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Report of the Comptroller and Auditor General of India

for the year ended 31 March 2011
(Report No. 2)

GOVERNMENT OF TRIPURA

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PREFACE

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

The Report deals with the findings of performance reviews and audit of transactions in various departments including audit of autonomous bodies and local bodies.

The Report also contains the observations arising out of audit of Statutory Corporations, Boards and Government Companies and revenue receipts.

The cases mentioned in the Report are among those which came to notice in the course of test-audit of accounts during the year 2010-11, as well as those, which had come to notice in earlier years but could not be dealt with in previous Audit Reports; matters relating to the period subsequent to 2010-11 have also been included, wherever necessary.

Audit observations on matters arising from the examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2011 are included in a separate Report on State Finances.

The audits have been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

OVERVIEW

OVERVIEW

The Report contains 20 audit paragraphs (including 4 general paragraphs), 3 performance reviews and an Integrated Audit of the Forest Department. The draft audit paragraphs and draft performance reviews were sent to the Secretary of the Departments concerned with a request to furnish replies within six weeks. However, in respect of two audit reviews and 9 audit paragraphs included in the Report, no replies were received till the time of finalisation of the Report (October 2011). A synopsis of the important findings contained in the Report is presented in this overview.

Performance Reviews

Performance audit of Elementary Education

The State had performed quite well on the parameters of establishing schools in all areas to provide universal access to the students. Performance in enrolment had also been good, backed up by a Household survey of all school going children. Only minor problems relating to mainstreaming of refugee children and enrolment of migrant children remained to be tackled. Attendance in schools was poor and is a cause of concern which needs to be addressed appropriately. The number of teachers was also far in excess of SSA norms but inadequacy of teachers in science and mathematics and irrational deployment was a major concern. The status of training of teachers was poor with only 22 *per cent* of trained teachers. There were local variations in qualitative performance among schools, especially the relatively poor performance of the ST children which needs attention. Inadequate infrastructure, absence of a full time Headmaster and not using teaching aids also constrained the success of elementary education in the State for better qualitative performance. Supervision, monitoring and evaluation needs strengthening to achieve the desired outcomes.

(Paragraph 1.1)

Integrated Audit of Forest Department

The reported achievement (98 *per cent*) of plantation *vis-à-vis* target was not consistent with the Forest Survey of India Report (2009) which reflected a degradation and loss of 79 sq km of forest cover in the State in two years and also the actual performance in the two major Schemes (NAP and JICA) showing shortfall in plantation of 13,122 ha (35 *per cent* of the target) during the same period. The plantation activity suffered due to delay in sanction and release of funds. Audit also detected discrepancies in reported area of plantation and cases of off season plantation, absence of scheduled post planting maintenance etc. JFMC being a central and integral part of all activities had not been extended to cover all panchayat areas which resulted in deprival of benefits to the targeted communities. This was further compounded by the shortfall in preparation of micro-plans and annual working plans, unutilised funds lying with implementing officers, shortfall in producing planting materials and creation of plantations, inadequate entry point and income generating activities by the JFMCs. Approved action plan for 'Gregarious Flowering of Muli Bamboo' had not been achieved due to non-release of State Government's share as per approved funding pattern. Expenditure of ₹ 7.52 crore on cultivation of Tree Borne Oil Seeds (Jatropha) proved infructuous due to commencement of a project without proper survey and adequate planning. Compensatory Afforestation on 1,459 ha out of the stipulated 1,539 ha against diversion of forest land during 2006-11 was yet to be taken up. Shortfall of staff in vital areas of planning, supervision and execution were a major hurdle in the functioning of the Department affecting implementation and monitoring of various activities.

(Paragraph 3.1)

Review on 'Cross verification of Declaration Forms used in Inter State Trade'

The Central Sales Tax (CST) Act, 1956 and the rules framed there under provide for concessional rate of tax in respect of Inter-State sales of goods and exemption from tax in respect of branch transfers and export sales. These concessions/exemptions are subject to furnishing of declaration in the prescribed Form 'C'. Failure to furnish the declarations or submission of defective or incomplete declaration forms will make the transactions liable to tax as applicable to sale in the appropriate State. We saw that the TINXSYS website was not used for uploading verification of the 'C' Forms. There was no system in place for verification of the genuineness of the Forms before accepting them. The Department had not evolved a system of blacklisting dealers utilising invalid/fake declaration forms.

Our cross verification of declaration forms used in Inter-State Trade conducted to check the genuineness of these declarations revealed that there were variations between the value declared by the issuing dealers and the utilising dealers in the 'C' forms utilised for Inter-State Trade resulting into probable short levy of tax of ₹ 30.82 lakh.

(Paragraph 4.2)

Performance Audit of the Power Distribution Utility

Power is an essential requirement for all facets of life and has been recognised as a basic requirement for development. In Tripura, generation, transmission, distribution and trading activity has not been unbundled. These activities are carried out by Tripura State Electricity Corporation Limited (Company), which was incorporated on 9 June 2004 under the Companies Act, 1956.

As on 31 March 2011, the State had distribution network of 0.29 lakh Circuit Kilo Meters (CKM) of lines (33/11 KV and LT), 8639 Distribution transformers (DTRs) and 28 sub-stations catering to 4.88 lakh consumers.

While the State is already having sufficient power, which is planned to be increased shortly, daily power cuts are an anachronism which can be attributed to faulty distribution planning and execution. The objective of REP for electrification of rural households by 2009 was not achieved. Service connections provided to BPL households under centrally sponsored RGGVY Scheme were not energised resulting in the benefits of the Scheme not reaching the intended beneficiaries. The procurement system is very weak leading to irregular payments to contractors. The Company did not contain the distribution losses as per projected by it to TERC. Delay in filing of tariff petition, non-filing of tariff revision petitions periodically, incorrect billing of consumers led to loss of revenue. Dues from consumers as well as State Government were not pursued promptly to improve the financial health. Energy audit was not done and energy conservation measures were not adequate. Monitoring was not effective due to absence of sound management Information System (MIS).

(Paragraph 5.2)

Audit of Transactions

(a) Civil

- The 'Water Supply arrangement at Bodhjungnagar Growth Centre' did not yield any benefit as the work of the Iron Removal Plant remained suspended since October 2007 due to faulty estimates and failure of the Department to take remedial measures. This coupled with non-execution of the overhead tank rendered the total expenditure of ₹ 70.75 lakh incurred on the project idle and unfruitful.

(Paragraph 2.1)

- Gross violation of the manualised provisions, raised doubts about actual execution of the work "Maintenance of Kamalpur-Maracherra-Ambassa Road during 2008-09/ SH: Construction of protection wall and wing wall". It was claimed that the work was completed in 14 days against 90 days' time allowed and ₹ 45 lakh had been paid to the contractor as part payment against the 1st and final bill for work value of ₹ 48.93 lakh. Finally, the bill along with deviations was approved for ₹ 53.05 lakh in June 2010 but there was no claim/ subsequent payment in full settlement of the final bill.

(Paragraph 2.3)

- The work of construction of boundary wall around the MBB College Complex was taken up without ensuring encumbrance free land resulting in unfruitful investment of ₹ 98.11 lakh as the work remained incomplete for over 81 months. Due to non-completion of the boundary wall and lack of watch and ward staff, the civil structures and electrical fittings of an eco-park constructed within the College Complex were damaged resulting in the completed park remaining unutilised for about 21 months rendering the expenditure of ₹ 1.92 crore thereon unfruitful as well.

(Paragraph 2.5)

- Non-submission of requisite information/ certificates to the Government of India in time resulted in lapse of Central assistance of Twelfth Finance Commission allocation of ₹ 17.10 crore due for Panchayati Raj Institutions which adversely affected the improvement of water supply and sanitation in rural areas in the State. Besides, delay in transferring funds to the PRIs led to avoidable diversion of ₹ 22.21 lakh towards payment of interest from Panchayat Development Fund.

(Paragraph 2.7)

- In two Rural Development Blocks of South Tripura District there was diversion of NREGA funds amounting to ₹ 1.46 crore to non-permissible works and involving only 13.70 *per cent* wage component as against the prescribed requirement of 60 *per cent*. Besides, a sum amounting to ₹ 17.78 lakh had been blocked with the EE, RD Division, Udaipur for last four years.

(Paragraph 2.8)

- Lack of proper monitoring and appropriate timely action by the Department led to failure in getting four bus bodies fabricated even after 12 years of purchase of their chassis. This resulted in wasteful expenditure of ₹ 20.63 lakh as the chassis had become unfit due to prolonged exposure. Besides, there was a loss of interest of ₹ 12.72 lakh on the amount.

(Paragraph 2.9)

- Short reimbursement of pay and allowances by ONGC to the 1st and the 2nd Battalions of TSR for dedicated deployment for its security duties, resulted in overburden of ₹ 3.79 crore on the State exchequer.

(Paragraph 2.10)

(b) Revenue

- Erroneous computation together with incorrect application of rates by the assessing authorities resulted in short levy of tax of ₹ 49.32 lakh.

(Paragraph 4.3)

- Concealment of turnover by the dealers which escaped notice of the assessing authorities resulted in short levy of tax of ₹ 60.95 lakh.

(Paragraph 4.4)

- Non-enforcement of financial rules/orders regarding handling of Government money and lack of proper monitoring and supervision on the maintenance of Cash

Book by the Sub-Registrar, Udaipur led to misappropriation of Government revenues amounting ₹ 21.45 lakh.

(Paragraph 4.5)

- Due to lack of infrastructure including weighing bridge, Churaibari MV Check Post in the Tripura-Assam border area did not maintain records on the actual quantity of goods carried by the overloaded vehicles. There was also short levy of fine at the rate of ₹ 1,000 instead of the prescribed minimum rate of ₹ 2,000 from 20,966 vehicles, carrying load in excess of permissible limit, resulting in non-recovery of revenue of ₹ 2.10 crore.

(Paragraph 4.6)

(c) Commercial

- Tripura Forest Development and Plantation Corporation Limited paid avoidable interest of ₹ 41.54 lakh due to short payment of advance tax/ self-assessment tax and incorrect estimation of income for the years from 2005-06 to 2010-11. It was also liable to further interest payment of ₹10.16 lakh for 2008-09 and 2009-10 till March 2011, and penalty of at least ₹ 31.71 lakh on suppression of income.

(Paragraph 5.3)

- Tripura Forest Development and Plantation Corporation Limited had lost opportunities to earn additional interest of ₹ 1.03 crore between April 2006 and December 2010 due to its failure to draw up cash budgets and accordingly invest its surplus funds for optimal tenor.

(Paragraph 5.4)

CHAPTER I
PERFORMANCE REVIEWS
(CIVIL DEPARTMENTS)

CHAPTER I: PERFORMANCE REVIEWS (CIVIL DEPARTMENTS)

EDUCATION (School) DEPARTMENT

1.1 Performance audit of Elementary Education

The Government of India had formulated the National Education Policy in the year 1986 and a Right to Education Act in 2009 which inter alia provided universal elementary education of good quality for children of the age group 6-14 years through provision of schools with appropriate infrastructure and within an approachable distance. The policy was implemented under the flagship programme Sarva Shiksha Abhiyan (SSA) financed by the Government of India and the State Government in the ratio of 90:10. Another flagship programme Mid-day-Meal (MDM) was also introduced to boost the universalisation of elementary Education by providing mid-day-meals in order to improve the nutrition level of the children and to increase school enrolment and attendance. The State of Tripura had spent ₹1895.10 crore during the period 2006-11 on universal elementary education. The performance audit of elementary education (Std I-VIII) in the State for the period 2006-11 was undertaken to review the plans and achievements of the objectives to provide universal education of good quality to all. The major Audit findings are detailed below:

Almost 100 *per cent* enrolment, with a healthy retention rate of 90 *per cent* was achieved. A very small number of out of State and refugee children were not in school. However, the attendance was poor in many areas like Chawmanu, Rupaichari, Karbook and Ampinagar Block, which needs to be addressed appropriately.

(Paragraphs 1.1.10.2, 1.1.10.3 and 1.1.10.6)

10,943 teachers were recruited between 2006 and 2011 with a present annual recurring cost of at least ₹ 53 crore though the pupil-teacher ratio was 22:1 in 2006-07 against the SSA norms of 40:1. This disproportionate emphasis further improved the PTR to 18.84. However, the lesser attention given to training, infrastructure and teaching aids during the period were indicative of lower priority to other areas.

(Paragraph 1.1.8.2)

Deployment of teachers was not uniform and need based, despite availability of sufficient number of teachers. As a result, quality of education in many schools was affected due to shortage of teachers, while there were excess teachers in other places. There was also a lack of Science and Maths teachers in many schools, which resulted in poor results.

(Paragraphs 1.1.8.3 and 1.1.15.2)

71 *per cent* teachers do not have qualification as per NCTE norms. The position of trained teachers was also very poor at 22 *per cent*. The State was also deficient in training infrastructure and even that capacity was not fully utilised as they had shortfall in staff strength in DIETs ranging from 60 *per cent* in 2006 to 63 *per cent* in 2011.

(Paragraphs 1.1.15.1 and 1.1.15.3)

Infrastructure, presence of a full time Head, Training of Teachers and use of teaching aids as critical success factors for better qualitative performance, were found deficient in many schools

(Paragraphs 1.1.13, 1.1.14, 1.1.15.3 and 1.1.15.4)

Due to lack of training of teachers on Coverage of Special Focus Groups (CWSN) and improper distribution of available trained teachers, classroom management of CWSN was adversely affected.

(Paragraph 1.1.11.4)

1.1.1 Introduction

Education is one of the most important sector of development, and has been acknowledged to have a lasting effect on all aspects of human development. Government of India (GOI) moved education into the concurrent list in the year 1976 and also brought out a National Policy of Education in 1986, which was updated in 1992. The Right to Education (RTE) Act of 2009 is another significant milestone in this area which guarantees eight years of education. In Tripura there were 4386 primary and upper primary schools[1] having 6.10 lakh students in elementary level and 32,377 teachers under all managements (Government, Local-bodies, Government aided private or non-aided private), as of March 2011 providing such education.

The Government of Tripura is implementing two centrally sponsored flagship programmes *viz.*, Sarva Siksha Abhiyan (SSA) and Mid-day-Meal (MDM) to achieve the goal of Universal Education. Sarva Siksha Abhiyan (SSA) was funded by the Central and State Governments in the ratio of 75:25 upto 2006-07 and thereafter in the ratio of 90:10.

Under National Programme of Nutritional Support to Primary Education (NP-NSPE) popularly known as Mid-Day-Meal Scheme (MDM), GOI provided rice free of cost and transportation cost of ₹ 100 per quintal. Besides, Central assistance was provided @ ₹ 2.25 and @ ₹ 3.38 upto July 2010 and thereafter @ ₹ 2.42 and ₹ 3.63 respectively as cooking cost for primary and upper primary per child per school day. State Government also contributed 50 paisa per child per day for the same purpose. GOI also provided ₹ 60,000 per unit per school for construction of kitchen-cum-store and ₹ 5000 for kitchen devices.

[1] Primary: 2285; Primary with upper primary: 1186; Primary with upper primary, High & HS: 843 and Upper primary, High & HS:72 under all managements (Government, Local bodies, Govt. aided private or non-aided private).

Besides, the expenditure on SSA and MDM, the Government of Tripura also incurs expenditure from its own budget for the elementary education of which 95 *per cent* was spent on teachers' salary.

SSA emphasised expanding schooling facility to cover all locations and achieve 100 *per cent* enrolment while the objective of MDM is to boost the universalisation of the Primary Education by providing mid-day-meals and also improving their nutrition level.

Elementary Education covers the primary and upper primary stages of education. The primary stage of education is from classes I to V and Upper primary stage is from classes VI to VIII. Primary education is being imparted along with upper primary classes in (a) Exclusively primary schools, (b) primary along with upper primary classes in senior basic (SB) schools and (c) primary classes attached with high and higher secondary schools.

1.1.2 Elementary Education Policy

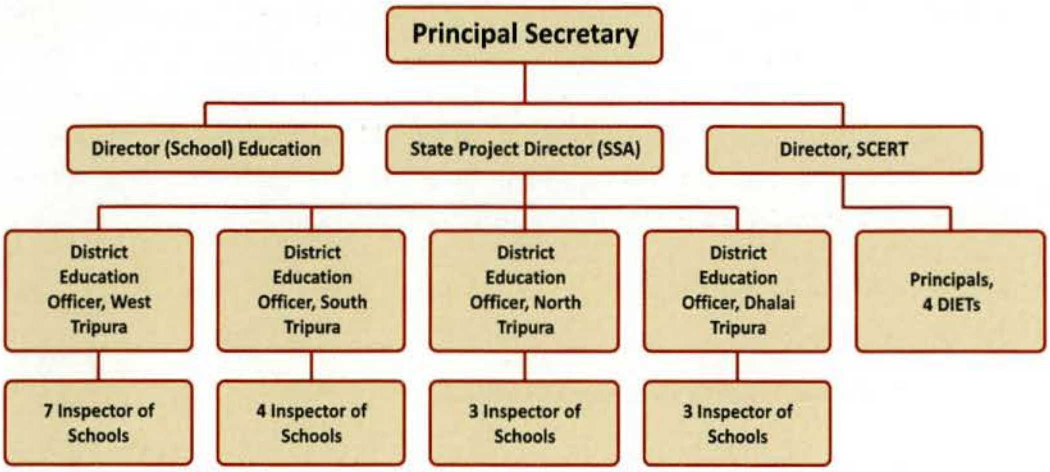
At the national level, a National Policy on Education (NPE), 1986 and the Right to Education (RE) Act, 2009 were formulated. The Tripura State had also adopted the same policy and Act. Free education is provided to all the students up to Class-XII in the schools run by the State Government.

Significant aspects of the policy with regard to elementary education were as under:

- Universal Elementary Education for children belonging to the age group 6- 14;
- Universal retention in elementary school with zero drop-out;
- Providing quality Education of a satisfactory level for developing competencies in the children to compete successfully in all India competition;
- Provision of primary school within a distance of 1 Km., upper primary schools within 2 Kms, and High school within 4 Kms. from the habitation. In Tripura, schools were established where the size of habitation was more than 300 in case of plain area and 200 in case of hilly areas;
- Ensure that the children belonging to weaker sections and the children belonging to disadvantaged groups are not discriminated;
- Provide basic infrastructure including school building, furniture, toilets, drinking water facilities and teaching learning equipment;
- Provide training facility for teachers;
- Maintenance of pupil-teacher ratio in every school as per norms; and
- A substantial improvement in the quality of education to enable all children to achieve essential levels of learning.

1.1.3 Organisational Set up

The organisational set up of the Education (School) Department is given below:



1.1.4 Scope of Audit

A review of elementary education in the State was conducted by audit (May-August, 2011) to ascertain whether the people of the State had access to elementary education and in the process the areas right from planning to implementation of programmes were covered. Test check of the records of offices of the Director of Education (School), State Project Director(SPD), SSA, Director (SCERT), was conducted. Audit also analysed data of District Information System for Education (DISE) provided by SSA. Two out of four District Education Officers, six Inspector of Schools (four out of seven in West District and two of three in Dhalai District) were selected for review through multi stage sampling on the basis of Simple Random Sampling without Replacement (SRSWOR) method. Audit also inspected 60 schools (ten schools from each selected six Inspector of Schools) and two out of four District Institute Education and Training (DIET) centres selected on SRSWOR method.

1.1.5 Audit Objectives

The main objectives of audit were as follows:

- **Review of State Plan for Elementary Education**
  - ➢ The review would assess whether the State Plan was in harmony with the requirements of the National Education Policy;
  - ➢ The review would assess whether the plans were formulated as per norms and the resources allocated were consistent with the objectives of the Plan.

- **Review of Implementation for achievement of objectives**
  - To review if the programmes were implemented in an effective manner to realise the policy objectives.
    - The availability of primary school within 1 km and one upper primary school for every two primary schools as specified in the National Education Policy and the State plan was ensured.
    - The extent to which eligible children of the age group 6-14 years were enrolled, retention of children till the completion of elementary level and status of dropouts.
- **Review of interventions to ensure quality education**
  - ***Physical Infrastructure***

    The extent to which these specified parameters had been achieved to provide adequate infrastructure for the schools.
  - ***Teachers/Training/Syllabus***

    Whether pupil-teacher ratio (PTR) were maintained as per norms, adequate training was provided to the teachers, syllabus suitably framed and teaching aids provided to the schools as per norms.
- **Monitoring and Evaluation**

  Whether monitoring and evaluation of implementation was adequate to achieve the desired outcome.

1.1.6 Audit Criteria

Audit examination was conducted with reference to the following criteria:

- Perspective plans and Annual Plans;
- Guidelines of the concerned schemes/programmes;
- Government notifications and instructions with regard to the implementation of the schemes;
- Prescribed monitoring mechanism;
- Departmental Manuals/Policies; and
- General Financial Rules.

1.1.7 Audit Methodology

Audit plan included the Audit Objectives, Criteria and the plan for field work, which was shared with the Government, through an Entry Conference held in June 2011 with the Principal Secretary, Education (School) Department. The field work included detailed review, issue of questionnaire, gathering of documentary and photographic evidence, issue of spot memos etc.

At the conclusion of audit, the findings were discussed in an exit conference held in September 2011 with the Principal Secretary and his views have been taken into consideration while finalising the report and formulating the recommendations.

Audit Findings

1.1.8 Planning

1.1.8.1 Perspective plan and Annual Plan

The State Government prepared an Annual Plan on SSA based on Household Survey to identify eligible children and enrol them. The District level plans were prepared after holding block level workshops. The district plans rolled up into the State plan.

As per SSA norms, each district was to prepare a perspective plan for ten years and an Annual plan with reference to the perspective plan. The SSA norms provided that the plan was to commence from the village level and culminate with compilation at the State level. These plans were to be based on the existing position of attendance, retention, drop out and learning achievement etc., and the targets to be achieved for universalisation of education. The perspective plan was not prepared by the Department. However, Annual Plans were prepared at the Block, District and State levels after holding certain workshops.

The Principal Secretary in the exit conference stated (September 2011) that while formulating the State level plans a bottom up planning process was followed from the village level. However, during audit no Inspector of Schools (IS) could produce Village Elementary Education Plan in support of preparation of Block plan. Impact of improper planning as noticed in audit is discussed in Paragraphs 1.1.8.1, 1.1.9.6 and 1.1.13.

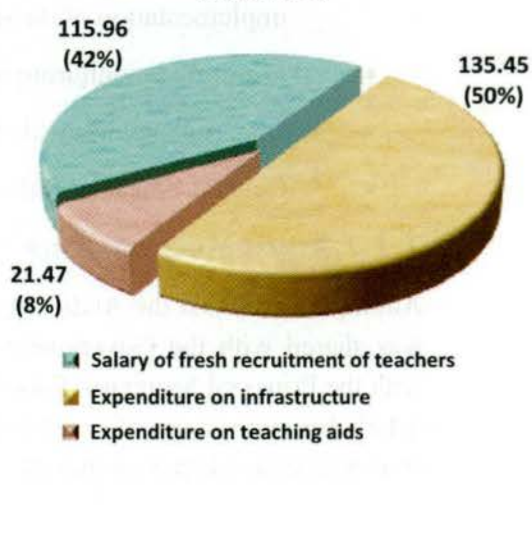
1.1.8.2 Planning Priorities

The priorities of the Government in the field of elementary education as reflected by the financial allocation during the years 2006-11 were for salary, for fresh recruitment of teachers, infrastructure and teaching aids for which ₹ 273 crore were spent during the period. It was noticed (**Chart No.1.1.1**) that expenditure on account of fresh recruitment of teachers was quite high at 42 *per cent* and considering the fact that it was recurring in nature, this priority of the Government far outstripped the expenditure on infrastructure and teaching aids.

Chart No. 1.1.1

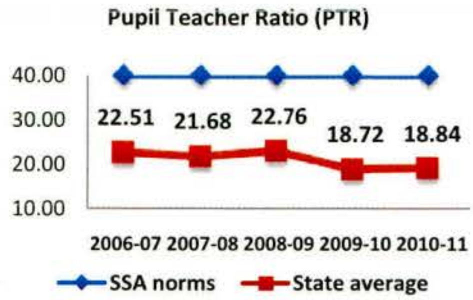
Sharing of expenditure during 2006-11

(Rupees in crore)



This is to be viewed in the context of PTR being at 22.51 at the beginning of the review period (2006-11), which was almost 100 *per cent* better than the norm of 40. This improved even further to reach 18.84 at the end of the review period (2010-11). This was due to the continuous recruitment of teachers, as can be seen from **Chart No. 1.1.3**.

Chart No. 1.1.2



During 2006-07 to 2010-11, 10,943 teachers (SSA: 3,702 and Education Department: 7,241) were recruited. As stated by the Government the sanction of the teacher posts and recruitment of teachers under SSA is based on a process. The proposals for sanction are also approved by Project Approval Board (PAB), before recruitment is carried out. The corresponding position in respect of the Government teachers is not known. The sanctioned strength of teachers under Government as of March 2011 was 35,446. The overall PTR had also come down from 22.51 in 2006-07 to 18.84 in 2010-11 as against the norms of 1:40.

Chart No. 1.1.3

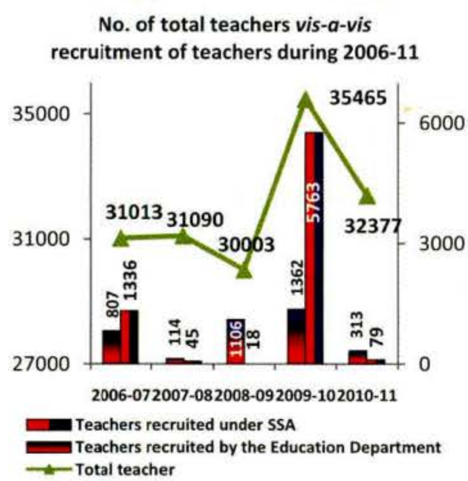
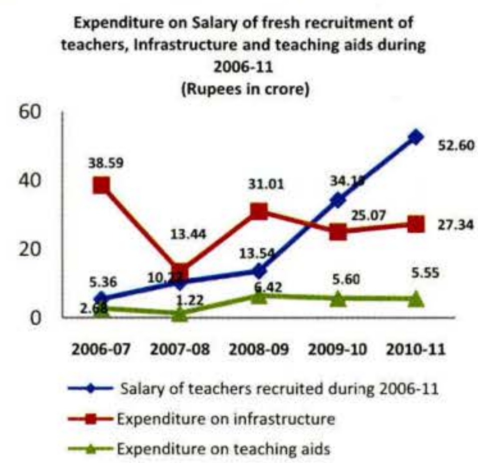


Chart No. 1.1.4



The incremental year-wise expenditure due to this extra recruitment is seen at **Chart No. 1.1.4**, with the total expenditure in 5 years reaching ₹ 115 crore. In contrast, the total expenditure on soft infrastructure like Teaching Aids was ₹ 21 crore and on physical infrastructure was ₹ 135 crore. Therefore, the area of training, infrastructure and teaching aids received relatively lesser attention than strengthening teacher base. As a result, recruitment of teachers gained importance and provision of teaching aids and hard infrastructure were comparatively neglected which was not in line with the National Education Policy adopted by the State for implementation.

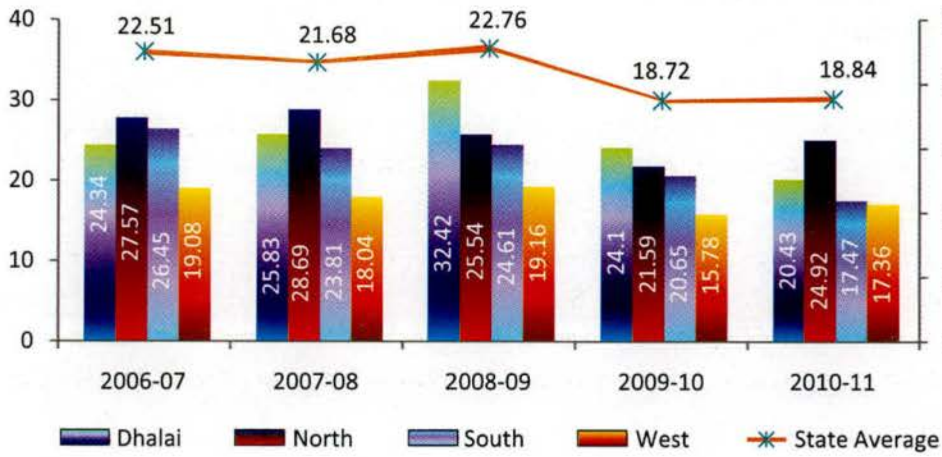
Government stated (October 2011) that priorities would be ensured.

1.1.8.3 Planning for the deployment of teachers

As per SSA norms one teacher should be provided for every 40 children in primary and upper primary schools, at least two teachers in a primary school and one teacher in every class in upper primary school. In Tripura, average pupil-teacher ratio is 20.33 and 17.11 in primary and upper primary schools respectively against SSA norms of 40. The Pupil Teachers Ratio during 2006-11 of the State is shown in **Chart No. 1.1.5**.

Chart No. 1.1.5

State *vis-a-vis* District wise Pupil-teacher ratio



It would be seen that there were significant variations at the district level. At a more granular level, there were also significant differences among different schools. Some cases noticed during test check are as follows:

- In West Tripura district 3 teachers were posted in 2 schools[2] where no students were enrolled.
- Single teacher was posted in 36 primary schools of which 21 were in Dhalai district.
- Teachers ranging from 1 to 7 were posted in 545 primary with upper primary, High and Higher secondary schools.

Analysis of State level data for the year 2010-11 revealed that PTR was less than 10 in 968 schools (22 *per cent*), between 10 and 20 in 1497 schools (34 *per cent*) which were abnormally high compared to the SSA norms. On the other hand, certain schools

[2] (i) Khatra mohan academy JB (School code – 012001), Agartala – 1 teacher (ii) Chamthang Malsumbari JB (School code: 0401001), Jampoijala- 2 teachers.

suffered as the PTR was between 50 and 100 in 105 schools and more than 100 in 11 schools. Details are shown below:

Table 1.1.1

District	No. of Primary schools having single teacher	No. of schools having no student but teachers posted	No. of Primary with Upper Primary schools having less than 7 teachers	No. of schools having PTR less than 10	No. of schools having PTR > 10 and < 20	No. of schools having PTR > 50 and < 100	No. of schools having PTR > 100
West Tripura	6	2	63	503	574	26	2
Dhalai	21	0	180	110	348	19	6
North Tripura	3	0	148	113	40	40	1
South Tripura	6	0	154	242	535	20	2
Total	**36**	**2**	**545**	**968**	**1497**	**105**	**11**

Source: Departmental records

Therefore, it is evident that the deployment of teachers was not need based, despite availability of a sufficient number of teachers. As a result, quality of education in many schools was affected due to shortage of teachers, while there were excess in other places.

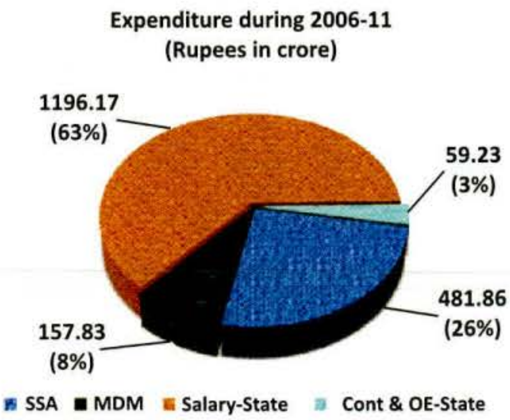
The Principal Secretary, in exit conference, agreed with the audit observation and clarified that teachers recruited under SSA could not be transferred and lady teachers & teachers having health problems also could not be transferred on humanitarian ground. However, initiative had been taken to deploy teachers in every school as per RTE Act.

1.1.9 Financial Management

1.1.9.1 Financial outlay and utilisation

During 2006-07 to 2010-11, ₹ 1,895.10 crore were spent for universalisation of elementary education of which 26 *per cent* was under SSA, 8 *per cent* under MDM and 66 *per cent*[3] incurred by State Government. Out of expenditure incurred on education by the State Government, 95 *per cent* was on account of payment of salary to teachers and 5 *per cent* for infrastructural development and other operating expenses.

Chart No. 1.1.6



[3] 63 *per cent* for Salary and 3 *per cent* for Contingency and Office Expenses

Details of outlay approved for the State and the funds released by the GOI and the State Government and expenditure incurred thereagainst under the programme during 2006-11 are shown in **Appendix 1.1**.

Sarva Siksha Abhiyan

1.1.9.2 Short sanction of funds

During 2006-11, Government of India (GOI) short sanctioned ₹ 50.93 crore, of which ₹ 25.11 crore[4] was due to non-utilisation of funds by the SSA Rajya Mission within the specified period. Reason for short sanction of ₹ 25.82 crore in 2009-10 was not found on records. In the exit conference the Principal Secretary stated (September 2011) that the GOI had been requested to release ₹ 25.82 crore, curtailed in 2009-10.

1.1.9.3 Short release of funds

The State Government did not release its full share of funds during 2006-11. As of March 2011, total short release was ₹ 4.94 crore.

1.1.9.4 Delay in release of funds

There was delay in release of funds at every level. At the State level the delays ranged from 18 to 196 days. There were further cascading delays from the District level authorities to the Block level ranging between 2 and 314 days and thereon to the schools ranging from 17 to 340 days. As a result, implementation of the whole programme was delayed and the intended result could not be derived in time and the funds remained unspent with the DEOs/ISs at the end of the year. ₹ 5.37 crore and ₹ 25.26 crore were lying unspent with the DEOs and ISs respectively in the two test checked districts itself.

1.1.9.5 Overstatement of closing balance

Scrutiny of Annual Accounts for the years 2006-07 to 2009-10 revealed that as of March 2010 the closing bank balance was shown as ₹ 46.57 crore against the actual balance of ₹ 42.11 crore resulting in overstatement of closing balance by ₹ 4.45 crore **(Appendix 1.2)**. Due to non-availability of Annual Accounts/ expenditure Statement of 2010-11, the actual closing balance at the end of March 2011 could not be ascertained in audit.

1.1.9.6 Diversion of funds

In 2010-11, in contravention of SSA norms, ₹ 5.60 crore was diverted from School Grant, Remedial teaching, Teachers' Training etc. to execution of civil works sanctioned and undertaken during the year 2009-10, which was not reported to PAB.

[4] 2006-07: ₹ 19.84 crore, 2007-08: ₹ 1.70 crore, 2008-09: ₹ 2.58 and 2010-11: ₹ 0.99 crore

Mid-Day-Meal

1.1.9.7 Non-submission of DCC bills

Rule 27(11) of the Delegation and Financial Power Rules, Tripura, 2007 provides that AC bill should be adjusted within 60 days by submitting the detailed countersigned contingent (DCC) bills to the Controlling Officer for his countersignature and onward transmission to the Accountant General (Accounts & Entitlement).

Scrutiny revealed that in respect of 16 Inspector of Schools, DCC bills against the drawal of 3055 AC bills for ₹ 10.15 crore drawn during 2006-07 to 2010-11 were lying outstanding as of June 2011 **(Appendix 1.3)**.

Non-submission of adjustment bills in time and failure in enforcing strict financial discipline by the Department is fraught with the risk of fraud and misappropriation.

1.1.9.8 Lapse of funds

Finance Department released funds to the Education department on account of cooking costs, MME etc. of mid-day-meal scheme under demand nos. 19, 20 & 40. The Education department in turn released the funds to Inspector of Schools (IS)/DDOs for implementation of the scheme. The DDOs were allowed to draw funds through separate demand wise AC bills from release under demand nos. 19, 20 & 40.

Test check of records and information made available to audit revealed the following:

- IS, Bishalgarh could not draw ₹ 37.03 lakh and ₹ 53.04 lakh in 2009-10 and 2010-11 respectively due to cancellation of allotments. As a result, schools under it had to manage the cooking on credit. The credit obtained to run the MDM scheme as on 31 March 2010 and 31 March 2011 was ₹ 26.31 lakh (Primary: ₹ 23.31 lakh and upper primary: ₹ 3.01 lakh) and ₹ 29.51 lakh (Primary: ₹ 20.11 lakh and upper primary: ₹ 9.40 lakh) respectively.
- IS, Jirania could not draw ₹ 32.20 lakh in 2009-10 and ₹ 14.78 lakh in 2010-11, reasons for which was not found on records. Due to short allocation of funds, schools under the IS had to manage the cooking on credit which amounted to ₹ 7.67 lakh (Primary: ₹ 6.90 lakh and upper primary: ₹ 0.77 lakh) as on 31 March 2010 and ₹ 8.08 lakh (Primary: ₹ 6.42 lakh and upper primary: ₹ 1.66 lakh) as on 31 March 2011 respectively to run the MDM scheme.
- IS, Khowai could not draw ₹ 9.66 lakh in 2009-10 and ₹ 19.21 lakh in 2010-11 reasons for which were not found on records. As a result, schools under it had to manage the cooking on credit which amounted to ₹ 7.17 lakh (Primary: ₹ 3.61 lakh; upper primary: ₹ 3.56 lakh) as on 31 March 2010 and ₹ 3.11 lakh against upper primary as on 31March 2011 respectively to run the MDM scheme.

Thus, non-drawal of funds by the ISs and consequent short allocation to schools had adversely affected the implementation of MDM scheme. Schools were compelled to run the scheme on credit for months together which raises a doubt on the quality and proper implementation of the scheme by the schools.

1.1.10 Review of Achievement of Objectives/Outcomes

1.1.10.1 Access to primary and upper primary school

As per SSA norms, there should be a primary school within 1 km of every habitation and one upper primary school for every two primary schools. The State policy is broadly in compliance with the SSA norms with a further condition of population i.e. 300 or more for plain areas and 200 or more for hilly areas for providing the primary school.

Scrutiny revealed that 1189 new primary schools have been opened and 1002 primary schools have been upgraded to upper primary schools during the period 2001-02 to 2010-11. As per the condition fixed by the State Government, out of 7,829 habitations, only 27 habitations are left uncovered at primary level and 55 at upper primary level.

It was seen that as per the condition fixed by the State Government, out of the total 7829 habitations, 591 habitations (3810 children) were not eligible for a school as per norms out of which 281 were located in Dhalai district (2728 children). Therefore, the children in these uncovered habitations had to attend schools in neighbouring areas. Though the children from ineligible habitations were enrolled in the nearby schools their attendance was extremely poor due to distance as detailed in **Appendix 1.4**. The Project Approval Board (PAB) in its 159th meeting had also advised (March 2010) to remove the population clause for opening new schools as the alternative scheme for small habitations had not been very successful.

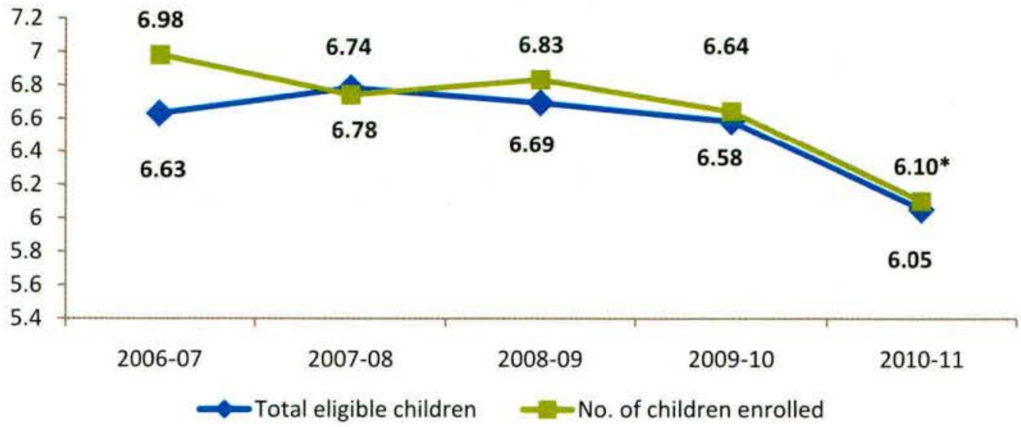
It is thus evident that though the State had made significant progress in providing educational access to the unserved habitations, it still continues to remain slightly short of the target of universalisation of education due to the condition imposed by the State Government for opening of new schools and therefore reviewing the condition for removal would go a long way in achieving universalisation of education in the State.

Government stated (October 2011) that for children from small hamlets with difficult terrain, risk of landslides, floods, lack of roads etc. where no school exists within the area or limits of neighbourhood specified above, the State Government or Local Authority would make adequate arrangement and other facilities for providing elementary education in a school in such a manner as to avoid such difficulties by relaxation of the limits specified above.

1.1.10.2 Universal Enrolment

The position of actual enrolment against the eligible children during 2006-07 to 2010-11 is shown in the chart below:

Chart No. 1.1.7
Eligible children *vis-a-vis* children enrolled
(in lakh)



*Including under-aged and over-aged children.

- Almost 100 *per cent* enrolment of eligible children of the age group of 6 to 14 years was achieved.
- Enrolment ratio of boys and girls in both primary and upper primary level had been 51:49 which indicates parity.
- Total enrolment had been declining continuously in primary and upper primary level except marginal increase in upper primary level during 2007-08. The reason for such decrease in enrolment was attributed (July 2011) to reduction in birth rate.
- During 2006-07 to 2010-11, the percentage of out of school children (OoSC) had decreased from 2.6 to 0.09 *per cent* of total eligible children. As per Household survey / Child Census – 2010, only 596 children had remained out of school due to lack of interest, lack of access, engagement in household works or earning activities etc.
- The data regarding children migrated from other States was not available.

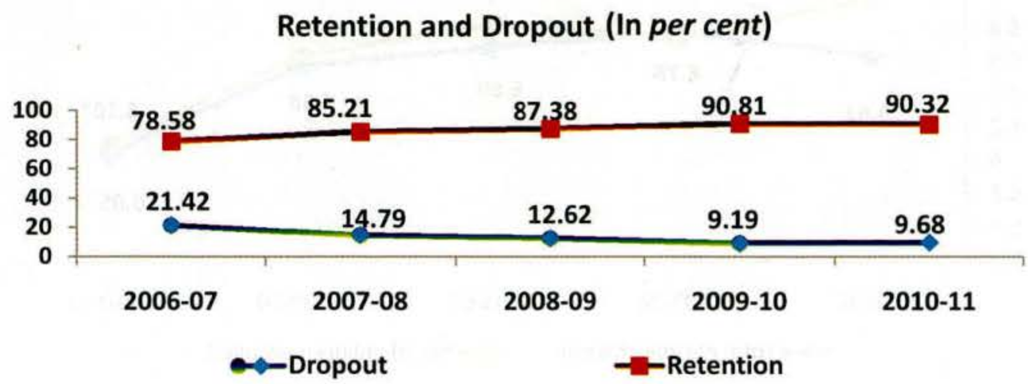
1.1.10.3 Mainstreaming of children enrolled in Bridge Course Centre (BCC)

In 2008-09, PAB approved ₹152.15 lakh to cover 10,143 mostly migrated Reang (Mizoram) children under Alternative Innovative Education (AIE) centres for two years and then bringing them into the mainstream. Out of these children 49 *per cent* were continuing in AIE centres while 51 *per cent* dropped out without evidence of having been admitted to proper schools. This situation was attributed to the linguistic background of children.

1.1.10.4 Retention and Repetition

Position of drop out, retention and repeaters during 2006-07 to 2010-11 is shown below:

Chart No. 1.1.8



Source: COHORT Analysis, SSA booklet

Retention Rate

- SSA mission to achieve the retention of all children till the completion of upper primary schooling by the year 2010 was not achieved as 10 *per cent* of the children dropped out before completion of 8 years schooling. It was found that there were pockets of high dropout among ST (12.29 *per cent*) and in the South district (12.04 *per cent*). Reasons for such reverse trend were not on records.

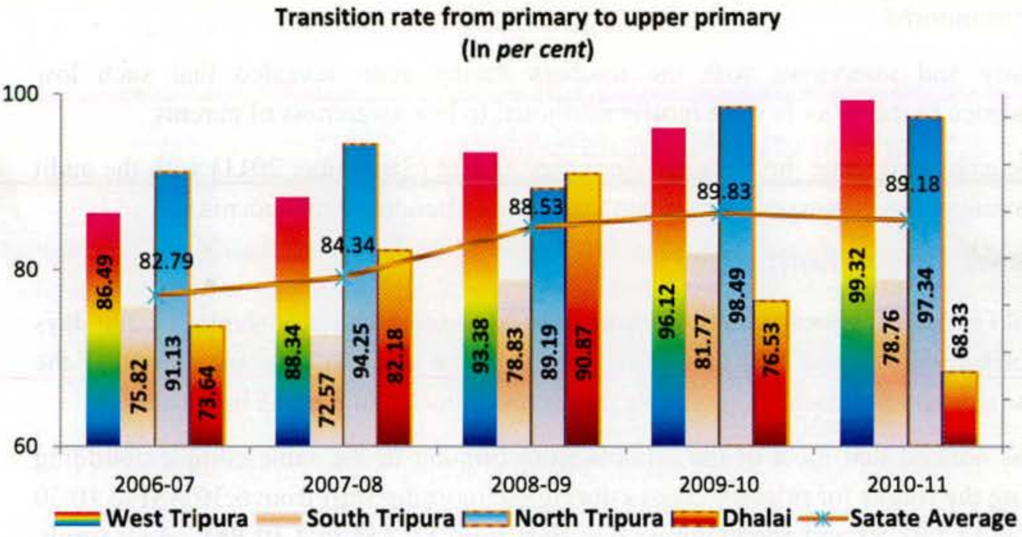
- ST children had the repetition rate of 31.08 *per cent* against overall repetition rate of 28.89 *per cent*. In Dhalai district it had significantly highest rate of 33.95 *per cent*.

- Government of Tripura had implemented no detention policy upto Class-V (on promotion from class-IV) in April 2005 and till the completion of a student's elementary cycle of education in December 2010. However, COHORT Analysis shows continuation of high rate of repeaters in schools during 2010-11 which was 25.64 *per cent* in primary and 28.89 *per cent* in elementary level.

1.1.10.5 Transition from primary to upper primary level

The pass out rate of students of class- V for enrolment in class VI for the period from 2006-07 to 2010-11 is given below:

Chart No. 1.1.9



Source: SSA booklet 2010-11/ DISE

The transition rate from class V to Class VI in 2010-11 was highest in the West Tripura District (99.32 *per cent*) and lowest in the Dhalai District (68.33 *per cent*), which was inhabited largely by ST population and relatively under resourced with teachers and infrastructure.

Government stated (October 2011) that the Education (School) Department and the District Administration have jointly adopted some strategic measures to address the problem of poor transition of students from primary to upper primary level.

1.1.10.6 Attendance

Analysis of data from District Information System for Education (DISE) revealed that average attendance in primary and upper primary schools in the academic year 2010 were 80 and 77 *per cent* respectively.

39 *per cent* schools showed average attendance with less than or equal to 50 *per cent*. The incidence was highest (36 *per cent*) in Dhalai district, which has a high ST population.

During visit to 60 schools, the attendance was randomly checked on the date of visit; the average attendance was only 57 *per cent* whereas the average attendance for the previous academic session taken from the attendance registers maintained by the schools showed 81 *per cent*. Joint inspection's attendance figures were compared with DISE data and significant differences were noticed. In 28 schools the attendance was less than 15 *per cent* as compared to average attendance of 2010 and in 8 schools the difference was more than 15 *per cent*. Even though the inspection was for only one day, any upward variation of the DISE data was significant as the visit was well publicised and informed in advance.

The reliability of the official attendance data was doubtful as it was overstated in many cases. Notwithstanding the above, the data still throws up pockets of low attendance, like Chawmanu, Rupaichari, Karbook and Ampinagar Block, which needs to be monitored.

Enquiry and interviews with the teachers during audit revealed that such low attendance in the schools were mostly attributed to less awareness of parents.

In the exit conference the Principal Secretary agreed (September 2011) with the audit observation and expressed his concern about poor attendance of students.

1.1.10.7 Opportunity time

The RTE Act stipulates that the working days in an academic year should be 200 days for primary level and 220 days for upper primary level. It also specifies that the working hours for teachers, including preparation time should be 45 hours a week.

It was noticed that most of the schools were running in the same complex/building sharing the rooms for primary classes during the morning shift from 6.30 AM to 10.30 AM and Class VI and above during day shift from 11 AM to 4.30 PM . As a result, the schools in the State function for 22 hours per week for 100 to 284 days in a year, which is less than the prescribed hours of working. However, the State Project Director (SPD), SSA Rajya Mission stated (July 2011) that appropriate action would be taken to make provision of 45 working hours for a teacher in a week.

In the exit conference the Principal Secretary stated (September 2011) that the matter was under consideration for construction of separate buildings for primary schools.

1.1.10.8 Implementation status of Mid-day-meal scheme

Test check of records revealed that in 34 primary schools (State: 29 and TTAADC: 5) the MDM scheme was not implemented during 2010-11 depriving the benefits of the scheme to 1097 students enrolled in these schools. Details are shown in **Appendix 1.5**. The Department stated (September 2011) that as most of the schools had recently been established, infrastructure like proper construction, kitchen shed etc. were not put in place which delayed implementation of MDM. However, presently the MDM is running in all 34 schools.

1.1.10.9 Temporary discontinuation of MDM scheme

Test check of records and information made available to audit revealed that due to non-drawal of funds followed by short allocation by the ISs some schools could not provide MDM on all school days during 2010-11 frustrating the objective of the scheme to improve the nutrition level of the children. Details are shown in **Appendix 1.6**. Further, 300 Schools did not provide MDM ranging from 1 to 11 full months during 2010-11 as detailed in the table below:

Table 1.1.2

Name of the IS	Category of school	Number of schools	Number of months
Bishalgarh	Primary	132	1 to 11 months
	Upper primary	65	1 to 5 months
Jirania	Primary and Upper primary	55	1 to 3 month
Khowai	Primary	27	1 to 5 months
	Upper primary	21	1 to 2 month
Total:		**300**	

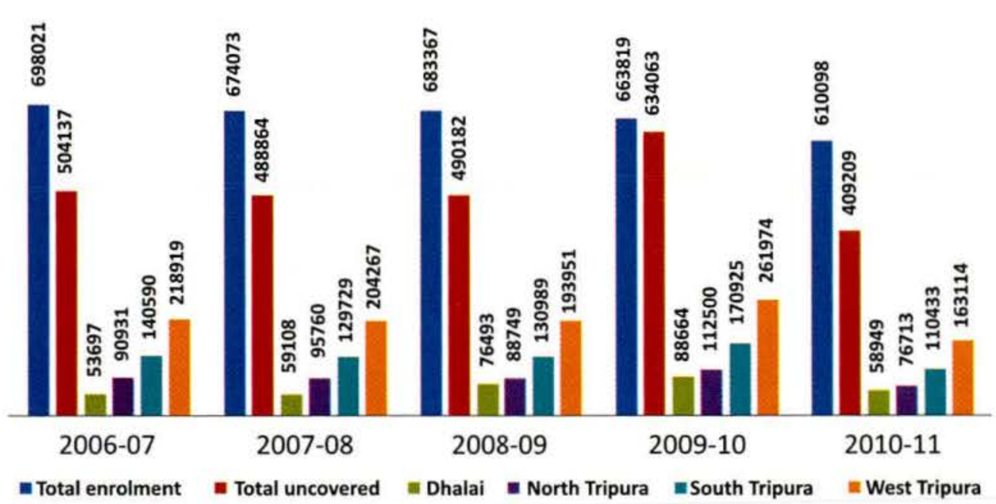
Source: Departmental records

1.1.10.10 Nutritional status

The guidelines of the MDM scheme envisaged necessary interventions like regular health check up, supplementation of micronutrients and provision of de-worming medicines in convergence with the National Rural Health Mission (NRHM).

77.79 *per cent* to 80.38 *per cent* schools and 67.07 to 95.52 *per cent* students were not covered under medical check up during 2006-07 to 2010-11 as shown in the following chart. District-wise position is shown in **Appendix 1.7**. South Tripura District depicts highest shortfall of students ranging from 74.93 *per cent* to 97.72 *per cent*.

No. of students not covered under medical check up



Scrutiny of records of 60 test checked schools revealed that during 2006-07 to 2010-11 none of the school had arranged for health check up and children were never provided with micronutrient and de-worming medicine. The height recorder and weighing machine required for measuring growth indicators in child health were found in six schools but no records of measurement of height and weight of the children were produced to audit. Further, it was noticed that none of the test checked schools have dining hall for MDM. Students consume their meals in Varandah/ open space. A few photograph depicting the same are given below:


Najrul Islam Senior Basic School, Agartala


Kawaban J.B. School, Jirania

The evaluation report of South Tripura District for the period from 1 August 2008 to 31 January 2009 and West Tripura District for the period from 1 October 2010 to 31 March 2011 conducted by Tripura University (a Central University) revealed that students in South Tripura District were not served micronutrients in any of the schools visited and health cards were not maintained by any school. In West Tripura District majority of the schools did not maintain any health card for students, frequency of health check up was very low and children were also not given any micronutrient in the majority of the schools.

Thus, it was evident that adequate nutrition as envisaged was not provided and nutritional level of the children was not monitored.

1.1.11 Coverage of special focus groups

The special focus groups under SSA include Girls, Scheduled Castes (SC), Scheduled Tribes (ST), Disabled children, out of school children, migrating children and urban deprived children. Detailed positions pertaining to these groups are discussed in the paragraphs below:

1.1.11.1 Girls Education

As per State survey conducted in 2010, out of 2,95,323 girl students in the 6-14 years age group, the number of girls enrolled in the schools were 2,99,035 (including over-aged and under-aged children).

With a view to strengthening girl's education in the State, two specific schemes, *viz* National Programme for Education of Girls at Elementary Level (NPEGL) and Kasturba Gandhi Balika Vidyalaya (KGBV) were in operation under SSA. With these arrangements, satisfactory enrolment of girl children had been achieved.

Thus, almost 100 *per cent* enrolment was achieved. Enrolment ratio of boys and girls in both primary and upper primary level are 51:49 which indicates positive gender parity in enrolment in the State.

1.1.11.2 Remedial teaching for weak/slow learners

PAB approved ₹ 89.71 lakh (2008-09: ₹ 67.36 lakh @ ₹ 200 per child, 2009-10: ₹ 22.35 lakh @ ₹ 250 per child) for providing remedial teaching by utilising the services of existing teachers to the low performing SC/ST students. However, the SSA Rajya Mission utilised only 56 *per cent* of the funds during the period 2008-11. Qualitative parameters for ST students were unfavourable in comparison with State averages as detailed below and also in Paragraphs No 1.1.10.4, 1.1.10.5 and 1.1.10.6.

Audit scrutiny revealed that in West Tripura District

- The SPD, SSA placed ₹ 37.88 lakh (2008-09: ₹ 29.71 lakh; 2009-10: ₹ 8.17 lakh) in 2008-09 and 2009-10 in favour of the DEOs which in turn were placed with the ISs. Out of ₹ 37.88 lakh, ₹ 10.47 lakh was lying with the ISs as of March 2011. As a result, at least 5235 students (28 *per cent*) were deprived of the benefit of remedial teaching.
- Out of 7 ISs, IS Sonamura and IS Sadar spent 13.56 *per cent* and 32. 88 *per cent* only as on 31 March 2011.

In the academic year 2010 in West Tripura District 18 *per cent* children secured less than 35 *per cent* marks and 20 *per cent* children secured between 35 *per cent* and 49 *per cent* marks. In Dhalai district, 30 *per cent* children secured less than 35 *per cent* marks and 28 *per cent* children secured between 35 *per cent* and 49 *per cent* marks.

Further, inspection of 60 schools revealed that in the academic year 2010, out of 3931 students 34 *per cent* students secured less than 40 *per cent* marks. In Dhalai district (20 schools) the *percent*age was 45 *per cent*.

From the State-wise low utilisation of funds it is evident that the programme of special intervention has not been fully implemented.

1.1.11.3 Special training

RTE Act provides that 'all out of school children' should be admitted in an age appropriate class and provided 'special training' to enable them to keep pace with other students.

Scrutiny revealed that no training was provided during 2010-11, no age appropriate learning material for conducting special training was prepared and Block/ Cluster wise action plan for location of centres was not prepared, even though funds of ₹ 29.85 lakh were sanctioned during 2010-11.

Thus, despite availability of funds special training was not provided to the children enrolled in age appropriate classes.

Government stated (October 2011) that in 2011-12 the State SSA Mission had taken appropriate action on the issue and opened 7 residential special training centres in which 170 OoSC had been enrolled.

1.1.11.4 Education of children with special needs (CWSN)

SSA Rajya Mission is to ensure that every 'Child with Special Needs (CWSN)', irrespective of the kind, category and degree of disability, is provided education in an appropriate environment, through home based education, itinerant teacher model, remedial teaching, part time classes, community based rehabilitations etc.

Intensive teacher training should be undertaken to sensitise regular teachers on effective classroom management of children with special needs and resources deployed for recruitment of specially trained teachers.

Scrutiny revealed that 3854 CWSN were identified as of March 2011 of which 2986 were enrolled and 1224 teachers were provided training on special education at a cost of ₹ 4.02 crore. However, only 59 such teachers were posted in schools where CWSN were enrolled spanning 2232 schools. Details are shown in **Appendix 1.8.**

Thus, non-deployment of trained teachers affected the classroom management of children with special needs despite expenditure of ₹ 4.02 crore on training.

1.1.11.5 Supply of free text books

Government of Tripura supplied free text books from 2007-08 to 2010-11 at an outlay of ₹ 22.71 crore. The printing was assigned to SCERT by SSA, Rajya Mission from the academic year 2007 onwards.

Audit scrutiny revealed that:

- During 2007-08 to 2010-11, ₹ 22.71 crore was received from SSA for printing of books of which ₹ 17.28 crore was spent for the purpose leaving an unspent balance of ₹ 5.43 crore with SCERT.
- For the academic year 2010 and 2011 SCERT placed supply orders in favour of the printers on 23 October 2009 and 30 November 2010 allowing 60 days and 42 days time respectively to complete the job. But the printers delayed the supply of the books as detailed in the table below:

Table 1.1.3

Academic year	Date of supply order placed	Due date of receipt of books	Date of receipt of books from supplier	Delay in receipt	Date of distribution of books	Commencement of Academic year	Delay in distribution
2010	23.10.09	22.12.09	24.11.09 to 25.01.10	upto 35 days	09.12.09 to 29.01.10	01.01.10	29 days
2011	30.11.10	10.01.11	03.01.11 to 16.02.11	38 days	14.01.11 to 17.02.11	01.01.11	14 to 49 days

Source: Departmental records

Thus, delay in placement of orders by SCERT coupled with delay in supply by the printers deprived the students of the benefit of getting the books on time.

1.1.12 Computer Aided Learning (CAL)

It was felt that computers in the form of Computer Aided Learning (CAL) may help in achieving SSA objectives. Under "Innovation" component there is a provision of ₹ 50 lakh per district per year available to the States for CAL.

Test check of records revealed that during 2005-06 to 2010-11 the SSA, Rajya Mission had received ₹ 5.12 crore for implementation of CAL of which only ₹ 2.48 crore was spent for CAL in 28 schools and ₹ 2.64 crore remained unutilised (July 2011). Records also revealed that the programme is being progressively reduced instead of being extended. No report regarding impact of CAL on improvement of students, as required, was found on record. The CAL programme is being reduced/ denied to students despite availability of financial support.

Inspection (September 2011) of three out of twenty schools revealed that no training was imparted to students since January 2011 as there was no trainer for running the programme and hardware were found in dilapidated condition.

