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Report of the Comptroller and Auditor General of India

For the year ended 31 March 2003

GOVERNMENT OF TRIPURA

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GOVERNMENT OF TRIPURA

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PREFACE

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

2. Chapters I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2003.

3. The remaining chapters deal with the findings of performance audit and audit of transactions in the various departments including the Public Works and Irrigation Department, audit of stores and stock, audit of autonomous bodies and departmentally run commercial undertakings.

4. The Report also contains the observations arising out of audit of statutory corporations, boards and Government companies and the observations on Revenue Receipts.

5. The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 2002-03 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 2002-03 have also been included, wherever necessary.

OVERVIEW

OVERVIEW

This report includes two chapters containing observations of Audit on the Finance and the Appropriation Accounts of the State Government for the year 2002-03 and seven other chapters, comprising six reviews on development and other activities, and 24 paragraphs containing audit comments on various irregularities. A synopsis of the important findings contained in the reviews and paragraphs is presented below.

1. An overview of the finances of the State Government

While the liabilities of the State Government grew by 16 *per cent,* the assets grew only by 10 *per cent* during 2002-03. The liabilities increased mainly due to increase in internal debt and in deposits under small savings etc.

While the quality of expenditure is reflected by plan, capital and development expenditure, percentage of plan expenditure, capital expenditure and development expenditure to total expenditure had decelerated in 2002-03 to 31.85, 18.71 and 62.18 *per cent* from 33.88, 24.45 and 66.18 *per cent* in the previous year.

Non-plan revenue expenditure increased from Rs.1536.74 crore to Rs.1621.10 crore, with decline in non-plan capital expenditure from Rs.49.85 crore to Rs.22.52 crore.

The percentage share of revenue receipts in total expenditure declined from 91.39 *per cent* in 1998-99 to 77.68 *per cent* in 2002-03 indicating that the balance had to be financed by borrowings.

Interest payments and expenditure on general services, considered as non-developmental, together accounted for 35.95 *per cent* of the total expenditure in 2002-03, as compared to 29.77 *per cent* in 1998-99.

At the end of 2002-03, the total investment in statutory corporation, Government companies, banks and co-operatives worked out to Rs.286.27 crore, but there was no return on this investment.

(Paragraphs 1.2 to 1.8)

2. Appropriation audit and control over expenditure

Against the total budget provision of Rs.3192.74 crore, actual expenditure was Rs.2895.13 crore. Overall savings of Rs.297.61 crore were the results of savings of Rs.564.38 crore in 53 grants and appropriations, offset by excess of

Rs.266.77 crore in 10 grants and appropriations. The excess expenditure of Rs.266.77 crore required regularisation by the Legislature under Article 205 of the Constitution of India.

In 37 cases, supplementary provision of Rs.113.88 crore proved unnessary.

In 42 cases, savings were more than Rs.10 lakh and above in each case and also more than 10 *per cent* of the total provision.

In nine cases under three grants and appropriations, expenditure of Rs.222.23 crore was incurred without budget provision.

In 60 cases, savings of Rs.320.24 crore had not been surrendered.

In 10 cases, against actual savings of Rs.10.69 crore, Rs.12.97 crore had been surrendered, resulting in excess surrender of Rs.2.28 crore.

(Paragraphs 2.1.1 to 2.1.7)

3. Audit Reviews

3.1 Working of the Agriculture Department (Agriculture Wing)

Working of the Agriculture Department (Agriculture Wing) during the period from 1998-99 to 2002-03 was reviewed in audit. Lack of monitoring of implementation of the action plan by the Task Force formed for the purpose, non-availability of required quantities of certified paddy seeds for replacement, declining trend in consumption of plant nutrients, partial utilisation of assured irrigation potential created, failure to build up a team of specialists on modern techniques of agriculture and lack of adequate credit facilities to the farmers were some of the deficiencies in the Agriculture Department.

- Replacement of seeds was far below the targeted percentage, farmers lost paddy crops valued at Rs. 1.24 crore due to supply of substandard seeds and percentage of achievement with reference to target for consumption of fertilizers in terms of nutrient gradually came down.

- A large number of slots in training courses offered by the Government of India for the staff members were not utilised, crop loan provided to farmers every year was of an insignificant amount compared to the amount required and targeted, and percentage of shortfall in utilisation of assured irrigation potential had a sharp rise over the years.

- Although Rs. 280.26 crore was spent during the five years ending 2002-03, the required pace of growth as envisaged in the perspective plan could not be maintained and the fulfilment of the objective was thwarted.

(Paragraph 3.1)

3.2 National AIDS Control Programme

The National AIDS Control Programme was introduced in 1987 for countrywide implementation. The main objective of the programme was not fulfilled in the State due to lack of effective planning, inadequate infrastructure as well as inadequate laboratory testing facilities, shortage of laboratory technicians, and non-availability of medicines for treatment. The performance of the intervention projects suffered due to non-formulation of viable projects according to the core principles of the programme.

- The drug de-addiction centre at Kumarghat established at a cost of Rs. 8 lakh in September 2000 for providing treatment to injecting drug users could not be made operational for want of equipment, medicines and technical staff, as of May 2003.

- The intervention projects were not formulated according to the core principles of the programme (many important components were excluded and prescribed cost schedule for the components of the project was not followed). The expenditure of Rs. 21.22 lakh incurred on them during 2000-03 proved largely wasteful.

- The infected persons were not informed of their HIV infection. As a result, 278 such persons in the State, as of March 2003, had been unknowingly spreading the deadly disease among the State population. Moreover, as appropriate method of testing was not being followed, blood units supplied from blood banks were also not considered fully safe against HIV infection.

(Paragraph 3.2)

3.3 Accelerated Irrigation Benefit Programme

Accelerated Irrigation Benefit Programme (AIBP) was launched by the Government of India in October 1996 to assist the State Government by providing loans to accelerate completion of irrigation projects which were languishing for want of funds. It was targeted that all the irrigation schemes would be completed within two years. The programme failed to achieve its objectives due to inadequate allocation of State share, diversion of funds from Central loan assistance, unauthorised parking of funds, taking up of new schemes without completing the ongoing ones, and failure of the implementing agencies to construct channels for carrying water into the fields.

- The State Government had not made any allocation of State share during the initial five years (1996-2001) and the allocation made in the next two years was also meagre resulting in slippage in the stipulated time schedule of two years for completion of all the three medium irrigation projects.

- Although the main objective of the AIBP was to complete all on-going projects within two years, the department had constructed only 19 *per cent* of the canals targeted to be constructed after spending 72 *per cent* of the revised cost in respect of three medium irrigation projects (Gomati, Khowai and Manu).

- The implementing agencies constructed 52 minor irrigation schemes at a total expenditure of Rs. 4.86 crore without creating facilities for carrying water into the fields. Consequently, full benefits of expenditure of Rs. 4.86 crore had not reached the farmers.

(Paragraph 4.1)

3.4 Materials management in Home (Police) Department

Materials management in the Home (Police) Department was found to have been deficient in many ways. Procurement made without assessing the demands from the field units resulted in issue of materials in excess of requirement just to avoid damage in long storage, as well as idling of stock. Delay in the annual procurement process resulted in purchase at the end of the year or postponement of purchase till the next year.

- Due to non-acceptance of the lowest rate received by inviting tenders, the department incurred extra expenditure of Rs.19.80 lakh in procurement of woollen blankets.

- The department incurred an extra liability of Rs.1.66 crore by accepting higher rates for bullet proofing of vehicles and rejecting option for getting the same work done at lower rates.

- Bullet proof vehicles worth Rs.63.14 lakh, sanctioned by the Ministry as special Central assistance in kind to the North Eastern States, received without taking any bullet resistance test at the factory, could not be utilised for the desired purpose as the vehicles subsequently proved not to have been bullet-resistant.

(Paragraph 5.1)

3.5 Working of the Tripura Khadi and Village Industries Board

Tripura Khadi and Village Industries Board was set up in August 1966 with the objective of generating employment for the rural artisans of Khadi and Village Industries sectors through implementation of different programmes and by providing financial assistance to them. The Board failed to generate adequate employment opportunities even after 37 years of its existence due to lack of planning, non-implementation of schemes despite having sufficient funds, and poor financial management. The Board was burdened with high establishment cost due to retention of idle and surplus staff, engagement of staff without any sanctioned posts, and misappropriation of stores. There was virtually no internal control mechanism in the Board to oversee its performance both in physical and financial terms. In 2002-03, administrative expenses alone constituted the entire expenditure of the Board, which had thus lost the rationale for its existence as a development agency.

- Of the total expenditure of Rs. 6.81 crore incurred by the Board during the period under review, 95 *per cent* constituted administrative expenses leaving only 5 *per cent* for development programmes.

- An amount of Rs. 1.61 crore paid to 25,075 persons for setting up of small units of khadi and village industries became unfruitful as the units did not ultimately come up.

- The number of artisans given work by the Board declined sharply from 348 in 1998-99 to 15 in 2002-2003. Average annual income of the artisans varied from Rs.432 to Rs.2129 during the period under review, indicating that the Board failed to provide adequate employment to rural artisans and to raise them above the poverty level.

- Laxity in administrative control led to misappropriation of yarn valued at Rs. 54.05 lakh from the yarn store during 1998-99 to 2002-03.

(Paragraph 7.2)

3.6 Working of the Tripura Rehabilitation Plantation Corporation Limited

The Tripura Rehabilitation Plantation Corporation Limited was incorporated on 3 February 1983 as a wholly owned Government company with the object of rehabilitating landless tribal *jhumias* and other landless people of the State through rubber and other plantations. Working of the company during the period from 1995-96 to 2001-02 was reviewed in audit.

- The company had finalised the accounts upto 2000-01. The accounts depicted accumulated loss of Rs. 2.88 crore.

- Shortfall in dry rubber production of 2298.25 tonnes valued at Rs. 6.86 crore due to low yield per tree for lack of effective control on tapping operations resulted in potential loss of income of Rs. 6.86 crore to the beneficiaries.

- The company failed to secure compensation amounting to Rs. 27.74 lakh from the Insurance Company in respect of 46 claims due to absence of appropriate insurance coverage of the rubber plantations.

(Paragraph 8.2)

4. Paragraphs

(a) Civil

- Non-functioning of the hiring centres resulted in idling of machinery and idle expenditure of Rs. 30.91 lakh on pay and allowances incurred by Agriculture Department.

(Paragraph 3.3)

- Books worth Rs. 16.60 lakh procured by the Director of Higher Education for nine public libraries could not be used by readers due to non-availability of required infrastructure.

(Paragraph 3.5)

- Non-deduction of Tripura Sales Tax at source by the Director of School Education resulted in excess payment of Rs. 13.88 lakh to the contractor.

(Paragraph 3.6)

- The Executive Engineer, Agartala Division III of the PWD, incurred excess and unauthorised expenditure of Rs. 64.22 lakh on establishment.

(Paragraph 4.2)

- The Executive Engineer, Electrical Division III of Power Department, Agartala, incurred unauthorised expenditure of Rs. 4.91 crore on engagement of excess staff.

(Paragraph 4.3)

- The Power Department of the State Government incurred unproductive expenditure of Rs. 3.17 crore by flaring off natural gas due to unrealistic assessment of actual requirement coupled with unfavourable agreement with the supplier.

(Paragraph 4.4)

- The Executive Engineer, Gas Thermal Electrical Division, Rokhia, of the Power Department made payment of Rs. 31.49 lakh against incorrect bills claimed for shortfall in consumption of gas.

(Paragraph 4.5)

(b) Revenue

- Failure of the Collector of Excise, West Tripura, Agartala, to realise bottling fee on 'India Made Foreign Liquor' from a distillery functioning in the State resulted in loss of revenue amounting to Rs. 35.53 lakh.

(Paragraph 6.2)

- Although the business was closed down in 1990, the Finance (Excise and Taxation) Department took 11 years thereafter to assess the dealer, who was then not traceable, resulting in loss of revenue of Rs. 6.63 lakh.

(Paragraph 6.3)

- The Assessing Authority under the Finance (Excise and Taxation) Department did not assess additional sales tax for 15 assessees resulting in short realisation of tax of Rs. 2.18 lakh and loss of Rs. 2.49 lakh towards penalty and interest on unrealised tax.

(Paragraph 6.5)

- Failure of the Superintendent of Taxes, Udaipur, to levy penalty as per the Act resulted in loss of revenue towards sales tax amounting to Rs. 1.50 lakh.

(Paragraph 6.6)

- The Divisional Forest Officer, Udaipur, did not realise additional proceeds, from the sale of timber at revised rates taking effect subsequently, which led to loss of revenue of Rs. 1.18 lakh.

(Paragraph 6.7)

- Failure of the District Transport Officer, Kailashahar, to identify the trucks with load of coal in excess of permissible limit resulted in non-realisation of Rs. 4.67 lakh towards fine from the transporters.

(Paragraph 6.8)

(c) Commercial

- Failure of the Government as well as the management of the Tripura Jute Mills Limited to go in for arbitration as per provision of the agreement resulted in loss of Rs. 1.39 crore.

(Paragraph 8.3)

- Delayed payment of subscriptions and contributions towards Employees Provident Fund by the Tripura Road Transport Corporation led to avoidable expenditure on penal damages of Rs. 29.54 lakh.

(Paragraph 8.4)

- Inadmissible allowance of rebate by 12 Electrical Sub-Divisions to 395 consumers in 468 bills resulted in loss of revenue of Rs. 10.43 lakh to the Power Department.

(Paragraph 8.6)

- Non-imposition of penalty by 13 Electrical Sub-Divisions under the Power Department for delayed payment of energy charges by consumers resulted in loss of revenue amounting to Rs. 54.53 lakh.

(Paragraph 8.7)

CHAPTER I

AN OVERVIEW OF THE FINANCES OF THE STATE GOVERNMENT

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AN OVERVIEW OF THE FINANCES OF THE STATE GOVERNMENT

1.1 Introduction

This chapter discusses the financial position of the State Government, based on the information contained in the Finance Accounts. The analysis is based on the trends in the receipts and expenditure, the quality of expenditure and the financial management of the State Government. In addition, the chapter also contains a section on analysis of indicators of financial performance of the Government. Some of the terms used in this chapter are explained in the **Annex-I**.

1.2 Financial position of the State

The Government accounting system does not attempt a comprehensive accounting of fixed assets i.e. land and buildings etc., owned by the Government. However, these accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred by it. **Exhibit-I** presents an abstract of such liabilities and the assets as on 31 March 2003, compared with the corresponding position in 31 March 2002. While the liabilities in this statement consist mainly of moneys owned by the State Government such as internal borrowings, loans and advances from the Government of India, receipts from the public account and reserve funds, the assets comprise mainly the capital expenditure and loans and advances given by the State Government. **Exhibit-I** shows that while the liabilities grew by 16 *per cent* (from Rs.2738.12 crore to Rs.3178.95 crore), the assets grew by only 10 *per cent* (from Rs.3448.18 crore to Rs.3808.36 crore) during 2002-2003. The liabilities had increased due to increase in internal debt (Rs.100.92 crore), net increase in deposits under Small Savings, Provident Funds etc.(Rs.342.25 crore) and in Deposits not bearing interest (Rs.21.39 crore).

Exhibit-III gives details of the receipts and disbursement by the State Government while **Exhibit-IV** depicts the time series data on State Government Finances for the period 1998-2003.

1.3 Sources and application of funds

Exhibit-II gives the position of sources and application of funds during the current and the preceding years. The main sources of funds include the revenue receipts of the Government, recoveries of the loans and advances, public debt and the receipts in the public account. These are applied mainly on revenue and capital expenditure and on lending for developmental and other purposes. Revenue receipts constituted the most significant source of funds for the State Government. Their relative share increased from 80.46 *per cent* in 2001-02 to 81.40 *per cent* in 2002-03. The share of recoveries of loans and advances increased from 0.10 *per cent* to 0.13 *per cent.* There was a net outflow from public accounts, while the share of public debt receipts decreased from 10.95 *per cent* in 2001-02 to 4.19 *per cent* in 2002-03.

The revenue expenditure accounted for 84.89 *per cent* of total funds. This was higher than the share of the revenue receipts in the total receipts. This led to revenue deficit and increasing the liabilities of the State to that extent which had no asset back up.

1.4 Revenue Receipts

The revenue receipts of the State consist mainly of its own taxes and non-tax revenue, Central tax transfers and grants in aid from the Government of India. Overall revenue receipts of the State increased from 1268.35 in 1998-99 to 1880.07 in 2002-03 at an average trend rate of 12.28 *per cent* per annum. Rate of growth of revenue receipts significantly moderated to 0.68 *per cent* in 2002-03. Overall revenue receipts, its annual and trend rates of growth, ratio of its receipts to the State Gross Domestic Product (GSDP) and its buoyancy are indicated in table 1.

Table 1: Revenue Receipt – Basic Parameters (Values in Rs crore and others in *per cent*)

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average/ Trend
Revenue Receipts	1268.35	1438.26	1638.06	1867.38	1880.07	1618
Rate of Growth	17.21	13.40	13.89	14.00	0.68	12.28
Revenue Receipt/GSDP	33.25	34.63	36.20	37.77	34.35	35.32
Revenue Buoyancy	1.101	1.505	1.556	1.507	0.064	1.205
GSDP Growth	15.64	8.90	8.93	9.29	10.69	10.19

The rate of growth of revenue receipts and GSDP fluctuated over the years. However, during 1998-2003, the GSDP growth of the State was 10.19 *per cent* on an average. The average revenue buoyancy during last five years was 1.205. However, in 2002-03 despite the increased rate of growth in GSDP a very low growth in revenue receipts resulted in decline in the buoyancy to 0.064.

Composition of the revenue receipts of the State and the relative share of the four components over last five years is indicated in table 2. On an average, around 7.93 *per cent* of the revenue came from State's own tax resources, Central tax transfers and grants in aid together contributed about 85.01 *per cent* of total revenue. The non-tax revenue of the State increased from around 3.53 *per cent* of total revenue in 1998-99 to 5.25 *per cent* in 2002-03, registering an average share of 5.02 *per cent* during the last five years. Central tax transfers as percentage to total revenue of the State witnessed a decline from 36.03 *per cent* in 1998-99 to 13.28 *per cent* in 2002-03.

Table 2 : Components of Revenue Receipt – relative share in *per cent*

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average/ Trend
Own Tax	6.63	7.07	7.67	8.49	9.74	7.93
Non-Tax Revenue	3.53	5.30	5.77	5.22	5.25	5.02
Central tax transfers	36.03	36.82	14.42	12.46	13.28	22.59
Grants-in aid	53.81	50.81	72.14	73.83	71.73	64.46

Over all growth of the four components of revenue during 1998-2003 also differed significantly. While the revenue from own taxes of the State recorded a trend growth of 21.45 *per cent* during 1998-2003, the Central tax transfers registered a negative growth rate of (-) 14.66 *per cent.* Non-tax revenue and grants in aid were also relatively buoyant with a growth of 24.80 and 22.53 *per cent* respectively during this period. The trend annual growth of the various components of State's revenue, their buoyancy, average ratio as percentage to GSDP and average annual rate of shift in the relative contribution is indicated in table 3.

Table 3: Components of Revenue – Basic parameters 1998 –2003 *(per cent)*

	ROG	Buoyancy	GSDP Share	Relative Share	Shift Rate
Own Taxes	21.45	2.105	2.85	7.93	8.17
Non- Tax Revenue	24.80	2.434	1.80	5.02	11.16
Central tax transfers	-14.66	-	7.44	22.59	-23.99
Grants-in aid	22.53	2.211	23.23	64.46	9.14

The State's non-tax revenue, grants in aid and own taxes had a high buoyancy of 2.434, 2.211 and 2.105 respectively. Negative growth of Central tax transfers led to a negative shift rate in its relative share. The other three components of revenue receipts had a higher buoyancy and a positive shift in their relative share.

1.5 Expenditure

Over all expenditure of the State comprising revenue expenditure, capital expenditure and the loans and advances increased from Rs.1388 crore in 1998-99 to Rs.2420 crore in 2002-03, at an average annual trend rate of 15.45 *per cent.* The over all buoyancy of the total expenditure with GSDP was 1.516 during 1998-2003. Similarly total expenditure increased relatively faster compared to the revenue receipts. During 1998-2003, for each one *per cent* increase in revenue receipts, expenditure increased by 1.258 *per cent.* Overall expenditure, its annual and trend growth ratio of total expenditure to State's GSDP and the buoyancy of expenditure are indicated in table 4 below:

Table 4: Total expenditure – Basic Parameters (Value in Rs. Crore and others in *per cent*)

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average/ Trend
Total expenditure	1388	1731	2085	2408	2420	2006
Rate of Growth	8.52	24.73	20.45	15.48	0.51	15.45
TE/GSDP Ratio	36.39	41.68	46.09	48.70	44.22	43.79
Revenue Receipts/ TE ratio	91.39	83.08	78.56	77.55	77.68	81.65
Buoyancy of Total Expenditure with						
GSDP	0.545	2.778	2.291	1.666	0.048	1.516
Revenue Receipts	0.495	1.846	1.472	1.106	0.752	1.258

In terms of the activities, total expenditure could be considered as being composed of expenditure on general services, interest payments, social and economic services, grants in aid and loans and advances. The relative share of these components in the total expenditure is indicated in table 5.

Table 5: Components of Expenditure – Relative Share (in *per cent*)

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average/ Trend
General Services	19.64	20.92	20.56	22.13	23.94	21.43
Interest Payments	10.13	10.70	10.84	10.52	12.01	10.84
Social Services	39.52	39.22	37.61	35.78	36.52	37.73
Economic Services	29.25	27.93	29.85	30.17	25.45	28.53
Grants-in-aid and contributions	1.22	1.06	0.93	1.06	1.74	1.21
Loans and advances	0.24	0.17	0.21	0.34	0.34	0.26

The movement of relative share of these components indicates that while the share of economic services in total expenditure declined from 29.25 *per cent* in 1998-99 to 25.45 *per cent* in 2002-03, the relative share of interest payments increased. Expenditure on general services increased almost steadily upto 2002-03 while the relative share of Social Services decelerated from 39.52 *per cent* in 1998-99 to 36.52 *per cent* in 2002-03. Interest payments and expenditure on general services considered as non-developmental, together accounted for nearly 35.95 *per cent* of total expenditure in 2002-03 as compared to around 29.77 *per cent* in 1998-99.

In total expenditure, revenue expenditure had the predominant share. Revenue expenditure is incurred to maintain the current level of services and does not represent any addition in the State's service network. Overall revenue expenditure of the State increased from Rs. 1175.62 crore in 1998-99 to Rs. 1960.72 crore in 2002-03, at an average trend rate of 13.86 *per cent* per annum, which was, however lower compared to the growth of total expenditure, but higher than the rate of growth of revenue receipts. Revenue expenditure – GSDP ratio, therefore witnessed an increase from 30.82 *per cent* in 1998-99 to 35.82 *per cent* in 2002-03. The ratio of revenue expenditure to total expenditure decreased from 84.70 *per cent* in 1998-99 to 81.02 *per cent* in 2002-03. On an average 81.18 *per cent* of total expenditure of the State was on current consumption. Increase in the ratio of revenue expenditure to revenue receipts indicated increasing dependence on borrowing for even meeting the current expenditure. The gap between revenue receipts and revenue expenditure widened from a surplus of 7.31 *per cent* in 1998-99 to a deficit of 4.29 *per cent* in 2002-03. Overall revenue expenditure, its rate of growth, ratio of revenue expenditure to State's GSDP and revenue receipts and its buoyancy with both GSDP and revenue receipts is indicated in table 6 below:

Table 6: Revenue Expenditure – Basic Parameters (Values in Rs. crore and others in *per cent*)

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average/ Trend
Revenue expenditure	1175.62	1461.07	1734.04	1812.91	1960.72	1628.87
Rate of Growth	10.87	24.28	18.68	4.55	8.15	13.86
RE/GSDP	30.82	35.18	38.33	36.66	35.82	35.55
RE as % of TE	84.70	84.40	83.16	75.29	81.02	81.18
RE as % to Revenue Receipt	92.69	101.59	105.86	97.08	104.29	100.65
Buoyancy of Revenue Expenditure with						
GSDP	0.695	2.728	2.093	0.490	0.763	1.360
Revenue Receipts	0.631	1.813	1.345	0.325	11.998	1.129

The growth in revenue expenditure exceeded the rate of growth of State's GSDP and revenue receipts. Average buoyancy of revenue expenditure to GSDP during 1998-2003 was 1.360 indicating that for each one percentage increase in GSDP, revenue expenditure increased by 1.360 *per cent*. Similarly, for each one percentage point increase in the State's revenue receipts, revenue expenditure increased by 1.129 *per cent*.

The plan, capital and developmental expenditure reflect its quality. Higher the ratio of these components to total expenditure better is the quality of expenditure. Table 7 below gives the ratio of these components to total expenditure.

Table 7: Quality of Expenditure (*per cent* to total expenditure)

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average
Plan expenditure	37.62	34.77	33.59	33.88	31.85	34.00
Capital expenditure	15.09	15.46	16.66	24.45	18.71	18.60
Development expenditure	68.94	67.26	67.59	66.18	62.18	66.08

(Total expenditure does not include Loans and Advances)

Plan expenditure declined from 37.62 *per cent* of total expenditure in 1998-99 to 31.85 *per cent* in 2002-03. Similarly, development expenditure also declined from 68.94 *per cent* to 62.18 *per cent*. There was, however, an increase in the share of capital expenditure from 15.09 *per cent* in 1998-99 to 24.45 *per cent* in 2001-02, though it declined sharply to 18.71 *per cent* in 2002-03.

Activity wise expenditure also revealed that the average trend growth of various components had significant variations. Loans and advances and expenditure on general services and interest payments were the fastest growing components with an average growth of 24.53 *per cent,* 21.21 *per cent* and 20.04 *per cent per annum* respectively. As percentage to GSDP, non-development expenditure comprising general services and interest payments averaged 14.28 *per cent*, social services 16.40 *per cent* and the economic services 12.46 *per cent*. Activity wise trend growth, ratio to GSDP, relative share of the various activities, shift in their relative share and buoyancy with GSDP and revenue receipt are indicated in table 8.

Table 8: Activity wise Expenditure – Basic Parameters (in *per cent*)

	ROG	GSDP Share	Relative Share	Share Shift	Buoyancy with	
					GSDP	Revenue Receipt
General Services	21.21	9.50	17.83	4.99	2.081	1.728
Interest Payments	20.04	4.78	18.43	3.97	1.966	1.632
Social Services	13.97	16.40	38.96	-1.28	1.371	1.138
Economic Services	11.53	12.46	22.26	-3.39	1.131	0.939
Loans & Advances	24.53	0.12	2.38	7.87	2.407	1.998

The relative shares of the expenditure on loans and advances interest, general services grew by an average of 7.87 *per cent*, 3.97 *per cent* and 4.99 *per cent per annum* respectively. On the other hand, the share of expenditure on economic and social services actually declined. All the components of expenditure except economic services had buoyancy greater than one both with regard to GSDP and the revenue receipt.

1.6 Fiscal Imbalances

The deficits in the Government accounts represent the gap between its receipt and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed are important pointers to the fiscal health. The revenue deficit is the excess of its revenue expenditure over revenue receipts. There was revenue surplus of Rs. 93 crore in 1998-99 which had turned into revenue deficit of Rs. 81crore in 2002-03. The fiscal deficit which represents the total borrowing of the Government and its total resource gap, increased from Rs. 118 crore in 1998-99 to Rs.537 crore in 2002-03. State also had a primary deficit which increased from Rs. 105 crore in 1999-2000 to Rs. 246 crore in 2002-03.

The existence of revenue deficit indicated that the revenue receipts of the State were not able to meet its revenue expenditure and Government had to borrow funds to meet its current obligations. The ratio of revenue deficit to fiscal deficit has also increased from 7.85 *per cent* in 1999-2000 to 15.02 *per cent* in 2002-03. As proportion to State's gross domestic product, revenue deficit had increased to 1.47 *per cent* in 2002-03 and fiscal deficit to 9.81 *per cent*.

Table 9: Fiscal Imbalances – Basic Parameters (Values in Rs. crore and Ratios in *per cent*)

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average/ Trend
Revenue deficit	*	-23	-96	*	-81	-11
Fiscal deficit	-118	-291	-445	-538	-537	-386
Primary deficit	**	-105	-219	-285	-246	-167
RD/GSDP	—	-0.55	-2.12	—	-1.47	-0.23
FD/GSDP	-3.10	-6.99	-9.84	-10.88	-9.81	-8.42
PD/GSDP	—	-2.54	-4.84	-5.76	-4.50	-3.64
RD/FD	—	7.85	21.56	—	15.08	2.75

* The years 1998-99 and 2001-02 registered revenue surplus.

** In 1998-99, there was excess of interest payment over fiscal deficit, while excess of fiscal deficit over interest payment constitutes primary deficit.

1.7 Fiscal liabilities – Public Debt and Guarantees

The Constitution of India provides that State may borrow within the territory of India, upon the security of its consolidated funds, within such limits, as may from time to time, be fixed by an act of Legislature. However, no such law was passed by the State to lay down any such limit. Table 10 below gives the fiscal liabilities of the State, its rate of growth, ratio of these liabilities to GSDP, revenue receipts and own resources and the buoyancy of these liabilities with respect to these parameters. It would be observed that the over all fiscal liabilities of the State increased from Rs. 1447 crore in 1998-99 to Rs. 3127 crore in 2002-03 at an average annual rate of 21.66 *per cent*. These liabilities as ratio to GSDP increased from 37.90 *per cent* in 1998-99 to 57.10 *per cent* in 2002-03 and stood at more than 11 times of its own resources comprising its own tax and non-tax revenue.

In addition to these liabilities, Government had guaranteed loans of its various Corporations and others which in 2002-03 stood at Rs. 25 crore. The guarantees are in the nature of contingent liabilities.

Table 10: Fiscal Liabilities – Basic Parameters

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average/Trend
Fiscal Liabilities	1447	1842	2234	2666	3127	2263
Rate of Growth	21.73	27.29	21.24	19.35	17.31	21.66
Ratio of Fiscal Liabilities to						
GSDP	37.90	44.40	49.40	53.90	57.10	49.40
Revenue Receipt	114.10	128.10	136.40	142.80	166.30	135.40
Own Resources	1122.30	1035.40	1014.90	1040.80	1109.70	1062.90
Buoyancy of Fiscal Liabilities to						
GSDP	1.390	3.066	2.380	2.083	1.619	2.125
Revenue Receipt	1.263	2.037	1.529	1.382	25.474	1.764
Own resources	1.031	0.719	0.896	1.182	1.727	2.050

Increasing liabilities had raised the issue of sustainability. Fiscal liabilities are considered sustainable if the average interest paid on these liabilities is lower than the rate of growth of GSDP. However, in the case of Tripura average interest rate on fiscal liabilities at 10.68 *per cent* exceeded the rate of growth of GSDP by 0.49 *per cent* as indicated in Table 11.

Table 11: Debt Sustainability – Interest rate and GSDP Growth (in *per cent*)

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average/ Trend
Weighed Interest Rate	10.67	11.26	11.09	10.34	10.04	10.68
GSDP Growth	15.64	8.90	8.93	9.29	10.69	10.19
Interest spread	4.97	-2.36	-2.17	-1.05	0.65	-0.49

Another important indication of debt sustainability is net availability of the funds after payment of the principal on account of the earlier contracted liabilities and interest. The Table 12 below gives the position of the receipt and repayment of fiscal liabilities over last five years. The net funds available on account of the internal debt, loans and advances from Government of India and other liabilities after providing for interest and repayments varied from 21.71 *per cent* to 38.86 *per cent*. The net funds available declined to 21.71 *per cent* of total new liabilities in 2002-03.

Table 12: Net Availability of Borrowed Fund

(Rupees in crore)

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average
Internal Debt						
Receipt	97.09	145.30	191.61	139.39	202.92	155.26
Repayment (Principal + Interest)	53.81	75.61	144.35	126.09	143.46	108.66
Loans and Advances from GOI						
Receipt	120.95	158.75	17.15	96.25	84.84	95.59
Repayment (Principal + Interest)	77.11	94.23	107.40	117.91	182.98	115.93
Other liabilities						
Receipt	314.44	383.46	616.47	546.01	766.58	525.39
Repayment (Principal + Interest)	239.29	250.48	340.66	367.92	480.84	335.84
Total liabilities						
Receipt	532.48	687.51	825.23	781.65	1054.34	776.24
Repayment (Principal + Interest)	370.21	420.32	592.41	611.92	807.28	560.43
Net Fund Available	162.27	267.19	232.82	169.73	247.06	215.81
Net fund Available (*per cent*)	30.47	38.86	28.21	21.71	23.43	27.80

1.8 Investments and returns

As on 31 March 2003, Government had invested Rs.286.27 crore in Statutory Corporation, Government Companies, Banks and Cooperatives. Government's return on this investment was Nil as indicated in Table 13 below:

Table 13: Return on Investment

(Rupees in crore)

Year	Investment at the end of the year	Return	Percentage of Return	Rate of interest on Government Borrowings (%)
1998-99	177.98	Nil	Nil	10.67
1999-2000	198.85	Nil	Nil	11.26
2000-01	222.85	Nil	Nil	11.09
2001-02	260.14	Nil	Nil	10.34
2002-03	286.27	Nil	Nil	10.04

In addition to its investment, Government has also been providing loans and advances to many of these parastatals. Total outstanding loans was Rs. 62.64 core as on 31 March 2003. Overall interest received had declined to 10.14 *per cent* in 2002-03 from 23.87 *per cent* in 1999-2000 (Table 14).

Table 14: Average interest received on loans advanced by the State Government

(Amount in Rs. crore)

	1998-99	1999-2000	2000-01	2001-02	2002-03
Opening balance	46.52	48.68	49.19	51.68	57.50
Amount advanced during the year	3.36	2.88	4.36	8.14	8.24
Amount repaid during the year	1.20	2.37	1.87	2.32	3.10
Closing balance	48.68	49.19	51.68	57.50	62.64
Net addition	2.16	0.51	2.49	5.82	5.14
Amount of interest received	0.19	11.62	18.49	3.58	5.83
Interest received as *per cent* to loans advanced	0.41	23.87	37.59	6.93	10.14
Average interest paid by the State (in *per cent*)	12.15	12.25	10.82	10.35	7.08
Difference (percentage) between interest paid and received	(-) 11.74	11.62	26.77	(-) 3.42	3.06

1.9 Financial results of irrigation works

Capital expenditure on three medium irrigation projects was Rs.127.99 crore up to 2002-03. Total receipts against this during 2002-03 were only Rs.13.97 lakh, with no working and maintenance expenditure incurred and booked during the year.

1.10 Incomplete projects

As informed by the State Government, there were 125 incomplete projects in which Rs. 58.73 crore was blocked. Both the number of projects and capital blocked in them had increased substantially with reference to the previous years. This showed that the Government was spending its resources thinly without prioritisation.

1.11 Arrears of revenue

The arrears of revenue pending collection was Rs. 2.46 crore as of March 2003 which was 1.34 *per cent* of the tax-revenue collected during the year. The amount intimated by the Government consists only of Sales Tax. Of this, Rs. 0.30 crore (12 *per cent*) was pending for more than five years.

1.12 Financial Indicators of the Government of Tripura

The finances of a State should be sustainable, flexible and non-vulnerable. Table 15 below presents a summarised position of Government finances over 1998-2003, with reference to certain key indicators that help assess the adequacy and effectiveness of available resources and their applications, highlight areas of concern and captures its important facets.

The ratios of revenue receipt and State's own taxes to GSDP indicate the adequacy of the resources. The buoyancy of the revenue receipt indicates the nature of the tax regime and the State's increasing access to resources. Revenue receipts comprises not only the tax and non-tax resources of the State but the Central transfers. It indicates the sum total of the State's access for which there is no direct service provision obligations, recovery of users' charges for the social and economic services provided by it and its entitlement from the Central pool of resources. There was overall improvement in the ratios over the five years since 1998-99. But overall revenue buoyancy of the State has been greater than one upto 2001-02 and less than one in 2002-03.

Various ratios concerning the expenditure management of the State indicate quality of its expenditure and sustainability of these in the relation to its resource mobilisation. The ratio of revenue expenditure to total expenditure had increased in 2002-03 while its capital expenditure and development expenditure as percentage to total expenditure has decreased side by side. Both its revenue and total expenditure have been buoyant compared to its revenue receipts and revenue expenditure. All these indicate State's increasing dependence on borrowings for meeting its revenue expenditure and inadequate expansion of its development activities.

Table 15: Indicators of Fiscal Health (in *per cent*)

Fiscal Indicators	1998-99	1999-2000	2000-01	2001-02	2002-03	Average/ Trend
Resource Mobilisation						
Revenue Receipt/GSDP	33.25	34.63	36.20	37.77	34.35	35.32
Revenue Buoyancy	1.101	1.505	1.556	1.507	0.064	1.205
Own tax/GSDP	2.21	2.45	2.78	3.21	3.35	2.85
Expenditure Management						
Total expenditure/GSDP	36.39	41.68	46.09	48.70	44.22	43.79
Revenue Receipt/Total Expenditure	91.39	83.08	78.56	77.55	77.68	81.65
Revenue Expenditure / Total Expenditure	84.70	84.40	83.16	75.29	81.02	81.1824
Capital Expenditure / Total expenditure	15.09	15.46	16.66	24.45	18.71	18.60
Development Expenditure / Total Expenditure	68.94	67.26	67.59	66.18	62.18	66.08
Buoyancy of TE with RR	0.495	1.846	1.472	1.106	0.752	1.258
Buoyancy of RE with RR	0.631	1.813	1.345	0.325	11.998	1.129
Management of Fiscal Imbalances						
Revenue deficit *(Rs. in crore)*	*	-23	-96	*	-81	-29
Fiscal deficit *(Rs. in crore)*	-118	-291	-445	-538	-537	-386
Primary deficit *(Rs. in crore)*	**	-105	-219	-285	-246	-167
Revenue deficit/Fiscal deficit	—	7.85	21.56	—	15.02	7.51
Management of Fiscal Liabilities (FL)						
Fiscal Liabilities/GSDP	37.90	44.40	49.40	53.90	30.10	49.40
Fiscal Liabilities / RR	114.10	128.10	136.40	142.80	166.30	135.40
Buoyancy of FL with RR	1.263	2.037	1.529	1.382	25.474	1.764
Buoyancy of FL with OR	1.031	0.719	0.896	1.182	1.727	2.050
Interest spread	4.97	-2.36	-2.17	-1.05	0.65	-0.49
Net fund available	30.47	38.86	28.21	21.71	23.43	27.80
Other Fiscal Health Indicators						
Return on Investment	Nil	Nil	Nil	Nil	Nil	Nil
BCR *(Rs. in crore)*	(-) 186.11	(-) 354.60	(-) 448.41	(-) 607.83	(-) 529.15	(-) 425.22
Financial Assets / Liabilities	1.53	1.40	1.29	1.26	1.20	1.34

* The years 1998-99 and 2001-02 registered a revenue surplus.

** In 1998-99, there was excess of interest payment over fiscal deficit, while excess of fiscal deficit over interest payment constitutes primary deficit.

An overall increasing trend in revenue and fiscal deficit indicates growing fiscal imbalances of the State. Similarly, the increasing trend in the ratio of revenue deficit and fiscal deficit in 2002-03 which was in excess of the level of 1999-2000 indicates that the application of borrowed funds has largely been to meet current consumption. All the four indicators of fiscal imbalances show deterioration over time indicating increasing unsustainability and vulnerability of State finances.

It is not uncommon for a State to borrow for increasing its social and economic infrastructure support and creating additional income generating assets. However, increasing ratio of fiscal liabilities to GSDP and revenue receipts together with an increasing trend in revenue deficit, indicate that the State is gradually getting into a debt trap. Similarly, a significantly higher buoyancy of the debt with regard to its revenue receipts indicates its increasing unsustainability. The average interest paid (10.68 *per cent*) by the State on its borrowings during 1998-2003 has also exceeded the average rate of growth of its GSDP (10.19 *per cent*), violating the cardinal rule of debt sustainability. There has also been a decline in net availability of funds from its borrowings due to a larger portion of these funds being used for debt servicing. That the state did not earn any return on investment indicates an implicit subsidy and use of high cost borrowing for investments, which yields very little to it. The ratio of State's total financial assets to liabilities has also deteriorated. This indicates that either the State has to generate more revenue from out of its existing assets or need to provide from its current revenues for servicing its debt obligations. The balance from current revenue of the State has also continued to show a trend, which was more or less increasingly negative. The BCR plays a critical role in determining its plan size and a negative BCR adversely affects the same and reduces availability of funds for additional infrastructure support and other revenue generating investment.

Exhibit I

(Rupees in crore)

Liabilities				
As on 31 March 2002			**As on 31 March 2003**	
841.29		Internal Debt		942.21
	469.91	Market Loans bearing interest	582.47	
	0.23	Market Loans not bearing interest	0.23	
	228.81	Loans from LIC of India	218.22	
	142.34	Loans from other Institutions	141.29	
733.83		Loans and Advances from Central Government		729.58
	6.39	Pre- 1984-85 Loans	5.08	
	250.06	Non-Plan Loans	188.47	
	444.66	Loans for State Plan Schemes	502.10	
	1.15	Loans for Central Plan Schemes	1.10	
	11.99	Loans for Centrally Sponsored Plan Schemes	12.73	
	1.42	Ways and Means Advances	1.41	
	18.16	Loans for Special Schemes	18.69	
1064.18		Small Savings, Provident Funds, etc.		1406.43
	-	Reserve Fund		-
52.78		Deposits not bearing interest		74.17
10.00		Contingency Fund		10.00
33.56		Remittance balances		16.56
2.48		Suspense and Miscellaneous balances		-
710.06		Accumulated surplus on Government Account:		629.41
	655.59	Revenue Surplus brought forward from previous year	710.06	
	54.47	Add revenue surplus (+)/ deficit (-) for the current year	-80.65	
3448.18				**3808.36**

(Rupees in crore)

Assets				
As on 31 March 2002			**As on 31 March 2003**	
3252.81		Gross capital outlay on Fixed Assets		3704.02
	260.14	Investment in Government Companies and Statutory Corporations, etc.	286.27	
	2992.67	Other Capital Outlay on General, Social and Economic Services	3417.75	
57.50		Loans and Advances by the State Government		62.64
	34.93	Other Development Loans	35.13	
	22.57	Loans to Government Servants and Miscellaneous Loans	27.51	
1.30		Other Advances		1.31
26.16		Reserve Fund		24.97
-		Suspense and Miscellaneous Balances		15.48
-		Remittance Balances		Nil
110.41		Cash Balance		-0.06
	NIL*	Cash in Treasuries	Nil*	
	0.80	Departmental Cash Balance including permanent advances	3.12	
	139.09	Cash balance investment	92.19	
	29.48**	Deposits with Reserve Bank of India	-95.37**	
3448.18				**3808.36**

* Rs.1353 only.

** Minus balance was the net difference between receipts and disbursement of the State Government for the year 2002-03 after incorporating all adjustments made by RBI for the year 2002-03 upto 25 April 2002/2003.

Exhibit II

(Rupees in crore)

2001-02 Amount				2002-03 Amount
SOURCES				
1867.38		1.Revenue Receipts		1880.07
2.32		2.Recoveries of Loans and Advances		3.10
254.19		3.Increase in Public Debt		96.68
197.08		4.Net Receipts from Public Account		329.84
	168.01	Increase in Small Savings and Provident Funds	(+) 342.25	
	(+) 3.56	Decrease (-) / Increase (+) in Reserve Funds	(+) 1.19	
	(+) 6.46	Decrease (-) / Increase (+) in Deposits and Advances	(+) 21.37	
	(+) 8.30	Decrease (-)/Increase (+) in Suspense Balances*	(-) 17.97	
	(+) 10.75	Increase in Remittance Balances	(-) 17.00	
2320.97	**Total**			**2309.69**
APPLICATION				
1812.91		Revenue Expenditure		1960.72
586.82		Capital Expenditure		451.21
8.14		Lending for development and other purposes		8.24
(-) 86.90		Decrease in cash balance including permanent advances, departmental cash balance and cash balance investment		(-) 110.48
2320.97	**Total**			**2309.69**

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

Exhibit III

ABSTRACT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR 2002-2003

(Rupees in crore)

Receipts				Disbursements					
2001-02		2002-03		2001-02		2002-03			
						Non-Plan	Plan	Total	
	Section-A : Revenue								
1867.38	**I. Revenue Receipts**		**1880.07**	**1812.91**	**I. Revenue Expenditure**	**1621.10**	**339.62**	**1960.72**	**1960.72**
158.50	-Tax Revenue	184.00		**717.40**	**General Services**	**825.23**	**1.50**	**826.73**	
97.64	-Non-Tax Revenue	98.73		**672.79**	**Social Services**	**510.47**	**206.09**	**716.56**	
232.62	-State's Share of Union Taxes	248.80		425.32	-Education, Sports, Arts and Culture	394.97	65.68	460.65	
440.15	-Non-Plan Grants	560.42		85.04	-Health and Family Welfare	56.42	27.71	84.13	
777.21	-Grants for State/Union Territory Plan Schemes	631.39		23.04	-Water Supply, Sanitation, Housing and Urban Development	12.80	4.86	17.66	
11.12	-Grants for Central Plan Schemes	10.58		8.13	-Information and Broadcasting	6.26	2.84	9.10	
135.59	-Grants for Centrally sponsored Plan Schemes	97.56		70.41	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	8.19	59.51	67.70	
14.55	-Grants for Special Plan Schemes (NEC)	48.59		4.94	-Labour and Labour Welfare	4.46	0.82	5.28	
				55.09	-Social Welfare and Nutrition	26.74	44.67	71.41	
				0.78	-Others	0.63	-	0.63	
				397.08	**Economic Services**	**285.40**	**89.95**	**375.35**	
				130.16	-Agriculture and Allied Activities	101.24	33.53	134.77	
				69.05	-Rural Development	27.10	46.06	73.16	
				0.40	-Special Areas Programme(NEC)	-	0.03	0.03	
				23.55	-Irrigation and Flood Control	22.76	0.54	23.30	
				114.21	-Energy	80.82	0.07	80.89	
				16.66	-Industry and Minerals	11.52	7.64	19.16	
				26.41	-Transport	29.03	0.32	29.35	
				7.64	-Communication	7.12	-	7.12	
				0.50	-Science, Technology and Environment	0.36	0.10	0.46	
				8.50	-General Economic Services	5.45	1.66	7.11	
				25.64	**Grants-in-aid and contributions**	-	**42.08**	**42.08**	
Nil	**II. Revenue deficit carried over to Section-B**		**80.65**	**54.47**	**II. Revenue surplus carried over to Section-B**			-	
1867.38	**Total : Section A**		**1960.72**	**1867.38**	**Total :**				**1960.72**

(Rupees in crore)

Receipts				Disbursements					
2001-02		2002-03		2001-02		2002-03			
						Non-Plan	Plan	Total	
	Section-B : Others								
197.31	**III. Opening cash balance including permanent advance and cash balance investment**		**110.41**	Nil	**III. Opening overdraft from Reserve Bank of India**	-	-	-	-
Nil	**IV. Miscellaneous capital receipts**		Nil	**586.82**	**IV. Capital Outlay-**	**22.52**	**428.69**	**451.21**	**451.21**
				68.62	**General Services**	**11.85**	**31.43**	**43.28**	
				188.71	**Social Services**	**1.06**	**166.18**	**167.24**	
2.32	**V. Recoveries of loans and advances**		**3.10**	33.93	-Education, Sports, Arts and Culture	0.15	24.43	24.58	
2.06	From Government servants	2.80		7.36	-Health and Family Welfare	0.91	11.05	11.96	
0.26	From others	0.30		52.24	-Water Supply and Sanitation	-	46.96	46.96	
54.47	**VI. Revenue surplus brought down**		Nil	74.02	-Housing and Urban Development	-	64.80	64.80	
311.93	**VII. Public debt receipts**		**211.48**	-	-Information and Broadcasting	-	0.10	0.10	
139.39	Internal debt other than Ways and Means	202.93			-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	-	18.79	18.79	
76.29	Net transactions under Ways and Means Advances including Overdraft	-76.29		19.83					
96.25	Loans and advances from GOI	84.84		1.32	-Social Welfare and Nutrition	-	-	-	
				0.01	-Others	-	0.05	0.05	
1389.48	**VIII. Public Account receipts**		**1575.97**	**329.48**	**Economic Services**	**9.61**	**231.08**	**240.69**	
368.70	Small savings and provident funds etc.	567.23		20.02	-Agriculture and Allied Activities	0.80	19.28	20.08	
3.82	Reserve fund	16.51		30.32	-Rural Development	-	7.64	7.64	
195.86	Deposits and Advances	205.95		55.15	-Special Areas Programme	-	33.02	33.02	
70.11	Suspense and Miscellaneous	41.39		32.73	-Irrigation and Flood Control	-	35.77	35.77	
750.99	Remittances	744.89		63.76	-Energy	-	60.61	60.61	
				23.10	-Industry and Minerals	-	11.47	11.47	
Nil	**IX. Closing overdraft from RBI**		NIL						
				95.03	-Transport	8.81	57.49	66.30	
				0.05	-Science, Technology and Environment	-	0.08	0.08	
				9.33	-General Economic Services	-	5.71	5.71	
			1900.96			**22.52**	**428.69**	**451.21**	**451.21**

(Rupees in crore)

Receipts			Disbursements				
2001-02		2002-03	2001-02	2002-03			
	Section-B : Others						
			8.14	**V.**	**Loans and Advances Disbursed**		**8.24**
			7.23		-To Government Servants	8.05	
			0.91		-To others	0.19	
			Nil	**VI.**	**Revenue deficit brought down**		**80.65**
			57.74	**VII.**	**Repayment of Public Debt**		**114.80**
			25.01		-Internal Debt other than Ways and Means Advances	25.72	
			Nil		-Net transactions under Ways and Means Advances including Overdraft	NIL	
			32.73		-Repayment of Loans and Advances to Central Government	89.08	
			1192.40	**VIII.**	**Public Accounts Disbursements**		**1246.12**
			200.69		-Small Savings and Provident Funds	224.97	
			0.26		-Reserve Fund	15.31	
			189.41		-Deposits and Advances	184.58	
			61.81		-Suspense	59.37	
			740.23		-Remittances	761.89	
			110.41	**IX.**	**Cash Balance at end**		**-0.06**
			Nil		-Cash in Treasuries	Nil*	
			0.80		-Departmental Cash Balance including permanent advance	3.12	
			139.09		-Cash Balance investment	92.19	
			(-)29.48		-Deposit with Reserve Bank of India	-95.37	
1955.51	**Total : Section B :**	**1900.96**	**1955.51**		**Total : Section B :**		**1900.96**

* Rs.1353 only.

Explanatory Notes for Exhibits I, II, III :

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

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

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

4. There was a difference of Rs. 0.06 crore between the figure reflected in the accounts (debit: Rs. 95.37 crore) and that intimated by the RBI (debit: Rs. 95.31 crore) under "Deposit with Reserve Bank". The difference of Rs. 0.06 crore is under reconciliation (September 2003).

Exhibit IV

Time Series Data on State Government Finance

(Rupees in crore)

	1998-99	1999-2000	2000-01	2001-02	2002-03
Part A. Receipts					
1. Revenue Receipts	**1268.35**	**1438.26**	**1638.06**	**1867.38**	**1880.07**
(i) Tax Revenue	84.13 (7)	101.74 (7)	125.58 (8)	158.50 (9)	183.09 (10)
Taxes on Agricultural Income	0.64 (1)	0.78 (1)	0.25 (#)	0.14 (#)	0.01 (#)
Taxes on Sales, Trade, etc.	47.70 (57)	57.78 (57)	81.08 (65)	105.80 (67)	126.97 (69)
State Excise	17.00 (20)	20.11 (20)	19.79 (16)	22.03 (14)	28.21 (15)
Taxes on Vehicles	3.51 (4)	3.60 (3)	4.26 (3)	5.28 (3)	5.29 (3)
Stamps and Registration Fees	4.82 (6)	5.10 (5)	5.94 (5)	9.61 (6)	7.81 (4)
Land Revenue	3.37 (4)	2.57 (2)	1.82 (1)	1.14 (1)	1.31 (1)
Other Taxes	7.10 (8)	11.80 (12)	12.44 (10)	14.50 (9)	14.40 (8)
(ii) Non-Tax revenue	44.83 (3)	76.19 (5)	94.51 (6)	97.64 (5)	98.73 (5)
(iii) State's share of Union taxes and duties	457.02 (36)	529.55 (37)	236.22 (14)	232.62 (12)	249.71 (13)
(iv) Grants-in-aid from Government of India	682.37 (54)	730.78 (51)	1181.75 (72)	1378.62 (74)	1348.54 (72)
2. Misc. Capital Receipts	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
3. Total Revenue and Non-debt Capital Receipts (1+2)	**1268.35**	**1438.26**	**1638.06**	**1867.38**	**1880.07**
4. Recoveries of Loans and Advances	**1.20**	**2.37**	**1.87**	**2.32**	**3.10**
5. Public Debt Receipts	**218.04**	**304.05**	**165.48**	**311.93**	**211.48**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	97.09	145.30	148.33	139.39	202.93
Net transactions under Ways and Means Advances and Overdrafts	NIL	NIL	NIL	76.29	(-) 76.29
Loans and Advances from Government of India♥	120.95	158.75	17.15	96.25	84.84
6. Total Receipts in the Consolidated Fund (3+4+5)	**1487.59**	**1744.68**	**1805.41**	**2181.63**	**2094.65**
7. Contingency Fund Receipts	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
8. Public Account Receipts	**668.21**	**875.18**	**1284.28**	**1389.48**	**1575.97**
9. Total Receipts of the State (6+7+8)	**2155.80**	**2619.86**	**3089.69**	**3571.11**	**3670.62**

(#) Negligible

♥ Includes Ways and Means Advances from GOI.

	1998-99	1999-2000	2000-01	2001-02	2002-03
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	**1175.62 (85)**	**1461.07 (85)**	**1734.04 (83)**	**1812.91 (75)**	**1960.72 (81)**
Plan including CSS	323.70 (28)	343.04 (23)	366.88 (21)	276.17 (15)	339.62 (17)
Non-plan	851.92 (72)	1118.03 (77)	1367.16 (79)	1536.74 (85)	1621.10 (83)
General Services (including Interests Payments)	408.92 (35)	540.99 (37)	646.44 (37)	717.40 (40)	826.73 (42)
Economic Services	300.98 (26)	328.09 (23)	404.47 (23)	397.08 (22)	375.35 (19)
Social Services	448.76 (38)	573.47 (39)	663.55 (38)	672.79 (37)	716.56 (37)
Grants-in-aid and Contributions	16.96 (1)	18.52 (1)	19.58 (1)	25.64 (1)	42.08 (2)
11. Capital Expenditure	**208.93 (15)**	**267.20 (15)**	**346.69 (17)**	**586.82 (25)**	**451.21 (19)**
Plan including CSS	197.10 (94)	257.94 (97)	332.14 (96)	536.97 (92)	428.69 (95)
Non-Plan	11.83 (6)	9.26 (3)	14.55 (4)	49.85 (8)	22.52 (5)
General Services	4.19 (2)	6.32 (2)	8.25 (2)	68.62 (12)	43.28 (10)
Economic Services	104.99 (50)	155.41 (58)	217.88 (63)	329.49 (56)	240.69 (53)
Social Services	99.75 (48)	105.47 (40)	120.56 (35)	188.71 (32)	167.24 (37)
12. Disbursement of Loans and Advances	**3.36**	**2.87**	**4.36**	**8.14**	**8.24**
13. Total (10+11+12)	**1387.91**	**1731.14**	**2085.09**	**2407.87**	**2420.17**
14. Repayments of Public Debt	**34.81**	**42.01**	**49.95**	**57.74**	**114.80**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	13.18	17.04	21.16	25.01	25.72
Net transactions under Ways and Means Advances and Overdrafts	NIL	NIL	NIL	NIL	NIL
Loans and Advances from Government of India[Ξ]	21.63	24.97	28.79	32.73	89.08
15. Appropriation to Contingency Fund	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
16. Total Disbursement out of Consolidated Fund (13+14+15)	**1422.72**	**1773.15**	**2135.04**	**2465.61**	**2534.97**
17. Contingency Fund Disbursements	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
18. Public Account Disbursements	**593.91**	**717.70**	**1007.28**	**1192.40**	**1246.12**
19. Total disbursement by the State (16+17+18)	**2016.63**	**2490.85**	**3142.32**	**3658.01**	**3781.09**

[Ξ] Includes Ways and Means Advances from GOI.

	1998-99	1999-2000	2000-01	2001-02	2002-03
Part C. Deficits					
20. Revenue Deficit (-)/ Surplus (+) (1-10)	(+) 92.73	(-) 22.81	(-) 95.98	(+) 54.47	(-) 80.65
21. Fiscal Deficit (3+4 - 13)	(-)118.36	(-)290.51	(-)445.16	(-)538.17	(-)537.00
22. Primary Deficit (21-23)	(+)22.22#	(-)105.30	(-)219.13	(-)284.95	(-)246.31
Part D. Other data					
23. Interest payments (percentage of Revenue expenditure)	140.58 (12)	185.21 (13)	226.03 (13)	253.22 (14)	290.73 (15)
24. Arrears of Revenue ** (percentage of Tax and Non-Tax revenue receipts)	9.91 (8)	9.64 (5)	14.35 (7)	14.20 (6)	2.46 (0.86)
25. Financial Assistance to local bodies etc.	71.07	73.37	100.52	128.68	112.48
26. Ways and Means Advances/Overdraft availed (days)	73	Nil	1	51	27
27. Interest on Ways and Means Advances/Overdraft (Rs. in crore)	0.33	Nil	0.01*	0.16	0.34
28. Gross State Domestic Product (GSDP)[1]	3814.18	4153.70	4524.42	4944.73	5473.32
29. Outstanding Debt @ (year-end)	1447.28	1842.30	2233.62	2665.92	3127.42
30. Outstanding guarantees (year-end)	44.02	93.89	83.64	107.82	25.00 ◂
31. Maximum amount guaranteed (year-end)	63.82	79.82	157.22	218.24	66.30
32. Number of incomplete projects	78	14	21	59	125
33. Capital blocked in incomplete projects	96.23	25.40	20.20	41.28	58.73

In 1998-99, there was excess of interest payment over fiscal deficit, while excess of fiscal deficit over interest payment constitutes primary deficit.

** The information on arrears of revenue as furnished by the taxation authorities included only Sales Tax and Agricultural Income Tax (and only Sales Tax for the year 2002-03).

* Rs. 0.89 lakh only.

@ Apart from public debt, includes other liabilities (i.e., Small savings etc., Reserve fund and Deposit).

◂ Outstanding guarantees include interest of Rs. 0.89 crore.

Note :

1. GSDP for current year being not available has been taken based on annual average growth during 1998-2002.
2. Figures in brackets represent rounded off percentage to total of each sub-heading.

Annex – I
(Reference: Paragraph 1.1; Page 1)

Part A – Government Accounts

1. Structure:

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

Part I: Consolidated Fund

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

Part II: Contingency Fund

The Contingency Fund created under Article 267(2) of the Constitution of India is in the nature of an imprest placed at the disposal of the Governor of the State to meet urgent unforeseen expenditure pending authorisation from the State Legislature. Approval of the State Legislature is subsequently obtained for such expenditure and for transfer of equivalent amount from the Consolidated Fund to Contingency Fund. The corpus of this Fund authorised by the Legislature during the year was Rs. 200 crore.

Part III: Public Accounts

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

2. Form of Annual Accounts

The accounts of the State Government are prepared in two volumes *viz,* the Finance Accounts and the Appropriation Accounts. The Finance Accounts present the details of expenditure by the State Government *vis-à-vis* the amounts authorised by the State Legislature in the budget grants. Any expenditure in excess of the grants requires regularisation by the Legislature.

Part B – List of terms used in the Chapter I and basis for their calculation

Term	Basis for calculation
Buoyancy of a parameter	Rate of Growth of the parameter ÷ GSDP Growth
Buoyancy of a parameter (X) with respect to another parameter	Rate of Growth of the parameter (X) ÷ Rate of Growth of the parameter (Y)
Rate of Growth (ROG)	{(Current year Amount ÷ Previous year Amount) *minus* 1} * 100
Trend/Average	Trend of growth over a period of 5 years (LOGEST (Amount of 1997-98 : amount of 2002-03)-1)*100
Share shift/Shift rate of a parameter	Trend of percentage shares, over a period of 5 years, of the parameter in Revenue or Expenditure as the case may be
Development Expenditure	Social Services + Economic Services
Weighted Interest Rate (Average interest paid by the State)	Interest payment/ [(amount of previous year's Fiscal Liabilities – Current year's Fiscal Liabilities)/2]* 100
Interest spread	GSDP growth – Weighted Interest rates
Interest received as *per cent* to loans advanced	Interest received (opening balance – closing balance of loans and advances)/21]* 100
Revenue deficit	Revenue receipt – revenue expenditure
Fiscal deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary deficit	Fiscal deficit – Interest payments
Balance from current revenue (BCR)	Revenue receipts *minus* plan grants and non-plan revenue expenditure excluding debits under 2048 – Appropriation for reduction or avoidance of debt.

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

CHAPTER II : APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

Introduction

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

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

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

Summary of expenditure

2.1.1 The summarised position of actual expenditure during 2002-03 against 56 grants/appropriations is as follows:

Summary of Appropriation Accounts – 2002-2003

APPROPRIATION ACCOUNTS : 2002-03
Total number of grants : 56 Grants/Appropriations

Total provision and actual expenditure: *(Rupees in crore)*

Provision	Amount	Expenditure	Amount
Original Supplementary	2920.23 272.51		**2895.13**
Total gross provision	**3192.74**	**Total gross expenditure**	**2895.13**
Deduct-Estimated recoveries in reduction of expenditure	181.52	***Deduct***-Actual recoveries in reduction of expenditure	155.03
Total net provision	**3011.22**	**Total net expenditure**	**2740.10**

Voted and Charged provision and expenditure: *(Rupees in crore)*

	Provision		Expenditure	
	Voted	Charged	Voted	Charged
Revenue	1871.12	338.91	1769.40	296.10
Capital	919.60	63.11	509.72	319.91
Total Gross	**2790.72**	**402.02**	**2279.12**	**616.01**
Deduct-recoveries in reduction of expenditure	181.52	-	155.03	-
Total : Net	**2609.20**	**402.02**	**2124.09**	**616.01**

Total provision and actual expenditure classified according to nature of expenditure: *(Rupees in crore)*

	Nature of expenditure	Original grant/ Appro-priation	Supple-mentary grant/ appro-priation	Total	Actual expenditure	Saving(-) Excess(+)
Voted	I.Revenue	1722.15	148.97	1871.12	1769.40	(-) 101.72
	II.Capital	787.17	119.16	906.33	501.48	(-) 404.85
	III.Loans and Advances	13.22	0.05	13.27	8.24	(-) 5.03
Total Voted		**2522.54**	**268.18**	**2790.72**	**2279.12**	**(-) 511.60**
Charged	IV.Revenue	338.87	0.04	338.91	296.10	(-) 42.81
	V Capital	-	-	-	-	-
	VI.Public Debt	61.93	1.18	63.11	319.91	256.80
Total Charged		**400.80**	**1.22**	**402.02**	**616.01**	**213.99**
Appropriation to Contingent Fund (if any)		-	-	-	-	-
Grand Total		**2923.34**	**269.40**	**3192.74**	**2895.13**	**(-) 297.61**

Excess over provision relating to previous years requiring regularisation

2.1.2 As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. However, the excess expenditure amounting to Rs. 1297.66 crore for the years from 1987-88 to 2002-2003 was yet to be regularised (September 2003).

(Rupees in crore)

Year	Number of grants	Number of Appropriation	Amount of excess	Amount for which explanations not furnished to PAC
1987-88 to 1997-98	—	—	536.39	536.39
1998-99	11	3	113.06	113.06
1999-2000	7	5	23.95	23.95
2000-01	5	7	81.92	81.92
2001-02	10	4	275.57	275.57
2002-03	6	4	266.77	266.77
			Total	**1297.66**

Results of appropriation audit

2.1.3 The overall savings of Rs.297.61 crore were the result of savings of Rs.564.38 crore in 53 grants and appropriations, offset by excess of Rs.266.77 crore in seven grants and three appropriations.

Supplementary provision of Rs.113.88 crore made during the year in 37 cases proved unnecessary or excessive in view of aggregate savings of Rs. 374.36 crore in these cases as detailed in **Appendix – I.**

In 14 cases, against additional requirement of Rs.22.25 crore, supplementary grants of Rs. 43.95 crore were obtained resulting in savings of Rs.10 lakh and above in each case, aggregating Rs.22.29 crore. Details of these cases are given in **Appendix – II.**

The excess of Rs. 266.77 crore in 10 grants/appropriations require regularisation under Article 205 of the constitution. Details of these are given in **Appendix – III.**

In five cases, supplementary provision of Rs.18.34 crore proved insufficient, leaving an aggregate uncovered excess expenditure of Rs. 266.83 crore as per details given in **Appendix – IV.**

In 42 cases, saving was more than Rs. 10 lakh and above in each case and also over 10 *per cent* of the total provision as indicated in **Appendix – V**.

In eight cases, there were persistent savings in excess of Rs. 10 lakh in each case and 10 *per cent* of the total provision during last three years ending 2002-2003 as detailed in **Appendix – VI**.

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

Excessive/unnecessary re-appropriation of funds

2.1.4 Re-appropriation is transfer of funds within a grant from one unit of appropriation where savings are anticipated to another unit where additional funds are needed. Significant cases where injudicious re-appropriation of funds proved excessive or resulted in savings by over Rs. 10 lakh in each case under 31 grants and appropriations are indicated in **Appendix – VIII.**

Expenditure without provision

2.1.5 As envisaged in the Budget Manual, expenditure should not be incurred on a scheme /service without provision of funds thereof. It was noticed that expenditure of Rs.222.23 crore was incurred in nine cases under three grants/appropriations as detailed in **Appendix – IX**, although no budget provisions were made in the original estimates/supplementary demands, and no re-appropriation orders were issued.

Anticipated savings not surrendered

2.1.6 According to Financial Rules, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. At the close of the year 2002-03, there were 60 cases in which savings amounting to Rs. 320.24 crore had not been surrendered. In 45 cases out of 60, the available savings of Rs. 50 lakh and above for surrender in each case were not surrendered, which aggregated to Rs. 316.75 crore. Details are given in **Appendix – X.**

Surrender in excess of actual savings

2.1.7 The amount surrendered in excess of actual savings indicates inadequate budgetary control. As against the total amount of actual savings of Rs.10.69 crore in 10 cases, the amount surrendered was Rs.12.97 crore, resulting in excess surrender of Rs. 2.28 crore. Details are given in **Appendix- XI.**

Trend of recoveries and credits

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

In seven grants/appropriations, the actual recoveries of Rs.155.06 crore (Revenue: Rs.104.79 crore; Capital: Rs.50.27 crore) against the estimated recoveries of Rs.181.52 crore (Revenue: Rs.131.00 crore; Capital: Rs.50.52 crore) were less by Rs. 26.46 crore. The details are given in **Appendix** to the Appropriation Accounts 2002-03.

Non-receipt of explanations for savings/excesses

2.1.9 For the year 2002-03, explanations for savings/excess were not received in respect of any of the 56 grants/appropriations.

Unreconciled expenditure

2.1.10 Financial rules require that the Departmental Controlling Officers should reconcile periodically the departmental figures of expenditure with those booked by the Accountant General (Accounts and Entitlement). Out of 61 Controlling Officers, two Controlling Officers {Secretary, Revenue and Secretary, Public Works (Roads and Bridge)} who carried out partial reconciliation did not reconcile expenditure of Rs.10.92 crore {Revenue: Rs.10,91,82,000 ; Public Works (Roads and Bridges) : Rs.55,310} pertaining to the year 2002-03.

Rush of expenditure

2.1.11 The Financial Rules require that Government expenditure be evenly phased out throughout the years as far as practicable. Rush of expenditure at the close of the year can lead to infructuous, nugatory or ill-planned expenditure. In 28 cases, the expenditure in March 2003 was found to have been 20 *per cent* and above of the total expenditure for the year. Details are given in **Appendix – XII**.

CHAPTER III

CIVIL DEPARTMENTS

14 Arial

CHAPTER III: CIVIL DEPARTMENTS

SECTION - A

AGRICULTURE DEPARTMENT

14 Arial

3.1 Working of the Agriculture Department (Agriculture Wing)

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Lack of monitoring of implementation of the action plan by the Task Force formed for the purpose, non-availability of required quantities of certified paddy seeds for replacement, declining trend in consumption of plant nutrients, partial utilisation of assured irrigation potential created, failure to build up a team of specialists on modern techniques of agriculture and lack of adequate credit facilities to the farmers were some of the deficiencies in the Agriculture Department.

Highlights

Replacement of seeds was far below the targeted percentage, farmers lost paddy crops valued at Rs. 1.24 crore due to supply of substandard seeds and percentage of achievement with reference to target for consumption of fertilizers in terms of nutrient gradually came down.

(Paragraphs 3.1.7 and 3.1.8)

Value of handling loss for fertilizers incurred beyond the permissible limit during five years ending 2002-03 worked out to Rs. 1.94 crore.

(Paragraph 3.1.9)

Wasteful expenditure incurred on salary of the idle staff of 38 hiring centres for power tillers, which were not functioning for the last one to five years worked out to Rs. 17.20 crore.

(Paragraph 3.1.15)

A large number of slots in training courses offered by the Government of India for the staff members were not utilised, crop loan provided to farmers every year was of an insignificant amount compared to the amount required and targeted, and percentage of shortfall in utilisation of assured irrigation potential had a sharp rise over the years.

(Paragraphs 3.1.13, 3.1.16 and 3.1.17)

Although Rs. 280.26 crore was spent during the five years ending 2002-03, the required pace of growth as envisaged in the perspective plan could not be maintained and the fulfilment of the objective was thwarted.

(Paragraphs 3.1.29 and 3.1.30)

Introduction

3.1.1 The objective of the Agriculture Wing of the Agriculture Department is to minimise the gap between requirement and production of foodgrains and other crops in the State. To attain self-sufficiency in respect of foodgrains by way of increasing production and productivity, the department adopted a 10-

year perspective plan commencing from 2000-01. The plan proposed intensive activities by the department in several fronts which were broadly grouped under the following heads:

1) Seed replacement for better crops;
2) Enhancing consumption of plant nutrients;
3) Integrated pest management;
4) Training and extension services;
5) Farm mechanisation;
6) Providing adequate credit facilities to farmers; and
7) Creation and utilisation of irrigation potential to the maximum extent.

Organisational set up

3.1.2 The Agriculture Department functions under the overall administrative control of a Secretary. The department has three separate wings, *viz.,* (i) Agriculture, (ii) Horticulture and Soil Conservation, and (iii) State Land Use Board, each headed by a separate Director. The department has also one Agricultural Engineering Cell headed by a Chief Engineer.

Audit coverage

3.1.3 A review on working of the department covering all the four districts in the State, with special reference to activities undertaken to achieve the goals set for it in the perspective plan, was conducted between January and May 2003. Records for the period from 1998-99 to 2002-03 were test-checked in the offices of the Director of Agriculture, five Deputy Directors of Agriculture (DDAs)[†] out of 10, eight Superintendents of Agriculture (SAs)[❖] out of 22, and two Executive Engineers (EEs)[★] out of six of the Agricultural Engineering Cell. Expenditure covered in audit (Rs. 71.96 crore) constitutes 26 *per cent* of total expenditure (Rs. 280.26 crore).

Goals set in the perspective plan

3.1.4 The perspective plan envisaged increase in production of foodgrains to 8.83 lakh tonnes by 2004-05 and to 11.36 lakh tonnes by 2009-10. It also proposed to increase production of pulses to 0.17 lakh tonnes by 2004-05 and to 0.30 lakh tonnes by 2009-10. The level of production registered in 1999-2000 was 5.13 lakh tonnes for foodgrains comprising cereals and pulses and 0.04 lakh tonnes of oil seeds. The requirement of food grains (both cereals and pulses) for estimated population of 31.43 lakh in 1999-2000 as per projection based on 2001 general census worked out to 7.71 lakh tonnes[♥]. This indicated a level of shortage in availability of food grains working out to 2.58 lakh tonnes (7.71 lakh tonnes *minus* 5.13 lakh tonnes) during 1999-2000.

[†] DDAs of West, North, South and Dhalai districts; and DDA (Research).

[❖] SAs of Panisagar, Kadamtala, Kumarghat, Mohanpur, Jirania, Bishalgarh, Melaghar and Matabari.

[★] EEs of Mechanical Division, Agartala, and Civil Division, Dharmanagar.

[♥] Calculated on the basis of the scale of requirement of 0.182 tonne of cereal and 0.018 tonne of pulses (both per capita per annum) according to the Indian Council of Medical Research (ICMR). To this was added allowance for seed, feed and shortage @ 12.5% and pipeline @ 10% as followed in the perspective plan in calculating the total requirement.

Budget provision and expenditure

3.1.5 The budgetary allocation and expenditure both in revenue and capital accounts during the period from 1998-99 to 2002-03 are as under:

A – Revenue

(Rupees in crore)

Year	State Plan		CSS		NEC		Total Plan		Non-Plan		Grand total	
	BP	Expen-diture	BP	Expen-diture	BP	Expen-diture	BP	Expen - diture	BP	Expen - diture	BP	Expen - diture
1998-99	14.20	8.85	1.52	1.68	0.01	0.01	15.73	10.54	19.31	19.02	35.04	29.56
1999-2000	24.93	14.98	4.08	3.20	0.01	-	29.02	18.19	22.12	22.02	51.14	40.21
2000-01	24.25	17.22	6.71	5.59	0.01	0.01	30.97	22.82	27.96	27.76	58.93	50.58
2001-02	12.21	12.22	4.71	4.74	0.01	-	16.93	16.96	35.08	34.16	52.01	51.12
2002-03	13.18	12.77	4.76	4.54	0.01	-	17.95	17.31	33.96	34.01	51.91	51.32
Grand total	**88.77**	**66.04**	**21.78**	**19.75**	**0.05**	**0.02**	**110.60**	**85.82**	**138.43**	**136.97**	**249.03**	**222.79**
Savings		**22.73**		**2.03**		**0.03**		**24.78**		**1.46**		**26.24**

B – Capital

(Rupees in crore)

Year	State Plan		CSS		Total Plan		Non-Plan		Grand total	
	BP	Expenditure	BP	Expenditure	BP	Expenditure	BP	Expenditure	BP	Expenditure
1998-1999	•	•	•	•	•	•	15.00	8.95	15.00	8.95
1999-2000	•	•	•	•	•	•	15.00	8.22	15.00	8.22
2000-01	•	•	•	•	•	•	15.00	10.97	15.00	10.97
2001-02	10.27	7.59	0.14	0.04	10.41	7.63	15.00	7.06	25.41	14.69
2002-03	6.65	4.29	0.45	0.45	7.10	4.74	15.00	9.90	22.10	14.64
Total	**16.92**	**11.88**	**0.59**	**0.49**	**17.51**	**12.37**	**75.00**	**45.10**	**92.51**	**57.47**
Savings		**5.04**		**0.10**		**5.14**		**29.90**		**35.04**

Source: Statement furnished by the Directorate of Agriculture in September 2003.
Note: BP = Budget provision.

There were substantial savings under State Plan in the revenue account as well as State Plan and non-Plan in the capital account. Savings in the above sectors indicate that the department was not adequately geared to utilise the available resources in fulfilment of its declared objective.

Seed replacement

Seed replacement programme by production and procurement of seeds

3.1.6 Replacement of old and outdated variety with more recent high yielding varieties (HYV) of paddy seeds is a pre-requisite condition for getting better production. The perspective plan/action plan fixed the following targets for replacement by way of both production and procurement of certified HYV paddy seeds, as compared to achievement.

(In tonnes)

Year	Total requirement of seeds	Target for replacement			Achievement		
		By production	By procurement	Total	By production	By procurement	Total
2000-01	10400	260	572	832 (8)	330	351	681 (6)
2001-02	10500	460	1010	1470(14)	406	222	628 (6)
2002-03	10650	Break-up not specified	Break-up not specified	2130(20)	1057	250	1307 (12)

Note: Figures in brackets represent percentage to total requirement.

The table shows that the department failed to provide requisite quantities of certified paddy seeds to the farmers for achieving targeted seed replacement during the first three years of the perspective plan, for which no reasons could be assigned. This caused a major set back in implementation of the perspective plan right from its beginning.

Supply of sub-standard seeds to farmers

3.1.7 Records of the DDA, North Tripura, disclosed that under the certified seeds distribution programme, 25.02 tonnes of paddy seed of variety NDR – 97 were utilised by 1813 cultivators to cover 500.40 hectares of land during *kharif* 2002-03. According to the technical guideline provided to the cultivators, the variety of seeds was supposed to attain its maturity within 97 to 100 days after being sown in nursery bed. But the paddy seed failed to attain its maturity even after 125 to 150 days. This resulted in loss of paddy crop (*second kharif*) valued at Rs. 1.24 crore to the farmers, for which the farmers sought compensation from the department. The department did not provide any compensation to them but stopped payment to the supplier, Tripura Horticulture Corporation Ltd (THCL), a Government of Tripura undertaking, which supplied 51 tonnes of the variety valued at Rs. 7.14 lakh. During 1998-99 also, the THCL supplied 33.03 tonnes of different seeds valued at Rs. 7.59 lakh which were subsequently found to be sub-standard by the DDA (West) due to poor germination rate. The payment against this supply also remained unsettled (May 2003). The loss incurred by the farmers could have been avoided had the department established a quality control set-up for the seeds supplied to farmers.

The Government stated (September 2003) that the department had arranged compensation to the farmers for supply of spurious seeds.

Consumption of fertilizers

Trend of use of fertilizers

3.1.8 The year-wise consumption of fertilizers in the State during 1998-1999 to 2002-03 is as under:

(In tonnes)

Name of fertilizer*	1998-99	1999-2000	2000-01			2001-02			2002-03		
			1st channel	2nd channel	Total	1st channel	2nd channel	Total	1st channel	2nd channel	Total
Urea	15218	12235	7557	6308	13865	8944	5245	14189	7219	4368	11587
SSP	4127	6206	4381	1156	5537	6331	3431	9762	3613	2071	5684
RP	2950	4115	1748	1065	2813	4961	473	5434	911	370	1281
MOP	321	1533	562	372	934	2841	328	3169	418	351	769
DAP	-	-	199	-	199	103	357	460	-	618	618
Total	**22616**	**24089**	**14447**	**8901**	**23348**	**23180**	**9834**	**33014**	**12161**	**7778**	**19939**

Source: Stock Registers of 4 DDAs and monthly progress reports submitted by the SAs.
1st Channel: Procurement made by the department
2nd Channel: Procurement made by the Co-operative Societies.

* SSP = Single Super Phosphate; RP = Rock Phosphate; MOP = Muriate of Postash; DAP = Diammonium Phosphate.

Target and achievement in respect of consumption of NPK* in the State during 2000-01 to 2002-03 are as under:

(In tonnes)

Year	Target				Achievement			
	N	P	K	Total	N	P	K	Total
2000-01	5741	2551	2551	10843	6418	1545	560	**8523 (79)**
2001-02	8908	4048	4048	17004	6619	2870	1901	**11390 (67)**
2002-03	12604	5682	5682	23968	5454	1462	461	**7377 (31)**

Figures in the brackets represent percentage of achievement with reference to target.

The table shows that consumption of fertilizers in terms of nutrient in the State during 2000-01 to 2002-03 were far below the target fixed in the perspective plan/action plan and the percentage of achievement in consumption declined drastically from 79 to 31 during the period. The reasons for decline in the consumption of fertilizers were not investigated by the department.

Out of Rs. 33.32 lakh released by the Government of India in March 2000 for implementation of the scheme of Balanced and Integrated Use of Fertilisers, the department purchased three soil testing vans between August and October 2001 at a cost of Rs. 26.35 lakh to extend soil testing facilities in the State.

The soil testing vans of the DDA, Dhalai and the DDA, North remained idle (May 2003) since their procurement because of non-availability of requisite technical staff and also of chemicals, none of which were provided by the department.

The scheme emphasised the need for procurement of 15 categories of essential equipment for NPK testing in order to strengthen the existing soil testing laboratories, but only seven categories of equipment were made available in the State soil testing laboratory at Arundhatinagar and only three in the laboratory at Udaipur.

The department thus failed to extend even the required minimum soil testing facilities to the farmers so as to enable them to know the actual requirement of chemical fertilizers for their plots before use.

The Government stated (September 2003) that the vans could not start functioning in time due to delay in release of funds by the department.

Loss in storage of fertilizer

3.1.9 Mention was made in paragraph 3.3 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1997 regarding loss of Rs. 4.86 lakh beyond permissible limit during storage of fertilizers.

Further scrutiny of records of four DDAs in all the four districts revealed that during 1998-99 to 2002-03, shortage of 488.62 tonnes of urea and 4308.91 tonnes of other types of fertilizers[⊛] beyond permissible limit of five *per cent*

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* N = Nitorgeneous fertilizers; P = Phosphate fertilizers; K = Potashic fertilizers.

[⊛] (i) Single Super Phosphate (SSP), (ii) Rock Phosphate (RP) and (iii) Muriate of Potash (MOP).

and two *per cent** respectively were recorded in handling 51308 tonnes of urea and 45955 tonnes of other fertilizers. This resulted in loss of Rs. 1.94 crore+ to the Government.

The Government stated (September 2003) that attempt had been taken to improve the storing condition of fertilizers.

Pest management

3.1.10 To develop quality control facilities for pesticides in the State, the Goverment of India (GOI) released (March 2002) an amount of Rs. 30 lakh (March 2002) for setting up of a State pesticide testing laboratory.

The department drew the amount in March 2003 and kept it in the shape of Banker's cheque without the approval of the Government of India. As of May 2003, the department did not even prepare any action plan for setting up of the proposed laboratory.

Had the testing laboratory been set up in the State in time, the quality of pesticides could have been ensured before their use by the farmers in the State. That lack of such facilities was having an adverse impact on crop husbandry would be evident from the following.

Procurement of misbranded plant protection chemicals

3.1.11 In order to procure plant protection chemicals (PPC) for the years 1998-99 and 1999-2000, the department invited tenders (March 1999) from the recognised manufacturers/authorised distributors. It was stipulated that in case of supply of any misbranded/sub-standard PPC, the tenderer would be liable to attract legal action and also to refund the entire amount paid by the department to the tenderer. But while executing deed of agreement with the successful tenderers in August 1999 and March 2000, the department did not incorporate the said terms and conditions in the agreement itself.

Scrutiny of records of the DDA, South, revealed that pending receipt of the laboratory test reports from the Regional Pesticide Testing Laboratories, Kanpur and Faridabad, an amount of Rs. 20.39 lakh, being 85 to 100 *per cent* of the cost of four categories of PPCs supplied, was paid to three suppliers between March 1999* and December 2000. Subsequently, when the laboratory

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* These norms were fixed by the department itself.

+

Fertilizer	Total stock received during 1998-2003	Shortage permissible		Actual shortage	Shortage beyond permissible limit	Value of shortage beyond permissible limit	
		In per cent	*In tonnes*	*In tonnes*	*In tonnes*	Rate per kg *(in Rupees)*	Total *(Rupees in lakh)*
UREA	51307.62	5	2565.38	3054.00	488.62	5.20	25.41
SSP	24911.62	2	498.23	3159.00	2660.77	4.02	106.96
RP	15364.18	2	307.28	1491.00	1183.72	2.81	33.26
MOP	5678.92	2	113.58	578.00	464.42	6.19	28.75
Total:							**194.38**

* But deeds of agreement were executed in August 1999 and March 2000.

authorities furnished the reports identifying those PPCs as 'misbranded'•/sub-standard, the department could neither recover the paid amount of Rs. 20.39 lakh from the suppliers nor could it take any legal action against them.

Bio-control laboratory

3.1.12 To popularise the concept of eco-friendly cultivation amongst the farmers and for reducing the hazardous use of plant protection chemicals in the field, under the scheme of Integrated Pest Management, Rs. 50 lakh (Rs. 10 lakh in 1994-95; and Rs. 40 lakh in 1996-97) for setting up of a bio-control laboratory in the State (Rs. 30 lakh for construction of laboratory building and Rs. 20 lakh for purchase of laboratory equipment and one vehicle) was sanctioned by the Government of India.

Taking up the work for construction of the laboratory building was delayed due to certain administrative reasons, as stated (August 1999) by the departmental Secretary. The delay resulted in cost over-run of Rs. 19.39 lakh in construction of the building (cost incurred: Rs. 56 lakh *minus* original tender value: Rs. 36.61 lakh). Further, while the construction of the building was completed in March 2000, this was not put to use till September 2001 for reasons not on record, thus keeping the building idle for 18 months.

It was also noticed in audit that, even after a lapse of more than three years since completion of the construction of the building, no effective step was taken (May 2003) by the department to procure and install all the requisite equipment for the laboratory to start mass production and distribution of different types of bio-control agents to the farmers, thereby frustrating the very purpose of setting up of the laboratory.

The Government stated (September 2003) that without proper funding the infrastructure till date could not be utilised in full.

Training and extension services

Training

3.1.13 To improve the level of technical expertise of supervisory personnel, grass root level workers and farmers of the State on specific topics like extension work, rice and pulse production technology, integrated pest management, integrated nutrient management etc, training was required. During the five years ending 2002-03, the department spent Rs. 1.01 crore on training against budget allocation of Rs. three crore, the shortfall in expenditure working out to 66 percent. During the three years ending 2002-03, the department imparted training to 55,374 farmers against the target of 65,850♣. The department had never fixed target for training of its staff. During 2001-02 and 2002-03+, against 101 slots in 56 training courses for the staff at

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• If the active ingredients of the PPC and the exterior of the container do not conform to the required specification, it is termed as 'misbranded'.

♣ The department had no targets for the two years ending 1999-2000, when 9510 farmers were reported to have been trained.

+ No information for the period of three years ending 2000-01 could be furnished by the department.

the national level by the Government of India, only 68 slots in 38 courses were utilised.

Vacancies in crucial posts

3.1.14 Agriculture extension programme in the State had suffered as crucial posts like DDA(30 out of 32), SA(42 out of 85), