34 Besides issuing demand notice, the Department may also give adequate thrust to improve the recovery by enforcing the relevant provisions of the Act.

6.3.35 The Department should strengthen the co-ordination between the Certificate Officers and the Charge Officers to ensure timely action for recovery.

6.3.36 The Government should take necessary steps to get the stay vacated for speedy recovery of the arrears.

SECTION - B

FINANCE (EXCISE AND TAXATION) DEPARTMENT

6.4 Non-realisation of Entertainment Tax

Entertainment tax of Rs. 1.16 lakh was not realised from a cultural organisation in West Tripura District.

The Tripura Amusement Tax Act and the Rules made thereunder provides for levy of entertainment tax at the rate of 25 per cent on all payments and also on all free or complimentary passes for admission to any entertainment.

A test check (May 1998) of records of the District Magistrate and Collector, West Tripura revealed that permission for holding a cultural programme on 1 May 1997 at the premises of Rabindra Shatabarsiki Bhavan, Agartala was accorded (30 April 1997) in favour of Desavi Social & Cultural Unit, Agartala. The organiser of the programme deposited Rs. 0.69 lakh as advance payment of entertainment tax. It was ascertained that 4422 tickets at different rates were sold for Rs. 7.39 lakh on which entertainment tax of Rs. 1.85 lakh was required to be paid. Steps to realise the balance amount of tax had not been taken by the Department. As such the Government sustained a loss of revenue to the extent of Rs. 1.16 lakh.

On this being pointed out in audit (July 1998), the Department stated (August 2000 and July 2001) that a certificate case had been instituted (November 1999) to recover the balance dues but the organiser could not be traced out. Action was being taken to trace him out and to realise the unpaid amount of taxes.

The matter was reported to the Government in May 2001; reply had not been received (November 2001).

6.5 Non-recovery of cost of establishment charges

The Collector of Excise, North Tripura, did not recover Rs. 2.14 lakh towards the cost of establishment charges from two bonded warehouses.

Under the provision of Tripura Excise Rules, 1990, the pay and allowances of departmental staff posted to bonded warehouses to ensure compliance with the provision of the Excise Act and the rules is recoverable from the warehouses.

During test check (September – October 2000) of records of the Collector of Excise, North Tripura, Kailashahar it was noticed that an amount of Rs. 2.14 lakh towards the cost of establishment of two excise guards of Excise Department posted (September 1998) at the Kumarghat Bonded Warehouse and Varuni Distillery Pvt. Ltd. was not recovered from the licensee by the Department for the period September 1998 to August 2000.

On this being pointed out to the department in December 2000 and June 2001, the Collector of Excise, North Tripura, stated (June 2001) that a sum of Rs. 1.01 lakh had been realised (April 2001) from one licensee and the balance of Rs. 1.13 lakh was being realised from the other licensee in four instalments of which first instalment of Rs. 0.29 lakh had been realised in May 2001.

The matter was reported to the Government in May 2001; reply had not been received (November 2001).

6.6 Loss of revenue

There were short levy of interest amounting to Rs. 1.41 lakh and non-realisation of interest on Sales Tax and penalty of Rs. 2.38 lakh.

The Tripura Sales Tax Act, 1976, inter alia, provides that the Commissioner of Taxes shall, at the close of a year or at the closure of the business during that year, assess a registered dealer if he is satisfied that the returns furnished by the dealer are correct and complete. The Act also provides that if a dealer fails to file a return or fails to comply with all the terms of notice, the Commissioner shall assess the dealer to the best of his judgement and determine the tax payable by him. The Act further provides for levy of simple interest at the rate of 25 *per cent* per annum from the first day of the month next following the due date of payment on the amount of unpaid tax upto the date of assessment.

During test check (July – August 2000) of records of the Superintendent of Taxes, Charge IV, Agartala, it was noticed that a dealer of cement and G.C.I. sheets did not submit seven permits[†] issued for import/transport of taxable goods[#] and also did not file return or paid any tax for the year 1991-92. The Superintendent of Tax had issued 6 notices (4 between June and September 1992; 1 each in April 1993 and April 1995) and finally assessed the dealer in February 1999 on the basis of best judgement for the years 1990-91 and 1991-92 for non-compliance of the notices by the dealer and determined tax payable at Rs. 1.75 lakh[♣] and Rs. 0.63 lakh[♠] respectively including penalty and interest. There was a short levy of interest of Rs. 1.08 lakh and Rs. 0.33 lakh due to charging of interest for 12 months only as against 94 months and 82 months respectively upto the date of assessment. Meanwhile, the dealer had closed down his business. The attempt to realise the Government revenue of Rs. 2.38 lakh (excluding amount of interest of Rs. 1.41 lakh short-levied against which no demand had been raised) by issuing demand notice (March 1999) and instituting certificate case (June 1999) failed as the dealer could not be traced and the notice remained undelivered. No further step was taken for recovery of the dues till the date of audit.

[†] 5 in 1990-1991 and 2 in 1991-92.

[#] The dealer was to submit the original copy of the permit within one month from the date of endorsement in support of the transportation of consignment at the check post.

[♣] Tax: Rs. 0.64 lakh; Penalty: Rs. 0.95 lakh and Interest: Rs. 0.16 lakh.

[♠] Tax: Rs. 0.23 lakh; Penalty: Rs. 0.34 lakh and Interest: Rs. 0.06 lakh.

The Government in reply (July 2001) endorsed the views of the Department (July 2001), according to which the demand was under process of collection. On a further query as to how the revenue could be realised since the whereabout of the assessee was not known, the Department stated (October 2001) that a notice would be served by affixing a copy thereof on some conspicuous part of the last notified place or premises of the dealer. Besides, enquiry would be made regarding property of the dealer for collection of outstanding revenue as an arrear of land revenue under the provision of the Act and as regards short levy of interest, notice would be issued for re-assessment. But the reply did not spell out as to why the above action could not be taken during last two and a half years and how it would be possible to collect revenue where the dealer had no unrecoverable property and bank account as reported by the Inspector of Taxes in his report dated 6 August 1990 at the time of issue of Certificate of Registration.

Thus, inordinate delay in assessment despite non-submission of return and delay in initiating follow up action after non-compliance of notices issued in 1992 not only resulted in deferment of realisation of revenue but also non-realisation and loss of revenue of Rs. 3.79 lakh.

6.7 Short levy of interest

There was short levy of interest by Rs. 14.35 lakh on unpaid amount of taxes.

Under the provision of Tripura Sales Tax Act, 1976, if a registered dealer does not pay full amount of tax due from him on the basis of return or his books of account within the prescribed date, simple interest at the rate of 25 *per cent* per annum from the first day of the month next following the said date shall be payable by him on the amount by which the tax so paid falls short of the amount of tax payable as per his return or books of account. Further, Tripura Sales Tax Tribunal held (May 1992) that interest on unpaid amount of tax had to be calculated according to the provision of the Act and Rules and there was no scope to waive the interest even on the ground of delay in making assessment/reassessment. In an analogous case of non-payment / part payment of Central Excise duty, the Hon'ble Supreme Court had laid down in the case of Oswal Agro {ECR 5 (SC) 1996} that in such cases interest should be charged from the assessee in respect of the entire period during which the Government dues remain with the assessee.

A test check of the records of 4 Superintendents of Taxes revealed (between November 1997 and April 1999) that in 9 cases involving 7 dealers did not pay balance tax of Rs. 10.68 lakh due for the period from 1988-89 to 1995-96. However, while finalising (between July 1995 and July 1998) the assessment, the assessing authorities levied interest of Rs. 3.70 lakh instead of Rs. 18.05 lakh leviable on the unpaid tax. This resulted in short levy of interest of Rs.14.35 lakh* (Rs 18.05 lakh - Rs 3.70 lakh = Rs 14.35 lakh).

* 1. Superintendent of Taxes, Charge – I; Rs. 1.18 lakh
2. Superintendent of Taxes, Charge – V; Rs. 11.05 lakh
3. Superintendent of Taxes, Dharmanagar; Rs. 0.43 lakh
4. Superintendent of Taxes, Udaipur ; Rs. 1.69 lakh

The mater was reported to the Government in June 2001; reply had not been received (November 2001).

FOREST DEPARTMENT

6.8 Non/short realisation of revenue

Consequent upon revision of sale price of forest produces Rs. 2.14 lakh remained unrealised from various Government departments, besides loss of revenue amounting to Rs. 1.26 lakh against sale of timber to private parties

Pursuant to the order dated 15 January 1998 of the Hon'ble Supreme Court[■], Government of Tripura upwardly revised the existing royalty/sale price of the timber/forest produces vide Notification dated 22 September 1999. The revised rates of royalty came into force from 15 January 1998. Earlier, pending upward revision of sale price of timber, Principal Chief Conservator of Forests (PCCF) had directed (30 May 1998) all Divisional Forest Officers to issue permits on receipt of an undertakings from the Government Departments/Organistions/Local bodies that enhancement in existing rates of royalty of timber would be payable by them after issue of Government notification in that regard.

(a) A test check of records on the accounts of Sadar Forest Division revealed (December 1999) that 93.349 cum of timber of different species were sold to four Government Departments and local bodies during the period from August 1998 to February 1999 at Rs. 3.32 lakh without obtaining undertakings in terms of PCCF's order of May 1998. Consequent on the above upward revision, the value of the said quantity of timber worked out to Rs. 5.46 lakh inclusive of taxes. Thus, there was short realisation of Rs 2.14 lakh[*] (Rs. 5.46 lakh – Rs. 3.32 lakh). Recovery of the balance amount due to upward revision of price was still awaited (July 2001).

(b) Further, 212.568 cum of timber of ordinary species were disposed of to the contractors during the period from June 1998 to October 1999 on realisation of Rs. 4.13 lakh including taxes. But, while executing the agreements, no clause as directed by the PCCF was inserted for payment of the balance amount of royalty consequent on upward revision of timber notified by the Government. At revised scale, the cost of 212.568 cum of timber worked out to Rs. 5.39 lakh together with taxes. This non-realisation resulted in loss of revenue of Rs. 1.26 lakh (Rs. 5.39 lakh – Rs. 4.13 lakh).

The Government to whom the matter was referred (May 2001) stated (July 2001) that supplementary bills have been raised for the balance amount of Rs. 2.14 lakh against Government departments and local bodies, realisation of which was awaited. As regards short realisation of Rs. 1.25 lakh, the Government, while attempting to justify the action, stated that revised rates

■ Writ petition (c) No. 202 of 1995-T.N.Godevarman Thirumulpal vs Union of India and others read with the writ petition (c) No. 171 of 1996.

* Director of Education, West Zone: Rs. 1.98 lakh; B.S.F, Agartala: Rs. 0.05 lakh; T.F.D.C, Agartala: Rs. 0.05 lakh; Netaji Shilpa Samiti, Bishalgarh: Rs. 0.06 lakh.

effective from 15 January 1998 was not intended to cover the standing trees sold prior to issue of notification of September 1999 but was to cover the timber already seized and inventorised. It was also contended that the royalty realised from the contractors was not less than that of the revised rates if the cost of felling, conversion and transportation, which were to be added to the sale price, were taken into account. The contention is, however, not tenable since in the sale price fixed by the Government as per notification issued from time to time nowhere it was mentioned that fixation of sale price would be made after adjusting the expenditure incurred on felling, conversion etc. Further, under notification dated 22 September 1999, rates were revised with retrospective effect from 15 January 1998 in respect of all timbers/forest produce without any mention of seized timber.

TRANSPORT DEPARTMENT

6.9 Non-realisation of penalty for belated payment of composite fees

Penalty of Rs. 1.15 lakh realisable from the owners of public carriers of other States for belated payment of composite fees payable under National Permit Scheme was not realised.

Under the National Permit Scheme, the owner of a public carrier registered in another State but plying in the State of Tripura is required to pay in advance a composite fee of Rs. 3000 (in one lump by 15 March for the whole year or in two instalments by 15 March and 15 September each year) to the State Transport Authority of the respective States issuing the permit. If the owner does not pay the composite fee within the prescribed date/dates, he shall be liable to pay, to the authority issuing the permit, in addition to the composite fee a penalty of Rs. 100 per month or part thereof for each of the States. Both the composite fee and penalty, on realisation by that Authority, is to be remitted to the State Transport Authority, Tripura.

Scrutiny in audit (January – February 2001) revealed that an amount of Rs. 1.15 lakh was recoverable from other States by way of penalty for late payment of composite fees in respect of 379 cases (Assam; 370; Andhra Pradesh; 8 and Mizoram: 1) for the years 1998-99 (October 1998-March 1999) to 2000-2001, but neither any demand was raised nor was any collection made from State Transport Authorities of Assam, Andhra Pradesh and Mizoram. On this being pointed out in Audit, the Department stated (October 2001) that the concerned State Transport Authorities were requested to realise the penalty; but no response was received. However, the matter was stated to be under persuasion.

The matter was reported to the Government in June 2001; reply had not been received (November 2001).

6.10 Loss of revenue amounting to Rs. 5.03 lakh

Failure in initiating timely action in revalidating of Bank Drafts or having fresh Bank Drafts in lieu thereof under National Permit Scheme led to loss of revenue of Rs. 5.03 lakh.

Under the National Permit Scheme, the owners of public carriers registered in other States are authorised to ply in the State of Tripura by remitting in advance a composite fee of Rs. 3000 (payable in one lump on 15 March or in two instalments on 15 March and 15 September in each case for each year) by Bank Drafts to the State Transport Authority (STA), Tripura through their STAs. As per financial rules, drafts so received from other STAs on account of the revenue of the Government shall without delay be remitted to the Treasury/Bank.

Test check of records (January – February 2001) revealed that the Office of the Deputy Transport Commissioner, Tripura received 274 Bank Drafts for Rs. 5.03 lakh issued between April 1998 and July 1999 from STAs of other States as composite fee. The date of receipt, letters under which drafts were forwarded, periods to which they relate were not found recorded in the relevant register. However, these drafts could neither be remitted to Bank within the validity period of six months nor could these be got revalidated within one year of their issue. No fresh draft could also be obtained in cancellation of original one despite lapse of a considerable period as of January 2001. Available records did not indicate that any action to deposit the drafts in time or to get them revalidated or to obtain fresh drafts in lieu thereof was initiated by the department. On this being pointed out in audit, the Department stated (October 2001) that according to Bank Authority, revalidation cannot be done after a lapse of one year, and cancellation of original one is to be done by the person who purchased the draft i.e. by the owners of public carriers, which was stated to be an impossible task.

Thus, failure in initiating timely action by the office of the Deputy Transport Commissioner led to a loss of revenue of Rs. 5.03 lakh.

The matter was reported to the Government in June 2001; reply had not been received (November 2001).

CHAPTER VII: FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

General

7.1 Autonomous bodies and authorities are set up to discharge generally non-commercial functions of Public Utility Services. These bodies/authorities by and large receive substantial financial assistance from the Government. The Government also provides substantial financial assistance to other institutions such as those registered under the respective State Co-operative Societies Act, Companies Act, 1956, etc., to implement certain programmes of the State Government. The grants are intended essentially for maintenance of educational institutions, hospitals, charitable institutions, construction and maintenance of schools and hospital buildings, improvement of roads and other communication facilities under municipalities and local bodies.

7.2 During 2000-2001, financial assistance of Rs. 100.52 crore was paid to various autonomous bodies and institutions broadly grouped as under:

Name of institutions	Amount of assistance paid *(Rupees in crore)*
1. Universities and Educational Institutions	24.27
2. Municipal Corporation and Municipalities	10.24
3. Zilla Parishads and Panchayati Raj Institutions	36.31
4. Development Agencies	1.65
5. Hospitals and other Charitable Institutions	Nil
6. Other Institutions	28.05
Total	**100.52**

Delay in furnishing utilisation certificates

7.3 Financial rules of the Government require that where grants are given for specific purposes, certificates of utilisation should be obtained by the departmental officers from the grantees, and after verification, these should be forwarded to the Accountant General (Accounts and Entitlement) within one year from the date of sanction, unless specified otherwise.

7.4 Of the 304 utilisation certificates due as of September 2001 in respect of grants aggregating Rs. 173.89 crore paid during the period 1999-2000 to 2000-2001, only 134 utilisation certificates for Rs. 73.37 crore had been furnished by 30 September 2001 and 170 certificates for an aggregate amount of Rs. 100.52 crore were yet to be received (September 2001). Department-wise break-up of outstanding utilisation certificates for the year 2000-2001 are given below:

Group	Sl. No.	Name of the Department	Number of certificates	Amount involved (Rupees in crore)
Universities and Educational Institutions	1	Education	22	24.27
Municipal Corporation and Municipalities	2	Urban Development	70	10.24
Zilla Parishads and Panchayati Raj Institutions	3	Panchayat Raj	45	36.31
Development Agencies	4	Rural Development	20	1.65
Other Institutions	6	Social Security and Welfare	Nil	Nil
	7	Welfare of Scheduled Castes and other Backward Communities	13	28.05
		Total	**170**	**100.52**

Delay in submission of information/accounts

7.5 In order to identify the Institutions which attract audit under Section 14/15 of the Comptroller and Auditor General of India's (Duties, Powers and Conditions of Service) Act, 1971, Government/Heads of Departments are required to furnish to Audit every year detailed information about the financial assistance given to various institutions, the purpose for which assistance was sanctioned and the total expenditure of the institutions. Information for the year 1999-2000 was called for from the Finance Department in November 2000. Only 11 Departments / Directorates have furnished their reply upto 1999-2000 and reply is awaited from 33 Departments / Directorates as of October 2001. 15 Departments / Directorates who had not furnished information for a number of years are indicated against each in the following table:

Sl. No.	Name of the Department/Directorate	The period for which information had not been furnished
(1)	(2)	(3)
1.	Agriculture	1995-96 to 1999-2000
2.	Animal Resource Development	1995-96 to 1999-2000
3.	Co-operation	1987-88 to 1999-2000
4.	Higher Education	1987-88 to 1999-2000
5.	Social Welfare and Social Education	1992-93 to 1999-2000
6.	Health and Family Welfare	1997-98 to 1999-2000
7.	Home (Police)	1994-95 to 1999-2000
8.	Horticulture, Soil and Water Conservation	1987-88 to 1999-2000
9.	Information, Cultural Affairs and Tourism	1994-95 to 1999-2000
10.	Panchayat	1994-95 to 1999-2000
11.	Revenue	1993-94 to 1999-2000
12.	Rural Development	1992-93 to 1999-2000
13.	Statistics	1992-93 to 1999-2000
14.	Transport	1994-95 to 1999-2000
15.	Welfare of SCs, OBCs and Minorities	1992-93 to 1995-96 and 1998-99 to 1999-2000

7.6 The status of submission of accounts by bodies/authorities and submission of Audit Reports thereon to the State Legislature as of November 2001 is given below:

Sl. No.	Name of bodies	Year upto which			Reasons for non-finalisation of Audit Report	Year upto which Audit Report placed before legislature
		Accounts due	Accounts submitted	Audit Report issued		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Tripura Khadi and Village Industries Board	2000-2001	1997-98	1987-88	SAR on accounts for 3 years 1988-89 to 1990-91 are under final stage of completion and expected to be issued very shortly (November 2001).	No information on placement of the SARs issued to the Government/ Board had been received (November 2001)
2.	Tripura Board of Secondary Education	2000-2001	1997-98	1990-91	SAR on accounts for 2 years 1991-92 and 1992-93 are under final stage of completion and expected to be issued very shortly (November 2001).	1990-91

7.7 Due to non-submission of accounts in proper format by the 13 Urban Local Bodies (1 Municipal Council and 12 Nagar Panchayats), audit of accounts of which were entrusted to the CAG of India on permanent basis under Section 20(1) of the CAG's (Duties, Powers and Conditions of Service) Act, 1971, audit could not be taken up since inception of the respective bodies/authorities. Only transaction audit is being conducted. Accounts of Tripura University are audited under Section 20(1) of the Act *ibid*. Audit of accounts for the period from 1992-93 to 1995-96, submitted so far by the University, has been taken up (November 2001).

7.8 The audit of accounts of the following bodies have been entrusted to the CAG of India for the period mentioned below:

Sl. No.	Name of bodies/ authorities	Period of entrustment
1.	Tripura Khadi and Village Industries Board	1999-2000 to 2003-2004
2.	Tripura Board of Secondary Education	1996-97 to 2000-2001
3.	Agartala Municipal Council	1996-97 onwards on permanent basis
4.	Nagar Panchayats (12 Nos.)	1996-97 onwards on permanent basis
5.	Tripura University	1997-98 to 2001-2002

Auditing arrangement

7.9 Of the 8 bodies/authorities, whose accounts were received so far (November 2001), 7 attracted audit under Section 14 of the CAG's (DPC) Act, 1971; of these, 3 bodies/authorities were audited.

Sl. No.	Name of bodies/ authorities	Annual accounts	
		Received	Audited
1.	District Rural Development Agency (South)	1998-99 to 1999-2000	1998-99 to 1999-2000
2.	District Rural Development Agency (Dhalai)	1995-96 to 2000-2001	1995-96 to 2000-2001
3.	Tripura Sports Council	1996-97 to 1998-99	1996-97 to 1998-99

7.10 The accounts of the Tripura Tribal Areas Autonomous District Council (TTAADC) are audited under the provision of Article 244 (2) read with Sixth Schedule to the Constitution. The status of submission of annual accounts by the authority to Audit and laying of Audit Reports before the Council as of November 2001 are given below:

Name of bodies	Tripura Tribal Areas Autonomous District Council	
Years upto which	Accounts due	2000-2001
	Accounts submitted	1993-94 (in old format)
	Accounts Audited	1993-94
	Audit Report issued	1990-91
Reasons for non-finalisation of Audit Report	(1) The State Government was required to seek clearance from the GOI for acceptance of accounts for 1992-93 and 1993-94 by audit in the old format as a special case. The matter has not yet been settled (November 2001). (2) Audit is held up for want of accounts in prescribed format, for which the matter is being vigorously pursued with the State Government (November 2001).	
Year upto which Audit Report placed before Council	So far 2 Audit Reports relating to the periods from 1985-86 to 1986-87 and 1987-88 to 1990-91 were sent to the Government in January 1996 and July 1997 respectively for laying before the Council. But, as of November 2001, no information on their presentation had been received from the Council authority or the Government.	

CHAPTER VIII : GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

8.1 Overview of Government Companies and Statutory Corporation

Introduction

8.1.1 As on 31 March 2001, there were nine Government companies (eight working companies and one non-working company) and one statutory corporation (working) as against similar number of working and non working companies and statutory corporation as on 31 March 2000 under the control of the State Government. The accounts of the Government companies (as defined under Section 617 of Companies Act,1956) are audited by Statutory Auditors who are appointed by the Comptroller and Auditor General of India (CAG) as per provision of Section 619(2) of Companies Act, 1956. These accounts are also subject to supplementary audit conducted by the CAG as per provisions of Section 619 of the Companies Act, 1956. The audit of Tripura Road Transport Corporation (TRTC), the only statutory corporation is conducted by the CAG, as sole auditor, under section 33(2) of the Road Transport Corporations Act, 1950.

Working public sector undertakings (PSUs)

Investment in working PSUs

8.1.2. As on 31 March 2001, the total investment in nine working public sector undertakings (eight Government companies and one statutory corporation) was Rs.197.84 crore (equity: Rs. 182.53 crore; long term loans: Rs. 15.31 crore) as against nine working PSUs (eight Government companies and one statutory corporation) with a total investment of Rs. 181.95* crore (equity : Rs. 162.09 crore; long term loans : Rs.19.86 crore) as on 31 March 2000. The analysis of investment in working PSUs is given in the following paragraphs.

Working Government Companies

8.1.3 Total investment in eight working companies as on 31 March 2001 was Rs. 124.70 crore (equity: Rs.109.39 crore; long term loans: 15.31 crore) as against total investment of Rs. 119.17 crore (equity: Rs. 100.01 crore ; long term loans : Rs. 19.16 crore) as on 31 March 2000 in eight working Government companies.

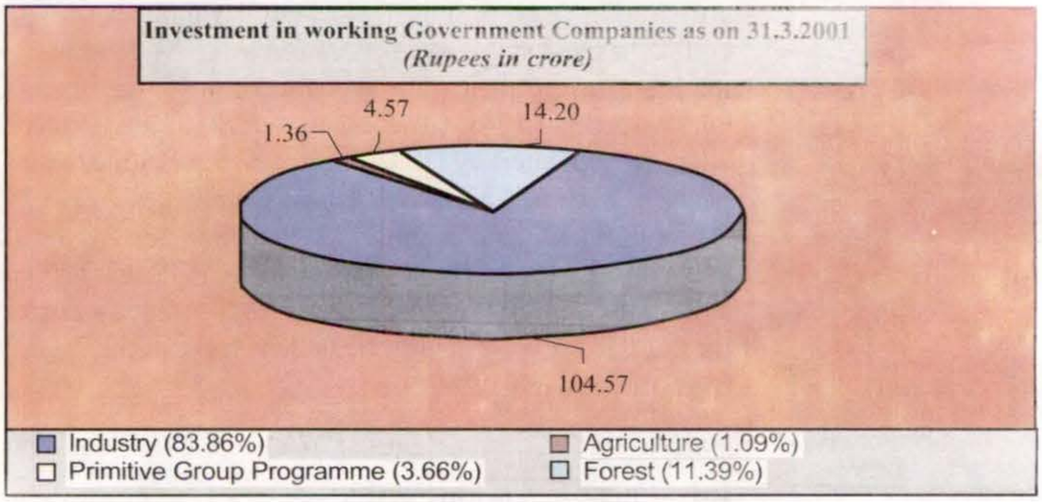
8.1.4 The summarised statement of Government investment in working Government companies in the form of equity and loans is detailed in **Appendix - XXVIII**.

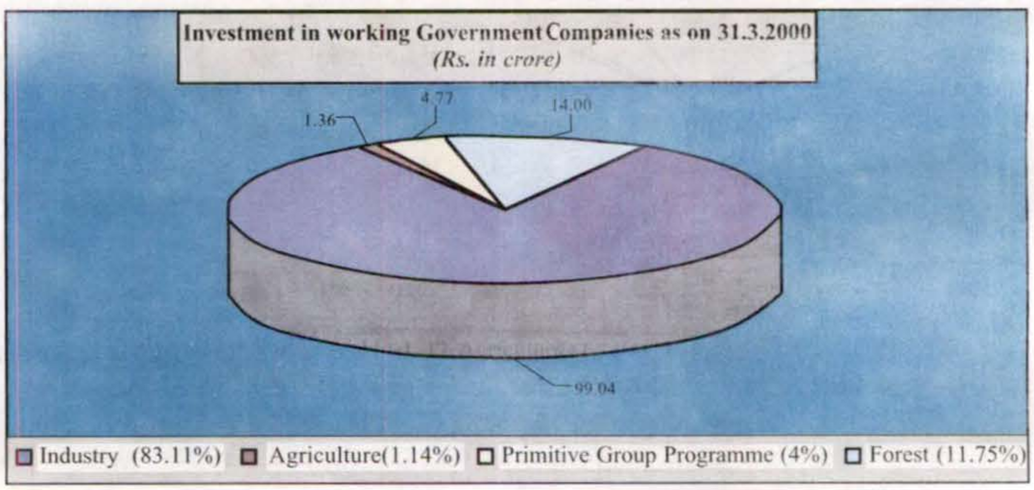
* This figure excludes Rs. 4 lakh in respect of one non-working Public Sector Undertaking.

Sector-wise investment in working Government Companies

8.1.5 As on 31 March 2001, total investment of working Government companies, comprised 88 *per cent* of equity capital and 12 *per cent* of loans as compared to 84 *per cent* and 16 *per cent* respectively as on 31 March 2000.

8.1.6 The investment (equity and long term loans) in various sectors and percentage thereof at the end of 31 March 2001 and 31 March 2000 are indicated below in the pie charts.





- Sector-wise investment consists of paid up capital and long-term loans.
- Figures in brackets indicate the percentage of investment.
- Primitive Group Programme consists of schemes for welfare and development of primitive tribes.

8.1.7 Due to increase in paid up capital of Forest and Industry sectors as well as decrease in loan, the debt-equity ratio of working Government companies as a whole decreased from 0.19:1 in 1999-2000 to 0.14:1 in 2000-2001.

Working Statutory Corporation

8.1.8 The total investment in Tripura Road Transport Corporation at the end of March 2001 and March 2000 was Rs. 73.14 crore (equity: Rs. 73.14 crore) and Rs. 62.77 crore (equity: Rs. 62.08 crore and loan: Rs. 0.69 crore) respectively.

8.1.9 The summarised statement of Government investment in TRTC in the form of equity and loans is detailed in **Appendix - XXVIII**.

Budgetary outgo, grants/subsidies, guarantees and waiver of dues and conversion of loans into equity

8.1.10 The details of budgetary outgo, grants/subsidies, guarantees issued, waiver of dues and conversion of loans into equity by State Government to working Government companies and statutory corporation are given in **Appendix XXVIII and XXX.**

8.1.11 The budgetary outgo (in the form of equity capital and loans) and subsidies from the State Government to eight working Government companies and one working statutory corporation for the three years upto 2000-2001 are given below:

(Rupees in crore)

	1998-99				1999-2000				2000-2001			
	Companies		Corporation		Companies		Corporation		Companies		Corporation	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Equity Capital outgo from budget	3	5.29	1	6.20	6	9.10	1	7.41	6	9.38	1	11.06
Loans given from budget	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grants	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Subsidy	1	0.12	Nil	Nil			Nil	Nil	Nil	Nil	Nil	Nil
Total Outgo	3°	5.41	1	6.20	6°	9.10	1	7.41	6°	9.38	1	11.06

8.1.12 During the year 2000-2001, no guarantee was given. At the end of the year, guarantees amounting to Rs. 5.60 crore against one Government company was outstanding. The Government had forgone Rs. 17.24 crore by way of interest waived in one company during the year 2000-2001.

Finalisation of accounts by PSUs

8.1.13 The accounts of the companies for every financial year are required to be finalised within six months from the end of relevant financial year under Sections 166, 210, 230, 619 and 619B of the Companies Act,1956 read with Section 19 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. They are also to be laid before the Legislature within nine months from the end of financial year. Similarly, in the case of statutory corporations, their accounts are finalised, audited and presented to the Legislature as per the provision of Act, governing the corporation.

° These are the actual number of companies which received budgetary support in the form of equity/loan and subsidy from the State Government during the respective years.

8.1.14 However, as could be noticed from **Appendix - XXIX**, none of the eight working Government companies and one statutory corporation could finalise their accounts for the year 2000-2001, within stipulated period. During the period from October 2000 to September 2001, six working Government companies finalised their accounts relating to the previous years.

8.1.15 The accounts of all working Government companies and statutory corporation were in arrears for period ranging between 3 years to 14 years as on 30 September 2001 as detailed below :

Sl.No.	Year from which accounts are in arrears	Number of years for which accounts are in arrears	Number of working companies/corporation		Reference to Sl. No. of Appendix - XXIX	
			Government companies	Statutory corporation	Government companies	Statutory corporation
1.	1987-88	14	2	-	3 (i) & (iii)	-
2.	1989-90	12	2	-	3 (iv) & (v)	-
3.	1992-93	9	1	-	2 (i)	-
4.	1993-94	8	1		3 (ii)	
5.	1996-97	5	1	-	1(i)	-
6.	1997-98	4	1	-	4(i)	-
7.	1998-99	3	-	1	-	5(i)

8.1.16 The administrative departments have to oversee and ensure that the accounts are finalised and adopted by the PSUs within prescribed period. The concerned administrative departments and officials of the Government were apprised quarterly by the audit regarding arrears in finalisation of accounts. The Commissioner, Finance convened meetings of Managing Directors of the Companies in November 2000 and April 2001 and stressed on the need for clearing the arrears in finalisaton and adoption of accounts. Due to arrears in accounts, the investment made in these PSUs could not be assessed in audit.

Financial position and working results of working PSUs

8.1.17 The summarised financial results of working PSUs (Government companies and the statutory corporation) as per latest financial accounts are given in **Appendix - XXIX**. Besides, financial position and working results of the statutory corporation for the last three years, are given in **Appendix – XXXI and XXXII** respectively.

8.1.18 According to the latest finalised accounts of eight working Government companies and one working statutory corporation, five companies and the corporation had incurred aggregate loss of Rs 3.14 crore and Rs. 8.42 crore respectively. The remaining three companies earned an aggregate profit of Rs. 0.56 crore.

Working Government companies

Profit-earning working Companies and dividend

8.1.19 Accounts of all the working Government companies are in heavy arrears and hence accounts for the year 2000-2001 are also not finalised. Hence, profit or loss in respect of these companies could not be brought out for the year 2000-2001. Out of eight working Government companies, which finalised their accounts for previous years by September 2001, three companies earned an aggregate profit of Rs. 0.56 crore and only two companies earned profit for two successive years. However, none of the three companies which earned profit declared dividends so far.

Loss-incurring working Government companies

8.1.20 Of the five loss incurring working Government companies, one company (Tripura Jute Mills Limited) had accumulated loss aggregating Rs. 17.99 crore which exceeded its paid up capital of Rs. 9.27 crore.

8.1.21 Despite poor performance and complete erosion of paid up capital, the State Government continued to provide financial support to this company in the form of contribution towards equity, subsidy etc. According to available information, the total financial support so provided by the State Government by way of equity during 2000-2001 to this company amounted to Rs. 5.38 crore.

Working Statutory Corporation

Loss making Statutory Corporation

8.1.22 The only statutory corporation (TRTC) had accumulated loss aggregating Rs.70.16 crore till 1997-98 (upto which the accounts were finalised) which exceeded its paid up capital of Rs.48.46 crore.

8.1.23 Despite poor performance and complete erosion of paid up capital, the State Government continued to provide financial support to this statutory corporation in the form of contribution towards equity. According to available information the total financial support so provided by the State Government by way of equity during 2000-2001 to this corporation amounted to Rs.11.06 crore.

Operational performance of Working Statutory Corporation

8.1.24 The operational performance of the working statutory corporation (TRTC) is given in **Appendix - XXXIII**. Following are the important observations on operational performance of the corporation:

8.1.25 Percentage utilisation of buses increased from 41 (1998-99) to 47 (1999-2000), and 49 (2000-2001). In case of trucks, it increased from 43 (1998-99) to 46 (1999-2000) and then decreased to 45 (2000-2001).

8.1.26 The loss per km increased from 3748 paise per km to 3825 paise per km in respect of buses from 1998-99 to 1999-2000, but loss per km in respect of trucks decreased from 10886 paise per km in 1998-99 to 9213 paise per km in 1999-2000.

Return on capital employed

8.1.27 As per the latest finalised accounts (upto September 2001), the capital employed worked out to Rs. 42.13 crore in eight working companies and total return thereon amounted to negative Rs. 0.50 crore **(Appendix - XXIX)** as compared to total return of negative Rs.1.13 crore in the previous year. Similarly, the capital employed and total return thereon in case of working statutory corporation (TRTC) as per the latest finalised accounts (upto

September 2001) worked out to negative Rs.19.03 crore and negative Rs.5.56 crore respectively. The details of capital employed and total return on capital employed* in case of working Government companies and statutory corporation are given in **Appendix - XXIX.**

Non-working PSUs

Investment in non-working PSUs

8.1.28 One company (Tripura State Bank Ltd.) was non-working for about 31 years and in the process of liquidation under Section 560 of the Companies Act, 1956 and as on 31 March 2001, the total investment in the form of equity was Rs.0.04 crore as indicated in **Appendix - XXVIII.** Effective steps need to be taken for its expeditious liquidation.

Status of placement of Separate Audit Reports of statutory corporation in Legislature

8.1.29 The following table indicates the status of placement of Separate Audit Reports (SARs) on the accounts of statutory corporation issued by the Comptroller and Auditor General of India in the Legislature by the Government.

Sl.No	Name of the statutory corporation	Year upto which SARs placed in the Legislature	Years for which SARs not placed in the Legislature		
			Year of SAR	Date of issue to the Government	Reasons for delay in placement in the Legislature
1.	Tripura Road Transport Corporation.	1989-90	1990-91 to 1992-93	03.03.2000	No reasons for delay have been furnished by the Government.
			1993-94 to 1997-98	13.06.2000	

Due to delay in presentation of SARs by the Government in the Legislature, the activities of the corporation for the period from 1990-91 to 1997-98 were left outside the scope of legislative scrutiny.

Disinvestment, privatisation and restructuring of PSUs

8.1.30 There is no proposal for disinvestment, privatisation and restructuring including cases of merger and closure relating to the Government companies and the statutory corporation by the State Government.

Results of audit by the Comptroller and Auditor General of India

8.1.31 During the period from October 2000 to September 2001, the audit of accounts of three working Government companies (Tripura Jute Mills Ltd, Tripura Forest Development and Plantation Corporation and Tripura Industrial Development Corporation) were selected for review. The net impact and the important audit observations as a result of review of these three PSUs are as follows:

Details	Number of Accounts				*Rupees in lakh*			
	Government Companies		Statutory Corporation		Government Companies		Statutory Corporation	
	Working	Non-working	Working	Non-working	Working	Non-working	Working	Non-working
i) Decrease in profit	1	-	-	-	211.45	-	-	-
ii) Increase in losses	2	-	-	-	187.28	-	-	-

* These terms have been explained in the footnote of Appendix - XXIX.

8.1.32 Some of the major errors and omissions noticed in course of review of annual accounts of the above companies are mentioned below :

Errors and omissions noticed in case of Government Companies

8.1.33 The following errors and omissions were noticed in test check of accounts of Government Companies.

(a) **Tripura Jute Mills Ltd. (1988-89)**

(i) Non-provision of liquidated damage @ 2 per cent per annum on loans resulted in understatement of net loss by Rs. 41.75 lakh.

(ii) Non-charging of Rs. 26.47 lakh on account of salary/wages payable to the employees resulted in understatement of loss to the same extent.

(iii) Non-provision of bad and doubtful advances resulted in understatement of loss by Rs. 14.36 lakh.

(iv) Non-provision of gratuity on accrual basis resulted in understatement of loss by Rs. 35.02 lakh.

(b) **Tripura Forest Development and Plantation Corporation Ltd. (1991-92)**

(i) Non-provision of Rs. 69.33 lakh on account of interest accrued and due on bank loan resulted in understatement of loss by Rs. 69.33 lakh.

(c) **Tripura Industrial Development Corporation Ltd. (1992-93)**

(i) Non-provision of doubtful debts and advances resulted in overstatement of profit by Rs. 201.36 lakh.

(ii) Non-provision of interest accrued but not due on loan resulted in overstatement of profit by Rs. 9.79 lakh.

Recommendations

8.1.34 Even after completion of 9 years of their existence, the turnover of eight working Government companies and one working statutory corporation have been less than Rs. 5 crore in each of the preceding five years of latest finalised accounts. Similarly one working Government company (Tripura Jute Mills Ltd.) and one working statutory corporation (TRTC) had been incurring losses for five consecutive years (as per latest financial accounts) leading to negative net worth. In view of poor turnover and continuous losses, the Government may attempt to improve the performance of these two PSUs.

Response to Inspection Reports, Draft paras and Reviews

8.1.35 Audit observations noticed during audit and not settled on the spot are communicated to the head of PSUs and concerned departments of State Government through Inspection Reports. The heads of PSUs are required to furnish replies to the Inspection Reports through respective heads of departments within a period of one month. Inspection Reports issued upto March 2001 pertaining to nine PSUs disclosed that 315 paragraphs relating to 58 Inspection Reports remained outstanding at the end of September 2001. Of these, 53 Inspection Reports containing 288 paragraphs had not been replied to for more than one year. Department-wise break-up of Inspection Reports and these, 53 Inspection Reports containing 288 paragraphs had not been replied to for more than one year. Department-wise break-up of Inspection Reports and paragraphs outstanding as on 30 September 2001 is given in **Appendix - XXXIV.**

8.1.36 Similarly draft paragraphs and reviews are forwarded to the Principal Secretary/Secretary of the administrative department concerned demi-officially seeking confirmation of facts and figures and their comments thereon within a period of six weeks. It was, however, observed that 3 draft paragraphs and one draft review were forwarded to the various departments during July 2000 to June 2001 but reply was received after the prescribed time schedule.

8.1.37 It is recommended that **(a)** The Government should ensure that procedure exists for action against the officials who failed to send replies to Inspection Reports/Draft Paragraphs/Reviews as per the prescribed time schedule, **(b)** action to recover loss/outstanding advances/overpayment in a time bound schedule and **(c)** revamping the system of responding to the audit observations.

Position of discussion of Audit Reports by the Committee on Public Undertakings (COPU)

8.1.38 The table given below indicates the position of reviews/paragraphs which appeared in the Chapter-VIII of the Audit Reports (Civil), titled 'Government commercial and trading activities' pending for discussion as on 30 September 2001.

Period of Audit Report	Total number of reviews/paragraphs which appeared in Chapter-VIII		Number of reviews and paragraphs pending discussion	
	Review	Paragraph	Review	Paragraph
1989-90	3	6	1	Nil
1992-93	2	2	2	2
1993-94	-	6	-	2
1995-96	1	5	1	1
1996-97	1	7	1	7
1997-98	1	5	Nil	2
1998-99	1	4	1	4
1999-2000	2	1	2	1

619-B Companies

8.1.39 There was one company coming under Section 619-B of the Companes Act, 1956. **Appendix - XXXV** indicates the details of paid up capital, investment by way of equity and summarised working results of the company based on the latest accounts.

SECTION - A

FOREST DEPARTMENT

8.2 Working of Tripura Forest Development and Plantation Corporation Limited

Highlights

The Company failed to achieve its rubber plantation target of 15,000 hectares for about 20 years ending 1996-97 reportedly for non-availability of forest land for use as the GOI did not accord approval for the use. The shortfall was 50 *per cent.* Restocking was also as low as 30 *per cent* during the last 16 years.

(Paragraphs 8.2.13 and 8.2.14)

Due to lower stand per hectare and lack of effective control on tapping operation, the company suffered a loss of revenue to the tune of Rs.119.77 crore.

(Paragraphs 8.2.16 and 8.2.20)

The company, being the largest single owner of rubber plantations in the State holding 91 *per cent* of total yielding area, accounted for only 40 *per cent* of the total yield of the State and suffered a potential loss of revenue amounting to Rs. 130.59 crore due to shortfall in achievement of yield with reference to the State average.

(Paragraphs 8.2.18 and 8.2.19)

Absence of effective control on collection of latex in company's plantations resulted in excess yield of scrap over the norm and loss of revenue of Rs. 0.92 crore.

(Paragraph 8.2.22)

Lower efficiency in centrifuging the latex to cenex and excess process loss in production of cenex and Estate Brown Crepe (EBC) over the norm led to loss of potential revenue to the tune of Rs. 1.84 crore.

(Paragraphs 8.2.31 to 8.2.35)

The company incurred an excess expenditure of Rs. 0.79 crore as well as cost over-run of Rs. 2.43 crore and time over-run of more than 7 years due to delay in implementation of scheme for cultivation of Dioscorea Floribunda and processing of Diosgenin. It also faced a loss of revenue to the tune of Rs. 1.04 crore owing to under-utilisation of the production capacity and absorption of excess overhead cost.

(Paragraphs 8.2.39 and 8.2.42)

Due to inadequate supply of wood, installation of insufficient number of steam kiln and under-utilisation of vacuum pressure vessel etc, the company suffered a loss of revenue of Rs. 0.30 crore in Timber Treatment Plant.

(Paragraph 8.2.48)

Absence of appropriate marketing strategy led to accumulation of stock of rubber above the optimum level (700 tonnes) and resulted in blocking up of working capital to a great extent.

(Paragraph 8.2.52)

Introduction

8.2.1 Tripura Forest Development and Plantation Corporation Limited (TFDPC Ltd.) was incorporated in March 1976 as a Government Company to acquire rubber and other plantations in the State and to develop and carry on the business of rubber, citronella and bamboo produces. The company had started with the commercial plantations of rubber as its main activity.

Objectives

8.2.2 At present, the company is confined to the following objectives :

(i) Raising of the commercial plantations of rubber along with production of raw rubber produces, (ii) Value addition to raw rubber by way of producing centrifuged latex, crepe rubber etc., (iii) Cultivation of Dioscorea and commercial production of Diosgenin, (iv) Value addition to rubber-wood by way of treatment in Timber Treatment Plant and (v) Resettlement of Scheduled Tribe and Scheduled Caste families on rubber plantation based projects for their economic upliftment.

Organisational set up

8.2.3 The company is being managed by the Board of Directors nominated by the State Government. The present Board consists of 15 Directors with the Minister of Forests, Government of Tripura, as the Chairman of the Board.

8.2.4 The Chief Executive of the company is the Managing Director in the rank of Conservator of Forests, who is assisted by a Project Manager, Chief Accounts Officer and Labour Welfare Officer, five Divisional Managers in five divisions at Agartala, Kumarghat, Santirbazar, Manubazar, Takmacharra and one General Manager in Dioscorea Project at Ananda Nagar, Agartala. The post of Managing Director has been subjected to five changes (November 1995, December 1996, November 1998, May 2000 and July 2000) in its incumbency during the period under review.

Scope of audit

8.2.5 The review for the period from 1995-96 to 1999-2000 has been conducted mainly at its Head office at Agartala and in two divisions situated at Agartala and Kumarghat. Findings thereof are discussed in succeeding paragraphs. The working of the Company was last reviewed in the Report of the Comptroller and Auditor General of India for the year ended 31 March 1989. The COPU in its 26th Report presented to the Legislature on 23.3.96 recommended the followings:

1. The State Government should give much importance and take positive steps for transferring the land to the corporation so that the corporation may issue share certificates to the allottees and assess the value of the properties transferred.

2. The State Government and the defaulting corporation jointly should take an action plan to complete the arrear accounts.

3. The Management should take a lesson from the previous years and draw some fruitful plans and programmes to overcome the recurring losses.

COPU also called for detailed report on different matters. Action taken by the company/Govt. on the report of COPU was sent on 19.11.96 but is yet to be reviewed by COPU.

Funding

Capital structure

8.2.6 The authorised share capital of the company as on 31 March 2000 was Rs. 10 crore against which the paid up capital as on that date stood at Rs. 8.35 crore, subscribed by the State Government (Rs. 8.05 crore inclusive of Rs. 0.75 crore received during the five years ending 1999-2000) and the Central Government (Rs.0.30 crore).

Sources of funds

8.2.7 The main source of funds of the company was share capital received from the State Government. The company also received funds in the form of grants-in-aid and on account of agency work from various agencies like North Eastern Council and the various State Government Departments of Tribal Welfare, Scheduled Caste Welfare and Forest.

8.2.8 The company also mobilised resources by way of loan secured under NABARD from the banks in two phases before 1988-89. The company repaid the loan amount of Rs. 50 lakh under 1st phase in the year 1995 with an interest burden of Rs. 1.25 crore and failed to repay 2nd phase loan of Rs.2.64 crore which was drawn during 1984-85 to 1988-89 with the repaying period between 1989-90 to 1993-94. Compound interest was charged by the banks on the outstanding loans. Interest of Rs. 2.34 crore against the loan had been paid while principal of Rs. 2.64 crore remained outstanding till 31st March 2000. This indicated that the company was increasingly coming under debt burden.

8.2.9 The Management stated (August 2001) that negotiation with the banks for settlement of outstanding loan liability is under way.

Annual accounts

8.2.10 As on 31 March 2000, finalisation of the accounts from the years 1992-93 onwards were in arrears. As per the provisional accounts for the years 1995-96 to 1998-99, the company sustained a loss of Rs.22.96 lakh, Rs.28.04 lakh, Rs. 83.71 lakh and Rs. 130.47 lakh respectively and as a result the cumulative loss as on 31 March 1999 increased to Rs.7.59 crore. The financial position and working results of the company for the years 1995-96 to 1998-99 as per provisional accounts are given in **Appendices - XXXVI and XXXVII**.

Rubber Plantation

Status of land

8.2.11 5681.26 hectares of forest land including 481.26 hectares of plantation area (rubber: 418.66 hectares, bamboo: 55.40 hectares and citronella: 7.20 hectares) was transferred in February 1981 by the Forest Department to the company under the 1st phase of Project to be implemented during 1976-77 to 1986-87.

8.2.12 Raising of rubber plantation in forest land is not permissible under Section 2 of Forest (Conservation) Act, 1980, without the prior approval of the Government of India. Following the provision of this Act, the company on a joint survey (between 1987-1991) with the Forest Department further identified 9,019.52 hectares of forest land and submitted (November 1991) a proposal for obtaining approval from Government of India for raising rubber plantation for its 2nd project. The Government of India has not yet accorded approval. The company, however, raised additional plantation on 2,340.72♦ hectares of Government land over the years ending March 2000 for rubber plantation though no approval of the Government of India was obtained.

Project plantation

8.2.13 As against the company's plantation target of 15,000 hectares in two projects for a period of 20 years from 1976-77 to 1985-86 (5,000 ha) and 1986-87 to 1996-97 (10,000 ha), the company raised plantation over 7,540.72 hectares during 1976-77 to 1999-2000 out of which only 78.4 hectares of plantation was raised during 1995-96 to 1999-2000. This resulted in unfavourable age composition of trees☼. The shortfall of around 50 *per cent* in the company's target was due to non-availability of land as the GOI did not accord approval for raising rubber plantation on the Forest Land.

Restocking/Replantation

8.2.14 Of the total plantation area of 4,805.55 hectares raised during the years 1976 to 1985, 2,105 hectares of plantation got damaged during 1984-85 to 1999-2000 due to fire, cattle-grazing, extremist and ethnic problems. The company has neither made any cost benefit analysis nor taken any appropriate step for insuring the plantation against fire hazards so far (April 2001). Moreover, the company did not formulate any long term plan for restocking/replanting, in the vacant areas of damaged plantation in a phased manner. As a consequence, only 30 *per cent* of the total damaged area could be restocked (637.50 ha) between 1984 and 2000 in five divisions leaving 1,467.50 hectares vacant and unproductive which resulted in loss of recurring revenue as discussed in succeeding paragraphs.

8.2.15 The Management stated that damaged area could not be restocked completely due to extremist activities prevailing in some interior areas.

♦ Calculation: 2340.72 ha = 7540.72 ha (Total plantation upto 1999-2000) - 5200 ha (raised upto 1986-87). 5200 ha = 5681.26 ha - 481.26 ha (transferred by Forest Department).

☼ The age-wise analysis of plants and its adverse consequences are discussed in para 8 2.23 to 8.2.26.

Productivity of plantation

Yield per hectare

8.2.16 The stand per hectare of tapping trees in the plantation of the company during the five years upto 1999-2000 ranged between 108 to 132 trees against the norm of a minimum 310 trees per hectare in mature plantation as recommended by the Rubber Board. Though the company had fixed a norm of minimum 300 trees per hectare, the achievement was far behind mainly due to ineffective restocking activities and lack of proper maintenance of new plantation leading to low stand in the plantation area, indicating the under-utilisation of land and absence of long range corporate planning in plantation programme so as to optimise the yield in its rubber production. The loss of potential revenue due to lower stand per hectare taking into consideration the company's norm during 1995-96 to 1999-2000 amounted to Rs. 59.70 crore as shown below:

Year	Plantation Area	Stand as per company's norm	Actual stand	Short-fall (3-4)	Average stand per ha (4/2)	Average yield per tree*	Loss of production due to shortfall (5X7)x100	Rate per Kg realised	Loss of revenue (8X9) x 1000
	(Hectares)	(Number in lakh)			(Number)	(Kg)	(Tonnes)	(Rs.)	*(Rupees in lakh)*
1	2	3	4	5	6	7	8	9	10
1995-96	6784.71	20.35	7.35	13.00	108	2.21	2873	54.00	1551.42
1996-97	7208.08	21.62	8.02	13.60	111	2.19	2978	46.83	1394.60
1997-98	7743.98	23.23	8.38	14.85	108	2.61	3876	33.35	1292.65
1998-99	7743.98	23.23	9.84	13.39	127	2.16	2892	26.58	768.69
1999-2000	7755.98	23.27	10.25	13.02	132	2.46	3203	30.04	962.18
Total									**5969.54**

8.2.17 The Management stated (August 2001) that trees planted in the plantation area suffered very heavy casualties requiring massive vacancy filling/restocking. But it was observed in audit that the vacancy filling to the desired extent was not implemented resulting in lower stand per hectare.

8.2.18 The table below brings out the comparative analysis of yield in the company's plantation with that of State and National average during the five years upto 1999-2000.

Year	Planta-tion Area (Ha)	Total yield (Tonnes)	Yield per ha(kg)			Total yield as per State average (Tonnes) (5X2)/1000	Shortfall in production (Tonnes) (7-3)	Rate per Kg realised	Loss of revenue (8x9)x1000 *(Rupees in lakh)*
			Company (3/2)x1000	State average	National average				
1	2	3	4	5	6	7	8	9	10
1995-96	6784.71	1626.398	240	1200	1422	8141.652	6515.254	54.00	3518.24
1996-97	7208.08	1757.944	244	1200	1503	8649.696	6891.752	46.83	3227.41
1997-98	7743.98	2184.689	282	1200	1549	9292.776	7108.087	33.35	2370.54
1998-99	7743.98	2122.950	274	1200	1563	9292.776	7169.826	26.58	1905.74
1999-2000	7755.98	2525.649	326	1200	1576	9307.176	6781.527	30.04	2037.17
Total							**34466.446**		**13059.10**

* Calculation : Average yield per tree = Total yield for the year (column 3) of the table at 8.2.18 ÷ number of actual stand (column 4) of the table at 8.2.16.

The shortfall in yield in comparison with State average worked out to 34,466.446 tonnes for the five years upto 1999-2000 and the loss of potential revenue on this account amounted to Rs. 130.59 crore.

8.2.19 Shortfall in yield per hectare could be attributed to very low stand per hectare and deficiency in management over the years in restocking of the plants. It is also noteworthy in this connection that while the company is the largest single owner of rubber plantation in the State and held about 91 *per cent* of the total yielding area during 1999-2000, the actual yield was very low, accounting for only 40 *per cent* of the total yield in the State.

Low yield per tree

8.2.20 Crop is being collected from the rubber plantation in the form of field latex✈ and scrap☞ by the tappers on alternate days. Analysis in audit on yearwise yield from tappable trees indicated that due to failure to engage tappers in time to collect latex from the plantation and lack of plantation programme resulting in scattered stand requiring deployment of more number of tappers, the crop production in the company's plantation during the period of five years upto 1999-2000 ranged between 15.41 gms and 18.62 gms/tree/tapping day as against the norm of 43 gms fixed by the Rubber Board. As a consequence, there was a shortfall in the crop production to the tune of 16,173.546 tonnes during the above period resulting in loss of potential revenue of Rs. 60.07 crore **(Appendix - XXXVIII)**.

Excess yield of scrap

8.2.21 Analysis in audit revealed that in the absence of effective control on collection of latex the yield of scrap (1,959.184 tonnes) in company's plantation during the period under review constituted 20.41 *per cent* of total crop production (9,601.287 tonnes) as against the expected scrap collection of only 1,440.193 tonnes as per norm (15 *per cent* of total crop production) fixed by the Rubber Board.

8.2.22 Since the realisable value of scrap is less as compared to latex products, the loss of revenue due to excess yield of scrap (518.991 tonnes) over the norm during the period under review, amounted to Rs. 91.73♦ lakh (**Appendix - XXXIX**). The Management stated that proper supervision over the tapping works could not be ensured due to ethnic disturbances in and around many rubber plantation centres. It was also opined by them that the level of proficiency of the tappers is not comparable to that of National level as tappers of Tripura were mostly practising Jhumia or shifting cultivation and required a lot of motivation and training. Moreover, 50-65 tapping days had

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✈ Field latex: It is a hydrosol obtained from a rubber tree containing rubber in the form of particles.

☞ Scrap: It is a solidified form of latex obtained from the body of the tree or from the earth surface.

♦ Calculation: Excess yield of scrap over the norm *multiplied by* difference in rate between latex product and scrap during five years upto 1999-2000.

remained unutilised for each block each year during rainy season since no rain guard was provided to the rubber trees.

Age-wise analysis of rubber plantation

8.2.23 According to the yield pattern estimated by the Rubber Board, the yield from rubber trees starts in 7th year of planting and it gradually increases from 900 kg to 1,500 kg per hectare during the first five years of tapping and remains stable till the 20th year. Thereafter, the yield gradually declines and reaches the level of 750 kg per hectare by the 30th year of planting. After completion of normal tapping upto 27th year, the rubber trees are put under intensive/slaughter tapping (i.e. increased tapping frequency, extension of tapping cut, opening of double cuts and use of yield stimulants) upto the age of 32 to 35 years before clear felling and raising of fresh crops.

8.2.24 Audit noticed that nearly 94.66 hectares of rubber plantations are in the age group of 28 to 37 years and 1,734.20 hectares are in the age group of 21 to 27 years but no slaughter tapping activity was started by the company in order to have area for fresh crops. While the company is having 67.92 *per cent* of the total plantation area under the age group of 12 to 20 years i.e. maximum yielding stage, only 1.99 *per cent* of rubber plantation remains in the age group between 1 to 8 years indicating the improper equation of the age group, which would adversely affect the production in coming years.

8.2.25 The above unhealthy equation of the age-wise plantation of the company is attributed to the failure of 2nd phase plantation as well as improper identification of area for vacancy filling, poor performance in covering the area damaged due to various reasons and the Management's indecision regarding planned/phased programme for intensive/slaughter tapping.

8.2.26 The Management stated (August 2001) that age-wise distribution of plantation has been adversely affected due to non-availability of funds, planting material and land in time and problem of accessibility to some areas.

Processing of rubber

Rubber production in rubber processing factory

8.2.27 A Latex Centrifuging Factory and Crepe Mill of the Company at Takmacherra completed at a cost of Rs. 2.71crore for converting field latex into cenex (i.e. concentrated latex with 60 *per cent* dry rubber content) and skim crepe, started commercial production only in February 1994.

8.2.28 Further, a proposal for extension of Latex Centrifuging Factory and Crepe Mill to double the production by installing one more centrifuging machine and five crepes was approved by North Eastern Council(NEC) in September 1998 at an estimated cost of Rs. 120 crore. Out of the funds released by NEC upto 1999-2000 (Rs. 90 lakh), the Company utilised Rs. 81.64 lakh for installation of one Alfa Laval Latex centrifuging machine (Swedish make) in March 2000 and other ongoing works.

Capacity utilisation

8.2.29 The field latex collected from the rubber trees is centrifuged and converted into cenex. During this conversion skim lump[✿] is obtained as a by-product which is converted into skim crepe[†]. The field scrap (viz. tree lace, shell scrap and earth scrap) is used for production of Estate Brown Crepe[†] (EBC). Moreover Pale Latex Crepe[†] (PLC) is also produced by using field latex, whenever necessary.

8.2.30 The table below indicates the capacity utilisation of cenex and EBC in the factory during the five years upto 1999-2000.

(Capacity and Actual in tonnes)

	Cenex			EBC		
Year	Capacity (2 Shifts)	Actual	Percentage of utilisation	Capacity (3 shifts)	Actual	Percentage of utilisation
1	2	3	4	5	6	7
1995-96	550	489.440	88.99	240	85.875	35.78
1996-97	550	373.163	67.85	240	63.550	26.48
1997-98	550	426.215	77.49	240	45.425	18.93
1998-99	550	332.310	60.42	240	42.600	17.75
1999-2000	550	350.530	63.73	240	38.025	15.84

The under-utilisation of capacity for production of cenex (except during 1995-96) was mainly due to inadequate yield from the plantation. Further, the Management stated that, owing to prevailing disturbed situation, the factory could not be run in two shifts regularly. Lack of supervision on the working of the factory also hampered the production. The yield in the company's plantation suffered due to poor stand and lack of effective supervision over the tapping task. The reply is not tenable as in case of EBC, the under-utilisation of capacity was mainly due to disposing of substantial quantity of field scrap collected in different RPCs[➪] instead of utilising it in production of EBC by the Company though the rate of EBC was more than the rate of scrap.

Efficiency in centrifuging

8.2.31 According to the centrifuging efficiency standard fixed by the Rubber Board, 85 *per cent* of the input latex should be in the form of cenex and the balance (15 *per cent*) in the form of skim crepe.

[✿] Skim Lump: A byproduct obtained during centrifuging operation.

[†] Skim crepe, Estate Brown Crepe and Pale Latex Crepe: Different types of rubber produced from skim lump/ field scrap/ field latex.

[➪] RPC: Rubber Processing Centre.

8.2.32 But the factory could not maintain the required level of efficiency during the last five years upto 1999-2000 as detailed below:

Year	Latex input (Tonnes)	Cenex to be produced as per norm (85 *per cent* of 2) (Tonnes)	Cenex output (Tonnes)	Centrifuging efficiency (Percentage)	Shortfall in production (3-4) (Tonnes)	Rate of Cenex (100 *per cent* DRC) per kg. (Rs.)	Rate of skim crepe per kg (Rs.)	Difference in rate (7-8) (Rs.)	Loss of revenue (6x9) x 1000 (*Rupees in lakh*)
1	2	3	4	5	6	7	8	9	10
1995-96	369.559	314.125	296.111	80.13	18.014	77.22	37.52	39.70	7.15
1996-97	310.912	264.275	225.764	72.61	38.511	65.35	40.00	25.35	9.76
1997-98	359.493	305.569	257.860	71.73	47.709	48.12	29.58	18.54	8.85
1998-99	296.616	252.124	201.047	67.78	51.077	45.62	23.43	22.19	11.33
1999-2000	316.285	268.842	212.071	67.05	56.771	37.52	25.68	11.84	6.72
Total									**43.81**

The lower efficiency in centrifuging the latex to cenex resulted in generation of skim lump in excess of the norm. The skim lump required further processing for production of skim crepe which fetches much lower price in comparison to cenex. The Management stated that the efficiency in centrifuging depends on the factors like feed rate, angular velocity of the machine and length of regulating screws. These factors depend on proficiency of the workers and intensive supervision on the production which could not be provided by the company. The Management further stated that proficient workers were not available and intensive supervision could not be made due to insurgency prevailing in the area where the factory was situated. The lower efficiency in centrifuging thus, resulted in loss of potential revenue of Rs.43.81 lakh during the period 1995-96 to 1999-2000. Remedial action had not been taken to improve the efficiency level.

Process loss

Cenex

8.2.33 During the years 1996-97 to1999-2000, the company could not maintain the norm prescribed by the Rubber Board (2.5 *per cent* of the input) regarding process loss during production of cenex. It was observed in audit that the actual process loss (109.234 tonnes) during the above period was 8.51 *per cent* of the input (1,283.306 tonnes) as against the permissible process loss of 2.5 *per cent* (32.082 tonnes) as per the norm fixed. In the absence of effective control on production performance, the company suffered a loss of potential revenue amounting to Rs. 36.28 lakh due to excess process loss (77.152 tonnes) over the norm during the above period (**Appendix- XL**).

Estate Brown Crepe (EBC)

8.2.34 It was observed in audit that only 15.37 *per cent* of the total scrap (1,959.184 tonnes) collected in company's rubber plantations was used for production of EBC though the capacity utilisation of EBC production during the above period ranged between 16 and 36 *per cent* only. The reason for such low capacity utilisation is mainly attributable to the failure of running the factory in 2 shifts regularly and also prevailing disturbed situation in and around the factory.

8.2.35 Since the field scrap fetches lesser realisable value than the EBC, the under-utilisation of capacity as well as non-utilisation of excess field scrap for production of EBC has resulted in loss of revenue amounting to Rs. 1.04 crore. (**Appendix- XLI**).

Production of Ribbed Smoked Sheets (RSS)

8.2.36 The other divisions (Sadar, North, South I and South II) of the company are engaged in production of Ribbed Smoked Sheets (RSS) from the field latex collected from the tappable rubber tree. The table below indicates the capacity utilisation of RSS during 1995-96 to 1999-2000.

Year	Capacity (Tonnes)	Actual Production (Tonnes)	Percentage of utilisation
1995-96	1651	1024.050	62.02
1996-97	2138	1244.453	58.21
1997-98	2235	1582.198	70.79
1998-99	2625	1727.425	65.81
1999-2000	2734	2097.177	76.71

The under-utilisation of capacity for production of RSS was attributable to poor stand, absence of proper supervision and control on tapping operation and failure in planting programme including restocking, resulting in inadequate yield from the plantations.

8.2.37 The Management stated that, for want of funds, restocking could not be completed and supervision and control on tapping operation was not possible due to prevailing disturbed situation.

Diosgenin factory and Dioscorea plantation

8.2.38 Diosgenin is an ingredient widely used in manufacture of steroid hormones, sex hormones, cortisone and oral contraceptive pills. Considering the condition of Tripura to be congenial for production of Diosgenin, the scheme for cultivation of Dioscorea floribunda and processing for manufacture of Diosgenin was sanctioned by NEC in December 1986 to be implemented by the company at an estimated cost of Rs. 1.43 crore with target date for completion as March 1990. The physical target for plantation work was 200 hectares and the capacity of the extraction factory was fixed at 10 TPA (tonnes per annum). The scheme was revised and sanctioned for Rs. 2.79 crore by NEC in March 1991 with the revised completion date as June 1993 and was further revised to Rs. 3.07 crore in June 1993. Moreover, the plantation target was reduced to 100 hectares and the capacity of the factory was scaled down to 5 TPA considering various constraints.

8.2.39 Inspite of repeated revision of time schedule, the company could not maintain the project schedule due to reasons like delay in furnishing of original designs to the executing firm, delay in installation of deep tubewell, and slow progress of different activities etc. Ultimately the commercial production of Diosgenin started from July1997 incurring an excess expenditure of Rs. 78.71 lakh (Rs. 385.65 lakh - Rs. 306.94 lakh) over the final sanctioned amount of NEC and cost overrun to the tune of Rs. 242.76 lakh (Rs. 385.65 lakh - Rs.142.89 lakh) and time overrun of more than 7 years. The excess expenditure of Rs. 78.71 lakh is unlikely to be reimbursed by NEC.

Capacity utilisation

8.2.40 The table below indicates the capacity utilisation of the Diosgenin factory during 1997-98 to 1999-2000.

Year	Capacity (Kg)	Actual production (Kg)	Percentage of utilisation
1997-98	5000	982.30	19.65
1998-99	5000	585.00	11.70
1999-2000	5000	637.70	12.75

The under-utilisation of capacity was mainly due to inadequate yield from the plantation to run the factory in 3 shifts, failure in projected cultivation of raw material and uncertainty over marketing for Diosgenin.

8.2.41 The Management stated that, due to non-availability of suitable land, target for cultivation of Dioscorea floribunda could not be achieved. Moreover, owing to insecurity prevailing in the area, the production in 3 shifts could not be undertaken.

Cost analysis

8.2.42 The table below indicates the manufacturing cost per Kg of Diosgenin *vis-à-vis* anticipated realisable value and potential loss of revenue during the three years upto 1999-2000.

Year	Actual production of Diosgenin (kg)	Cost incurred *(Rupees in lakh)*	Cost per kg (3÷2) (Rs.)	Realisable value per kg (Rs.)	Loss of Revenue [(4-5) x 2] *(Rupees in lakh)*
1	*2*	*3*	*4*	*5*	*6*
1997-98	982.30	53.36	5432	1600	37.64
1998-99	585.00	44.55	7615	1600	35.19
1999-2000	637.70	40.90	6414	1600	30.70
Total	**2205.00**	**138.81**			**103.53**

The recurring higher manufacturing cost over the probable realisation and loss of revenue amounting to Rs. 1.04 crore upto 1999-2000 is attributed to gross under-utilisation of the capacity of production of Diosgenin and charging of excess overhead cost viz. engagement of both Works Manager and General Manager for such a small project, which was not included in the feasibility report according to which cost of sales per kg diosgenin was projected as Rs. 517.60 inclusive of Rs. 100 per kg and Rs. 209 per kg as component of salaries and wages and raw material respectively.

Marketing

8.2.43 The company does not have full fledged marketing department and it did not conduct any market survey for exploring the possibility of the marketing of Diosgenin to be produced in the factory though there were locational disadvantage and lack of proper communication. The project was very much delayed and the company had no control over the problem to market the product. The company did not even have a full fledged marketing department to market the Diosgenin. As a result, huge stock of Diosgenin has accumulated as detailed below resulting in blockage of working capital as well as possible deterioration in the quality of Diosgenin due to prolonged storage.

Year	Opening stock (kg)	Production during the year (kg)	Sale (kg)	Closing stock (kg)
1997-98	175.30*	982.30	-	1157.60
1998-99	1157.60	585.00	750.00	992.60
1999-2000	992.60	637.70	748.40**	881.90

* Opening stock in 1997-98 is the production during trial run.

** Includes process loss of 148.40 kg of Diosgenin.

8.2.44 The company was able to sell only 56.72 *per cent* of the actual production of Diosgenin upto 1999-2000 which indicates failure of its marketing activities.

8.2.45 The Management stated that, due to resource constraints, detailed market survey could not be done.

Timber treatment plant

8.2.46 The proposal for extension support fund under "Free" project scheme on preservation treatment of rubber wood and secondary species including plasticisation and ammonia fumigation of wood[❀] was approved by Indian Council of Forestry Research and Education (ICFRE) in 1997 for Rs. 17.50 lakh with a completion period of two years from the date of release (July 1997) of first instalment.

The project has the followings objectives:

- To utilise the rubber wood available from non-productive plantation.

❀ Plasticisation and ammonia fumigation of wood: It means the plasticisation of seasoned treated rubber wood at 30 per cent moisture and treatment by ammonia in ammonia plasticisation unit and ammonia fumigation plant.

- To supply the treated rubber wood/secondary species to furniture/cabinet shops for creation of employment.
- To popularise the treated rubber wood /secondary species for furniture, door and window frame etc., through various technologies developed by ICFRE.

The project was commissioned in June 1999 at a cost of Rs. 22.15 lakh as against the sanctioned amount of Rs. 17.50 lakh.

Production performance

8.2.47 The rubber wood is being sprayed with chemicals and put in saw mill. The sawn wood is, thereafter, chemically impregnated in vacuum pressure treatment plant and placed in steam heated kiln for seasoning . It was observed in audit that in the present situation 18,000 cft of rubber wood can he treated in vacuum pressure vessel per year while two steam kilns are capable of seasoning 4,800 cft of treated wood per year. As a result the vacuum pressure vessel as well as saw mill had to remain idle to adjust with the low performance of steam kiln restricting the capacity utilisation of the plant to 32 *per cent* of the installed capacity.

8.2.48 The targeted production, installed capacity and actual production of treated rubber wood during 1999-2000 is given below:

Year	Targeted production (cum)	Installed capacity (cum)	Actual produc-tion (cum)	Shortfall (cum)	Percentage of utilisation	Average rate per cum (Rs.)	Loss of potential revenue *(Rupees in lakh)*
1999-2000	500	500	158.8659	341.1341	32	8829	30.12

The under-utilisation of capacity of the plant is attributed to inadequate supply of log, installation of insufficient number of steam kiln, under-utilisation of vacuum pressure vessel and saw mill and running of plant in one shift instead of 3 shifts. As a consequence the company had to face a loss of potential revenue amounting to Rs. 30.12 lakh during the above period.

8.2.49 It was also observed in audit that 76.0379 cum treated rubber wood was sold during the year 1999-2000 leaving a closing stock of 82.8280 cum (52 *per cent* of total production of 158.8659 cum) which indicates the unsatisfactory performance in marketing the product.

Marketing of rubber

8.2.50 The company had not set up a full-fledged marketing department to market its rubber products and there was no well laid down system of collection of market information or evolution of marketing strategy.

8.2.51 The company sells its rubber products in the form of cenex, skim crepe, RSS, EBC, PLC, Scrap etc. Of this, sale of RSS constituted about 55 to

74 *per cent* of total sales during the five years upto 1999-2000. The sales are undertaken/carried out through public auction.

8.2.52 Analysis in audit revealed that in the absence of appropriate marketing strategy the accumulation of stock of rubber products during the five years upto 1999-2000 ranged between 4.31 and 6.81 months' sale for the succeeding years and except in the year1995-96, the stock position exceeded the optimum level of store (700 tonnes) resulting in huge blocking up of working capital in each year as would be evident from the table below:

Year	Production including opening stock (Tonnes)	Sale during the year (Tonnes)	Closing stock (Tonnes)	Closing stock in terms of months' sale during each of the succeeding years
1	2	3	4	5
1995-96	1878.194	1348.44	529.754	4.31
1996-97	2604.798	1476.133	1128.665	6.35
1997-98	3738.670	2132.250	1606.420	6.81
1998-99	4191.044	2830.003	1361.041	5.02
1999-2000	4375.314	3255.311	1120.003	6.40

8.2.53 Audit also noticed that company's godowns at Agartala and other places except in Central Warehousing Corporation, where a portion of the stock was being kept, had not been properly constructed. As a consequence, first-in first-out (FIFO) method of material management could not be implemented resulting in accumulation of old stock and deterioration of grade/quality in some cases. Moreover, huge accumulation of stock over and above the optimum level forced the company to heap the product outside the godown in an unplanned and unprotected manner, which indicated the absence of systematic and planned storage facility in the company.

Costing system

8.2.54 The company has neither prepared any costing manual of its own nor exercised the system of periodical costing to arrive at the manufacturing cost of the rubber product before the start of selling operation. As a result, no comparative analysis is done between the offered price and the cost price at the time of sale. The company, therefore, is not in a position to analyse the elements of manufacturing expenses of its products and have control over them in order to face a competitive market.

Internal audit and accounting manual

8.2.55 The company neither prepared nor adopted any accounting manual of its own. The company has neither any Internal Audit Wing of its own nor deployed any outside agency to conduct the internal audit for its activities.

Conclusion

8.2.56 The company formed with the objectives of improving the production of rubber and other plantations in the State by taking over the Government rubber plantation and planting new areas, confined itself mainly to commercial plantation and production of raw rubber. The activities of the company were mismanaged resulting in extra cost as is evident from the following facts:

(a) The pace of implementation of replanting programme had been very low resulting in unhealthy equation of age-wise plantation of the company.

(b) Low stand, poor yield from the plantations and excess yield of scrap from the plantation due to lack of effective control on tapping operations resulted in underutilisation of capacity of the company's production units.

(c) Yield from the plantation was much below the norm as well as the average yield recorded by similar plantation in the State.

(d) Absence of effective control on process loss hampered the performance of the production units.

(e) The company had not evolved any marketing strategies of the expected standard.

(f) Lack of continuity in management had adversely affected the pace of decision making process.

8.2.57 In view of the foregoing facts and in the context of highly fluctuating and competitive market conditions, the company should adopt more effective measures to overcome these constraints so as to optimise its productivity and profitability in the coming years.

SECTION - B

POWER DEPARTMENT

8.3 Loss of revenue

Non-imposition of penalty (Rs. 73.49 lakh) for delay in payment of electricity charges and inadmissible allowance of rebate (Rs. 11.36 lakh) to consumers led to a loss of revenue amounting to Rs. 84.85 lakh.

(a) Clauses (a) and (b) of Condition 28 of the Tripura Electric Supply Conditions, 1985 stipulate imposition of penalty for not making payment of electricity consumption bill within 30 days from the due date at the rate of 10 paise per unit of consumption per 30 days or part thereof, from the day following the due date of payment. Due date is 15 days after the date of presentation of bill.

It was noticed during test check of records of 13 Electrical Sub-Divisions (April 1999 and January 2001) that the payments by 449 consumers in respect of 982 bills for consumption of electric energy, between February 1993 and July 2000, were made beyond the stipulated period. However, no penalty was realised from them for which no reasons were on records. This resulted in loss of revenue to the extent of Rs. 73.49 lakh (**Appendix - XLII**).

(b) In terms of clause 17 (c) of the Tripura Electric Supply Conditions, 1985 no rebate is admissible to a consumer if the bill is not paid within 15 days from the date of its presentation.

It was noticed during test check of records of 8 Electrical Sub-Divisions between April 1999 and January 2001 that the rebate was allowed to 346 consumers in 690 cases for consumption of electric energy, between February 1993 and November 2000 even though the payments were not made within the stipulated date. This inadmissible allowance of rebate resulted in loss of revenue of Rs. 11.36 lakh (**Appendix - XLIII**).

On these being pointed out in audit, 5 Sub-Divisions (Kumarghat, Ambassa, Jirania, Durgachowmuhani and Bishalgarh) stated that supplementary bills were issued and an amount of Rs. 1.08 lakh (penalty)[♦] and Rs. 0.72 lakh (rebate)[*] had been realised. Action taken, if any, by other Sub-Divisions was awaited (September 2001). Thus, from above it can be seen that while on the one hand inadmissible rebate was allowed in some cases, on the other hand penalties were not levied in some cases resulting in leakage of revenue amounting to Rs. 84.85 lakh.

The matter was reported to the Government in July 2001; reply had not been received (November 2001).

[♦] Ambassa: Rs. 0.57 lakh; Kumarghat: Rs. 0.26 lakh and Bishalgarh: Rs. 0.25 lakh.

[*] Ambassa: Rs. 0.02 lakh; Kumarghat: Rs. 0.21 lakh; Bishalgarh: Rs. 0.08 lakh and Jirania: Rs. 0.41 lakh.

8.4 Short realisation due to computation of energy charges at lower rate

Computation of energy charges at lower rate resulted in short realisation of Rs. 6.08 lakh by two Electrical Sub-Divisions.

As per Tripura Electric Supply (Third Amendment) Conditions, 1992, the consumers under category of "G-Bulk Supply" are to pay electric energy charges at the following rates: (i) where the bulk consumption is at 400 volt and the maximum demand does not exceed 63 KVA, the rate will be Rs. 1.20 per kwh subject to a monthly minimum charge of Rs. 3,600; and (ii) where the bulk supply is at 11 KV and the demand is 63 KVA and above but less than 630 KVA, the rate will be Rs. 1.10 per kwh subject to a monthly minimum charge of Rs. 18,000. From 1 April 1999, these rates were replaced by a single rate of Rs. 2 per kwh subject to a monthly minimum charge to be calculated at the rate Rs. 154 per KVA of the connected load.

It was noticed in test audit (April 1999 to July 2000) of two Electrical Sub-Divisions (G.B.Complex and Udaipur), bills raised against three consumers, pertaining to the period from April 1997 to November 1999, were not prepared according to the rates applicable to them. Although the consumers fell under sub-category (ii) above as in each case the connected load was 100 KVA and bulk supply was at 11 KV, the amount payable by the consumers was calculated all along by taking the monthly minimum charge of Rs. 3,600 instead of Rs. 18,000 upto 31 March 1999 and Rs. 154 per KVA of the connected load thereafter.

Thus, computation of energy charges at lower rate resulted in short realisation of Rs. 6.08 lakh by the two Electrical Sub-Divisions (GB Complex: Rs. 4.06 lakh; Udaipur: Rs. 2.02 lakh).

The matter was reported to the Government in July 2001; reply had not been received (November 2001).

Agartala
The 30 JAN 2002 2002

(R.N. Ghosh)
Accountant General(Audit),
Tripura, Agartala

Countersigned

V. K. Shunglu.

New Delhi
The 8 MAR 2002 2002

(V. K. Shunglu)
Comptroller and Auditor General of India

APPENDICES

APPENDIX - I

(Reference : Paragraph 2.7)

Cases where supplementary provision proved unnecessary

Sl. No.	Number and name of grant/appropriation	Supplementary grant/appropriation	Saving
	Voted	*(Rupees in lakh)*	
1.	5- Law Department (Revenue)	11.00	34.24
2.	6- Revenue Department (Revenue)	116.89	876.68
3.	8- General Administration (P&T) Department (Revenue)	9.33	210.07
4.	10- Home Department (Revenue)	87.80	1271.12
5.	12- Co-operation Department (Revenue)	27.84	189.94
6.	14- Power Department (Capital)	218.80	3770.81
7.	15- Irrigation and Flood Control Department (Revenue)	382.08	926.59
8	16- Health and Family Welfare Department (Revenue)	50.70	262.46
9.	16- Health and Family Welfare Department (Capital)	119.50	193.54
10.	17- Information, Cultural Affairs and Tourism Department (Revenue)	31.42	43.67
11.	18- Political Department (Revenue)	33.56	33.66
12.	19- Tribal Welfare Department (Revenue)	521.26	3290.66
13.	19- Tribal Welfare Department (Capital)	45.05	1031.49
14.	20- Welfare of Schedule Castes Department (Revenue)	399.96	1985.51
15.	20- Welfare of Schedule Castes Department (Capital)	275.90	987.12
16.	21- Food and Civil Supplies Department (Revenue)	139.46	162.21
17.	26- Fisheries Department (Revenue)	117.33	257.90
18.	27- Agriculture Department (Revenue)	270.21	415.10
19.	28- Horticulture Department (Revenue)	222.57	330.58
20.	29- Animal Resource Development Department (Revenue)	185.58	406.24
21.	34- State Planning and Co-ordination Department (Revenue)	6.67	7.49
22.	36- Jail Department (Revenue)	16.00	90.36
23.	40- Education(School) Department (Revenue)	1986.73	3552.36
24.	42- Education (Sports and Youth Programme) Department (Revenue)	17.69	116.79
25.	51- Public Works (PHE) Department (Revenue)	25.00	1341.17
26.	52- Family Welfare and P.M. Department (Revenue)	186.72	200.35
27.	54- Factories and Boilers Department (Revenue)	8.69	9.78
28.	55- Employment Department (Revenue)	11.07	15.57
	Charged		
29.	31- Rural Development Department (Capital)	14.97	19.82
30.	48 – High Court Department (Revenue)	12.93	21.82
	Total :	**5552.71**	**22055.10**

APPENDIX - II

(Reference : Paragraph 2.8)

Statement showing cases where supplementary provision was made in excess of actual requirement

Sl. No.	Number and name of grant/appropriation	Original grant/appropriation	Expenditure	Additional requirement	Supplementary provision	Saving
	Revenue – Voted		*(Rupees in lakh)*			
1.	3- Chief Minister's Secretariat and SA Department	1213.09	1213.34	0.25	15.00	14.75
2.	9- Statistical Department	232.56	262.15	29.59	77.33	47.74
3.	11- Transport Department	129.67	187.80	58.13	105.94	47.81
4.	13- Public Works Department	7850.28	9014.04	1163.76	1303.31	139.55
5.	24- Industries and Commerce Department	956.46	1243.40	286.94	446.38	159.44
6.	25- Industries (H.H. and Sericulture) Department	588.84	592.91	4.07	83.71	79.64
7.	30- Forest Department	2286.99	2683.04	396.05	567.71	171.66
8.	31- Rural Development Department	4884.76	5583.72	698.96	714.65	15.69
9.	32- TRP and PGP Department	158.97	167.69	8.72	31.42	22.70
10.	33- Science, Technology and Environment Department	47.49	66.15	18.66	36.00	17.34
11.	35- Urban Development Department	805.76	860.57	54.81	221.72	166.91
12.	41- Education (Social) Department	3996.27	4250.66	254.39	556.64	302.25
	Total	**23151.14**	**26125.47**	**2974.33**	**4159.81**	**1185.48**
	Capital – voted					
13.	21 – Food and Civil Supplies Department	4580.87	4624.52	43.65	350.00	306.35
14.	35-Urban Development Department	308.25	386.76	78.51	157.08	78.57
15.	52 – Family Welfare and Preventive Medicine Department	62.25	119.43	57.18	125.19	68.01
	Total	**4951.37**	**5130.71**	**179.34**	**632.27**	**452.93**
	Capital – charged					
16.	24- Industries and Commerce Department	86.25	538.86	452.61	606.90	154.29
	Grand total	**28188.76**	**31795.04**	**3606.28**	**5398.98**	**1792.70**

APPENDIX - III

(Reference : Paragraph 2.9)

Excess of expenditure over provision requiring regularisation

Sl. No.	Number and name of grant/appropriation	Total grant/appro-priation	Total expenditure	Excess
	Revenue – voted	**Rs.**	**Rs.**	**Rs.**
1.	45- Taxes and Excise Department	2,22,51,000	2,28,92,310	6,41,310
	Total	**2,22,51,000**	**2,28,92,310**	**6,41,310**
	Revenue-charged			
2.	13- Public Works Department	*9,52,50,000*	*13,49,63,198*	*3,97,13,198*
3.	14- Power Department	*10,00,00,000*	*11,29,28,244*	*1,29,28,244*
4.	25- Industries (H.H. and Sericulture) Department	*70,000*	*69,52,966*	*68,82,966*
5.	43- Finance Department	*184,83,34,000*	*200,27,53,373*	*15,44,19,373*
	Total	***204,36,54,000***	***225,75,97,781***	***21,39,43,781***
	Capital – voted			
6.	5- Law Department	60,00,000	73,70,616	13,70,616
7.	10- Home Department	19,00,000	35,30,327	16,30,327
8.	31-Rural Development Department	16,02,73,000	23,06,14,920	7,03,41,920
9.	51- Public Works (PHE) Department	35,55,49,000	44,95,56,236	9,40,07,236
	Total	**52,37,22,000**	**69,10,72,099**	**16,73,50,099**
	Capital-charged			
10.	13- Public Works Department	*4,00,00,000*	*6,51,33,327*	*2,51,33,327*
11.	14- Power Department	*3,25,00,000*	*5,37,29,566*	*2,12,29,566*
12.	43- Finance Department	*36,13,25,000*	*75,22,37,264*	*39,09,12,264*
	Total	***43,38,25,000***	***87,11,00,157***	***43,72,75,157***
	Grand total	**302,34,52,000**	**384,26,62,347**	**81,92,10,347**

APPENDIX - IV

(Reference : Paragraph 2.10)

Statement showing the cases where supplementary provision was inadequate

Sl.No.	Number and name of grant/ appropriation	Original provision	Supple-mentary provision	Total provision	Expenditure	Excess of expenditure over total provision
1	2	3	4	5	6	7
	Capital-Voted	*(Rupees in lakh)*				
1.	31- Rural Development Department	1223.09	379.64	1602.73	2306.15	703.42
2.	51- Public Works Department	3550.22	5.27	3555.49	4495.56	940.07
	Total	**4773.31**	**384.91**	**5158.22**	**6801.71**	**1643.49**

APPENDIX - V

(Reference : Paragraph 2.11)

Statement showing cases where expenditure fell short by Rs.10 lakh and over 10 *per cent* of the provision

Sl.No.	Number and name of grant/appropriation	Total provision	Saving	Saving as a percentage of total provision
1	2	3	4	5
	Revenue Section	*(Rupees in lakh)*		
1.	6- Revenue Department (voted & charged)	5107.75	878.49	17
2.	8- General Administration (P&T) Department (voted & charged)	310.32	212.30	68
3.	9- Statistical Department (voted)	309.89	47.74	15
4.	11- Transport Department (voted)	235.61	47.81	20
5.	12- Co-operation Department (voted)	732.44	189.94	26
6.	15- Irrigation and Flood Control Department (voted)	3780.73	926.59	25
7.	18- Political Department (voted)	75.71	33.66	44
8.	19- Tribal Welfare Department (voted)	17764.13	3290.66	19
9.	20- Welfare of Schedule Castes Department (voted)	7101.16	1985.51	28
10.	21- Food and Civil Supplies Department (voted)	910.31	162.21	18
11.	24- Industries and Commerce Department (voted)	1402.84	159.44	11
12.	25- Industries (H.H. and Sericulture) Department (voted)	672.55	79.64	12
13.	26- Fisheries Department (voted & charged)	1086.69	261.00	24
14.	28- Horticulture Department (voted)	1807.21	330.58	18
15.	29- Animal Resource Development Department	2269.95	406.24	18
16.	32- TRP and PGP Department (voted)	190.39	22.70	12
17.	33- Science, Technology and Environment Department (voted)	83.49	17.34	21
18.	35- Urban Development Department (voted & charged)	1029.98	169.41	16
19.	36- Jail Department (voted)	614.26	90.36	15
20.	38- Stationery and Printing Department (voted)	489.94	56.07	11
21.	39- Education (Higher) Department	3448.44	620.10	18
22.	40- Education (School) Department (voted)	33701.75	3552.36	11
23.	43- Finance Department (voted)	23620.57	8784.20	37
24.	46- Treasuries Department (voted)	275.85	64.54	23
25.	48- High Court Department (charged)	191.52	21.82	11
26.	51- Public Works (PHE) Department	2284.85	1341.17	59
27.	53- Tribal Welfare (Research) Department (voted)	37.32	10.29	28
28.	55- Employment Department (voted)	144.44	15.57	11

APPENDIX – V (Concld.)

(Reference : Paragraph 2.11)

Statement showing cases where expenditure fell short by Rs.10 lakh and over 10 *per cent* of the provision

Sl.No.	Number and name of grant/appropriation	Total provision	Saving	Saving as a percentage of total provision
1	2	3	4	5
		(Rupees in lakh)		
	Capital Section			
29.	12- Co-operation Department (voted & charged)	418.70	193.40	46
30.	13- Public Works Department (voted)	9532.72	2032.15	21
31.	14- Power Department (voted)	12391.45	3770.81	30
32.	15- Irrigation and Flood Control Department (voted)	3579.13	1458.22	41
33.	16- Health and Family Welfare Department (voted)	324.03	193.54	60
34.	19 – Tribal Welfare Department (voted)	4964.65	1031.49	21
35.	20- Welfare of Schedule Castes Department (voted)	2845.77	987.12	35
36.	23- Panchayat Raj Department (voted)	795.00	706.77	89
37.	24- Industries and Commerce Department (charged)	693.15	154.29	22
38.	27- Agriculture Department (voted)	1500.00	402.55	27
39.	30- Forest Department (voted)	145.00	20.00	14
40.	31- Rural Development Department (charged)	29.97	19.82	66
41.	35- Urban Development Department (voted)	465.33	78.57	17
42.	40- Education (School) Department (voted)	100.00	100.00	100
43.	43- Finance Department (voted)	900:00	485.46	54
44.	44- Institutional Finance Department (voted)	122.25	122.25	100
45.	52- Family Welfare and Preventive Medicines Department (voted)	187.44	68.01	36
	Total	**1,48,674.68**	**35,602.19**	**24**

APPENDIX - VI

(Reference : Paragraph 2.12)

Statement showing significant cases of persistent savings

Sl.No.	Number and name of grant/appropriation	Amount of saving (percentage of saving to total provision in brackets)		
		1998-99	1999-2000	2000-2001
		(Rupees in crore)		
1.	6 – Revenue Department (Revenue-voted)	880.77 (18)	572.35 (12)	876.68 (17)
2.	28- Horticulture Department (Revenue-voted)	250.54 (18)	373.18 (20)	330.58 (18)
3.	43 – Finance Department (Revenue-voted)	19150.52 (73)	6536.56 (37)	8784.20 (37)
4.	12- Co-operation Department (Capital-voted)	13.27 (13)	121.70 (40)	192.96 (51)

APPENDIX – VII

(Reference: Paragraph 2.13)

Expenditure exceeding the provision by more than Rs.50 lakh and also by more than 10 *per cent* of the total provision

Sl.No.	Number and name of grant/appropriation	Total provision	Total expenditure	Excess	Percentage of excess expenditure to the total provision
			(Rupees in lakh)		
	Revenue Section				
1.	13- Public Works Department (charged)	952.50	1349.63	397.13	42
2.	14- Power Department (charged)	1000.00	1129.28	129.28	13
3.	25- Industries (H.H. and Sericulture) Department (charged)	0.70	69.53	68.83	9833
4.	13- Public Works Department (charged)	400.00	651.33	251.33	63
5.	14- Power Department (charged)	325.00	537.30	212.30	65
6.	31 – Rural Development Department (voted)	1602.73	2306.15	703.42	44
7.	43- Finance Department (charged)	3613.25	7522.37	3909.12	108
8.	51- Public Works (PHE) Department (voted)	3555.49	4495.56	940.07	26
	Total	**11,449.67**	**18,061.15**	**6611.48**	**58**

APPENDIX – VIII
(Reference : Paragraph 2.14)
Injudicious re-appropriation of funds

Sl. No.	Number and name of grant/appropriation	Provision Original(O) Supplementary(S)	Reappropriation (R)	Total grant	Actual expenditure	Saving(-) Excess(+)
		(Rupees in lakh)				
1.	6- Revenue Department					
	(i) 2235- Social Security and Welfare 02- Social Welfare 200- other programme (plan) (CSS)	O. 250.00 S. 116.89	(+) 50.11	417.00	352.67	(–) 64.33
	(ii) 2245- Relief on account of Natural calamities 80- General 800- Other expenditure (non-plan)	O. 1285.09	(–) 231.09	1054.00	931.57	(–) 122.43
	(iii) 2506- Land Reforms-Revenue Commissioners 001- Direction and Administration on Land Record (plan) 037- Land Records	O. 741.12	(+) 53.87	794.99	667.40	(–) 127.59
2.	10- Home Department					
	(i) 2055- Police 003- Education and Training (non-plan)	O. 426.00 S. 60.00	(+) 1.60	487.60	436.30	(–) 51.30
	(ii) 073- District Civil Police (NP)	O. 4131.38	(+) 177.99	4309.37	6124.70	(+)1815.33
	(iii) 109- District Police 074- District Armed Reserve (non-plan)	O. 2965.45	(–) 43.23	2922.22	1358.73	(–)1563.49
	(iv) 073- District Civil Police	O. 400.00	(–) 58.00	342.00	458.64	(+) 116.64
	(v) 800- Other expenditure 080- Central M.T. Pool (NP)	O. 833.75	(+) 25.25	859.00	666.13	(-) 192.87
	(vi) 081 – Miscellaneous Provisioning Services (NP)	O. 374.70	(+) 6.24	380.94	313.07	(-) 67.87
	(vii) 3275 – Other Communication Services 101- Wireless Planning and Co-ordination (Police Radio)	O. 782.87	(+) 1.55	784.42	638.16	(-) 146.26

APPENDIX – VIII (Contd.)
(Reference : Paragraph 2.14)
Injudicious re-appropriation of funds

Sl. No.	Number and name of grant/appropriation	Provision Original(O) Supplementary(S)	Reappropriation (R)	Total grant	Actual expenditure	Saving(-) Excess(+)
		(Rupees in lakh)				
3.	13- Public Works Department					
	(i) 2059 – Public Works 80 – General 001 – Direction and Administration 112 – Execution	O. 2867.28 S. 24.91	(-) 27.91	2864.28	2303.88	(-) 560.40
	(ii) 4216 – Capital outlay on Housing 01- Government Residential Buildings 106 – General Pool Accommodation (Plan) 113 – General Services	O. 4044.00	(+) 272.00	4316.00	3211.65	(–) 1104.35
	(iii) 5054 – Capital outlay on Roads and Bridges 02- Strategic and Border Roads 800 – Other expenditure 999- Other works	O. 1709.00	(-) 1544.40	164.60	602.53	(+) 437.93
4.	14 – Power Department					
	(i) 2801 – Power 05 – Transmission and Distribution 800 – Other expenditure (Non-plan)	O. 5955.00	(-) 245.00	5710.00	5324.94	(-) 385.06
	(ii) 04 – Diesel / Gas Power Generation 800 – Other expenditure 141 – Gas Power	O. 2505.00	(+) 245.00	2750.00	2659.75	(-) 90.25
	(iii) 4552 – Capital outlay on North Eastern Areas 04 – Gas Power Generation 800 – Other expenditure (plan) 143 – Gas Thermal Project	O. 4850.00	(-) 3380.00	1470.00	1317.70	(-) 152.30

APPENDIX – VIII (Contd.)

(Reference : Paragraph 2.14)

Injudicious re-appropriation of funds

Sl. No.	Number and name of grant/appropriation	Provision Original(O) Supplementary(S)	Reappropriation (R)	Total grant	Actual expenditure	Saving(-) Excess(+)
		(Rupees in lakh)				
	(iv) 4801 – Capital outlay on Power Project 04 – Diesel/Gas Power Generation 001 – Direction and Administration 151 – Development of North East and Sikkim (CSS)	O. 3800.00	(+) 175.00	3975.00	3723.93	(-) 251.07
	(v) 05 – Transmission and Distribution 001 – Direction and Administration	O. 582.05	(-) 61.00	521.05	428.13	(-) 92.92
	(vi) 151 – Development of North East and Sikkim (CSS)	O. 150.00	(-) 125.00	25.00	133.72	(+) 108.72
	(vii) 151 – Development of North East and Sikkim (CSS)	O. 1350.00	(+) 125.00	1475.00	1402.68	(-) 72.32
5.	15 – Irrigation and Flood Control Department					
	(i) 2702 – Minor Irrigation 80 – General 001 – Direction and Administration 112 – Execution	O. 774.25 S. 178.54	(-) 65.23	887.56	804.67	(-) 82.89
	(ii) 01 – Surface Water 102 – Lift Irrigation Scheme (Plan)	O. 558.40	(-) 3.40	555.00	629.48	(+) 74.48
	(iii) 4702 – Capital outlay on Minor Irrigation 101 – Surface Water 162 – Diversion	O. 600.00	(-) 500.00	100.00	32.41	(-) 67.59

APPENDIX – VIII (Contd.)

(Reference : Paragraph 2.14)

Injudicious re-appropriation of funds

Sl. No.	Number and name of grant/appropriation	Provision Original(O) Supplementary (S)	Reappropriation (R)	Total grant	Actual expenditure	Saving(-) Excess(+)
		(Rupees in lakh)				
	(iv) 175 – Accelerated Irrigation Benefits Programme	...	(+) 832.20	832.20	...	(-) 832.20
	(v) 176 – Lift Irrigation	O. 267.21	(-) 6.91	260.30	174.63	(-) 85.67
	(vi) 102 – Ground Water 175 – Accelerated Irrigation Benefit Programme	O. 1113.00	(-) 1113.00	...	785.37	(+) 785.37
6.	16 – Health and Family Welfare Department					
	(i) 2210 – Medical and Public Health 01 – Urban Health Services – Allopathy 110 – Hospital and Dispensaries Hospital (General) 186 – Hospital	O. 2814.02	(-) 39.72	2774.30	2646.58	(-) 127.72
	(ii) 4552 – Capital outlay on North Eastern Areas 05 – Medical Education, Training and Research 200 – Other Systems 220 – Regional Pharmacy Institute (Plan)	O. 103.50	(-) 45.00	58.50	1.93	(-) 56.57
7.	19 - Tribal Welfare Department					
	(i) 2225 – Welfare of Scheduled Castes, Scheduled Tribes and other backward classes 02 – Welfare of Schedule Tribes 001 – Direction and Administration 271 – General	O. 568.16 S. 50.36	(-) 51.10	567.42	510.95	(-) 56.47
	(ii) 800 – Other expenditure 175 – Accelerated Irrigation Benefits Programme (Plan)	O. 550.00	(-) 250.00	300.00	...	(-) 300.00
	(iii) 117 – Externally Aided Project	O. 500.00	(-) 100.00	400.00	...	(-) 400.00
	(iv) 042 – Finance Commission Award	S. 28.47	(+) 25.60	54.07	...	(-) 54.07

APPENDIX – VIII (Contd.)
(Reference : Paragraph 2.14)
Injudicious re-appropriation of funds

Sl. No.	Number and name of grant/appropriation	Provision Original(O) Supplementary (S)	Reappropriation (R)	Total grant	Actual expenditure	Saving(-) Excess(+)
		(Rupees in lakh)				
	(v) 3604 – Compensation and Assignment to Local Bodies and Panchayati Raj Institutions 108 – Taxes on Professions, Trade, Callings and Employment (Non-plan)	O. 150.00 S. 112.55	(+) 24.95	287.50	...	(-) 287.50
	(vi) 2401 – Crop Husbandry 113 – Agricultural Engineering (Plan) 175 – Accelerated Irrigation Benefits Programme (Plan)	O. 124.00	(-) 31.00	93.00	...	(-) 93.00
	(vii) 2505 – Rural Employment 60 – Other programmes 800 – Other expenditure 582- Jawahar Gram Samridhi Yojana (CSS)	O. 574.80	(-) 143.69	431.11	136. 63.	(-) 294.48
	(viii) 564- Employment Assurance Scheme(CSS)	O. 408.10	(-) 81.61	326.49	102.51	(-) 223.98
	(ix) 2202- General Education 02- Secondary Education 104- Teachers and other services	O. 831.10	(-) 275.92	555.18	446.97	(-) 108.21
	(x) 2225- Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes 02-Welfare of Scheduled Tribes 800- Other expenditure 272- Tribal sub-plan	O. 2683.00	(+) 344.00	3027.00	3080.07	(+) 53.07
	(xi) 3604 – Compensation and Assignment to local bodies and Panchayati Raj Institutions 101 – Land Revenue	O. 40.00	(+) 0.80	40.80	564.14	(+) 523.34

APPENDIX – VIII (Contd.)

(Reference : Paragraph 2.14)

Injudicious re-appropriation of funds

Sl. No.	Number and name of grant/appropriation	Provision Original(O) Supplementary (S)	Reappropriation (R)	Total grant	Actual expenditure	Saving(-) Excess(+)
		(Rupees in lakh)				
	(xii) 2202 – General Education 01 – Elementary Education (BMS) 106 – Teachers and other services 681 – Government Primary School	O. 2056.40	(-) 6.76	2049.64	2209.06	(+) 159.42
	(xiii) 2235 – Social Security and Welfare 02 – Social Welfare 001 – Direction and Administration	O. 69.75	(-) 4.44	65.31	157.76	(+) 92.45
	(xiv) 4702 – Capital Outlay on Minor Irrigation 101 – Surface Water 175 – Accelerated Irrigation Benefits Programme	O. 651.00	(-) 166.00	485.00	307.22	(-) 177.78
	(xv) 4215 – Capital Outlay on Water Supply and Sanitation 01 – Water Supply 102 – Rural Water Supply (Plan) 569 – Sinking/Re-sinking/ Replacement of RCC Wells, Masonry Wells etc.	O. 500.00	(-) 137.00	363.00	418.38	(+) 55.38
	(xvi) 800 – Other expenditure 175 – Accelerated Irrigation Benefits Programme (Plan)	O. 240.00	(-) 240.00	...	52.43	(+) 52.43
	(xvii) 4515 – Capital Outlay on Other Rural Development Programmes 101 – Panchayati Raj 175 – Accelerated Irrigation Benefits (Plan)	O. 465.00	(-) 465.00	...	744.97	(+) 744.97
	(xviii) 4216 – Capital Outlay on Housing 03 – Rural Housing 800 – Other expenditure 571 – Indira Awas Yojana (State Plan)	O. 400.00	(-) 33.00	367.00	622.34	(+) 255.34

APPENDIX – VIII (Contd.)

(Reference : Paragraph 2.14)

Injudicious re-appropriation of funds

Sl. No.	Number and name of grant/appropriation	Provision Original(O) Supplementary (S)	Reappropriation (R)	Total grant	Actual expenditure	Saving(-) Excess(+)
		(Rupees in lakh)				
	(xix) 4515 – Capital Outlay on other Rural Development Programmes 103 – Rural Development 572 – Village Communication (BMS)	O. 80.00	(+) 445.00	525.00	157.76	(-) 367.24
	(xx) 573 – Construction of Block Building	O. 40.00	(-) 20.00	20.00	169.88	(+) 149.88
8.	20 – Welfare of Scheduled Castes Department					
	(i) 2225 – Welfare of SCs/STs and other Backward Classes 03 – Welfare of Backward Classes 001 – Direction and Administration 277 – Education (CSS) 287 – OBC Welfare	O. 340.00	(-) 83.50	256.50	...	(-) 256.50
	(ii) 2401- Crop Husbandry (S.C. Component) 001- Direction and Administration 113- Agriculture Engineering 175- Accelerated Irrigation Benefit Programme (plan)	O. 68.00	(-) 17.00	51.00	...	(-) 51.00
	(iii) 2505- Rural Employment 60- Other Programmes 800- Other expenditure 582- Jawahar Gram Samridhi Yojana (CSS)	O. 431.10	(-) 114.99	316.11	120.98	(-) 195.13
	(iv) 564 Employment Assurance Scheme (CSS)	O. 306.08	(-) 81.62	224.46	96.45	(-) 128.01
	(v) 2202- General Education 02- Secondary Education 104- Teachers and other Services (plan)	O. 671.50	(-) 287.38	384.12	331.83	(-) 52.29

APPENDIX – VIII(Contd.)
(Reference : Paragraph 2.14)
Injudicious re-appropriation of funds

Sl. No.	Number and name of grant/appropriation	Provision Original(O) Supplementary (S)	Reappropriation (R)	Total grant	Actual expenditure	Saving(-) Excess(+)
		(Rupees in lakh)				
	(vi) 4702- Capital outlay on Minor Irrigation 101- Surface Water 175- Accelerated Irrigation Programme (plan)	O. 336.00	(-) 79.00	257.00	126.05	(-) 130.95
	(vii) 4216- Capital outlay on Housing 03- Rural Housing 800- Other expenditure 571- Indira Awas Yojana (CSS)	O. 504.37	(-) 14.77	489.60	150.34	(-) 339.26
	(viii) 4515 – Capital outlay on Other Rural Development Programmes 103 – Rural Development 572 – Village communication (BMS) (Plan)	O. 40.00 S. 223.10	116.00	379.10	138.03	(-)241.07
	(ix) 101 – Panchayati Raj 175 – Accelerated Irrigation Benefits Programmes	O. 240.00	(-) 240.00	...	247.94	(+) 247.94
	(x) 103 – Rural Development 573 – Construction of Block Building	O. 30.00	(-) 15.00	15.00	112.04	(+) 97.04
9.	21 – Food and Civil Supplies Department (i) 2408 – Food Storage and Warehousing 01 – Food 001 – Direction and Administration (Non- plan)	O. 555.70 S. 16.80	(-) 0.80	571.70	494.14	(-) 77.56
	(ii) 3456 – Civil Supplies 001 – Direction and Administration (BMS)	O. 150.15 S. 7.66	(-) 9.66	148.15	129.50	(-) 18.65
	(iii) 4408 – Capital outlay on Food Storage and Warehousing 01 – Food 800 – Other expenditure 121 – BMS	O. 3882.40 S. 350.00	(+) 500.00	4732.40	4589.87	(-) 142.53

APPENDIX – VIII(Contd.)

(Reference : Paragraph 2.14)

Injudicious re-appropriation of funds

Sl. No.	Number and name of grant/appropriation	Provision Original(O) Supplementary (S)	Reappro-priation (R)	Total grant	Actual expen-diture	Saving(-) Excess(+)
		(Rupees in lakh)				
10.	23 – Panchayat Raj Department (i) 2515 – Other Rural Development Programmes 001 – Direction and Administration	O. 3483.46	(-) 99.75	3383.71	3224.74	(-) 158.97
11.	25 – Industries (H.H. and Sericulture) Department					
	(i) 2049 – Interest Payment (Non-plan) 01 – Interest on internal debt 200 – Interest on Other Internal Debts Payments of Interest of NCDC	O. 0.70	(-) 0.03	0.67	69.53	(+) 68.86
12.	27 – Agriculture Department					
	(i) 2401 – Crop Husbandry 001 – Direction and Administration 366 – Project for development of infrastructural facilities	O. 3025.77 S. 270.21	(-) 215.44	3080.54	3194.18	(+) 113.64
	(ii) 175 – Accelerated Irrigation Benefits Programme	O. 208.00	(-) 52.00	156.00	...	(-) 156.00
13.	30 – Forest Department					
	(i) 2552 – North Eastern Areas 01 – Forestry 105 – Forest Produce 515 – Development of Minor Produce and Medicinal Plants	O. 100.00	(-) 50.00	50.00	100.00	(+) 50.00
14.	31 – Rural Development Department					
	(i) 4215 – Capital outlay on Water Supply and Sanitation 01- Water Supply 102 – Rural Water Supply					

APPENDIX – VIII(Contd.)

(Reference : Paragraph 2.14)

Injudicious re-appropriation of funds

Sl. No.	Number and name of grant/appropriation	Provision Original(O) Supplementary (S)	Reappro-priation (R)	Total grant	Actual expen-diture	Saving(-) Excess(+)
		(Rupees in lakh)				
	569 – Sinking /Re-sinking / Replacement of RCC Well / Renovation of Wells etc. (plan)	O. 165.00	(+) 99.60	264.60	183.87	(-) 80.73
	(ii) 4515 – Capital outlay on Other Rural Development Programmes 103 – Rural Development 572 – Village Communication (BMS) PMGY Rural Connectivity (Plan)	O. 20.00 S. 80.41	(+) 124.85	225.26	157.73	(-) 67.53
	(iii) 573 –Construction of Block Building (Plan)	O. 30.00	(-) 14.38	15.62	967.73	(+) 952.11
	(iv) 4215 – Capital outlay on Water Supply and Sanitation 01 – Water Supply 800 – Other expenditure 175 – Accelerated Irrigation Benefit Programme	O. 180.00	(-) 180.00	...	138.68	(+) 138.68
15.	35 – Urban Development Department (i) 4216 – Capital outlay on Housing 02 – Urban Housing 800 – Other expenditure 121 – Basic Minimum Service (Plan)	O. 110.00	(-) 12.00	98.00	...	(-) 98.00
16.	40 – Education (School) Department (i) 2202 – General Education 01 – Elementary Education 106 – Teachers and other services 681 – Government Primary Schools (Plan and Non-plan)	O. 14183.48 S. 920.91	(+) 115.81	15220.20	14076.65	(-) 1143.55
	(ii)2202 – General Education 104 – Teachers and other services	O. 11334.15 S. 1045.98	(-) 561.38	11818.75	10751.56	(-) 1067.19

APPENDIX – VIII(Contd.)

(Reference : Paragraph 2.14)

Injudicious re-appropriation of funds

Sl. No.	Number and name of grant/appropriation	Provision Original(O) Supplementary (S)	Reappropriation (R)	Total grant	Actual expenditure	Saving(-) Excess(+)
		(Rupees in lakh)				
	(iii) 800 – Other expenditure (CSS)	O. 116.00	(-) 11.74	104.26	...	(-) 104.26
17.	42 – Education (Sports and Youth Programme) Department (i) 2204 – Sports and Youth Services 101 – Physical Education	O. 1062.38 S. 7.69	(+) 6.25	1076.32	1011.80	(-) 64.52
18.	43 – Finance Department					
	(i) 2070 – Other Administrative Services 800 – Other expenditure 767 – Provision for Distribution under Functional Head of Account	O. 11483.52	(-) 10483.52	1000.00	...	(-) 1000.00
	(ii) 2071 – Pensions and Other Retirement Benefits 01 – Civil 101 – Superannuation and Retirement Allowances (Non Plan)	O. 6404.53	(-) 343.20	6061.33	5902.32	(-) 159.01
	(iii) 102 – Commuted value of pensions (Non plan)	O. 1496.75	(-) 46.27	1450.48	1737.96	(+) 287.48
	(iv) 104 – Gratuity (Non plan)	O. 2060.75	(+) 47.05	2107.80	2985.51	(+) 877.71
	(v) 105 – Family pensions (Non-plan)	O. 1902.00	(+) 2098.09	4000.09	4163.31	(+) 163.22
	(vi) 7610 – Loans to Government Servants etc. 201 – House Building Advances	O. 575.00	(-) 125.00	450.00	219.30	(-) 230.70
19.	51 – Public Works (PHE) Department (i) 4215 – Capital outlay on Water Supply and Sanitation 01 – Water Supply Scheme 166 – Accelerated Rural Water Supply Scheme (CSS)	O. 1614.00 S. 5.10	(+) 118.23	1737.33	1686.71	(-) 50.62

APPENDIX – VIII(Concld.)

(Reference : Paragraph 2.14)

Injudicious re-appropriation of funds

Sl. No.	Number and name of grant/appropriation	Provision Original(O) Supplementary (S)	Reappropriation (R)	Total grant	Actual expenditure	Saving(-) Excess(+)
		(Rupees in lakh)				
20.	52 – Family Welfare and Primitive Medicines Department (i) 2211 – Family Welfare 103 – Maternity and Child Health 212 – Child Survival and Safe Motherhood (CSS)	O. 146.00	(-) 11.00	(-) 135.00	78.45	(-) 56.55

APPENDIX - IX

(Reference : Paragraph 2.15)

Expenditure incurred without budget provision

Sl. No.	Number and name of grant/appropriation	Head of account	Amount spent *(Rupees in lakh)*
1.	10 – Home Department	(i) 4216 – Capital outlay on Housing 01- Government Residential Buildings 107 – Police Housing (042) – Finance Commission	13.20
2.	13 – Public Works Department	(i) 2055 – Police 800 – Other Expenditure (plan)	75.47
		(ii) 5054 – Capital outlay on Roads and Bridges 04 – District and other Roads 800 – Other expenditure 117 – Externally Aided Project (plan)	66.01
		(iii) 80 – General 004 – Research (plan)	4.17
		(iv) 6003 – Internal Debt 103 - Loans from LIC of India	651.33
3.	16 – Health and Family Welfare Department	(i) 4211 – Capital Outlay on Family Welfare 103 – Maternity and Child Health	15.95
4.	30 – Forest Department	(i) 2402 – Soil and Water Conservation 102- Soil Conservation 501 – Afforestation in Catchment areas (CSS) (Plan)	20.61
5.	43 – Finance Department	(i) 6003 – Internal Debt of the State Government 110 – Ways and Means Advances from the Reserve Bank of India (Non-plan)	4328.00
6.	51 – Public Works (PHE) Department	(i) 4215 – Capital outlay on Water Supply and Sanitation. Rajib Gandhi National Drinking Water Mission Implementation of (RWS) Sector Reforms, Pilot Project (CSS)	770.07
		Total:	**5944.81**

APPENDIX - X

(Reference : Paragraph 2.16)

Statement showing the amounts of savings of Rs. 10 lakh and above not surrendered

Sl. No.	Number and name of grant/appropriation	Total provision	Total expenditure	Total saving	Amount not surrendered
(1)	(2)	(3)	(4)	(5)	(6)
			(Rupees in lakh)		
	Revenue Section(Voted)				
1.	3 – Chief minister's Secretariat and SA Department	1228.09	1213.34	14.75	14.75
2.	5 – Law Department	807.26	773.02	34.24	34.24
3.	6 – Revenue Department	5067.00	4190.32	876.68	684.25
4.	8 – General Administration (P&T) Department	210.07	...	210.07	42.71
5.	9 – Statistical Department	309.89	262.15	47.74	36.97
6.	10 – Home Department	18641.87	17370.75	1271.12	1271.12
7.	11 – Transport Department	235.61	187.80	47.81	41.87
8.	12 – Co-operation Department	732.44	542.50	189.94	11.86
9.	13 – Public Works Department	9153.59	9014.04	139.55	111.64
10.	14 – Power Department	13545.00	12401.04	1143.96	1143.96
11.	15 – Irrigation and Flood Control Department	3780.73	2854.14	926.59	816.96
12.	16 – Health and Family Welfare Department	3527.45	3264.99	262.46	179.16
13.	17 – Information, Cultural Affairs and Tourism Department	762.90	719.23	43.67	25.93
14.	18 – Political Department	75.71	42.05	33.66	33.66
15.	19 – Tribal Welfare Department	17764.13	14473.47	3290.66	1907.16
16.	20 – Welfare of Schedule Castes Department	7101.16	5115.65	1985.51	913.14
17.	21 – Food and Civil Supplies Department	910.31	748.10	162.21	151.75
18.	23 - Panchayat Raj Department	4878.11	4607.16	270.95	170.45
19.	24 – Industries and Commerce Department	1402.84	1243.40	159.44	77.66
20.	26 – Fisheries Department	1083.59	825.69	257.90	202.89
21.	27 – Agriculture Department	4374.79	3959.69	415.10	157.91
22.	28 – Horticulture Department	1807.21	1476.63	330.58	82.73
23.	29 – Animal Resource Development Department	2269.95	1863.71	406.24	338.87
24.	30 – Forest Department	2854.70	2683.04	171.66	63.15

APPENDIX – X (Contd.)

(Reference : Paragraph 2.16)

Statement showing the amounts of savings of Rs. 10 lakh and above not surrendered

Sl. No.	Number and name of grant/appropriation	Total provision	Total expenditure	Total saving	Amount not surrendered
(1)	(2)	(3)	(4)	(5)	(6)
			(Rupees in lakh)		
25.	32 – TRP and PGP Department	190.39	167.69	22.70	22.70
26.	36 – Jail Department	614.26	523.90	90.36	71.68
27.	38 – Stationery and Printing Department	489.94	433.87	56.07	44.29
28.	39 – Educational (Higher) Department	3448.44	2828.34	620.10	53.49
29.	40 – Education (School) Department	33701.75	30149.39	3552.36	2539.05
30.	41 – Education (Social) Department	4552.91	4250.66	302.25	302.25
31.	42 – Education (Sports and Youth Programme) Department	1183.76	1066.97	116.79	100.18
32.	46 – Treasuries Department	275.85	211.31	64.54	64.54
33.	51 – Public Works (PHE) Department	2284.85	943.68	1341.17	1341.17
34.	52 – Family Welfare and PM Department	4620.70	4420.35	200.35	190.52
35.	53 – Tribal Welfare (Research) Department	37.32	27.03	10.29	10.29
Revenue Section (Charged)					
36.	2 – Governor's Secretariat	122.39	109.97	12.42	12.42
37.	31 – Rural Development Department	25.00	Nil	25.00	25.00
38.	48 – High Court Department	191.52	169.70	21.82	21.82
Capital Section (Voted)					
39.	13 – Public Works Department	9532.72	7500.57	2032.15	759.75
40.	14 – Power Department	12391.45	8620.64	3770.81	270.81
41.	16 – Health and Family Welfare Department	324.03	130.49	193.54	148.54
42.	20 – Welfare of Scheduled Castes Department	2845.77	1858.65	987.12	524.80
43.	21 – Food and Civil Supplies Department	4930.87	4624.52	306.35	306.35
44.	27 – Agriculture Department	1500.00	1097.45	402.55	402.55

APPENDIX – X (Concld.)

(Reference : Paragraph 2.16)

Statement showing the amounts of savings of Rs. 10 lakh and above not surrendered

Sl. No.	Number and name of grant/appropriation	Total provision	Total expenditure	Total saving	Amount not surrendered
(1)	(2)	(3)	(4)	(5)	(6)
			(Rupees in lakh)		
45.	30 – Forest Department	145.00	125.00	20.00	20.00
46.	35 - Urban Development Department	465.33	386.76	78.57	78.57
47.	40 – Education (School) Department	100.00	-	100.00	100.00
48.	43 – Finance Department	900.00	414.54	485.46	355.46
49.	44- Institutional Finance Department	122.25	-	122.25	122.25
50.	52 – Family Welfare and PM Department	187.44	119.43	68.01	68.01
Capital Section (Charged)					
51.	31 – Rural Development Department	29.97	10.15	19.82	19.82
	Total	**1,87,738.31**	**1,60,022.97**	**27,715.34**	**16,491.10**

APPENDIX – XI

(Reference : Paragraph 2.17)

Statement showing the amounts surrendered in excess of actual saving

Sl. No.	Number and name of grant/appropriation	Actual saving	Amount surrendered	Amount Surrendered in excess
				(Rupees in lakh)
1.	31 – Rural Development Department (Revenue - Voted)	15.69	23.60	7.91
2.	43 – Finance Department (Revenue -Voted)	8784.20	8921.11	136.91
3.	19 – Tribal Welfare Department (Capital - Voted)	1031.49	1303.20	271.71
	Total	**9831.38**	**10247.91**	**416.53**

APPENDIX – XII
(Reference : Paragraph 2.22)

Statement showing rush of expenditure in the month of March 2001

Sl.No.	Number and name of grant/appropriation	Total provision	Total expenditure	Expenditure during March 2001	Percentage of expenditure during March to Total provision	Percentage of expenditure during March to Total expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)
						(Rupees in lakh)
Revenue Section						
1.	3 – Chief Minister's Secretariat and S.A. Department	1228.09	1213.34	227.85	19	19
2.	6 – Revenue Department	5067.00	4190.32	468.32	9	11
3.	8 – General Administration (P&T) Department	310.32	98.01	22.71	7	23
4.	30 – Forest Department (Revenue)	2854.70	2683.04	280.56	10	10
5.	32 – TRP and PGP Department (Revenue)	190.39	167.69	15.96	8	10
6.	46 – Treasuries Department (Revenue)	275.85	211.31	31.49	11	15
7.	19 – Tribal Welfare Department (Capital)	4964.65	3933.16	1354.53	27	34
	Total	**14891.00**	**12496.87**	**2401.42**	**16**	**19**

APPENDIX- XIII

(Reference: Paragraph 3.1.11)

Statement showing outlay and expenditure under ' Prevention and Control of Diseases'

Name of the programme	Year	Opening balance	Funds released by GOI under CSS			Funds under State Plan	Total funds available	Expenditure under CSS (including society)	Expenditure under State Plan	Total expenditure	Closing balance of Central share
			To State	Society	Total						
(Rupees in lakh)											
AIDS Control	1996-97	16.79	50.00	-	50.00	-	66.79	55.72	-	55.72	
	1997-98		50.00	-	50.00	-	50.00	41.36	-	41.36	
	1998-99		-	-	-	-	--	20.10	-	20.10	
	1999-2000		-	70.00	70.00	-	70.00	36.60	-	36.60	
	2000-2001			40.00	40.00	-	.00	76.73	-	76.73	
Total		16.79	100.00	110.00	210.00	-	226.79	230.51	-	230.51	(-) 3.72*
TB Control	1996-97	NIL	1.91	-	1.91	12.55	14.46	1.91	12.16	14.07	
	1997-98		7.57	-	7.57	6.40	13.97	6.38	2.70	9.08	
	1998-99		8.75	-	8.75	1.52	10.27	1.23	1.50	2.73	
	1999-2000		12.55	-	12.55	6.95	19.50	17.00	6.81	23.81	
	2000-2001		-	-	-	8.00	8.00	4.26	7.73	11.99	
Total		NIL	30.78	-	30.78	35.42	66.20	30.78	30.90	61.68	NIL
Leprosy Control	1996-97	22.24	19.00	6.00	25.00	65.80	113.04	24.72	36.06	60.78	
	1997-98		20.00	16.62	36.62	86.10	122.72	35.06	34.75	69.81	
	1998-99		24.00	50.35	74.35	82.77	157.12	50.74	79.51	130.25	
	1999-2000		23.80	23.18	46.98	96.58	143.56	44.45	53.20	97.65	
	2000-2001		10.00	10.00	20.00	95.05	115.05	14.23	82.84	97.07	
Total		22.24	96.80	106.15	202.95	426.30	651.49	169.20	286.36	455.56	55.99
Blindness Control	1996-97	6.73	11.46	7.55	19.01	20.05	45.79	23.57	18.40	41.97	
	1997-98		7.92	13.60	21.52	27.35	48.87	24.73	21.43	46.16	
	1998-99		26.30	15.00	41.30	16.13	57.43	32.40	16.37	48.77	
	1999-2000		17.39	11.65	29.04	24.15	53.19	30.81	23.00	53.81	
	2000-2001		54.80	12.00	66.80	18.97	85.77	23.32	16.27	39.59	
Total		6.73	117.87	59.80	177.67	106.65	291.05	134.83	95.47	230.30	49.57
Grand Total		**45.76**	**345.45**	**275.95**	**621.40#**	**568.37**	**1,235.53**	**565.32**	**412.73**	**978.05**	**101.84**

#Total grants received from GOI = Rs. 6.67 crore
Spillover funds = (-) Rs. 0.46 crore
Net funds received during the period Rs. 6.21 crore
*Expenditure booked by the Department in excess by Rs. 3.72 lakh to be regularised during the next year.

APPENDIX- XIV

(Reference : Paragraph 3.1.14)

Statement showing the target and achievement in identification of TB cases

Year	Total number of outpatients who visited hospitals and other health institutions working under the programme*	Estimated No. of chest symptomatic patients	Estimated number of sputum positive cases	75 *per cent* sputum positive cases (to be identified as per norm)	Detection of sputum positive cases		Sputum examination	
					Target fixed by the Department.	Achievement	Target	Achievement
1996-97	6,98,214	17,455	1,746	1,310	1,617	299	48,510	10,846
1997-98	7,01,041	17,526	1,753	1,315	1,617	513	48,510	11,270
1998-99	6,06,171	15,154	1,515	1,136	1,617	628	48,510	14,812
1999-2000	5,80,098	14,502	1,450	1,088	1,660	912	16,630	15,290
2000-2001	5,91,374	14,784	1,478	1,109	1,890	960	18,910	14,906
Total	**31,76,898**	**79,421**	**7,942**	**5,958**	**8,401**	**3,312**	**1,81,070**	**67,124**

* Compiled and supplied by the State TB Officer, Agartala

APPENDIX– XV

(Reference : Paragraph 3.1.17)

Statement showing the target and achievement of sputum examination in Peripheral Health Institutions of West Tripura District

Year	No. of PHIs under the DTC (West)	Estimated population in PHIs (as furnished by the Department)	Estimated number of chest symptomatic patients to be examined @ 500 cases per lakh population	Number of sputa required to be examined	Sputum examination	
					Target	Achievement
1996-97	18	10.00 lakh	5,000	15,000	12,650	4,011
1997-98	19	10.20 lakh	5,100	15,300	12,650	4,935
1998-99	20	10.45 lakh	5,225	15,675	12,650	6,805
1999-2000	20	10.70 lakh	5,350	16,050	10,775	6,346
2000-2001	20	11.00 lakh	5,500	16,500	10,775	6,609
Total			**26,175**	**78,525**	**59,500**	**28,706**

APPENDIX– XVI

(Reference : Paragraph 3.1.32)

Statement showing details of cataract surgeries

Year	Population in lakh[Δ]	Cataracts to be operated as per norm @ 250 per lakh population	Target fixed for cataract surgeries	Cataract surgeries conducted	No. of cases in which vision not restored
1996-97	32.75	8,187	5,000	5,249	No complication reported by the patients as stated by the Programme Officer.
1997-98	33.89	8,472	5,600	6,504	
1998-99	35.05	8,762	6,160	6,165	
1999-2000	36.30	9,075	7,000	7,415	
2000-2001	37.58	9,395	7,000	8,218	
Total		**43,891**	**30,760**	**33,551**	

[Δ] Estimated population as supplied by the Department.

APPENDIX– XVII

(Reference : Paragraph 3.1.34)

Statement showing details of camps organised and cataract operations done by the DMUs

Year	Number. of DMUs*	Number of cataract operations required to be done	Planned / proposed			Actually organised		
			Eye camps	Patients to be checked	Cataract operations	Eye camps	Patients checked	Cataract operations
1996-97	4	6,000	130	52,000	4,500	91	36,400	2,466
1997-98	4	6,000	130	52,000	5,000	110	44,000	2,975
1998-99	4	6,000	130	52,000	5,500	70	28,000	2,846
1999-2000	4	6,000	140	56,000	5,500	111	44,400	2,644
2000-2001	4	6,000	144	57,600	5,500	109	43,600	2,792
Total		**30,000**	**674**	**2,69,600**	**26,000**	**491**	**1,96,400**	**13,723**

* DMUs : District Mobile Units

APPENDIX– XVIII

(Reference : Paragraph 3.1.36)

Statement showing details of vitamin A prophylaxis

Year	Estimated population of children in the age group of 1-6 years	Target for coverage with Vitamin A solution	Children actually covered by Vitamin A solution	Percentage of estimated population
1996-97	1,91,640	85,000	76,024	40
1997-98	1,97,340	1,47,664	96,784	49
1998-99	2,03,220	1,49,987	87,529	43
1999-2000	2,09,280	89,473	76,858	37
2000-2001	2,14,500	94,065	80,220	37

APPENDIX - XIX

(Reference: Paragraph 3.2.4)

Statement showing financial position of the Tripura State Pollution Control Board as at the end of 2000-2001

Sl. No.	Year	Opening balance	Grants-in-aid from the State Government	Grants-in-aid from the GOI and the World Bank through CPCB	Grants-in-aid from the CPCB	Interest on Fixed Deposits	Consent fees including sale of forms	Others	Total receipts	Expenditure	Closing balance
		(Rupees in lakh)									
1.	1995-96	74.03	38.00	0.25	Nil	5.72	1.03	0.66	119.69	8.17	111.52
2.	1996-97	111.52	10.00	11.44	Nil	20.11	1.71	0.90	155.68	11.03	144.65
3.	1997-98	144.65	7.00	1.03	3.00	16.98	1.70	0.80	175.16	22.96	152.20
4.	1998-99	152.20	4.13	4.34	5.87	7.29	3.22	1.77	178.82	29.87	148.95
5.	1999-2000	148.95	4.96	3.90	27.08	13.75	4.73	2.05	205.42	25.44	179.98
6.	2000-2001	179.98	2.55	13.40	3.59	14.56	5.65	2.44	222.17	30.34	191.83

APPENDIX - XX

(Reference: Paragraph 3.2.5)

Statement showing funds received *vis-a-vis* expenditure incurred in connection with pollution control

(Rupees in lakh)

Sl. No.	Name of programme	Funds received						Total funds received till 2000-2001	Total expenditure	Balance	Percentage of shortfall
		Upto 1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01				
1.	Laboratory	21.88	17.90	-	6.13	10.00	8.00	63.91	21.20	42.71	67
2.	Pollution control programme	83.91	0.69	6.03	2.26	3.90	0.40	97.19	8.80	88.39	91
3.	MINARS[**]	0.45	-	-	1.62	-	0.17	2.24	NIL	2.24	100
4.	PAAC[*]	0.25	0.75	-	-	-	-	1.00	NIL	1.00	100
5.	ZASI[+]	-	-	3.00	4.00	5.36	3.00	15.36	7.44	7.92	52
6.	State Environment Report	-	-	-	-	5.00	-	5.00	Nil	5.00	100
7.	Hazardous Waste Management	-	-	-	-	-	5.00	5.00	3.25	1.75	35
	Total	106.49	19.34	9.03	14.01	24.26	16.57	189.70	40.69	149.01	79

Funds received	State Government	Central Government
Laboratory	29.03	34.88
Pollution control programme	88.91	8.28 (including NEAC programme)
MINARS	-	2.24
PAAC (provided by World Bank through GOI)	-	1.00
Funds under ZASI, State Environment Report, and Hazardous Wastes Management		25.36

[**] **MINARS: Monitoring of Indian National Aquatic Resources.**

[*] **PAAC: Pollution Awareness and Assistance Centre.**

[+] **ZASI: Zoning Atlas for Siting of Industries.**

APPENDIX - XXI

(Reference: Paragraph 3.2.8)

Statement showing short renewal and short realisation of consent fees under Air Act in respect of the industrial plants which were brought under consent management of the Board

Sl. No.	Year	No. of fresh consents issued	No. of consents due for renewal (on expiry of validity)	No. of consents renewed	Short renewal of consents (4-5)	Consent fees due for collection (taking into account the minimum rate of Rs. 100 for cases at cols. 3 and 4))	Consent fees collected	Short realisation/ collection of consent fees	Cumulative short collection
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	1988-89	23	-	Nil	Nil	2,300	Nil	2,300	2,300
2.	1989-90	78	23	Nil	23	10,100	Nil	10,100	12,400
3.	1990-91	82	101	Nil	101	18,300	Nil	18,300	30,700
4.	1991-92	103	183	Nil	183	28,600	10,300	18,300	49,000
5.	1992-93	100	286	5	281	38,600	10,500	28,100	77,100
6.	1993-94	108	386	14	372	49,400	12,200	37,200	1,14,300
7.	1994-95	102	494	34	460	59,600	13,600	46,000	1,60,300
8.	1995-96	121	596	65	531	71,700	18,600	53,100	2,13,400
9.	1996-97	42	717	65	652	75,900	10,700	65,200	2,78,600
10.	1997-98	109	759	73	686	86,800	18,200	68,600	3,47,200
11.	1998-99	154	868	124	744	1,02,200	27,800	74,400	4,21,600
12.	1999-2000	115	1022	167	855	1,13,700	28,200	85,500	5,07,100
13.	2000-2001	101	1137	201	936	1,23,800	30,200[∗]	93,600	6,00,700
	Total :	**1,238**	**6,572**	**748**	**5,824**	**7,81,000**	**1,80,300**	**6,00,700**	

[∗] The Board had shown total receipts on this account during 2000-2001 to be Rs. 57,500. Of this, an amount of Rs. 27,300 was pertaining to some other receipts like sale of forms etc. wrongly included under this head.

APPENDIX-XXII

(Reference: Paragraph 3.2.12)

Health profile of the State in regard to air borne diseases

Sl. No.	Particulars	Years			
		1995	1996	1997	1998
1.	Total number of patients of all categories treated in the State (year-wise) as reported by the Directorate of Health Services in March 2001	8,41,075	14,45,640	13,66,252	13,30,036
2.	Total number of death cases from all causes reported in the State	1,934	2,173	3,169	1,992
3.	Total number of patients who suffered from air borne diseases due to air pollution	1,13,869	1,69,034	1,91,448	2,05,352
4.	Total number of patients who died on account of air borne diseases	160	140	297	165
(a)	Percentage of patients who suffered from air borne diseases to the total number of patients treated	13.54	11.69	14.01	15.44
(b)	Percentage of death on account of air borne diseases to the total deaths reported in the State	8.27	6.44	9.37	8.28
(c)	Total population in Tripura as per 1991 census	27,57,000			
(d)	Percentage of patients who suffered from air borne diseases to the total population of Tripura	4.13	6.13	6.94	7.45

APPENDIX - XXIII

(Reference : Paragraph 3.8)

Statement showing Abstract Contingent Bills remaining outstanding against the Drawing and Disbursing Officers as on 30 June 2001

Name of Department	Name of Drawing and Disbursing Officer	Year	Amount of AC bills remaining outstanding *(Rupees in lakh)*	No. of outstanding AC bills	Purpose of drawal
1	2	3	4	5	6
Education	1. Director of Sports and Youth Affairs, Agartala	1998-99	12.44	13	Tribal Youth Exhibition, Sports activities, Inter-State Youth Exchange Programme, Vocational Training etc.
		1999-2000	10.44	16	District and State level selection meet, training, sports, school games etc.
		2000-2001	258.84	64	District and State level school selection meet, Inauguration ceremony of Dasarath Deb Sport Complex, Construction of State Capital Sports Complex, State Youth Festivals, Construction of Badharghat Stadium and Swimming Pool, etc.
	2. Director of Higher Education, Tripura, Agartala	1988-89 to 1994-95	15.97	15	N.S.S. Programme, Purchase of Books, Youth Welfare Programme
	3. Director of School Education, Agartala	1985-86 to 1987-88	31.70	6	Cost of GCI sheets, construction of primary school building, cost of 7 Nos. of Jeeps.
	4. Inspector of Schools, Dharmanagar	1988-89 to 1991-92	1.49	10	Trekking programme for students, sports, construction and repairing of junior basic schools etc., repairing of school buildings.
		1997-98	12.00	38	Construction of school buildings.
		1998-99	11.52	6	Construction of school buildings.
		1999-2000	1.50	6	Construction of school buildings.
		2000-2001	95.00	355	Construction of school buildings.

APPENDIX – XXIII (Contd.)

(Reference : Paragraph 3.8)

Statement showing Abstract Contingent Bills remaining outstanding against the Drawing and Disbursing Officers as on 30 June 2001

Name of Department	Name of Drawing and Disbursing Officer	Year	Amount of AC bills remaining outstanding *(Rupees in lakh)*	No. of outstanding AC bills	Purpose of drawal
1	2	3	4	5	6
	5. Inspector of Schools, Sonamura	1996-97	1.79	6	Repairing of school buildings.
		1997-98	5.05	13	Repairing of school buildings.
		1998-99	13.21	8	Repairing of school buildings.
		1999-2000	17.14	11	Construction of school buildings.
		2000-2001	45.00	90	Construction of school buildings.
	6. Inspector of Schools, Kailashahar	1985-86 to 1995-96	6.81	14	Construction of school buildings.
		1997-98	16.00	2	Construction of school buildings.
		1998-99	18.56	80	Construction of school buildings.
		1999-2000	9.26	38	Construction of school buildings.
		2000-2001	75.00	97	Construction of school buildings.
	7. Inspector of Schools, Udaipur	1984-85 to 1987-88	6.40	66	Repairing of school buildings.
		1998-99	11.78	61	Construction of school buildings.
		2000-2001	45.00	180	Construction of school buildings.
		1999-2000	4.15	2	Construction of Pump and Pump House at Kumarghat.

APPENDIX - XXIII (Concld.)

(Reference : Paragraph 3.8)

Statement showing Abstract Contingent Bills remaining outstanding against the Drawing and Disbursing Officers as on 30 June 2001

Name of Department	Name of Drawing and Disbursing Officer	Year	Amount of AC bills remaining outstanding	No. of outstanding AC bills	Purpose of drawal
			(Rupees in lakh)		
1	2	3	4	5	6
Information, Cultural Affairs and Tourism	8. Director of Information, Cultural Affairs and Tourism, Agartala	1985-86 to 1991-92	18.13	5	Purchase of books.
Agriculture	9. Deputy Director of Agriculture, West Tripura, Agartala	1997-98	2.16	3	Construction of community toilets complex at Chaturdas Devatabari.
		1999-2000	108.74	5	Purchase of Fertiliser
		2000-2001	217.73	8	Purchase of Fertiliser
		Total	**1,072.81**	**1218**	

APPENDIX - XXIV

(Reference: Paragraph 6.3.9)

Non-disposal of Remand/Referred Back Cases

(Agartala Charges)

Sl No.	Name of Charge	Name of assessee	Years of assessment	No. of cases	Amount involved (Rs.)
1.	Charge I	M/s Karmakar Steel Ind.2375/88	1994-95 1995-96	2	11,209.00 8,238.00
2.	--do--	National Building Construction 2430/89	1993-94 1994-95 1995-96 1996-97	4	2,77,959.00 33,410.00 91,131.00 1,12,987.00
3.	--do--	Tapas Chakraborty 2726/91	1996-97	1	16,112.00
4.	--do--	Nirgunanda Giri Engineering 2269/88	1989-90	1	73,407.00
5.	--do--	Kalima Bricks Ind.2514/89	1992-93 to 1995-96	4	4,36,731.00
6.	--do-	Mahamaya Bricks Ind.	1992-93	1	21,792.00
7.	--do--	Pradip Paul KHW/393/93	1997-98	1	91,208.00
8.	--do--	Ajanta Eng. Co. 950/77	1989-90 1990-91 1991-92	3	14,162.00 13,746.00 48,966.00
9.	--do--	Janani Bricks Ind. 1370/79	1983-84 1984-85 1985-86 1996-87 1987-88 1988-89 1989-90	7	6414.00 3096.00 13948.00 16381.00 21223.00 15475.00 14639.00
10.	--do--	B.L. Roy & Co 663(B)/76	1394 BS* 1988-89	2	3,49,903.00 29,997.00
11.	--do--	K.L. Roy & Co 2089/86	1988-89 1989-90 1990-91	3	25,977.00 74,446.00 1,02,325.00
12.	--do--	Biswakarma Bricks KHW/2060/85	1991-92 1992-93	2	NA
13/	--do--	Modak Bricks KHW/85/90	1993-94 1994-95 1995-96	3	26,149.00 2,38,926.00 1,29,367.00
14.	--do--	Kalima Bricks 2514/89	1991-92	1	25,564.00
15.	--do--	Leo Enterprise 2521/90	1994-95 1996-97 1997-98	3	11,410.00 3,032.00 5,139.00
16.	--do--	B.K. Roy KHW/35/76	1395 BS	1	2,44,522.00
17.	--do--	Mani Dev. Corp 1603/81	1393 BS 1394 BS 1989-90	3	10,159.00 32,435.00 34,995.00
18.	--do--	Nihar Bricks Ltd. 2150/86	1992-93 1993-94 1994-95	3	16,808.00 10,088.00 8,331.00
19.	--do--	Nalini Bricks Ind.	1995-96	1	1,25,592.00
20.	--do--	Narayan Ch. Saha, 106	1994-95 1995-96	2	2,185.00 2,893.00
21.	--do--	Sur & Co 3125/95	1995-96	1	7,419.00
22.	--do--	N.B.C.C. 3125/95	1994-95 1995-96 1996-97	3	1,12,987.00 33410.00 91,131.00

* B.S. represents 'Bangla San' (Bengali year).

APPENDIX – XXIV(Contd.)

(Reference: Paragraph 6.3.9)

Non-disposal of Remand/Referred Back Cases

Sl No.	Name of Charge	Name of assessee	Years of assessment	No. of cases	Amount involved(Rs.)
23.	Charge II	Manindra Candle Factory 1178/78	1987-88 to 1995-96	9	48,494.00
24.	Charge III	Capital Stores 033071	1993-94	1	17,753.00
25.	--do--	Baid Commercial Enterprise 03336/88	1991-92 1992-93 1993-94	3	23,104.00 98,52.00 21,652.00
26,	Charge III	New Rajmandir Electronices	1994-95	1	15,000.00
27.	--do--	Bipul Paul	1997-98 1998-99	2	6,909.00 23.020.00
28.	--do--	New R.M. Footware 03216/95	1997-98 1998-99	2	5,100.00 22,629.00
29.	--do--	Gouri Shankar Bhandar 03318/82	1994-95 1995-96	2	2,859.00 1,120.00
30.	--do--	Suparna Construction Agency 03406/85	1989-90 1990-91 1991-92 1992-93 1993-94 1994-95 1995-96	7	7,362.00 11,201.00 8,591.00 13,701.00 11,125.00 22,039.00 35,412.00
31.	--do--	Suparna Agency 03406/86	1994-95	1	6,489.00
32.	--do--	Chalantika 03293/76	1990-91 1991-92 1992-93 1993-94 1994-95	5	11,205.00 13,525.00 8,699.00 13,733.00 17,788.00
33.	--do--	Eastern Traveller 031181	1993-94 1994-95 1995-96 1996-97	4	49,392.00 60,139.00 80,633.00 71,765.00
34.	Charge IV	State Development Corp. 2267/88	1987-88 1988-89 1989-90	3	55,090.0 48,906.00 54,755.00
35.	--do--	Clay Store Ind. 2504/89	1989-90 1990-91 1991-92 1992-93	4	7,679.00 15,163.00 23,969.00 22,487.00
36.	--do--	Ramkrishna Automobiles	1996-97 1997-98	2	3,198.00 8,245.00
37.	--do--	New India Watch Co. 349/76	1994-95 1995-96	2	9,583.00 565.00
38.	--do--	Ramkrishna Bricks Co.	1995-96	1	47,155.00
39.	--do--	Bengal Dev. Corp. 1351/80	1995-96	1	86,343.00
40.	--do--	Asok Engg. Co. 3088/93	1995-96	1	2,18,414.00
41.	--do--	Suruchi Enterprise 3018/93	1993-94 1994-95 1995-96	3	6,962.00 11,59,190.00 2,64,364.00
42.	--do--	Priya Motors 2338/88	1994-95	1	1,69,941.00
Total				**107**	**59,39,724.00**

APPENDIX – XXIV(Concld.)

(Reference: Paragraph 6.3.9)

Non-disposal of Remand/Referred Back Cases
(Kailashahar Charge)

Sl. No.	Name of Assessee	Year of Assessment	No. of cases	Amount involved (Rs.)
1.	North Eastern Corporation KMP/34/84	1987-88 1988-89	2	34021.00 27674.00
2.	Paul Bricks Ind. KMP/59/93	1994-95	1	6560.00
		Total	**3**	**68,255.00**

Non-disposal of Remand/Referred Back Cases
(Dharmanagar Charge)

Sl. No.	Name of assessee	Year of assessment	No. of cases	Date of assess-ment	Amount involved (Rs.)
1.	K.B.K. Bricks Ind. H52/84	1985-86 1988-89	2		62667.00 60953.67
2.	Roy & Roy 301/80	1990-91 1994-95	2	24.3.97	89585.00
3.	Ujjal Bricks Product 645/89	1994-95 1991-92 1992-93 1989-90	4	31.12.96 7.5.99 7.5.99 10.8.99	95442.00 11796.00 29664.00 12887.00
4.	Bharat automobiles 62/76	1991-92 1992-93	2	9.7.98	156407.00
	Total		**10**		**5,19,401.67**

GRAND TOTAL

Charge	Amount (Rs.)	No. of cases
Agartala	59,39,724.00	107
Kailashahar	68,255.00	3
Dharmanagar	5,19,401.67	10
Total	**65,27,380.67**	**120**

APPENDIX - XXV

(Reference : Paragraph 6.3.10)

Loss of Government Revenue due to Assessee not being Traceable (Agartala Charge)

Sl No.	Charge	Name of assessee	Year of Assessment	No. of cases	Date of Assessment	Amount involved (Rs.)
1.	Charge I	M/s Krishna Bricks Ind. 3364/95	1994-95 to 1996-97	3	11/97	1,97,544.00
2.	- do -	Radharani Bashanalaya 1231/79	1981-82 1982-83	2	3.3.83 14.3.84	3575.00 1440.00
3.	Charge II	Joyram Cycle Stores 3017/93	1994-95 1995-96	2	20.9.2000	5357.00
4.	- do -	Sujit Kr. Paul	1990-91	1	28.7.96	4994.00
5.	Charge III	Farmost Industries Ltd.	1992-93 1993-94	2	29.6.94	5416.00
6.	Charge IV	Sadhana Engg. Co. 2239/87	1990-91 1991-92 to 1993-94	4	9.6.91 31.1.95	32,364.00 1,25,706.00
7.	- do -	Agartala Drug & Surgical Agencies 2192/87	1987-88 1988-89	2	26.9.93	1634.00
8.	- do -	Arron Bricks 2171/86	1988-89 to 1991-92	4	25.3.96	4,20,732.00
9.	- do -	Gasco International Drilling Pvt. Ltd.	1990-91	1	5/97	1,25,291.00
10.	- do -	Steel king	1992-93 to 1994-95	3	2/2000	1,04,551.00
		Total		**24**		**10,28,604.00**

Outstanding revenue against assessee not being traceable (Udaipur Charge)

Sl No.	Name of the Assessee	Year of Assessment	No. of cases	Date of Assessment	Amount involved(Rs.)
1.	M/s Joy Ram Brick Ind. BLN/ST/118/87	1992-93 1993-94 1994-95	3	18.5.96 18.5.96	93,421.00 1440.00
2.	Ma Kaali Bricks Industries BLN/ST/122/88	1988-89 1989-90 1990-91 1991-92 1993-94	5	5.12.90 26.3.93 19.2.96 19.2.96 19.2.96	4554.00 57188.00 71658.00 100854.00 4310.00
	Total		**8**		**3,33,425.00**

GRAND TOTAL

Charge	No. of cases	Amount (Rs.)
Agartala	24	10,28,604.00
Udaipur	8	3,33,425.00
Total	**32**	**13,62,029.00**

APPENDIX - XXVI

(Reference Paragraph 6.3.13)

Cancellation of Registration before realising assessed dues

Sl No.	Name of the dealers & RC No.	Assessment year	Date of Cancellation	Amount due for realisation (Rs.)
1.	M/s Ambassa Brick Field KMP/ST/21/80	1983-84 to 1986-87 & 1994-95	13.1.96	2,68,194.00
2.	Kumarghat Bricks Industry KLS/ST/128/83	1990-91 & 1991-92 1983-84 to 1986-87	7.2.96	70,896.00
3.	Ramkrishna Bricks Industry KMP/ST/47/89	1988-89, 1989-90, 1990-91 & 1991-92	14.1.96	2,32,354.00
4.	Chowmanu Brick Co. KLS/ST/161/87	1986-87 & 1988-89 to 1990-91	16.2.95	2,20,971.00
5/	Ratiabari Brick Field KLS/ST/141/84	1984-85 to 1991-92	24.11.95	2,97,473.00
6.	D.D. and Company KMP/ST/48/89	1990-91, 1991-92, 1992-93, 1993-94 & 1994-95	22.2.96	6,27,341.00
7.	Longtarai Constriction Company KLS/ST/202/91	1990-91	16.2.96	42,537.00
8.	Balaji Bricks Industry KMP/ST/49(B)/89	1988-89 to 1994-95	20.2.96	5,08,230.00
9.	K.L. Roy & Co. SDR/ST/2089/86 (Charge I), Agartala	1988-89 to 1990-91	30.11.95	2,02,748.00
10.	Joy Ram Bricks Industry AMP/ST/38/88 (Udaipur)	1988-89	2.8.99	11,235.00
11.	Nripendra Kr. Saha BLN/ST/39/176	1400 to 1401 BS	31.1.2001	1525.00
	TOTAL			**24,83,504.00**

APPENDIX - XXVII

(Reference: Paragraph 6.3.14)

Demand remaining un-recovered on account of Appeal Cases

Sl No.	Name of Assessee	No. of cases	Year of Assessment	Pending in appeal from	Amount of unrecovered demand (Rs.)
1.	K.B. K. Bricks Industry DMN/452/84	4	1984-85 1985-86 1986-87 1989-90	September 1990	31,240.00 1,65,564.00 89,133.00 2,92,257.00
2.	Joy Ram Brick Kin. DMN/634/89	3	1989-90 1990-91 1991-92	July 1999	1,562.00 32,245.00 25,508.00
					59,315.00
			Less paid		(-) 27,000.00
					32,315.00
3.	Roy & Roy DMN/301/80	1	1988-89	August 1995	25,444.00
4.	Seema Saw Mill DMN/302/80	2	1995-96 1996-97	August 1999	10,049.70 NA
5.	North Eastern Corporation KMP/ST 34/84	4	1983-84 1984-85 1985-86 1986-87	May 1993	NA NA 28,649.00 46,834.00
6.	Salema Unemployed Entrepreneur Multipurpose Co-op society KMP/30/81	4	1983-84 1984-85 1985-86 1986-87	February 1995	1,16,707.00 53,975.00 95,875.00 27,657.00
7.	Debashish Datta KMP/ST/26/81	2	1987-88 1988-89	June 1996	NA NA
8.	Kali Krishna Bricks Co. SDR/ST/254/90 (Charge I)	1	1992-93	January 2000	28,333.00
9.	Roy & Roy Construction SDR/ST/2690/90 (Charge I)	2	1991-92 1992-93	August 1996	1,00,798.00 62,088.00
10.	Roy Engg. Co. SDR/ST/517/76 (Charge I)	3	1994-95 1995-96 1993-94	April 2000	8,295.00 10,961.00 12,412.00
11.	Jyoti Bricks SDR/ST/3292/94 (Charge I)	2	1994-95 1995-96	February 2000	38,847.00 38,610.00
12.	Gandheshwari Stores (Charge III)	2	1997-98 1998-99	March 2000	3,371.00 4,075.00
13.	Bharat Automobiles DMN/ST/62/76	1	1995-96	October 1999	55,794.00
14.	K.B.K. Bricks Ind. DMN/452/84	4	1985-86 to 1988-89	September 1990	62,667.00 89,133.00 60,953.67
15.	Roy & Roy DMN/301/80	1	1988-90	July 1991	25,444.00
16.	Seema Saw Mill 302	2	1995-96 1996-97	July 1998	10,049.70 NA
17.	Joyram Brick Kiln 634/89	3	1992-93 to 1994-95	July 1999	NA
18.	Bharat Automobiles 62/76	1	1995-96	October 1999	NA
	Total	**42**			**16,27,531.07**

GRAND TOTAL

Charge	Amount (Rs.)	No. of cases
Agartala I, III	3,07,790.00	10 (Sl. No. 8-12)
Kailashahar	10,71,493.70	21(Sl. No. 1-7, 13)
Dharmanagar	2,48,247.37	11(Sl. No. 14-18)
Total	**16,27,531.07**	**42**

APPENDIX - XXVIII

(Reference : Paragraphs 8.1.4, 8.1.9, 8.1.10 and 8.1.28)

Statement showing particulars of paid up capital, equity/loans received out of budget, other loans and loans outstanding as on 31 March 2001 in respect of Government Companies and Statutory Corporation

(Rupees in lakh)

Sl. No.	Sector and Name of company	Paid up Capital at the end of the year 2000-2001: State Govt.	Central Govt.	Holding companies	Others	Total	Equity/Loans received out of the Budget during the year: Equity	Loans	Other loans received during the year	Loans outstanding at the close of the year 2000-2001*: Government	Other	Total	Debt-equity ratio (Previous year)
1	2	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
A.	**WORKING GOVERNMENT COMPANIES**												
	AGRICULTURE												
1.	Tripura Horticulture Corporation Ltd.(THCL)	136.00				136.00							
	Total :Agriculture	**136.00**				**136.00**							
	FOREST												
2.	Tripura Forest Development and Plantation Corporation Ltd. (TFDPCL)	830.44	29.50			859.94	25.00				559.81	559.81	0.65:1 (0.68:1)
	Total : Forest	**830.44**	**29.50**			**859.94**	**25.00**				**559.81**	**559.81**	**0.65:1 (0.68:1)**
	INDUSTRIES												
3.	Tripura Small Industries Corporation Ltd. (TSICL)	1339.22				1339.22	205.00				46.50	46.50	0.03:1 (0.07:1)
4.	Tripura Industrial Development Corporation Ltd. (TIDCL)	884.00			163.50	1047.50	30.00		48.32		279.12	279.12	0.27:1 (0.29:1)
5.	Tripura Handloom and Handicrafts Development Corporation Ltd. (THHDCL)	820.48	57.78		4.00	882.26	115.24			258.24	204.64	462.88	0.52:1 (0.57:1)
6.	Tripura Jute Mills Ltd. (TJML)	5576.51				5576.51	538.00				182.32	182.32	0.03:1 (0.10:1)
7.	Tripura Tea Development Corporation Ltd.(TTDCL)	640.50				640.50	25.00						
	Total : Industries	**9260.71**	**57.78**		**167.50**	**9485.99**	**913.24**		**48.32**	**258.24**	**712.58**	**970.82**	**0.10:1 (0.16:1)**
	PRIMITIVE GROUP PROGRAMME												
8.	Tripura Rehabilitation Plantation Corporation Ltd.	457.73				457.73							
	Total : Primitive Group Programme	**457.73**				**457.73**							
	Total : (A-Government Companies)	**10,684.88**	**87.28**		**167.50**	**10,939.66**	**938.24**		**48.32**	**258.24**	**1272.39**	**1530.63**	**0.14:1 (0.19:1)**
B.	**WORKING STATUTORY CORPORATIONS**												
1.	Tripura Road Transport Corporation (TRTC)	**6950.30**	**363.74**			**7314.04**	**1105.98.**						
	Total : (B-Statutory Corporation)	**6950.30**	**363.74**			**7314.04**	**1105.98**						
	GRAND TOTAL (A+B)	**17,635.18**	**451.02**		**167.50**	**18253.70**	**2044.22**		**48.32**	**258.24**	**1272.39**	**1530.63**	**0.08:1 (0.12:1)**
C.	**Non-working companies**												
	Finance												
1.	Tripura State Bank Ltd.	**4.00**				**4.00**							
	Grand Total (A+B+C)	**17,639.18**				**18257.70**							

Note: All figures are provisional as given by the Companies. * Loans outstanding at the close of 2000-2001 represent long term loans only.

APPENDIX - XXIX

(Reference : Paragraphs 8.1.14, 8.1.15, 8.1.17 and 8.1.27)

Summarised financial results of working Government Companies and Statutory Corporation for the latest year for which accounts were finalised upto 30 September 2001

(Rupees in lakh

Sl. No.	Sector and Name of company	Name of Department	Date of incorporation	Period of Accounts	Year in which accounts finalised	Net profit(+) loss(-)	Net impact of audit comments	Paid-up Capital	Accumulated Profit(+) Loss(-)	Capital employed*	Total Return on Capital employed**	Percentage of total return on capital employed	Accounts in arrears in terms of years	Status of the company/corporation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
A.	GOVERNMENT COMPANIES													
1.	**AGRICULTURE**													
(i)	Tripura Horticulture Corporation Ltd.	Agricultural Department	07-04-1987	1995-96	2001-2002	(-)1.00	NRC issued	135.00	(-) 1.50	162.83	13.49	8.28	5	Working
	Total : Agriculture					**(-)1.00**		**135.00**	**(-)1.50**	**162.83**	**13.49**	**8.28**		
2.	**FOREST**													
(i)	Tripura Forest Development and Plantation Corporation Ltd.	Forest Department	26-03-1976	1991-92	2001-2002	(-)47.48	Increase in loss by 59.55	708.02	(-)370.25	1138.32	10.96	0.96	9	Working
	Total : Forest					**(-)47.48**		**708.02**	**(-)370.25**	**1138.32**	**10.96**	**0.96**		
3.	**INDUSTRY**													
(i)	Tripura Small Industries Corporation Ltd.	Industry Department	30-04-1965	1986-87	2000-2001	(-)17.08	NRC issued	87.92	(-)85.69	222.01	3.25	1.46	14	Working
(ii)	Tripura Industrial Development Corporation Ltd.	-do-	28-03-1974	1992-93	2001-2002	(+)42.65	Decrease in profit by 211.45	776.50	(-)19.57	1306.07	68.37	5.23	8	Working
(iii)	Tripura Handloom and Handicrafts Development Corporation Ltd.	-do-	05-09-1974	1986-87	2000-2001	(+)4.58	NRC issued	85.44	(-)19.61	295.85	12.88	4.35	14	Working
(iv)	Tripura Jute Mills Ltd.	-do-	10-10-1974	1988-89	2001-2002	(-)245.87	Increase in loss by 127.73	927.01	(-)1798.91	(-)237.08	(-)165.32		12	Working
(v)	Tripura Tea Development Corporation Ltd.	-do-	11-08-1980	1988-89	1997-98	(+)8.58	Increase in profit by 2.46	40.00	(-)0.44	492.61	8.58	1.74	12	Working
	Total : Industry					**(-)207.14**		**1916.87**	**(-)1885.08**	**2079.46**	**(-)72.24**			
4	**PRIMITIVE GROUP PROGRAMME**													
(i)	Tripura Rehabilitation Plantation Corporation Ltd.	Tribal Welfare Department	03-02-1983	1996-97	2000-2001	(-)2.52	Increase in loss by 119.28	457.73	(-)275.39	832.50	(-)2.52		4	Working
	Total : Primitive Group Programme					**(-)2.52**		**457.73**	**(-)275.39**	**832.50**	**(-)2.52**			
	Total of "A" : Government Companies					**(-)258.14**		**3217.62**	**(-)2532.22**	**4213.11**	**(-) 50.31**			
B	**STATUTORY CORPORATION**													
5	**TRANSPORT**													
(i)	Tripura Road Transport Corporation	Transport Department	23-10-1969	1997-98	2000-2001	(-)841.96	Increase in loss by 58.23	4846.39	(-)7016.23	(-)1902.78	(-)556.27		3	Working
	Total of "B" : Statutory Corporation					**(-)841.96**		**4846.39**	**(-)7016.23**	**(-)1902.78**	**(-)556.27**			
	Grand Total (A+B)					**(-)1100.10**		**8064.01**	**(-)9548.45**	**2310.33**	**(-)606.58**			

***Capital employed represents net fixed assets (including capital works-in-progress) *plus* working capital except in case of finance companies / corporations where the capital employed is worked out as a mean of aggregate of the opening and closing balances of paid up capital, free reserves, bonds, deposits and borrowings (including re-finance). ** Return on capital employed is calculated by adding interest on borrowed funds to net profit / substracting from the loss as disclosed in the Profit and Loss Accounts.**

APPENDIX - XXX

(Reference: Paragraph 8.1.10)

Statement showing subsidy and guarantees received, waiver of dues, loans on which moratorium allowed and loans converted into equity during the year, subsidy receivable and guarantee outstanding at the end of March 2001

(Figure in column 3(a) to 5(d) are Rupees in crore)

Sl. No.	Name of the Public Sector Undertaking	Subsidy received during the year				Guarantee received during the year and outstanding at the end of the year					Waiver of dues during the year				Loans on which morato-rium allowed	Loans converted into equity during the year
1	2	3(a)	3(b)	3(c)	3(d)	4(a)	4(b)	4(c)	4(d)	4(e)	5(a)	5(b)	5(c)	5(d)	6	7
		Central Govt.	State Govt.	Others	Total	Cash credit from bank	Loan from other source	Letter of credit opened by banks in respect of imports	Payment obligation under agreement with foreigner consultants or contract	Total	Loan repayments written off	Interest waived	Penal interest waived	Total		
A.	**GOVERNMENT COMPANIES**															
(i)	Tripura Horticulture Corporation Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii)	Tripura Forest Development and Plantation Corporation Ltd.	-	-	0.15	0.15	-	-	-	-	5.60	-	-	-	-	-	-
(iii)	Tripura Small Industries Corporation Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv)	Tripura Industrial Development Corporation Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(v)	Tripura Handloom and Handicrafts Development Corporation Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(vi)	Tripura Jute Mills Ltd.	-				-	-	-	-	-	-	17.24	-	17.24	-	-
(vii)	Tripura Tea Development Corporation Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(viii)	Tripura Rehabilitation Plantation Corporation Ltd.	-	-	0.20	0.20	-	-	-	-	-	-	-	-	-	-	-
	Total of 'A'	-		**0.35**	**0.35**	-	-	-	-	**5.60**	-	**17.24**	-	**17.24**	-	-
B.	**STATUTORY CORPORATION**															-
	Tripura Road Transport Corporation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total of 'B'	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Grand total (A+B)			**0.35**	**0.35**	-	-	-	-	**5.60**	-	**17.24**	-	**17.24**	-	-

APPENDIX - XXXI

(Reference: Paragraph 8.1.17)

Statement showing Financial Position of Statutory Corporation

(Rupees in core)

Sl.No.	Particulars	1998-99	1999-2000	2000-2001
	TRIPURA ROAD TRANSPORT CORPORATION			
A.	LIABILITIES			
	Capital (including capital loan & equity capital)	54.67	62.08	73.14
	Borrowings from Government*	0.25	0.25	Not compiled
	Borrowings from other sources	0.69	0.69	NIL
	Funds (excluding depreciation funds)	1.30	1.41	Not compiled
	Depreciation Reserve	5.47	5.97	-do-
	Trade dues and others current liabilities (including provision)	28.82	31.85	-do-
	Total of 'A'	**91.20**	**102.25**	-do-
B.	ASSETS			
	GROSS BLOCK	**8.56**	**9.09**	-do-
	Capital works-in-progress including cost of chassis			
	Investment			
	Current Assets, Loans & Advances	2.83	2.83	-do-
	Accumulated losses	79.81	90.33	-do-
	Total of 'B'	**91.20**	**102.25**	-do-
C.	CAPITAL EMPLOYED**	(-) 22.90	(-) 25.90	-do-

* The borrowings were not for capital investment but for loans and advances to staff.

** Capital employed represents net fixed assets (including work-in-progress) *plus* working capital.

APPENDIX - XXXII

(Reference: Paragraph 8.1.17)

Statement showing working results of Statutory Corporation

(Rupees in crore)

TRIPURA ROAD TRANSPORT CORPORATION				
Sl.No.	Particulars	1998-99	1999-2000	2000-2001
	OPERATING			
A.	Revenue (income)	1.79	2.39	Not compiled
B.	Expenditure	8.05	9.09	-do-
C.	Surplus (+) / Deficit (-)	(-) 6.26	(-) 6.70	-do-
	NON-OPERATING			
A.	Revenue (income)	0.02	0.02	-do-
B.	Expenditure	3.41	3.83	-do-
C.	Surplus (+) / Deficit (-)	(-) 3.39	(-) 3.81	-do-
	TOTAL			
A.	Revenue (income)	1.81	2.41	-do-
B.	Expenditure	11.46	12.92	-do-
C.	Net surplus (+) / deficit (-)	(-) 9.65	(-) 10.51	-do-
	Interest on capital and loans	3.23	3.63	-do-
	Total return on capital employed *	**(-) 6.42**	**(-) 6.88**	**-do-**

* Total return on capital employed represents net surplus / deficit *plus* total interest charged to profit and loss account (less interest capitalised)

APPENDIX XXXIII
(Reference: Paragraph 8.1.24)

Statement showing operational performance of Statutory Corporation

Sl.No.	Particulars	BUS			TRUCK		
		1998-99	1999-2000	2000-2001	1998-99	1999-2000	2000-2001
1.	Average No. of vehicles held	94	98	77	28	28	22
2.	Average No. of vehicles on road	39	46	38	12	13	10
3.	Percentage of utilisation of vehicles	41.49	46.94	49.35	42.86	46.42	45.45
4.	Number of employees	791	812	800	110	111	98
5.	Employee – vehicle ratio	8.41	8.29	10.39	3.93	3.96	4.45
6.	Number of routes operated at the end of the year	27	26	27	-	-	-
7.	Route – kilometre	3040	2896	3129	-	-	-
8.	Kilometres operated (Rs. in lakh)						
	(a) Gross	21.85	23.28	20.89	1.34	2.30	1.70
	(b) Effective	20.68	22.15	19.96	1.29	2.22	1.68
	(c) Dead	1.17	1.13	0.93	0.05	0.08	0.02
9.	Percentage of dead kilometres to gross Kms	5.35	4.85	4.45	3.73	3.48	1.18
10.	Average kilometres covered per bus/truck/day	145	138	151	29.62	48	47
11.	Operating revenue per kilometre (paise)	725	905	NA	1545	1590	NA
12.	Average Expenditure per km (paise) (operating)	3259	3458	NA	6919	5948	NA
13.	Profit (+) / Loss (-) per kilometre (paise)*	(-) 3748	(-) 3825	NA	(-) 10,886	(-) 9213	NA
14.	No. of operating depots	2	2	2	1	1	1
15.	Average No. of break-down per lakh kilometres	15.8	22	30	0.74	1.30	-
16.	Average No. of accidents	0.41	0.64	0.33	NIL	NIL	NIL
17.	Passenger – kilometre operated (in crore)	5.75	6.39	6.38	-	-	-
18.	Occupancy ratio	57.95	60.08	68.10	-	-	-

* This has been worked out taking into account operating as well as non-operating receipts/expenditure.

APPENDIX - XXXIV

(Referenc: Paragraph 8.1.35)

Statement showing the department-wise Inspection Reports outstanding

Sl.No.	Name of the department	No. of PSUs	No. of outstanding I.R.	No. of outstanding paragraph	Year for which observations outstanding
1.	Industry & Commerce	3	3	18	1992-93
2.	Forest	1	1	4	-do-
3.	TRP & PGP	1	1	3	-do-
4.	Industry & Commerce	2	2	15	1993-94
5.	Transport	1	1	6	-do-
6.	Forest	1	1	2	-do-
7.	TRP & PGP	1	1	1	-do-
8.	Agriculture	1	1	2	-do-
9.	Industry and Commerce	3	3	25	1994-95
10.	Transport	1	1	12	-do-
11.	Agriculture	1	1	1	-do-
12.	Forest	1	1	4	-do-
13.	TRP &PGP	1	4	22	-do-
14.	Industry & Commerce	3	3	27	1995-96
15.	Transport	1	1	10	-do-
16.	Agriculture	1	1	1	-do-
17.	TRP & PGP	1	1	2	-do-
18.	Industry & Commerce	4	4	30	1996-97
19.	Forest	1	1	4	-do-
20.	TRP & PGP	1	2	8	-do-
21.	Industry & Commerce	3	3	17	1997-98
22.	Agriculture	1	1	2	-do-
23.	TRP & PGP	1	2	5	-do-
24.	Industry & Commerce	3	3	14	1998-99
25.	Forest	1	2	7	-do-
26.	TRP & PGP	1	2	6	-do-
27.	Transport	1	1	9	-do-
28.	Industry & Commerce	3	3	24	1999-2000
29.	Agriculture	1	1	5	-do-
30.	TRP & PGP	1	1	2	-do-
31.	Industry & Commerce	4	4	22	2000-2001
32.	Forest	1	1	5	-do-
			58	**315**	

APPENDIX -XXXV

(Reference: Paragraph 8.1.39)

Statement showing paid up capital investment and summarised working results of company covered under Section 619-B as per latest finalised accounts

(Rupees in lakh)

Sl. No.	Name of the company	Status (working/ non-working)	Year of account	Paid up capital	Equity by			Loans by			Grants by			Total investment by way of loans of equity, loans and grants			Profit (+)/ loss (-)	Accumulated profit (+)/ loss (-)
					State Government	State Government companies	Central Govt. and their companies	State Govt	State Govt companies	Central Govt. and their companies	State Govt	State Govt companies	Central Govt. and their companies	State Govt	State Govt companies	Central Govt. and their companies		
1.	Tripura Natural Gas Company	Working	1996-97	53.65	NiL	53.65 (100%)	NiL	NiL	NiL	NiL	NiL	NiL	NiL	NiL	53.65	NiL	(-) 2.67	(-) 23.65

APPENDIX – XXXVI

(Reference: Paragraph 8.2.10)

Statement showing the financial position of Tripura Forest Development and Plantation Corporation Limited for the period from 1995-96 to 1998-99

Provisional Accounts

		1995-96	1996-97	1997-98	1998-99
I	LIABILITIES	*(Rupees in lakh)*			
(a)	Paid up capital	781.02	807.02	808.02	808.02
(b)	Reserve and Surplus***	716.96	731.71	742.93	803.38
(c)	Borrowings	314.07	314.07	351.73	314.07
(d)	Trade dues and other liabilities (including provisions)	558.25	579.09	717.41	819.15
	Total	**2370.30**	**2431.89**	**2620.09**	**2744.62**
II	ASSETS				
(e)	Gross Block	1947.48	2038.66	2095.55	2148.65
(f)	Less : Depreciation	362.70	452.57	546.12	634.09
(g)	Net fixed Assets	1584.78	1586.09	1549.43	1514.56
(h)	Capital work in progress	-	-	-	-
(i)	Investment	-	-	-	-
(j)	Current assets, loans and advances	268.32	300.55	441.71	470.64
(k)	Intangible assets (i) Miscellaneous expenditure	0.83	0.83	0.83	0.83
	(ii) Accumulated loss	516.37	544.42	628.12	758.59
	Total	**2370.30**	**2431.89**	**2620.09**	**2744.62**
	Capital Employed *	1294.85	1307.55	1273.73	1166.05
	Net worth**	476.83	487.20	415.72	295.70

* Capital employed represents net fixed assets plus working capital.

** Net worth represents paid-up capital *plus* free reserves and surplus less intangible assets.

*** Reserves and surplus includes funds from NEC for capital projects (Rs. 503.75 lakh, Rs. 506.28 lakh, Rs. 506.28 lakh and Rs. 556.28 lakh for the years relating to 1995-96 to 1998-99 respectively); the remaining balances represent free reserve.

APPENDIX – XXXVII

(Reference: Paragraph 8.2.10)

Statement showing the Working Results of Tripura Forest Development and Plantation Corporation Limited for the period from 1995-96 to 1998-99

		1995-96	1996-97	1997-98	1998-99
I	INCOME	*(Rupees in lakh)*			
(a)	Sales	649.15	637.18	663.15	735.13
(b)	Other income	10.53	35.12	18.51	43.09
(c)	Accretion(+)/ Decretion (-) to stock	(+)40.06	(+)73.77	(+) 161.82	(-) 24.90
	Total (I)	**699.74**	**746.07**	**843.48**	**753.32**
II	EXPENDITURE				
(a)	Running & maintenance expenses	39.82	31.67	31.86	18.47
(b)	Production expenses	407.97	461.28	610.63	576.67
(c)	Administrative, selling expenses	40.82	59.75	67.08	64.98
(d	Depreciation	96.50	89.87	93.56	87.97
(e)	Interest	104.80	109.08	109.79	128.73
(f)	Other expenses	32.79	22.46	14.27	6.97
	Total (II)	**722.70**	**774.11**	**927.19**	**883.79**
	Profit (+)/Loss(-) for the year (I – II)	(-)22.96	(-)28.04	(-) 83.71	(-) 130.47
	Profit (+)/Loss(-)after prior period adjustment/tax	(-)22.96	(-)28.04	(-) 83.71	(-) 130.47

APPENDIX - XXXVIII

(Reference: Paragraph 8.2.20)

Statement showing yield per tree and shortfall in crop production *vis-à-vis* loss of potential revenue

Year	Total production (Tonnes)	Total No. of trees tapped (In lakh number)	Average tapping days utilised per tree	Production/ tree/tapping days [2/(3x4)] (gms)	Norm fixed by Rubber Board (gms)	Shortfall in production [(6-5)x(4x3)] (Tonnes)	Rate per kg utilised (Rs.)	Loss of revenue (7x8) (Rs. in lakh)
1	2	3	4	5	6	7	8	9
1995-96	1626.398	7.35	140	15.81	43	2797.851	54.00	1510.84
1996-97	1757.944	8.02	140	15.66	43	3069.735	46.83	1437.56
1997-98	2184.689	8.38	140	18.62	43	2860.262	33.35	953.90
1998-99	2122.950	9.84	140	15.41	43	3800.798	26.58	1010.25
1999-2000	2525.649	10.25	140	17.60	43	3644.900	30.04	1094.93
Total						**16173.546**		**6007.48**

APPENDIX - XXXIX

(Reference: Paragraph 8.2.22)

Statement showing excess yield of scrap over the norm fixed by Rubber Board and the consequent loss of revenue

Year	Total crop production (Tonnes)	Total yield of field scrap (Tonnes)	Expected scrap as per norm [15 *per cent* of (2)] (Tonnes)	Excess scrap over norm (3-4) (Tonnes)	Rate per kg of rubber (Rs.)	Rate per kg of scrap (Rs.)	Difference in rate per Kg. (6-7) (Rs.)	Loss of revenue (5x8) (*Rs. in lakh*)
1	2	3	4	5	6	7	8	9
1995-96	1448.167	299.081	217.225	81.856	54.00	32.00	22.00	18.01
1996-97	1636.964	345.237	245.545	99.692	46.83	23.00	23.83	23.76
1997-98	2039.241	441.268	305.886	135.382	33.35	20.00	13.35	18.07
1998-99	2021.307	406.575	303.196	103.379	26.58	12.00	14.58	15.07
1999-2000	2455.608	467.023	368.341	98.682	30.04	13.00	17.04	16.82
Total	**9601.287**	**1959.184**	**1440.193**	**518.991**				**91.73**

Percentage of total field scrap to total crop production = $\frac{1959.184 \text{ X } 100}{9601.287}$ = 20.41 *per cent*

APPENDIX – XL

(Reference: Paragraph 8.2.33)

Statement showing the actual process loss, permissible process loss and loss of revenue on account of excess process loss during production of cenex

Year	Latex input (Tonnes)	Actual process loss (Tonnes)	Permissible process loss [2.5 *per cent* (2)]	Excess process loss (3-4) (Tonnes)	Rate of cenex (100% DRC) per kg (Rs.)	Loss of revenue (Rs. in lakh) (5x6)
1	2	3	4	5	6	7
1996-97	310.912	23.143	7.773	15.370	65.35	10.04
1997-98	359.493	21.733	8.987	12.746	48.12	6.13
1998-99	296.616	28.594	7.415	21.179	45.62	9.66
1999-2000	316.285	35.764	7.907	27.857	37.52	10.45
Total	**1283.306**	**109.234**	**32.082**	**77.152**		**36.28**

Percentage of total process loss (actual to the total input) = $\frac{109.234 \times 100}{1283.306}$ = **8.51** ***per cent***

APPENDIX-XLI

(Reference: Paragraph 8.2.35)

Statement showing non-utilisation of scrap in production of EBC

Year	Total yield of scrap (Tonnes)	Scrap utilised for production of EBC (Tonnes)	Capacity of production EBC (Tonnes)	Actual production (Tonnes)	Shortfall in production (4-5) (Tonnes)	Rate per kg of EBC (Rs.)	Rate per kg of scrap (Rs.)	Difference in rate per Kg (7-8) (Rs.)	Loss of revenue (6x9) (Rs. in lakh)
1	2	3	4	5	6	7	8	9	10
1995-96	299.081	93.470	240	85.875	154.125	42.72	32.00	10.72	16.52
1996-97	345.237	68.184	240	63.550	176.450	41.08	23.00	18.08	31.90
1997-98	441.268	48.014	240	45.425	194.575	29.16	20.00	9.16	17.82
1998-99	406.575	46.537	240	42.600	197.400	21.38	12.00	9.38	18.52
1999-2000	467.023	44.892	240	38.025	201.975	22.77	13.00	9.77	19.73
Total	**1959.184**	**301.097**							**104.49**

Percentage of scrap utilised to total yield of scrap = $\frac{301.097 \times 100}{1959.184}$ = 15.37 *per cent*

APPENDIX - XLII

(Reference: Paragraph 8.3)

Statement showing Sub-Division-wise unrealised amount of penalty

Sl.No.	Name of the Division	Amount
(1)	(2)	(3)
1.	Electrical Sub-Division, Ambassa	Rs. 1,17,429.10
2.	Electrical Sub-Division, Jagendra Nagar	Rs. 1,97,436.00
3.	Electrical Sub-Division, Bishalgarh	Rs. 1,76,364.80
4.	Electrical Sub-Division III, Durgachowmuhani	Rs. 3,64,447.00
5.	Electrical Sub-Division V, G.B. Complex	Rs. 3,36,354.00
6.	Electrical Sub-Division, Udaipur	Re 3,13,764.80
7.	Electrical Sub-Division, Kumarghat	Rs. 6,52,940.00
8.	Electrical Sub-Division, Manu	Rs. 1,36,998.40
9.	Electrical Sub-Division,, Banamalipur	Rs. 36,39,418.20
10.	Electrical Sub-Division IV, Agartala	Rs. 1,60,986.90
11.	Electrical Sub-Division, Mohanpur	Rs. 6,15,258.10
12.	Electrical Sub-Division, Jirania	Rs. 4,57,659.00
13.	Electrical Sub-Division, Dharmanagar	Rs. 1,80,423.00
	Total	**Rs. 73,49,479.30**

APPENDIX - XLIII

(Reference: Paragraph 8.3)

Statement showing Sub-Division-wise inadmissible allowance of rebate

Sl.No.	Name of the Division	Amount
(1)	(2)	(3)
1.	Electrical Sub-Division, Ambassa	Rs. 79,644.50
2.	Electrical Sub-Division V, G.B. Complex	Rs. 1,00,860.00
3.	Electrical Sub-Division, Udaipur	Rs. 41,776.20
4.	Electrical Sub-Division, Kumarghat	Rs. 46,733.00
5.	Electrical Sub-Division I, Banamalipur, Agartala	Rs. 6,27,020.10
6.	Electrical Sub-Division, Mohanpur	Rs. 1,19,450.50
7.	Electrical Sub-Division, Jirania	Rs. 45,216.20
8.	Electrical Sub-Division, Dharmanagar	Rs. 74,925.00
	Total	**Rs. 11,35,625.50**