Government stated (October 2011) that extension of the CAL programme in more schools during the last few years could not be implemented due to delay in administrative procedure and some technical difficulties. However, initiatives for extending CAL programme to 141 more schools had been taken up recently.

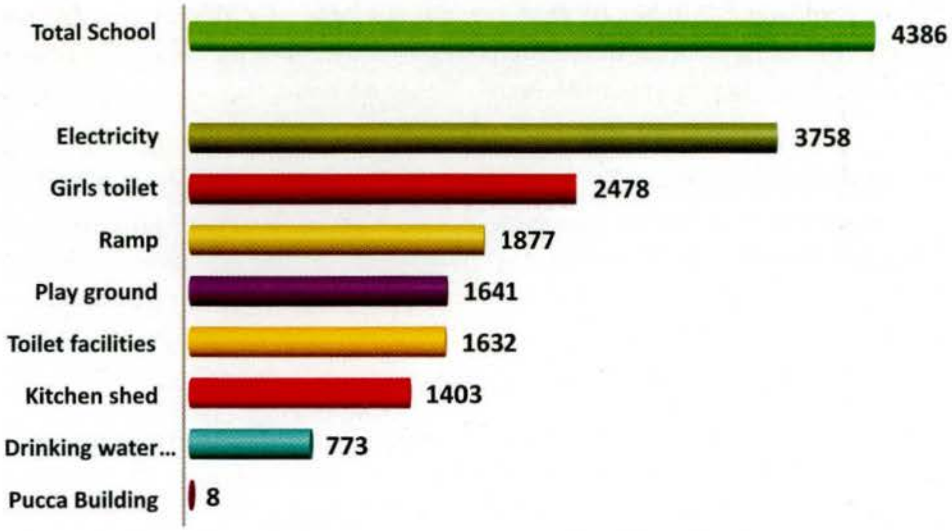
1.1.13 Infrastructure

Scrutiny revealed that out of 4250 schools[5], 8 schools have no pucca building, 37 *per cent* schools have no toilet, 57 *per cent* schools have no girls toilet, 88 *per cent* schools have no electricity, 38 *per cent* schools have no playground, 42 *per cent* schools have no ramp, 30 *per cent* schools have no kitchen shed and 18 *per cent* schools have no drinking water facilities. Position of all schools under all management including private schools are shown in the chart below:

[5] Managed by the State Government, TTAADC and Government aided

Chart No. 1.1.11

No. of schools (under all management) having in-adequate infrastructural facilities



The above observations of audit were also corroborated by an evaluation conducted by the District Institute of Education and Training (DIET) in the State which revealed lack of sitting arrangements, insufficient cooking utensils, non-availability of hygienic drinking water etc. Follow up action taken by the Department was not on record.

1.1.13.1 Drinking water and toilet facilities

Provision of drinking water and toilet facilities is one of the basic requirements in a school.

Test check of 60 schools revealed that there is no toilet at all in 7 *per cent* schools, no girls toilet in 18 *per cent* schools and no drinking water facilities in 27 *per cent* schools.

Thus, there was a huge shortfall with respect to toilet and drinking water facilities which might be one of the major reasons for low attendance, dropout, specially amongst girl students in upper primary schools.

1.1.13.2 Inadequate class room facilities

As per SSA norms, there should be one room for every teacher or for every grade/class, whichever is lower, subject to a minimum of two classrooms with *verandah* for every primary school.

Analysis of DISE data revealed that as of March 2011 (i) 18 schools do not have class room of which 16 are in South Tripura District, (ii) 62 schools have single classroom of which 39 are in Dhalai district.

During 2001-11, ₹ 61.37 crore was received for construction of 3451 Additional Class Rooms (ACRs) of which 2093 ACRs were completed and 736 were in progress

(March 2011). Out of 736 works in progress, 20 ACRs[6] were continuing for more than 2 years. 622 ACRs were not taken up as of 31 March 2011. Expenditure incurred up to March 2011 was not found on records.

Thus, due to inadequate number of class rooms, students of different classes were forced to share classrooms which is against the SSA norms, and in some schools more than 100 students were attending classes in a single room. As a result, learning environment of schools were not conducive for quality education.

1.1.13.3 Maintenance and repair of School building

As per SSA frame work, schools with up to three classrooms are eligible for maintenance grant upto a maximum of ₹ 5,000/- per school per year while schools having more than three classrooms would get a maintenance grant up to a maximum of ₹ 10,000 per school per year subject to the condition that the overall average eligibility for the district would be ₹ 7500 per school per year.

It was noticed that in West Tripura District during 2010-11, 6 Inspector of Schools did not spend any amount for maintenance and repair of school building in 16 Blocks despite availability of funds of ₹ 15.83 lakh with the ISs. Records also revealed that during the year, 1230 class rooms were identified for major repairing and 1919 class rooms for minor repairing.

1.1.14 Teaching aids

1.1.14.1 Teaching Learning Equipment (TLE)

As per SSA norms new primary and upper primary schools should be provided @ ₹ 20, 000 and ₹ 50,000 respectively for TLE. During the years 2006-07 to 2009-10, 30 *per cent* of total approved outlay of ₹ 3 crore remained unspent. 237 primary schools have no furniture for students and 112 schools do not have furniture for both teachers and students. Further, furniture is inadequate for students and teachers in 1084 primary with upper primary and 971 High and H.S schools. Details of non-availability of furniture is shown in **Appendix 1.9**.

Analysis of DISE data revealed that 264 newly established/up-graded schools did not receive TLE during 2009-10 and 2010-11 and 378 schools received ₹ 12.04 lakh during that period but did not utilise it fully although out of 5777 classrooms in 933 schools only 3861 classrooms have black boards.

Scrutiny of records of 60 test checked schools revealed that 14 schools did not receive any funds and 46 schools received funds partially for TLE. Further it was also noticed that 10 schools (17 *per cent)* suffered from shortage of black boards, 11 schools (18 *per cent*) from joint benches, 51 (85 *per cent*) schools had no library and 43 (72 *per cent*) schools had no reading corner.

[6] 2004-05 – 1; 2007-08- 2; 2009-10: 17

According to baseline survey (2008) by National Council of Educational Research and Training (NCERT) mats and furniture are available for only 53.54 *per cent* students. Scrutiny revealed that during 2006-11, no separate provision was made in the plans for procurement of furniture under the head 'Civil Work' in spite of availability of funds. A few photographs depicting non-availability of furniture is given below:

Chowrangi para J.B. School, Agartala

Hospital para J,B,School, Manughat, Dhalai

Government stated (October 2011) that the concerned Inspector of Schools have already been instructed to provide the required number of furniture and black boards to the deficient schools.

1.1.14.2 School Grant

As per SSA framework grant of ₹ 5000 per year per primary and ₹ 7000 per year per upper primary school should be provided for replacement of school equipment such as black board, sitting mats, chalk, duster, registers and other office equipment etc.

The Inspector of Schools in West Tripura District did not release ₹ 44.45 lakh to the schools till the end of March 2011 despite availability of the funds with them even though 272 schools did not have black boards for 480 classrooms.

1.1.14.3 Teacher Grant

As per SSA framework grant of ₹ 500 per teacher per year should be provided to the teachers of Government schools, local body schools and teachers of Government aided schools and aided Madrassa for teaching aids such as chart, posters, models etc.

Scrutiny revealed that the ISs in West Tripura District did not release an amount of ₹ 20.97 lakh available with them till the end of March 2011 to the schools.

This led to non-availability of charts, posters, models etc. in the schools and consequently the objectives of the scheme were not achieved in its entirety.

1.1.14.4 Learning Enhancement Programme (LEP)

In order to bring quality improvement among primary and upper primary schools, the PAB approved ₹ 65.62 lakh for LEP in 2008-09, ₹ 89.04 lakh in 2009-10 and ₹ 132.00 lakh in 2010-11 out of which only 41 *per cent* of the funds were utilised. Scrutiny revealed that out of 4250 schools, 2458 (58 *per cent*) schools do not have book bank despite availability of funds with the ISs.

Government stated (October 2011) that adequate steps were being taken for spending the full allotment.

1.1.15 Quality of Education

The National Policy on Education had emphasised the need for a substantial improvement in quality of education to achieve essential level of learning.

Quality issues in elementary education revolved around the quality of infrastructure and support services, opportunity time, teacher characteristics and teacher motivation, pre-service and in-service education of teachers, curriculum and teaching learning materials, classroom processes, pupil evaluation, monitoring and supervision etc.

1.1.15.1 Recruitment of teachers

RTE Act provides that any person possessing minimum qualifications of "Senior Secondary with 50 *per cent* marks and two years diploma in elementary education" for the classes I to V and "BA/BSc with two year diploma in elementary education" for classes VI to VIII, as notified by the National Council for Teachers Education (NCTE) is eligible for appointment as a teacher after passing the Teacher Eligibility Test (TET) conducted by the State Government in accordance with the guidelines framed by NCTE.

Scrutiny revealed that SSA Rajya Mission had engaged 2782 lower primary teachers and 2909 Upper primary teachers up to 2010-11 on contract basis by holding open interview of the candidates at the Block level, inviting applications through advertisement in local daily news paper. During 2006-11, Director of School Education appointed 7,399 teachers[7] as per State Government policy of "70 *per cent* of the vacancies shall be filled up on the basis of seniority-cum-merit and 30 *per cent* on the basis of need".

It was noticed that during recruitments NCTE guidelines were not followed and persons with lesser qualifications were recruited by the State Government. As a result, quality of education was compromised.

In exit conference the Principal Secretary stated (September 2011) that qualifications as required under NCTE norms were not made essential for recruitment of teacher in the State.

[7] PGT: 2332; GT: 4777, UGT: 274 & Kokborak Teachers: 16)

1.1.15.2 Availability of Science and Maths Teachers

SSA framework provides that subject specific teachers in mathematics and science at upper primary should be provided. While the overall number of teachers was adequate, there was a shortage of Maths and Science teachers. Audit scrutiny revealed that 783 schools did not even have a single Maths and Science teacher. Detailed position of availability of Maths and Science teachers are shown in the table below:

Table 1.1.4

Year	Dhalai		North		South		West		Total	
	Maths	Maths & Science	Maths	Maths& Science	Maths	Maths & Science	Maths	Maths & Science	Maths	Maths & Science
2006-07	153	123	217	185	195	121	325	248	890	677
2009-10	212	176	209	175	235	157	386	282	1042	790
2010-11	216 (66.46%)	161 (49.54%)	190 (47.98%)	141 (35.61%)	287 (51.34%)	177 (31.66%)	456 (55.54%)	304 (37.03%)	1149 (54.69%)	783 (37.27%)
Total UP School	325		396		559		821		2101	

Source: Departmental records

Out of the four districts, Dhalai district showed the maximum deficiency of teachers with shortage of teachers in mathematics being 66 *per cent* and in Science being 50 *per cent.* The overall shortages of mathematics and science teachers in the State were 55 and 37 *per cent* respectively as detailed in **Chart No. 1.1.12** and **Chart No. 1.1.13** respectively.

Chart No. 1.1.12
Upper primary schools not having Mathematics teacher

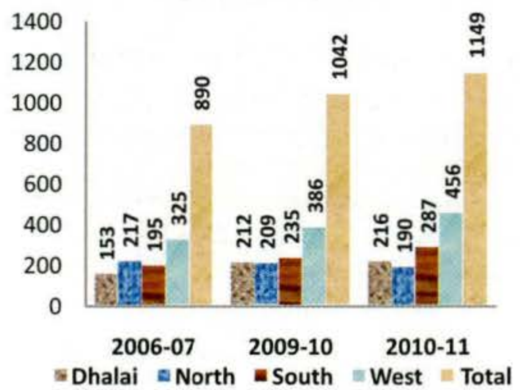
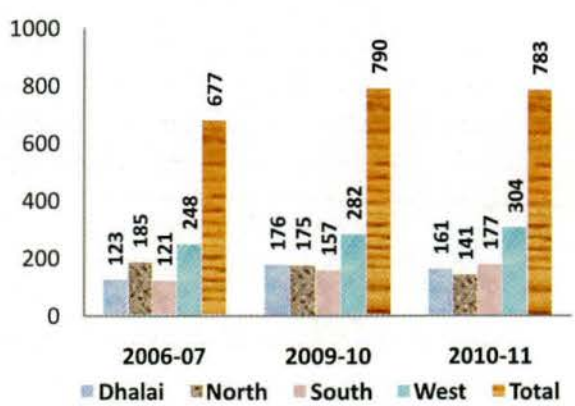


Chart No. 1.1.13
Upper primary schools not having Science teacher



Source: DISE

This has resulted in imparting insufficient knowledge in science and mathematics, as revealed by the fact that 41 *per cent* of students were detected by SSA Rajya Mission as low performers (D & E grade) in mathematics in the academic year 2010. The percentage was lower at 50 and 52 in case of SC and ST students respectively.

Thus, due to inadequate number of teachers in science and mathematics performance of the students in science and maths were found dissatisfactory.

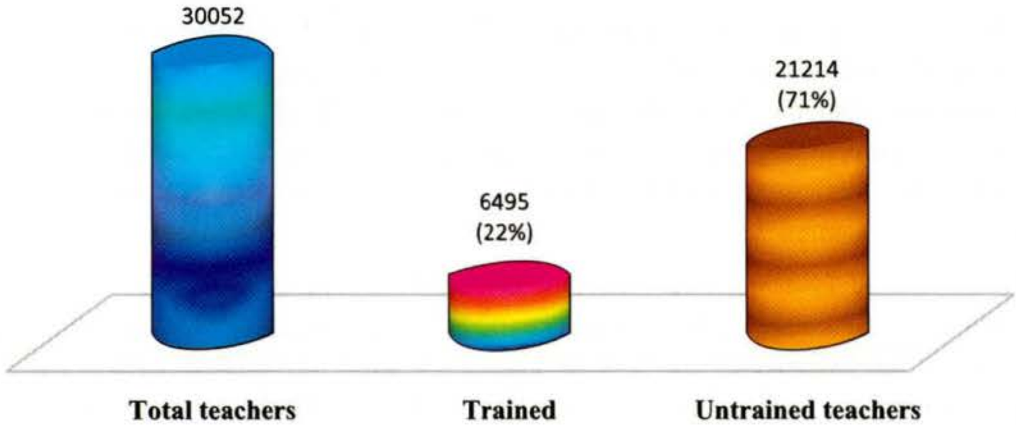
Government stated (October 2011) that the Education (School) Department was in the final stage of engaging 1000 science teachers.

1.1.15.3 Training

At present, there are four District Institutes of Education and Training (DIETs) in as many districts in the State, apart from one State Council of Educational Research and Training (SCERT) for providing in-service training to the teachers. These Institutes provide training for 30/ 60 days as per the State/SSA norms. During 2006-07 to 2010-11, 4 DIETs imparted 30 days training to 1776[8] teachers and only DIET, South Tripura imparted 60 days training to 360 teachers in 2006-07 and 2007-08. The position of training of teachers is given in **Chart No. 1.1.14**.

Chart No. 1.1.14

Teachers profile under School Education Deptt. as of March 2011



It was noticed that the number of trained teachers is very poor at 22 *per cent*. The State is also deficient in training infrastructure and even that capacity was not achieved as there was a shortage in staff strength in DIETs ranging from 60 *per cent* in 2006 to 63 *per cent* in 2011 **(Appendix 1.10)**.

It is thus evident that majority of the teachers in the State are untrained. As a result, quality of education was compromised.

In exit conference, the Principal Secretary stated (September 2011) that the available training institutes have low intake capacity, and the intake capacity of present B.Ed college (IASE) had been increased from 200 to 500 and one more such institute was being set up. Government of Tripura had also requested the IGNOU for providing two years training in distance mode.

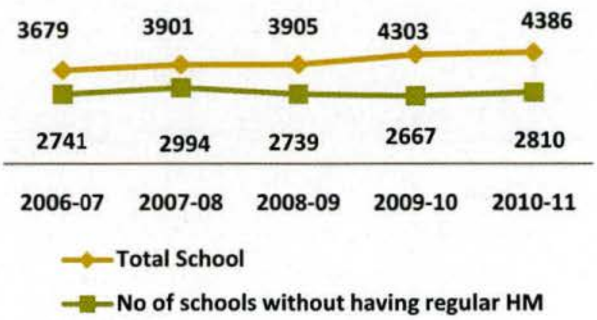
[8] West Tripura: 574; Dhalai: 377; North Tripura: 280; South Tripura:545

1.1.15.4 Availability of Headmaster

64 *per cent* of the schools lack a head, while the number of teachers is very comfortable as per the SSA norms. If a suitable promotion policy is framed and implemented, it will not only provide the Heads for schools, but also improve motivation of teachers.

Chart No. 1.1.15

Total School *vis-a-vis* no . of schools not having regular Head Master/Head Mistress (In number)



1.1.15.5 Curriculum and textbook development

The National Curriculum Framework (NCF) 2005 developed by NCERT was to reduce the Curriculum load and make learning more enjoyable for children. In consonance with the NCF 2005 and RTE Act the State is to initiate curriculum reform, encompassing age appropriate syllabus formulation, text book development, review of existing assessment systems *vis-à-vis* continuous and comprehensive evaluation system.

In Tripura, SCERT in collaboration with Tripura Board of Secondary Education (TBSE) is the nodal agency for preparation and modification of curriculum and syllabus. The Syllabi and text book for class I – V was last modified in 2008 and for Class VI-VIII in 2009 in conformity with NCF 2005. But PAB observed (June 2010) that revised curriculum and text books were not in harmony with NCF 2005, especially in terms of the curriculum load on children and the number of subjects.

1.1.16 Supervision and Monitoring

1.1.16.1 Meetings

- The meeting of the General Governing Body was first held in September 2004 after formation of the Society (May 2004) and the next meeting was held in July 2010 after a gap of 6 years against the norms of at least one in a year. In the last meeting it was decided mainly (i) to conduct general body meeting once in 4 months and the next meeting was scheduled in November 2010; (ii) ensure expenditure of the total funds sanctioned for a particular financial year in the same year itself; (iii) to complete the process of recruitment of subject specific teachers and (iv) to arrange Montessori training for primary teachers in DIET, South Tripura or IASE, Agartala etc.

It was noticed that no further meetings of general body were held till March 2011. SSA also failed to spend funds, specifically for school grant, teachers grant, remedial teaching, special training, maintenance and repair of school building, LEP, civil works etc. within the financial year. Further recruitment of teachers was not made and Montessori training was not provided to the primary teachers till date (September 2011).

- The Executive Committee met only six times[9] during five years 2006-07 to 2010-11 against norms of at least one in each quarter. In the meetings for improvement of educational system in Tripura the Committee suggested to set a target to increase the level of achievement in the field of providing teacher training, posting of more teachers in the remote tribal areas, introduction of sound mechanism of supervision, monitoring and independent assessment by third party inspection of civil works, preparation manual for VEC, engagement of resource persons in VRC/CRC, conduct of school mapping exercise etc.

  It was noticed that SSA Rajya Mission and Education (School) Department acted upon most of the decisions taken in EC meeting except in the area of teachers training and rational deployment of teachers.

- In West Tripura district the meeting of District level Education Committee was held on five occasions during 2006-07 to 2009-10. No meeting was held in 2010-11 against the norms of one meeting in a quarter.

- The Executive Committee (EC) under Sarva Shiksha Abhiyan was to review the implementation of MDM scheme in all its meetings, but did so in only one (June 2006) out of the two meetings held during 2006-07 when it discussed about the variety in menu of Mid-Day-Meal.

Thus, due to infrequent meeting of the Committees at different levels, progress of implementation of the decisions taken could not be monitored on regular basis. As a result, in some of the key areas like rational deployment of teachers, time bound expenditure, training etc. the State is lacking behind which affect on the quality of education.

Government stated (October 2011) that it had been decided to hold general body and executive committee meetings strictly in six months intervals.

1.1.16.2 Inspection of schools

Scrutiny of records of 6 Inspector of Schools revealed that against the norm of visiting at least 8 schools per month, on an average IS, Bishalgarh visited only one school, IS, Sadar-A and Kamalpur visited 1 to 5 schools and IS, Teliamura only 4 to 6 schools in a month while IS, Chailengta and Jirania fulfilled the target during 2006-11. There was also shortage of inspection by Deputy Inspector of schools ranging from 13 to 100 *per cent* **(Appendix 1.11)**.

[9] 2006-07: 2, 2007-08:1, 2008-09: Nil, 2009-10: 1 and 2010-11: 2

In the exit conference the Principal Secretary stated (September 2011) that ISs were assigned with implementation of SSA, MDM and other administrative works besides inspection of schools. Therefore, resource persons were engaged in Block Resource Centre (BRC) and Cluster Resource Centre (CRC) for regular inspection of schools.

1.1.16.3 Management Information System for MDM

The Department did not develop any computerised management information system (MIS) or the MIS cell as envisaged in the scheme. The Department stated (September 2011) that development of centralised MIS is yet to be finalised.

1.1.17 Internal Audit

Internal audit is one of the important controls that functions by examining and evaluating the adequacy and effectiveness of other controls throughout the organisation. The internal audit of district project offices and sub-district units selected on a percentage basis should be conducted so as to cover all district and sub-district units at least once in 3 years. Information made available by the SPD revealed that during 2010-11 the internal audit wing of SPD submitted 12 reports on the inspections of DPC, IS, Blocks, Schools etc. Test check of inspection reports made available to audit revealed that mostly internal audit concentrates on the financial transactions of the units rather than implementation of major objectives of the scheme/ physical target and achievement *viz.* availability of infrastrural facilities, attendance, availability of teachers, utilisation of teaching aids, results etc.

The State Project Director, SSA stated (September 2011) that the issue of engagement of auditors against the vacancies will be taken up.

1.1.18 Evaluation

The RTE Act, 2009 provides that the evaluation procedure for elementary education shall be laid down by an academic authority to be specified by the State Government by notification. The SPD stated (July 2011) that no Continuous, Comprehensive, Evaluation (CCE) policy to evaluate learning of the children through conducting class test, oral test, unit tests and various co-curricular activities had been adopted.

During 2006-07 to 2009-10 the total number of children who passed out from class V to VI and VIII to IX along with the percentage of students securing more than 60 *per cent* marks are shown in **Chart No. 1.1.16** and **Chart No. 1.1.17** respectively.

Chart No. 1.1.16

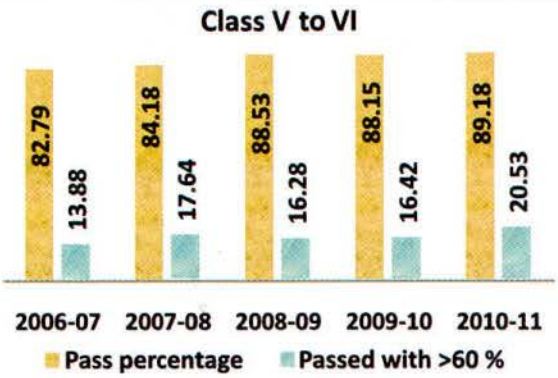
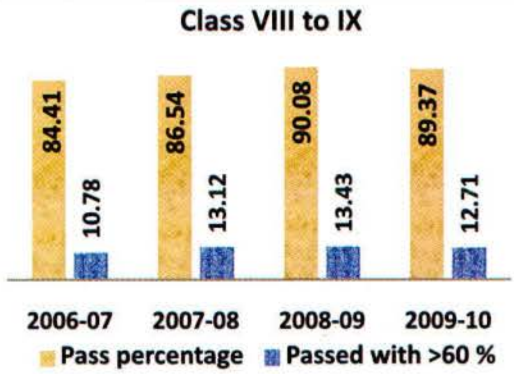
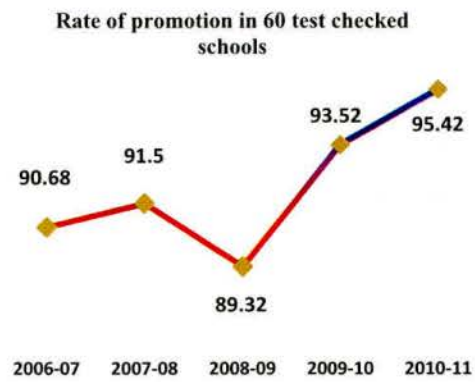


Chart No. 1.1.17



Government of Tripura had implemented the no detention policy up to Class-V (on promotion from class-IV) in April 2005 and till the completion of a students' elementary cycle of education in December 2010. However, test check of 60 schools revealed that in 32 schools out of 3,830 students, 297 students (8 *per cent*) were detained in the academic year 2010 although promotion rate of students in elementary level increased from 90.68 *per cent* to 95.42 *per cent* during 2006-07 to 2010- 11 as shown in **Chart No. 1.1.18**.

Chart No. 1.1.18



1.1.19 Qualitative Factors

60 sampled schools have been classified on the basis of attendance and results and audit attempted to find the causative factors for poor/better performance among the schools in comparable areas. After identifying such factors, we also analysed the data in respect of all the schools to find the present status of such factors and suggest appropriate interventions. These schools were classified in three categories on the basis of primary key factors attendance and results of the students. Then an analysis was conducted to find out the causative factors, which has been identified as availability of teachers, teaching aids, infrastructure etc. as detailed below:

Table 1.1.5

Sl. No.	Category	Criteria	
1	A	Attendance	More than 80 *per cent*
		Result	50 *per cent* students should get more than 80 *per cent* marks
2	B	Attendance	Ranging between 50 to 80 *per cent*
		Result	25 to 50 *per cent* students should get more than 80 *per cent* marks
3.	C	Rest	

Test check revealed that out of 60 schools 2 schools[10] fall under Category "A", 13 schools under Category "B" and 45 schools under Category "C". Out of 60 schools, more than 50 *per cent* students of only 10 schools secured more than 60 *per cent* marks in the academic year 2010.

It is seen that while the pass percentages are generally acceptable, the quality as evidenced by students scoring more than 60 *per cent* is not very encouraging.

Reasons for poor results were noticed as under:

- 14 schools did not receive TLE as per SSA norms during the period covered by audit.
- Except 2 schools all other schools received teaching grant but use of teaching aids in classes were not observed during visit. No teaching aids were found in classrooms either.
- In Dhalai District, most of the children were first generation learners and none of the schools provided remedial teaching to the weak/ slow learners. During inspection the teachers also agreed with the audit observations.
- Inadequate basic infrastructure facilities.
- 34 schools (57 *per cent*) did not have regular headmasters/ headmistress, which effects the school management. It is recognised that some factors like remoteness of locality, salary levels are not really controllable. However, the management is capable of making interventions to address the other factors.

Government stated (October 2011) that learning of children were evaluated through conducting four unit tests, oral tests and terminal examination. In addition two formats had been developed for introduction of CCE.

1.1.20 Conclusion

The State had performed quite well on the parameters of establishing schools in all areas to provide universal access to the students. Performance in enrolment had also been good, backed up by a Household survey of all school going children. Only minor problems relating to mainstreaming of refugee children and enrolment of migrant children remained to be tackled. Attendance in schools was poor and is a cause of concern which needs to be addressed appropriately. The number of teachers was also far in excess of SSA norms but inadequacy of teachers in science and mathematics and irrational deployment was a major concern. The status of training of teachers was poor with only 22 *per cent* of trained teachers. There were local variations in qualitative performance among schools, especially the relatively poor performance of the ST children which needs attention. Inadequate infrastructure, absence of a full time Headmaster and not using teaching aids also constrained the success of elementary education in the State for better qualitative performance. Supervision, monitoring and evaluation needs strengthening to achieve the desired outcomes.

[10] (i) Ghaniabil JB School, Teliamura (ii) Malaynagar JB School, Bishalgarh

1.1.21 Recommendations

- Prioritisation should be done during planning to allocate resources for addressing all objectives taking into account the present position and the norms specified for individual areas. The local variations in qualitative performance among schools, especially the relatively poor performance of the ST children needs to be addressed.
- The Deployment of teachers should be with a view to achieve consistent PTR across the State. Major variations in PTR are to be addressed by transfer and redeployment. Teachers when recruited should be qualified as per NCTE norms keeping in view the requirement of Science and Maths faculty.
- Training infrastructure should be strengthened and DIET and SCERT should be staffed adequately to ensure effective and adequate training for teachers.
- The physical infrastructure needs to be developed in all schools. Black Boards and furniture essential to the classrooms have to be provided to all schools and the provision and use of Teaching Learning Equipment should be encouraged.
- The schools should function for sufficient duration and the teachers should work 45 hours a week as per norms.
- Supervision, monitoring and evaluation needs to be strengthened to achieve the desired outcomes.

CHAPTER II
AUDIT OF TRANSACTIONS
(CIVIL DEPARTMENTS)

Violation of contractual obligations/ Avoidable expenditure

PUBLIC WORKS DEPARTMENT (DRINKING WATER AND SANITATION)

2.1 Idle expenditure

The 'Water Supply arrangement at Bodhjungnagar Growth Centre' did not yield any benefit as the work of the Iron Removal Plant remained suspended since October 2007 due to faulty estimates and failure of the Department to take remedial measures. This coupled with non-execution of the overhead tank rendered the total expenditure of ₹ 70.75 lakh incurred on the project idle and unfruitful.

The project 'Water Supply arrangement at Bodhjungnagar Growth Centre' was entrusted (June 2004) with the Department as 'deposit work' by the Tripura Industrial Development Corporation Limited (TIDCL) (a Government of Tripura undertaking). The project comprised of six items of work *viz.* (i) Construction of 50,000 gallon capacity circular type ground level clear water reservoir, (ii) Construction of semi permanent pump house, (iii) Construction of RCC 50,000 Gallon capacity fire reservoir, (iv) Construction of plinth protection, surface drain, laying of delivery pipe line and expansion of pump house, (v) Quality improvement by Construction of Iron Removal Plant (IRP) with spray, aerator, sedimentation tank, rapid gravity filter, pump house, and (vi) Construction of overhead tank (OHT) of 60,000 gallon capacity. Against the estimated cost of ₹ 103.66 lakh[1] for the project, the Department received ₹ 99.00 lakh[2] upto August 2004 from the TIDC.

Scrutiny (October-November 2010) of records of the Executive Engineer, DWS Division-II (erstwhile PHE Division-IV), Agartala revealed that the first three items were completed between March 2007 and August 2008 at a cost of ₹ 20.93 lakh[3], and Item No. (iv) was in progress (September 2011). Item No. (vi) i.e. the OHT was not taken up reportedly (December 2007) due to lapse of the unspent funds (₹ 43.55 lakh as of December 2007), although the amount had been lying in Government Account since 2004 after its placement by TIDC and the matter of revalidation thereof was not effectively pursued by the Division with the competent authority.

Further scrutiny revealed that the work of Item No. (v) i.e. 'Quality improvement by Construction of IRP etc.' was awarded to a contractor on 24 August 2006 for

1 Prepared and communicated by the Chief Engineer of the erstwhile PWD (PHE) in June 2004.

2 ₹ 75.00 lakh in June 2004 and ₹ 24.00 lakh in August 2004.

3 ₹ 7.99 lakh for item No. (i), ₹ 0.71 lakh and ₹ 7.00 lakh (paid to Rig Division) for item No. (ii), and ₹ 5.23 lakh for item No. (iii).

completion by 7 March 2007 at ₹ 24.37 lakh (32 *per cent* above the estimated cost of ₹ 18.46 lakh put to tender). The work, which commenced on 8 September 2006 was suspended by the contractor from 11 October 2007 alleging 'numerous non-cooperation' from the Department, after executing work valued at ₹ 21.30 lakh. The amount was paid to the contractor in March 2008. Prior to this, the contractor proposed (January 2007) for extra items to meet some gaps in the original estimate. The Sub-Divisional Officer (SDO) of the PHE, Jirania also informed (January 2007 and March 2007) the EE that the detailed estimate of the work had been prepared leaving out some essential items[4], the control chamber room cum pump house had no adequate space, and separate space for pump house attached to the IRP building was required to be created. There was no decision on the part of the Department on these issues despite being recommended by the SDO. Ultimately, neither the contractor's requests (October 2008) for settlement of the final bill and refund of the security deposit, and also his claim (October 2009) for closure of the work were considered nor was any action taken against him by the Department. The agreement signed in 2006-07 was also not rescinded (September 2011). An expenditure of ₹ 29.04 lakh[5] was booked/reported by the Department on this work till December 2010, which still remained incomplete (September 2011).

Thus, the 'Water Supply arrangement at Bodhjungnagar Growth Centre' could not yield any benefit as the work of the Iron Removal Plant remained suspended since October 2007 due to faulty estimates and failure of the Department to take remedial measures. This coupled with non-execution of the overhead tank due to administrative lapses, rendered the total expenditure of ₹ 70.75 lakh incurred on the project till December 2010 idle and unfruitful.

Government stated (September 2011) that execution of the balance work required revalidation of the balance fund but the TIDC and the Treasury Officer (TO) concerned did not respond to the approach of the Division for revalidation. The agency was also reluctant to work as per the agreement rate at this delayed stage due to hike in price of material and labour etc. Therefore, the Department was proceeding for closure of the agreement and also that the balance work would be taken up after getting funds from TIDC.

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[4] Polymer modified latex 1:2, Plinth protection and surface drain, GI fittings, Cement plaster, Anti-termite treatment, Door and window shutters, Extension of LT line etc.

[5] ₹ 21.30 lakh paid to the contractor + ₹ 2.43 lakh and ₹ 5.31 lakh reported additionally without recorded details.

2.2 Idle expenditure

Due to lack of proper assessment in planning and injudicious selection of site, 11 quarters out of 12, constructed near Water Treatment Plant, Belonia, remained vacant since 2006 and ₹ 35.95 lakh invested on the construction remained idle for more than five years.

Following a visit of the proposed site for construction of staff quarters near Water Treatment Plant, Belonia by a high level team (including the Minister, PWD) in June 2001, it was decided to construct four Type III and eight Type II staff quarters at the site on priority basis. Accordingly, the SE, 3rd Circle, PWD (R&B), Udaipur as also the EE, PWD (R&B), Santirbazar Division was asked (June 2001) by the CE, PWD (PHE) to take up the work urgently. Although requirement of the quarters was stated to be 'assessed' by the CE, PWD (PHE), no assessment report could be made available to Audit. Administrative approval and expenditure sanction to the estimated amount of ₹ 34.47 lakh was conveyed by the Department for the work in January 2002.

Scrutiny (January - February 2011) of records of the EE, Drinking Water and Sanitation[6] (DWS) Division, Belonia revealed that the work had been executed by the EE, PWD (R&B), Santirbazar Division through a contractor at a cost of ₹ 40.19 lakh and the quarters were handed over to the DWS Division, Belonia during March - April 2006. It was observed that since taking over of the quarters, the EE, DWS, Belonia had so far allotted (July 2011) only one quarter (Type III). The remaining 11 quarters were still lying vacant even after a lapse of more than five years (May 2011), reasons for which were loneliness of the area and non- availability of market facilities.

The EE stated (May 2011) that there were no applications for the vacant quarters. This implied that the 'assessment' claimed to have been made was not realistic and there was no demand for quarters. The EE also stated (May 2011) that there was no other plan as yet to utilise the quarters.

Thus, due to lack of proper assessment in planning and injudicious selection of site 11 quarters were lying vacant (May 2011) since their construction in 2006 and ₹ 35.95 lakh[7] invested on the construction turned idle for more than five years. Besides, the possibility of the vacant quarters becoming dilapidated due to their prolonged disuse could not be ruled out.

Government stated (August 2011) that out of 12 quarters, four had been allotted so far (two Type III and two Type II) and there was no requirement of quarters from the staff of the Treatment Plant (seven out of 16 staff have their own house there). It was also stated that due to increase in the rate of house rent allowance after pay revision, there was lack of interest for occupying Government quarters as private rented house were cheaper.

[6] The new name of the erstwhile Public Health Engineering (PHE) Wing, after re-organisation of the PWD in 2007.

[7] 8 Type II quarters: ₹ 23.24 lakh; 3 Type III quarters: ₹ 12.71 lakh (₹ 16.95 lakh x 3/4)

PUBLIC WORKS DEPARTMENT (ROADS AND BUILDINGS)

2.3 Doubtful execution of work

Gross violation of the manualised provisions, raised doubts about actual execution of the work "Maintenance of Kamalpur-Maracherra-Ambassa Road during 2008-09/ SH: Construction of protection wall and wing wall". It was claimed that the work was completed in 14 days against 90 days' time allowed and ₹ 45 lakh had been paid to the contractor as part payment against the 1st and final bill for work value of ₹ 48.93 lakh. Finally, the bill along with deviations was approved for ₹ 53.05 lakh in June 2010 but there was no claim/ subsequent payment in full settlement of the final bill.

Scrutiny (November 2010) of records of the EE, Kamalpur Division revealed that the work "Maintenance of Kamalpur-Maracherra-Ambassa Road during 2008-09/ SH: Construction of protection wall and wing wall" was awarded (12 December 2008) to a contractor at his tendered value of ₹ 46.98 lakh (41 *per cent* above the estimated cost of ₹ 33.32 lakh put to tender). Although the completion time as per the detailed estimate and the NIT was 180 days and the stipulated completion time as per the work order was 90 days requiring the contractor to prepare bar chart for the work programme within 15 days from the date of the agreement, the work was shown to be completed in all respect in only 14 days i.e. on 26 December 2008 commencing on the very date of issue of the work order. The four key tasks after the reported progress/ completion of the work by the contractor and taking of its measurement viz. (1) Checking of measurement, (2) Preparation of abstract bill/ audit slip, (3) Preparation of deviation statement and extra item statement and (4) Preparation of RA/ final bill were all shown to be done in a single day i.e. on the very date of completion of the work.

Further scrutiny revealed that the chainage of the road was not found written in the detailed estimate as also in the MBs. The same was also not made available to Audit despite several requests since November 2010, and it was only for the first time in August 2011 that Government informed audit about the approximate location of the work, stated to be at about 16.20 K.M on the aforesaid road without, however, mentioning the exact starting and the ending point. While preliminary estimate had not at all been prepared, the detailed estimate, though prepared, did not show the measurement of the length, width and height of the walls to be constructed.

On examination in audit of the execution-related records in details, the following additional important facts emerged:

(i) The Measurement Book (MB) No. 169 used for the work had first two pages missing without any certificate recorded to this effect by the AE concerned. As per entries available at Page No. 34 of the MB under the signature of the AE the work was found to be completed even much earlier i.e. on 16 December 2008 within four days of issue of work order, which, on being pointed out in audit was stated (June 2011) to be written "by mistake".

(ii) There was no mention in the 1st and final bill/ audit slip about another MB (No.164), found to be used additionally for the said work, wherein measurement of execution of some portion of the agreement items valued at ₹ 4.53 lakh and extra items valued at ₹ 1.29 lakh were entered on the very date of the preparation of the 1st and final bill i.e. 26 December 2008 but the amounts were excluded from the said bill for no reasons on record.

(iii) Total value of the agreement items and the extra items executed as per entries in the two MBs (MB No.164 and 169) stood at ₹ 53.06 lakh[8] but the AE prepared and submitted (26 December 2008) the 1st and final bill for ₹ 78.45 lakh[9] applying bigger quantities/ higher rates for certain items beyond the scope of the agreement. The bill was, however, approved (11 June 2009) by the EE for a value of ₹ 48.93 lakh (which would have actually come to ₹ 45.89 lakh but for a mistake in totalling) against which part payment of ₹ 45 lakh was made (11 June 2009). Final deviation and extra item statement for ₹ 6.07 lakh and ₹ 3.63 lakh respectively was forwarded (7 June 2010) by the EE to the SE after 17 months of completion of the work as also preparation of the 1st and final bill, and the total value of work executed was shown as ₹ 53.05 lakh[10] which was approved by the SE on that very date. No claim/ subsequent payment in full settlement of the final bill was on record (June 2011). Prior approval from the competent technical authority had also not been taken before execution of the extra item in violation of the prescribed provisions of CPWD.

(iv) The rate paid to the contractor was inclusive of the cost of *Jhama* bricks but neither the date of their collection/procurement was recorded in the MB nor was any supporting voucher attached with the 1st and final bill. In reply (June 2011) to an audit query, the supply was claimed to be made from the contractor's own brick kiln.

(v) In the consumption statement, Road Roller was stated to be used for 6 days without any reference to its supplier, whereas the certificate recorded by the AE in the MB as well as the 1st and final bill showed that no T&P were issued to the contractor, and hence no recovery had been proposed.

(vi) No qualified engineer was deployed at the site of the work and test check of measurement was not also conducted by the EE despite manualised provisions.

(vii) The bill contained only the AE's signature, and nowhere of the contractor or even of the JE.

The numerous deviations from the reasonable, natural and chronological stages of progress as pointed out above, including violation of manualised provisions as a matter of course obviously raised a doubt as regards actual execution of the work.

Government while admitting almost all the lacunae pointed out in audit stated (August 2011) that the work had to be taken up in an extreme emergent situation and

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8 Agreement items including deviation quantity: ₹ 49.44 lakh + Extra items: ₹ 3.62 lakh.

9 Agreement item including deviation quantity: ₹ 76.16 lakh and Extra item: ₹ 2.29 lakh.

10 Agreement item including deviation quantity: ₹ 49.42 lakh and Extra item: ₹ 3.63 lakh

completed on war footing basis. It was not, however, spelt out why the special procedures prescribed in the CPWD Works Manual for such a work of inescapable nature/ urgency were not followed in the instant case. Reasons for notifying completion time of 180 days/ 90 days a fortnight before/ on the very date of commencement of the work also remained unclarified, especially when the requirement was emergent.

2.4 Avoidable time and cost overrun

Due to Department's failure to provide drawing and designs to the contractor in time, there was price increase of material components of the work 'Construction of building for Dormitory etc. at Belonia Town Hall Complex' which resulted in a time overrun of over 14 months and cost overrun of ₹ 20.77 lakh.

The Executive Engineer (EE), Belonia Division (R&B), Belonia awarded (14 December 2007) the work 'Construction of building for Dormitory etc. at Belonia Town Hall Complex, Belonia' to Contractor 'A' at ₹ 1.01 crore at the agreed rate of 24.97 *per cent* above the estimated cost (₹ 80.85 lakh), allowing 15 months' time for completion i.e. by March 2009.

Scrutiny (February-March 2010) of records of the EE revealed that the structural drawing and designs which are finalised by the Design Cell in the headquarter (Planning Circle) of the Department, could not be made available to the EE for being provided to the contractor in time.

The structural drawings for the foundation were handed over to the contractor on 13 March 2008. The structural details for the superstructure (right from lintel level) were made available to the contractor on 24 February 2009 i.e. only one month before the stipulated date of completion. Aggrieved by the failure in providing structural drawing/ designs in time, the contractor demanded (August 2008) enhancement of the agreed rate of '24.97 *per cent* above' to '50 *per cent* above' for the balance work, in pursuance of increase in price of materials. The contractor's demand was not conceded and he was informed (September 2008) that the issue was to be regulated according to Clause 10 CC of the general conditions of the contract agreement which provided for compensation in case of price increase of certain building materials as per prescribed formulae and conditions. The contractor did not agree to this and insisted (March 2009) that either the enhanced rate claimed by him should be paid for the balance work or the agreement should be closed. Ultimately, the work was closed in June 2009. The contractor was paid (September 2010) ₹ 68.89 lakh[11] in the 5th RA and final bill.

[11] Agreement quantity: ₹ 56.30 lakh {Estimated value: ₹ 45.05 lakh + ₹ 11.25 lakh (24.97 *per cent of* ₹ 45.05 lakh)} + Deviated quantity: ₹ 11.98 lakh + Extra Item: ₹ 0.61 lakh.

The balance work, estimated at ₹ 46.30 lakh (₹ 35.80 lakh[12] for agreement items and ₹ 10.50 lakh for additional works), was awarded (October 2009) to Contractor 'B' at the negotiated tendered value of ₹ 84.73 lakh (83 *per cent* above the estimated cost) stipulating 8 months' time for completion. The work commenced on 29 October 2009 and was completed on 7 June 2010 at ₹ 84.90 lakh (with deviation valued ₹ 0.17 lakh), which was paid to contractor 'B' in October 2010 in the 4th RA and final bill.

In audit analysis it was seen that the Department's views to attract the provisions under Clause 10 CC in the instant case was not appropriate as the price hike here was due to the Department's lapse to provide complete drawing and designs to the contractor which were finally completed only one month before the stipulated completion time of 15 months. It was also obvious that any subsequent agreement with a new contractor in pursuance of the increased price of the components of materials would involve higher cost; therefore the issue needed consideration.

Thus, closure of the agreement without any analysis/ comparative study of the rates in the changed circumstances, was unrealistic and imprudent. This resulted in time overrun of over 14 months and cost overrun of ₹ 20.77 lakh[13]. Had a negotiated rate been attempted with the first contractor, both these overruns could have been restricted to the least possible limit. Even if the contractor's demand of '50 *per cent* above' was agreed to, an extra expenditure of ₹ 11.81 lakh[14] could have been avoided.

Government stated (August 2011) that the infrastructure of the Design Cell of the Department were not adequately augmented to cope with the increase in the volume of its works in the last few years and, therefore, the structural designs were being issued to site based on progress at site instead of the entire design for the entire work in advance. This did not make other contractors of positive attitude and spirit to insist for higher rates midway during the contract. While admitting price hike of materials as also occurrence of cost as well as time overrun, Government claimed that since the contractor did not show regard to the agreement provision for escalation of rate for the delayed period, closure of the agreement followed by invitation of fresh tender was the only prudent option to the Department as allowing higher rate as per his claim was not possible. Government's contention is not acceptable in audit since the contractor could not start (for four months till May 2008) a portion of the building due to non-availability of foundation structural details etc. followed by further delay in getting superstructure design right from lintel level. These delays coupled with price hike of materials exposed the contractor to risk, which he mitigated by asking for an increase, that could not be agreed to. The work was ultimately completed incurring an extra expenditure of ₹ 11.81 lakh.

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12 ₹ 80.85 lakh - ₹ 45.05 lakh.

13 Paid to Contractor A ₹ 68.89 lakh + paid to contractor B ₹ 84.90 lakh – tendered value ₹ 101.04 lakh – deviated, extra and additional works₹ 31.98 = ₹ 20.77 lakh.

14 Cost overrun if 50 per cent above were allowed to Contractor A = 33 (83 – 50) per cent of balance work of ₹ 35.80 lakh i.e. ₹ 11.81 lakh

2.5 Unfruitful expenditure

The work of construction of boundary wall around the MBB College Complex was taken up without ensuring encumbrance free land resulting in unfruitful investment of ₹ 98.11 lakh as the work remained incomplete for over 81 months. Due to non-completion of the boundary wall and lack of watch and ward staff, the civil structures and electrical fittings of an eco-park constructed within the College Complex were damaged resulting in the completed park remaining unutilised for about 21 months rendering the expenditure of ₹ 1.92 crore thereon unfruitful as well.

Test-check (November 2010) of records of the Executive Engineer (EE), Agartala Division No.1 revealed the following:

(A) The EE awarded (September 2002) the work "Construction of boundary wall around the total length area of MBB College Complex (3,674.20 metres)[15]", to NPCC Ltd[16] at its tendered value of ₹ 84.70 lakh allowing 18 months' completion time i.e. by September 2004 without ensuring encumbrance free land for the work in contravention of the provisions of the CPWD Manual. After progress of the work upto 1295 metres, the work was rescinded (April 2006) at the risk and cost of the agency due to reported delay and slow progress of work on the part of the agency, after making a payment (March 2005) of ₹ 26.39 lakh upto the 4th RA bill. Since the land was not available at different stretches as per the initially proposed alignment of the boundary wall due to encroachment and associated problems from local residents the Client Department (Higher Education) re-assessed the total length requirement for the wall at 3929 metres as against land availability of only 3114 metres.

A portion (1537 metres) of the balance work was awarded (December 2006) to Contractor A without resolving the problems of non-availability of land, encroachment, demarcation etc., at his tendered value of ₹ 77.15 lakh, but after a progress of 943.87 metres this second contractor also stopped (July 2009) working, alleging non-availability of clear site. The contractor was paid (August 2009) ₹ 49.60 lakh against final bill on closure of the agreement. Meanwhile, two other contractors also, on being awarded (February 2009 and March 2009) the work for 700 metres (Contractor B) and 750 metres (Contractor C), constructed the boundary wall for 475 metres and 150 metres respectively. Contractor B was paid (March 2010) ₹ 22.73 lakh while no payment was made to Contractor C till the date of audit.

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[15] Administrative approval and expenditure sanction for ₹ 83.32 lakh was accorded by the then Education Department in October 2001.

[16] National Projects Construction Corporation Limited, a Government of India Enterprise

The work of the boundary wall therefore, remained incomplete after construction of a length of 2,863 metres[17]. The balance portion (1066 metres)[18] was not taken up at all.

(B) The EE had taken up another work "Construction of an eco-park around the lake of MBB College under Additional Central Assistance (ACA) scheme" within the College Complex, as per assignment of the Information, Cultural Affairs and Tourism (ICAT) Department[19]. The EE awarded (March 2007) the work to Contractor X at his tendered value (negotiated) of ₹ 1.55 crore allowing 12 months' completion time i.e. by February 2008. The work was completed in September 2009, and an amount of ₹ 1.44 crore was paid (June 2011) upto the 5th RA and final bill. In the meantime, the EE awarded (June 2009) construction of two gates with adjacent boundary wall of the eco-park[20] to Contractor Y at his tendered value (negotiated) of ₹ 37.98 lakh allowing six months' time for completion i.e. by December 2009. The work started in July 2009 but was yet to be completed (June 2011). The contractor was paid (January 2011) ₹ 22.22 lakh upto the 3rd RA bill.

The constructed civil structures in the eco-park were damaged/ broken in some places due to the absence of security. This could be attributed to the incomplete boundary wall and the gates apart from lack of watch and ward staff. Costly electrical fittings like luminaries and other accessories installed[21] in the park at ₹ 48.15 lakh had been damaged by miscreants, for which an FIR was lodged (17 February 2010). The incomplete and damaged park was handed over (20 February 2010) to the ICAT Department who in turn handed it over to the Agartala Municipal Council (AMC) on the same day.

During a physical verification of the site conducted by audit (24 June 2011) along with the departmental representative it was seen that the boundary wall had several gaps of lengths ranging between 2.5 metres and 350 metres and the eco-park with incomplete gates, damaged electrical fittings and broken tiles etc. was covered with wild growth and remained unprotected and unutilised.

Thus, taking up of the work of construction of boundary wall around the MBB College Complex without ensuring encumbrance free land in contravention of the codal provisions resulted in unfruitful investment of ₹ 98.11 lakh as the work remained incomplete for over 81 months. Consequently, the civil structures and electrical fittings of an eco-park constructed within the College Complex got damaged resulting in the completed park remaining unutilised for about 21 months rendering the expenditure of ₹ 1.92 crore thereon unfruitful as well.

[17] (1295+943+475+150) metres = 2,863 metres.

[18] (3929-2,863) metres = 1066 metres.

[19] Administrative approval for ₹ 2.68 crore and expenditure sanction for ₹ 57 lakh was accorded by the ICAT Department in January 2006.

[20] Funds provided by the ICAT Department.

[21] By the EE, Internal Electrical Division of PWD, against funds provided by the ICAT Department.

Government stated (October 2011) that the PW Department's efforts to complete the boundary wall in all respect did not yield the complete result mainly due to land dispute despite highlighting the local hindrance of the work to all concerned from time to time. It was also stated that this wall was not meant for full protection of the eco-park but provided only additional boundary wall facilities to it; the discontinuity of the wall was partially offset in the water bodies, and cannot be taken as the main cause of damages to the eco-park which was totally a separate work executed for a different department (ICAT) who is responsible to take care of the park in a befitting manner.

But the fact however, remains that the work of construction of the boundary wall around the college was taken up without ensuring encumbrance free land leading to unfruitful expenditure on the work. Besides, completion of the boundary wall would have provided sufficient security to the eco park and the damage by miscreants could also have been avoided. It is thus, evident that the unfruitful investment of ₹ 2.90 crore was the result of commencement of a work without ensuring encumbrance free land.

PUBLIC WORKS DEPARTMENT (WATER RESOURCES)

2.6 Avoidable expenditure

Due to lack of proper planning in material management the Department incurred an avoidable expenditure of ₹ 16.14 lakh.

Scrutiny (December 2010) of records of the Executive Engineer (EE), Resource Division, Panchamukh, Agartala revealed that based on a general requisition received in February 2007 for sinking of Deep Tube Wells, the EE made (between September 2008 and April 2009) plan estimates in respect of Water Resources/ Minor Irrigation schemes in West and South Tripura districts to procure 1,549.54[22] cum pea gravel[23] from the quarries of Durgapur, West Bengal at an estimated cost of ₹ 87.05 lakh including loading, unloading and transportation.

After finalising the tendering process, the EE placed (between 3 June 2009 and 29 July 2009) three supply orders for 1,549.54 cum pea gravel to two Agartala-based suppliers (1099.54 cum by road direct from Durgapur to Panchamukh Store yard, and the rest by rail cum road i.e. by rail from Durgapur to Dharmanagar and thereafter by road from Dharmanagar to Panchamukh Store yard). The time allowed for completion of the supply in all the three supply orders was same i.e., six months. An amount of

22 399.54 cum for Balance Work of MI schemes at West and South Tripura districts for the year 2006-07 (estimated in April 2009), 450 cum for Group-I of WR schemes at West and South Tripura districts for the year 2008-09 (estimated in September 2008) and 700 cum for Group-II of WR schemes at West and South Tripura districts for the year 2008-09 (estimated in February 2009).

23 Of size 2.00 mm to 4.75 mm of the specification conforming to IS-4097-1967 (Grade A & B).

₹ 1.08 crore was paid to the suppliers for 1,563.68 cum pea gravel supplied during August 2009 to July 2010. The details are given in the table below:

Table 2.1

Group of supply with name of supplier & date of supply order (DOS)	Quantity ordered (cum)	Rate agreed (Rupees per cum)	Mode of transportation	Time allowed	Quantity supplied (cum)	Date of supply	Amount paid (Rupees in lakh)
Gr-I M/s Suman Enterprise, Agartala **DOS**:-03-06-2009	450.00	5,698	By rail cum road i.e. by rail from Durgapur to Dharmanagar and thereafter by road from Dharmanagar to Panchamukh Store yard	6 months from DOS (by 02-12-09)	**518.965**	17-03-2010	29.57
Gr-II M/s Choudhury Motors, Agartala **DOS**:-18-06-2009	700.00	7,715	By road direct from Durgapur to Panchamukh Store yard	-Do- (by 17-12-09)	49.900 141.560 245.367 210.067 **646.894**	07-08-2009 05-11-2009 01-01-2010 08-07-2010	48.70*
Balance Quantity M/s Suman Enterprise, Agartala **DOS**:- 29-07-2009	399.54	7,498	-Do-	-Do- (by 28-01-10)	271.342 126.667 **398.009**	10-01-2010 27-07-2010	29.84
Total	**1549.54**				**1563.868**		**108.11**
*** ₹ 1.21 lakh was not paid (August 2010) for shortage of funds.**							

Source: Supply Orders, Goods Received Sheets/ Bin Cards and Measurement Books/ RA Bills available in the Division.

From the above it is seen that the rates for Group-II and the Balance Quantity (transportation all through by road) were higher than the rate for Group-I (transportation by rail cum road) by ₹ 1,800[24] per cum and ₹ 2,017[25] per cum respectively.

Cross check of the entries available in the Goods Received Sheets, Bin cards, Measurement Books, Supply orders etc. revealed that there was no issue of pea gravel from the stock of 50.46 cum as on 16 May 2008 upto 16 May 2009 (more than one year) and out of the said stock, only 46.628 cum was issued between 17 May and 26 June 2009. It was further seen that out of 708.169[26] cum pea gravel received under Group-II and Balance Quantity at higher cost (all through by road), between 7 August 2009 and 10 January 2010 i.e., before arrival of pea gravels of Group-I at cheaper cost (518.965 cum) by rail cum road (received on 17 March 2010), the Division had issued only 201.71 cum pea gravel between 23 September 2009 and 19 February 2010,

[24] ₹ 7498 - ₹ 5698 =₹ 1800

[25] ₹ 7715 - ₹ 5698 = ₹ 2017

[26] Under Group-II: 436.827 cum (49.90 cum on 7 August 2009, 141.56 cum on 5 November 2009 and 245.367 cum on 1 January 2010) and under Balance Quantity: 271.342 cum on 10 January 2010.

against specific requisitions. This indicated that there was no urgent requirement of pea gravel from the working Divisions during 2008-09 and 2009-10. Hence, it is evident that the materials requisitioned in February 2007 (two years back) could have been ordered for supply much earlier for being received comfortably at cheaper cost by rail cum road well ahead.

The EE stated (December 2010) that transportation by road was made for early receipt of the pea gravel than by rail transport. The reply is not tenable since time allowed for each supply was same i.e., six months and the pea gravel by rail-cum-road were received two and half months after the scheduled date of supply, whereas the last consignments of those by road were received six to seven months after the scheduled date of supply. Further, out of the total quantity of procurement during 2009-11 (1,563.868 cum), 958.85 cum pea gravel was still lying at the Store yard (Panchamukh) till 30 March 2011.

Thus, due to lack of proper planning in material management the Department incurred an avoidable expenditure of ₹ 16.14 lakh[27] procuring arbitrarily a larger quantity of pea gravel (1099.54 cum) direct by road at much higher cost, out of which only 201.71 cum (18 *per cent*) was consumed before arrival of the pea gravel by rail cum road at cheaper cost.

Government stated (August 2011) that for completion of the NABARD project of 133 Deep Tube Wells within the stipulated period (i.e. March 2009), the Department had to take up the drilling components of the scheme by its own arrangement following discontinuation of the said task by PWD (DWS) for irrigation purpose. Accordingly, agency was selected by call of tender for implementation of 100 Deep Tube Wells within the stipulated period (i.e. March 2009), and to support the programme the Department had the necessity to procure pea gravels of sufficient quantities. It was also stated that supply of pea gravel suffered from uncertainty/ failure of contract due to non-availability of wagons, and in such situations procurement of pea gravel was ensured by resorting to carriage by road directly from the quarries. There were practical difficulties at that time for carriage of pea gravels by railways and under this situation it was planned to invite tender for carriage by railway as well as road carriage.

The reply is not acceptable as, against materials requisitioned in February 2007, supply orders were issued after a long gap (between June 2009 and July 2009 i.e. even 3-4 months after the stipulated date of completion of the project). Further, apart from very low consumption of the pea gravel procured at higher cost (18 *per cent*) before arrival of the pea gravel at cheaper rate, the total quantity consumed thereafter till 30 March 2011 (605.018 cum out of 1,563.868 cum i.e. 33 *per cent*) did not also commensurate with the costly procurement claimed to have been made on urgent basis.

[27] Gr II: {(646.894 – 201.71) = 445.184 cum} x ₹ 2,017 = ₹ 8,97,936…(A);
Balance quantity: 398.009 cum x ₹ 1800 = ₹ 7,16,416…(B);
Total: (A) + (B) = ₹ 16,14,352

Regularity issues

RURAL DEVELOPMENT (PANCHAYAT) DEPARTMENT

2.7 Lapse of Twelfth Finance Commission allocation

Non-submission of requisite information/ certificates to the Government of India in time resulted in lapse of Central assistance of Twelfth Finance Commission allocation of ₹ 17.10 crore due for Panchayati Raj Institutions which adversely affected the improvement of water supply and sanitation in rural areas in the State. Besides, delay in transferring funds to the PRIs led to avoidable diversion of ₹ 22.21 lakh towards payment of interest from Panchayat Development Fund.

Guidelines issued by the Ministry of Finance, Government of India for release and utilisation of grants recommended by the Twelfth Finance Commission (TFC) contained *inter alia,* that the amount released under each installment should be mandatorily transferred to the Panchayati Raj Institutions (PRIs) within 15 days of the same being credited to the State's account, failing which interest at the rate equal to the RBI rate would have to be paid to the PRIs for the period of such delay in addition to the funds transferred late. Further, the release of second installment onwards of 2006-07 would be subject to submission of certificates by the State Finance Secretary to the Government of India (GOI) in the prescribed formats regarding timely release of the previous installment to PRIs, percentage of utilisation of funds on Water Supply and Sanitation schemes including the recurring O & M cost recoverable thereon and inter-se allocation of the next installment in advance.

Scrutiny (March-April 2009 and January-February 2011) of records of the Director of Panchayats, Agartala revealed that against the total allocation of ₹ 57 crore of TFC grant for 2005-10 for PRIs in the State, payable in 10 equal instalment of ₹ 5.70 crore each in July and January every year, GOI released ₹ 39.90 crore only (upto 1st installment of 2008-09) during the TFC period towards seven installments in total. The rest three installments amounting to ₹ 17.10 crore were not released by the GOI due to non-adherence to the guidelines in general, and especially for non-submission of requisite information/ certificates to the GOI in time by the State Government.

Scrutiny further revealed that GOI had released (5 April 2006) ₹ 5.70 crore as the first installment due for 2005-06 and since then several reminders had been issued by the GOI to the State Government specifically pointing out that to avail of the grants recommended by TFC in full before the expiry of the TFC period (March 2010). It was necessary to transfer the amount released under each installment to PRIs as per the GOI guidelines and also to submit the utilisation certificates in time. But the issue was not effectively addressed and there had been recurring delays in transferring funds to the PRIs by the State Government. Consequently, the State Government did not get the subsequent installments in time. The State Government received ₹ 34.20

crore[28] between November 2008 and March 2010, which were equivalent to only six installments. Meanwhile, the TFC period expired (March 2010) and the Central assistance of ₹ 17.10 crore lapsed. This affected adversely the improvement of water supply and sanitation in rural areas in the State.

Besides, due to delay of 333 days beyond the permissible period of 15 days in transferring the 1st installment to PRIs, the State Government had to pay (25 August 2008) ₹ 31.20 lakh to the PRIs from the State exchequer as penal interest (@ 6 *per cent* per annum). Further, due to 53 to 89 days' delay in transferring the subsequent installments, the State Government had to pay interest of ₹ 22.21 lakh[29] more, diverting funds from Panchayat Development Fund (PDF) grants since no extra funds were released this time by the State Finance Department for the purpose.

Thus, non-submission of requisite information/ certificates to the GOI in time resulted in lapse of Central assistance of ₹ 17.10 crore due for the PRIs. Besides, delay in transferring funds to the PRIs led to avoidable diversion of ₹ 22.21 lakh towards payment of interest from PDF, depriving the Panchayats further of their general Development Resources.

The matter was reported to the Government in June 2011; reply had not been received (October 2011).

RURAL DEVELOPMENT DEPARTMENT

2.8 Diversion and blockade of NREGA funds

In two RD Blocks of South Tripura District there was diversion of NREGA funds amounting to ₹ 1.46 crore to non-permissible works and involving only 13.70 *per cent* wage component as against the prescribed requirement of 60 *per cent*. Besides, a sum of ₹ 17.78 lakh had been blocked with the EE, RD Division, Udaipur for last four years.

NREGA is a scheme to enhance livelihood security for the rural population by providing guaranteed wage employment. The operational guidelines of NREG Act provide that the wage component for an NREGA work must not be below 60 *per cent*. Further, Schedule-I of the NREG Act prescribed the types of work permissible for execution under NREGA. The Act also prohibited use of funds allocated under NREGA for any other purposes, except by sending specific proposals for taking up new categories of works to the Government of India (GOI) through the State Employment Guarantee Council (SEGC) for necessary notification.

Scrutiny (March 2011) of records of the Block Development Officers (BDOs) of two RD Blocks of South Tripura District revealed that the District Programme Co-

[28] ₹ 11.40 crore (November 2008); ₹ 17.10 crore (April 2009) and ₹ 5.70 crore (March 2010).

[29] ₹ 7.31 lakh (March 2009) and ₹ 14.90 lakh (February 2010).

ordinator (DM & Collector), South Tripura, Udaipur allocated (1 September 2007) ₹ 72.51 lakh[30] of NREGA funds in favour of these Blocks for 2007-08, in order to meet the expenses for construction of 430 Nos[31] IAY pattern Rural Shelter Houses (*pucca* type) @ ₹ 33,900/- per unit, within the jurisdiction of the respective RD Block (labour wages: ₹ 9.93 lakh[32] and petty materials: ₹ 62.58 lakh) which is not permissible under NREGA. The allocated sum was deposited by the Project Director, DRDA (South) to the BDOs' respective bank accounts in September 2007. Nothing was available on record as regards sending of any proposal to the GOI through the SEGC on this issue as per requirement of the NREGA guidelines.

Further, at the instance of the DM &Collector, South Tripura, a total amount of ₹ 73.26 lakh[33] was deposited (June 2007) in the accounts of the Executive Engineer (EE), RD Division, Udaipur for procuring RD materials centrally and for supplying the same to the BDOs for construction of the shelter houses, as aforesaid.

It was seen in audit that out of ₹ 73.26 lakh placed for RD materials, ₹ 55.48 lakh[34] only were utilised. The balance amount of ₹ 17.78 lakh, lying with the EE, RD Division, Udaipur was neither recovered nor adjusted (June 2011).

Construction of IAY pattern houses was not included in the list of permissible types of works as per the operational guidelines of NREGA. Further, the wage component for the said works done by each of the above two Blocks was only 13.70 *per cent* as against the prescribed requirement of 60 *per cent*.

Thus, the very allocation was irregular and tantamount to diversion of NREGA funds amounting to ₹ 1.46 crore (i.e. ₹ 72.51 lakh *plus* ₹ 73.26 lakh) to non-permissible works. Besides, a sum of ₹ 17.78 lakh[35] had unnecessarily been blocked with the EE, RD Division, Udaipur for last four years (August 2011).

The BDOs stated (March 2011) that the works had been taken up as per direction of the higher authority.

The matter was reported to the Government in September 2011; reply had not been received (October 2011).

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[30] Kakraban: ₹ 37.94 lakh for 225 houses and Rajnagar: ₹. 34.57 lakh for 205 houses
[31] Kakraban: 225 houses and Rajnagar: 205 houses
[32] Kakraban: ₹ 5.20 lakh and Rajnagar: ₹ 4.73 lakh
[33] Kakraban: ₹38.33 lakh and Rajnagar: ₹ 34.93 lakh
[34] Kakraban: ₹ 21.35 lakh and Rajnagar: ₹ 34.13 lakh
[35] Kakraban: ₹ 16.98 lakh and Rajnagar: ₹ 0.80 lakh

HOME (POLICE) DEPARTMENT

2.9 Wasteful expenditure

Lack of proper monitoring and appropriate timely action by the Department led to failure in getting four bus bodies fabricated even after 12 years of purchase of their chassis. This resulted in wasteful expenditure of ₹ 20.63 lakh as the chassis had become unfit due to prolonged exposure. Besides, there was a loss of interest of ₹ 12.72 lakh on the amount.

Home (Police) Department procured (December 1998) four bus chassis (Model TATA/LP-1510) from the local authorized dealer of TATA Motors (M/s Surana Motors Ltd, Agartala) at ₹ 17.66 lakh for use of the 5th Battalion (Bn) of Tripura State Rifles (TSR). The chassis were to be fabricated into bus bodies for putting them into use.

Scrutiny of records (February 2011) of the Commandant, 5th Bn of TSR, Doluma, Amarpur, South Tripura revealed that for fabrication of the bus bodies tender was invited in August 1999, after a gap of eight months of procurement of the chassis. Work order was issued (January 2000) to M/s. RAMCO COACHES, Kolkata at the negotiated rate of ₹ 3.25 lakh each. An agreement between the Commandant and the agency was signed (March 2000) which included *inter-alia* completion of fabrication works within 110 days from the date of handing over of the chassis to the agency, failing which the agency was liable to pay penalty @ ₹ 200/= per chassis per day subject to a maximum of 20 *per cent* of the contract value. The agreement also stipulated that if the agency failed to deliver the complete buses within the approved extended time, if any, allowed by the Commandant, the latter shall have the right to take back the chassis from the agency's workshop without assigning any reason. The chassis were handed over to the agency in March 2000. But the agency failed to execute the works even within the extended time (March 2001). After a delay of three years of expiry of the extended time, a show cause notice was issued to the agency in April 2004 and finally the work order was cancelled in March 2005 by the Commandant. The chassis were taken back (May 2005) from the workshop of the agency, without imposing any penalty though this was provided in the agreement, and were kept in the custody of the Commandant, 41 Bn CRPF, Strand Road, Kolkata. An expenditure of ₹ 2.97 lakh[36] was also incurred (May-June 2005) towards the cost of painting and mechanical repair of the chassis, expenditure on TA/DA of the inspecting team and other contingent expenditure.

Fresh tender was invited in November 2005 and with the approval (August 2006) of Supply Advisory Board (SAB) work order was issued to M/s. Indian Motors Works, Kolkata (the lowest tenderer) at ₹ 5.29 lakh each in October 2006 i.e. after a lapse of one year. Since the validity period of the tender expired the agency demanded

[36] Painting and mechanical repairs: ₹ 2.62 lakh + Expenditure on T.A/D.A: ₹ 0.23 lakh + Contingencies: ₹ 0.12 lakh

increased price at ₹ 6.47 lakh each which was also agreed to in February 2008 (after 16 months). The agency, however, demanded (February 2008) further increase of the enhanced rate. The Director General of Police took one year to forward the estimated cost of servicing/repairs (₹ 5.24 lakh[37]) to the Commandant, 5th Bn of TSR (March 2009) but no further action in this regard was found to have been taken.

However, another tender was invited in June 2009, after a lapse of 28 months from the approval of increased price to M/s. Indian Motors Works, for the fabrication work and repairing of the chassis, against which the tender of M/s. Prakash Body Construction Company, Noagaon, Assam at ₹ 10.65 lakh each was the lowest. Proposal for approval of the tender was placed (November 2009) with the SAB, which suggested to ascertain whether the chassis were still usable. Accordingly, a joint inspection team[38], after checking (January 2010) the condition of the chassis at Kolkata, reported (February 2010) that all the chassis were kept in the open and had become dilapidated due to prolonged exposure.

Based on the above report as well as the report (November 2010) of the Executive Engineer, Mechanical Division, Agartala, the Director General of Police proposed (January 2011) Home (Police) Department for condemnation of all the chassis as those were not fit for economical repair and fabrication; and recommended to dispose of the chassis by public auction. The final decision from the Government was awaited (July 2011).

Thus, lack of proper monitoring and appropriate timely action by the Department led to failure in getting the four bus bodies fabricated even after a period of 12 years of purchase of their chassis. This resulted in wasteful expenditure of ₹ 20.63 lakh[39] as all the chassis had become unusable due to prolonged exposure in the open. Besides, there was a loss of interest (December 1998 to December 2010) of ₹ 12.72 lakh[40] calculated at the minimum RBI rate of six *per cent* per annum simple interest on the amount of ₹ 20.63 lakh blocked up without use.

Government while accepting the observations (September 2011) stated that the proposal to dispose of the four chassis is still under consideration.

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37 Estimated by M/s. French Motor Car Company Ltd., Kolkata (a Commercial Vehicle Workshop) in March 2008.

38 Comprising the Superintendent of Police (Procurement) and the Executive Engineer, Mechanical Division, Agartala

39 ₹ 17.66 lakh + ₹ 2.97 lakh

40 ₹ 17.66 lakh x 6% x12 years

General

CIVIL DEPARTMENTS

2.11 Outstanding Inspection Reports

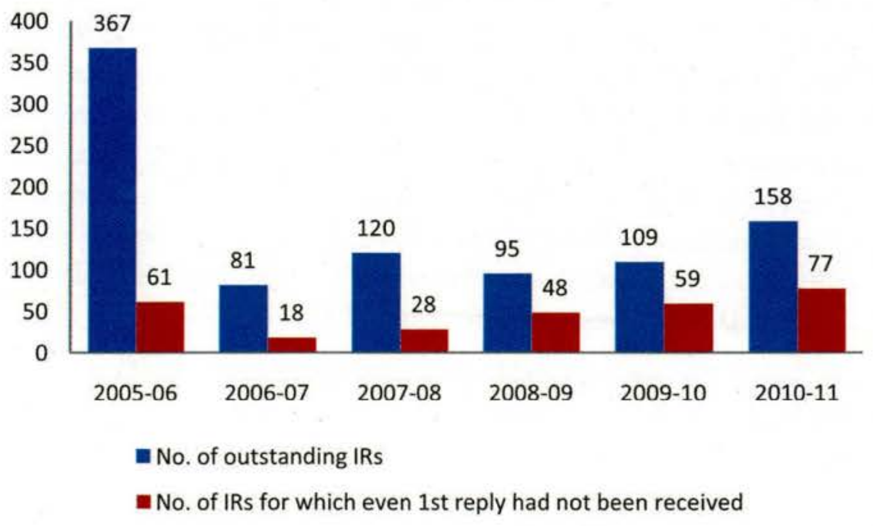
First reply for 291 out of 930 Inspection Reports issued upto 2010-11 were not furnished by the Civil and Public Works Departments within the stipulated period.

Audit observations on financial irregularities and deficiencies in maintenance of initial accounts noticed during local audit and not settled on the spot are communicated to the auditee departments and to the higher authorities through Inspection Reports (IRs). The more serious irregularities are reported to the Government. The Government had prescribed that the first reply to the IRs should be furnished within one month from the date of receipt.

The position of outstanding reports in respect of the Civil Departments (including Public Works Department) is discussed below.

3,155 paragraphs included in 930 IRs issued upto 2010-11 were pending settlement as of August 2011. Of these, even the first reply had not been received in respect of 291 IRs in spite of repeated reminders. The year-wise break up of the outstanding IRs and the position of response thereto is given in the chart below:

Chart No. 2.12.1
Position of total outstanding IRs



As a result, the following important irregularities commented upon in these IRs, had not been addressed as of August 2011.

Table No. 2.12.1

Nature of irregularities	Number of cases	Amount involved (*Rupees in crore*)
Excess/ Irregular/ Avoidable/ Unfruitful/ Wasteful/ Unauthorised/ Idle expenditure	82	60.10
Blocking of funds	86	61.56
Non-recovery of excess payments/overpayments	165	93.08
Others	1426	717.43
Total	**1759**	**932.17**

2.11.1 Departmental Audit Committee meetings

During 2010-11, twelve Audit Committee meetings were held. 68 IRs and 335 paragraphs were discussed in the meetings out of which 29 IRs and 260 paragraphs were settled.

2.12 Follow up action on earlier Audit Reports

2.12.1 Non-submission of explanatory notes

Serious irregularities noticed in audit are included in the Report of the Comptroller and Auditor General of India (Audit Reports) and presented to the State Legislature. According to the instructions issued by the Finance Department, Government of Tripura in July 1993, the Administrative departments are required to furnish explanatory notes on the paragraphs/reviews included in the Audit Reports within three months of their presentation to the Legislature.

It was noticed that in respect of Audit Reports (Civil) from the years 2000-01 to 2009-10, 13 Departments did not submit explanatory notes on 30 paragraphs and 12 reviews[42] as of October 2011. The position of *suo motu* replies during the last five years is shown in the chart below.

[42] Out of 140 paragraphs and 41 reviews pertaining to Audit Reports 1988-89 to 2007-08, 123 paragraphs and 29 reviews had been referred to State Government in March 2011 for settlement at their end, and 17 paras and 12 reviews pertaining to that period having significant financial implications were retained for settlement in PAC.

Chart No. 2.12.1

Position of pending *suo-motu* replies to Audit Reports

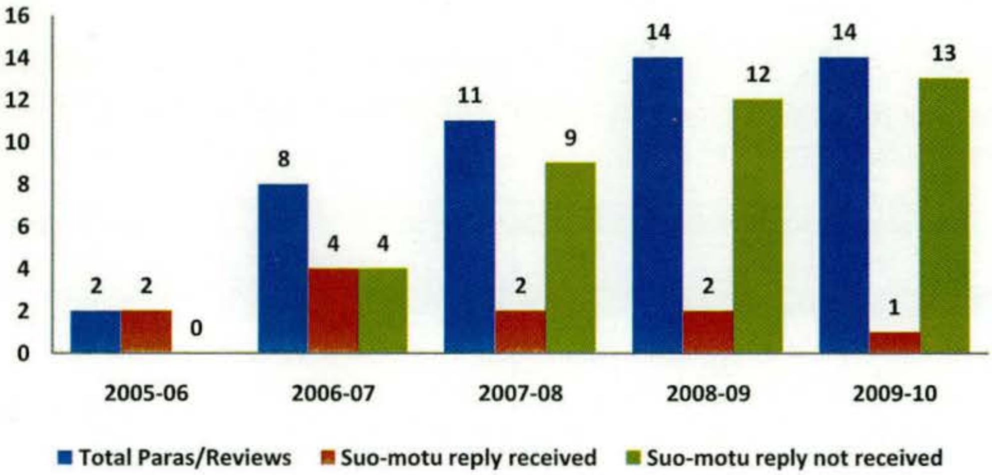


Chart 2.12.1 represents the position of *suo-motu* replies received/ not received pertaining to paras/ reviews of Audit Reports (Civil) for the period from 2005-06 to 2009-10. The department largely responsible for non-submission of explanatory notes was Public Works (R&B).

2.12.2 Response of the departments to the recommendations of the Public Accounts Committee (PAC)

Finance Department, Government of Tripura issued (July 1993) instructions to all departments to submit Action Taken Notes (ATN) on various suggestions, observations and recommendations made by PAC for their consideration within six months of presentation of the PAC Reports to the Legislature. The PAC Reports/Recommendations are the principal medium by which the Legislature enforces financial accountability of the Executive to the Legislature and it is appropriate that they elicit timely response from the departments in the form of Action Taken Notes (ATNs).

As of October 2011, out of 11[43] recommendations of the PAC, made between 2000-01 and 2008-09, no ATN in respect of any recommendation had been submitted to the PAC and so no ATN was discussed. The concerned administrative departments are yet to submit ATNs for 11 recommendations. Of these 7 recommendations are due from the Health and Family Welfare Department.

[43] 601 recommendations of the PAC pertaining to Audit Reports for the years from 1988-89 to 2005-06 stand referred to the State Government (March 2011) for settlement at their end.

2.12.3 Monitoring

The following Committees have been formed at the Government level to monitor the follow up action on Audit Reports and PAC recommendations.

Departmental Monitoring Committee

Departmental Monitoring Committees (DMCs) had been formed (April 2002) by all departments of the Government under the Chairmanship of the Departmental Secretary to monitor the follow up action on Audit Reports and PAC recommendations. The DMCs were to hold monthly meetings and send Progress Reports on the issue every month to the Finance Department.

The details of DMC meetings held during 2010-11 were awaited (October 2011) from the Finance Department.

Apex Committee

An Apex Committee had been formed (April 2002) at the State level under the Chairmanship of the Chief Secretary to monitor the follow up action on Audit Reports and PAC recommendations.

The details of Apex Committee meetings held during 2010-11 were awaited (October 2011) from the Finance Department.

CHAPTER III
INTEGRATED AUDIT

FOREST DEPARTMENT

3.1 Integrated Audit of Forest Department

Forest plays a vital role in ecological balance, environmental stability, biodiversity conservation, food security and sustainable development of a country/region. The objectives of the Forest Department are to preserve natural forest, maintain environmental stability and increase forest cover through massive afforestation, social forestry programme, soil and water conservation works and preservation of wild life through people's participation. The Department was also required to carry out compensatory afforestation in the case of diversion of forest land for non-forestry purposes, prevent encroachment and enforce applicable laws for the protection and conservation of forest and wild life. A review on the functioning of the Department revealed that the financial management was deficient, progress of programme implementation was slow; manpower available was not commensurate with the increase in activities and the claim of the Department regarding achievement of targets was not reliable as detailed below:

Highlights

Budgetary control was inadequate reflecting persistent savings during 2006-11. Substantial savings in Plan provisions indicated a wide gap between planning and execution of planned activities.

(Paragraph 3.1.8.1)

The plantation activity suffered due to delay in sanction and release of funds. Audit also detected discrepancies in the reported area of plantation and cases of off season plantation, absence of scheduled post planting maintenance etc.

(Paragraph 3.1.9)

Joint Forest Management Committees being the central and integral part of all activities had not been extended to cover 531 panchayats for National Afforestation Programme and 114 villages under Japan International Co-operation Agency even after lapse of more than nine and four years of operation of these schemes which resulted in deprival of benefits to the targeted communities.

(Paragraphs 3.1.10.1 and 3.1.10.2)

Expenditure of ₹ 7.52 crore on cultivation of Tree Borne Oil Seeds (Jatropha) proved infructuous due to commencement of a project without proper survey and adequate planning.

(Paragraph 3.1.10.10)

Compensatory Afforestation (CA) against diversion of forest land for non-forestry purposes on 1,459 ha out of the stipulated 1,539 ha during 2006-11 was not done despite receipt of money from the User Agencies. Neither any separate cash book was maintained nor annual accounts of the State Compensatory Afforestation Fund Management & Planning Authority (CAMPA) was prepared.

(Paragraph 3.1.10.11)

Implementation of various schemes for regeneration, conservation and protection of forests did not have the desired impact in the State as the Forest Survey of India report (2009) revealed depletion of forest cover by 79 sq km over previous survey (2007). The reported achievements (98 *per cent*) of plantations *vis-à-vis* targets lacks reliability as reflected from the shortfall of 13,122 ha (35 *per cent* of the total target) in the two major schemes (NAP and JICA) alone.

(Paragraph 3.1.11)

Shortfall of staff in vital areas of planning, supervision and execution were a major hurdle in the functioning of the Department which adversely affected implementation and monitoring of various activities. Deployment of manpower also varied between 0.08 and 0.89 per sq km in the Divisions affecting uniform development of forestry in the State.

(Paragraph 3.1.12)

3.1.1 Introduction

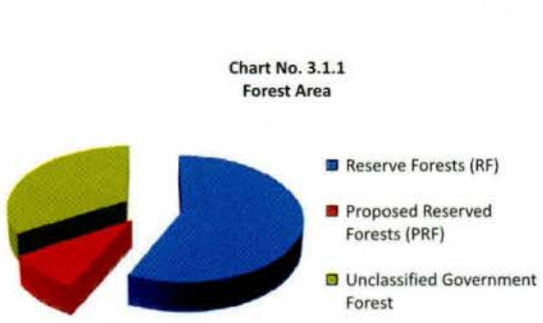
The State afforestation policy under the broad framework of the National Forest Policy (NFP), 1988 envisages effective rehabilitation of degraded forests and extending tree cover beyond traditional forest areas through suitable afforestation models to conserve bio-diversity and to satisfy local people's need and use. Joint Forestry planning and management involving local communities would be an integral part of all afforestation efforts to ensure enhanced productivity and livelihood of the fringe-forest dwellers.

Forestry is important in the State with a geographical area of 10,491 sq km predominantly hilly and with 6,294 sq km (60 *per cent*) forest land making the ratio one of the highest in the country.

The legal classification of forest areas of the State is shown below:

Table 3.1.1

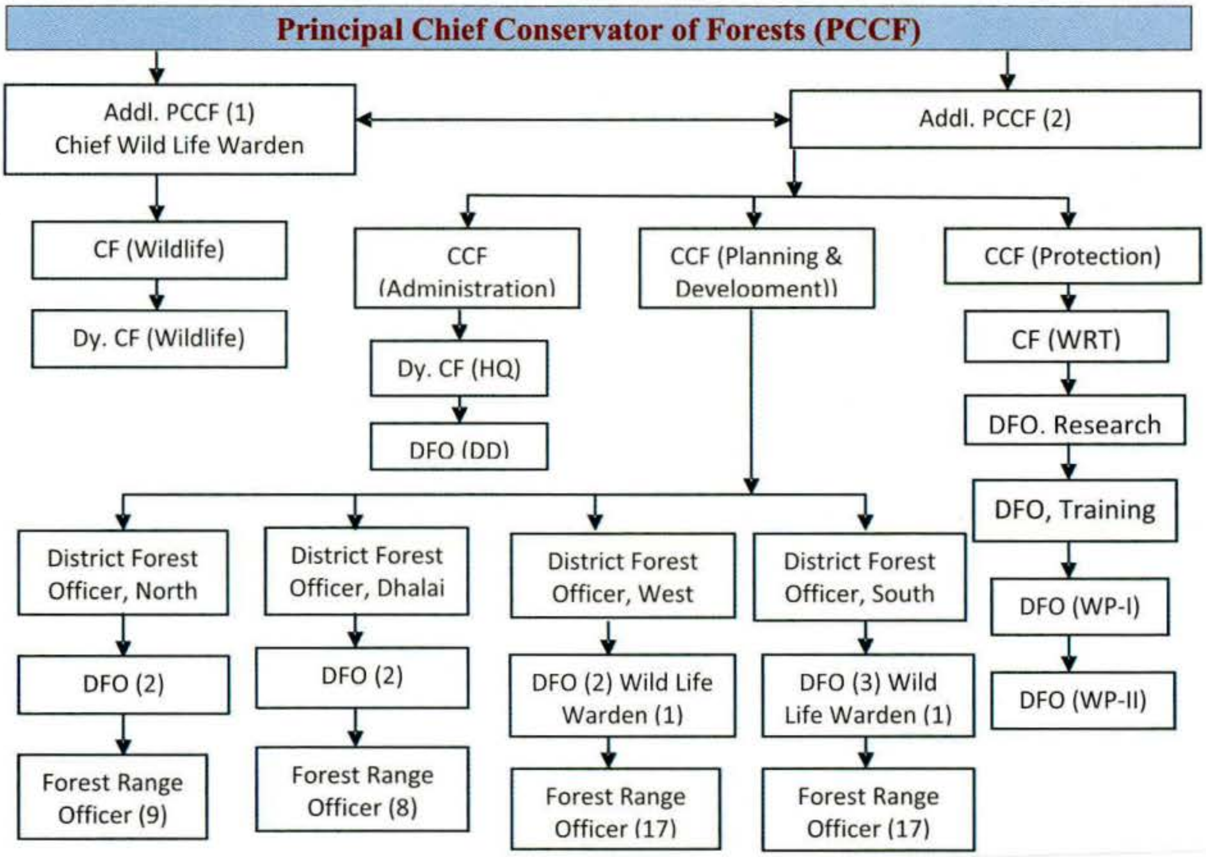
Sl. No.	Status	Area (sq km)	Percentage of geographical area of the State
1.	Reserve Forests (RF)	3,588.18	34.20
2.	Proposed Reserve Forests (PRF)	587.63	5.60
3.	Unclassified Government Forest	2,118.47	20.19
Total		**6,294.28**	**59.99**



3.1.2 Organisational set up

Principal Secretary, Forest and Environment is in overall charge of the Department. Principal Chief Conservator of Forests (PCCF) is the Head of the Department and is responsible for all forestry, wildlife and allied activities. He is assisted by three Additional Principal Chief Conservator of Forests (APCCF). APCCF-cum-Wildlife Warden is the Head of Wildlife wing and the other two APCCF are responsible for works related to afforestation, conservation, research and silviculture and bio-diversity in the State. They are assisted by the Chief Conservator of Forests (CCF) and Conservator of Forests (CF). The Divisional Forest Officers (DFOs) are responsible for actual implementation of schemes in the field through Forest Range Officers and other sub-ordinate staff.

The organisational set up of the Department is given below:



3.1.3 Scope of Audit

The functioning of the Department for the five year period (2006-11) was reviewed through a test check of records of the Department during May-August 2011. Nine Drawing and Disbursing Officers (out of 15) as detailed below, were selected for audit by applying Probability Proportion to Size with Replacement (PPSWR) method of sampling giving due weightage to the amount of expenditure incurred. The records of the office of the Principal Chief Conservator of Forests (PCCF) including Direction & Administration Division, five[1] territorial forest Divisions (out of eight), one[2] Wild Life Sanctuary (out of two), one[3] Working Plan Division (out of two) and the Training and Research Divisions were examined by audit. The Department implemented 10 Centrally Sponsored Schemes (CSS), 13 State Plan Schemes, one North East Council Scheme and two Externally Aided Projects (EAPs). The allocations under the State schemes are not very significant and therefore, departmental activities were mainly confined to implementation of Central Sector Schemes and the Externally Aided Projects. Five major schemes (four CSS[4] and one EAP[5]) relating to implementation of various forestry development and regeneration programmes in the State were studied and evaluated.

3.1.4 Audit Objectives

The audit of the Department was carried out with the objective:

- To review the planning process adopted and its adequacy for ensuring smooth implementation of the schemes undertaken by the Department.
- To review the financial management with reference to allocated priorities and optimum utilisation of resources.
- To review the management and performance of forest development schemes launched by the Government of India and the State of Tripura.
- To review the management issues in the areas of human resources; and
- To review the adequacy of supervision and monitoring mechanism in the Department.

3.1.5 Audit criteria

The criteria used for benchmarking the audit objectives were as under:

- Perspective Plan, Annual Action Plan; Guidelines of various Central/State Schemes.
- Government notifications and instructions issued from time to time for the implementation of State and Centrally sponsored schemes;
- Departmental Manual / Policies / Rules and Regulations;
- Budget documents, State Financial Rules;

[1] Ambassa, Manu, Teliamura, Sadar and Udaipur.
[2] Trishna Wild Life Sanctuary.
[3] Working Plan Division –I.
[4] National Afforestation Programme, Gregarious Flowering of Muli Bamboo, Development of Tree Borne Oil Seeds (TBO) and Compensatory Afforestation.
[5] Japan International Co-operation Agency (JICA).

- Procedures prescribed for monitoring and evaluation of schemes/programmes.

3.1.6 Audit Methodology

The audit involved the following stages:

- Reviewing the Department's mandate and identification of its significant areas of activity for detailed examination.
- Development of the detailed audit programme for collection and examination of evidence indicating *inter alia* time schedules, distribution of work, supervision strategy etc.
- An entry conference was held on 9 June 2011 with the Principal Chief Conservator of Forests wherein the audit objectives and methodology were discussed.
- Audit findings were discussed with the Chief Secretary, Government of Tripura (in-charge of Forest Department) in an exit conference on 18 October 2011 and replies of the Department have been incorporated in the report at appropriate places.

Audit findings

3.1.7 Forest Policy and Planning

3.1.7.1 Perspective Plan and Annual Plan

The Department prepared a Perspective Plan for development of forestry in Tripura for seven years (2006-07 to 2012-13). The plan aims at linking all forestry management activities with poverty reduction mechanism and creation of livelihood opportunities through sustainable use of forests resources. The Plan encompasses sectoral objectives of the forestry sector in the State and programmes proposed to achieve them.

The perspective Plan was, however, not broken down into year-wise actionable location specific and quantitative terms. The Annual Plans of the Department also reflect only the broad objectives and financial requirement during the year without quantifying any target to be achieved with time bound implementing schedules.

The Department in the exit conference (October 2011) agreed to link physical and financial targets in all the plan documents.

3.1.7.2 Working Plan

Working Plans are one of the important forestry documents prescribing scientific management of forests. It analyses the existing conditions of the forests with reference to past management practices and prescribes management practices for sustainable development through treatment for regeneration and scientific exploitation of forests, keeping in view different growth patterns, hygiene of forests and needs of the people. The National Forest Policy, 1988 envisaged that no forest should be permitted to work without approval of the Working Plan by the GOI. As per directive of the Hon'ble Supreme Court (January 1998) forest works on regeneration, protection and development should be carried out strictly in accordance with the approved Working Plans. It was, however, seen that as on date, out of nine working Forest Divisions, only two Divisions (Kailashahar and Manu) had approved Working Plans for the period from 2003-13 and 2005-15, respectively. Thus, the Divisions worked without approved Working Plan which was against the direction of the National Forest Policy, 1988 and the direction of the Hon'ble Supreme Court.

The Department stated (October 2011) that Working Plans of the remaining divisions were under process of scrutiny and approval.

3.1.8 Financial Management

The Department receives funds through budgetary allocation for the State for implementation of Centrally Sponsored and State Schemes and also Externally Aided Projects. The Department also receives off-budget funds from the Government of India for implementation of schemes like National Afforestation Programme (NAP), Development of Tree Borne Oil Seeds and Compensatory Afforestation Programme etc.

3.1.8.1 Budgetary Outlay and Expenditure

The budgetary allocation of funds and expenditure incurred by the Department during 2006-11, were as under:

Table 3.1.2

(Rupees in crore)

Year	Budget Provision			Expenditure			Excess(+) Savings(-) (Plan)	Excess(+) Savings(-) (Non-Plan)
	Plan	Non-Plan	Total	Plan	Non-Plan	Total		
2006-07	24.92	23.08	48.00	18.09	29.86	47.95	(-) 6.83 (27)	(+) 6.78
2007-08	33.18	24.44	57.62	30.86	23.73	54.59	(-) 2.32 (7)	(-) 0.71
2008-09	61.98	29.40	91.38	53.23	25.89	79.12	(-) 8.75 (14)	(-) 3.51
2009-10	67.01	40.45	107.46	54.02	37.82	91.84	(-) 12.99 (19)	(-) 2.63
2010-11	72.66	37.34	110.00	60.69	35.50	96.19	(-) 11.97 (16)	(-) 1.84

Source: Budget & Voucher Level Computerisation figures.
Figures in the parenthesis in the Plan Savings column indicate percentage

It may be observed that there were persistent savings in all the five years (2006-11) both in Plan and Non-Plan, except underestimation under Non-Plan in 2006-07. Substantial savings in Plan provision in all the five years indicated a wide gap between planning and implementation of planned activities.

The Department stated (October 2011) that due to non-release / release of funds at the fag end of the year there were savings in the Plan provision.

3.1.8.2 Off Budget Scheme financed by Government of India

Besides the budgetary allocation above, the National Afforestation Programme (NAP), launched during the 10th Plan period is the only significant off-budget Central Sector Scheme implemented by the State through funds provided by the GOI. The year-wise sanctioned project outlay, actual release of funds by GOI and their utilisation are shown below:

Table 3.1.3

(Rupees in crore)

Year	Project Outlay	Opening Balance	Funds Released by GOI	Total funds available	Funds Utilised	Closing Balance
upto10th Plan	25.56	--	19.77	19.77	19.55	0.22
2007-08	4.66	*0.28	1.91	2.19	1.53	0.66
2008-09	6.66	0.66	4.83	5.49	5.08	0.41
2009-10	4.48	[6]0.25	3.20	3.45	2.02	1.43
2010-11	11.76	1.43	10.43	11.86	8.28	3.58
Total 11th plan	**27.56**	**0.28**	**20.37**	**20.65**	**16.91**	**3.74**

Source: Departmental records. *including interest.

During the 10th Plan period (2002-07), against the sanctioned project outlay of ₹ 25.56 crore GOI released ₹ 19.77 crore (77 *per cent*), of which ₹ 19.55 crore was spent by the Forest Development Agencies (FDA) leaving an unspent balance of ₹ 0.22 crore. Again, during 11th Plan, out of the project outlay of ₹ 27.56 crore for the first four years (2007-11), GOI released ₹ 20.37 crore (74 *per cent*). At the end of March 2011, the FDAs utilised ₹ 16.91 crore (83 *per cent*) and balance ₹ 3.58 crore (including unspent funds of ₹ 27.97 lakh of 10th plan periods with interest) was lying unutilised as per departmental records. The actual balance however, was ₹ 3.74 crore due to the discrepancy of ₹ 16 lakh in the opening balance (₹ 25 lakh) of 2009-10 against the actual closing balance of ₹ 41 lakh in 2008-09, which had not been reconciled. It was further seen that funds were transferred to the FDAs[7] at the Forest Division level, who in turn transferred it to the Joint Forest Management[8] Committees (JFMCs) at village level for incurring actual expenditure. While the transfer to FDAs is construed as expenditure at the State level, FDAs also book expenditure on transfer to JFMCs.

Test check of the records of PCCF revealed that ₹ 3.74 crore constituting 18 *per cent* of the total transfer to FDAs was actually unspent. Similarly, out of ₹ 16.91 crore stated to

[6] ₹ 41.04 lakh minus ₹ 25.32 lakh = ₹ 15.72 lakh, i.e. ₹ 16 lakh taken less in the opening balance during 2009-10.
[7] FDA is constituted at the territorial/wildlife forest division level for implementation of NAP and function as a federation of all JFMCs in that forest division.
[8] Joint Forest Management (JFM) is a concept of developing partnership between the fringe-forest user groups and the Forest Department, based on mutual trust and jointly defined roles and responsibilities with regard to forest protection and development.

have been utilised at the JFMCs level, a substantial part remained unspent with the JFMCs, as a test check of four FDAs revealed.

3.1.8.3 Unspent funds lying with JFMCs

Scrutiny of Disbursers' Ledger maintained in the four[9] tests checked FDAs disclosed that ₹ 88.99 lakh was lying unspent with 137 JFMCs at the end of March 2011, as shown below:

Table 3.1.4

Name of the FDA	No. of JFMCs	Amount lying outstanding for adjustment (₹ in lakh)
FDA, Sadar	18	19.11
FDA, Manu	26	7.34
FDA, Udaipur	66	50.59
FDA, Ambassa	27	11.95
Total	**137**	**88.99**

Source: Departmental records.

Though the amount (₹ 88.99 lakh) was lying unspent with the JFMCs, the FDAs booked these as final expenditure after allocation to JFMCs. Huge cash balances at the level of JFMCs lying outside formal Government control is fraught with the risk of misappropriation and fraud and therefore needs to be avoided.

3.1.8.4 Departmental Receipts

The revenue receipts of the Department are not very substantial. It includes royalty on forest products namely timber, bamboo, minor forest produces and miscellaneous other receipts raised through penalties, income from zoos and sanctuaries, parks and gardens etc. Targets and achievements of revenue receipts during 2006-11, are shown below:

Table 3.1.5

(Rupees in crore)

Year	Target	Actual receipts	Excess(+)/ Shortage(-)	% Excess(+)/ Shortage(-)
2006-07	5.50	6.24	(+) 0.74	(+) 13.45
2007-08	6.05	5.52	(-) 0.53	(-) 8.76
2008-09	5.70	5.57	(-) 0.13	(-) 2.28
2009-10	5.99	6.30	(+) 0.31	(+) 5.18
2010-11	6.60	7.11	(+) 0.51	(+) 7.73

Source: Departmental records.

The trend of revenue realisation showed a decline in 2007-08 as compared to the previous year. The basis of fixation of targets as well as reason for shortfall in revenue collection during 2007-08 had not been stated.

[9] Ambassa, Manu, Sadar and Udaipur.

The Department stated (October 2011) that the National Forest Policy emphasised on conservation forestry and not production forestry. As a result, there was no thrust on fixation of revenue targets in the Department.

3.1.8.5 Expenditure Control

Financial Rules require that expenditure should be evenly spread and the rush of expenditure, particularly in the closing month of the financial year, will ordinarily be regarded as a breach of financial discipline. The year wise expenditure incurred in March as a percentage of the total expenditure in the six[10] test checked Divisions during 2006-11, are given below:

Table 3.1.6

(Rupees in lakh)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Total expenditure	18.36	24.16	25.94	27.75	27.03
Expenditure in March	6.99	7.80	9.07	5.55	6.50
Percentage of expenditure in March	**38**	**32**	**35**	**20**	**24**

Source: Departmental records.

The above table shows that expenditure of the six test checked units ranged between 20 and 38 *per cent* in the month of March alone. It was also observed in audit that in 2006-07 the DFO, Manu incurred 62 *per cent* of its total expenditure in March that year.

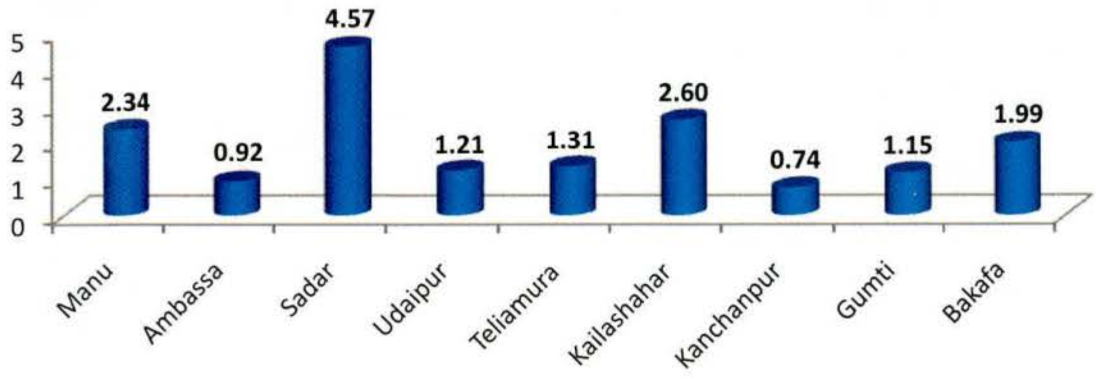
The Department stated (October 2011) that delayed release of funds by the Government and other financing agencies resulted in rush of expenditure towards the end of the year. The Department also stated that the matter would be pursued with the funding agencies for timely release of funds.

3.1.8.6 Uneven distribution of resources

The allocation of funds during the last five years (2006-11) amongst the forest Divisions towards implementation of various developmental works under the plan schemes were not proportionate to the assigned forest areas, as revealed from the graph below:

[10] Ambassa, Manu, Teliamura, Trishna, Sadar and Udaipur.

Chart No.3.1.2
Fund allocation per sq km forest
(Rupees in lakh)



It would be observed from the above that the allocation of resources varies from ₹ 0.74 lakh to ₹ 4.57 lakh per sq km forest area from division to division which would end up in uneven growth and development of forests throughout the State.

The Department stated (October 2011) that action would be taken to ensure that such disparities in distribution of resources do not recur in future.

3.1.9 Plantation Programme

Plantation of trees is the core function of the Forest Department. The Department had taken up restocking of reserve forest, afforestation, social forestry, artificial regeneration, aided natural regeneration etc during 2006-11. The position of targets and achievements of plantations during the period as reported by the Department, were as under.

Table 3.1.7

(Area in ha)

Year	Target	Achievement	Percentage of Achievement
2006-07	7,199	7,798	108
2007-08	11,272	10,770	96
2008-09	12,313	11,214	91
2009-10	13,428	13,212	98
2010-11	19,500	19,621	100
Total	**63,712**	**62,615**	**98**

Source: Departmental records.

Scrutiny of the plantation records in the test checked Divisions, however, revealed the following:

3.1.9.1 Duplication of plantation area

The sanction for plantation was accorded only with the name of Joint Forest Management Committees (JFMCs) without earmarking the area for plantation. There was no mechanism to check and ensure against overlapping of plantation projects on the same land under the same scheme or different schemes.

With effect from 2007-08, the system of pre-survey and re-survey of the plantation area was introduced with the aid of Geographical Positioning System (GPS) to identify the exact location of the plantation area. The implementing official made a pre-survey of the plantation area before executing actual plantation which was verified by another officer through a re-survey after completion of the plantation works and reported to the concerned Divisional Forest Officer.

Test check of GPS re-survey report in respect of 1203 cases involving 13,195 ha plantations in the selected divisions[11] revealed that 110 cases with 973 ha plantations (7.37 *per cent*) bear duplicate positional reading (**Appendix 3.1**), which implied that the same area of plantation was shown twice. The re-survey reports were, however, not verified by the Division to ascertain the correct position and for corrective action. This indicates that the re-survey was taken merely as a routine exercise without any action thereon.

The Department stated (October 2011) that the Divisional Forest Officers had been asked to re-survey the plantations and confirm the actual position.

3.1.9.2 Non-verification of plantation area by GPS reading

As prescribed, the plantation area was to be re-surveyed by use of GPS indicating the exact positional reading. It was, however, noticed in the three[12] test checked divisions that there were 84 cases involving 1,115 ha plantations (8.44 *per cent* of 1203 cases involving 13,195 ha plantations) raised during 2007-08 to 2010-11 which bear no GPS reading in the re-survey report furnished by the surveyor (**Appendix 3.2**). Hence, it could not be ascertained and verified in audit whether re-survey was actually carried out in these 84 cases. The Divisional authority had also not taken any action to find out the correct position.

The Department stated (October 2011) that the verification of the plantations were in progress and would be completed shortly.

3.1.9.3 Delay in sanction and release of funds

The work registers maintained by IOs revealed that plantation works were carried out before actual sanction of project by the competent authority and release of funds thereagainst, whereas the disbursement details against these works were recorded in Cash Book and adjustment vouchers submitted to the Divisional authority only after the receipt of sanctions and funds.

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[11] Ambassa, Manu, Teliamura and Udaipur.

[12] Udaipur, Ambassa and Manu

Since all plantations related expenditure pertains to labour cost, it is not clear how the labourers have worked without daily payments. Moreover, this is also against the established principle to carry out the work only on receipt of proper sanctions. The plantation journal was not maintained and hence, there was no monitoring mechanism/inspection by the competent authority. In the absence of the plantation journal, the genuineness of the plantations work could not be verified by audit. An illustrative list of 300 ha plantations and 1.72 lakh nursery seedlings costing ₹ 17.92 lakh where works were executed prior to sanction and receipt of CA on test checked JFMCs are given in **Appendix 3.3**.

The Department stated (October 2011) that DFOs were being constantly pursued to maintain plantation journal and all related records but due to shortage of trained personal such lacunae remained, which would be improved in future.

3.1.9.4 Plantation during off-season

Plantation depends on compatible climatic conditions. It is, therefore, imperative that plantation activities start at the appropriate season to ensure its survival. As per the plantation schedule of forestry works prepared by the Department considering the local climatic conditions, plantation was to be carried out during monsoon, latest by June. It was noticed in two[13] test checked Forest Divisions that the plantation activity was carried out over 382 ha (**Appendix 3.4**) during off-season (from July-March), i.e. one to nine months after the prescribed schedule, at a cost of ₹ 16.63 lakh. The survival rate of these plantations could not be assessed in audit as the Divisions did not maintain plantation journals/regeneration records.

The Department stated (October 2011) that although the plantations were raised in appropriate season the vouchers against the plantation activities were kept pending in anticipation of release of funds later. The reply is not tenable as all the plantation records *viz.*, works register, muster roll and other connected records indicated actual dates of execution from which it is evident that the works were actually carried out during off-season.

3.1.9.5 Non-monitoring of survival of plantations

The Departmental guideline stipulates that plantation journal in respect of all plantations should be maintained by the IOs showing *inter alia* the details of all works undertaken, period of works, amount involved, survival rate of plants and their growth etc. It was, however, found that none of the IOs maintained plantation journal to record the survival rate of plantations raised by them under various schemes. The divisional authorities also did not record the survival rate of any plantations. As a result, overall survival rate of plantations at different time intervals could not be ascertained. It was, however, noticed from the joint physical verification of 18 plantations raised on 293 ha during 2006-11 that

[13] Ambassa and Manu.

237 ha (81 *per cent*) had no survival at all while survival rate in12 ha was about 50 *per cent* and in the remaining 40 ha the survival rate was about 70 *per cent*. This indicated poor survival rate of the Departmental plantations due to inadequate monitoring and follow up post-planting treatment.

The details of joint physical verification of a few plantations are given below:

<table>
<tr><th colspan="4">Udaipur Division</th></tr>
<tr><td colspan="3">Name of the JFMC: Pouramura JFMC</td><td rowspan="3">Audit findings:</td></tr>
<tr><td>Name of Species and area</td><td>10 ha Jatropha</td><td>8 ha Medicinal Plant</td></tr>
<tr><td>Year of plantation</td><td>2006-07</td><td>2005-06</td></tr>
<tr><td colspan="3">Date of photograph: 29 July 2011</td><td rowspan="3">Plantation areas were completely damaged and covered with wild forest without any trace of seedlings.</td></tr>
<tr><td colspan="3"></td></tr>
<tr><td colspan="3"></td></tr>
</table>

<table>
<tr><th colspan="2">Manu Division</th></tr>
<tr><td>Name of the JFMC: TMC Para JFMC</td><td rowspan="4">Audit findings:</td></tr>
<tr><td>Name of Species and area: 30 ha plantation area of various species</td></tr>
<tr><td>Year of plantation: 2006-07</td></tr>
<tr><td>Date of photograph: 23 July 2011</td></tr>
</table>

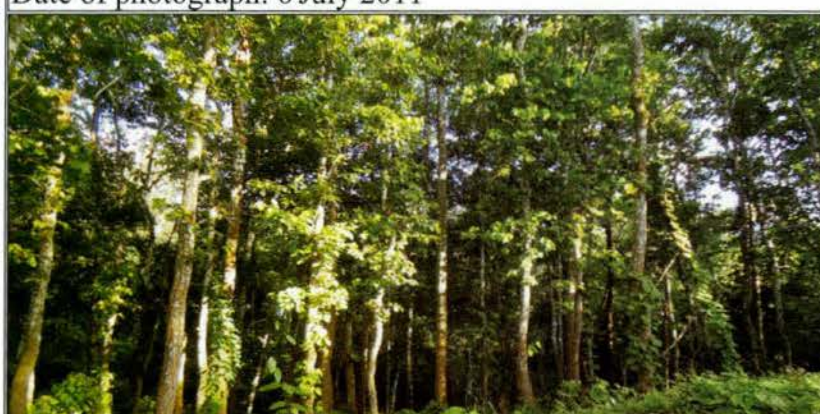
Plantation area was completely damaged and encroached by the forest dwellers.

Teliamura Division

Name of the JFMC: Garaipara & Dukhiapara JFMC.

Name of Species and area: 50 ha Sal plantation each.

Date of photograph: 6 July 2011



Audit findings:

Maintenance (weeding) of 100 ha ANR (50 ha each in 2 JFMCs) Sal plantation incurring an expenditure of ₹ 1.00 lakh was taken up during 2010-11. The plantations were found very old having matured trees of over 25 years. Such older plantations need no such maintenance and as it appears no weeding work had been carried out.

Ambassa Division

Name of the JFMC: Samprai JFMC

Name of Species and area: 24 ha plantation of various species

Date of photograph: 15 July 2011

Audit findings:

Plantation area covered with wild forests with no trace of seedlings planted.

Ambassa Division

Name of the JFMC: Masuraipara JFMC

Name of Species and area: 40 ha plantation of various species

Date of photograph: 15 July 2011

Audit findings:

40 ha (30 ha Misc, 5 ha Silvipasture and 5 ha Misc) at Masuraipara JFMC were found

completely covered with wild forest, filled up with compact shoulder height thatch cover without any trace of seedlings planted.

The Department stated (October 2011) that corrective measures in this regard would be taken.

Programme Implementation

The Perspective Plan emphasised that constant augmentation of forestry and wildlife resources is a prerequisite to meet the ever-increasing needs of various dependent stakeholders while maintaining ecological balance. To this end in view the Department implements various Centrally Sponsored Schemes, State Plan Schemes and Externally Aided Projects etc. as discussed in para 3.1.3. Of the total expenditure of ₹ 386.60 crore incurred by the Department during 2006-11, audit test checked the expenditure of ₹130.79 crore (34 *per cent*) incurred on the following five major schemes implemented in the State. The audit findings are discussed in subsequent paragraphs:

3.1.10 National Afforestation Programme

National Afforestation Programme (NAP) was launched (during 10^{th} Plan period) by the Government of India (GOI) with the objective of sustainable development and management of forest resources by securing people's participation in planning and regeneration efforts and to promote the partnership concept in the management and administration of forests and common property resources.

The scheme was being implemented through the Forest Development Agencies (FDAs). FDAs are registered as a Federation of all Joint Forest Management Committees (JFMCs) within a territorial/wildlife Forest Division under the Societies Registration Act, 1860, of which the Conservator of Forests (CF) was the Chairman and the Divisional Forest Officer (DFO) was the Member-Secretary of respective FDAs. Other members were to be drawn from the JFMCs, Panchayats and the field level functionaries of the Department. Under the project, grants-in-aid were released directly by the Ministry of Environment & Forests (MoEF) to the FDAs concerned who were made responsible for implementation of the scheme. The revised plan of operational guidelines effective from 2010-11 envisaged a three-tier institutional set up, namely State Forest Development Authority (SFDA) at the State level, FDA at the Forest Division level and JFMC at the village level for effective implementation of the scheme. Joint Forest Management (JFM) will be the central and integral part of the project under the scheme. To this end, focused efforts are to be made at all levels for constitution of JFMCs in all forest-fringe villages, creation of awareness about JFM procedure, micro-planning and its implementation, capacity building of JFMC members and participatory monitoring and evaluation.

3.1.10.1 Formation of Joint Forest Management Committees (JFMCs)

The State Government passed a resolution in November 2001, which was revised (January 2002) as per direction of GOI for constitution of JFMCs in each Gaon Panchayats/Autonomous District Council (ADC) Villages. Although there was no target fixed for formation of JFMCs under NAP in the State, only 507 JFMCs were formed till 2010-11. Thus, there still remained a shortfall of 531 JFMCs to be formed in all 1038 Gaon Panchayats/ADC villages in the State even after a lapse of more than nine years of operation of the scheme. Reasons for shortfall had not been stated.

This had resulted in deficient coverage of the scheme all over the State and deprival of the targeted communities from their right of enjoying the benefits of forest resources, collection of non-timber forest produce, development of social and community infrastructure, improvement of living conditions through enhanced income levels as envisaged in the programme.

The Department stated (October 2011) that steps were being taken to cover the remaining Gaon Panchayats/ADC villages after due discussion with the villagers.

3.1.10.2 Micro Plan & Annual Plan of Operation

As per NAP guidelines, FDAs are to undertake micro planning exercise and develop work programme under the project for each JFMC in consultation with JFMCs. The progress of the micro plan would be suitably reviewed by the FDA/SFDA. Micro plan shall be an integrated plan for both village and forest development, framed in consonance with the broad prescriptions of forest working plan. The village development part of the micro plan would take into account ongoing and potential works that could be undertaken as part of Entry Point Activity component under NAP.

Scrutiny of records of the test checked six FDAs disclosed that three FDAs i.e. Sadar, Trishna and Udaipur did not prepare such micro plan for any JFMC whereas other three FDAs did it only for a few JFMCs i.e. Ambassa 16 out of 51, Manu 12 out of 39 and Teliamura eight out of 52 JFMCs.

In the absence of a micro plan, the base line information on the condition of forests under the charge of a JFMC and its requirement remained unascertained. As a result, proper planning for need based annual work programme for village development in the JFMC areas would not be feasible.

The Department stated (October 2011) that preparation of micro plans for all JFMCs were under process.

3.1.10.3 Entry Point Activities

Entry Point Activities (EPA) denotes creation of community infrastructure that serves the purpose of improvement of social and community living, builds confidence of the target people and thereby encourages common people to join participatory contribution to the community causes. The guidelines envisaged that during preparation of micro plans, the community would identify the EPA to be taken up during the project period. Since no micro plan was prepared by the FDAs there was no scope for the communities to identify the EPAs required to be taken up at the JFMC level.

The Department stated (October 2011) that this would be taken care of while preparing micro plans.

3.1.10.4 Plantation and Maintenance

Each plantation project shall be of five years duration i.e., advance work, plantation and maintenance for three years to ensure the survival. The target and achievements of plantations under NAP, as per progress report furnished to the National Afforestation & Eco-Development Board (NAEB), Ministry of Environment and Forests, Government of India, were as under:

Table 3.1.8

Year	Target (in ha)	Achievement (in ha)
2007-08 & 2008-09	8,885	5,019
2009-10	1,812	1,778
2010-11	4,735	3,134
Total	**15,432**	**9,931 (64 %)**

Source: Departmental records.

Reasons for shortfall as analysed in audit could be attributed to non-utilisation of available funds by the FDAs/JFMCs as detailed in Para 3.1.8.3.

Scrutiny of the records of plantation in the test checked FDAs revealed that:

- 51 ha plantations out of 500 ha stated to have been done in Teliamura FDA during 2006-07 were not found in resurvey in the same year, implying that 51 ha of sanctioned plantations were not established. The matter had not been investigated.
- 2,582 ha plantations in three FDAs were not maintained as required under the prescribed maintenance schedule (**Appendix 3.5**). In the absence of scheduled maintenance through periodical cultural treatment like weeding, vacancy feeling, earth mounding, protection from insects, fungi and fire etc. the survival of these plantations was doubtful.

The Department stated (October 2011) that due to financial crunch the plantations under NAP could not be maintained. The reply is not tenable as unspent funds were lying with the FDAs on a regular basis.

3.1.10.5 Results of scrutiny of JFMCs records

Records of 36 JFMCs test checked in six[14] FDAs disclosed that the records were not properly maintained in the JFMCs. As a result, recorded statements of the Member Secretaries on the performance of JFMCs under their control were obtained. The consolidated results of such exercise are shown below:

- None of the JFMCs had up-dated Cash Books and Work Registers.
- Plantation / Nursery journals indicating survival, growth and health of the plants were not maintained properly and updated. As a result, successful achievements of plantation and nursery could not be ascertained. These records were also not verified by higher authorities.
- Monthly / Quarterly Progress Reports and accounts to FDAs were not furnished.
- Inspection by higher authority was not carried out.
- 21 JFMCs did not produce the records (Cash Book, Bank Accounts) of revolving funds. Revolving fund accounts of 10 JFMCs produced to audit revealed that the accounts had not been in operation for long (**Appendix 3.6**) indicating that the JFMCs were virtually non-functional.
- No records of composition, meetings, membership of JFMCs were available.
- The Member Secretaries of 13 JFMCs confirmed that 354 ha (**Appendix 3.7**) plantations raised during 2006-07 to 2008-09 were partially / fully unsuccessful due to inadequate post-planting maintenance, encroachment, cattle grazing, large scale destruction of bamboo shoots etc.
- Member Secretaries of two JFMCs stated that participation of JFMC members were not forth coming for protection of plantations and forest resources in the respective JFMC areas.

The Department while admitting the lapse stated (October 2011) that the DFOs had been asked to ensure proper maintenance of JFMCs records.

It transpires from the above that the FDAs were only sanctioning the work programmes under NAP for JFMCs without proper planning, management control and monitoring the performance of the JFMCs to enable them to achieve their goal.

Thus, the objectives of the programme of protection and conservation of natural resources while ensuring people's participation in planning and regeneration efforts, promoting partnership concept in the management and administration of forests and common property resources had not been achieved.

[14] Ambassa, Manu, Sadar, Teliamura, Trishna and Udaipur

3.1.10.6 Japan International Co-operation Agency (JICA) Project

The Forest Department, Government of Tripura had entered into an agreement with "Japan International Co-operation Agency (JICA)" for sustainable management of forest resources of the State. The project was to be implemented over a period of eight years from 2007-08 to 2014-15 involving project cost of ₹ 366 crore, of which ₹ 307 crore would be provided by JICA under its loan assistance programme for identified projects. The remaining amount of ₹ 59.00 crore would be borne by the State Government towards administrative cost and overheads. The main objectives of the project were to improve income and livelihood options of target households through improvement of forest density and conserving bio-diversity.

Accordingly, a Society, namely the "Tripura Forest Environmental Improvement and Poverty Alleviation Society (TFIPS)" registered under the Societies Registration Act, 1860 was constituted (24 May 2007) with the Chief Secretary, Government of Tripura as head of the Governing Body and the PCCF, Tripura as the Chairperson of the Executive Committee. Besides, a Project Management Unit (PMU) was also constituted for implementation of the project in the State through the Divisional Management Units (DMUs). The concept of Joint Forest Mechanism (JFM) hitherto formulated and implemented by the Forest Department for conservation and development of forest resources was to be followed in implementing JICA project and Joint Forest Management Committees (JFMCs) were to be constituted in the project area towards this end.

3.1.10.7 Financial Management

The operating procedure for the scheme envisaged that the funds would be released by the State Government through its budget. On utilisation, a part of these funds (except administrative and overhead cost) would be availed through reimbursement from JICA.

The targeted expenditure, funds actually released by the State Government, actual expenditure and amount reimbursed from JICA during the four years of operation (2007-11) of the project are given below:

Table 3.1.9

(Rupees in crore)

Year	Target	Funds released	Actual expenses			Reimbursed by JICA
			Reimbursable	Non-reimbursable	Total	
2007-08	20.40	4.02	3.80	0.12	3.92	0.94
2008-09	31.60	20.10	19.57	1.12	20.69	22.73
2009-10	75.30	31.00	29.51	1.15	30.66	30.64
2010-11	94.30	36.00	29.98	1.64	31.62	28.51
Total	**221.60**	**91.12**	**82.86**	**4.03**	**86.89**	**82.82**

Accounts for 2010-11 had not been finalised as of July 2011.

As only ₹ 91.12 crore (41 *per cent* of the targeted release of ₹ 221.60 crore during the four years 2007-11 and 25 *per cent* of the total project outlay of ₹ 366.00 crore in eight years till 2014-15) had been released by the State Government in four years as on 31 March 2011, the completion of the project within the time frame of eight years by 2014-15 remained doubtful.

3.1.10.8 Unutilised funds with JFMCs and Implementing Agencies

The funds were transferred from the PMU at the State level to DMUs at divisional level and thereon to JFMCs, besides other Implementing Agencies (IAs), who incurred the actual expenditure. However, contrary to the provision of the loan agreement reimbursement claims were preferred and obtained from JICA merely on transfer of funds to DMUs/IAs leading to premature reimbursement. The assistance was in the form of interest bearing loan to be borne by the State Government from the date of such reimbursement while making repayment of loan as per the agreed amortisation schedule.

Records of eight DMUs[15] disclosed that out of ₹ 35 crore released to 283 JFMCs during the first four years (2007-11) for project activities, ₹ 25.48 crore (73 *per cent*) was utilised by the JFMCs as of March 2011 and the remaining ₹ 9.52 crore representing 27 *per cent* of the available funds were retained by the JFMCs, of which 44 JFMCs could not utilise more than 50 *per cent* of the released funds as of March 2011 **(Appendix 3.8)**.

The Department while admitting the lapse stated (October 2011) that the JFMCs being located in the interior required more time than expected to train and sensitise the rural poor. This resulted in slow pace of activities and consequent parking of funds.

In total, even out of ₹ 82.82 crore obtained as reimbursement, ₹ 26.10 crore had remained unutilised with 14 implementing agencies including eight DMUs at the end of March 2010 (accounts for 2010-11 had not been finalised as of July 2011). Thus, claiming reimbursement without incurring expenditure was not only against the provision of funding agreement with JICA but also the Department invited an undue liability for payment of interest on reimbursed loan.

The Department stated (October 2011) that in the past the system of claiming the reimbursement was based on the proposed works of the JICA as per Annual Plan of Operation. This was necessitated due to the fact that the State Government was not in a position to advance the large amount for the activities under the project. However, the position had improved due to regular flow of funds and subsequent reimbursements after completion of activities.

Scrutiny of the records of implementation of the project further revealed that:

- The focus on project implementation was through Joint Management model and for this purpose JFMCs were to be formed in phases. It was, however, seen that

[15] Bakafa, Gumti, Kailashahar, Kanchanpur, Sadar, Teliamura, Trisna and Udaipur.

against a target of 456 JFMCs to be formed during the three years (2008-11), notification were issued for formation of 419 JFMCs, of which 342 JFMCs could be formed leaving a shortfall of 114 JFMCs. The Department stated (October 2011) that steps were being taken to organize regular Block level meetings to encourage the targeted people to participate in JFMC formation and remaining JFMCs are expected to be formed by December 2011.

- The project required demarcation of the JFMC areas through proper survey and mapping with vital information of land use, density and standing stock etc., to facilitate micro-plan formulation and future monitoring. It was, however, seen that against 342 JFMCs targeted for survey and mapping during 2008-11, achievement was only 190 JFMCs. The backlog was attributed (October 2011) by the Department to non-availability of adequate number of surveyors for which recruitment process was being initiated. The fact, however, remained that due to delay in survey and mapping micro-planning exercise of the JFMCs got delayed with consequential delay in commencement of annual planning and project activities.
- The project guideline stipulates that micro-plan for five years for each JFMC should be prepared in consultation with JFMC members incorporating their ideas and requirements and that no activities in project areas should commence unless an approved micro-plan is ready for the concerned JFMCs. It was seen that out of the 342 JFMCs, Micro Plan was approved for 229 JFMCs as of March 2011. Reasons for non-preparation of micro-plan for the remaining 113 JFMCs had not been stated. Similarly, Annual Plan of Operations (APOs) based on approved micro-plan were approved for only 195 JFMCs, out of 342 JFMCs formed and operated under the project till 2010-11. This showed that contrary to project guidelines, project activities were carried out in the JFMCs without any concrete plan of operation. The Department stated (October 2011) that due to delayed start of the project, shortage of staff and other unforeseen factors resulted in slow progress in preparation of micro plans. It was however, assured that steps were being taken to engage sufficient staff to make up the loss of time.
- Against a target of raising 82 lakh nursery seedlings during the four years (2007-11), the Department raised only 46 lakh seedlings till the end of March 2011. The reasons for shortfall had not been stated. Moreover, the targets (82 lakh) fixed for the last four years were abruptly low against the projected requirement of 11.02 crore quality planting materials during the period of eight years of operation of the project till March 2015.
- Against the total target of the project for creation of 66,180 ha plantations during the eight years (2007-15), the Department achieved only 14,879 ha, representing about 22 *per cent* of the total projected targets and about 66 *per cent* of the

aggregate annual target of 22,500 ha fixed by the Department for the first four years (2007-11). The Department attributed (October 2011) the shortfall of plantation targets to initial delay in start of the project, shortage of staff, lack of awareness among JFMC members and shortage of funds etc., and stated that the situation was improving.

- Implementing Officers did not maintain any nursery / plantation journal, a vital record which depicts a complete picture of a nursery / plantation right from the process of preparation of nursery beds to their ultimate utilisation indicating the number raised/survived, expenditure incurred and disposal through planting/sale, balance stock and the survival rate, growth of the plantations etc. There was also no evidence to suggest that the nurseries/plantations were inspected by the higher authority.

- The project envisaged Entry Point Activities (EPA) i.e. construction of footpath and Vocational Training Centre (VTC) during the initial stages of JFMC activities to focus on bringing people together and to gain their trust.

  Records disclosed that EPA had been taken up only in 118 JFMCs out of 342 formed and the activities restricted to construction of a Vocational Training Centre (VTC) in each JFMC. As of March 2011, 118 VTCs were constructed and a revised programme of Multi Utility Centre[16] (MUC) had not yet taken off. No documentation of people's participation was also available.

- In order to support Income Generation Activities (IGA) of the beneficiaries through SHGs formed under JFMCs, the project envisaged financial support in the form of grants/loans of rupees one lakh per JFMC. Each SHG engaged in IGA shall receive 50 *per cent* of initial investment cost as grants, while the balance 50 *per cent* shall be as loan to be repaid with interest. Only 513 SHGs had been formed as of March 2011, against the total projected target of 1,400. Out of 513, only 138 had been funded for IGA as of March 2011. The Department stated (October 2011) that all the targeted 1400 SHGs would be formed during the next two years.

The performance of the Department for the first four years (2007-11) was lagging behind schedule as reflected from the achievement of only 342 out of 456 JFMCs targeted to be formed during the period. Micro-planning and Annual Plan of operation, a pre-requisite for commencement of project work in JFMCs had been in arrears. As a result, identification of critical areas requiring effective intervention through project activities remained a non-starter. There was acute shortfall in production of planting materials and

[16] Vocational Training Centre of JICA project and Anganwadi Centre of Social Welfare and Education Department to be constructed as a common building.

plantations. Inadequate focus on Entry Point Activities at the initial stages of formation of JFMCs also failed to gain the trust of common people to bring them together.

3.1.10.9 Gregarious Flowering of Bamboo

MoEF, Government of India approved (July 2005) action plan for management of Gregarious Flowering of Bamboos with an outlay of ₹ 154.46 crore, of which State Government was to provide ₹ 120.48 crore and the Central Government ₹ 21.20 crore. The remaining ₹ 12.78 crore was to be obtained by the State from other sources. The activities identified to be undertaken under the programme had been defined with specific quantity and money value, namely (i) infrastructure development e.g. link road, transit depot, collection centre, purchase of vehicles, computer and furniture etc. (₹ 4.16 crore), (ii) regeneration activities (₹ 85.00 crore), (iii) fire control measures (₹ 50.00 crore), (iv) preventive health measures (₹ 3.80 crore), (v) value addition (₹ 3.00 crore) and (vi) contingencies and others (₹ 8.50 crore).

Scrutiny of the records of the PCCF revealed that MoEF released its share of ₹ 21.20 crore between March 2006 and July 2008 to the State Forest Department for implementation of the components specified in the Action Plan for which funding was being provided by MoEF subject to the condition that no deviation shall be made without prior concurrence of the Government of India. The Department incurred an expenditure of ₹ 19.28 crore till March 2009. MoEF neither revalidated the unspent balance of ₹ 1.92 crore nor released any further grants. State Government, without any recorded reason, did not release any amount of its share as per the approved project funding. As a result, project activity was confined only to the extent of Central share released and utilised.

Scrutiny of the records of the PCCF revealed that:

- Against the approved planting activity of 3,376 ha with fund provision of ₹ 10.00 crore out of MoEF's share, the Department raised new plantation of 7,622 ha, carried out scheduled maintenance of 4,668 ha of plantations raised in previous years, executed advance work for plantation in 2,679 ha and soil conservation work of 137.50 ha at a total cost of ₹ 11.14 crore. The expenditure was highly disproportionate to the quantum of works actually achieved *vis-à-vis* planned. Reasons for deviation had not been stated.
- Preparation of fire line for 5,000 ha in plantations raised under the project was estimated at ₹ 2.50 crore (@ ₹ 5,000 per ha). The Department reported actual preparation of fire line for 53,515 ha at a cost of ₹ 1.69 crore (@ ₹ 315.80 per ha) against actual plantation established under the scheme on only 7,622 ha. It is clear from the above that work estimate was grossly violated to divert money to cover more areas of plantations outside the project, which would have an effect on the quality of work and its preferred utility.

- Plantation cycle consists of advance work, planting and maintenance. Once a plantation is established it is necessary to protect it against fire, insects, fungi etc. through periodical cultural treatment like weeding, vacancy filling, earth mounding and creation of fire line etc. on a prescribed schedule for three years. It was, however, noticed that out of 7,622 ha plantation raised under the programme, prescribed annual maintenance was carried out only on 4,668 ha. In the absence of scheduled maintenance, survival of the remaining 2,954 ha plantations was doubtful.

Test check conducted in seven[17] Forest Divisions disclosed that four[18] Divisions did not maintain any separate records relating to execution of works under the scheme. Records of three Divisions (Manu, Research and Udaipur) revealed that:

- ₹ 43.65 lakh was diverted for creation of Check Dam in Manu (₹ 11.21 lakh) and water harvesting structure in Udaipur (₹ 25.47 lakh) to augment pisciculture activities in JFMCs and ₹ 6.97 lakh on construction and maintenance works at eco-park and other plantations unconnected with the activities under the scheme (**Appendix 3.9**).
- An expenditure of ₹ 4.19 lakh was incurred by DFO, Research Division on renovation, painting of office buildings and construction of retaining walls etc. diverting funds from the Central Grants.

The Department implemented the scheme only to the extent of Central share obtained and thereby spent only 12.48 *per cent* of the total proposed outlay of ₹ 154.46 crore. There were instances of diversion of funds, quality compromise on works due to gross violation of estimates etc. State Government had neither released any fund nor taken any steps to obtain funds from outside source as per the approved Action Plan. Thus, with the discontinuation of Central release, the activities on the scheme in the State had been stopped without any recorded arrangements for maintenance and upkeep of the assets created.

The Department admitted (October 2011) that the quantum of different components of work executed was more than the projected targets at lesser costs than sanctioned by the MoEF and maintenance of plantations could not be carried out for want of funds. The reason attributed by the Department was due to non-release of funds by the State Government.

3.1.10.10 Development of Tree Borne Oil Seeds

The State had a large area of degraded forests and waste land in which the project envisaged raising Jatropha plantations for tapping bio-fuel, which in the process shall be able to generate employment in rural areas and ease the requirement of the State in

[17] Ambassa, Manu, Research, Teliamura, Trishna, Sadar and Udaipur.
[18] Ambassa, Teliamura, Trishna and Sadar.

meeting its diesel demand to a considerable extent. Jatropha starts yielding from the third year onwards and continues fruiting till 30^{th} year.

The State Government without conducting a proper survey and investigation to identify the ground realities informed the Union Ministry of Rural Development that there were sufficient grounds to believe that Jatropha cultivation as an economic activity was a serious possibility. The Union Ministry accordingly sanctioned ₹ 4.50 crore to Tripura Forest Development and Plantation Corporation (TFDPC) Limited to raise Jatropha nursery seedlings to be used for cultivation under various State/Central Schemes. In addition, National Oilseed & Vegetable Oils Development Board (NOVOD) and the State Government also allocated funds under various schemes to raise Jatropha plantations. FDAs working under the Forest Department in the State were engaged in raising Jatropha nurseries and plantations and a total of 4,137 ha plantations were raised during 2006-11 at a cost of ₹ 5.27[19] crore through JFM Committees in the State.

Scrutiny of utilisation of funds revealed that:

- Out of ₹ 4.50 crore released by GOI during 2005-06 (₹ 3 crore) and 2007-08 (₹1.50 crore), TFDPC reallocated ₹ 3.36 crore to 9 FDAs, as of March 2011. Funds received in 2005-06 were made available to the IOs between 2006-07 and 2008-09, spanning over a period of three years, while ₹ 1.14 crore, out of ₹ 1.50 crore received in April 2007 remained unutilised with the TFDPC till date (August 2011). This indicated that fund flow to the IOs was very slow and thus the nursery programme suffered.
- Against ₹ 3.36 crore received during 2006-09, the FDAs spent ₹ 3.06 crore as of March 2011 on raising 0.97 crore nursery seedlings (₹ 2.25 crore) and creation of 632 ha plantations (₹ 80.60 lakh). ₹ 31.00 lakh (including interest) was still lying unspent for more than two years with four[20] FDAs.
- Out of five FDAs test checked, four[21] FDAs did not maintain separate accounts for the fund. As a result, interest accrued, if any, on the unutilised funds remained unaccounted for.

Records of the PCCF revealed that Forest Department proposed to develop bio-fuel sector in the State through Public Private Partnership (PPP) mode for empowering the Joint Forest Management Committees (JFMCs) to take up plantation and production of Jatropha seeds in the forest land and selling them at remunerative prices. Accordingly, the Department entered into an agreement with M/s Samadarshi, a non-Government

[19] ₹ 0.81 crore (out of ₹ 4.50 crore released by GOI) + ₹ 0.35 crore (fund released by NOVOD) + ₹ 4.11 crore (State share) = ₹ 5.27 crore.

[20] Udaipur: ₹ 10 lakh, Gumti: ₹ 10.65 lakh, Bakafa: ₹ 9.65 lakh and Sadar: ₹ 1.10 lakh (interest component only).

[21] Teliamura, Ambassa, Manu and Udaipur.

organization (NGO) in May 2008 to ensure sale of Jatropha seeds, processing and extraction of oil. The MoU, effective from the date of signing (24 May 2008) for a period of five years, provided *inter alia* that:

- The State Government shall establish plantations of Jatropha on forest land and the NGO will purchase the harvested seeds.
- Government of Tripura shall provide land to the NGO at Agartala for setting up a Centralised Extraction/Processing Unit for Jatropha crude oil.
- The NGO shall impart training to various stakeholders on payment of cost to be borne by the Government for which at least one demonstration centre will be set up in each district by the State Government.

It was, however, seen that the NGO had neither made any purchase of Jatropha seeds nor any seeds were harvested by the Department. The NGO had not set up any infrastructural facility for oil extraction in the State. The Government also did not make arrangement for allotment of land to the NGO to facilitate setting up of extraction/processing unit of Jatropha crude oil. There was no report on setting up of demonstration centre in any of the districts or training programme conducted by the NGO to the stakeholders.

Thus, due to commencement of a project without proper survey and adequate planning, the objectives of generating employment and income for the rural people through Jatropha cultivation for bio-fuel production and to meet diesel demand of the Government remained unfulfilled with consequent abortive expenditure of ₹ 7.52 crore during 2006-07 to 2010-11 on creation of Jatropha nursery (₹ 2.25 crore) and plantations (₹ 5.27 crore).

The Department stated (October 2011) that Jatropha plantations were not successful in the climatic condition of the State and therefore, the programme had now been abandoned. The Department, however, failed to furnish the recorded decision of the Government in this regard. But the fact, however, remains that commencement of a project without adequate survey and investigation had resulted in infructuous expenditure of ₹ 7.52 crore.

3.1.10.11 Compensatory Afforestation

Compensatory Afforestation (CA) was aimed at reducing environmental damage and check de-forestation by afforestation on at least an equivalent area of non-forest land[22] in lieu of forest land diverted for non-forestry purposes. CA is one of the most important conditions stipulated by the Central Government while approving proposals for transfer of forest land for non-forestry purposes. The cost of CA was to be deposited by the User Agencies (UAs) to the State Government prior to final approval. The Forest

[22] Twice the area in case of non-availability of non-forest land or area stipulated by the Central Government.

(Conservation) Act, 1980 and Rules framed thereunder provided that the State Government while forwarding diversion proposals have to formulate site-specific action plan for CA and implement it in a time bound manner.

Scrutiny of the records of the PCCF revealed that:

- Against diversion of 696 ha forest land in 105 cases during 2006-11, 1,539 ha was stipulated for CA, of which afforestation in six cases were completed only on 80 ha as of March 2011 at a cost of ₹ 0.19 lakh.
- Of the 105 cases of diversion during 2006-11,compensatory afforestation on 1,459 ha (94 *per cent* of the stipulated area) in 99 cases was not taken up at all stated to be due to fund constraints and land disputes, which included 501.60 ha for which cost of CA was deposited by the UAs more than two years back. This was in contravention of the Government order requiring all work of CA to commence not later than the financial year following the one in which cost of CA was paid by the UAs.
- In pursuance of the Hon'ble Supreme Court order (30 October 2002) the MoEF constituted an authority known as Ad-hoc Compensatory Afforestation Fund Management and Planning Authority (CAMPA) in April 2004 for the purpose of management of money realised by the State towards compensatory afforestation and Net Present Value (NPV) etc. All money so received from UAs including unspent fund already realised against diversion of forest land by the States were to be transferred to the account of the Ad-hoc CAMPA maintained by the MoEF.

  It was however seen that contrary to the above, all funds received towards CA, NPV etc. were deposited in the bank account of Nodal Officer (Forest Conservation) of the Department till February 2007, before being shifted to the system of transferring funds regularly to the Ad-hoc CAMPA including all unspent funds with effect from April 2007. The Department, however, did not maintain any accounts of the funds so received and transferred to Ad-hoc CAMPA. In the absence of Cash Book and other accounts the veracity of receipts and transfer of funds to Ad-hoc CAMPA could not be ascertained in audit.
- According to the prescribed procedure MoEF shall release funds from the Ad-hoc CAMPA to the State as per Annual Plan of Operation (APO) finalised by the State for CA. Since no APO or site-specific scheme for CA was furnished by the Department to the MoEF during 2006-07 to 2009-10, there was no release of funds during the period resulting in non-implementation of CA in the State during the same period.
- State Compensatory Afforestation fund Management and Planning Authority (CAMPA) had opened its Bank Account to facilitate release of funds from the Central Ad-hoc CAMPA only on 16 March 2010, in which ₹ 3.54 crore was

credited by the MoEF on the same day. The Department, however, prepared an Action Plan only in December 2010 i.e after a lapse of about nine months from receipt of funds and allocated ₹ 3.34 crore to the implementing Forest Divisions in February 2011.

Thus, failure of the Department in framing site-specific project proposal for CA during 2006-10 coupled with delay in opening bank account and formulating plan of operation for utilisation of CAMPA fund in 2010-11 led to non-release of funds by the MoEF during 2006-10 and non-utilisation of available funds in 2010-11.

The Department stated (October 2011) that apart from non-release of funds by the MoEF recognition of rights given under Recognition of Forest Right (RFR) Act, 2006 over the lands identified and reserved for CA resulted in non-execution of compensatory afforestation over the stipulated areas. However, due efforts were being taken for compensatory afforestation by identifying new plots for the purpose.

3.1.10.12 Unauthorised diversion of Forest land to Government Departments

Forest (Conservation) Act, 1980 provides that forest land shall be handed over to the User Agencies only after compliance of all conditions and final approval accorded by the MoEF. Section 2 of the Forest (Conservation) Act, 1980 and Rules framed thereunder provided that no State Government or other authority shall make, except with the prior approval of the Central Government, any order directing that any forest land or part thereof may be used for non-forest purpose. Section 3 of the Act further provides for proceedings against offences by Government Departments and other authorities.

Test check of the records of DFO, Ambassa revealed that in-principle approval was given by the Central Government in respect of four State Government projects. But without complying with the stipulated conditions for payment of Net Present Value and Compensatory Afforestation, the concerned authorities took possession of forest land and constructed infrastructure damaging forest resources **(Appendix 3.10).** Although the unauthorised occupations were in the notice of the Department, no action was taken to evict the offending Government departments or to initiate action as prescribed under the Act and Rules.

Besides this, another two agencies (i) 6th Bn. BSF and (ii) 11th Bn. CRPF also occupied forest land in Jawharnagar, Bet Bagan and Harincherra under Ambassa Forest Division and set up their establishments by construction of buildings and other infrastructure without following the due process in July and November 2008. The Forest Department though seized of the matter had not taken any action as yet.

The Department stated (October 2011) that the specific cases would be investigated to take appropriate action.

3.1.11 Afforestation and Protection

Against the target of creation of 63,712 ha plantation during the last five years (2006-11), the Department reportedly raised 62,615 ha registering only a marginal shortfall of 1,097 ha (refer to Para 3.1.9). Although the reported achievement was about 98 *per cent* of the target, the latest report (2009) of the Forest Survey of India (FSI), based on satellite data conducted every two years, disclosed that contrary to the departmental claims, the forest cover in the State had gone down over the years as evident from the table below:

Table 3.1.10

(Area in sq km)

Year	Very Dense Forest (above 70% density)	Dense Forest (40-70 % density)	Open Forest (10-40% density)	Scrub (below 10% density)	Total
2007	113	4816	3244	54	8227
2009	111	4770	3192	75	8148
Change	**-2**	**- 46**	**- 52**	**+ 21**	**- 79**

Source: Forest Survey of India report.

There is a decreasing trend of forest cover in the State reflecting degradation and loss of about 79 sq km in two years. Although, the forest in Tripura had been under systematic management for past 50 years this fragile resource base had undergone a change due to various anthropogenic disturbances resulting in degradation which was directly affecting the ecological stability, biological diversity, economic viability and environmental security of the State.

The Department admitted (October 2011) that Jhuming and unrecorded removal of forest resources had an adverse impact on the forest density and stated that all out-efforts were being made to enhance the forest cover.

Besides this, though the Department failed to furnish the scheme-wise targets/achievements of plantations undertaken during the last five years (2006-11), the records of two major schemes 'NAP and JICA' revealed that the target fixed in those schemes constituted 37,932 ha which was 60 *per cent* of the total plantation target of the Department. Out of 37,932 ha plantations, only 24,810 ha had been achieved (65 *per cent*) which was indicative of the fact that achievement reported by the Department had been overstated as 35 *per cent* plantations in respect of the two major schemes were yet to be achieved. Thus, 98 *per cent* reported achievement of the Department was not consistent with the actual performance.

The Department stated (October 2011) that the plantation targets were revised depending on shortage or excess of funds under individual schemes to maintain overall achievement of the total target. The reply was not tenable as there were no shortages of funds in both NAP and JICA to warrant reduction of targets.

3.1.11.1 Demarcation of reserved forests

In order to ensure protection of reserve forests, proper demarcation of forest land was required. The State had declared an area of 3,588 sq km as reserved forests during the period between 1961 and 1990. However, 588 sq km of the reserved forest area remained non-demarcated even after 20 years of its notification. The DFO, Working Plan Division stated (August 2011) that the demarcation of all reserved forest areas could not be completed due to non-availability of funds, and therefore, 588 sq km forest area remained unprotected.

The Department stated (October 2011) that the funds were being pooled from various sources to complete demarcation of forest areas.

3.1.11.2 Encroachment

As per records available with the Department, 47,758 ha of forest land were under encroachment as of 2006-07. Latest survey (2009) conducted by the Revenue Department of the State Government had shown such encroachment to the extent of 59,311 ha.

The Department, however, did not maintain any records of encroachments in forest areas since 2006-07 and despite repeated requisition by audit, it failed to furnish the current status of the old encroachments as well as further encroachments of forest lands after 2006-07.

Although the Divisional Forest Officers and Wild Life Wardens were empowered to evict encroachers from forest land under section 15 of the Tripura Land Revenue and Land Reforms Act, 1960, there was no record to substantiate that efforts were taken by them to retrieve the encroached forest land.

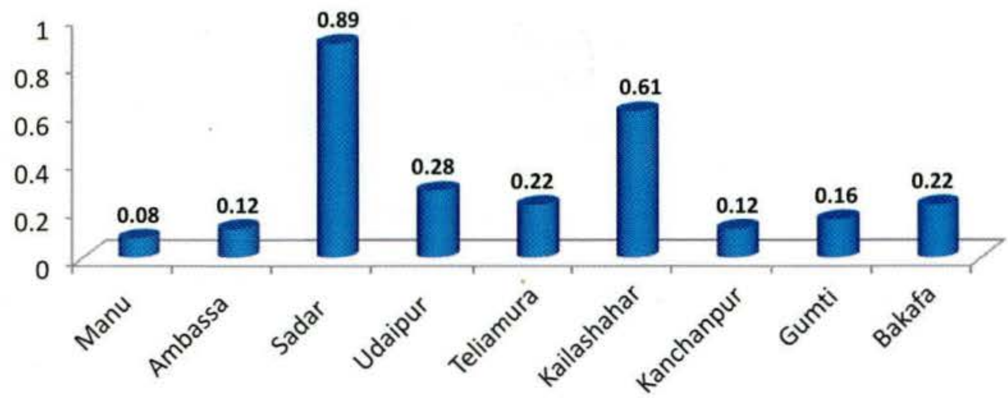
The Department admitted that encroachment was a serious socio-economic problem in the State and stated (October 2011) that a major chunk of encroached forest land had already been regularised by way of vesting of rights to forest dwellers under RFR Act, 2006 and also a detailed exercise was under way to identify and evict the encroachers. About 33 ha forest land had recently been freed from illegal encroachment.

3.1.12 Human resources management

Against 2,274 sanctioned posts in 39 categories of staff as on 31 March 2011, the Department had 1,731 (76 *per cent*) men-in-position leaving 543 posts of various categories vacant. Important posts to be manned by Indian Forest Service (IFS) officers (36 *per cent*), Tripura Forest Service (TFS) officers (21 *per cent*), Forest Range Officers (32 *per cent*), Forester (33 *per cent*) and Forest Guards (12 *per cent*) were lying vacant. Shortfall of staff in vital areas in the Department was a major hurdle in planning, implementation and monitoring of the various activities of the Department.

Further, it could be observed from the graph below that the deployment of available manpower was not in proportion to the forest area allocated to the Divisions.

Chart No. 3.1.3
Manpower deployment per sq km forest area



The deployment of staff varied from 0.08 to 0.89 per sq km in the Divisions. Thus, the available manpower was not rationally deployed in the Divisions to ensure uniform development of forestry in the State.

The Department stated (October 2011) that despite constant persuasion for filling up of the vacant posts the process of recruitment was very slow due to financial resource crunch in the State. The Department also stated that action was being taken to deploy the available manpower rationally.

3.1.13 Internal control and audit

Internal control and internal audit is an important appraisal activity within the organisation to examine and evaluate the activity of the organisation. The Department does not have any internal audit wing. The internal control of the Department was also deficient due to the fact that there was no record of prescribed field inspections by the higher authority. As plantation journals were not maintained, there was no report of failed plantations as detected in joint verification by audit. There were no parameters fixed for recording plantation growth and its survival rate so as to monitor the performance. The re-survey by GPS instituted in 2007-08 had revealed many cases of over-statement and overlapping of plantation area.

3.1.14 Monitoring and Evaluation

Monitoring and evaluation provides means of corrective measures on deviations and deficiencies in implementation of various development activities and data for future planning. It was, however, seen that the monitoring mechanism was deficient in the Department leading to slow progress of works, funds lying unutilised at the implementing levels, discrepant planting activity and non-monitoring of survival rate of plantations etc. Database on forestry and wildlife was not yet introduced in the Department. No record of constitution of monitoring committees was available in any of the six test checked Divisions and consequently no monitoring and evaluation of the activities of these

Divisions was done during the entire period covered by audit. In respect of the Central Sector Schemes (NAP and JICA), contrary to the provision of engagement of independent agencies / consultants by the State Government for monitoring and evaluation of the projects within 12-24 months of sanction to ascertain the adequacy of people's participation, functioning of JFMCs and micro-planning exercise etc., no arrangement for monitoring and evaluation of the activities through independent agencies were made as of July 2011, even after lapse of more than four years of commencement of the project works in 2007-08.

The Department admitted (October 2011) the lapses in the prevailing monitoring system and stated that steps were being taken to ensure strengthening of the existing monitoring mechanism.

3.1.15 Conclusion

The reported achievement (98 *per cent*) of plantation *vis-à-vis* target was not consistent with the Forest Survey of India Report (2009) reflecting degradation and loss of 79 sq km of forest cover in the State in two years and also the actual performance in the two major Schemes (NAP and JICA) showing shortfall in plantation of 13,122 ha (35 *per cent* of the target) during the same period. The plantation activity was also deficient due to delay in sanction and release of funds, discrepancy detected in area of plantation, off season plantation, absence of scheduled post planting maintenance etc. JFMC being a central and integral part of all activities had not been extended to cover all panchayat areas which resulted in deprival of benefits to the targeted communities. This was further compounded by the shortfall in preparation of micro-plans and annual working plans, unutilised funds lying with implementing officers, shortfall in producing planting materials and creation of plantations, inadequate entry point and income generating activities in the JFMCs. Approved action plan for 'Gregarious Flowering of Muli Bamboo' had not been achieved due to non-release of State Government's share as per approved funding pattern. Expenditure of ₹ 7.52 crore on cultivation of Tree Borne Oil Seeds (Jatropha) proved infructuous due to commencement of the project without proper survey and adequate planning. Lack of procurement and marketing facilities resulted in wastages of potential oil seeds valuing ₹ 7.56 crore. Compensatory Afforestation on 1,459 ha (out of the stipulated 1,539 ha) against diversion of forest land during 2006-11 was yet to be taken up. Shortfall of staff in vital areas of planning, supervision and execution were a major hurdle in the functioning of the Department affecting implementation and monitoring of various activities.

3.1.16 Recommendations

The Department may examine and consider the following:

- the Department's Annual Plan should include verifiable quantitative targets in terms of new plantations, survival rates and extent of forest cover;
- timely release of funds to ensure plantation work during the season and also to avoid the rush of expenditure towards the end of the year;
- significant amount of cash were lying unutilised with the JFMCs and FDAs under NAP and JICA, which should be put to fruitful use at the earliest;
- micro level planning, work plans, functioning of JFMCs needs to be improved;
- compensatory afforestation needs to be completed at the earliest. Unauthorised use of forest land needs to be regularised at the earliest;
- depletion of forests noted in satellite survey, and shortages in plantations noted in GPS survey needs to be addressed. The monitoring of survival of plantation is essential to ensure successful plantation; and
- resource allocation to be addressed, internal control mechanism to be improved and Internal Audit Wing to be set up.

CHAPTER IV
REVENUE RECEIPTS

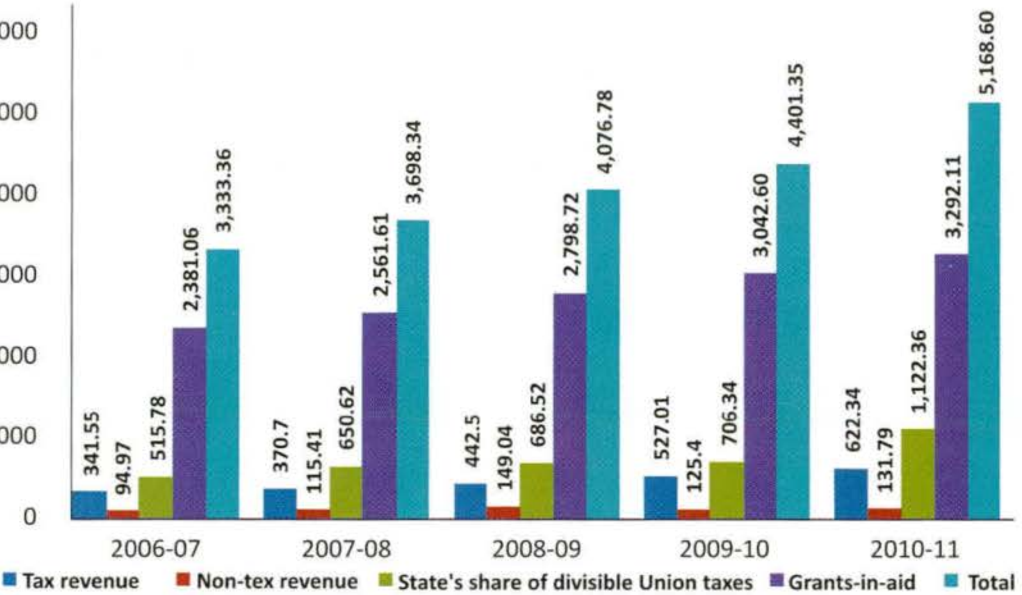
4.1 General

4.1.1 Trend of revenue receipts

The components of revenue receipts of the Government of Tripura during 2006-11 are depicted in the graph below:

Components of Revenue Receipts of the State during 2006-11

(Rupees in crore)



The tax and non-tax revenue raised by the Government of Tripura, its share of divisible Union taxes and grants-in-aid from the Government of India during 2010-11 and the corresponding figures for the preceding four years are mentioned below:

Table No.4.1

(Rupees in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
I. Revenue raised by the State Government					
Tax revenue	341.55	370.70	442.50	527.01	622.34
Non-tax revenue	94.97	115.41	149.04	125.40	131.79
Total (I)	**436.52**	**486.11**	**591.54**	**652.41**	**754.13**
II. Receipts from the Government of India					
State's share of net proceeds of divisible Union taxes	515.78	650.62	686.52	706.34	1122.36
Grants-in-aid	2,381.06	2,561.61	2798.72	3042.60	3292.11
Total (II)	**2,896.84**	**3,212.23**	**3485.24**	**3748.94**	**4414.47**
III. Total receipts of the State Government (I+II)	**3,333.36**	**3,698.34**	**4076.78**	**4401.35**	**5168.60**
Percentage of I to III	**13**	**13**	**15**	**15**	**15**

Source: Finance Accounts 2010-11.

The above table indicates that during the year 2010-11, the revenue raised by the State Government was 15 *per cent* of the total revenue receipts (₹ 5168.60 crore). The percentage of own receipts to total receipts during the current year was the same as compared to the previous year. The balance 85 *per cent* of the receipts during 2010-11 was from the Government of India.

4.1.1.1 The tax revenue during 2010-11 increased by 18 *per cent* to ₹ 622.34 crore from ₹ 527.01 crore in 2009-10. The improvement in the collection was mainly under the heads of major taxes, *viz*. Sales Tax/VAT (18 *per cent*), State Excise (40 *per cent)*, Stamps and Registration Fees (33 *per cent*) and Land Revenue (174 *per cent*) as shown in the following table:

Table No. 4.2

(Rupees in crore)

Heads of revenue	2006-07	2007-08	2008-09	2009-10	2010-11	Percentage increase (+) or decrease (-) in 2010-11 over 2009-10
Sales Tax/VAT	233.45	264.98	314.79	374.93	444.93	(+) 18
State Excise	38.41	38.50	48.28	61.09	85.85	(+) 40
Other Taxes on Income and Expenditure	22.19	23.73	25.97	29.16	29.22	(+) 0.20
Stamps and Registration Fees	16.61	14.98	17.03	18.15	24.23	(+) 33
Taxes on Vehicles	22.51	23.20	29.82	37.14	21.92	(-) 41
Other Taxes and Duties on Commodities and Services	5.11	2.17	0.84	0.95	0.91	(+) 4
Land Revenue	3.03	2.97	5.55	5.55	15.25	(+) 174
Taxes on Agricultural Income	0.15	0.11	0.18	0.01	0.01	-
Taxes and Duties on Electricity	0.01	0.01	0.02	0.02	0.02	-
Others	0.08	0.05	0.02	0.01	-	-
Total	**341.55**	**370.70**	**442.50**	**527.01**	**622.34**	**(+) 18**

Source: Finance Accounts 2010-11.

The Departments did not inform (October 2011) the reasons for the variations in the receipts in 2010-11 over 2009-10 despite being requested (July 2011).

4.1.1.2 The non-tax revenue during 2010-11 increased by 5 *per cent* to ₹ 131.79 crore from ₹ 125.40 crore in 2009-10 mainly due to increase under the heads Industries (by 158 *per cent*) and Police (by 47 *per cent*). There was substantial decrease under the heads Village and Small Industries (by 97 *per cent*) and Other Administrative Services (by 67 *per cent)* as shown in the following table:

Table No. 4.3

(Rupees in crore)

Heads of revenue	2006-07	2007-08	2008-09	2009-10	2010-11	Percentage increase (+) or decrease (-) in 2010-11 over 2009-10
Forestry and Wildlife	6.24	5.52	5.57	6.29	7.64	(+) 21
Education, Sports, Art and Culture	0.73	1.00	1.55	1.50	1.27	(-) 15
Crop Husbandry	1.56	1.53	1.70	1.52	1.85	(+) 22
Other Administrative Services	3.18	3.55	2.33	11.76	3.91	(-) 67
Miscellaneous General Services	25.43	0.52	22.28	22.29	11.29	(-) 49
Water Supply and Sanitation	0.68	0.62	1.23	1.13	1.21	(+) 7
Police	6.88	14.22	19.86	16.88	24.73	(+) 47
Interest Receipts	26.23	58.93	62.93	27.88	23.24	(-) 17
Stationery and Printing	2.47	1.86	1.75	1.26	1.51	(+) 20
Animal Husbandry	1.54	1.54	1.56	1.45	1.57	(+) 8

(Rupees in crore)

Heads of revenue	2006-07	2007-08	2008-09	2009-10	2010-11	Percentage increase (+) or decrease (-) in 2010-11 over 2009-10
Industries	9.25	9.30	9.38	11.87	30.63	(+) 158
Public Works	3.62	3.98	6.17	7.71	7.83	(+) 2
Village and Small Industries	0.06	0.07	0.02	1.46	0.04	(-) 97
Fisheries	0.64	1.27	1.89	0.68	0.55	(-) 19
Other Rural Development Programmes	0.09	0.07	0.03	0.03	0.08	(+) 167
Others	6.31	10.94	10.79	11.69	14.44	(+) 24
Total	**94.91**	**114.92**	**149.04**	**125.40**	**131.79**	**(+) 5**

Source: Finance Accounts 2010-11.

The Departments did not inform (October 2011) the reasons for variation in the receipts of 2010-11 over 2009-10 despite being requested (July 2011).

4.1.2 Initiative for mobilisation of resources

In the budget for 2010-11, the Government proposed revenue collection of ₹ 667.05 crore under tax receipts. The actual collection of ₹ 622.34 crore during the year was less than the budget estimates by ₹ 44.71 crore (7 *per cent)*.

4.1.3 Variations between the budget estimates and actuals

The variations between the budget estimates and the actual receipts for the year 2010-11 in respect of some important heads of tax and non-tax revenue are mentioned in the following table:

Table No. 4.4

(Rupees in crore)

Heads of revenue	Budget estimates	Actuals	Variation: increase (+)/ decrease (-)	Percentage variation over budget estimates
TAX REVENUE				
Sales Tax	475.00	444.93	(-) 30.07	(-) 6.33
State Excise	70.00	85.85	(+) 15.85	22.64
Stamps and Registration Fees	28.00	24.23	(-) 3.77	(-) 13.46
Taxes on Vehicles	45.00	21.92	(-) 23.08	(-) 51.29
Land Revenue	15.00	15.25	(+) 0.25	1.67
Taxes on Agricultural Income	-	0.01	-	-
Taxes and Duties on Electricity	0.05	0.02	(-) 0.03	(-) 60.00
Other Taxes on Income and Expenditure	32.00	29.22	(-) 2.78	(-) 8.69
Other Taxes and Duties on Commodities and Services	2.00	0.91	(-) 1.09	(-) 54.50
NON-TAX REVENUE				
Forestry and Wildlife	7.00	7.64	(+) 0.64	9.14
Other Administrative Services	18.60	3.91	(-) 14.69	(-) 78.98
Miscellaneous General Services	44.50	11.29	(-) 33.21	(-) 74.63
Interest Receipts	25.00	23.24	(-) 1.76	(-) 7.04
Stationery and Printing	3.05	1.51	(-) 1.54	(-) 50.49
Public Works	9.00	7.83	(-) 1.17	(-) 13.00
Animal Husbandry	3.00	1.57	(-) 1.43	(-) 47.67
Fisheries	3.50	0.55	(-) 2.95	(-) 84.29
Other Rural Development Programmes	0.03	0.08	(+) 0.05	166.67
Industries	14.00	30.63	(+) 16.63	118.79
Water Supply and Sanitation	3.00	1.21	(-) 1.79	(-) 59.67
Education, Sports, Art and Culture	2.00	1.27	(-) 0.73	(-) 36.50
Police	25.00	24.73	(-) 0.27	(-) 1.08

(Rupees in crore)

NON-TAX REVENUE				
Village and Small Industries	0.10	0.04	(-) 0.06	(-) 60
Crop Husbandry	2.50	1.85	(-) 0.65	(-) 26
Others	29.92	14.44	(-) 15.48	(-) 51.74

The large variations between the budget estimates and actuals in all major heads indicate that the budget estimates for collection of tax and non-tax revenue were not prepared on realistic basis. The reasons for variations of actuals over budget estimates during 2010-11 as intimated by the respective Departments are as follows:

The decrease in collection of **Sales Tax/VAT** (6.33 *per cent*) was due to less collection, whereas the increase in **State Excise** (22.64 *per cent*) was due to higher consumption of the liquor.

The decrease in **Other Taxes on Income and Expenditure** (8.69 *per cent*) was due to non-implementation of revised/ enhanced rates of Professional Tax.

As per Budget Estimates, there was decrease in **Police** receipts (1.08 *per cent*) but as per Revised Estimates there was increase (40 *per cent*) due to better collection of outstanding deployment cost of security personnel engaged in agencies like ONGC, Bank, GAIL, etc.

The decrease in **Fisheries** receipts (84.29 *per cent*) was due to non-realisation of some bills towards cost of fish from the Government and transfer of administrative control and collection of royalty of Dumbur Reservoir which was the main source of income of the Department to Tripura Tribal Areas Autonomous District Council (TTAADC).

The decrease in **Stationery and Printing** receipts (50.49 *per cent*) was due to less collection towards the cost of General Forms, Special Forms, Tripura Gazette and Printed materials etc.

4.1.4 Analysis of collection

Break-up of the total collection at the pre-assessment stage and after regular assessment of Sales Tax for the year 2010-11 and the corresponding figures for the preceding two years as furnished by the Commissioner of Taxes is mentioned below:

Table No. 4.5

(Rupees in lakh)

Heads of revenue	Year	Amount collected at pre-assessment stage	Amount collected after regular assessment (additional demand)	Penalties for delay in payment of taxes and duties	Amount refunded	Net collection of Taxes[1]	Percentage of collection of column 3 to 7
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Finance Department							
Sales tax/ VAT	2008-09	31,324.60	153.66	0.76	-	31,479.02	99.51
	2009-10	37,310.59	160.52	22.26	-	37,493.37	99.51
	2010-11	46,798.28	166.03	-	-	46,964.31	99.65

[1] The figures furnished by the Department are at variance within the Finance Accounts. The Department has not yet reconciled the figures with the Accountant General (October 2011).

The collection of Sales Tax at pre-assessment stage ranged between 99.51 and 99.65 *per cent* during 2008-09 to 2010-11 indicating that tax audit was minimal.

4.1.5 Cost of collection

The gross collection in respect of the major revenue receipts, expenditure incurred on collection and the percentage of such expenditure to gross collection during the year 2008-09, 2009-10 and 2010-11 along with the relevant all India average percentage of expenditure on collection to gross collection for 2009-10 are mentioned in the following table:

Table No. 4.6

(Rupees in crore)

Heads of revenue	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection	All India average percentage for the year 2009-10
Sales tax/ VAT	2008-09	314.79	3.59	1.14	0.96
	2009-10	374.93	5.19	1.38	
	2010-11	444.93	5.74	1.29	
State Excise	2008-09	48.28	1.09	2.26	3.64
	2009-10	61.09	1.62	2.65	
	2010-11	85.85	1.44	1.68	
Stamps and Registration Fees	2008-09	17.03	1.68	9.86	2.47
	2009-10	18.15	1.80	9.92	
	2010-11	24.23	1.32	5.45	
Taxes on Vehicles	2008-09	29.82	1.05	3.52	3.07
	2009-10	37.14	1.60	4.31	
	2010-11	21.92	1.55	7.07	

The above table indicates that the percentage of expenditure on collection in respect of Sales Tax/VAT, Stamp Duty and Registration Fees, and Taxes on Vehicles was higher than the all India average cost of collection and in respect of State Excise it was lower than the all India average cost of collection.

4.1.6 Arrears of revenue

As per information furnished by the Department, the arrears of revenue as of 31 March 2011 relating to Sales Tax amounted to ₹ 23.23 crore as detailed in the table below:

Table No. 4.7

(Rupees in crore)

Year	Opening balance of arrears	Additions during the year	Collection by the end of the year	Balance arrears
2006-07	2.84 (0.51)	1.81 (Nil)	0.35 (0.01)	4.30 (0.50)
2007-08	4.30 (0.50)	6.80 (3.76)	0.28 (0.04)	10.82 (4.22)
2008-09	10.82 (4.22)	9.49 (2.14)	1.15 (0.01)	19.16 (6.35)
2009-10	19.16 (6.35)	5.69 (0.10)	2.10 (0.03)	22.75 (6.42)
2010-11	22.75 (6.42)	0.89 (Nil)	0.41 (0.01)	23.23 (6.41)

Figures in bracket indicate amount relating to Revenue Recovery Certificate Cases.

4.1.7 Arrears in assessment

The details of assessments relating to Sales Tax and Taxes on Agricultural Income pending at the beginning of the year, additional cases becoming due for assessment during the year, cases disposed of during the year and cases pending at the end of each year, during the period 2006-07 to 2010-11 as furnished by the Department are mentioned in the following table:

Table No. 4.8

Year	Opening balance	Cases which become due for assessment	Total	Cases disposed of during the year	Cases pending at the end of the year
2006-07	18,992	39	19,031	8,645	10,386
2007-08	10,386	39	10,425	7,682	2,743
2008-09	2,743	39	2,782	2,067	715
2009-10	715	39	754	286	468
2010-11	468	39	507	13	494

4.1.8 Evasion of tax

The details of cases of evasion of tax detected by the Department, cases finalised and the demands for additional tax raised as reported by the Department are given below:

Table No. 4.9

Name of tax/ duty	Cases pending as on 31 March 2010	Cases detected as on 31 March 2011	Total	No. of cases in which assessments/ investigations completed and additional demand including penalty etc., raised		No. of cases pending finalisation as on 31 March 2011
Sales Tax	-	2284	2284	1677	₹ 1.04 crore	607

4.1.9 Results of audit

Test check of the records of Sales Tax, Land Revenue, State Excise, Motor Vehicles, Stamps and Registration Fees, Other tax receipts, Forest receipts conducted during the year 2010-11 revealed under assessment/short levy/loss of revenue amounting to ₹ 48.04 crore in 113 cases. These were pointed out in the Inspection Reports issued to the Departments.

This Chapter contains one review and four paragraphs pointing out loss/non-realisation of Tax and Non-Tax revenue of ₹ 3.73 crore (Review : ₹ 31.66 lakh; Paragraphs: ₹ 3.41 crore).

4.1.10 Departmental Audit Committee meetings

During 2010-11, four audit committee meetings were held in which 139 paragraphs contained in 33 Inspection Reports were discussed and 91 paragraphs and 10 IRs were settled.

4.1.11 *Failure to enforce accountability and protect the interest of the Government*

The Accountant General (Audit), Tripura arranges to conduct periodical inspection of the various offices of the Government Departments to test check the transactions of tax and non-tax revenue receipts and verify the maintenance of important accounting and other records as prescribed in the rules and procedures. These inspections are followed up with Inspection Reports (IRs) incorporating irregularities detected during inspection and not settled on the spot, which are issued to the heads of the offices inspected with copies to the next higher authorities for taking prompt corrective action. The Heads of Offices/Government are required to comply with the observations contained in the IRs and rectify the defects and omissions promptly and report compliance through initial reply to the Accountant General within thirty days from the dates of issue of the IRs. Serious financial irregularities are reported to the heads of the departments and the Government.

As of March 2011, 1499 paragraphs contained in 452 Inspection Reports (IRs) issued upto September 2010 and involving ₹ 143.80 crore remained outstanding. Of these, 140 IRs containing 478 paragraphs involving ₹ 18.53 crore had not been settled for more than 10 years by the Finance Department (Sales Tax, Electricity Duty, etc.) and the Forest Department (Forest Receipts). Even the first replies required to be received from the Head of Office within 30 days from the date of receipt of the IR were not received in respect of 660 paragraphs of 164 IRs, issued between March 1994 and March 2011.

The Department-wise breakup of IRs and audit observations outstanding as of June 2011 is mentioned below:

Table No. 4.10

Department	Position of IRs issued upto September 2010 but not settled at the end of March 2011			Position of IRs and paragraphs not settled for more than 10 years			Position of IRs in respect of which even first reply has not been received from March 1994 to March 2011		
	No. of IRs	No. of para-graphs	Money value (rupees in crore)	No. of IRs	No. of para-graphs	Money value (rupees in crore	No. of IRs	No. of para-graphs	Money value (rupees in crore)
Finance (Excise and Taxation)									
Sales Tax	104	331	17.72	48	140	8.43	11	33	1.97
Professional	06	06	0.09	-	-	-	04	05	0.09
Stamp Duty and Registration Fees	08	12	0.45	-	-	-	03	05	0.20
Electricity Duty	182	713	27.06	34	133	0.93	65	298	4.30
Agricultural Income Tax	02	03	-	04	02	-	02	03	-
Amusement Tax	06	13	0.28	02	04	0.01	01	04	0.16
State Excise	15	40	3.58	02	03	0.11	06	35	3.60
Forest									
Forest Receipts	88	275	18.19	43	165	3.48	36	162	7.17
Revenue (Land Records and Settlement)									
Land Revenue	18	25	0.62	-	-	-	18	25	0.61
Transport									
Motor Vehicles	23	81	75.81	07	31	5.57	18	90	44.22
Total	**452**	**1,499**	**143.80**	**140**	**478**	**18.53**	**164**	**660**	**62.32**

The above position indicates the failure of the Departments concerned to initiate action in respect of the defects, omissions and irregularities pointed out in the IRs. The Principal Secretaries/Secretaries of the departments are informed of the position on 1st June each year through annual statement of outstanding IRs and paragraphs.

4.1.12 Response of the departments to draft audit paragraphs

Four paragraphs contained in this report were forwarded during July 2011 to the Secretary of the administrative departments concerned demi-officially seeking confirmation of facts and figures as well as their comments within six weeks. Replies of the Government to paragraphs have not been received (October 2011).

4.1.13 Internal Audit

Finance (Excise and Taxation) Department had not established an internal audit wing for auditing the revenue receipts of the State Government (September 2011). Since internal audit is an effective tool in the hands of the management of an organisation to assure it that the organisation is functioning in an efficient manner and in terms of its stated objectives, the Government may consider establishing the system of internal audit.

4.1.14 Follow up on Audit Reports – summarised position

13 reviews and 131 audit paragraphs had featured in Audit Reports 1988-89 to 2009-10. 10 out of 13 reviews and 93 out of 131 audit paragraphs had been discussed by PAC as of September 2011. Out of the balance 3 reviews and 38 audit paragraphs, one review and 20 audit paragraphs pertaining to Audit Reports 1988-89 to 2006-07 have been referred to the State Government in March 2011 for settlement at their end. Four ATNs on the recommendations of the PAC were awaited (October 2011).

4.1.15 Compliance with the earlier Audit Reports

During the years 2005-06 to 2009-10, the Departments/Government accepted the audit observations involving ₹ 23.60 crore, out of which an amount of ₹ 15.74 lakh had been recovered till October 2011. The details are mentioned in the following table:

Table No. 4.11

(Rupees in lakh)

Sl. No.	Year of the Audit Report	Total money value of the paragraphs of Receipt Audit	Money value accepted by the State Government	Recovery made
1.	2005-06	82.15	65.71	Nil
2.	2006-07	127.96	103.78	Nil
3.	2007-08	667.00	420.00	9.14
4.	2008-09	1964.00	1771.00	6.60
5.	2009-10	178.00	-	-
Total		**3019.11**	**2360.49**	**15.74**

FINANCE (EXCISE AND TAXATION) DEPARTMENT

4.2 Review on 'Cross verification of declaration forms used in Inter-State Trade'

The Central Sales Tax (CST) Act, 1956 and the rules framed there under provide for concessional rate of tax in respect of Inter-State sales of goods and exemption from tax in respect of branch transfers and export sales. These concessions/exemptions are subject to furnishing of declaration in the prescribed Form 'C'. Failure to furnish the declarations or submission of defective or incomplete declaration forms will make the transactions liable to tax as applicable to sale in the appropriate State.

We conducted cross verification of Declaration Forms used in Inter-State Trade to check the genuineness of these declarations. All the information collected was verified with the Commercial/Sales Tax Departments of other States and we found irregularities as mentioned below:

Highlights

The Department had not installed a system of verification of each and every declaration form submitted by the dealers with the database available in the TINXSYS website.

(Paragraph 4.2.10.2)

No provision was made in the TVAT Act to set up Inter-State Investigation Wing to assist Commissioner of Taxes. Further, there was no system to blacklist the dealers utilising invalid / fake declaration forms.

(Paragraph 4.2.10.3)

We came across suppression of actual value of goods purchased on 'C' Forms having implication of short levy of tax of ₹ 30.82 lakh, which needs to be investigated by the Department.

(Paragraph 4.2.10.4)

4.2.1 Introduction

Under the Central Sales Tax Act, 1956 (CST Act) registered dealers are eligible to certain concessions and exemptions of tax on Inter-State transactions on submission of prescribed declarations in Forms 'C'. The State Government grants these incentives to dealers for furtherance of trade and commerce, on production of these declaration forms. It is the responsibility of the Tax Department to ensure proper account of declaration forms and to take adequate safeguards against misutilisation of declaration forms/certificates on which tax relief is allowed involving large amount of revenue to the State exchequer.

4.2.2 Salient features of CST Act

Under the provisions of the CST Act, every dealer, who in the course of Inter-State Trade or commerce, sells to a registered dealer, goods of the classes, specified in the certificate of registration of the purchasing dealer, shall be liable to pay tax at the concessional rate of four *per cent* (two *per cent* w.e.f. 01.06.2008) of such turnover provided such sales are supported by declarations in Forms 'C'.

4.2.3 Maintenance of accounts of receipts and use of declaration forms

- The forms are obtained by the Commissioner of Taxes (CT) from M/S Saraswati Press Ltd, Kolkata (a Government of West Bengal Enterprise) and issued to the Superintendent of Charges.
- Declaration forms are issued to the registered dealers by the Charge officers to enable them to issue it to another registered dealer for purposes specified in their registration certificates in order to avail exemption from levy of tax or pay tax at concessional rate. Dealers have to submit periodical utilisation certificate to the Charge office concerned for the declaration forms received and utilised by them, and the same is to be properly recorded by the Assessing Officer. No declaration form is to be issued by the charge office to the dealers till accounts of the utilisation of forms issued earlier to the dealer is submitted by him.

4.2.4 Receipt and issue

- The receipt and issue of the aforesaid declaration forms are accounted for in separate stock registers of the office of the Commissioner of Taxes and Charge offices indicating receipt and issue of declaration forms. When forms are issued to the dealer, the signature of the dealer as token of receipt is to be obtained in the register.
- Every registered dealer to whom any declaration form is issued by the appropriate authority shall maintain complete account of every such form. The dealer has to furnish utilisation certificate to the competent authority showing the name of dealer to whom the form is issued, bill number and date and description of goods with value.
- Section 10(b) read with Section 10-A of Central Sales Tax Act, 1956 stipulates that, if any registered dealer, falsely represents when purchasing any class of goods which are covered by his certificate of registration ; or

  not being a registered dealer, falsely represents when purchasing goods in the course of Inter-State Trade or commerce that he is a registered dealer ; and

  after purchasing any goods for any of the purposes without reasonable excuse, to make use of the goods for any such purpose shall be punishable with simple imprisonment which may extend to six months, or with fine, or with both, and when the offence is a continuing offence, with a daily fine which may extend to fifty rupees for every day during which the offence continues and further, the authority may also impose penalty of a sum not exceeding one and a half times of the tax evaded.

- Tax Information Exchange System (TINXSYS) is a centralised exchange of all Inter-State dealers spread across the various States and Union territories of India. TINXSYS is an exchange authored by the Empowered Committee of State Finance Ministers (EC) as a repository of Inter-State transactions taking place among various States and Union Territories. The website was designed to help the Commercial Tax Departments of various States and Union Territories to effectively monitor the Inter-State Trade. TINXSYS can be used by any dealer to verify the counter party Inter-State dealer in any other State. Apart from dealer verification, Commercial Tax Department officials use TINXSYS for verification of Central statutory forms issued by other State Commercial Tax Department and submitted to them by the dealers in support of claim for concessions. TINXSYS also provides MIS and Business Intelligence Reports to the Commercial Tax Departments to monitor Inter-State Trade movements and enables the EC to monitor the trends in Inter-State Trade.
- It is essential for every State to send the information to the Finance Ministry for uploading in the website of TINXSYS for easy verification of forms by any user. The Department is neither uploading on the TINXSYS nor sending relevant information to the Finance Ministry.

4.2.5 Organisational set up

The Commercial Tax Department is under the overall administrative control of the Principal Secretary (Finance). The Commissioner is head of the Department and he is assisted by two Deputy Commissioner of Taxes (DCT) and three Assistant Commissioner of Taxes (ACT). There are eight Charges at Agartala, each headed by a Superintendent of Taxes (ST). Besides, two STs look after vigilance and another two STs are in charge of the Public Relation Cell. In addition, there are seven Charges in other districts/sub-division headquarters headed by Superintendent of Taxes. There is a check post at Chauraibari (Assam border) headed by the two STs.

Under the Tripura Value Added Tax Act (TVAT Act), 2004, the Superintendents of the respective charges are entrusted with the registration, assessment, collection of tax and receipts of returns in respect of registered dealers.

4.2.6 Audit objectives

The review was aimed to ascertain whether

- a foolproof system existed for custody and issue of the declaration forms;
- exemption/concession of tax granted by the assessing authorities was supported by the original declarations forms;

- a system was in existence for ascertaining genuineness of the forms for preventing evasion of tax;
- system of uploading the particulars in the TINXSYS website was in existence and the data available there is utilised for verifying the correctness of the forms;
- appropriate steps were taken on receipt and detection of fake, invalid and defective (without proper or insufficient details) forms; and
- an effective and adequate internal control mechanism existed.

4.2.7 Scope and methodology of audit

The review was conducted between November 2010 and January 2011 in the office of the Commissioner of Taxes and 9[2] out of 15 Charge offices dealing with assessments. The selection of the charge offices was made on the basis of units due for audit during November 2010 to January 2011. The audit scrutinised the assessments completed during the period of 2007-08 to 2009-10 by all these offices. The information collected from the Department, replies to questionnaires and the audit memos issued during inspection and cross check with other States formed the basis of audit evidence and findings.

4.2.8 Acknowledgement

The Indian Audit and Accounts Department acknowledges the cooperation extended by the Principal Secretary, Finance Department and the departmental officials during the course of the review. An entry conference was held on 11th November 2010 with the Principal Secretary to the Government of Tripura, Finance Department in which the audit objectives, scope and methodology were explained. The findings of the review were forwarded to the Department/Government on 13th October 2011 and discussed in an exit conference held on 3rd November 2011. The responses of the Department received during the discussion and at other points of time, have been incorporated in the report at appropriate places.

4.2.9 Trend of revenue under CST

Separate budget estimates was not prepared for Central Sales Tax. The CST collection for five years was as under:

Year	Collection *(Rupees in crore)*	Percentage of increase/decrease compared to previous year
2006-07	2.45	-
2007-08	2.28	(-)6.94
2008-09	1.82	(-)20.18
2009-10	2.45	34.62
2010-11	3.51	43.27

[2] Agartala Charge-I, II, III & IV, Ambassa, Belonia, Dharmanagar, Kailasahar and Udaipur.

It may be seen from the above table that percentage of excess collection during 2009-10 and 2010-11 was 35 and 43 respectively compared to previous year and the reason for such increase was increase in market price of raw rubber sheet. The raw rubber sheet is the main item of outside sale from Tripura.

As regards 2007-08 and 2008-09, less realisation was due to reduction in CST rates from four *per cent* to three *per cent* and three *per cent* to two *per cent* respectively.

Audit findings

4.2.10 System deficiencies

Section 8 of the Central Sales Tax Act, 1956 read with rule 8 of the Central Sales Tax (Central) Rules, 1957 and Rule 12 of the Central Sales Tax (R&T) Rules, 1957 stipulates the process of custody, utilisation and maintenance of forms.

Scrutiny of the records revealed the following:

4.2.10.1 Issue and accounting of declaration forms

- The Department did not maintain any record/database to show the year-wise position of sales against 'C' forms to ascertain the revenue forgone on account of concessions/exemptions.

4.2.10.2 Uploading and utilisation of Declaration forms

- The Department had not made mandatory in the TVAT Act for the dealers to furnish declaration forms while submitting the returns;
- there was no system of picking up a sample of declaration forms and taking them up for further verification with the concerned States;
- there was no system of uploading the details of 'C' forms issued by dealers of Tripura in State / TINXSYS website;
- there was no system of uploading the details of utilisation of declaration forms in the TINXSYS website ; and
- The Department had not installed a system of verification of each and every declaration form submitted by the dealers with the database available in the TINXSYS website before allowing exemption/concession of tax. The reason stated by the Department was shortage of manpower. The computers and internet facility was also not provided to all the Charges.

  In the exit conference (November 2011), the Government/Department clarified that these observations should be viewed in the light of the fact that Tripura VAT Act was based on the model Central VAT Act which followed the philosophy of self assessment and self regulation. Hence, there is no need to have separate provision in the TVAT Act, 2004, for furnishing declaration forms along with returns. Further, the Department stated that updating the TINXSYS website through a system set up with TCS was in operation which had since been closed down. The monitoring system during the transition period was not there. It was also stated that they would make it mandatory to use TINXSYS where electronic data base is available and also undertake to check significant cases of the major States through manual means to prevent such mis- declaration.

4.2.10.3 Enforcement measures

- No provision was made in the TVAT Act for blacklisting the dealers if any dealer is found utilising invalid/fake declaration forms; therefore, no monitoring and alerting other States was done regarding blacklisted dealers;
- no data bank on forms declared invalid or dealers found to be fictitious or whose registration certificates were cancelled within and outside the State was maintained by the Department;
- the Department did not keep a sample of the colour, design and format of the forms prevailing in different States for comparison in order to identify the fake or forged declaration forms ; and
- no provision was made in the TVAT Act to set-up Inter-State Investigation Wing to assist Commissioner of Taxes.

In the exit conference (November 2011), the Government/Department clarified that the issue of black listing would be dealt once the Mission Mode Project is implemented. As regards the Inter-State Investigating Wing, the Department stated that it would be done through the initiative of the Government of India.

4.2.10.4 Variation between the figures of the forms as disclosed by the issuing dealer and those disclosed by the utilising dealer

- The cross-verification of 'C' Forms with other States revealed that 18 dealers had short accounted for purchases by ₹ 2.90 crore in 54 'C' Forms. If these short declarations of purchases are taken as suppression of actual value of purchases, it would result in a short levy of tax of ₹ 30.82 lakh (**Appendix 4.1**). The difference of declaration of purchase and sale figures of the 'C' forms needs to be investigated by the Department and actual short levy of tax may be ascertained.

In the exit conference (November 2011), the Government/Department stated that it would investigate all the cases mentioned in the Report and take necessary action in this regard. Further, to avoid misuse of Form 'C' by the dealers, the Department has issued instructions (October 2011) so that only filled forms are issued in place of blank forms.

4.2.10.5 Miscellaneous observations

- It was observed that printing cost of each 'C' Form during 2006-07 to 2009-10 was in the range of ₹ 2.44 to 2.90 against the issue price of ₹ 2 each resulting into avoidable expenditure of ₹ 0.84 lakh by the Department. On being pointed out by audit (May 2011), the Department has revised the issue price of C forms to ₹ 3 each.

4.2.10.6 Computerisation

- There was no system of on-line issue of statutory forms; therefore, e-return was not yet made mandatory.

  In the exit conference (November 2011), the Government/Department stated that Mission Mode Project had been taken up by the States and e-registration had already commenced. The system of on-line issuance of forms, e-returns and e-payments would be commenced and all modules would be completed by 31st March 2012.

4.2.11 Conclusion

Even after six years of introduction of TVAT Act 2004, the Department failed to utilise TINXSYS website which is designed to help the Commercial Tax Department of various States and Union Territories to effectively monitor the Inter-State Trade. As a result, there were variations between the value declared by the issuing dealers and the utilising dealers in the 'C' forms utilised for Inter-State Trade resulting into probable short levy of tax. On-line issue of statutory forms and e-filing of returns has not yet been introduced.

4.2.12 Recommendations

The Government may consider the following in the interest of revenue of the State:

- On-line issue of statutory forms may be introduced immediately.
- TINXSYS website may be used to effectively monitor the Inter-State Trade.
- Provision may be made in the TVAT Act for setting up of an Inter-State Investigation Wing.
- Particulars of statutory forms issued and dealers' details may be promptly uploaded in the TINXSYS website.
- Provision of system of picking up a sample of declaration forms and taking them up for further verification with the concerned States may be made in the TVAT Act.

FINANCE (EXCISE & TAXATION) DEPARTMENT
(SALES TAX /VALUE ADDED TAX)

4.3 Short levy of tax due to erroneous computation and other irregularities

Erroneous computation together with incorrect application of rates by the assessing authorities resulted in short levy of tax of ₹ 49.32 lakh.

Section 31 of Tripura Value Added Tax Act, 2004, provides that where the Commissioner is not satisfied with the correctness of any return filed under section 24, or bona fides of any claim of exemption, deduction, concession, input tax credit or genuineness of any declaration, evidence furnished by a registered dealer in support thereof, the Commissioner may serve on such dealer a notice to produce the books of account and all evidences on which the dealer relies in support of his returns including tax invoice. The Commissioner shall, after giving reasonable opportunity of being heard, direct the dealer to pay, in addition to the tax and interest payable by him, a penalty not exceeding one and a half times the tax due (but it shall not be less than 10 *per cent* of that amount). Further, the Tripura Additional Sales Tax Act, 1990 provides that the tax payable under the Tripura Sales Tax (TST) Act, 1976 shall be increased in the case of dealers whose taxable turnover for a year exceeds ₹ 10 lakh by an additional rate of tax of 0.50 *per cent* of the taxable turnover.

On test check of records (February 2010 to January 2011) of nine Superintendent of Taxes[3] we noticed that in 53 assessment cases relating to 25 dealers for the period between 2005-06 to 2009-10 finalised between June 2009 to October 2010, there were cases of erroneous computation of sales/ purchase/ opening stock and incorrect application of rates by the assessing authorities. This resulted in short levy/non levy of tax of ₹ 49.44 lakh (Sales tax/VAT: ₹ 49.32 lakh, Additional sales tax: ₹ 0.12 lakh). Besides, interest and penalty of ₹ 94.87 lakh (Interest: ₹ 33.73 lakh and Penalty: ₹ 61.14 lakh) were also leviable. Details are given in **Appendix 4.2**.

The Commissioner of Taxes & Excise stated (September 2011) that in case of seven dealers (Sl. No. 4, 5, 6, 8, 9, 10 and 14 of **Appendix 4.1**) ₹ 3.27 lakh had been recovered, in case of three dealers (Sl. No. 1, 2 and 3 of **Appendix 4.2**) demand notices for ₹ 8.32 lakh had been issued and re-assessment notices for the remaining 15 dealers had been issued. Further development was awaited (October 2011).

We reported the matter to the Government in July 2011; their reply had not been received (October 2011).

[3] (1) Superintendent of Taxes, Charge-II, Agartala; (2) Superintendent of Taxes, Charge-VI, Agartala; (3) Superintendent of Taxes, Charge-VII, Agartala; (4) Superintendent of Taxes, Charge-VIII, Agartala (5) Superintendent of Taxes, Bishalgarh; (6) Superintendent of Taxes, Teliamura; (7) Superintendent of Taxes, Belonia; (8) Superintendent of Taxes, Dharmanagar; and (9) Superintendent of Taxes, Kailashahar.

4.4 Short levy of tax due to concealment of turnover by the dealers

Concealment of turnover by the dealers which escaped notice of the assessing authorities resulted in short levy of tax of ₹ 60.95 lakh.

According to Section 25(3) of the Tripura Value Added Tax Act, 2004 read with Section 13 of the Tripura Sales Tax Act, 1976, if the Commissioner is satisfied that the return furnished by a dealer in respect of any year is correct and complete, he shall by order in writing assess the dealer. If the Commissioner in the course of any proceedings is satisfied that any dealer has concealed particulars of his turnover he may direct that such dealer shall pay by way of penalty in addition to the tax payable by him, a sum not exceeding one and a half times that amount (but it shall not be less than 10 *per cent* of that amount). Further, the Tripura Additional Sales Tax Act, 1990 provides that the tax payable under the Tripura Sales Tax (TST) Act, 1976 shall be increased in the case of dealers whose taxable turnover for a year exceeds ₹ 10 lakh by an additional rate of tax of 0.50 *per cent* of the taxable turnover.

On test check of records (April 2010 to December 2010) of three Superintendent of Taxes[4] we noticed that in 27 assessment cases relating to eight dealers for the period from 1996-97 to 2008-09 finalised during financial year 2008-09 and 2009-10, there were concealment of turnover by the dealers which escaped notice of the assessing authorities. This resulted in short levy/non levy of tax of ₹ 60.95 lakh (Sales tax/VAT: ₹ 60.34 lakh, Additional sales tax: ₹ 0.61 lakh) and leviable interest of ₹ 44.62 lakh and Penalty of ₹ 30.23 lakh, as detailed in **Appendix 4.3**.

The Commissioner of Taxes & Excise stated (September 2011) that in case of three dealers (Sl. No. 3, 4 and 6 of **Appendix 4.3**) ₹ 1.24 lakh had been recovered and re-assessment notices for the remaining five dealers had been issued. Further development was awaited (October 2011).

We reported the matter to the Government in July 2011; their reply had not been received (October 2011).

[4] (1) Superintendent of Taxes, Charge-I, Agartala; (2) Superintendent of Taxes, Charge-VII, Agartala; and (3) Superintendent of Taxes, Charge-VIII, Agartala;

REVENUE DEPARTMENT

4.5 Misappropriation of Government revenues

Non-enforcement of financial rules/orders regarding handling of Government money and lack of proper monitoring and supervision on the maintenance of Cash Book by the Sub-Registrar, Udaipur led to misappropriation of Government revenues amounting ₹ 21.45 lakh.

All financial transactions in the State Government Departments are subject to the provisions contained in the General Financial Rules (GFR) and the Central Treasury Rules (CTR).

Rule 3 of GFR provides that all moneys received by or on behalf of Government either as dues of Government or for deposit, remittance or otherwise should be brought into Government account in full and without delay. Again, Rule 77 of CTR provides that all monetary transactions should be entered in the Cash Book as soon as they occur, and attested as a token of check; the Cash Book should be closed regularly after verifying the total at the end of each month and a certificate recorded to satisfy that money paid into treasury/ bank are actually credited through checking of treasury/ bank receipts.

On scrutiny (May-June 2011) of records of the Sub-Registrar, Udaipur (the DDO), we noticed that out of ₹ 23.05 lakh[5] collected during 3 January 2011 to 31 May 2011 on account of registration fee, searching fee, copying fee and sale of pasting paper, ₹ 17.79 lakh only was entered in the Cash Book during 3 January 2011 to 27 April 2011 and there was no remittance into Bank/ Treasury during the period. The Cash Book for the month of May 2011 had not at all been written till the date of audit (3 June 2011). The balance amount of ₹ 5.26 lakh[6] thus remained out of Government account.

At the instance and presence of the audit team, a physical verification of cash was conducted by the Sub-Registrar on 1 June 2011 in which only ₹ 1.60 lakh was physically found in the Cash Chest as against the Cash Book balance of ₹ 17.79 lakh. Thus, there was misappropriation of Government revenues amounting ₹ 21.45 lakh[7].

On scrutiny, we noticed that the misappropriation occurred due to non-enforcement of the financial rules/ orders regarding handling of Government money by the DDO and lack of his proper monitoring and supervision on the maintenance of Cash Book. A few lapses directly linked with the occurrence were:

[5] Registration fee, searching fee and copying fee: ₹ 22.94 lakh and Sale of pasting paper: ₹ 0.11 lakh.

[6] Registration fee, searching fee and copying fee collected in May 2011: ₹ 5.15 lakh and Sale of pasting paper collected during 30 January 2011 to 18 May 2011: ₹ 0.11 lakh.

[7] ₹ 23.05 lakh – ₹ 1.60 lakh = ₹ 21.45 lakh

- Cash Book was not written/ closed regularly.
- Entries in the Cash Book were not thoroughly checked by the DDO.
- Physical verification of Cash balance was not conducted regularly.
- Regular and prompt remittances of the revenues, collected from time to time, into Bank/ Treasury were not ensured through vigilance/ reconciliation.

The Sub-Registrar stated (June 2011) that he had signed the Cash Book upto April 2011 on good faith and would, however, make all efforts to get the money deposited by the cashier into the Government account. The Sub-Registrar further stated (July 2011) that an FIR had been lodged against the Cashier and Sub-Registrar; both of them had been removed; and police had seized (10 June 2011) the Cash Book and the Bill Register for investigation.

We reported the matter to the Government in July 2011; their reply had not been received (October 2011).

TRANSPORT DEPARTMENT
(TAXES ON VEHICLES)

4.6 Lack of infrastructure including weighing bridge and non-recovery of revenue

Churaibari MV Check Post in the Tripura-Assam border area did not maintain records on the actual quantity of goods carried by the overloaded vehicles due to lack of infrastructure including weighing bridge. There was also short levy of fine at the rate of ₹ 1,000 instead of the prescribed minimum rate of ₹ 2,000 from 20,966 vehicles, carrying load in excess of permissible limit resulting in loss of revenue of ₹ 2.10 crore.

According to Section 194 of the Motor Vehicles (MV) Act, 1988 and notification issued by Government of Tripura in November 1999, carriage of goods by motor vehicles beyond the permissible limit[8] shall be punishable with a minimum fine of ₹ 2,000 and an additional fine of ₹ 1,000 per tonne of excess load together with the charges for offloading the excess load.

On scrutiny (November 2010) of records of Churaibari MV Check Post in the Tripura-Assam border area under the jurisdiction of the Deputy Transport Commissioner (DTO), North Tripura, Kailashahar, we noticed that out of 3,63,434 vehicles that crossed the Check Post and were checked by the Check Post Authority during the period from April 2006 to October 2010, 2,56,941 vehicles were identified as overloaded for carrying goods beyond the permissible limit. However, the records regarding the actual quantity of goods carried by the overloaded vehicles were not available with the Check Post Authority.

We noticed that out of 2,56,941 overloaded vehicles 20,966 vehicles were charged at the rate of ₹ 1,000 per vehicle instead of ₹ 2,000 per vehicle. This resulted in short levy of fine and consequential non-recovery of ₹ 2.10 crore[9].

As regards realisation of additional fine based on excess weight carried we could not verify the correctness of the amount so realised due to non-availability of records regarding the actual quantity of goods carried, as stated above. Thus, possibility of Government dues on this account remaining unrealised could not be ruled out.

The DTO accepted (May 2011) that a large number of goods carrying vehicles could not be weighed mainly due to lack of infrastructure in the Department *viz.* (i) Weighing bridge of its own, which had to be shared with the Sales Tax Department and available only when it was not used by the latter, (ii) Godown or suitable space for storing excess goods after unloading and (iii) Deployment of adequate security force was needed to enforce the vehicles at fault to stop and pay fines. He further

[8] Government of Tripura by notification dated 1 September 1991 restricted plying of any public carrier goods vehicle within the State, the laden weight of which exceeded 15.5 tonnes.

[9] ₹ (2,000- 1000) x 20,966 = ₹ 2,09,66,000.

stated that during the period covered in audit the weight of the goods carried had often been assessed on the basis of challans produced by the drivers as also the permit issued by Sales Tax/ Forest Department, based on which excess carrying of coal/ boulders etc. was determined and fines imposed whenever they were in violation of provisions of the MV Act. The DTO also pointed out that despite all these constraints there was remarkable increase in the revenue collection by Churaibari MV Check Post during 2006-10.

Thus, the assessment of additional fine was not based on weighment, and the Department had further short recovered revenue of ₹ 2.10 crore on collection of fine at the rate of ₹ 1,000 instead of the prescribed minimum rate of ₹ 2,000.

The reasons for levying fine on 20,966 vehicles at a lesser rate though called for (May 2011) are awaited (October 2011).

We reported the matter to the Government in July 2011; their reply had not been received (October 2011).

CHAPTER V
GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

CHAPTER V: GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

5.1 Overview of State Public Sector Undertakings

Introduction

The State Public Sector Undertakings (PSUs) consist of State Government Companies and Statutory Corporations. The State PSUs are established to carry out activities of commercial nature while keeping in view the welfare of people. The State PSUs registered a turnover of ₹ 331.33 crore as per their latest finalised accounts as of September 2011. This turnover was equal to 2.03 *per cent* of State Gross Domestic Product (GDP) for 2010-11. Thus, the State PSUs occupy an insignificant place in the State economy. Major activities of Tripura State PSUs were concentrated in power and agriculture sectors. The State PSUs incurred a loss of ₹ 4.36 crore in aggregate as per their latest finalised accounts as of September 2011. They had employed 8,251[1] employees as of 31 March 2011. The State PSUs do not include Departmental Undertakings (DUs), which carry out commercial operations but are a part of Government departments.

5.1.2 As on 31 March 2011, there were fourteen PSUs as per the details given below. None of the companies were listed on the stock exchange.

Table No. 5.1.1

Type of PSUs	Working PSUs	Non-working PSUs[2]	Total
Government Companies[3]	12	1	13
Statutory Corporations	1	-	1
Total	**13**	**1**	**14**

Audit Mandate

5.1.3 Audit of Government companies is governed by Section 619 of the Companies Act, 1956. According to Section 617, a Government company is one in which not less than 51 *per cent* of the paid up capital is held by Government(s). A Government company includes a subsidiary of a Government company. Further, a company in which not less than 51 *per cent* of the paid up capital is held in any combination by Government(s), Government companies and Corporations controlled by

[1] As per the details provided by 13 PSUs. Remaining one non-working PSU did not furnish the details.
[2] Non-working PSUs are those which have ceased to carry on their operations.
[3] includes two 619-B companies.

Government(s) is treated as if it were a Government company (deemed Government company) as *per* Section 619-B of the Companies Act.

5.1.4 The accounts of State Government companies (as defined in Section 617 of the Companies Act, 1956) are audited by Statutory Auditors, who are appointed by CAG as per the provisions of Section 619(2) of the Companies Act, 1956. These accounts are also subject to supplementary audit conducted by CAG as per the provisions of Section 619 (4) of the Companies Act, 1956.

5.1.5 Audit of statutory corporations is governed by their respective legislations. CAG is the sole auditor of the only statutory corporation in the State viz. Tripura Road Transport Corporation.

Investment in State PSUs

5.1.6 As on 31 March 2011, the investment (capital and long-term loans) in 14 PSUs (including 619 B companies) was ₹ 705.69 crore as *per* details given below.

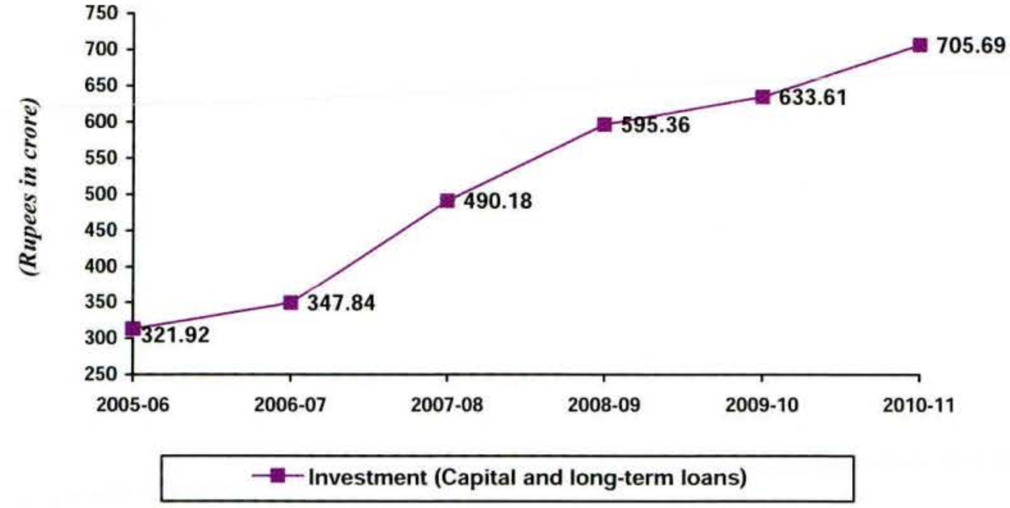
Table No. 5.1.2

(Rupees in crore)

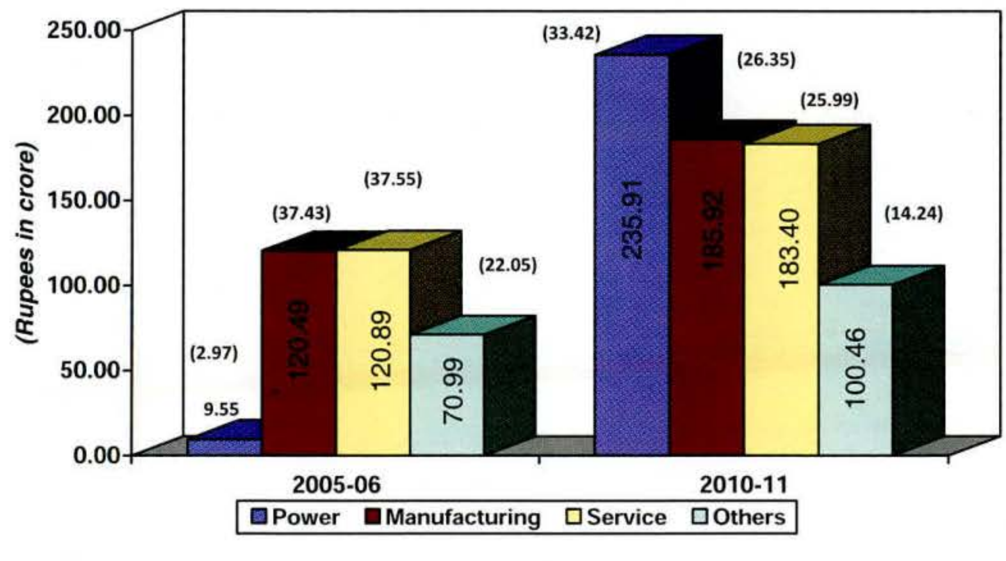
Type of PSUs	Government Companies			Statutory Corporations			Grand Total
	Capital	Long Term Loans	Total	Capital	Long Term Loans	Total	
Working PSUs	394.63	128.03	522.66	182.74	0.25	182.99	705.65
Non-working PSUs	0.04	-	0.04	-	-	-	0.04
Total	**394.67**	**128.03**	**522.70**	**182.74**	**0.25**	**182.99**	**705.69**

A summarised position of Government investment in State PSUs is detailed in **Appendix 5.1**.

5.1.7 As on 31 March 2011, of the total investment in State PSUs, 99.99 *per cent* was in working PSUs and the remaining 0.01 *per cent* in non-working PSUs. This total investment consisted of 81.82 *per cent* towards capital and 18.18 *per cent* in long-term loans. The investment had grown by 119.21 *per cent* from ₹ 321.92 crore in 2005-06 to ₹ 705.69 crore in 2010-11 as shown in the graph below.



5.1.8 The investment in various important sectors at the end of 31 March 2006 and 31 March 2011 are indicated below in the bar chart.



(Figures in brackets show the percentage of total investment)

The thrust of investment in the power sector arose from transfer of the generation, transmission and distribution of electricity from the Power Department, Government of Tripura since January 2005 to a new company *viz.* Tripura State Electricity Corporation Limited, set up in June 2004. The other major sectors for investment were manufacturing and service.

Budgetary outgo, grants/subsidies, guarantees and loans

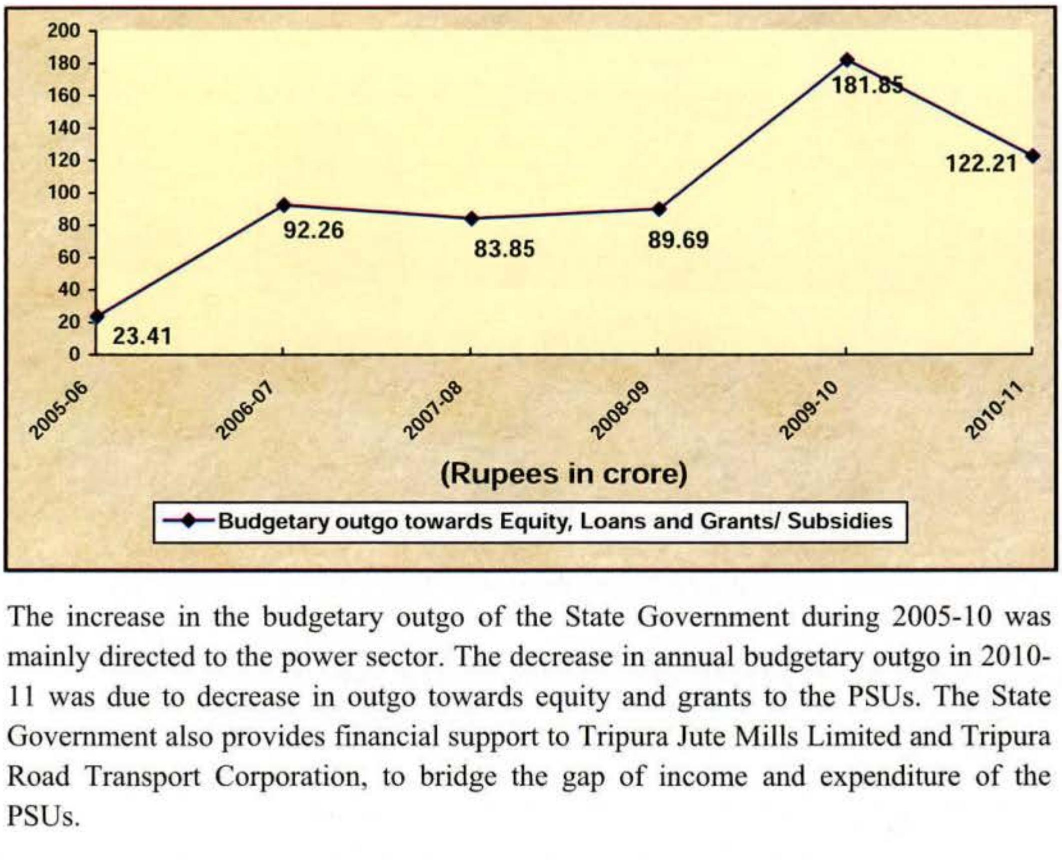
5.1.9 The details regarding budgetary outgo towards equity, loans, grants/ subsidies, guarantees issued, loans written off, loans converted into equity and interest waived in respect of State PSUs are given in **Appendix 5.3**. The summarised details are given below for three years ended 2010-11.

Table No. 5.1.3

(Rupees in crore)

Sl. No.	Particulars	2008-09		2009-10		2010-11	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1.	Equity Capital outgo from budget	7	31.13	8	25.79	3	13.27
2.	Loans given from budget	1	30.50	1	16.50	-	-
3.	Grants/Subsidy received[4]	3	28.06	4	139.56	5	108.94
4.	Total Outgo (1+2+3)	9[5]	89.69	10[5]	181.85	7[5]	122.21
5.	Guarantee Commitment	-	-	-	-	-	-

5.1.10 The details regarding budgetary outgo towards equity, loans and grants/ subsidies for the past five years are given in a graph below:



The increase in the budgetary outgo of the State Government during 2005-10 was mainly directed to the power sector. The decrease in annual budgetary outgo in 2010-11 was due to decrease in outgo towards equity and grants to the PSUs. The State Government also provides financial support to Tripura Jute Mills Limited and Tripura Road Transport Corporation, to bridge the gap of income and expenditure of the PSUs.

Reconciliation with Finance Accounts

5.1.11 The figures in respect of equity, loans and guarantees outstanding as per records of State PSUs should agree with that of the figures appearing in the Finance

[4] Amount represents outgo from State Budget only.
[5] The figure represents number of companies which have received outgo from budget under one or more heads i.e., equity, loans, grants/subsidies.

Accounts of the State. In case the figures do not agree, the concerned PSUs and the Finance Department should carry out reconciliation of differences. The position in this regard as at 31 March 2010 and 31 March 2011 is stated below.

Table No. 5.1.4

(Rupees in crore)

Outstanding in respect of	Amount as per Finance Accounts		Amount as per records of PSUs		Difference	
	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11
Equity	722.62	820.96	517.24	568.71	205.38	252.25
Loans	33.50	33.50	107.51	127.92	74.01	94.42
Guarantees	2.68	2.68	-	-	2.68	2.68

We observed that the increase in the difference by ₹ 46.87 crore during the year 2010-11 on account of equity investment was mainly due to the following.

i) Classification of the amount of ₹ 73.28 crore provided to TSECL during the year 2010-11 as equity in the Finance Accounts whereas the same was accounted by TSECL as grants.

ii) As per the information received from TRTC, an amount of ₹ 27.99 crore was stated to have been received as equity during the year 2010-11 whereas as per the Finance accounts only ₹ 0.60 crore was provided as equity.

iii) As per the Finance Accounts, an amount of ₹ 4.94 crore was provided as equity to Tripura Tourism Development Corporation during the year 2010-11 whereas as per the information received from the Company, the same was not reflected.

The increase in the difference by ₹ 20.41 crore during the year 2010-11 on account of loans as per the PSU records was due to TSECL classifying an amount of ₹ 20.41 crore as loan received during the year 2010-11 whereas as per the Finance Accounts no loan was provided.

It is recommended that the Government and the PSUs should take concrete steps to reconcile the differences in a time-bound manner.

Performance of PSUs

5.1.12 As of September 2011, the latest accounts finalised by the PSUs ranged from 2000-01 to 2009-10 i.e., upto 2000-01 (one PSU), 2004-05 (two PSUs), 2005-06 (one PSU), 2006-07 (two PSUs), 2008-09 (two PSUs) and 2009-10 (five PSUs).

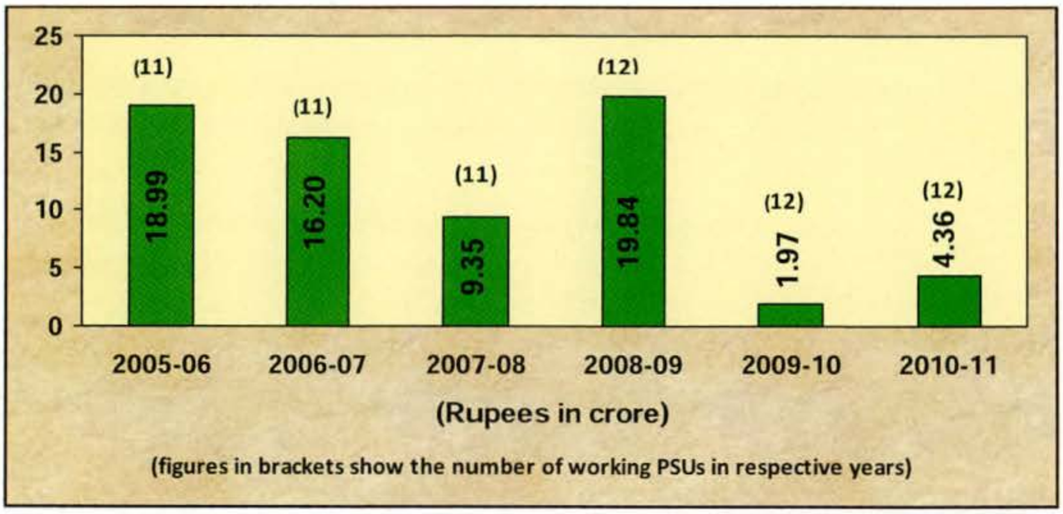
The financial results of PSUs, financial position and working results of the only working statutory corporation prepared based on their respective latest finalised accounts (as of September 2011) are detailed in **Appendices 5.2, 5.5 and 5.6.** A ratio of PSU turnover to State GDP shows the extent of PSU activities in the State economy. Table below provides the details of working PSU turnover and State GDP for the period 2005-06 to 2010-11.

Table No. 5.1.5

(Rupees in crore)

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Turnover[6]	53.79	50.43	251.65	260.69	288.48	331.33
State GDP	9,826.02	10,914.23	11,797.07	13,104.47	14,604.28	16,327.89[7]
Percentage of Turnover to State GDP	0.55	0.46	2.13	1.99	1.98	2.03

5.1.13 Net losses[8] incurred by State working PSUs during 2005-06 to 2010-11 based on their respective latest finalised accounts during the above period are given below in a bar chart:



Based on their latest finalised accounts of various accounting period as of September 2011, out of 12 working PSUs, 7 PSUs[9] earned net profit of ₹ 32.28 crore and 5 PSUs incurred a net loss of ₹ 36.64 crore, resulting in the net loss of ₹ 4.36 crore. The major contributors to profit were Tripura Forest Development & Plantation Corporation Limited (₹ 18.86 crore) and Tripura State Electricity Corporation Limited (₹ 9.87 crore) and heavy losses were incurred by Tripura Road Transport Corporation (₹ 19.24 crore) and Tripura Jute Mills Limited (₹ 13.21 crore).

5.1.14 The losses of PSUs are mainly attributable to deficiencies in financial management, planning, implementation of project, running their operations and monitoring. During the year 2010-11, we selected two PSUs namely Tripura State Electricity Corporation Limited and Tripura Forest Development and Plantation Corporation Limited for detailed audit. The details of revenue, cost, net profit of these

[6] Turnover as per the latest finalised accounts of PSUs as of 30 September 2011.
[7] Based on Quarterly Review Report of the Finance Minister for third quarter of 2010-11.
[8] It arrived before the below the line adjustment like income tax penalty, refund of income tax etc
[9] Sl Nos. A(1), A(3), A(5), A(6), A(9), A(10) & A(12) of **Appendix 5.2.**

PSUs as per their latest finalised accounts and the money value of audit objections are summarised below.

Table No. 5.1.6

(Rupees in crore)

Name of the Company	Revenue	Cost	Net Profit	Money value of audit objections	
				Excess cost incurred	Revenue forgone
Tripura State Electricity Corporation Limited (latest finalised accounts-2006-07)	356.62	452.42	9.87	1.18	21.48
Tripura Forest Development and Plantation Corporation Limited (latest finalised accounts-2009-10)	42.17	23.31	18.86	0.85	1.03

5.1.15 The above losses pointed out are based on test check of records of PSUs. The actual losses would be much more. The above table shows that with better management, the losses can be eliminated. The PSUs can discharge their role efficiently only if they are financially self-reliant. The above situation points towards a need for professionalism and accountability in the functioning of PSUs.

5.1.16 Some other key parameters pertaining to State PSUs based on their latest finalised accounts are given below.

Table No. 5.1.7

(Rupees in crore)

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Return on Capital Employed (*Per cent*)	NEGATIVE IN ALL YEARS				0.59	0.50
Debt	8.81	8.50	23.74	98.29	108.37	128.28
Turnover[10]	53.79	50.43	251.65	260.69	288.48	331.33
Debt/ Turnover Ratio	0.16	0.17	0.09	0.38	0.38	0.39
Interest Payments[9]	5.68	5.69	6.31	5.89	7.27	9.37
Accumulated losses [9]	196.39	197.98	210.18	243.74	303.21	320.31

5.1.17 Debt had increased in the past three years on account of loans of Tripura State Electricity Corporation Limited.

5.1.18 The State Government had not yet formulated a dividend policy and therefore, no PSU had declared dividend during 2010-11. However, as per Statement 14 of the Finance Accounts, 2010-11 the State Government had received dividend for an amount of ₹ 12.76 lakh from TIDCL. As per their latest finalised accounts, seven PSUs earned an aggregate profit of ₹ 32.28 crore.

Arrears in finalisation of accounts

5.1.19 The accounts of the companies for every financial year are required to be finalised within six months from the end of the relevant financial year under Sections 166, 210, 230, 619 and 619-B of the Companies Act, 1956. Similarly, in case of

[10] Turnover of working PSUs and interest as well as accumulated losses as per the latest finalised accounts as of 30 September 2011.

Statutory corporations, their accounts are finalised, audited and presented to the Legislature as per the provisions of their respective Acts.

The table below provides the details of progress made by working PSUs in finalisation of accounts as of September 2011:

Table No. 5.1.8

Sl. No.	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
1.	Number of working PSUs	12	12	12	13	13
2.	Number of accounts finalised during the year	5	6	24	38	27
3.	Number of accounts in arrears	80	86	74	49	35
4.	Average arrears per PSU (3/1)	6.67	7.17	6.17	3.77	2.69
5.	Number of Working PSUs with arrears in accounts	12	12	12	13	13
6.	Extent of arrears	1 to 13 years	2 to 14 years	2 to 15 years	1 to 9 years	1 to 10 years

5.1.20 The reasons for arrears in accounts were lack of skilled personnel in PSUs as well as delays in preparation of accounts.

5.1.21 The State Government had invested ₹ 319.86 crore (Equity: ₹ 148.25 crore, loans: ₹ 36.59 crore and grants: ₹ 135.02 crore.) in 8 PSUs during the years for which accounts have not been finalised as detailed in **Appendix 5.4**. In the absence of accounts and their subsequent audit, it can not be ensured whether the investments and expenditure incurred have been properly accounted for and the purpose for which the amount was invested has been achieved or not and thus Government's investment in such PSUs remain outside the scrutiny of the State Legislature. Further, delay in finalisation of accounts may also result in risk of fraud and leakage of public money apart from violation of the provisions of the Companies Act, 1956.

5.1.22 The administrative departments have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalised and adopted by these PSUs within the prescribed period. Though the concerned administrative departments and officials of the Government were informed of the arrears in finalisation of accounts by Audit from time to time, remedial measures were taken belatedly. As a result of this the net worth of these PSUs could not be assessed in audit. The matter of arrears in accounts was also taken up from time to time with the State Government. In the light of relaxed norms of CAG for expeditious clearance of the backlog in arrears, all PSUs had been categorically instructed by the State Government to show results in overcoming arrears in accounts.

Winding up of non-working PSUs

5.1.23 There was one non-working Company viz. Tripura State Bank Limited, as on 31 March 2011, which had been non-functional for around 41 years. It was in the process of liquidation under Section 560 of the Companies Act, 1956. The non-working PSU is required to be closed down since its existence is not going to serve any purpose. The Company continues to await liquidation for almost four decades. The Government may expedite winding up of the Company.

Accounts Comments and Internal Audit

5.1.24 Eleven working companies had forwarded their 24 audited accounts to AG during the year 2010-11(up to 30 September 2011). Of these, 14 accounts of ten companies were finalised during 2010-11 (including issue of 11 NRCs).10 annual accounts were pending finalisation due to delay in receipt of accounts and manpower shortage. Besides, 20 annual accounts received from Companies in previous years were finalised (including 3 NRCs) during the year 2010-11 (up to September 2011). Therefore, 34 annual accounts (including 14 NRCs) were finalised during the year. The audit reports of statutory auditors appointed by CAG and the supplementary audit of CAG indicate that the quality of maintenance of accounts needs to be improved substantially. The details of aggregate money value of comments of statutory auditors and CAG based on the accounts audited during the period from 2008-09 to 2010-11 (till 30 September 2011) are given below:

Table No. 5.1.9

(Rupees in crore)

Sl. No.	Particulars	During 2008-09		During 2009-10		During 2010-11	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Increase in profit	1	0.02	7	0.29	1	0.06
2.	Decrease in loss	5	1.71	11	0.42	6	2.29
3.	Decrease in profit	1	0.01	9	11.94	5	2.64
4.	Increase in loss	8	9.73	9	8.79	12	14.99
5.	Non-disclosure of material facts	5	12.17	4	3.91	0	0
6.	Errors of classification	9	17.06	11	34.41	0	0

5.1.25 Based on their latest finalised accounts as of September 2011, PSUs registered a net loss of ₹ 4.36 crore with the accumulated loss of ₹ 320.31 crore. However, this would further increase by ₹ 15.28 crore if the net impact of audit comments made during the year 2010-11 is taken into account. During the year, the statutory auditors had given qualified certificates on all the audited accounts received upto September 2011. The audit comments were based mainly on the non-compliance of Companies with the Accounting Standards namely AS-1 (Disclosure of Accounting Policies), AS-2 (Valuation of Inventories), AS-15 (Employee benefits) AS-22 (Accounting for taxes on income) and AS-26 (Intangible Assets).

5.1.26 Some of the important comments in respect of accounts of Companies audited during the year 2010-11 (up to 30 September 2011) are stated below:

Tripura Jute Mills Limited

2008-09

- Non-provisioning for arrear salaries payable to employees of the company, resulted in understatement of other liabilities and loss for the year by ₹ 71.28 lakh.

2009-10

- Non-provisioning of the demand raised by Employees State Insurance Corporation resulted in understatement of current liabilities and loss for the year by ₹ 24.88 lakh.

Tripura Tea Development Corporation Limited

2008-09

- Non-accounting for writing off of assets transferred had resulted in overstatement of fixed assets by ₹ 2.65 crore with corresponding understatement of accumulated loss by the same extent.

2009-10

- Non-provision of actuarial valuation of the liability towards leave encashment of employees resulted in understatement of current liabilities and provisions by ₹ 18.08 lakh with corresponding understatement of loss for the year by the same extent.

5.1.27 The only working Statutory Corporation viz., Tripura Road Transport Corporation had forwarded three accounts to AG during the year 2009-10 and three accounts during the year 2010-11. All these accounts were audited and Separate Audit Reports were issued (as of September 2011). The details of aggregate money value of comments issued by CAG during the last three years are given below.

Table No. 5.1.10

(Rupees in crore)

Sl. No.	Particulars	2008-09		2009-10		2010-11	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	-	-	-	-	-	-
2.	Increase in loss	-	-	-		6	9.26
3.	Non-disclosure of material facts	-	-	-	-	-	-
4.	Errors of classification	-	-	-	-	3	0.41

5.1.28 The Statutory Auditors (Chartered Accountants) are required to furnish a detailed report upon various aspects including internal control/ internal audit systems in the companies audited in accordance with the directions issued by the CAG to them under Section 619(3)(a) of the Companies Act, 1956 and to identify areas which needed improvement. An illustrative resume of major comments made by the Statutory Auditors on possible improvement in the internal audit/ internal control system in respect of six companies[11] for the year 2010-11 are given below.

Table No. 5.1.11

Sl. No.	Nature of comments made by Statutory Auditors	Number of companies where recommendations were made	Reference to serial number of the companies as *per* Appendix 5.2
1.	Non-fixation of minimum/ maximum limits of store and spares	Six	A(1), A(3), A(5), A(6), A(7), A(8)
2.	Absence of internal audit system commensurate with the nature and size of business of the company	Five	A(1), A(3), A(5), A(6), A(7)
3.	Non maintenance of cost record	Six	A(1), A(3), A(5), A(6), A(7), A(8)
4.	Non maintenance of proper records showing full particulars including quantitative details, situations, identity number, date of acquisitions, depreciated value of fixed assets and their locations	Five	A(1), A(5), A(6), A(7), A(8)

Status of placement of Separate Audit Reports

5.1.29 Separate Audit Reports (SARs) issued by the CAG on the accounts of Tripura Road Transport Corporation was placed in the Legislature by the Government up to 2002-03.

The SARs for the years 2003-04, 2004-05 and 2005-06, which were issued in January 2011 were yet to be placed in the Assembly (September 2011) and SARs for the years 2006-07, 2007-08 and 2008-09 were issued in September 2011. The Government should ensure prompt placement of SARs in the Legislature.

Disinvestment, Privatisation and Restructuring of PSUs

5.1.30 No disinvestment, privatisation or restructuring of PSU occurred during 2010-11.

[11] Sl. No. A(1), A(3), A(5),A(6), A(7) & A(8) in **Appendix 5.2**.

SECTION A
POWER DEPARTMENT
(Tripura State Electricity Corporation Limited)

5.2 Performance Audit of the Power Distribution Utility

Executive Summary

Power is an essential requirement for all facets of life and has been recognized as a basic requirement for development. In Tripura, generation, transmission, distribution and trading activity has not been unbundled. These activities are carried out by Tripura State Electricity Corporation Limited (Company), which was incorporated on 9 June 2004 under the Companies Act 1956.

As on 31 March 2011, the State had distribution network of 0.29 lakh Circuit Kilo Meters (CKM) of lines (33/11 KV and LT), 8639 Distribution transformers (DTRs) and 28 sub-stations catering to 4.88 lakh consumers.

Distribution Network planning

As against the growth of connected load from 392.45 MVA in 2006-07 to 650.35 MVA in 2009-10 (66 per cent), the corresponding increase in DTR capacity was from 681.95 MVA to 700.95 MVA (3 per cent). The distribution capacity was adequate to match the consumer demand. There was substantial increase in LT lines though the increase in HT lines was very nominal.

Implementation of centrally sponsored schemes

As on 31 March 2008, out of 858 villages in the State, 491 villages were electrified. Under the RGGVY Scheme, the electrification of villages was taken up from November 2008. The percentage of achievement of electrification of villages during the year 2009-10 and 2010-11 remained at 60 and 41 percent and still 290 villages remained unelectrified. Out of 1.95 lakh BPL households targeted for electrification, only 0.57 lakh were electrified up to 31 March 2011, out of which 0.25 lakh were not energized but provided with electrical kits only for want of transformers, which resulted in idle investment of ₹ 6.76 crore and non-provision of electricity to the intended beneficiaries.

Under the R-APDRP Scheme, the Company received fund of ₹ 10.31 crore from 2009-10 onwards, of which only ₹ 0.35 crore was spent. The award of contracts under the Scheme *was delayed due to pending court cases.*

Procurement

The procurement system is weak as the procurement was based only on tentative requirement of materials and not against any annual plans and budgets. The Company has not adopted the scientific methods of inventory control such as fixing of minimum, maximum, re-order stock levels, ABC Analysis etc. The contract management remained poor leading to excess/irregular payment of ₹ 1.18 crore to the suppliers under the price variation clause.

Operational efficiency

The Company traded the power available, which ranged from 231 MUs to 412 MUs during the period from 2006-07 to 2010-11 on the grounds of transmission constraints in importing the power to the State during the peak hours, while the domestic demand was not met in full. There was load shedding in Tripura on an average of one to one and half hours per day during the review period. The revenue fetched in trading of power during the year 2010-11 was lower than the domestic realization by ₹12.39 crore.

Sub-Transmission and Distribution Losses

The Company did not have mechanism to work out segment wise actual AT&C losses viz., Transmission, Sub-transmission, Distribution and Commercial losses. The Company could not achieve the projected AT&C loss reduction of 28 per cent as of 2010-11 whereas the actual AT&C losses stood at 36 per cent. The reasons for high AT&C losses were long distribution lines extending over rural areas, non-revamp of the existing distribution network, continued existence of unmetered consumers, theft of power etc.

Financial position

Accumulated profits of the Company increased by 566 per cent from ₹18.70 crore in 2006-07 to ₹124.47 crore in 2009-10 by making profit in all the years. However,, the Company incurred a loss of ₹95.79 crore during the year 2010-11.

Billing and Revenue collection efficiency

The percentage of energy billed decreased from 94.08 per cent in 2006-07 to 91.29 per cent in 2010-11 due to reasons such as existence of unmetered Kutir Jyoti consumers drawing more power than stipulated quantum, theft of energy, increased billing on provisional basis in the absence of meter readings etc.

There was under-assessment of revenue amounting to ₹4.15 crore due to incorrect computation of units consumed by the Energy Billing System (EBS). The increased tariff on account of Fuel and Power Purchase Cost Adjustment (FPPCA) was not billed from the effective date of tariff resulting in short-realisation of revenue amounting to ₹1.54 crore.

The outstanding dues increased from ₹ 13.81 crore in 2006-07 to ₹ 31.25 crore, out of which the dues from the State Government alone accounted for ₹26.19 crore (84 per cent). The details of age wise outstanding dues were not prepared by the Company, which would aid effective collection.

Financial Management

The delay in filing of tariff petition in 2006-07 resulted in short-realisation of revenue of ₹ 2.52 crore. The tariff could not be revised thereafter due to non-finalisation of annual accounts. The extent of tariff was lower than break-even levels and the Company could not recover fixed cost during the review period and even the variable cost during the year 2010-11. The subsidy commitment during the years 2006-07 and 2010-11 was not fully met by the State Government.

The idle funds kept in the current accounts were on the increasing trend.

The delay in transfer of revenue collection to the Corporate Office by three divisions test checked out of twenty divisions resulted in loss of interest of ₹ 71.15 lakh. The Divisions did not prepare bank reconciliation statements periodically and there was no monitoring mechanism in place to identify the cases of stale and dishonoured cheques.

Energy Audit

The company did not conduct energy audit though it was mandatory from March 2007 as per the TERC's directives.

Monitoring by Top Management

The monitoring system is inadequate due to the reasons such as absence of sound comprehensive Management Information System (MIS), internal audit, physical verification of stores, segment wise assessment of performance (Generation, Transmission and Distribution) etc.

Introduction

5.2.1 The distribution system of the power sector constitutes the final link between the power section and the consumer and therefore very significant. Therefore, the real challenge of reforms in the power sector lies in efficient management of the distribution system. The National Electricity Policy *inter-alia* laid emphasis on the restructuring of distribution utilities, efficiency improvements and recovery of cost of services provided to consumers to make power sector sustainable. The focus was on system upgradation, controlling the T & D losses and power thefts and making the sector commercially viable besides restructuring financing strategy to generate adequate resources.

Electricity Reforms in Tripura

5.2.2 As part of power sector reforms, the erstwhile Department of Power under the Government of Tripura was corporatized on 9 June 2004 by forming Tripura State Electricity Corporation Limited (TSECL) under the Companies Act, 1956. The Company is not unbundled and carries out all the activities of generation, transmission, distribution and trading of power. The Company is under the administrative control of the Department of Power, Government of Tripura. The Management of the Company is vested with a Board of Directors comprising five members, all appointed by the State Government. The day-to-day operations are carried out by the Chairman-cum-Managing Director, who is the Chief Executive of the Company with the assistance of the Director (Technical), Director (Finance) and two General Managers (Technical).

Vital parameters of Electricity Supply in Tripura

5.2.3 During 2006-07, 827.88 MUs of energy was sold by the Company which increased to 973.38 MUs in 2010-11, i.e. an increase of 17.57 *per cent* during 2006-11. As on 31 March 2011, the Company had distribution network of 0.29 lakh CKM, 28 nos. of 33 KV sub-stations and 8639 transformers of various categories. The number of consumers was 4.88 lakh. The turnover of the Company was ₹ 305.94 crore in 2010-11, which was equal to 92.34 *per cent* and 1.87 *per cent* of the State PSUs turnover[1] and State Gross Domestic Product, respectively. It employed 4443 employees as on 31 March 2011.

Performance Review of electricity sector

5.2.4 A review on Performance of the Power Generating Stations of TSECL was included in the Report of the Comptroller and Auditor General of India (Civil/ Commercial), Government of Tripura for the year ended 31 March 2010. The Report is yet to be discussed by COPU (September 2011).

Scope of Audit

5.2.5 The present performance audit conducted during March 2011 to June 2011 covers the performance of the Company in Distribution of the Power during the period from 2006-07 to 2010-11 to ascertain whether it was able to achieve the aims and objectives stated in the National Electricity Policy and Plan and the extent of the reforms achieved in the Distribution sector. The review mainly deals with Network Planning and execution, Implementation of Central Schemes, Operational Efficiency, Billing and Collection efficiency, Financial Management, Consumer Satisfaction, Energy Conservation and Monitoring.

[1] As per latest finalized accounts of PSUs as of September 2011

Sampling Plan

5.2.6 The audit examination involved scrutiny of records at the Head Office and three out of the total 20 Divisions namely Division-III, Ambassa and Udaipur along with its 13 sub-divisions, which were selected based on Random Sampling. The revenue of the selected Divisions constituted 21.39% of the total revenue of the Company during the review period.

Methodology

5.2.7 The methodology adopted for attaining the audit objectives with reference to audit criteria consisted of explaining audit objectives to top management, scrutiny of records at Head Office and selected units, interaction with the auditee personnel, analysis of data with reference to audit criteria, raising of audit queries, discussion of audit findings with the Management and issue of draft review to the Management for comments.

Audit Objectives

5.2.8 The objectives of the performance audit were to assess whether:

The objectives of the performance audit were to assess:

- whether aims and objectives of National Electricity Policy;/Plans were adhered to and distribution reforms achieved;
- adequacy and effectiveness of network planning and its execution;
- efficiency and effectiveness in implementation of the central schemes such as, Revised Accelerated Power Development & Reform Programme (RAPDRP) and Rajiv Gandhi Grameen Vidyutikaran Yojna (RGGVY);
- Operational Efficiency in meeting the power demand of the consumers in the state;
- Billing and Collection Efficiency of revenue from consumers;
- whether Financial Management was effective and surplus funds, if any, were judiciously invested;
- whether a system is in place to assess consumer satisfaction and redressal of grievances;
- that energy conservation measures were undertaken; and
- that a monitoring system is in place and the same is utilised in review of overall working of Company.

Audit Criteria

5.2.9 The audit criteria adopted for assessing the achievement of the audit objectives were:

- National Electricity Plan, Plans and norms concerning distribution network of TSECL and Planning criteria, if any, fixed by the TERC;
- Standard procedures for award of contract with reference to principles of economy, efficiency and effectiveness;
- Norms prescribed by various agencies with regard to operational activities;
- Norms of technical and non-technical losses;
- Guidelines/ instructions/ directions of TERC;
- terms and conditions contained in the Central Scheme Documents;
- comparison with best performers in the regions/all India averages; and
- Provisions of Electricity Act 2003.

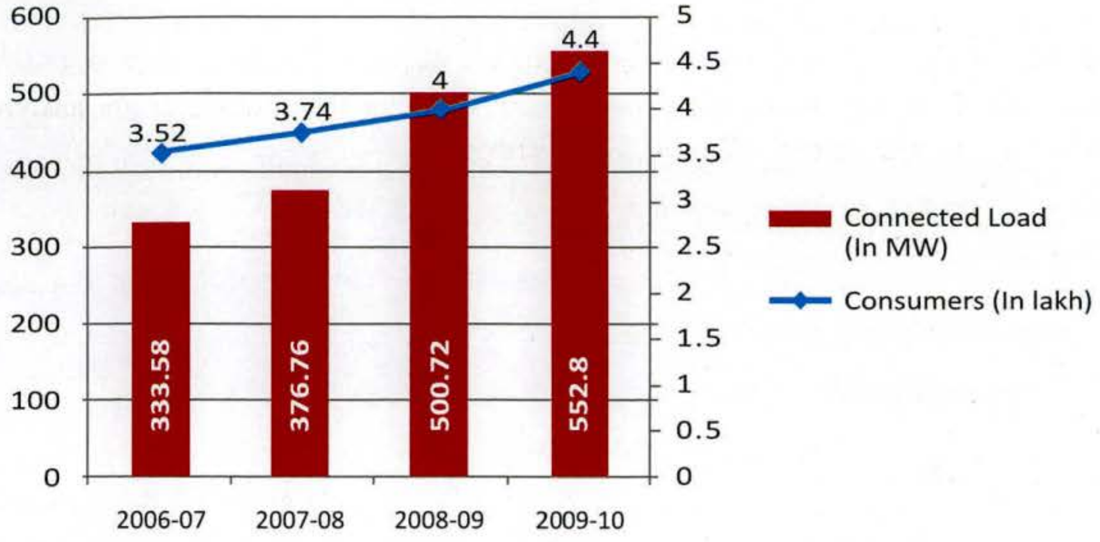
Audit Findings

5.2.10 We explained the audit objectives to the Company during an 'Entry Conference' held on 11 April 2011. Subsequently, audit findings were reported to the Company and the State Government in September 2011 and discussed in an 'Exit Conference' held on 13 October 2011. The Exit Conference was attended by the Secretary to the Government of Tripura, Power Department and the Chairman-cum-Managing Director of the Company. The Company replied to audit findings in September 2011. The views expressed by them have been considered while finalising this Review. The audit findings are discussed in subsequent paragraphs.

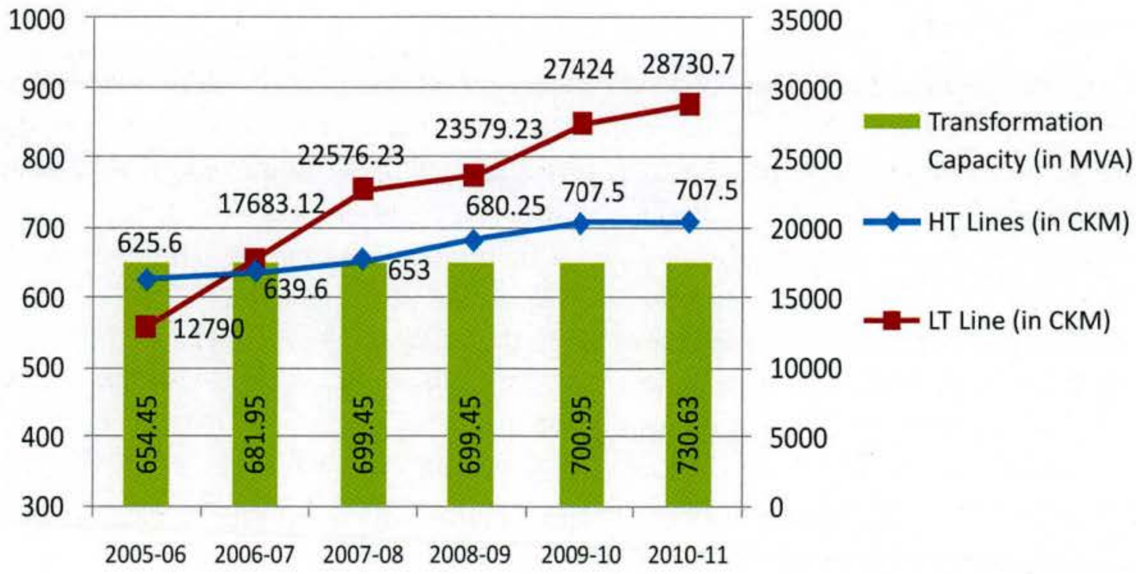
Distribution Network Planning

5.2.11 TSECL is required to prepare long term/ annual plan for creation of infrastructural facilities for efficient distribution of electricity so as to cover maximum population in the State. Besides the upkeep of the existing network, additions in distribution network are planned keeping in view the demand/ connected load, anticipated new connections and growth in demand based on Electric Power Survey. Considering physical parameters, Capital Investment Plans are submitted to the State Government. The major components of the outlay include normal development and system improvement besides rural electrification and strengthening of IT enabled systems.

5.2.12 The particulars of consumers and their connected load during period from 2006-07 to 2009-10 are given below in the following chart.



5.2.13 The distribution network in terms of HT, LT lines and transformation capacity during the period from 2005-06 to 2010-11 is depicted in the following graph.



5.2.14 It may be seen from the above that though there was substantial increase in the LT lines from 12790 CKM since 2006-07 to 28730.70 CKM in 2010-11, there was only nominal increase in the HT lines from 625.60 CKM in 2006-07 to 707.50 CKM in 2010-11. Further, as compared to the growth of connected load of 333.58 MW in 2006-07 to 552.80 MW (equivalent to 392.45 MVA and 650.35 MVA at 0.85 Power Factor) in 2009-10 (65.72 *per cent*) as depicted in the previous graph, the increase in transformer capacity was from 681.95 MVA to 700.95 MVA (2.79 *per cent*). Though the distribution capacity was adequate to match the consumer demand by maintaining the ideal ratio of 1:1, we observed that there were power cuts during peak hours on an average of 1 to 1.5 hours per day during the review period. The reasons for the power cuts are analyzed under the Para 'Operational efficiency' of this review.

At the exit conference, the Government stated that a World Bank aided project was under consideration for revamping of sub-transmission and distribution system.

Implementation of Centrally Sponsored Schemes

Rural Electrification

5.2.15 The key development objective of the power sector is supply of electricity to all areas including rural as mentioned in Sec 6 of the Electricity Act. Rural Electrification Corporation of India is the nodal agency to implement the programme of giving access to electricity to all households in the next five years beginning from 2005. The Rajiv Gandhi Gramin Vidyutikaran Yojana (RGGVY) scheme initiated by REC aims at electrifying all villages and habitations

As per the new definition of village electrification w.e.f 2004-05, a village would be declared as electrified if,

a) Basic infrastructure such as Distribution Transformers and Distribution lines are provided in the inhabited locality as well as the Dalit Basti hamlet where it exists.
b) Electricity is provided to public places like schools, Panchayats office, health centers, dispensaries, community centers etc.

The number of households electrified should be at least 10% of the total number of households in the village.

5.2.16 As on 31 March 2006, out of 858 villages in the State (as per 2001 Census), 491 villages were electrified (57.23 *per cent*). The work under RGGVY was commenced in four districts in phases, the first being in Dhalai district w.e.f November 2008. The year-wise target *vis-à-vis* achievement of electrification under RGGVY scheme during the review period is shown in the table below.

(In numbers)

Year	Electrified in the beginning of the year	Targeted for electrification during the year	Electrified during the year	Electrified in the end of the year	Percentage of achievement against target during the year
2006-07	491	Work was commenced w.e.f November 2008.		491	NA
2007-08	491			491	NA
2008-09	491			491	NA
2009-10	491	58	35	526	60
2010-11	526	102	42	568	41

We observed that the objective of REP was not achieved and still 290 villages out of 858 villages remained unelectrified (34 *per cent*). Further, out of the total 2.81 lakh BPL households in the State, 0.86 lakh were already electrified and the remaining1.95 lakh BPL households were targeted for electrification and up to 31 March 2011, only 0.57 lakh were electrified leaving 1.38 lakh totally unelectrified (71 *per cent*).

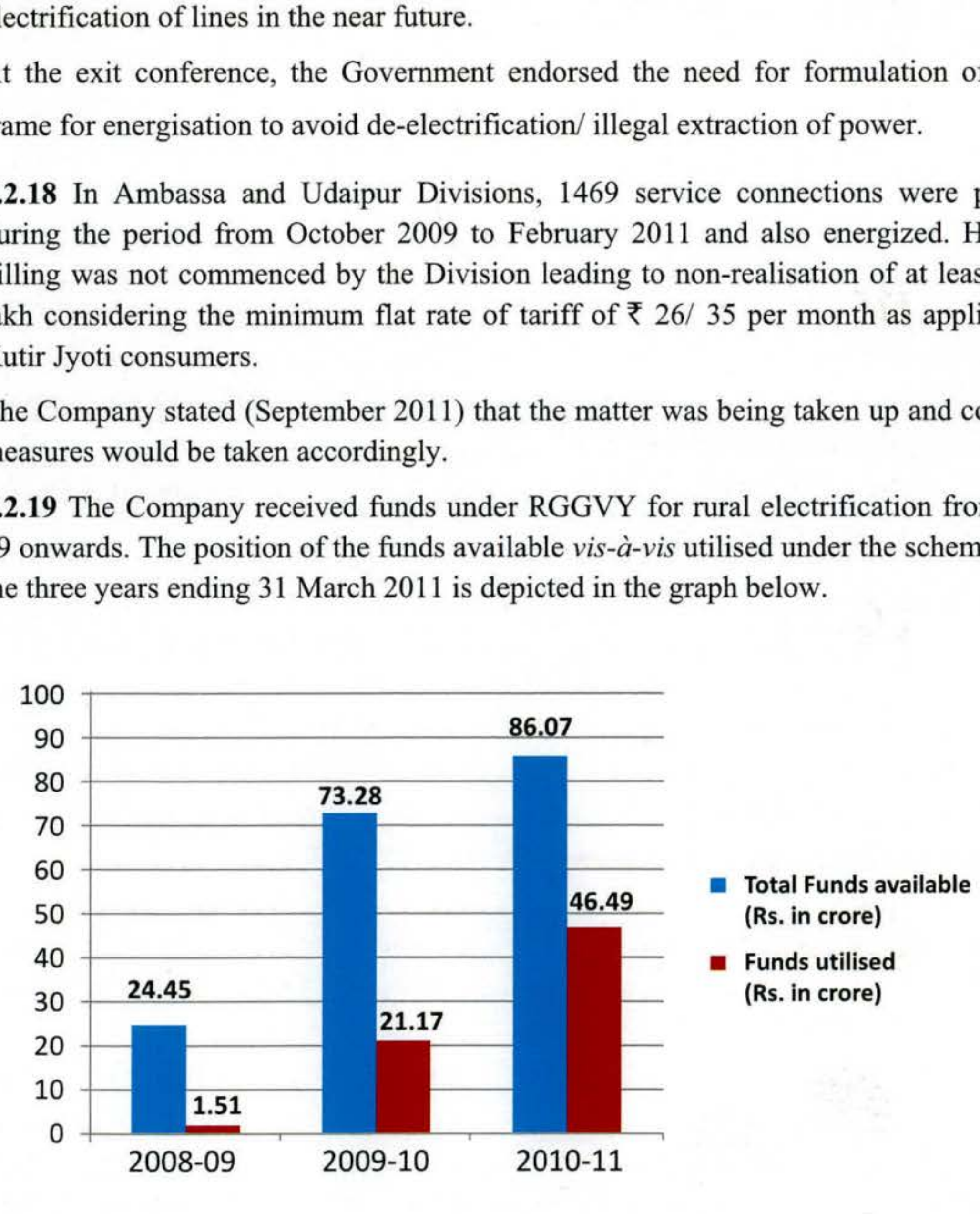
5.2.17 It was further observed that out of 0.57 lakh BPL households provided with the service connections, only 0.32 lakh were energized and the balance 0.25 lakh were not energized (March 2011), for want of transformers. This resulted in ₹ 6.76 Crore invested towards purchase and installation of kits remaining idle in addition to non-providing of electricity to the intended beneficiaries under the Scheme with possibility of de-electrification of lines in the near future.

At the exit conference, the Government endorsed the need for formulation of a time frame for energisation to avoid de-electrification/ illegal extraction of power.

5.2.18 In Ambassa and Udaipur Divisions, 1469 service connections were provided during the period from October 2009 to February 2011 and also energized. However, billing was not commenced by the Division leading to non-realisation of at least ₹ 4.27 lakh considering the minimum flat rate of tariff of ₹ 26/ 35 per month as applicable to Kutir Jyoti consumers.

The Company stated (September 2011) that the matter was being taken up and corrective measures would be taken accordingly.

5.2.19 The Company received funds under RGGVY for rural electrification from 2008-09 onwards. The position of the funds available *vis-à-vis* utilised under the scheme during the three years ending 31 March 2011 is depicted in the graph below.



It is evident from the above graphs that the utilization of fund was far lesser than the available fund during the period from 2008-09 to 2010-11. The reasons for under-utilization of fund were mainly attributable to delay in construction of the proposed 33/11 KV sub-stations, Distribution sub-stations and 33 KV lines etc.

The Company stated (September 2011) that the reason for under- utilization of fund was not due to delay in construction works but to non-making of full payment to the agencies till fulfillment of the stipulated work.

The reply is not tenable since the payments to the contractors were related to the physical progress of the works. Since the progress was slow, the funds remained unutilised. Out of the 8 nos. of 33/11 KV sub-stations proposed to be constructed under the project, only one sub-station could be commissioned in January 2011 and out of 1.95 lakh targeted households, only 0.57 lakh households could be provided with electrical kits for energisation.

5.2.20 We further observed that funds amounting to ₹ 23.46 lakh meant for RGGVY scheme was diverted for other purpose *viz.,* construction of approach road to chamahour sub-station in Tulashikar Block of West District.

The Company stated (September 2011) that the approach road was an integral part of the project and hence could not be considered as diversion of fund.

The reply is not tenable as PGCIL, the executing agency, had already reduced the present sanctioned cost by ₹ 23.46 lakh treating the above as diversion of fund as the said work was not covered under the sanctioned project.

Other points in Contract Management

5.2.21 We observed that the Company did not prepare any annual plans and budget for procurement of materials relating to distribution system and the procurement was based on tentative requirements of materials. The periodical physical verification of stores materials was not carried out. The Company has not fixed stock levels *viz.,* minimum stock, maximum stock, re-order level etc and there was no classification of stores materials based on ABC analysis.

Out of 180 order valuing ₹ 135.21 crore placed during 2006-2011 by Material Management Division of the Company, a test check of 24 nos. of Purchase Orders valuing ₹ 40.90 crore (30.25 *per cent*) was done, we observed that in 13 nos. of Purchase Orders valuing ₹ 27.47 crore, there was total excess payment/ non-recovery/ irregular payment totalling ₹ 1.18 crore under the Price Variation Clause as detailed below.

5.2.22 A Purchase Order was placed (April 2006) on M/S Prag Electricals (P) Ltd for supply of 1044 nos. of various capacity DTRs at a value of ₹ 6.92 crore inclusive of all taxes, duties, freight and insurance. As per the agreement, price variation was applicable as per IEEMA formula. The Supplier had supplied only 443 nos. of DTRs within the scheduled completion period of supply i.e., by November 2006 and the entire supply was completed in February 2008 only. As per IEEMA formula, price variation shall be computed only on the basic price (i.e., excluding duties, taxes etc).We observed that the price variation was incorrectly computed by considering the awarded price, which was inclusive of duties, taxes etc instead of considering the basic price after excluding the duties, taxes etc in line with the IEEMA formula. Further, the price variation was incorrectly computed for the entire contractual quantity assuming that the entire supplies were made as per the contract schedule of November 2006 instead of restricting the price variation only for the actual quantity of 443 nos. of DTRs delivered within the scheduled period. The Company had paid a sum of ₹ 83.37 lakh towards price variation as against admissible amount of ₹ 31.58 lakh

Further, we observed that in respect of the repeat supply order issued on the same supplier under the same agreement, the Company had correctly allowed price variation only on the actual quantities received within the delivery schedule by considering only the basic price of materials (i.e., excluding taxes, duties, freight & insurance). Hence, payment of ₹ 51.79 lakh made towards price variation was irregular.

5.2.23 The Company placed (May 2007) a Purchase Order on M/S M & B Switchgears (P) Ltd for supply of 82 nos. of 200 KVA and 36 nos. of 500 KVA at the rate of ₹ 1,99,776 and ₹ 4,67,286 per DTR respectively. The repeat orders were also placed in June 2008 and July 2009 for total additional quantities of 46 nos. and 24 nos. DTRs respectively. The supply was commenced from October 2007 onwards and completed in December 2009. As per the tender conditions, price variation (*plus* or *minus*) was applicable as per IEEMA formula with base index as December 2006.

The Company continued to make the payment based on the awarded price without regulating the payment based on the price variation applicable from time to time. We observed that during the period of supply, there was a net cumulative negative price variation amounting to ₹ 31.14 lakh recoverable from the supplier as per the IEEMA indices (after considering positive escalation in certain months). However, the Company had not recovered the said amount of ₹ 31.14 lakh resulting in extending of undue favour to the supplier.

The Company stated (October 2011) that the matter had been taken up with the supplier for submission of PV calculation.

5.2.24 The Board of Directors in their meeting held on 5th September 2007 approved to pay taxes and duties on price variation applicable on supplies made on or after 1st April 2006 subject to submission of supporting documents by the suppliers for payment of the additional tax and duties. However, in the test checked cases of 11 nos. of Purchase Orders, we observed that in violation of the above guidelines of the Board, the Company paid the taxes and duties amounting to ₹ 35.17 lakh on the price variation amount without insisting on the suppliers to produce the proof of payment of additional taxes and duties. This resulted in irregular payment of ₹ 35.17 lakh.

While not explaining the reasons for payment of excise duty on price variation to the suppliers without submission of the proof of payment in violation of the Board of Director's decision, the Company stated (October 2011) that all the concerned agencies were now being asked to submit the relevant documents.

Restructured Accelerated Power Development Reforms Programme

5.2.25 The Government of India (GOI) approved the Accelerated Power Development Reforms Programme (APDRP) to leverage the reforms in power sector through the State Governments. This scheme was implemented by the power sector companies through the State Government with the objective of upgradation of sub-transmission and distribution system including energy accounting and metering, for which financial support was provided by GOI.

In order to carry on the reforms further, the GOI launched the Restructured APDRP (R-APDRP) in July 2008 as a Central Sector Scheme for XI Plan. The R-APDRP scheme comprises of Part A and B. Part A was dedicated to establishment of IT enabled system for achieving reliable and verifiable baseline data system in all towns besides installation of SCADA[2]/Distribution Management System. For this, 100 *per cent* loan is provided, and was convertible into grant on completion and verification of same by Third Party independent evaluating agencies. The Part B of the scheme deals with strengthening of regular sub-transmission & distribution system and upgradation projects.

Financial Performance

5.2.26 The Company received funds to the tune of ₹ 10.31 crore under Part-A of R-APDRP from the year 2009-10 onwards, out of which ₹ 35 lakh were utilized. The Part-A of the Scheme covers the projects for establishment of Base line data and IT applications for energy accounting, auditing and IT based Consumer service centres. As decided by the Ministry of Power, Government of India, all North-Eastern Region Utilities shall have one Common Data Centre to be established at Guwahati, the execution of which was entrusted with the Assam Power Distribution Corporation Ltd (APDCL). The awarding of the letter of intent for the appointment of IT Implementing Agency (ITIA) was delayed by APDCL due to pending court case (March 2011) filed by tenderers at Hon'ble Guwahati High Court. As a result of delay in establishment of the Common Data Centre, the allied works under Part-A to be executed by TSECL were also delayed. Hence, the execution of the various projects under the Scheme had not even commenced and the plan performance remained very poor.

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[2] **Supervisory Control And Data Acquisition** – It generally refers to industrial control systems: computer systems that monitor and control industrial, infrastructure, or facility-based processes.

The Company stated (September 2011) that subsequent to interim order issued by the Hon'ble Guwahati High Court, LOA had since been issued to the contractor and agreement was expected to be signed shortly.

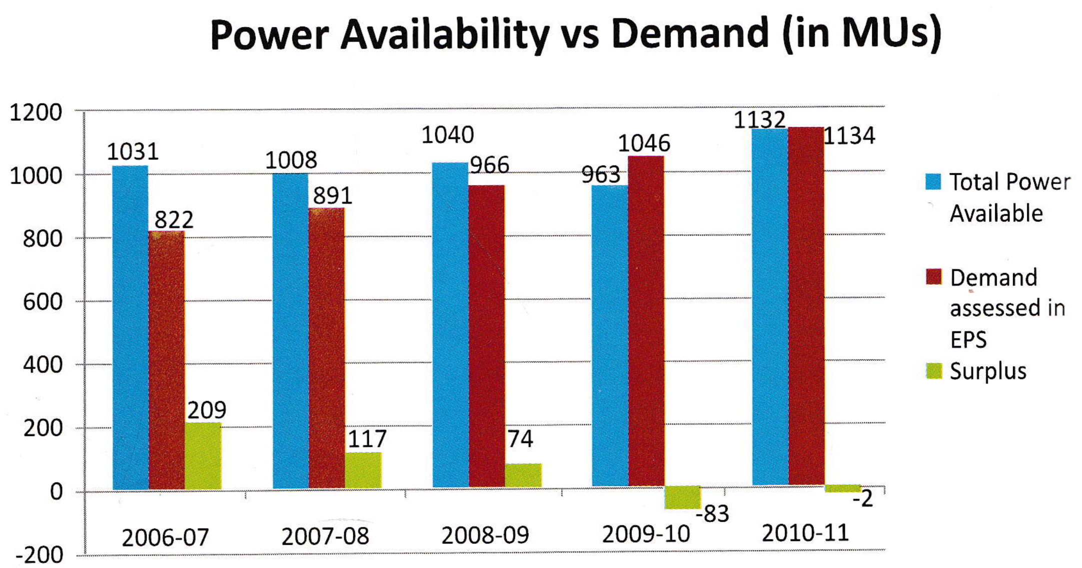
Operational efficiency

5.2.27 The operational performance of the TSECL is judged on the basis of availability of adequate power for distribution, adequacy and reliability of distribution network, minimizing line losses, detection of theft of electricity, *etc.* These aspects have been discussed below.

Purchase and Trading of Power

5.2.27.1 The demand for energy has been increasing year after year in the State due to economic development. Assessment of future demand and requirement of power is calculated on the basis of past consumption trends, present requirement, load growth trends and T & D losses and its trend. In addition to its own generation, the company purchases power from the Central Power Generating Stations based on allocation to the State in accordance with the Memorandum of Understandings (MOUs) entered into with the constituent States.

5.2.27.2 The details of demand of power assessed for the State by the Electric Power Survey Committee in its 17th report, the total availability of power (including own generation and the net power purchased after excluding the share of Manipur and Mizoram States[3]) are depicted in the graph below:

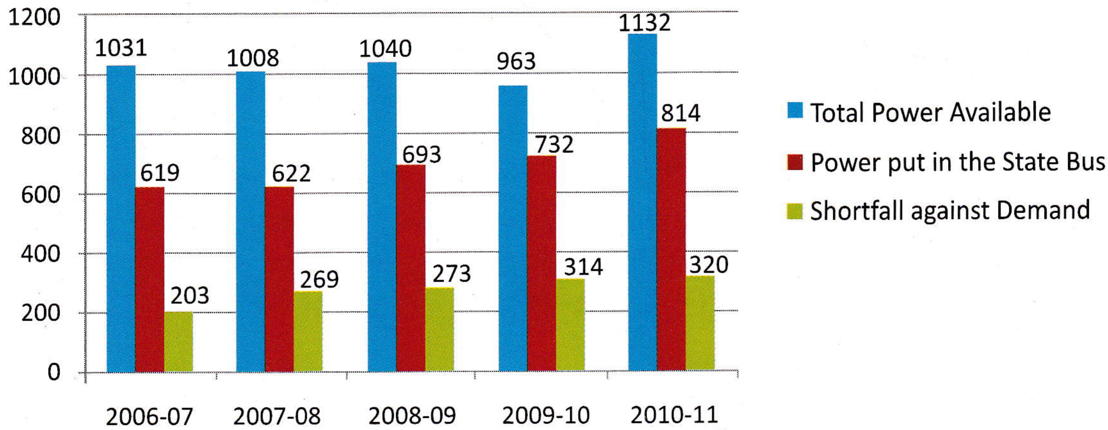


[3] Since committed share of power from own generation has to be allocated to the States of Manipur & Mizoram, the same has been excluded while finding out the total power available.

There was availability of surplus power to meet the requirement of the consumers within the State for the years 2006-07 to 2008-09. In 2009-11, there was a shortage 83 and 2 MU.

5.2.27.3 The details of power put in the State Bus and the shortfall in meeting the demand during the review period are depicted in the graph below.

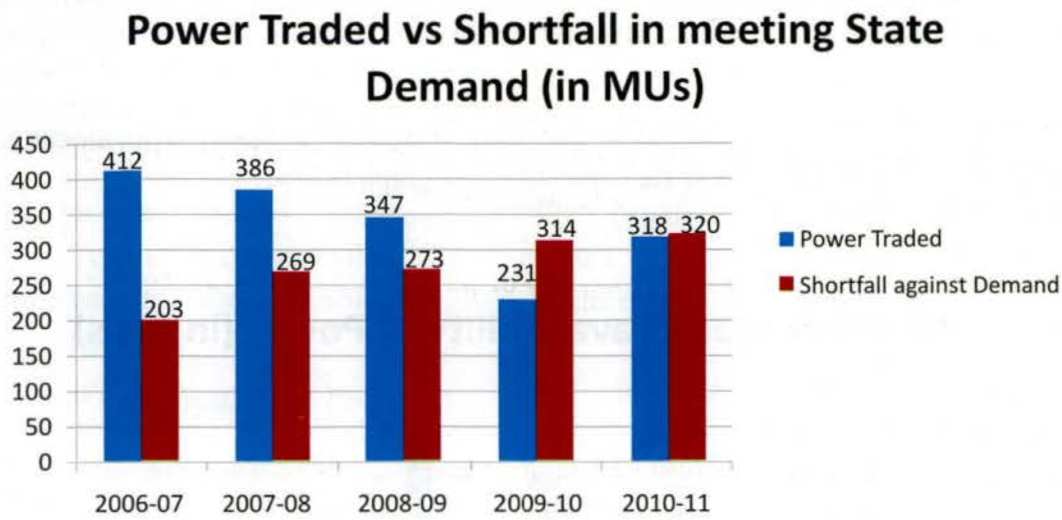
Shortfall against availability of Power (in MUs)



It may be seen from the above that the power available was not fully put in the State Bus and there was shortfall in meeting the demand of the consumers in all the years.

5.2.27.4 We observed that instead of meeting the State demand in full, the Company had resorted to trading of power *viz.,* through Bi-lateral agreements, Power Exchange, Unscheduled Interchange (UI) etc.

5.2.27.5 The details of the power traded *vis-a-vis* the shortfall in meeting the State demand are depicted in the graph below.



It may be seen from the above that the Company had resorted to trading of power ranging from 231 MUs to 412 MUs as against the shortfall in State demand ranging from 203 MUs to 320 MUs by depriving the consumers of the State.

5.2.27.6 We observed that the Utility did not have any documented policy for sale of power through trading with regard to quantum to be traded or specified floor prices at which the power should be traded.

5.2.27.7 The details of revenue realization in sale of power through trading to outsiders (excluding committed sale to Manipur & Mizoram) *vis-à-vis* the sale to the local consumers in the State during the period from 2006-07 to 2010-11 is shown below.

	2006-07	2007-08	2008-09 (P)	2009-10 (P)	2010-11 (P)
Quantity traded (in MU)	**412.16**	**386.18**	**347.36**	**230.70**	**317.70**
Revenue earned in sale through trading (₹ in Crore)	133.81	143.18	224.84	120.89	93.41
Average realization in trading per unit(in ₹)	3.25	3.71	6.47	5.24	**2.94**
Quantity sold in intra state (In MU)	394.60	397.81	450.85	494.56	568.84
Revenue billed in intra State sale (₹ in Crore)	96.95	105.73	112.42	137.50	189.21
Average realization per unit for sale within the State (in ₹)	2.46	2.66	2.49	2.78	**3.33**
Total cost per unit (in ₹)	3.12	3.16	3.81	3.77	4.65
Load Shedding imposed in Tripura (in MW)	36.00	36.00	36.00	54.00	39.75

P- Provisional

It may be seen from the above that the utility had sold power through trading during the period from 2006-07 to 2009-10 at an average realization rate, which was higher than the total cost per unit and the average realization rate of sale of power within the state and increased its revenue whereas the total requirement of the domestic consumers was not met and load shedding of 162 MW was imposed. However, during the year 2010-11, the Management traded the power by imposing unannounced load shedding of 39.75 MW locally and earned at an average realization rate, which was lower than the total cost per unit and the average realization rate of sale of power within the state and decreased its revenue by ₹ 12.39 Crore(₹ 3.33 – ₹ 2.94 X 317.70 MU) in 2010-11.

The Company stated (September 2011) that it had traded only the surplus power available during off- peak hours and the power that could not be imported to Tripura from its allocation from Central Power Generating Stations during the peak hours due to transmission constraints. Further, trading became mandatory as the domestic tariff was subsidized through trading. If the AT & C loss of 30.44% in case of sale of power within the State as compared to the traded power (5.43%) was factored in, the realization in trading was higher than the domestic realization.

We, however, observed that commissioning of 132 KV 2nd Circuit from Kopili to Khandong w.e.f. 14/10/2010 enabled the company to draw more power. At the exit conference, the Company stated that there would be no shortage of power during the peak hours in the near future after commissioning of Palatana Gas based power project.

Sub-transmission & Distribution Losses

5.2.27.8 The distribution system is an important and essential link between the power generation source and the ultimate consumer of electricity. For efficient functioning of the system, it must be ensured that there are minimum losses in sub-transmission and distributing the power. While energy is carried from the generation source to the consumer, some energy is lost in the network. The losses at 33KV stage are termed as sub-transmission losses while those at 11 KV and below are termed as distribution losses. These are based on the difference between energy available for sale to the Company and energy billed to consumers. The percentage of losses to available power indicates the effectiveness of Distribution system. The losses occur mainly on two counts, *i.e.*, technical and commercial. Technical losses occur due to inherent character of equipment used for transmitting and distributing power and resistance in conductors through which the energy is carried from one place to another. On the other hand, commercial losses occur due to theft of energy, defective meters and drawal of unmetered supply etc.

5.2.27.9 TSECL does not have mechanism to work out segment wise actual losses *viz.*, Transmission, Sub-transmission, Distribution and Commercial separately. As a result, the difference between the total energy put in the State Bus for sale and the net energy sold is treated by the utility as T & D loss. Similarly, the difference between the net energy sold and the total energy billed is treated as Commercial loss. The total of T&D and Commercial losses is termed as "Aggregate Technical & Commercial Losses" (AT&C).

5.2.27.10 The table below indicates the AT & C losses for TSECL for the last five years up to 2010-11.

(In Million Units)

Sl. No.	Particulars	2006-07	2007-08	2008-09 (P)	2009-10 (P)	2010-11 (P)
1	Energy put in State Bus (Own Generation+ Purchase from CPSUs put in State Bus)	618.70	622.35	692.96	732.42	814.01
2	Energy sold-Intra State	394.60	397.80	450.85	494.56	568.83
3	T&D losses (1 – 2)	224.10	224.55	242.11	237.86	245.18
4	Energy billed by Divisions	371.25	379.25	428.17	466.18	519.30
5	Commercial Losses (2-4)	23.35	18.55	22.68	28.38	49.53
6	AT &C Losses (3+5)	247.45	243.10	264.79	266.24	294.71
7	Actual Percentage of AT &C losses (*per cent*) {(6 / 1) x 100}	40.00	39.06	38.21	36.35	36.20
8	Percentage of AT &C losses allowed by TERC[4] as well as target of the Company	40.90	38.03	34.99	31.49	27.71
9	Excess AT&C losses (in MUs)	(-) 5.56	6.41	22.31	35.60	69.15
10	Average realisation rate per unit (in ₹) for intra state sale	2.46	2.66	2.49	2.78	3.33
11	Value of excess losses (₹ in crore) (9 x 10)	(-) 1.37	1.70	5.55	9.90	23.03

P- Provisional

It would be seen from the above table that AT & C losses ranged between 36.20 and 40.00 *per cent* during the last five years ending 31 March 2011.It was more than norms by 6.41 MU to 69.10 during 2007-08 to 2010.11. .

Though AT&C losses had slightly decreased from 40 per cent in 2006-07 to 36 *per cent* in 2010-11, the Company could not achieve the targeted reduction of AT & C losses as projected by it from the years 2007-08 onwards even after completion of cent *per cent* metering of 11 KV feeders in the distribution system

We observed that the main reasons for high AT&C losses were long distribution lines extending over rural areas, non-reconducturing of the old transmission, sub-transmission and Distribution lines, non-improvement of the ratio of HT to LT lines, non-augmentation of the network, unmetered consumers, theft of electricity, delay in implementation of R-APDRP scheme etc.

The Company stated (September 2011) that the reduction of AT&C loss from 40.90 *per cent* in 2006-07 to 27.71 *per cent* in 2010-11 as projected in the tariff petition could not be achieved due to non-availability of required investment for the improvement of distribution infrastructure. However, AT&C losses would be reduced through R-APDRP Scheme, which was under implementation.

[4] In the absence of any specific norms by TERC for AT&C losses, the ATC losses as projected by TSECL in the Tariff Petition for the year 2006-07, which were also accepted by TERC, have been considered.

Consumer metering

5.2.27.11 Attainment of 100 *per cent* metering is a significant step towards reduction of Commercial loss. The status of the unmetered consumers, defective meters *vis-à-vis* the total consumers during the period from 2006-07 to 2010-11 is given below.

Year	Total consumers (Nos.)	Metered consumers (Nos.)	Unmetered consumers (Nos.) & per centage to total consumers	Defective Meters (Nos.) and its percentage to metered consumers
2006-07	352576	319831	32745 (9%)	36202 (11%)
2007-08	373729	338851	34878 (10%)	47959 (14%)
2008-09	399644	369036	30608 (8%)	47165 (13%)
2009-10	440216	397103	43113 (10%)	49587 (12%)
2010-11	487763	413203	74560 (15%)	61493 (15%)

It may be seen from the above that both the number of unmetered consumers and consumers having defective meters increased from 9 *per cent* to 15 *per cent* and from 11 *per cent* to 15 *per cent* respectively during the review period. The Management had not fixed any target for metering the unmetered consumers. The year wise details of number of meters installed against the unmetered consumers were not maintained by the Company.

Out of the total 43113 numbers of unmetered consumers as on 31 March 2010, 33529 (78 *per cent*) were Kutir Jyoti consumers, who were paying energy charges at a flat rate of ₹ 26 per month for consumption of 15 units. However, as per the Company's own assessment, such consumers were consuming power more than the stipulated quantum resulting in loss of revenue.

We observed that there was no concrete effort to meter all the consumers in spite of availability of sufficient financial resources resulting in increase of Commercial losses.

The Company stated (September 2011) that a team had been constituted to conduct inspection on consumer's premises and assess the exact number of defective meters for replacement and similar action would be taken against consumers drawing higher energy exceeding the limit specified in TERC tariff.

Performance of Distribution Transformers

5.2.27.12 The TERC had not fixed the norm with regard to the failure of Distribution Transformers (DTRs) in its tariff orders. The details regarding the failure of DTRs are given in the table below.

Sl. No.	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
1.	Existing DTRs at the close of the year(in Numbers)	5994	6585	7273	7910	8639
2.	DTR Failed (in Numbers)	570	636	633	791	1103
3.	Percentage of failures	10	10	9	10	13

It may be seen from the above table that the percentage of failure of DTRs had almost static except 2010-11.

During the audit of three selected divisions, we observed that the history cards of DTRs were not maintained. The Company stated (September 2011) that failure of DTRs had mostly occurred due to thundering, imbalance load etc., and effort would be taken henceforth to keep the history cards of DTRs.

At the exit conference, the Company further stated that the manufacturer wise details of performance of distribution transformers would be maintained, for possible black listing.

Delay in repair of Distribution Transformers

5.2.27.13 The Company undertakes repair of the defective DTRs through its three workshops. The workshops repair the DTRs both by in-house and also outsourcing. We test checked the records of the workshop at Agartala, where repairing of about 75 *per cent* of the failed DTRs were undertaken was done.

The details of DTRs received by the Workshop for repair and as actually repaired during the period from 2006-07 to 2010-11 are given below:

		2006-07	2007-08	2008-09	2009-10	2010-11
1	No. of DTRs to be repaired	786	905	1036	806	886
2	No. of DTRs actually repaired	463	506	825	599	674
3	No. of DTRs not repaired	323	399	211	207	212
3	Percentage of DTRs repaired (%)	59	56	80	74	76

It may be seen that the during the review period, the Workshop had repaired DTRs ranging from 56 *per cent* to 80 *per cent* of the DTRs received for repair. There were capacity constraints in repairing the DTRs in-house due to absence of the state- of- the-art plant & machinery, space constraints, etc. We found that outsourcing quantities were not increased to meet the requirement despite capacity constraints in in-house repairs. We further observed that the age-wise details of DTRs lying unrepaired along with reasons thereof were not maintained by the Workshop.

Capacitor Banks

5.2.27.14 Capacitor bank improves power factor by regulating the current flow and voltage regulation. In the event of voltage falling below normal, the situation can be set right by providing sufficient capacity of capacitor banks to the system as it improves the voltage profile and reduces dissipation of energy to a great extent thereby saving loss of energy. However, we observed that the Company has not installed Capacitor Banks and as a result the energy loss could not be minimized.

The Company stated (September 2011) that installation of capacitor bank at Agartala and Udaipur was under progress.

5.2.27.15 Commercial losses

The majority of commercial losses relate to consumer metering and billing besides pilferage of energy. The other observations relating to commercial losses are discussed below.

5.2.27.16 Conversion of LT Conductors into Aerial Bunch Cables

Aerial Bunch cables prevent illegal tapping of low voltage distribution lines and help in reducing overloading of Distribution Transformers and maintain voltage of the supply. However, we observed that the Company has not used Aerial Bunch Cables, which could have prevented the theft of power and reduced Commercial losses.

5.2.27.17 High incidence of theft & Performance of Raid Team

Substantial commercial losses are caused due to theft of energy by tampering of meters by the consumers and unauthorised tapping/hooking by the non-consumers. As per section 135 of Electricity Act 2003, theft of energy is an offence punishable under the Act.

In order to minimise the cases of pilferage/loss of energy and to save the company from sustaining heavy financial losses on this account, Section 163 of Electricity Act 2003, provides that the licensee may enter into the premises of a consumer for inspection and testing the apparatus. Vigilance Squads in three districts headed by the three Additional General Managers at the Circle Offices were entrusted with the work of conducting raids and checking the meters in the premises of the consumers. Following is the position of raids conducted during review period.

Year	Total consumers as on 31 March	No. of Raids conducted	Coverage in raids		Realised amount (₹ in lakh)	Percentage of checking
			No. of Hook Lines removed	No. of meters checked		
2006-07	352576	1846	11610	23090	44.51	6.55
2007-08	373729	1414	8863	17435	31.28	4.66
2008-09	399644	1947	11433	18460	59.98	4.62
2009-10	440216	1909	12320	19424	55.92	4.41
2010-11	487875	1785	12566	24263	63.82	4.97

We observed that no targets were fixed for conducting raids during the above period. Though the number of consumers increased from 3.52 lakh in 2006-07 to 4.88 lakh in 2010-11, the percentage of checking of number of consumers decreased from 6.55 per cent to 4.97 per cent and the number of raids conducted had also decreased from 1846 to 1785. This shows that there was need to conduct more raids to drastically reduce the theft of energy by fixing targets.

The Company stated (September 2011) that effort was currently in progress towards conducting more raids as advised by Audit to reduce the theft of power.

Financial Position and Working Results

5.2.28 The financial position of the Company for the five years ending 2010-11 is given below.

(Rupees in crore)

Particulars	2006-07	2007-08	2008-09 (P)	2009-10 (P)	2010-11 (P)
A. Liabilities					
Paid up Capital	9.55	109.29	109.29	109.29	109.29
Reserve & Surplus (including Capital Grants but excluding Depreciation Reserve and Accumulated Profit)	661.14	701.62	751.14	866.43	939.73
Accumulated Profit/ General Reserve	18.70	50.11	107.38	124.47	16.34
Borrowings (Loan Funds)					
Secured	Nil	8.13	7.75	Nil	Nil
Unsecured	130.60	66.36	101.47	126.62	158.66
Current Liabilities & Provisions	42.36	102.11	189.85	202.61	280.57
Total	**862.35**	**1037.62**	**1266.88**	**1429.42**	**1504.59**
B. Assets					
Gross Block	681.78	763.83	806.20	814.50	930.40
Less: Depreciation	54.35	90.94	128.22	167.20	209.45
Net Fixed Assets	627.43	672.89	677.98	647.30	720.95
Capital works-in-progress	44.58	10.67	81.64	166.82	137.55
Investments	Nil	Nil	Nil	Nil	Nil
Current Assets, Loans and Advances	189.19	353.26	506.79	615.17	646.09
Miscellaneous expenditure (to the extent not written-off or adjusted)	1.15	0.80	0.47	0.13	Nil
Total	**862.35**	**1037.62**	**1266.88**	**1429.42**	**1504.59**
Debt : Equity	**0.25:1**	**0.21:1**	**0.31:1**	**0.30:1**	**0.41:1**
Net Worth	**688.24**	**860.22**	**967.37**	**1100.06**	**1065.36**

P- Provisional

5.2.28.1 It may be seen from the above that the Accumulated profits of the Company increased by 566 per cent from ₹ 18.70 crore in 2006-07 to ₹ 124.47 crore in 2009-10 by making profit in all the years. The increase was attributable mainly to the profit on sale of power through trading outside the State, which amounted to ₹ 307.69 crore from 2006-07 to 2009-10. However, during the year 2010-11, the Company incurred a loss of ₹ 95.79 crore mainly due to decrease in the average realization rate per unit through trading of power from ₹ 5.24 in 2009-10 to ₹ 2.94 in 2010-11.

The Company stated (September 2011) that the loss in 2010-11 was mainly due to increase in cost of purchase of gas and purchase of power by 90 *per cent*. However, we observed that the increased cost of purchase of gas and power was already compensated by hike in the tariff from September 2010 through levy of Fuel and Power Purchase Cost Adjustment (FPPCA).

5.2.28.2 The details of the overall profitability, elements of cost and profitability per unit of the Company during the period from 2006-07 to 2010-11 are shown in the following tables.

Table A
Overall Profitability *(Rupees in crore)*

Sl.No.	Description	2006-07	2007-08	2008-09 (P)	2009-10 (P)	2010-11 (P)
1.	**Income**					
(i)	Revenue from Sale of Power	234.93	264.65	350.87	273.68	305.94
(ii)	Revenue subsidy & grants	22.00	24.00	25.00	28.00	19.76
(iii)	Other income	10.02	18.83	37.09	38.46	30.92
	Total Income	**266.95**	**307.48**	**412.96**	**340.14**	**356.62**
2	**Total expenditure on Distribution of Electricity**	**258.08**	**271.85**	**331.11**	**303.65**	**452.42**
	Profit/ Loss (-) (1-2)	**8.87**	**35.63**	**81.85**	**36.49**	**(-) 95.80**

Table B
Elements of Cost *(Rupees in crore)*

		2006-07	2007-08	2008-09 (P)	2009-10 (P)	2010-11 (P)
(a)	**Fixed cost**					
(i)	Employees cost	46.25	54.84	58.06	71.17	80.60
(ii)	Administrative and General expenses	6.04	8.65	8.38	8.34	9.64
(iii)	Depreciation	28.79	36.60	37.27	38.98	42.25
(iv)	Interest and finance charges	0.17	0.22	0.70	0.50	1.19
(v)	Other Expenses	0.34	0.34	0.34	0.34	0.13
	Total fixed cost (a)	**81.59**	**100.65**	**104.75**	**119.33**	**133.81**
(b)	**Variable cost**					
(i)	Purchase of Gas	52.87	54.42	72.74	70.66	163.04
(ii)	Purchase of Power	114.25	101.35	137.70	97.86	139.00
(iii)	Transmission/ Wheeling Charges (included in (b) (ii))	-	-	-	-	-
(iv)	Repairs & Maintenance	9.37	15.43	15.92	15.71	16.57
	Total variable cost (b)	**176.49**	**171.20**	**226.36**	**184.23**	**318.61**
(c)	**Total cost (c)= (a) + (b)**	**258.08**	**271.85**	**331.11**	**303.56**	**452.42**

Table C
Profitability per unit ***(in rupees)***

		2006-07	2007-08	2008-09 (P)	2009-10 (P)	2010-11 (P)
1	Realisation per unit (including revenue subsidy)	3.10	3.36	4.33	3.74	3.35
2	Fixed cost per unit	0.99	1.17	1.21	1.48	1.37
3	Variable cost per unit	2.13	1.99	2.61	2.29	3.27
4	Total cost per unit ₹) (2+3)	3.12	3.16	3.82	3.77	4.64
5	Contribution per unit (1-3)	0.97	1.37	1.72	1.45	0.08
6	**Profit (+)/Loss(-) per unit (1-4)**	**(-)0.02**	**0.20**	**0.52**	**(-)0.03**	**(-)1.29**

P- Provisional

5.2.28.3 The financial viability of the Company is generally influenced by the various factors such as

a) Timely revision of tariff;

b) Impact of non-revision of tariff;

c) Timely release of committed subsidy by the Government;

d) Cross subsidization policy of the Government and its implementation by the Company;

e) The Financial Management of the Company; and

f) The Revenue billing and collection efficiency.

Each of these factors is discussed in the following paragraphs.

Timely revision of tariff

5.2.28.4 The financial viability of the Company depends upon generation of surplus (including fair returns) from the operations to finance their operating needs and future capital expansion programmes by adopting prudent financial practices. Revenue collection is the main source of generation of funds for the Company. While other aspects relating to revenue collection have been discussed in succeeding paragraphs, the issues relating to tariff are discussed here under.

Table below shows the due date of filing ARR, actual date of filing, date of approval of tariff petition and the effective date of the revised tariff.

Year	Due date of filing	Actual date of filing	Delay in days	Date of approval	Effective date
2006-07	01/12/2005	04/08/2006	246	14/09/2006	01/07/2006
2007-08	NF	NF	-	-	-
2008-09	NF	NF	-	-	-
2009-10	NF	NF	-	-	-
2010-11	-	05/07/2010 (FPPCA)	-	13/09/2010	01/09/2010

NF: Not Filed

It may be seen that there was delay in filing of ARR for the year 2006-07, which resulted in short realization of ₹ 2.52 crore on sale of 251.58 MU energy between April- June 2006. Moreover, due to failure to compile the annual accounts, TERC refused (September 2007) to revise the tariff for the remaining years. Consequently, the tariffs remained static till August 2010.

At the exit conference, the Company stated that non-filing of tariff petition was due to non-finalisation of annual accounts and since the accounts had now been compiled up to 2010-11, the tariff petition would be filed by December 2011.

Impact of non-revision of tariff

5.2.28.5 The Realisation *per* unit increased from ₹ 3.10 in 2006-07 to ₹ 3.35 in 2010-11 (8.06 *per cent*), the cost per unit increased from ₹ 3.12 to ₹ 4.65 (49.04 *per cent*) during the corresponding period. Further, the contribution per unit had decreased by 91.75 *per cent* during the period 2006-2011.

We observed that purchase of gas, purchase of power and Employees cost and Administrative and general expenses constituted the major elements of cost in 2010-11 which represented 36.04, 30.72 and 19.95 *per cent* of the total cost in that year. On the other hand sale of power and Revenue subsidy and grants constituted the major elements of revenue in 2010-11 which represented 85.79 and 5.54 *per cent* of the total revenue.

Detailed analysis revealed that the extent of tariff was lower than breakeven levels (in percentage terms) of revenue from sale of power at the present level of operations and efficiency for the last five years ending 31 March 2011 as shown in the table below:

(Rupees in crore)

Year	Sales (excluding subsidy)	Variable costs	Fixed costs	Contribution	Surplus/ Deficit (-) in recovery of fixed costs	Surplus/ Deficit (-) as percentage of sales
(1)	(2)	(3)	(4)	(5) = (2) – (3)	(6) = (4) – (5)	(7)={(6)/ (2)} X 100
2006-07	234.93	176.49	81.59	58.44	(-) 23.15	(-) 9.85
2007-08	264.65	171.20	100.65	93.45	(-) 7.20	(-) 2.72
2008-09 (P)	350.87	226.36	104.75	124.51	19.76	5.63
2009-10 (P)	273.68	184.23	119.33	89.45	(-) 29.88	(-) 10.91
2010-11 (P)	305.94	318.67	133.81	(-) 12.73	(-) 146.54	(-) 47.90

P- Provisional

It could be seen from the above table that Company could not recover the fixed cost in all the years except in the year 2008-09 and even the variable cost could not be recovered in the year 2010-11. The main reason for the deficit in recovery of the cost was due to non-revision of tariff from the year 2007-08 onwards except the tariff hike on account of FPPCA in September 2010. The reason for the hike in variable cost during the year 2010-11 was attributable to the increase of fuel purchase price.

The Company was not able to recover its cost of operations during the years 2006-07, 2009-10 and 2010-11.

It may be seen from the working results that there remained a revenue gap of ₹ 1.15 crore in 2006-07 (even after including revenue subsidies and grants), which increased to ₹ 126.72 crore in 2010-11. The steep increase in revenue gap needs immediate attention of the State Government for necessary remedial action. Our analysis revealed that the main reasons for high cost of energy as compared to revenue from sale of power were decrease in the average realization rate of sale of power through Trading/ Unscheduled Interchange from ₹ 3.25 per unit in 2006-07 to ₹ 2.94 per unit in 2010-11 and increase in purchase cost of gas from ₹ 2340 per Standard Cubic Meter (SCM) in 2006-07 to ₹ 5153 per SCM in 2010-11.

The Management stated (September 2011) that based on the steep increase in revenue gap in 2010-11, the Company was contemplating to file tariff petition as quickly as possible.

Though it appears that the tariff is on lower side and needs to be revised for recovery of the costs, it may be highlighted here that the same can be brought in by improving operational efficiency, *viz.,* reduction in/ control of AT & C losses, conversion of LT lines to HT lines, metering of unmetered connections/ defective meters, improving billing and collection efficiency, etc., which have been discussed separately in the review. Further, reduction of cross subsidisation among various categories of consumers might also help in improving the position.

Timely release of committed subsidy by the Government

5.2.28.6 There is an urgent need for ensuring recovery of cost of service from consumers to make the power sector sustainable. The Company sells energy to the consumers in the State at the rates specified in the tariff orders of TERC in the years 2006-07 and 2010-11. The difference between the sale price and the input cost is either subsidised through trading or claimed in the form of subsidy from the State Government.

Against the subsidy claim of ₹ 147.76 crore over the review period on above account, only ₹ 119.86 crore was actually paid by the State Government as detailed in the table below.

(Rupees in crore)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Opening balance	Nil	18.00	18.00	18.00	18.00
Add: Committed by State Government during the year[5]	40.00	24.00	25.00	28.00	30.76
Less: Received during the year	22.00	24.00	25.00	28.00	19.76
Closing balance	18.00	18.00	18.00	18.00	29.00

It may be seen from the above table that during the years 2006-07 and 2010-11, the Company had not received the subsidy due from the State Government in full.

At the exit conference, the Government stated that due to acute financial constraints, the Finance Department was unable to provide funds as per commitment.

Cross subsidization policy of the Government and its implementation

5.2.28.7 Section 61 of Electricity Act 2003 stipulates that the tariff should progressively reflect the average cost of supply (ACOS) of electricity and also reduce cross subsidy in a

[5] Based on commitment given by the State Government to TERC when tariff for 2006-07 was fixed. From 2007-08 onwards, the State Govt decided to convert Budgeted non-plan grant to the Company into subsidy

phased manner as specified by the Commission. National Tariff Policy envisaged that the tariff of all categories of consumer should range within plus or minus 20 *per cent* of the ACOS by the year 2010- 2011. The position as regards cross-subsidies in various major sectors in respect of intra state consumers is depicted in the table below.

Particulars	2006-07		2007-08		2008-09 (Provisional)		2009-10 (Provisional)		2010-11 (Provisional)	
Average cost of supply (ACOS) (Paise per KWH)	417		437		478		415		556	
Average Revenue from										
	Paise per unit	Percentage of ACOS	Paise per unit	Percentage of ACOS	Paise per unit	Percentage of ACOS	Paise per unit	Percentage of ACOS	Paise per unit	Percentage of ACOS
Domestic	255	61.15	262	59.95	265	55.44	288	69.40	315	56.65
Commercial	325	77.94	334	76.43	338	70.71	368	88.67	482	86.69
Industrial	289	69.30	297	67.96	301	62.97	327	78.80	551	99.10
Bulk supply	373	89.45	383	87.64	388	81.17	422	101.69	533	95.86
Tea Garden	370	88.73	380	86.96	385	80.54	418	100.72	564	101.44
Public Lighting	184	44.12	189	43.25	191	39.96	208	50.12	361	64.93
Irrigation & Water	130	31.18	134	30.66	135	28.24	147	35.42	267	48.02
Public Water Works	185	44.36	190	43.48	192	40.17	209	50.36	345	62.05
Kutir Jyoti	173	41.49	173	39.59	173	36.19	173	41.69	233	41.91

It was observed that the tariff in respect of the domestic, public works/lighting and irrigation& water were subsidized. Thus, there is a need to correct this imbalance by progressively and gradually reducing the existing cross subsidies levels.

Financial Management of the Company

5.2.28.8 Efficient fund management serves as a tool for decision making, for optimum utilisation of available resources and borrowings at favourable terms at appropriate time. The financial management of the Company includes revenue collection, billing, grants, transfer of funds, security deposits, bank reconciliations and other related transactions. While the revenue and billing have been dealt in the succeeding paragraphs, the other areas are discussed below.

The Company did not have any investment policy for deployment of its surplus funds. It was observed that that the cash and cash equivalents had increased from ₹174.27 crore in 2006-07 to ₹ 556.60 crore (219 *per cent*) in 2010-11 whereas the investment other than in fixed deposits of banks was 'nil' in all the years. The retention of funds in idle current accounts increased from ₹ 24.19 crore in 2006-07 to ₹ 99.06 crore in 2010-11.

In test check of three divisions out of 20 Divisions, we observed that the Divisions, instead of periodically depositing the collection amount into the Corporate Office account, had retained minimum monthly balance in the current accounts ranging from ₹ 5.34 lakh to ₹ 399.64 lakh in the review period. We calculated an avoidable loss of interest of ₹ 71.15 lakh.

While accepting the audit observation, the Company stated (September 2011) that to overcome unnecessary holding of revenue collection, a separate Bank account had been opened with SBI for all revenue divisions with Auto-Sweep facility and it was expected that there would be improvement during 2011-12.

5.2.28.9 Un-cashed cheques

In three divisions test checked out of 20 divisions, we observed that cheques worth ₹ 13.80 lakh deposited in bank during the review period were not credited into the accounts of the Company by the concerned banks. The divisions neither had details of consumers, their billing months, etc. against payment of these cheques nor prepared any bank reconciliation statements for the same. Due to delay beyond six months, cheques became time barred and the proceeds of the same amounting to ₹ 13.80 lakh could not be realised.

5.2.28.10 Dishonoured cheques

In the test check of three divisions, we observed that the Divisions did not have monitoring mechanism to identify the cases of dishonoured cheques. Hence, the actual amount of revenue not realised due to dishonour of cheques could not be quantified in audit.

The Company stated (September 2011) that action had already been taken to facilitate easy identification of stale/ dishonoured cheques.

Revenue Billing and Collection Efficiency

Billing Efficiency

5.2.28.11 As per the Tripura Electricity Regulatory Commission (Standard of Performance)- Regulations, 2004, TSECL shall raise the bill for every billing cycle based on actual meter readings. The bills sent to consumers should reflect details e.g. current and last meter readings, rate, quantity of electricity consumed during the cycle, total amount to be paid for current consumption etc. Sale of energy to metered categories consists of two parts viz., metered and assessed/ provisional units. The assessed/ provisional units refer to the units billed to consumers in case meter reading is not available due to meter defects, door lock etc. Billing of all the consumers were being done at sub-division level. All the consumers were being billed on monthly basis.

The efficiency in billing of energy lies in timely issue of bills to every consumer and to realise the revenue therefrom in time. The position of energy billing during the review period is given below.

Sl. No.	Particulars	2006-07	2007-08	2008-09 (P)	2009-10 (P)	2010-11 (P)
1	Net energy available for sale (in MUs)	394.60	397.80	450.85	494.56	568.83
2	Free Supply (in MUs)	Nil	Nil	Nil	Nil	Nil
3	Energy billed (in MUs)	371.25	379.25	428.17	466.18	519.30
4	Percentage of billing to sales (%)	94.08	95.34	94.97	94.26	91.29
5	Commercial loss/unbilled energy (in MUs)	23.35	18.55	22.68	28.38	49.53
6	Average realization per unit for intra state sale (in ₹)	2.46	2.66	2.49	2.78	3.33
7	Value of commercial loss energy/ unbilled (₹ in crore) (5X 6)	5.74	4.93	5.65	7.89	16.49
8	Assessed sales as percentage of metered sales	NA	NA	NA	NA	NA

P- Provisional ; NA- Not Available

It would be seen from the above that the percentage of energy billed had decreased from 94.08 *per cent* in 2006-07 to 91.29 *per cent* in 2010-11 and the quantity of energy commercial loss/unbilled had increased from 23.35 MU in 2006-07 to 49.53 MU in 2010-11 due to existence of unmetered consumers, theft of energy etc which resulted in less realisation of annual revenue ranging from ₹ 4.93 crore to ₹ 16.49 crore during the review period.

We observed that the norm in terms of percentage of assessed sales to metered sales had not been fixed by TERC during the review period. In this connection, we observed on test check basis that during the period from 2006-07 to 2010-11, in respect of 130 consumers of seven sub-divisions, 5693 nos. of bills were raised continuously on assessment basis for a period ranging from 8 months to 66 months in excess of the limit of 2 months stipulated by TERC.

Instances of undue favour to consumers in various forms as observed during the test check are illustrated below:

5.2.28.12 Incorrect application of tariff

As per the Tariff applicable to Kutir Jyoti consumers, billing was to be done at a flat rate of ₹ 26 per month up to August 2010 and at a rate of ₹ 35 per month from September 2010 onwards for a maximum consumption of 15 units per month. In case the consumption exceeded the ceiling, such consumers should be brought under the normal billing tariff as applicable for domestic consumers. However, on a test check in seven sub-divisions, we observed that in 1230 out of 96,041 cases, though the actual consumption had exceeded the stipulated quantity, billing was incorrectly done at a flat rate instead of at the domestic rate.

The Company stated (September 2011) that in respect of the unmetered Kutir Jyoti consumers, bills were prepared at flat rate and all such consumers would be converted into metered consumers and bill would be raised as per meter readings.

The reply is not tenable. The observation related only to the cases of metered Kutir Jyoti consumers, who were continued to be charged at a flat rate, irrespective of the actual meter readings.

Under assessment of revenue

5.2.28.13 A review of the billing done by seven sub-divisions under the computerised Energy Billing System (EBS) revealed that in 42,247 out of 25.42 lakh cases, the total units consumed by the consumers were incorrectly calculated with reference to the previous meter readings and the current meter readings leading to under-assessment of revenue amounting to ₹ 4.15 crore.

The Company stated (September 2011) that the provisional billings were done only in case of stop meters, door lock etc. In all other cases, bills were prepared as per actual readings and EBS did not permit any manipulation in the column of 'Unit consumed'.

The reply is not tenable as there was no indication in the EBS that these were provisional bills. The Company did not explain the reasons as to why the units consumed billed under the EBS were not tallying with the figures of current readings minus previous readings.

5.2.28.14 The tariff revision on account of Fuel and Power Purchase Cost Adjustment (FPPCA) was approved by TERC on 13/09/2010 with retrospective effect from 01/09/2010. We observed that, instead of billing the consumers for FPPCA from the effective date of tariff revision i.e., 01/09/2010, the Company had, however, billed the same only with effect from 10/09/2010 resulting in short-realisation of revenue for nine days amounting to ₹ 1.54 crore.

While accepting the observation, the Company stated (September 2011) that billing of FPPCA was started only after up-dating the EBS software of all the sub-divisions under each concerned division by the National Informatics Center (NIC).

Loss due to inaction against consumers running with low power factor

5.2.28.15 In case a consumer is billed on KWH basis and its power factor falls below 0.85, the consumer pays for less energy than the energy actually supplied to him. However, to compensate this loss the tariff does not make it obligatory on the part of the consumer to maintain an average power factor of not less than 0.85. The Company did not take have any mechanism to ascertain the actual power factor of the consumers and consequently no action could be taken against consumers running with low power factor, if any. Consequently, loss of energy on this account could not be analyzed by audit.

The Company stated (September 2011) that due to absence of Power factor Meter (not mandatory for all class of consumers), it was not possible to detect the power factor of any consumer.

Collection efficiency

5.2.28.16 As revenue from sale of energy is the main source of income of TSECL, prompt collection of revenue assumes great significance. The salient features of the collection mechanism being followed by the Company are as follows:

Consumers may make payments of the bills by cash, cheques or by demand draft.

Revenue billed is collected at collection counters located at sub-division offices.

The consumers are required to pay current charges within 15 days, failing which the consumers are liable for payment of delayed payment surcharge @ 2 *per cent* per month or part thereof on the amount of the bill for the period of the delay in addition to the withdrawal of rebate of 10 paise per unit already allowed in the bill.

The table below indicates the balance outstanding at the beginning of the year, revenue assessed during the year, revenue collected and the balance outstanding at the end of the year during last five years ending 2010-11.

(Rupees in crore)

Sl. No.	Particulars	2006-07	2007-08	2008-09 (P)	2009-10 (P)	2010-11 (P)
1	Balance outstanding at the beginning of the year	32.98	13.81	22.41	18.25	18.03
2	Revenue assessed/Billed during the year	96.95	105.73	112.42	137.50	178.35
3	Total amount due for realisation (1+2)	129.93	119.54	134.83	155.75	196.38
4	Amount realised during the year	116.13	96.71	108.26	137.28	165.13
5	Amount written off during the year	Nil	0.42	Nil	Nil	Nil
6	Balance outstanding at the end of the year	13.81	22.41	18.25	18.03	31.25
7	Percentage of amount realised to total dues (4/3)	89	81	80	88	84
8	Arrears in terms of No. of months assessment (12/col.2 X col 6)	1.70	2.54	1.95	1.57	2.10

P- Provisional

We observed from the above details that:

The balance dues outstanding at the end of the year increased from ₹ 13.81 crore in 2006-07 to ₹ 31.25 crore in 2010-11.

Out of the outstanding dues of ₹ 31.25 crore as on 31.03.2011, dues from the State Govt departments alone accounted for ₹ 26.19 crore (84 *per cent*).

Age-wise details of above outstanding dues were not prepared by the Company in any of the years. Hence, Audit could not analyse the collection efficiency against the pending old dues.

The details of debts outstanding in respect of disconnected services were not prepared by the Company.

The Company stated (September 2011) that persuations were going on for realisation of Government outstanding.

Consumer Satisfaction

5.2.29 One of the key elements of the Power Sector Reforms was to protect the interest of the consumers and to ensure better quality of service to them. The consumers often face problems relating to supply of power such as non-availability of the distribution system for the release of new connections or extension of connected load, frequent tripping on lines and/ or transformers and improper metering and billing.

The Company was required to introduce consumer friendly actions like introduction of computerized billing, online bill payment, establishment of customer care centres, etc. to enhance satisfaction of consumers and reduce the advent of grievances among them. The billing issues have already been discussed in preceding paragraphs.

As per the returns furnished by the Company to CEA, there were power cuts during the review period on an average of one to one and half hours per day in the peak and off-peak hours. However, we observed that there was no formal announcement of power cuts to the public, which would adversely affect the consumer satisfaction levels. The Company has also not yet established customer care centres.

Redressal of Grievances

5.2.30 The TERC specified the mode and time frame for redressal of grievance in Consumer Grievance Redressal Forum & Appointment of Ombudsman Regulations, 2005 in pursuance of the Electricity Act 2003. The Commission had also prescribed the Standards of Performance for Company in which the time limit for rendering services to the Consumers and compensation payable for not adhering to the same was prescribed. The nature of services contained in the Standards *inter-alia* include line breakdowns, Distribution Transformer failures, period of load shedding/ scheduled outages, voltage variations, meter complaints, installation of new meters/ connections or shifting thereof, etc.

Though the Regulations of 2005 mandated creation of Consumer Redressal Forum within 6 months, we observed that the Company belatedly created the Forum only in November 2009. The Forum was created in three tiers viz., Division Office, circle Office and Headquarters Office.

The TERC also had directed (September 2006) the Company to submit an Annual Report regarding total status of grievance received and disposed of during the previous financial year and separately confirm action taken to avoid recurrence of such nature of hardships or grievances to consumers and suggestions, if any, along with tariff petition.

In the test checked three Divisions, we, however, observed that no separate registers were maintained indicating the details of total complaints received, complaints redressed within time, beyond time, pending complaints, compensation, if any paid etc.. Only call registers were maintained without indicating in most of the cases the date of receipt and the nature of complaint, date of settlement of complaint etc. Hence, the performance of the Company on the consumer redressal grievance aspect could not be analysed in audit.

At the exit conference, the Government observed that the possibility of having pre-announced schedule of power cuts as followed in other states would be explored. The Company also felt that there was a lot needed to be done in the area of consumer satisfaction.

Energy Audit

5.2.31 As per the time frame fixed by TERC, energy audit was mandatorily to be conducted by the Company with effect from March 2007 with the objective of segregation of technical and commercial losses. However, we observed that the Company has so far not conducted any energy audit.

Monitoring by top Management

5.2.32 The Company plays an important role in the State economy. To succeed in operating economically, efficiently and effectively, there has to be a Management Information System (MIS) for monitoring by top Management. Audit review of the system existing revealed the following deficiencies:

- The Register of Returns along with the nature and periodicity was not maintained. Hence the efficacy of the MIS in place was not verifiable.
- The operational and financial performance of the Company was not reviewed periodically by either the Board of Directors or the top Management.
- The physical verification of stores and the Internal Audit was not conducted.
- The division wise performance, weaknesses and corrective measures, if any, taken by the Management were not reported to the Board of Directors.
- The basis of fixation of plan targets was not available on record.
- Comprehensive Management Reporting system was not developed.
- No systematic segment wise Annual Budget (*viz.,* Generation, Transmission and Distribution) was prepared.
- There was data inconsistency across various reports/ returns and hence the best fit data approach was adopted by audit.

At the exit conference, the Company agreed to the need for developing sound Management Information System.

Conclusion

- While the State is already having sufficient power, which is planned to be increased shortly, daily power cuts are an anachronism which can be attributed to faulty distribution planning and execution.
- The objective of REP for electrification of rural households by 2009 was not achieved. Service connections provided to BPL households under centrally sponsored RGGVY Scheme were not energized resulting in the benefits of the Scheme not reaching the intended beneficiaries.
- The procurement system is very weak leading to irregular payments to contractors.
- The Company did not contain the distribution losses as projected by it to TERC.
- Delay in filing of tariff petition, non-filing of tariff revision petitions periodically, incorrect billing of consumers led to loss of revenue.
- Dues from consumers as well as state Government were not pursued promptly to improve the financial health.
- Energy audit was not done and energy conservation measures were not adequate.
- Monitoring was not effective due to absence of sound Management Information System (MIS).

Recommendations

- A plan in consonance with REP is to be drawn and implemented timely to catch up with the deficit and also to ensure cent *per cent* rural electrification.
- The procurement system needs to be strengthened, as it is adhoc and contract administration is also not error free.
- The Company may take effective steps to reduce distribution losses.
- The Company may take necessary steps for metering all consumers.
- The system of efficient financial management especially the internal controls on cash management are not effective and poses a serious risk factor. The Management may take urgent action to address this vulnerability.
- The Company may conduct intensive drives for collection of arrears.
- Effective steps may be taken for prompt filing of ARRs in view of alarming increase in revenue gap.
- The Company may take steps to derive the envisaged benefits by timely implementation of schemes and projects.
- The Company may take adequate measures for effective implementation of energy conservation.
- Energy Audit may be conducted for reduction of energy losses.

SECTION - B

FOREST DEPARTMENT

(Tripura Forest Development and Plantation Corporation Limited)

5.3 Avoidable interest on short deposit of income tax

Tripura Forest Development and Plantation Corporation Limited paid avoidable interest of ₹ 41.54 lakh due to short payment of advance tax/ self-assessment tax and incorrect estimation of income for the years from 2005-06 to 2010-11. It was also liable to further interest payment of ₹ 10.16 lakh for 2008-09 and 2009-10 till March 2011, and penalty of at least ₹ 31.71 lakh on suppression of income.

(a) Under the provision of Section 139 and 140 A of Income Tax Act, 1961, at the close of each financial year, every company must assess its tax liability for the year, adjust both advance tax paid and tax deducted at source, deposit balance tax payable on self assessment and file returns within 30 September.of the assessment year. As per section 234 C of the Act, if the total advance tax deposited during the year is less than 90 *per cent* of the assessed tax, then interest at one *per cent per* month or part thereof on unpaid amount of tax shall be payable from 1 April of the subsequent year till the entire tax was deposited.

The Act, *ibid*, also provides that the Company has to estimate and deposit[1] four quarterly installments of advance tax aggregating to 15 *per cent*, 45 *per cent*, 75 *per cent* and 100 *per cent* respectively of assessed tax[2]. If the aggregate advance tax deposited falls short of the installments, the Company would have to pay monthly interest at one *per cent* on the amount of shortfall under section 234 B.

Tripura Forest Development and Plantation Corporation Limited (Company) was earning profits continuously since 2002-03. However, the Company did not pay any advance tax till the year 2004-05 resulting in payment of interest of ₹ 22.39 lakh towards non-payment of advance tax. This was pointed out by C&AG in the Audit Report for 2007-08.

Scrutiny of tax records of the Company from 2005-06 to 2010-11 revealed that while the Company had deposited advance tax, it was always less than the prescribed 90 *per cent* of the tax payable in all the years resulting in payment of interest amounting to 22.56 lakh[3] under section 234 C of the Act.

Besides, out of 24 quarterly installments of advance tax deposited during the period from 2005-06 to 2010-11, there was shortfall in payment of advance tax in 20

[1] On or before 15 June, 15 September, 15 December and 15 March of the financial year.

[2] The total income tax liability for a financial year as reduced by tax deducted at source credits received.

[3] For 2005-06: ₹ 4.17 lakh, for 2006-07: ₹ 1.42 lakh, for 2007-08: ₹ 0.16 lakh, for 2008-09: ₹ 2.62 lakh for 2009-10: ₹ 4.12 lakh and ₹ 10.07 lakh for 2010-11

installments and the Company paid interest amounting to ₹ 18.98 lakh[4] under section 234 B.

We observed that the Company deposited quarterly payment of advance tax based on the projected income for the year without having regard to the actual cumulative turnover till the end of the quarter plus the projected turnover for the balance period duly factoring in the growth rate. The shortfall in payment of advance tax was not made good by the Company even while making the payment for the last quarter in March in each year, when the actual income figures till 15 March were duly available. Besides, the taxable income was projected on the lower side in all the years by computing it as a percentage of turnover, without any logic or detailed computations.

In reply, the Management stated (July 2011) that the trend of the demand of the rubber was not uniform throughout the year and the sudden increase in the sale price of rubber in March could not be predicted and that necessary action had already been taken to avoid such penalties for the year 2011-12.

The reply is not tenable. We observed that the sales figures of rubber during the month of March was not higher when compared with the sales figures during the preceding months, both in terms of the monthly quantity of sale as well as the monthly average sale price per MT.

Thus, persistent under-estimation of payments of instalments of advance tax in the above years resulted in avoidable payment of interest amounting to ₹ 41.54 lakh[5].

(b) The Income Tax Act, 1961, *ibid*, provides that if the Company furnishes inaccurate particulars of income leading to short levy of income tax, besides interest on short deposit of advance and self-assessed tax, it would be liable to minimum penalty equal to the amount of tax sought to be escaped and maximum penalty of three times. To avoid penalty, the Company should correctly disclose its annual taxable income and not suppress any material facts.

The Company had commenced commercial operation of the Tripura Rubber Wood Factory (TRWF) at Anandanagar Industrial Estate from July 2008. In 2008-09 and 2009-10, the value of accretion to closing stocks at TRWF had been excluded from income computation and thereby taxable income of ₹ 74.68 lakh and ₹ 37.21 lakh respectively was suppressed. This led to short computation of income tax by

[4] For 2005-06: ₹ 4.17 lakh, for 2006-07: ₹ 1.42 lakh, for 2007-08: ₹ 0.16 lakh, for 2008-09: ₹ 2.62 lakh for 2009-10: ₹ 4.12 lakh and for 2010-11: ₹ 6.49 lakh

[5] ₹ 22.56 lakh + 18.98 lakh

₹ 31.71 lakh and it may attract payment of interest of ₹ 10.16 lakh till March 2011 and penalty of, at least, ₹ 31.71 lakh.

In reply, the Management stated that the rubber wood was extracted from matured/ uneconomical plantations of rubber and hence hitherto these were not shown in the stock and assured that necessary action would be taken after discussion with consultant.

The State Government endorsed (August 2011) the replies of the Management.

Thus, due to incorrect estimation of its income for income tax purpose, the Company had incurred total avoidable interest and penalty of ₹ 83.41 lakh[6].

5.4 Opportunity to earn additional interest not availed

Tripura Forest Development and Plantation Corporation Limited had lost opportunities to earn additional interest of ₹ 1.03 crore between April 2006 and December 2010 due to its failure to draw up cash budgets and accordingly invest its surplus funds for optimal tenor.

In the interest of prudent cash management, a Public Sector Undertaking should deploy funds not immediately required for the purpose of business, optimally to earn best returns. In order to do so, it should draw up cash budgets, evaluate options and take optimal investment decisions.

Tripura Forest Development and Plantation Corporation Limited (Company) had continuously earned profits from 2002-03 and also had positive cash flows. The year-end balances of cash and cash equivalents rose from ₹ 22.90 crore in 2006-07 to ₹ 74.58 crore in 2009-10. Scrutiny (February – March 2011) of records of the Company from April 2006 to December 2010 (57 months) with respect to cash management revealed the following:

There was no volatility in the income and expenditure pattern over the period to make preparation of a cash budget difficult. However, the Company did not prepare periodic cash forecasts to ascertain the quantum of surplus funds or identify options for their deployment.

The Company retained substantial balances of idle cash in its six[7] current accounts. Though the Company did not strike daily balances, audit examination of daily balances during the period showed that the minimum daily balance[8] for a month ranged from ₹ 2.67 crore to ₹ 14.37 crore. It is very clear that in any case, these sums would have been available for investment in a deposit for, at least, a month, which

[6] (a) ₹ 41.54 lakh + (b) ₹ 41.87 lakh (₹ 10.16 lakh + ₹ 31.71 lakh)

[7] State Bank of India, United Bank of India, Indian Overseas Bank, Tripura Gramin Bank, Axis Bank Limited and IDBI Bank Limited since September 2006.

[8] As compiled from the bank statements.

APPENDICES

Appendix 1.1

Statement showing financial outlay and utilisation of funds received during 2006-07 to 2010-11

(Reference: Paragraph 1.1.9.1)

A. Sarva Shiksha Abhiyan

(Rupees in crore)

Year	Outlay Approved	Opening Balance	Funds released				Expenditure incurred	Unspent balance
			Central	State	DONER / Others	Total funds available		
2006-07	90.85	14.30	54.61	7.28	15.21	91.40	89.46	1.94
2007-08	48.32	1.94	41.78	2.42	2.41	48.55	43.30	5.25
2008-09	74.69	5.25	64.64	9.41	0.00	79.30	70.33	8.97
2009-10	111.73	8.97	74.73	9.70	0.00	93.40	84.04	9.36
2010-11	201.22	9.36	171.21	12.88	4.00	197.45	194.73	2.72

(Source: SSA Booklet 2011)

The approved outlay in 2010-11 was increased due to increase in recurring expenditure of Salary, 97 *per cent* more allocation for civil works compared to 2009-10, introduction of school uniform etc.

B. NP-NSPE (Mid-Day-Meal)

(Rupees in crore)

Year	Opening balance	Funds received	Total Funds available	Expenditures incurred	Closing balance
2006-07	0.00	14.83	14.83	10.11	4.72
2007-08	4.72	14.09	18.80	17.99	0.82
2008-09	0.82	33.56	34.38	24.75	9.63
2009-10	9.63	29.55	39.18	28.99	10.19
2010-11	10.19	78.84	89.03	75.99	13.03

(Source: Information furnished by DSE)

The total expenditure in 2010-11 had increased due to cost of foodgrains, increase in cooking cost and honorarium to cook cum helper, allocation for construction of kitchen-cum-stores etc.

C. Expenditure by the State Government in addition to SSA and NP-NSPE

(Rupees in crore)

Year	Budget			Expenditures		
	Salary	Non -Salary	Total	Salary	Non-Salary	Total
2006-07	185.82	16.31	202.14	203.12	12.81	215.93
2007-08	197.64	14.08	211.72	194.41	6.93	201.34
2008-09	219.88	21.37	241.25	207.30	17.90	225.20
2009-10	305.34	21.21	326.55	291.76	21.13	312.90
2010-11	320.36	30.40	350.76	299.58	0.46	300.04

(Source: Information furnished by DSE)

Appendix 1.2

Statement showing difference in Closing Bank Balance at the end of March 2010

(Reference: Paragraph 1.1.9.5)

(Rupees in lakh)

Year	Opening balance					Receipt during the year						Expenditure as per Income and Expenditure accounts	Expenditure on fixed Assets as shown in the Schedule-I of the audited a/cs.	Total Expenditure	Closing balance
	SPO	Districts	Blocks	Advances	Total	GOI share	State share	DoNER	Interest accrued as per accounts	Other receipt as per accounts	Total				
2006-07	1502.53	388.13	2076.00	0.54	3967.20	5461.41	728.19	1034.91	43.83	130.00	7398.34	3016.13	3649.16	6665.29	4700.25
2007-08					4700.25	4178.49	241.62	0.00	24.27	0.00	9144.63	3735.73	1308.01	5043.74	4100.89
2008-09					4100.89	6464.12	940.85	0.00	22.76	53.49	11582.11	5370.47	2545.72	7916.19	3665.92
2009-10					3665.92	7473.00	969.83	0.00	28.69	102.40	12239.84	5904.55	2123.84	8028.39	4211.45

(Rupees in lakh)

Year	As per Annual Accounts					C.B as per calculation shown above	Difference
	SPO	Districts	Blocks	Advances	Total		
2006-07	701.60	603.32	3174.73	23.11	4502.76	4700.25	197.49
2007-08	394.30	373.58	1785.11	30.81	2583.80	4100.89	1517.09
2008-09	774.88	559.61	2826.27	38.50	4199.26	3665.92	-533.34
2009-10	698.09	728.77	3214.20	15.50	4656.56	4211.45	**-445.11**

(**Source**: Annual acounts of SSA for 2006-07 to 2009-10 and information furnished by SSA)

Appendix 1.3

Statement showing outstanding AC bill during 2006-07 to 2010-11 in connection with MDM

(Reference: Paragraph 1.1.9.7)

(Rupees in lakh)

Name of Is	No. of AC Bill Drawn	Period of drawal	Amount drawn	No of DCC bills submitted	Amount adjusted	No. of Ac Bills remained o/s	Amount unadjusted	O/S (In %)
Chailengta	625	2008-09 to 2010-11	193.74	31	119.99	594	73.75	38
Khowai	NA	2009-10 to 2010-11	133.18	NA	75.28	NA	57.9	43
Amarpur	174	2010-11	58.66	80	9.43	94	49.23	84
Udaipur	335	2008-09 and 2010-11	177.13	318	149.88	17	27.25	15
Santirbazar	181	2010-11	51.92	9	25.21	172	26.71	51
Belonia	764	2007-08 and 2010-11	210.43	46	102.95	367	107.48	51
Sabroom	188	2010-11	90.17	78	61.65	110	28.52	32
Kailasahar	24	2010-11	98.78	6	66.36	18	32.42	33
Dharmanagar	561	2010-11	166.32	23	39.58	538	126.74	76
Kanchanpur	74	2010-11	81.27	44	12.63	30	68.64	84
Sadar_A	10	2010-11	171.66	6	108.66	4	63	37
Bishalgarh	303	2008-09 and 2010-11	227.83	98	203.27	205	24.56	11
Mohanpur	476	2006-07, 2008-09 and 2010-11	223.12	368	173.43	108	49.69	22
Jirania	12	2010-11	73.91	8	55.49	4	18.42	25
Teliamura	10	2010-11	85.68	8	51.58	2	34.1	40
Sonamura	1240	2009-10 and 2010-11	361.12	448	134.08	792	227.04	63
Kamalpur	Information not available							
TOTAL:			**2404.92**	**1571**	**1389.47**	**3055**	**1015.45**	**42**

Appendix 1.4

Statement showing habitation wise primary and upper primary school

(Reference: Paragraph 1.1.10.1)

District	Total no. of habitation	Habitation covered by Primary school	Habitation covered by UP school	Habitations without primary schools	Habitations without U/primary schools	Habitations eligible for UPS	Habitations without primary schools/ EGS			
							Habitations eligible for PS	No. of children in such (Col. 8) habitations	Habitations that cannot be provided PS as per State norms	NO. of children in such (Col. 10) habitations
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
Dhalai	1080	792	853	288	227	13	7	283	281	2728
North	1141	1083	1099	58	42	8	5	109	53	203
South	2568	2518	2513	50	55	22	0	0	50	467
West	3040	2818	2807	222	233	12	15	427	207	412
Total	**7829**	**7211**	**7272**	**618**	**557**	**55**	**27**	**819**	**591**	**3810**

Appendix 1.5

Statement showing schools where Mid-Day-Meal scheme were not implemented

(Reference: Paragraph 1.1.10.8)

West Tripura

Sl. No.	School Code	Name of the School	Name of the Block	Category of School	Management	Total enrolment
1	100508	ALIMUDDIN JB SCHOOL	AGARTALA MUNICIPALITY AREA	Primary	State Govt. Managed	51
2	100808	MULLA PARA JB SCHOOL	AGARTALA MUNICIPALITY AREA	Primary	State Govt. Managed	45
3	102902	KABIRAJ TILLA JB SCHOOL	AGARTALA MUNICIPALITY AREA	Primary	State Govt. Managed	11
4	600507	LUDHAMURA JB SCHOOL	KATHALIA	Primary	State Govt. Managed	11
5	801212	FATIKCHHERA COLONY JB SCHOOL	MOHANPUR	Primary	State Govt. Managed	78
6	1700905	KURABASTI JB SCHOOL	TULASHIKHAR	Primary	TTAADC Managed	24
	Total					**220**
Dhalai						
1	400201	GUNADHAR R.P. J.B. SCHOOL	MANU	Primary	TTAADC Managed	21
2	502301	KATALUTMA RAMNATH C.P. J.B.	SALEMA	Primary	TTAADC Managed	19
North Tripura						
1	100205	MOG PARA J.B. SCHOOL	DAMCHERRA	Primary	TTAADC Managed	32
2	303506	SAMRURMUKH JR. B. SCHOOL	GOURNAGAR	Primary	State Govt. Managed	24
3	500110	CHANDRAPUR KATHATILLA JR. B. SCHOOL	KADAMTALA	Primary	State Govt. Managed	13
4	500204	DAS PARA JR. B. SCHOOL	KADAMTALA	Primary	State Govt. Managed	7
5	500304	MAHESHPUR JR. B. SCHOOL	KADAMTALA	Primary	State Govt. Managed	20
6	500403	SARALA VITORLINE JR. B. SCHOOL	KADAMTALA	Primary	State Govt. Managed	58
7	500613	CHURAIBARI BAZAR JR. B. SCHOOL	KADAMTALA	Primary	State Govt. Managed	53
8	500716	NETAJI PARA JR.B.SCHOOL	KADAMTALA	Primary	State Govt. Managed	12
9	500808	JAMIRALA (DIGHALBAK) JR. B. SCHOOL	KADAMTALA	Primary	State Govt. Managed	29
10	501107	WEST BHITORGOOL JR. B. SCHOOL	KADAMTALA	Primary	State Govt. Managed	60
11	501108	MADHYA RAJNAGAR JR. B. SCHOOL	KADAMTALA	Primary	State Govt. Managed	49
12	501508	ICHAIPAR JR. B. SCHOOL	KADAMTALA	Primary	State Govt. Managed	5
13	501703	JOYSINGULPARA JR. B. SCHOOL	KADAMTALA	Primary	State Govt. Managed	73

Appendix 1.5 (Concld.)

Statement showing schools where Mid-Day-Meal scheme were not implemented

(Reference: Paragraph 1.1.10.8)

Sl. No.	School Code	Name of the School	Name of the Block	Category of School	Management	Total enrolment
14	502008	KABIGURU RABINDRANATH JR. B. SCHOOL	KADAMTALA	Primary	State Govt. Managed	28
15	601304	BIMAL SINGHA MEMORIAL J.B. SCHOOL	KUMARGHAT	Primary	State Govt. Managed	7
16	601905	NAZRUL VIDYANIKETAN J.B. SCHOOL	KUMARGHAT	Primary	State Govt. Managed	15
17	700304	BILTHAI B.H. COL. JR. B. SCHOOL	PANISAGAR	Primary	State Govt. Managed	11
18	701001	KUNJANAGAR JALEBASA JR.B.SCHOO	PANISAGAR	Primary	State Govt. Managed	67
19	701104	WEST MANGALKHALI JR. B. SCHOOL	PANISAGAR	Primary	State Govt. Managed	17
20	701207	KAMESWAR MISSION TILLA JR. B.	PANISAGAR	Primary	State Govt. Managed	26
21	701209	WEST KAMESWAR JR. B. SCHOOL	PANISAGAR	Primary	State Govt. Managed	24
22	701313	PANISAGAR MADHYAPARA JR. B. SCHOOL	PANISAGAR	Primary	State Govt. Managed	20
23	702007	NORTH RAJNAGAR(KRISHNA C/P) JR. B.	PANISAGAR	Primary	State Govt. Managed	26
24	702205	UTTAR ROWA JR. B. SCHOOL	PANISAGAR	Primary	State Govt. Managed	31
25	702405	BISH PARIBAR COL. JR. B. SCHOOL	PANISAGAR	Primary	State Govt. Managed	41
26	800102	MOHANBARI JR.B.SCHOOL	PECHARTHAL	Primary	TTAADC Managed	89
		Total				**837**

Appendix 1.6

Statement showing the schools and period during which mid-day-meals were not provided during 2010-11

(Reference: Paragraph 1.1.10.9)

- **IS, Bishalgarh**
  - 4 to 60 schools failed to provide MDM at least for a month
  - 1 to 20 schools provided MDM only for a period ranging from 1 to 5 days during the month
  - 1 to 30 schools provided MDM only for a period ranging from 6 to 10 days during the month
  - 1 to 98 schools provided MDM only for a period ranging from 11 to 14 days during the month
- **IS, Jirania**
  - 1 to 6 could not provide MDM at least for a month
  - 1 to 35 schools provided MDM only for a period ranging from 1 to 5 days during the month
  - 2 to 70 schools provided MDM only for a period ranging from 6 to 10 days during the month
  - 1 to 8 schools provided MDM only for a period ranging from 11 to 14 days during the month
- **IS, Khowai**
  - 1 school could not provide MDM in August 2010
  - 1 to 8 schools provided MDM only for a period ranging from 1 to 5 days during the month
  - 1 to 10 schools provided MDM only for a period ranging from 6 to 10 days during the month
  - 1 to 82 schools provided MDM only for a period ranging from 11 to 14 days during the month

Appendix 1.7

Statement showing year-wise and district wise position of medical checkup of students conducted in schools

(*Reference: Paragraph 1.1.10.9*)

Year	Total school	Total student	No. of schools conducted Medical check up	Students covered	Short fall	
					%age of School	%age of students
Dhalai						
2006-07	602	73425	114	19728	81.06	73.13
2007-08	661	79717	119	20609	82.00	74.15
2008-09	661	99455	123	22962	81.39	76.91
2009-10	781	91374	123	2710	84.25	97.03
2010-11	813	79891	149	20942	81.67	73.79
North Tripura						
2006-07	658	123946	137	33015	79.18	73.36
2007-08	675	127169	132	31409	80.44	75.30
2008-09	675	117837	136	29088	79.85	75.32
2009-10	741	116740	149	4240	79.89	96.37
2010-11	752	115741	204	39028	72.87	66.28
South Tripura						
2006-07	1045	187638	224	47048	78.56	74.93
2007-08	1098	172971	242	43242	77.96	75.00
2008-09	1098	173519	230	42530	79.05	75.49
2009-10	1209	174916	234	3991	80.65	97.72
2010-11	1211	146392	235	35959	80.59	75.44
West Tripura						
2006-07	1374	313012	247	94093	82.02	69.94
2007-08	1467	294216	259	89949	82.34	69.43
2008-09	1471	292556	291	98605	80.22	66.30
2009-10	1572	280789	335	18815	78.69	93.30
2010-11	1610	268074	386	104960	76.02	60.85
State position						
2006-07	3679	698021	722	193884	80.38	72.22
2007-08	3901	674073	752	185209	80.72	72.52
2008-09	3905	683367	780	193185	80.03	71.73
2009-10	4303	663819	841	29756	80.46	95.52
2010-11	4386	610098	974	200889	77.79	67.07

Appendix 1.8

Statement showing details of CWSN enrolled in schools

(Reference: Paragraph 1.1.11.4)

District	No of schools where CWSN are enrolled	Total CWSN enrolled	No of teachers posted in the school at col.1	No of trained CWSN teachers posted in schools at col.1	No of teachers not trained on CWSN	Total No of trained teachers available	No. of schools (at col.1) without having any trained teachers
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
West	472	1355	5732	1	5731		471
South	1211	718	8027	37	7990		1184
North	457	743	3678	9	3669		448
Dhalai	92	170	682	12	670		87
Total	**2232**	**2986**	**18119**	**59**	**18060**	**1224**	**2190**

(Source: DISE data)

Appendix 1.9

Statement showing non-availability of furniture/ inadequate furniture in the Schools

(Reference: Paragraph 1.1.14.1)

District	No. of Schools where no furniture available for students and teachers		No. of Schools where no furniture available for students		No. of Schools where no furniture available for teachers		No. of Schools where furniture are inadequate for students		No. of Schools where furniture are inadequate for teachers	
	Primary	Primary with UP, High, HS	Primary	Primary with UP, High, HS	Primary	Primary with UP, High, HS	Primary	Primary with UP, High, HS	Primary	Primary with UP, High, HS
West District	27	1	68	6	44	6	516	519	444	451
Dhalai	38	4	69	11	47	9	286	199	311	216
North Tripura	29	1	39	2	2	35	171	234	162	207
South Tripura	10	2	33	9	16	3	164	132	120	97
Total	**104**	**8**	**209**	**28**	**109**	**53**	**1137**	**1084**	**1037**	**971**

Appendix 1.10

Statement showing position of teaching staff of 4 DIET and SCERT

(Reference: Paragraph 1.1.15.3)

Name of the district	Sanctioned strength as per standard norms	No. of teaching staff in position					
		2006	2007	2008	2009	2010	2011
DIET, Agartala, West Tripura	25[1]	12	12	14	15	17	17
DIET, Udaipur, South Tripura	25	10	11	9	12	11	11
DIET, Kailashahar, North Tripura	25	8	4	4	4	4	4
DIET, Kamalpur, Dhalai	25	7	6	5	6	6	5
Total	**100**	**40**	**36**	**37**	**38**	**39**	**37**
SCERT	**NA**	**1**	**1**	**1**	**1**	**1**	**1**

*Source: **Information submitted by the respective DIET.***

[1] Principal: 1; Vice-Principal: 1; Sr. Lecturers: 6: Lecturers:17

Appendix 1.11

Statement showing the position of inspection done by 6 Inspectors of Schools and Dy. Inspector of Schools during the period from 2006-07 to 2010-11

(Reference: Paragraph 1.1.16.2)

Name of the Inspectorate	Year	Norms for Visit by IS(yearly)	Actual school visit by ISs	Shortage in %	Norms for Visit by Dy. IS (Yearly)	Total no. of Dy.IS	Total schools to be visited	Total school visit by the Dy.ISs	Shortage	Shortage in %
Jirania	2006-07	96	75	21.88	120	1	120	60	60	50
	2007-08	96	81	15.63	120	1	120	65	55	46
	2008-09	96	92	4.17	120	1	120	83	37	31
	2009-10	96	105	-	120	1	120	90	30	25
	2010-11	96	110	-	120	1	120	105	15	13
Kamalpur	2006-07	96	0	100.00	120	2	240	0	240	100
	2007-08	96	22	77.08	120	2	240	0	240	100
	2008-09	96	29	69.79	120	2	240	41	199	83
	2009-10	96	58	39.58	120	2	240	154	86	36
	2010-11	96	11	88.54	120	2	240	162	78	33
Sadar-A	2006-07	96	62	35.42	120	3	360	169	191	53
	2007-08	96	23	76.04	120	3	360	0	360	100
	2008-09	96	44	54.17	120	3	360	0	360	100
	2009-10	96	12	87.50	120	3	360	73	287	80
	2010-11	96	47	51.04	120	3	360	194	166	46
Bishalgarh	2006-07	96	15	84.38	120	1	120	27	93	78
	2007-08	96	13	86.46	120	1	120	31	89	74
	2008-09	96	12	87.50	120	1	120	30	90	75
	2009-10	96	13	86.46	120	1	120	35	85	71
	2010-11	96	12	87.50	120	1	120	30	90	75
Chailengta	2006-07	96	90	6.25	120	2	240	354	-	-
	2007-08	96	100	-	120	2	240	302	-	-
	2008-09	96	80	16.67	120	2	240	252	-	-
	2009-10	96	70	27.08	120	3	360	156	204	57
	2010-11	96	85	11.46	120	4	480	219	261	54
Teliamura	2006-07	96	70	27.08	120	5	600	520	80	13
	2007-08	96	80	16.67	120	5	600	400	200	33
	2008-09	96	60	37.50	120	5	600	510	90	15
	2009-10	96	50	47.92	120	5	600	300	300	50
	2010-11	96	54	43.75	120	5	600	390	210	35

Appendix 3.1

Statement having the same GPS reading for two or more plantations

(Reference: Paragraph 3.1.9.1)

Sl. No.	Name of the Division	Year	Name of JFMC	Area (in ha)	Species	GPS Reading	Name of the Scheme
1.	**Manu**	2008-09	Mouchak	5.00	Misc	N.23"57'555 E.091"57'447	FDA
2.			Do	5.00	Misc	Do	Sch-4
3.			Jagat Chandra para	3.05	ANR Bamboo	N.24"04'418 E092"01'405	FDA
4.			Do	2.10	Do	Do	Do
5.			Dolucherra	5.05	Jatropha	N.23"57'482 E.092"03'368	Sch-17
6.			Bidhyajoypara	20.05	Bamboo	Do	NBM
7.			TMC para	10.00	Jatropha	N.23"57'46.2 E.092"03'368	Sch-17
8.			BLK para	15.00	ANR Bamboo	Do	NBM
9.			Bidhyajoypara	5.05	Jatropha	Do	TFDPC
10.			BLK para	15.02	Bamboo	N.23"57'454 E.092"03'381	NBM
11.			Dooljar	10.00	Bamboo	Do	MGF
12.			Uttar Longthari	5.30	Misc	N.23"50'766 E.090"57'817	FDA
13.			Do	5.05	Bamboo	Do	Do
14.		2009-10	Dungacherra	2.05	H&S	N23"53'049 E092"80'529	FDA
15.			Do	2.00	SP	Do	Do
16.			Khabaksa	5.00	Muli bamboo	N.23"51'259 E.092"01'300	Do
17.			Milan	5.05	Do	Do	Do
18.			Salka	10.50	Misc	N.23"49'340 E.092"02'012	Sch-4
19.			Sadak	10.10	Muli Bamboo	Do	IWDP
20.			Sadak	30.40	Misc	N.23"51'330 E.092"50'384	Do
21.			Sadak	5.10	Muli bamboo	Do	Do
22.			Durbasakala	4.95	ANR bamboo	N.24"06'020 E.091"56'581	FDA
23.			Kukilananpara	20.00	Bamboo	Do	Sch-4
24.		2010-11	Gajacherra	20.00	Do	N.23"54'305 E.092"01'482	SP
25.			Sangita	20.00	Jatropha	Do	Do
26.	**Ambassa**	2007-08	Kumpui	4.00	Jatropha	N.23"54'532 E.091"04'127	FDA
27.			Do	4.00	Bamboo	Do	Do
			Do	4.00	SP	Do	Do

Appendix 3.1 (concld.)

Statement having the same GPS reading for two or more plantations

(Reference: Paragraph 3.1.9.1)

Sl. No.	Name of the Division	Year	Name of JFMC	Area (in ha)	Species	GPS Reading	Name of the Scheme
91.		2008-09	Bolong Muthangnai	6.00	Bamboo	N.23"25'699 E.091"23'173	JICA
92.			Do	2.00	Misc	Do	Do
93.			Warrangbari	20.00	Bamboo	N.23"30'327 E.091"35'864	NBM
94.			Gamaria	10.00	Do	Do	Do
95.	**Teliamura**	2010-11	Lomsokjak	10.00	AR Misc	N.23"53'5901 E.091"33'50	JICA
96.			Do	15.00	AR Bamboo	Do	Do
97.			Kwtal Bodal	10.00	ANR Bamboo	N.23"51'3602 E.091"43'246	Do
98.			Do	20.00	Do	Do	Do
99.			North Gayamani	20.00	Do	N.24"00'50 E.091"29'48	Do
100.			Do	5.00	AR Misc	Do	Do
101.			South Gayamani	5.00	AR Bamboo	N.24"00'50 E.091"29'48	Do
102.			Do	50.00	Jatropha	Do	Do
103.			Do	20.00	ANR Bamboo	N.24"00'42 E.091"29'45	Do
104.			Do	5.00	AR Bamboo	Do	Do
105.			Do	5.00	AR Misc	Do	Do
106.			Do	20.00	ANR Misc	Do	Do
107.		2008-09	Sanduk Hamkrai	3.00	Kana Kaich	N.24"04'113 E.091"30'403	Do
108			Do	2.00	Bari	Do	Do
109.			Rangitilla	5.00	Mixed	N.23"49'309 E.091"41'416	Jhum
110.			Twimadhu	5.00	Jatropha	Do	Do
Total in 4 Division				**972.82**			

Appendix 3.2

Statement of Plantations not having GPS reading

(Reference: Paragraph 3.1.9.2)

Sl. No.	Year	Range	Beat	JFMC	Area (ha)	Species	Scheme
Udaipur Division							
1.	2010-11	Killa	Killa	Chapraibari	6.00	AR-Bamboo	NAP
2.		Killa	Killa	Naharma Badal	16.31	Do	Do
3.		Killa	Killa	Khumber	25.00	ANR (Bamboo)	Do
4.		Killa	Nityabazaar	New Life	9.7	AR-mixed	Do
5.		Killa	Do	Chhankhola	5.1	AR-mixed	Do
6.		Killa	Do	New Life	32.7	ANR (Bamboo)	Do
7.		Killa	Do	Sukmohan	13.00	AR-mixed	Do
8.		KIlla	Do	Sukmohan	22.5	ANR-Misc	Do
9.		Killa	Do	Dakbaari	19.9	ANR Bamboo	Do
10.		Killa	Killa	Noapitra	13.34	ANR Misc	JICA
11.		Killa	Killa	Damnalampui	5.62	AR-Bamboo	Do
12.		Killa	Do	Do	23.2	ANR Misc	Do
13.		Killa	Do	Do	9.6	AR Mixed	Do
14.		Killa	Nityabazar	Mohan Kanta	5.2	AR Bamboo	Do
15.		Killa	Do	Do	20.9	AR-Mixed	Do
16.		Killa	Do	Do	78.9	ANR Misc	Do
17.		Killa	Do	Nittyabari	5.4	AR Mixed	Do
18.		Killa	Do	Dumburbari	5.1	AR Mixed	Do
19.		Killa	Do	Twichakathar	30.5	ANR Misc	Do
20.		Killa	Do	Do	5.0	AR Mixed	Do
21.		Killa	Do	Dakmura	18.5	AR Mixed	Do
22.		Killa	Do	Do	75.7	ANR misc&Bamboo	Do
23.		Killa	Do	Do	5.7	AR Bamboo	Do
24.		Killa	TC bari	Barchu Kwta	14.60	ANR Bamboo	Do
25.		Killa	Do	Kachigang	2.50	ANR Bamboo	ACA
26.		Killa	Killa	Charthai	25.9	ANR Misc	ACA
27.	2009-10	Killa	Khupilong	Sukantapally	1.0	Medicinal	MPBT
28.			Do	Do	2.0	Do	Do
29.		Killa	TC bari	Kachigang	15.0	AR Bamboo	NAP
			Do	Laxmanpara	25.0	ANR Misc	Do
			Do	Do	10.0	AR Bamboo	Do
30.			Khupilong	Santiban	2.0	Bamboo	NBM
31.			TC Bari	Atharabhowla	5.0	AR Bamboo	NBM
32.		Udaipur	Warrangbari	Warranbari	32	ANR Misc	SP
33.		Killa	TC bari	Atharabhowla	5.0	ANR Misc	SP
34.			Do	Barchu Kwta	10.0	AR Bamboo	SP
35.			Do	Kachigang	15.0	ANR Misc	SP
36.			Do	Barchu Kwta	20.0	ANR Bamboo	Rudra Sagar
37.			Do	Barchu Kwta	10.0	ANR Bamboo	Do
38.		Killa	Do	Barchu Kwta	10.0	AR Bamboo	NEC

Appendix 3.2 (contd.)

Statement of Plantations not having GPS reading
(Reference: Paragraph 3.1.9.2)

Sl. No.	Year	Range	Beat	JFMC	Area (ha)	Species	Scheme
39.		Killa	Killa	Damna Lampui	20.0	ANR Misc	JICA
40.	2008-09	Kakraban	Tulamura	Tapuban	10.0	Jatropha	SP
41.				Do	10.0	ANR	SP
42.				Paglacherra	10.0	Muli bamboo	MGF
43.				Abhaya	20.30	ANR	NAP
44.			Murapara	Manush Bachao	10.20	ANR	NAP
45.				Do	15.0	ANR	NAP
46.			Marwarkilla	Sabuj Samity	5.20	Jatropha	NAP
47.			Jamjuri	D. Banasree	0.30	Kathal	NAP
48.			Do	Do	5.0	Jatropha	NAP
49.		Killa	Khupilong	Jalema	6.0	Misc	JICA
50.				Do	13.0	Misc	JICA
51.				Do	7.0	Bamboo	JICA
52.				Do	7.0	Misc	JICA
53.				Sukantapally	10.0	Jatropha	MoRD
54.				Thandacherra	20.0	ANR Bamboo	NBM
55.			Nityabazar	Nityabari	20.0	Muli bamboo	NBM
56.		Udaipur	Tainani	Krishna Bhaktabari	5.0	Muli Bamboo	MGF
57.				Do	20.0	ANR Bamboo	NBM
58.				Chapraibari	20.0	Do	NBM
Sub-total					**829.37**		
Ambassa Division							
1.	2007-08	Ambassa	Twisarangchak	Twisarangchak	4.00	ANR	FDA
2.					16.00	AR Misc	Do
3.					4.00	Jatropha	Do
4.					4.00	Silvipasutre	Do
5.					4.00	Bamboo	Do
6.					4.00	Mixed	Do
7.				Sampari	16.00	AR Misc	Do
8.					4.00	Jatropha	Do
9.					4.00	Silvipasture	Do
10.					4.00	Bamboo	Do
11.					4.00	Mixed	Do
12.					4.00	ANR	Do
13.	2008-09	Ambassa	Ambassa	Kulai	10.00	Bamboo	NBM
14.	2009-10	Ambassa	Ambassa	Ambassa	5.00	Black Paper	NA
15.		Dumbur	Gandacherra	Matima Chakma	5.00	Medicinal	MPBT
16.				Ruhidapara	20.00	Misc	NREGA
17.	2010-11	Ambassa	Nailahapara	Nailahapara	1.00	Medicinal	NA
18.			Jawharnagar	Jawharnagar	15.00	Bamboo	NA
19.			Kulai	Kulai	10.00	Experimental	NA

Appendix 3.2 (concld.)

Statement of Plantations not having GPS reading
(Reference: Paragraph 3.1.9.2)

Sl. No.	Year	Range	Beat	JFMC	Area (ha)	Species	Scheme
20.		Salema	Salema	Salema	5.00	Do	NA
21.		Do	Do	Do	40.00	Bamboo	NA
22.		Dumburnagar	Gandacherra	Gandacherra	20.00	Bamboo	NA
Sub-total					**243.00**		
Manu Division							
1.	2010-11	Chailengta	Lalcherra	Dankarai	2.01	Medicinal	SP
2.		Manu	Karamcherra	East Karacherra	10.00	Bamboo	IGDC
3.		Do	Do	Do	10.00	Misc	Do
4.	2009-10	Chailengta	Chailengta	Twirokung Kachari	20.50	ANR	IWDP
Sub-total					**42.51**		
Grand total					**1114.88**		

Appendix 3.3

Plantation Work done before sanction of work
(Reference: Paragraph 3.1.9.3)

Sl. No.	Name of the Division	Sanction No. & Date	Name of the JFMC	Area (in ha)	Species	Work executed during	Amount involved
1.	**Udaipur**	116-120, dt 28-07-08	Bolong Mathungnai	6	AR Bamboo	May 2008	38,505
2.		121-125 dt. 28-07-08	Do	13	AR Misc	Do	1,17,683
3.		1910-16, 02-08-09	Do	7	ANR Bamboo	June 2008	--
4.		131-36, 28-07-08	Raiyabari	7	Bamboo	April 2008	44,923
5.		141-45, 28-07-08	Do	13	Misc	Do	1,17,683
6.		390-95, 25-09-08	Do	13	Fencing	July 2008	31,875
7.		378-83, 25-09-08	Do	13	Carrying	May 2008	36,107
8.		372-77, 25-09-08	Do	7	Do	May 2008	7,000
9.		468-72, 27-09-08	Do	7	Fencing	April 2008	10,700
10.		1554-59, 11-06-09	Do	10	ANR Bamboo	May 2008	22,500
11.		1566-71, 11-06-09	Dumna Lumpui	30	ANR Misc	Do	67,000
	Su-total			**126**			**4,93,976**
12.	**Manu**	14003-11, 21-12-09	TMC Para	5	Muli Bamboo	May 2009	30,500
13.		--, 30-12-09	Do	10	Misc	Sept 09	35,000
14.		--, 21-12-09	Do	2	H&S	Aug 09	6,400
15.		--, 21-12-09	Do	2	SP	Do	6,400
16.		--, 20-11-10	Do	8	AR Misc	Sept 09	21,600
17.		--, 20-12-09	Do	2	H&S	Do	5,300
18.		--, 30-12-09	Do	5	Bamboo	Do	13,750
	Sub-total			**34**			**1,18,950**
19.	**Ambassa**	28350-53, 10-12-08	Madhucherra	17	AR Misc	Nov 08	3,613
20.		28348-49, 19-12-08	Do	4	Muli Bamboo	Do	4,930
21.		26553-68, 05-02-11	Do	35,000	PB Nursery	Jan 11	20,135
22.		26569-84, 05-02-11	Do	12,000	Do	Do	40,270
23.		15992-03, 31-07-09	Khetradhan Rouja Para	5	Bamboo	May 09	24,528
24.		26898-02, 05-02-11	Do	3,500	PB Nursery	Jan 11	14,131
25.		15826-37, 31-07-09	Do	5	AR Misc	May 09	40,250
26.		17290-23, 18-11-10	Do	Do	Maintenance	Oct 10	10,750
27.		28336-37, 10-02-09	Do	15,000	PB Nursery	Dec 08	52,655
28.		26381-97, 05-02-11	Do	6,000	Do	Jan 09	20,287
29.		28326-27, 10-12-08	Sampari	30,000	Do	Nov 08	83,411
30.		26423-52, 05-02-11	Do	2,200	Do	Jan 11	40,271
31.		26742-55, 05-02-11	Longtharai	25,000	Do	Nov 10	89,958
32.		26756-69, 05-02-11	Do	25,000	Do	Do	85,458
33.		--, 18-11-10	Raisingh Para	5	SP	Oct 10	9,750

Appendix 3.3 (concld.)

Plantation Work done before sanction of work

(Reference: Paragraph 3.1.9.3)

Sl. No.	Name of the Division	Sanction No. & Date	Name of the JFMC	Area (in ha)	Species	Work executed during	Amount involved
34.		--, 05-02-11	Do	5	AR Misc	Nov 10	10,750
35.		--, 24-10-07	Twisakachak	17	AR Misc	Aug 07	55,523
36.		--, 24-10-07	Do	4	ANR Misc	Aug 07	1,988
37.		--, 24-10-07	Do	4	Mixed	Sept 07	14,200
38.		--, 05-02-11	Do	12,000	PB Nursery	Dec 10	40,270
39.		--, 24-10-11	Do	4	Bamboo	Sept 07	8,066
40.		--, 05-02-11	Raisingh Para	6,000	PB Nursery	Jan 11	20,735
41.		28499-508, 10-12-08	Raidas Para	15	AR Misc	Nov 08	18,488
42.		28489-98, 10-12-08	Do	5	Mixed	Nov 08	6,163
43.		--, 18-11-10	Do	Do	Do	Oct 10	10, 750
	Sub-total			**90**			**7,27,230**
1.	Teliamura	4307-317, 01-06-10	Bolong Hamkrai Bodal / Mungiabari	10	AR Bamboo	May, 07	53,000
2.		4252-262, 01-06-10		10	AR Misc.	May, 07	53,000
3.		1706-16, 06-11-10		5	AR Plantation	May, 07	43,000
4.		21673-83, 06-11-10		5	RP Plantation	June, 07	81,750
5.		21750-60, 06-11-10 21750-60, 06-11-10	Chakmaghat	5	ANR Bamboo	June, 07	5,500 7,500
6.		21509-19, 06-11-10	Arunjoy	5	AR Misc	Nov, 07	43,250
7.		21520-30, 06-11-10		5	AR Plantation	Nov, 07	83,000
8.		41794-804, 08-11-10	Dukhiapara	5	AR Misc.	June, 07	82,000
Sub-total				**50**			**4,52,000**
Grand total				**300**			**17,92,156**

Appendix 3.4

Plantation during Off-season

(Reference: Paragraph 3.1.9.4)

Sl. No.	Name of the Division	Name of the JFMC	Plantation	Creation Work done	Period	Amount involved
1.	2.	3.	4.	5.	6.	7.
1.	**Ambassa**	Khumtaya	16 ha AR Misc 2007-08	Staking, Hoeing Re-hoeing and Resurvey	10/07	52,256
2.			4 ha Silvi Pasture 2007-08	DO	09/07	14,484
3.			4 ha Jatropha 2007-08	Do	10/07	14,200
4.			4 ha Mixed Plantation	Do	10/07	14,200
5.			4 ha ANR Plantation	Gap planting & Re-survey	09/07	1,988
6.			4 ha Bamboo Plantation	Staking, Digging, Refilling & Re-survey	09/07	8,065
7.		Mashuraipara	20 ha AR Misc 2006-07	Staking, Hoeing, Re-hoeing & Re-survey	03/07	60,000
8.			13 ha SP 2006-07	Staking, Digging, Refilling, Fencing & Re-survey	03/07	18,720
9.			5 ha SP 2008-09	Refilling & Re-survey	06/07	28,250
10.		North Sarma para	24 ha Medicinal Plantation dated 05-07-06	Hoeing, Re-hoeing & Re-survey	05/06	36,600
11.			5 ha Herbs & Shrubs dated 22-03-07	Plowing, Furrow making, seeds, weeding & mulching	12/06	45,000
12.			5 ha AR Misc 2008-09	Refilling Re-survey	05/09	31,500
13.			5 ha Jatropha 2008-09	Refilling, Re-survey 1st weeding	08/09	40,250
14.		Ramnagar EDC	17 ha AR Misc 2007-08	Staking, Hoeing & Re-hoeing	10/07	55,523
15.			4 ha Mixed plantation 2007-08	Do	10/07	14,200
16.			4 ha Bamboo Plantation	Staking, Digging, Re-filling & Re-survey	10/07	8,065
17.			4 ha SP 2007-08	Staking, Hoeing, Re-hoeing & Re-survey	10/07	14,484

Appendix 3.4 (contd.)

Plantation during Off-season

(Reference: Paragraph 3.1.9.4)

Sl. No.	Name of the Division	Name of the JFMC	Plantation	Creation Work done	Period	Amount involved
1.	2.	3.	4.	5.	6.	7.
18.			4 ha Jatropha 2007-08	Do Resurvey	08/07	14,200
19.			5 ha Bamboo Plantation 2008-09	Refilling, Cost of Muli seeds.	05/09	17,027
20.			5 ha AR Misc 2008-09	Refilling	05/09	31,500
21.		Hatimatha	17 ha AR Misc 2007-08	Staking, Hoeing, Re-hoeing & Re-survey	03/07	55,523
22.			5 ha ANR Misc 2007-08	Do	11/07	17,750
23.			5 ha SP 2007-08	Staking, Hoeing, Re-hoeing & Re-survey	10/07	18,105
24.			5 ha Jatropha 2007-08	Staking, Hoeing, Re-hoeing & Re-survey	12/07	17,750
25.			5 ha Bamboo by seedlings	Staking, Digging, Refilling & Re-survey	10/07	10,082
26.			10 ha AR Misc 2008-09	Refilling	05/09	63,000
Sub-total			**203 ha**			**7,02,722**
1.	**Manu**	TMC para	2008 10 ha Misc	AW, Creation & 1st yr Maint	09/08	87,977
2.			2008 5 ha BP	Do	11/09	13,750
3			2009 5 ha BP	Cr & Mt	11/09	30,500
4.			2008 2 ha Hurbs & shrubs	AW & Cr	02/09	11,220
5.			2010 10 ha Mixed Plant	Creation	08/10	73,000
6.			2010 8 ha AR Misc	Creation	07/10	18,000
7.			2008 2 ha SP	AW & Cr	02/09	11,220
8.			2010 8 ha AR Misc	Creation	07/10	18,000
9.		Twisakachak	17 ha AR Misc	Creation	11/07	55,523
10.			4 ha Mixed	Do	09/07	14,200
11.		Salpaha	10 ha AR Teak	Creation & Maint	02/09	49,375
12.			5 ha ANR	Do	02/09	15,426
13.			3 ha H&S	Do	02/09	26,531
14.			5 ha Muli Bamboo	Do	12/09	47,500
Sub-total			**50 ha**			**2,64,467**

Appendix 3.4 (concld.)

Plantation during Off-season

(Reference: Paragraph 3.1.9.4)

1	Udaipur	Madhucherra	4 ha Jatropha	Adv work & creation	02/08	18,744
2.			4 ha Bamboo	Do	02/08	11,785
3.			4 ha Silvipasture	Do	03/08	18,188
4.			17 ha AR Misc	Do	03/08	71,333
5.			5 ha AR Misc	Do	08/09	61,500
6.			5 ha Mixed	Creation & maint	08/09	49,000
Sub-total			**39 ha**			**2,30,550**
1.	Teliamura	Narayanbari	AR Misc 5 ha	Creation	02/11	44,250
2.			AR Mix 5 ha	Do	02/11	44,250
3.			SP Kathal 5 ha	Do	02/11	32,000
4.		Arunjoy	Jatropha 50 ha	Do	12/10	87,500
5.			AR 15 ha	Do	11/10	1,31,250
6.			AR Misc. 5 ha	Do	11/10	43,250
7.			AR 5 ha	Do	11/10	83,000
Sub-total			**90 ha**			**4,65,500**
Grand total			**382 ha**			**16,63,239**

Appendix 3.5

(Reference: Paragraph 3.1.10.4)

FDA, Manu

- 2006-07: 545 ha plantation was maintained for one year only from the plantation of **667 ha** done.
- 2007-08: **174 ha** plantation created during the year was not maintained at all.
- **201 ha** Aided Natural Regeneration (ANR) and **240 ha** Artificial Regeneration (AR) plantations of 2006-07, **100 ha** AR of 2007-08, **10 ha** ANR of 2008-09 were also not maintained.

FDA, Teliamura

- The post planting maintenance required up to 3rd year for **1160 ha** plantations done during 2006-07 to 2009-10 was not carried out.

FDA, Sadar

- Out of creation of **30 ha** Bamboo plantation during 2007-08, only 15 ha was taken up for 1st year maintenance during 2008-09.

Appendix 3.6

Statement of Revolving fund Account of the JFMCs

(Reference: Paragraph 3.1.10.5)

Sl. No.	Name of the FDA	Name of the JFMCs	Revolving fund account position		
			A/c opened on	Date of last transaction	Balance Amount
1.	**Udaipur**	Sabuj Sathi	04-12-04	20-06-08	5,250
2.		Aranyak	27-03-02	13-06-09	1,00,095
3.		Sabuj Sanket	11-02-05	05-11-05	7,010
4.		Soura Sabuj	15-03-02	04-2008	27,405
5.		Evergreen	11-02-05	10-06	2,670
6.		Swapner Sabuj	27-03-02	03/06	8,675
7.		Greenland	20-03-02	17-04-10	35,385
8.		Jiban Sathi	29-03-06	29-03-06	100
9.	**Ambassa**	North Sarma para	--	26-10-07	12,425
10.		Raidas para	04-06-01	06-10-09	31,706
Total					**2,30,721**

Appendix 3.7

Statement of partially / fully damaged plantations area disclosed by the Member Secretaries

(Reference: Paragraph 3.1.10.5)

Sl. No.	Name of FDA	Name of the JFMC / EDC	Year of Creation	Area (in ha)	Species	Remarks
1.	Teliamura	Chakmaghat	2006-07	10 ha	Misc	Damaged
				3 ha	Silvi Pasture	Do
			2007-08	10 ha	Jatropha	Do
				5 ha	Kathal	Do
2.		Narayanbari	2006-07	3 ha	Jatropha	Do
		Sub-total		**31 ha**		
3.	Ambassa	Ramnagar EDC	2007-08	17 ha	AR Misc	Damaged
4.		Madhucharra	2006-07	4 ha	Mixed	Do
				17 ha	AR Misc	Do
				4 ha	Jatropha	50%
				4 ha	Bamboo	50%
				4 ha	Silvipasture	50%
				4 ha	ANR Mixed	50%
5.		Twisakachak	2007-08	17 ha	AR Misc	Damaged
				4 ha	Silvipasture	Do
				4 ha	ANR Misc	Do
				4 ha	Mixed	Do
				4 ha	Jatropha	50%
				4 ha	Bamboo	50%
6.		Raidaspara	2006-07	15 ha	AR Misc	Damaged
				5 ha	Medicinal	Do
		Sub-total		**111 ha**		
7.	Manu	TMC para	2006-07	10 ha	Medicinal	Do
			2009-10	2 ha	Silvipasture	Do
8.		Mouchak	2006-07	15 ha	Medicinal	10 to 15%
				20 ha	Muli bamboo	Do
				25 ha	Teak/Gamar	Do
				10 ha	ANR	Do
			2007-08	10 ha	Muli Bamboo	Do
				3 ha	Jatropha	Do
			2008-09	5 ha	AR Misc	Do
				5 ha	Medicinal	Do
				5 ha	Medicinal	Do
				5 ha	Misc	Do
				5 ha	ANR	Do
				2 ha	Silvipasture	Do
				2 ha	H & S	Do
		Sub-total		**124 ha**		
9.	Trishna	Kukibari EDC	2008-09	3 ha	RPH	Encroached
				5 ha	Muli Bamboo	Do
				4.6 ha	Mixed	Do
10.		Superikhola	2006-07	10 ha	Mixed	Damaged
				10 ha	Bamboo PB	Do

Appendix 3.7 (concld.)

Statement of partially / fully damaged plantations area disclosed by the Member Secretaries
(Reference: Paragraph 3.1.10.5)

Sl. No.	Name of FDA	Name of the JFMC / EDC	Year of Creation	Area (in ha)	Species	Remarks
11.		Kamalpur	2007-08	5 ha	SP Kathal	Do
				10 ha	Muli bamboo	Partially damaged
12.		Joychandpur EDC	2005-06	5 ha	Muli PB	Damaged
				5 ha	Bari Barak	Do
				5 ha	Kathal	Do
				5 ha	Amla	Do
				5 ha	Grass	Do
				5 ha	Mixed	Do
13.		Gabtali	2007-08	10 ha	SP Kathal	Do
Sub-total				**88 ha**		
Grand total				**354 ha**		

Appendix 3.8

A. Statement showing amount sanctioned and expenditure incurred JFMC-wise during the period from 2008-09 to 2010-11 under JICA

(Reference: Paragraph 3.1.10.8)

(Rupees in crore)

Sl. No.	Name of the Division	No. of JFMCs	Total cumulative fund released	Fund utilised upto date	Balance fund lying with the JFMCs
1.	Udaipur	24	2.84	2.55	0.29
2.	Bagafa	42	5.76	4.11	1.65
3.	Gumti	52	2.48	1.68	0.80
4.	Trishna	14	1.31	1.15	0.16
5.	Teliamura	45	7.42	4.65	2.77
6.	Sadar	46	6.17	4.90	1.27
7.	Kailashahar	24	2.37	1.63	0.74
8.	Kanchanpur	36	6.65	4.81	1.84
Total		**283**	**35.00**	**25.48**	**9.52**

B. Statement of JFMCs where balance lying outstanding for more than 50%

(Rupees in lakh)

Sl. No.	Name of the Division	Name of the JFMC	Amount released	Amount spent	Balance lying outstanding	Percentage
1.	Udaipur	Sunrungma	7.40	2.40	5.00	68
2.	Bagafa	Kataliacherra	26.88	12.59	14.29	53
3.		Tuiroma	22.57	3.89	18.68	83
4.		Lankajoy	6.55	--	6.55	100
5.		Tuibroma	6.61	1.17	5.44	82
6.		Chitabari	15.78	6.64	9.14	58
7.		Bhangamura	10.77	0.59	10.18	95
8.	Gumti	Chabimura	5.07	1.66	3.41	67
9.		Pilanjoypara	2.73	0.68	2.05	75
10.		Dumbor	4.21	0.64	3.57	85
11.		Khabukcha	4.77	1.60	3.17	66
12.	Teliamura	Chindrai	46.90	23.00	23.90	51
13.		Samprai Bodol	6.00	2.86	3.14	52
14.		Rongitilla	24.65	9.77	14.88	60
15.		Twimadhum	23.94	9.34	14.60	61
16.		Duchwlong Bodol	20.50	7.92	12.58	61
17.		Chubanai Bodol	22.00	10.53	11.47	52
18.		Aitorma Bodol	10.00	1.50	8.50	85
19.		Hawai Bodol	13.23	6.41	6.82	52
20.		Hamkrai Bodol	13.48	5.49	7.99	59
21.		Salkiyokjak	12.46	4.50	7.96	64
22.		Lakhulamkrai Bodol	15.15	7.47	7.68	51

Appendix 3.8 (concld.)

B. Statement of JFMCs where balance lying outstanding for more than 50%

(Reference: Paragraph 3.1.10.8)

(Rupees in lakh)

Sl. No.	Name of the Division	Name of the JFMC	Amount released	Amount spent	Balance lying outstanding	Percentage
23.		Rwangsaka Bodol	21.50	7.70	13.80	64
24.		Fatwi Bodol	20.50	8.45	12.05	59
25.		Lamsokjak Bodol	21.00	8.18	12.82	61
26.		Khumber Bodol	10.00	3.09	6.91	69
27.		Dhaniram Debbarma	20.00	2.99	17.01	85
28.		South Gayamani	29.50	14.05	15.45	52
29.		Hriday Choudhury	26.00	11.77	14.23	55
30.		Tarapadabari	16.11	7.13	8.98	56
31.		Ramsankarpara	14.52	7.13	8.98	56
32.		Masraipara	9.55	3.90	5.65	59
33.	Kailashahar	Urangbasti	2.40	--	2.40	100
34.		Banglaline	4.00	--	4.00	100
35.		Damracherra	2.00	--	2.00	100
36.		Shivbari	3.20	--	3.20	100
37.		Satirampara	1.20	--	1.20	100
38.		Pubanjoypara	2.50	--	2.50	100
39.	Kanchanpur	Sadaiham	14.74	5.58	9.16	62
40.		Kakchang	12.57	5.18	7.39	59
41.		Nandiram	9.98	2.00	7.98	80
42.		Laxmipur	8.86	2.71	6.15	69
43.		North Jamarai	16.27	7.51	8.76	54
44.		Atharamuracherra	17.83	1.01	16.82	94

Appendix 3.9

Gregarious Flowering of Muli Bamboo

(Reference: Paragraph 3.1.10.9)

a. Diversion of funds towards construction of Check dam / RCC water source at Manu

Sl. No.	Sanction No.	Date	Name of work	Amount (₹)
1.	8394	28-02-07	Check dam at Eco-park, Manu	49,080
2.	8395	Do	Do	48,820
3.	8396	Do	Do	49,486
4.	8387	Do	Check dam at Eco-park, Jamircherra	34,398
5.	8386	Do	Do	38,612
6.	8385	Do	Do	48,589
7.	8384	Do	Do	49,356
8.	8383	Do	Do	50,000
9.	8382	Do	Do	44,567
10.	8381	Do	Do	47,775
11.	8380	Do	Do	26,831
12.	9775-79	31-03-07	Check dam at Fangoorampara	23,447
13.	9770-74	Do	Do	37,017
14.	9765-69	Do	Do	36,163
15.	9755-59	Do	Do	38,740
16.	9760-64	Do	Do	28,589
17.	10528-32	31-03-07	RCC water source at Khakchangkani Forest village	50,000
18.	10518-22	Do	Do	50,000
19.	10523-27	Do	Do	50,000
20.	10010-14	Do	Maintenance of water harvesting structure at Jamircherra	33,480
Total				**11,21,142**

Appendix 3.9 (Concld.)

Gregarious Flowering of Muli Bamboo

(Reference: Paragraph 3.1.10.9)

b. Construction of Water Harvesting Structure at Udaipur

Sl. No.	Sanction No.	Date	Name of Place	Amount (₹)
1.	18066-72	03-03-09	Soura Sabuj	2,27,600
2.	18059-65	Do	Sabuj Sathi	1,59,000
3.	18052-58	Do	Green Land	1,66,900
4.	18031-37	Do	Warrangbari	2,73,900
5.	18038-44	Do	Achinbata	73,200
6.	18045-51	Do	Baisabari	2,23,600
7.	18024-30	Do	Murapara	3,22,100
8.	18017-23	Do	Murapara	2,22,600
9.	18003-09	Do	Killa Beat	2,76,900
10.	17996-02	Do	Do	1,17,000
11.	17989-95	Do	Do	1,84,300
12.	17989-95	Do	Abarobhola	2,99,000
Total				**25,46,800**

c. Other construction or maintenance work at Udaipur

Sl. No.	Sanction No.	Date	Purpose	Amount (₹)
1.	4098-102	04-07-08	Dismantling of collapsed structure and creation of roof on main water harvesting at Eco park	12,900
2.	9082-87	25-08-08	Maintenance of 2007 cane plantation at Holakhet for 4 ha	15,640
3.	22360-65	24-03-09	RCC flower tab for beautification of Paratia Beat.	10,695
4.	22208-19	23-03-09	Intallation of water Park at Eco-park, Tepania.	7,477
5.	22202-07	Do	Additional fund for installation of sub-mergible pump of Eco-park.	37,069
6.	11684-89	27-09-08	Special type building for use in orchid propagation centre.	21,910
7.	11677-83	Do	Maintenance of old go-down.	14,727
8.	21950-55	21-03-09	10 nos signboard.	58,000
9.	21926-31	21-03-09	Maintenance of Gamar Nursery bed, Paratia.	27,823
10.	Nil	27-09-08	Cost of parking place of vehicles at Eco park.	4,90,389
Total				**6,96,630**

Appendix 3.10

Statement showing unauthorised diversion of forest land to Government Departments

(Reference: Paragraph 3.1.10.12)

Sl. No.	Name of Agency	Purpose of Diversion	Area *(in ha)*	Encroachment detected	Amount due (July 2011) *(in rupees)*
1.	SDM, Ambassa	Construction of primary School / Anganwadi Centre	0.323	01/2009	1,87,372
2.	SDM, Kamalpur	Construction Community facility Centre at Kachucherra	0.78	09/2009	NA
3.	SDM, Ambassa	Construction of Growth Centre at Ganganagar	0.74	06/2009	6,48,788
4.	Sudt of Police, Dhalai District	Construction of security Complex, at Haduklok	0.80	06/2009	6,57,370

Appendix 4.1

Statement showing differences in value declared by the Sellers and Purchases in inter State trade and escapement of taxes
(Reference: Paragraph 4.2.10.4)

(in rupees)

Sl. No	Dealer's Name and the Charge	R.C. No./ Year of transaction	Goods imported	'C' Form Nos. and Issuing State	Value declared by the Seller	Value declared by the Purchaser	Difference of value (Col. 6-7)	Tax rate	Tax payable on difference (Col. 8*9)	Interest amount	Penalty	Total amount payable
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Sarada Medical Agency Ch.III	16030214037 2005-06	Medicine & baby food	078103/Assam	858027	630781	227246	4%	9090	8181 @18% for 5 F.Y	13635	30906
2.	Jharna Medical Distributor Ch.-V	1909/SDR/94 2007-08	Medicine	127185/Assam	472462	221743	250719	4%	10029	5416 @18% for 3 F.Y	15044	30489
3.	-do-	-do-/2006-07	-do-	102996/Assam	483444	96401	387043	4%	15482	11147 @18% for 4 F.Y	23223	49852
4.	-do-	-do-/2006-07	-do-	102995/Assam	1220856	69223	1151633	4%	46035	33145 @18% for 4 F.Y	69053	148233
5.	-do-	-do-/2005-06	-do-	072438/Assam	359424	59352	300072	4%	12003	10803 @18% for 5 F.Y	18005	40811
6.	-do-	-do-/2005-06	-do-	059324/Assam	1267864	818532	449332	4%	17973	16176 @18% for 5 F.Y	26960	61109
7.	Nandi & Nandi Ch-IV	16040021242 2006-07	Electrical goods	077793/Assam	2572156	97139	2475017	12.5%	309377	222751 @18% for 4 F.Y	464066	996194
8.	- Jyotish Ch. Saha Ch-II	-do-2006-07	-do-	127972/Assam	2158089	132668	2025421	12.5%	253178	182288 @18% for 4 F.Y	379767	815233
9.	-do-Ch-II	19/Rev/C/76 2006-07	-do-	117828/Assam	3579835	338311	3241524	12.5%	405191	291738 @18% for 4 F.Y	607787	1304716

Appendix 4.1 (Contd.)

Statement showing differences in value declared by the Sellers and Purchases in inter State trade and escapement of taxes
(Reference: Paragraph 4.2.10.4)

(in rupees)

Sl. No	Dealer's Name and the Charge	R.C. No./ Year of transaction	Goods imported	'C' Form Nos. and Issuing State	Value declared by the Seller	Value declared by the Purchaser	Difference of value (Col. 6-7)	Tax rate	Tax payable on difference (Col. 8*9)	Interest amount	Penalty	Total amount payable
1	2	3	4	5	6	7	8	9	10	11	12	13
10.	-do-Ch-II	-do-2006-07	-do-	117827/Assam	1693010	299930	1393080	12.5%	174135	125377 @18% for 4 F.Y	261203	560715
11.	-do-Ch-II	-do-2006-07	-do-	117826/Assam	2459855	608075	1851780	12.5%	231473	166661 @18% for 4 F.Y	347210	745344
12.	Dey's Pharmaceuticals Ch-II	SDR/291/C/78 2006-07	Medicine	084358/Assam	3057336	1856358	1200978	4%	48039	34588 @18% for 4 F.Y	72059	154686
13.	Progressive United Centre Ch-II	16020242033 2004-05	-do-	115666/Assam	7947679	7757876	189803	8%	15184	22776 @25% for 6 F.Y	22776	60736
14.	J.G. Medical Agency Udaipur	16110863271 2005-06	Cosmetics	108945/Assam	739175	253168	486007	12.5%	60751	54676 @18% for 5 F.Y	91127	206554
15.	-do-	-do-2005-06	-do-	108946/Assam	417797	248632	169165	12.5%	21146	19031 @18% for 5 F.Y	31719	71896
16.	Uttam Saha Ch.VIII	16020180092 2006-07	Tobacco product	105858/Assam	899301	272090	627211	12.5%	78401	56449 @18% for 4 F.Y	117602	252452
17.	-do-	-do-2006-07	-do-	105856/Assam	771130	290418	480712	12.5%	60089	43264 @18% for 4 F.Y	90134	193487
18.	-do-	-do-2006-07	-do-	105855/Assam	747101	540710	206391	12.5%	25799	18575 @18% for 4 F.Y	38699	83073
19.	Medicos Ch-VI	103/REV(CE W)/1974 2006-07	Medicine	081770/Assam	1181494	131031	1050463	4%	42019	30254 @18% for 4 F.Y	63029	135302

Appendix 4.1 (Contd.)

Statement showing differences in value declared by the Sellers and Purchases in inter State trade and escapement of taxes
(Reference: Paragraph 4.2.10.4)

(in rupees)

Sl. No	Dealer's Name and the Charge	R.C. No./ Year of transaction	Goods imported	'C' Form Nos. and Issuing State	Value declared by the Seller	Value declared by the Purchaser	Difference of value (Col. 6-7)	Tax rate	Tax payable on difference (Col. 8*9)	Interest amount	Penalty	Total amount payable
1	2	3	4	5	6	7	8	9	10	11	12	13
20.	P.K. Enterprise Ch.VI	1606080524 2008-09	Biscuit	149432/Assam	522750	470387	52363	12.5%	6545	2356 @18% for 2 F.Y	9818	18719
21.	-do-	-do-2008-09	-do-	149431/Assam	417138	415902	1236	12.5%	155	56 @18% for 2 F.Y	233	444
22.	Eastern Eng. Enterprise Ch-IV	16040731059 2005-06	Electrical goods	101003/W.B	223934	157451	66483	12.5%	8310	5983 @18% for 4 F.Y	12465	26758
23.	-do-	-do-2005-06	-do-	101004/W.B	315700	194714	120986	12.5%	15123	10889 @18% for 4 F.Y	22865	48697
24.	Sree Guru Enterprise Dharmanagar	16090082033 2006-07	Medicine	119294/Gujarat	470671	69682	400989	4%	16040	11549 @18% for 4 F.Y	24060	51649
25.	-do-	-do-2006-07	-do-	054075/Gujarat	279505	58424	221081	4%	8843	6367 @18% for 4 F.Y	13265	28475
26.	Manash Medical Agency Ch-VI	SDR/ST/1271/79 2004-05	-do-	58140/Gujarat	875800	369979	505821	8%	40466	60700 @25% for 6 F.Y	60700	161866
27.	Applo Pharma Ch-VI	SDR/3364/C (REV)/98 2002-03	-do-	42878/Gujarat	55948	9568	46380	8%	3710	7420 @25% for 8 F.Y	5566	16696
28.	Nabin Stationery Ch-I	16011919231 2005-06	Agarbati	075607/Karnataka	3202032	3181742	20290	4%	812	731 @18% for 5 F.Y	1218	2761
29.	-do-	-do-2006-07	-do-	075620/Karnataka	3162100	3151982	10118	4%	405	292 @18% for 4 F.Y	608	1305

Appendix 4.1 (Contd.)

Statement showing differences in value declared by the Sellers and Purchases in inter State trade and escapement of taxes
(Reference: Paragraph 4.2.10.4)

(in rupees)

Sl. No	Dealer's Name and the Charge	R.C. No./ Year of transaction	Goods imported	'C' Form Nos. and Issuing State	Value declared by the Seller	Value declared by the Purchaser	Difference of value (Col. 6-7)	Tax rate	Tax payable on difference (Col. 8*9)	Interest amount	Penalty	Total amount payable
1	2	3	4	5	6	7	8	9	10	11	12	13
30.	Nabin Stationery Ch-I	-do-2006-07	-do-	075618/Karnataka	1637900	1631554	6346	4%	254	183 @18% for 4 F.Y	381	818
31.	-do-	-do-2006-07	-do-	075613/Karnataka	2807900	2777443	30457	4%	1218	877 @18% for 4 F.Y	1827	3922
32.	-do-	-do-2007-08	-do-	126863/Karnataka	1925100	1909717	15383	4%	615	332 @18% for 3 F.Y	923	1870
33.	-do-	-do-2007-08	-do-	126862/Karnataka	4379200	4356859	22341	4%	894	483 @% for 3 F.Y	1341	2718
34.	-do-	-do-2007-08	-do-	126861/Karnataka	1370400	1367302	3098	4%	124	67 @18% for 3 F.Y	186	377
35.	-do-	-do-2007-08	-do-	126860/Karnataka	3019200	3007292	11908	4%	476	257 @18% for 3 F.Y	714	1447
36.	Jaharlal Banik Ch-III	16030520090 2007-08		121052/Karnataka	71070	33660	37410	4%	1496	808 @18% for 3 F.Y	2244	4548
37.	Nabin Stationery Ch-I	16011919231 2006-07	Agarbati	075628/Karnataka	51298	50292	1006	4%	40	29 @18% for 4 F.Y	60	129
38.	-do-	-do-2007-08	-do-	075622/Karnataka	29354	28783	571	4%	23	12 @18% for 3 F.Y	34	70
39.	-do-	-do-2005-06	-do-	075612/Karnataka	37095	36495	600	4%	24	22 @18% for 5 F.Y	36	82

Appendix 4.1 (Contd.)

Statement showing differences in value declared by the Sellers and Purchases in inter State trade and escapement of taxes
(Reference: Paragraph 4.2.10.4)

(in rupees)

Sl. No	Dealer's Name and the Charge	R.C. No./ Year of transaction	Goods imported	'C' Form Nos. and Issuing State	Value declared by the Seller	Value declared by the Purchaser	Difference of value (Col. 6-7)	Tax rate	Tax payable on difference (Col. 8*9)	Interest amount	Penalty	Total amount payable
1	2	3	4	5	6	7	8	9	10	11	12	13
40.	Jaharlal Banik Ch-III	16030520090 2005-06		121057/Karnataka	66294	20441	45853	4%	1834	1651 @18% for 5 F.Y	2751	6236
41.	Nabin Stationery Ch-I	16011919231 2005-06	Agarbati	075610/Karnataka	56540	44610	11930	4%	477	429 @18% for 5 F.Y	716	1622
42.	Jaharlal Banik Ch-III	16030520090 2005-06		70470/Karnataka	133434	47262	86172	4%	3447	3102 @18% for 5 F.Y	5171	11720
43.	Nabin Stationery Ch-I	16011919231 2005-06	Agarbati	075614/Karnataka	101568	99526	2042	4%	82	59 @18% for 4 F.Y	123	264
44.	Jaharlal Banik Ch-III	16030520090 2006-07		100173/Karnataka	79821	3931	75890	4%	304	219 @18% for 4 F.Y	456	979
45.	Nabin Stationery Ch-I	16011919231 2006-07	Agarbati	075615/Karnataka	82889	81168	1721	4%	69	50 @18% for 4 F.Y	104	223
46.	-do-	-do-2006-07	-do-	075623/Karnataka	28274	27674	600	4%	24	17 @18% for 4 F.Y	36	77
47.	Vivekananda Timber Co. Ch-V	16050122275 2008-09	Plywood	159016/Nagaland	2149664	851434	1298230	12.5%	162279	58420 @18% for 2 F.Y	243419	464118
48.	-do-	-do-2008-09	-do-	159017/Nagaland	1401887	801887	600000	4%	75000	27000 @18% for 2 F.Y	112500	214500
49.	-do-	-do-2008-09	-do-	159018/Nagaland	3104955	758531	2346424	4%	293303	105590 @18% for 2 F.Y	439955	838848

Appendix 4.1 (Concld.)

Statement showing differences in value declared by the Sellers and Purchases in inter State trade and escapement of taxes
(Reference: Paragraph 4.2.10.4)

(in rupees)

Sl. No	Dealer's Name and the Charge	R.C. No./ Year of transaction	Goods imported	'C' Form Nos. and Issuing State	Value declared by the Seller	Value declared by the Purchaser	Difference of value (Col. 6-7)	Tax rate	Tax payable on difference (Col. 8*9)	Interest amount	Penalty	Total amount payable
1	2	3	4	5	6	7	8	9	10	11	12	13
50.	-do-	-do-2008-09	-do-	115148/Nagaland	1587922	247520	1340402	4%	167550	90477 @18% for 3 F.Y	251325	509952
51.	-do-	-do-2008-09	-do-	115149/Nagaland	1633937	1135258	498679	4%	62335	33661 @18% for 3 F.Y	93503	189499
52.	-do-	-do-2008-09	-do-	115150/Nagaland	1369963	460389	909574	4%	113697	61396 @18% for 3 F.Y	170546	345639
53	-do-	-do-2008-09	-do-	135231/Nagaland	2136438	422262	1714176	4%	214272	115707 @18% for 3 F.Y	321408	651387
54.	Eastern Commerce Ch-V	16052029034 2006-07	Printing Machines	143628/ Tamil Nadu	510805	142545	368260	4%	46033	33144 @18% for 4 F.Y	69050	210832
	Total				**72384521**	**43146104**	**29038417**		**3081673**	**1993631**	**4622705**	**9698009**

Appendix 4.2

Statement showing short levy of sales tax/VAT, interest and penalty due to incorrect exhibition of taxable items and other irregularities

(Reference: Paragraph 4.3)

(Rupees in lakh)

Sl. No.	Name of the dealer	Number of assess-ment cases	Period of assess-ment	Date of assess-ment	Nature of irregularities	Short levy				Total	Remarks
						Sales Tax/ VAT	Additional Sales Tax	Interest	Penalty		
Superintendent of Taxes, Charge-II, Agartala											
1.	Basana Enterprise	1	2005-06	27.02.10	Erroneous computation of purchase	1.30	--	0.78	-	2.08	After re-assessment, demand notice for ₹ 1.41 lakh had been issued by the AA.
		2	2006-07								
2.	Raju Dresses	3	2006-07	23.10.10	Incorrect application of rates	0.23	--	0.11	--	0.34	After re-assessment, demand notice for ₹ 0.02 lakh for 2006-07 had been issued by the AA.
		4	2007-08								
		5	2008-09								
		6	2009-10								
Superintendent of Taxes, Charge-VI, Agartala											
3	Munayam Hussain	7	2008-09	08/09	Incorrect application of rates	1.07	--	--		1.07	After re-assessment, demand notice for ₹ 6.89 lakh had been issued by the AA.
Superintendent of Taxes, Charge-VII, Agartala											
4.	G.T.L Ltd.	8	2004-05	30.08.08	Non assessment of additional sales tax	-	0.12	0.17	-	0.29	Recovered (August 2011) ₹ 0.30 lakh including interest of ₹ 0.01 lakh.
5	A.D.Paper House	9-	2005-06	26.02.10	Erroneous computation of purchase	0.07	-	-	-	0.07	Recovered (August 2011) ₹ 0.07 lakh.
		10	2006-07								
		12	2007-08								
6.	S.S. Enterprise	13	2007-08	10.11.09	Non-levy of penal interest	-	-	-	0.31	0.31	Recovered (July 2011) ₹ 0.31 lakh.
		14	2008-09								
Superintendent of Taxes, Charge-VIII, Agartala											
7	Datta Distributors	15	2005-06	30.04.10	Erroneous computation of margin of profit	2.00	--	0.90	0.21	3.11	Re-assessment notice has since been issued to the dealer by the AA to appear for hearing.
		16	2006-07								
		17	2007-08								
		18	2008-09								

Appendix 4.2 (Contd.)

Statement showing short levy of sales tax/VAT, interest and penalty due to incorrect exhibition of taxable items and other irregularities

(Reference: Paragraph 4.3)

(Rupees in lakh)

Sl. No.	Name of the dealer	Number of assessment cases	Period of assessment	Date of assessment	Nature of irregularities	Short levy					Remarks
						Sales Tax/ VAT	Additional Sales Tax	Interest	Penalty	Total	
Superintendent of Taxes, Bishalgarh											
8.	Minu Medical Agency	19	07/07-08/08	20.12.08	Incorrect application of rates	2.00	--	--	--	2.00	Recovered (May 2011) ₹ 2.00 lakh.
9.	Priya Electric	20	2005-06	05.10.09	Erroneous computation of purchase	0.10	--	0.09	0.04	0.23	Recovered (January 2011) ₹ 0.24 lakh.
10	Nigam Bastralay	21	2005-06	09.03.09	Incorrect application of rates	0.03		0.04	0.04	0.11	After re-examination, the amount fixed by AA was 39 only which was deposited by the dealer.
		22	2006-07								
		23	2007-08								
Superintendent of Taxes, Teliamura											
11.	New Padarpan	24	2005-06	16.08.10	Erroneous computation of opening stock	1.92	--	1.50	0.20	3.62	Re-assessment notice has since been issued to the dealer by the AA to appear for hearing.
12.	Maa Monorama Stores	25	2005-06	30.01.10	Erroneous computation of opening stock	0.49	--	0.34	--	0.83	Re-assessment notice has since been issued to the dealer by the AA to appear for hearing.
Superintendent of Taxes, Belonia											
13.	New Shoe Stores	26	2005-06	03.11.09	Erroneous computation of opening stock	1.77	--	0.93	--	2.70	Re-assessment notice has since been issued to the dealer by the AA to appear for hearing.
		27	2006-07								
14.	Loknath Agro Chemicals	28	2005-06	02.09.09	Erroneous computation of opening stock	0.23	--	0.13	-	0.36	Recovered (May 2011) ₹ 0.36 lakh.
15.	Ramthakur Krishi Ushadhalya	29	2005-06	20.07.10	Erroneous computation due to non-inclusion of freight charges	0.02	--	--	--	0.02	Re-assessment notice has since been issued to the dealer by the AA to appear for hearing.
		30	2006-07								
		31	2007-08								
		32	2008-09								

Appendix 4.2 (Concld.)

Statement showing short levy of sales tax/VAT, interest and penalty due to incorrect exhibition of taxable items and other irregularities
(Reference: Paragraph 4.3)

(Rupees in lakh)

Sl. No.	Name of the dealer	Number of assessment cases	Period of assessment	Date of assessment	Nature of irregularities	Short levy					Remarks
						Sales Tax/ VAT	Additional Sales Tax	Interest	Penalty	Total	
Superintendent of Taxes, Dharmanagar											
16	Krishna Gopal Sharma & Co.	33 34	2005-06 2006-07	18.06.09	Erroneous computation of purchase, and sales	1.65	--	0.89	0.25	2.79	Re-assessment notice has since been issued to the dealer by the AA to appear for hearing.
17.	Jaganath Prasad Kanu	35 36 37	2005-06 2006-07 2007-08	18.06.09	Incorrect application of rates	1.59	--	0.69	0.50	2.78	-do-
18	Mahendra Stores	38 39	2006-07 2007-08	26.06.10	Erroneous computation of purchase	0.41	--	0.21	0.05	0.67	-do-
19..	Sonali Traders	40	2006-07	10.07.09	Erroneous computation of purchase	0.42	--	0.17	0.07	0.66	-do-
20.	Monmohini Stores	41	2008-09	10.07.09	Erroneous computation of purchase	0.16	--	0.01	0.28	0.45	-do-
21.	Jagadish Ch. Dhar	42 43	2005-06 2006-07	22.07.09	Incorrect application of rates	0.16	--	0.10	0.05	0.31	-do-
Superintendent of Taxes, Kailashahar											
22.	R.R. Enterprise	44 45 46	2006-07 2007-08 2008-09	19.10.10	Erroneous computation of purchase/ sale, closing stock, margin of profit and sale rate	13.18	--	10.70	25.23	49.11	-do-
23.	Ramendra Kr. Deb & Co.	47 48 49 50	2005-06 2006-07 2007-08 2008-09	20.10.10		14.65	--	11.47	23.71	49.83	-do-
24.	M.S. Enterprise	51 52	2006-07 2007-08	18.10.10		3.93	--	3.32	5.75	13.00	-do-
25.	Sarupananda Traders	53	2008-09	19.10.10		1.94	--	1.18	4.45	7.57	-do-
					Grand Total	**49.32**	**0.12**	**33.73**	**61.14**	**144.31**	

Appendix 4.3

Statement showing short levy of sales tax/VAT, interest and penalty due to concealment of turnover
(Reference: Paragraph 4.4)

(Rupees in lakh)

Sl. No.	Name of the dealer	Number of assessment cases	Period of assessment	Date of assessment	Short levy					Remarks
					Sales Tax/ VAT	Additional Sales Tax	Interest	Penalty	Total	
Superintendent of Taxes, Charge-I										
1.	J.K.Traders	1	1997-98	22.10.08	6.93	0.34	10.36	7.32	24.95	Re-assessment notice has since been issued to the dealer by the AA to appear for hearing
		2	1998-99							
		3	1999-2000							
		4	2000-01							
		5	2001-02							
		6	2002-03							
		7	2003-04							
		8	2004-05							
2.	Roy & Sons	9	1996-97	29.05.09	2.74	0.27	7.74	2.97	13.72	-do-
		10	1997-98							
		11	1998-99							
		12	1999-2000							
		13	2000-01							
		14	2001-02							
		15	2002-03							
		16	2003-04							
		17	2004-05							
Superintendent of Taxes, Charge-VII										
3.	Kishore Lal Motors	18	2004-05	28.06.08	0.78	--	1.00	--	1.78	Against demand notice issued for 1.78 lakh by the AA the dealer had deposited (August 2011) 0.60 lakh
4.	K.L. Enterprise	19	2003-04	30.06.08	0.15	--	0.31	--	0.46	Recovered (August 2011) 0.54 lakh, including interest of 0.08 lakh.

Appendix 4.3 (Concld.)

Statement showing short levy of sales tax/VAT, interest and penalty due to concealment of turnover
(Reference: Paragraph 4.4)

(Rupees in lakh)

Sl. No.	Name of the dealer	Number of assessment cases	Period of assessment	Date of assessment	Short levy					Remarks
					Sales Tax/ VAT	Additional Sales Tax	Interest	Penalty	Total	
Superintendent of Taxes, Charge-VIII										
5.	J.K. Motors	20	2007-08	06.10.09	12.17	--	3.29	7.30	22.76	Re-assessment notice has been issued to the dealer by the AA to appear for hearing.
6.	Haralal Das	21	2002-03	02.02.08 & 10.09.09	5.73	--	6.29	3.11	15.13	After re-assessment, recovery notice for ₹ 0.10 lakh for 2006-07 and 2007-08 was issued by the AA and the dealer had deposited (August 2011) the amount.
		22	2005-06							
		23	2006-07							
		24	2007-08							
7.	Ram Thakur Iron Stores	25	2006-07	30.06.09	0.26	--	0.12	0.06	0.44	Re-assessment notice has been issued to the dealer by the AA to appear for hearing.
8.	Tata Motors	26	2005-06	14.10.09	31.58	--	15.51	9.47	56.56	Re-assessment notice has been issued to the dealer by the AA to appear for hearing.
		27	2007-08							
				Grand Total	**60.34**	**0.61**	**44.62**	**30.23**	**135.80**	

Appendix 5.1

Statement showing particulars of up to date paid-up capital, loans outstanding and Manpower as on 31 March 2011 in respect of Government companies and Statutory corporations

(Reference: Paragraph No.5.1.6)

(Figures in column 5 (a) to 6 (c) are Rupees in crore)

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorpo-ration	Paid-up Capital[$]				Loans[**] outstanding at the close of 2010-11				Debt equity ratio for 2010-11 (Previous year)	Manpower (No. of employees) (as on 31.3.2011
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Govern-ment	Others	Total		
A. Working Government Companies													
AGRICULTURE & ALLIED													
1.	Tripura Forest Development & Plantation Corporation Limited (TFDPCL)	FOREST	26.03.76	8.90	0.29	-	9.19	-	-	-	-	-	236
2.	Tripura Horticulture Corporation Limited (THCL)	AGRICULTURE	07.04.87	1.73	-	-	1.73	-	-	-	-	-	98
3.	Tripura Tea Development Corporation Limited (TTDCL)	INDUSTRIES & COMMERCE	11.08.80	25.79	-	-	25.79	-	-	-	-	-	741
Sector wise total				**36.42**	**0.29**	**-**	**36.71**	**-**	**-**	**-**	**-**	**-**	**1075**
FINANCING													
4.	Tripura Handloom & Handicrafts Development Corporation Limited (THHDCL)	INDUSTRIES & COMMERCE	05.09.74	38.11	0.78	0.04	38.93	-	-	-	-	-	409
5.	Tripura Industrial Development Corporation Limited (TIDCL)	-DO-	28.03.74	16.10	-	1.64	17.74	-	-	-	-	-	44
6.	Tripura Rehabilitation Plantation Corporation Limited (TRPCL)	TRIBAL WELFARE (TRP&PGP)	03.02.83	4.58	-	-	4.58	-	-	0.36	0.36	0.08:1 (0.08:1)	206
Sector wise total				**58.79**	**0.78**	**1.68**	**61.25**	**-**	**-**	**0.36**	**0.36**	**0.01:1 (0.01:1)**	**659**
MANUFACTURE													
7.	Tripura Jute Mills Limited (TJML)	INDUSTRIES & COMMERCE	10.10.74	145.92	-	-	145.92	1.05	-	-	1.05	0.01:1 (0.01:1)	1162
8.	Tripura Small Industries Corporation Limited (TSICL)	-DO-	30.04.65	38.95	-	-	38.95	-	-	-	-	-	229
Sector wise total				**184.87**	**-**	**-**	**184.87**	**1.05**	**-**	**-**	**1.05**	0.01:1 (0.01:1)	**1391**
POWER													
9.	Tripura State Electricity Corporation Limited (TSECL)	POWER	09.06.04	109.29	-	-	109.29	126.62	-	-	126.62	1.16:1 (0.97:1)	4,443
Sector wise total				**109.29**	**-**	**-**	**109.29**	**126.62**	**-**	**-**	**126.62**	1.16:1 (0.97:1)	**4,443**
SERVICE													
10.	North Eastern Industrial Consultants Limited (NEICL)	INDUSTRIES & COMMERCE	31.07.87	-	-	0.21	0.21	-	-	-	-	-	24
11.	Tripura Tourism Development Corporation Limited (TTDCL)	INFORMATION, CULTURAL AFFAIRS & TOURISM	03.06.09	0.20	-	-	0.20	-	-	-	-	-	96
Sector wise total				**0.20**	-	**0.21**	**0.41**	**-**	**-**	**-**	**-**	**-**	**120**
MISCELLANEOUS													
12.	Tripura Natural Gas Company Limited (TNGCL)	INDUSTRIES & COMMERCE	10.07.90	-	-	2.10	2.10	-	-	-	-	- (0.36:1)	18
Sector wise total				**-**	**-**	**2.10**	**2.10**	**-**	**-**	**-**	**-**	**- (0.36:1)**	**18**
Total A (All sector wise working Government companies)				**389.57**	**1.07**	**3.99**	**394.63**	**127.67**	**-**	**0.36**	**128.03**	**0.32:1 (0.29:1)**	**7706**

Appendix 5.1 (Concld)

Statement showing particulars of up to date paid-up capital, loans outstanding and Manpower as on 31 March 2011 in respect of Government companies and Statutory corporations

(Reference: Paragraph No. 5.1.6)

(Figures in column 5 (a) to 6 (c) are Rupees in crore)

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorpo-ration	Paid-up Capital$				Loans** outstanding at the close of 2010-11				Debt equity ratio for 2010-11 (Previous year)	Manpower (No. of employees) (as on 31.3.2011)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Govern-ment	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	5 (e)	6 (a)	6 (b)	6 (c)	(7)	(8)
B. Working Statutory corporation													
SERVICE													
1.	Tripura Road Transport Corporation (TRTC)	TRANSPORT	23.10.69	179.10	3.64	-	182.74	0.25	-	-	0.25	Negligible	545
Sector wise total				**179.10**	**3.64**	**-**	**182.74**	**0.25**	**-**	**-**	**0.25**	**Negligible**	**545**
Total B (All sector wise working Statutory corporations)				**179.10**	**3.64**	**-**	**182.74**	**0.25**	**-**	**-**	**0.25**	**Negligible**	**545**
Grand Total (A + B)				**568.67**	**4.71**	**3.99**	**577.37**	**127.92**	**-**	**0.36**	**128.28**	**0.22:1 (0.21:1)**	**8251**
C. Non working Government companies													
FINANCING													
1.	Tripura State Bank Limited (TSBL)	FINANCE	Not available	0.04	-	-	0.04	-	-	-	-	-	-
Sector wise total				**0.04**	**-**	**-**	**0.04**	**-**	**-**	**-**	**-**	**-**	**-**
Total C (All sector wise non working Government companies)				**0.04**	**-**	**-**	**0.04**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A + B + C)				**568.71**	**4.71**	**3.99**	**577.41**	**127.92**	**-**	**0.36**	**128.28**	**0.22:1 (0.21:1)**	**8251**

Above includes Section 619-B companies at Sr. Nos. A(10) and A(12).

$ Paid-up capital includes share application money.

** Loans outstanding at the close of 2010-11 represent long-term loans only.

Information furnished by PSUs except serial C(1).

Appendix 5.2

Summarised financial results of Government companies and Statutory corporations for the latest year for which accounts were finalized

(Reference: Paragraph No.5.1.12)

(Figures in column 5 (a) to (6) and (8) to (10) are Rupees in crore)

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised*	Net Profit (+)/ Loss (-)				Turnover	Impact of Accounts Comments#	Paid up Capital£	Accumulated Profit (+)/ Loss (-)	Capital employed@	Return on capital employed$	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Deprecia-tion	Net Profit/ Loss							
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
A. Working Government Companies														
AGRICULTURE & ALLIED														
1.	TFDPCL	2009-10	2011-12	(+)19.45	-	0.59	(+) 18.86	42.17	-	9.20	(+) 77.21	88.99	(+) 18.86	21.19
2.	THCL	2004-05	2011-12	(-) 0.01	-	0.02	(-) 0.03	6.89	-	1.42	(-) 1.07	(-) 0.67	(-) 0.03	-
3.	TTDCL	2009-10	2011-12	(+)1.07	-	0.15	(+)0.92	4.44	(-)0.14	24.59	(-) 10.21	17.03	(+)0.92	5.40
Sector wise total				**(+) 20.51**	-	**0.76**	**(+) 19.75**	**53.50**	**(-)0.14**	**35.21**	**(+) 65.93**	**105.35**	**(+) 19.75**	**18.75**
FINANCING														
4.	THHDCL	2004-05	2011-12	(-) 2.66	-	0.09	(-) 2.75	3.15	-	16.62	(-) 23.03	25.53	(-) 2.75	-
5.	TIDCL	2009-10	2011-12	(+) 1.33	-	0.01	(+) 1.32	3.36	-	17.80	(-) 0.98	17.29	(+) 1.32	7.63
6.	TRPCL	2008-09	2010-11	(+) 0.82	-	0.06	(+) 0.76	13.95	-	4.58	(+)4.46	20.30	(+)0.76	3.74
Sector wise total				**(-) 0.51**	-	**0.16**	**(-) 0.67**	**20.46**	-	**39.00**	**(-) 19.55**	**63.12**	**(-) 0.67**	-
MANUFACTURE														
7.	TJML	2009-10	2010-11	(-) 13.19	-	0.02	(-) 13.21	4.60	(-)0.25	133.96	(-) 134.12	1.28	(-)13.21	-
8.	TSICL	2005-06	2011-12	(-) 1.22	-	0.19	(-) 1.41	8.77	-	24.17	(-) 18.14	6.66	(-) 1.41	-
Sector wise total				**(-) 14.41**	-	**0.21**	**(-) 14.62**	**13.37**	**(-)0.25**	**158.13**	**(-) 152.26**	**7.94**	**(-) 14.62**	-
POWER														
9.	TSECL	2006-07	2010-11	(+) 38.67	-	28.80	(+) 9.87	234.93	(-)1.67	9.55	(+) 18.70	818.85	(+) 9.87	1.21
Sector wise total				**(+) 38.67**	-	**28.80**	**(+) 9.87**	**234.93**	**(-)1.67**	**9.55**	**(+) 18.70**	**818.85**	**(+) 9.87**	**1.21**
SERVICES														
10.	NEICL	2000-01	2005-06	(+) 0.01	-	-	(+) 0.01	0.31	(-) 0.05	0.21	(+) 0.02	0.01	(+) 0.01	100.00
11.	TTDCL	2009-10	First account received (2009-10).											
Sector wise total				**(+)0.01**	-	-	**(+) 0.01**	**0.31**	**(-) 0.05**	**0.21**	**(+)0.02**	**0.01**	**(+)0.01**	**100**
MISCELLANEOUS														
12.	TNGCL	2006-07	2011-12	(+) 1.19	-	0.65	(+) 0.54	4.85	-	1.39	(+)1.20	**4.86**	**(+)0.54**	**11.11**
Sector wise total				**(+) 1.19**	-	**0.65**	**(+) 0.54**	**4.85**	-	**1.39**	**(+)1.20**	**4.86**	**(+)0.54**	**11.11**
Total A (All sector wise working Government companies)				**(+) 45.46**	-	**30.58**	**14.88**	**327.42**	**(-)2.11**	**243.49**	**(-) 85.96**	**1000.13**	**14.88**	**1.49**
B. Working Statutory corporation														
SERVICE														
1.	**TRTC**	2008-09	2010-11	(-) 9.15	9.37	0.72	(-) 19.24	3.91	(-)1.12	155.70	(-) 234.35	11.80	(-)9.87	-
Sector wise total				**(-) 9.15**	**9.37**	**0.72**	**(-) 19.24**	**3.91**	**(-)1.12**	155.70	**(-)234.35**	11.80	**(-)9.87**	-
Total B (All sector wise working Statutory corporation)				**(-) 9.15**	**9.37**	**0.72**	**(-) 19.24**	**3.91**	**(-)1.12**	155.70	**(-)234.35**	11.80	**(-)9.87**	-
Grand Total (A+B)				**(+) 36.31**	**9.37**	**31.30**	**(-)4.36**	**331.33**	**(-)3.23**	**399.19**	**(-) 320.31**	**1011.93**	**5.01**	**0.50**

Appendix 5.2 (concld)

Summarised financial results of Government companies and Statutory corporations for the latest year for which accounts were finalized.
(Reference: Paragraph No.5.1.12)

(Figures in column 5 (a) to (6) and (8) to (10) are Rupees in crore)

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover	Impact of Accounts Comments#	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed@	Return on capital employed$	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Deprecia-tion	Net Profit/ Loss							
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
C. Non working Government companies														
FINANCING														
1.	TSBL	Non-	functional	for about	38 years.	In	the	Process of	liquidation	under	Section 560	of	Companies	Act 1956.
Sector wise total				-	-	-	-	-	-	-	-	-	-	-
Total C (All sector wise non working Government company)				-	-	-	-	-	-	-	-	-	-	-
Grand Total (A + B + C)				**(+) 36.31**	**9.37**	**31.30**	**(-)4.36**	**331.33**	**(-)3.23**	**399.19**	**(-) 320.31**	**1011.93**	**5.01**	**0.50**

Impact of accounts comments include the net impact of comments of Statutory Auditors and CAG and is denoted by (+) increase in profit/ decrease in losses and (-) decrease in profit/ increase in losses.

@ 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 refinance).

$ Return on capital employed has been worked out by adding profit and interest charged to profit and loss account.

£ Including share suspense/ share application money.

*nine accounts received from PSUs were pending finalisation of audit.

Appendix 5.3

Statement showing grants and subsidy received/receivable, guarantees received, waiver of dues, loans written off and loans converted into equity during the year and guarantee commitment at the end of March 2011

(Reference: Paragraph No.5.1.9)

(Figures in column 3 (a) to 6 (d) are Rupees in crore)

Sl. No.	Sector & Name of the Company	Equity/ loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year[@]		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
(1)	(2)	3 (a)	3 (b)	4 (a)	4 (b)	4 (c)	4 (d)	5 (a)	5 (b)	6 (a)	6 (b)	6 (c)	6 (d)
A. Working Government Companies													
AGRICULTURE & ALLIED													
1.	TFDPCL	-	-	-	-	-	-	-	-	-	-	-	-
2.	THCL	0.04	-	-	-	-	-	-	-	-	-	-	-
3.	TTDCL	1.30	-	-	1.38	-	1.38	-	-	-	-	-	-
Sector wise total		**1.34**	**-**	**-**	**1.38**	**-**	**1.38**						
FINANCING													
4.	THHDCL	-	-	-	-	-	-	-	-	-	-	-	-
5.	TIDCL	-	-	-	-	-	-	-	-	-	-	-	-
6.	TRPCL	-	-	1.23	1.16	-	2.39	-	-	-	-	-	-
Sector wise total		**-**	**-**	**1.23**	**1.16**	**-**	**2.39**						
MANUFACTURE													
7.	TJML	11.93	-	-	-	-	-	-	-	-	-	-	-
8.	TSICL	-	-	-	-	-	-	-	-	-	-	-	-
Sector wise total		**11.93**	**-**	**-**	**-**	**-**	**-**						
POWER													
9.	TSECL	-	-	-	93.05	-	93.05	-	-	-	-	-	-
Sector wise total		**-**	**-**	**-**	**93.05**	**-**	**93.05**						
SERVICES													
10.	NEICL	-	-	-	-	-	-	-	-	-	-	-	-
11.	TTDCL	-	-	-	0.35	-	0.35	-	-	-	-	-	-
Sector wise total		**-**	**-**	**-**	**0.35**	**-**	**0.35**	**-**	**-**	**-**	**-**	**-**	**-**
MISCELLANEOUS													
11.	TNGCL	-	-	-	-	-	-	-	-	-	-	-	-
Sector wise total		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total A (All sector wise working Government companies)		**13.27**	**-**	**1.23**	**95.94**	**-**	**97.17**	**-**	**-**	**-**	**-**	**-**	**-**

Appendix 5.3 (concld)

Statement showing grants and subsidy received/receivable, guarantees received, waiver of dues, loans written off and loans converted into equity during the year and guarantee commitment at the end of March 2011

(Reference: Paragraph No.5.1.9)

(Figures in column 3 (a) to 6 (d) are Rupees in crore)

Sl. No.	Sector & Name of the Company	Equity/ loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year@		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
(1)	(2)	3 (a)	3 (b)	4 (a)	4 (b)	4 (c)	4 (d)	5 (a)	5 (b)	6 (a)	6 (b)	6 (c)	6 (d)
B. Working Statutory corporation													
SERVICE													
1.	TRTC	-	-	-	13.00	-	13.00	-	-	-	-	-	-
Sector wise total		-	-	-	**13.00**		**13.00**						
Total B (All sector wise working Statutory corporation)		-	-	-	**13.00**	-	**13.00**	-	-	-	-	-	-
Grand Total (A + B)		**13.27**	-	**1.23**	**108.94**	-	**110.17**	-	-	-	-	-	-
C. Non working Government company													
FINANCING													
1.	TSBL	-	-	-	-	-	-	-	-	-	-	-	-
Sector wise total		-	-	-	-	-	-	-	-	-	-	-	-
Total C (All sector wise non working Government company)		-	-	-	-	-	-	-	-	-	-	-	-
Grand Total (A + B + C)		**13.27**	-	**1.23**	**108.94**	-	**110.17**	-	-	-	-	-	-

@ Figures indicate total guarantees outstanding at the end of the year.

Information furnished by PSUs.

In case of TSECL, the grants received from the State Government include ₹ 38.42 crore relating to centrally sponsored schemes routed through the State Government.

Appendix 5.4

Statement showing investments made by State Government in PSU's whose accounts are in arrears

(Reference: Paragraph No.5.1.21)

(Rupees in crore)

Sl No.	Name of PSU	Year up to which accounts finalised	Paid up capital as per latest finalised accounts	Investments made by State Government during the years for which accounts are in arrears				
				Year	Equity	Loans	Grants	Others
(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	5(e)
A.WORKING GOVERNMENT COMPANIES								
1.	TFDPCL	2009-10	9.20	2010-11	-	-	-	-
2.	THCL	2004-05	1.47	2005-06	0.05	-	-	-
				2006-07	-	-	-	-
				2007-08	0.06	-	-	-
				2008-09	0.05	-	-	-
				2009-10	0.05	-	-	-
				2010-11	0.05	-	-	-
3.	TTDCL	2009-10	24.59	2010-11	1.30	-	-	-
4.	THHDCL	2004-05	13.33	2005-06	2.11	-	-	-
				2006-07	2.21	-	-	-
				2007-08	2.80	-	-	-
				2008-09	2.05	-	-	-
				2009-10	3.88			
				2010-11	7.20	-	-	-
5.	TIDCL	2009-10	17.80	2010-11	-	-	-	-
6.	TRPCL	2008-09	4.58	2009-10	-	-	-	-
				2010-11	-	-	-	-
7.	TJML	2009-10	133.99	2010-11	11.93	-	-	-
8.	TSICL	2005-06	24.18	2006-07	2.28	-	-	-
				2007-08	3.44	-	-	-
				2008-09	2.10	-	-	-
				2009-10	4.59	-	-	-
				2010-11	2.36	-	-	-
9.	TSECL	2006-07	9.55	2007-08	99.74	-	-	-
				2008-09	-	20.09	25.00	-
				2009-10	-	16.50	28.00	-
				2010-11	-	-	54.63	-
10.	NEICL	2000-01	0.21	2001-02 to 2010-11	-	-	-	-
11.	TTDCL	First Accounts for 2009-10 received, yet to be finalised	0.20	2010-11	-	-	0.35	-
12.	TNGCL	2006-07	1.39	2007-08 to 2010-11	-	-	-	-
	Total (A): (Government Companies)				148.25	36.59	107.98	
B.	**WORKING STATUTORY CORPORATION**							
1.	TRTC	2008-09	152.06	2009-10	-	-	11.94	-
				2010-11	-	-	15.10	-
	Total (B): (Statutory Corporation				-	-	27.04	-
	Grand Total (A+B)				**148.25**	**36.59**	**135.02**	**-**

Appendix 5.5

Statement showing financial position of Statutory Corporation
(Tripura Road Transport Corporation)
(Reference: Paragraph No.5.1.12)

(Rupees in crore)

Sl. No.	Particulars	2006-07	2007-08	2008-09
A.	**Liabilities**			
1.	Capital (including capital loan and equity)	130.90	142.70	155.70
2.	Borrowings from Government	0.25	0.25	0.25
3.	Funds (excluding depreciation & gratuity funds)	0.05	0.05	0.05
4.	Trade dues, other current liabilities and provisions (including gratuity fund)	76.24	84.22	93.13
	Total (A)	**207.44**	**227.22**	**249.13**
B.	**Assets**			
1.	Gross Block of fixed assets *Less* : Depreciation Reserve Net Block	12.36 9.83 2.53	13.43 10.54 2.89	14.16 11.26 2.90
2.	Current Assets, Loans and Advances	7.73	9.22	11.88
3.	Accumulated loss	197.18	215.11	234.35
	Total (B)	**207.44**	**227.22**	**249.13**
	Capital employed	**6.77**	**9.09**	**11.80**

Capital employed represents net fixed assets (including capital work in progress) plus working capital but excluding interest accrued and gratuity reserve.

Appendix 5.6

Statement showing working results of Statutory Corporation (Tripura Road Transport Corporation)

(Reference: Paragraph No.5.1.12)

(Rupees in crore)

Sl. No.	Particulars	2006-07	2007-08	2008-09
1.	**Operating:**			
	(a) Revenue	4.00	3.68	4.22
	(b) Expenditure	22.19	21.96	23.28
	(c) Surplus/(-)Deficit	(-) 18.19	(-) 18.28	(-) 19.06
2.	**Non-operating:**			
	(a) Revenue	1.55	0.69	0.18
	(b) Expenditure	0.34	0.33	0.36
	(c) Surplus/(-)Deficit	1.21	0.36	(-) 0.18
3.	**Total:**			
	(a) Revenue	5.55	4.37	4.40
	(b) Expenditure	22.53	22.29	23.64
	(c) Net Profit/(-)Loss	(-) 16.98	(-) 17.92	(-) 19.24
4.	Interest on Capital and Loans	7.89	8.61	9.37
5.	Total return on capital employed	(-) 9.09	(-) 9.32	(-) 9.87

Appendix 5.7

Statement showing minimum amount of interest not earned by idling of fund in current deposit accounts
(Reference: Paragraph No.5.4)

(Rupees in lakh)

Month	Aggregate minimum daily balance during the month	Total idle balance in each month [1]	No. of days	Rate[2] of interest per annum (in *per cent*)	Minimum amount of interest earning
Apr-06	363.20	358.20	30	2.00	0.59
May-06	586.37	581.37	31	2.00	0.99
Jun-06	556.84	551.84	30	2.00	0.91
Jul-06	407.07	402.07	31	2.00	0.68
Aug-06	376.30	371.30	31	2.00	0.63
Sep-06	270.78	264.78	30	2.00	0.44
Oct-06	267.00	261.00	31	2.00	0.44
Nov-06	437.54	431.54	30	2.00	0.71
Dec-06	430.74	424.74	31	2.00	0.72
Jan-07	473.45	467.45	31	2.00	0.79
Feb-07	342.98	336.98	28	1.75	0.45
Mar-07	289.06	283.06	31	2.00	0.48
Apr-07	455.67	449.67	30	2.00	0.74
May-07	531.39	525.39	31	2.00	0.89
Jun-07	717.12	711.12	30	2.00	1.17
Jul-07	615.01	609.01	31	2.00	1.03
Aug-07	461.62	455.62	31	2.00	0.77
Sep-07	401.74	395.74	30	2.00	0.65
Oct-07	415.93	409.93	31	2.00	0.70
Nov-07	414.73	408.73	30	2.00	0.67
Dec-07	385.95	379.95	31	2.00	0.65
Jan-08	359.74	353.74	31	2.00	0.60
Feb-08	353.43	347.43	29	1.75	0.48
Mar-08	497.25	491.25	31	2.00	0.83
Apr-08	642.38	636.38	30	2.00	1.05
May-08	749.81	743.81	31	2.00	1.26
Jun-08	825.40	819.40	30	2.00	1.35

[1] The interest loss has been calculated on aggregate of minimum daily idle balances during the month in current deposit accounts from April 2006 to December 2010 after retaining rupees one lakh in each current account i.e. five till August 2006; six from September 2006.

[2] Being the lowest rate of interest prevailing during this period i.e., United Bank of India w.e.f. 10.12.2009.

Appendix 5.7 (Concld.)
Statement showing minimum amount of interest not earned by idling of fund in current deposit accounts
(Reference: Paragraph No.5.4)

(Rupees in lakh)

Month	Aggregate minimum daily balance during the month	Total idle balance in each month [3]	No. of days	Rate[4] of interest per annum (in *per cent*)	Minimum amount of interest earning
Jul-08	848.37	842.37	31	2.00	1.43
Aug-08	1,437.36	1,431.36	31	2.00	2.43
Sep-08	1,202.32	1,196.32	30	2.00	1.97
Oct-08	1,226.70	1,220.70	31	2.00	2.07
Nov-08	1,221.05	1,215.05	30	2.00	2.00
Dec-08	968.26	962.26	31	2.00	1.63
Jan-09	863.13	857.13	31	2.00	1.46
Feb-09	785.43	779.43	28	1.75	1.05
Mar-09	815.34	809.34	31	2.00	1.37
Apr-09	814.67	808.67	30	2.00	1.33
May-09	873.56	867.56	31	2.00	1.47
Jun-09	665.49	659.49	30	2.00	1.08
Jul-09	600.97	594.97	31	2.00	1.01
Aug-09	764.17	758.17	31	2.00	1.29
Sep-09	827.60	821.60	30	2.00	1.35
Oct-09	1,032.78	1,026.78	31	2.00	1.74
Nov-09	1,057.36	1,051.36	30	2.00	1.73
Dec-09	980.32	974.32	31	2.00	1.66
Jan-10	1,204.51	1,198.51	31	2.00	2.04
Feb-10	1,010.92	1,004.92	28	1.75	1.35
Mar-10	1,099.79	1,093.79	31	2.00	1.86
Apr-10	1,232.44	1,226.44	30	2.00	2.02
May-10	1,096.10	1,090.10	31	2.00	1.85
Jun-10	1,218.80	1,212.80	30	2.00	1.99
Jul-10	1128.41	1122.41	31	2.00	1.91
Aug-10	975.70	969.70	31	2.00	1.65
Sep-10	736.99	730.99	30	2.00	1.20
Oct-10	568.68	562.68	31	2.00	0.96
Nov-10	774.78	768.78	30	2.00	1.26
Dec-10	695.37	689.37	31	2.00	1.17
Total					**68.01**

[3] The interest loss has been calculated on aggregate of minimum daily idle balances during the month in current deposit accounts from April 2006 to December 2010 after retaining rupees one lakh in each current account i.e. five till August 2006; six from September 2006.

[4] Being the lowest rate of interest prevailing during this period i.e., United Bank of India w.e.f. 10.12.2009.

Appendix 5.8

Statement showing interest not earned by parking fund in term deposits of shorter tenure at lower rates of interest

(Reference: Paragraph No. 5.4)

Name of Bank	Actual						Possible					
	Principal Amount Parked (₹)	Period of Investment		No. of days	Rate of interest (in *per cent*)	Interest (₹)	Period of Investment		Principal Amount Parked (₹)	Rate of interest (in *per cent*)	Period in days	Interest that could have been earned (₹)
	(Effective rate)	From	To				From	To				
IDBI, Agt, Br	1,50,00,000	21/03/2007	31/03/2008	375	10.00	16,02,432	21/03/2007	02/04/2011	1,50,00,000	9.50	1,470	68,37,046
IDBI, Agt, Br	(7.80 *per cent*)	01/04/2008	01/04/2009	365	9.25	14,36,375						
IDBI, Agt, Br		02/04/2009	02/04/2010	365	8.75	13,47,876						
IDBI, Agt, Br		02/04/2010	02/04/2011	365	6.75	10,38,418						
Total						**54,25,101**						**68,37,046**
IDBI, Agt, Br	1,50,00,000	14/05/2007	23/05/2008	374	10.00	15,97,908	14/05/2007	23/05/2011	1,50,00,000	9.50	1,469	68,37,046
IDBI, Agt, Br	(7.56 *per cent*)	23/05/2008	23/05/2009	365	9.00	13,96,250						
IDBI, Agt, Br		23/05/2009	23/05/2010	365	7.75	11,96,096						
IDBI, Agt, Br		23/05/2010	27/05/2010	5	6.75	0						
IDBI, Agt, Br		27/05/2010	27/05/2011	365	6.75	10,38,418						
Total						**52,28,672**						**68,37,046**
IOB, Agt. Br.	1,25,00,000	23/07/2009	23/07/2010	365	7.25	9,29,099	23/07/2009	23/07/2011	1,25,00,000	7.75	730	20,74,103
IOB, Agt. Br.	(6.64 *per cent*)	24/07/2010	23/07/2011	365	6.50	8,32,520						
Total						**17,61,619**						**20,74,103**
UBI, Btl. Br.	1,00,00,000	18/11/2009	17/02/2010	90	4.50	1,12,191	18/11/2009	18/02/2011	1,00,00,000	6.00	455	7,72,840
UBI, Btl. Br.	(5.46 *per cent*)	18/02/2010	18/02/2011	365	5.75	5,87,516						
UBI, Btl. Br.	1,00,00,000	05/12/2009	05/03/2010	90	4.50	1,13,710	05/12/2009	07/03/2011	1,00,00,000	6.00	455	7,72,840
UBI, Btl. Br.	(5.46 *per cent*)	10/03/2010	10/03/2011	365	5.75	5,87,516						
Total						**14,00,933**						**15,45,680**
Grand Total						**1,38,16,325**						**1,72,93,875**

Loss of interest: ₹ 1,72,93,875/- *minus* ₹ 1,38,16,325/- = ₹ 34,77,550/-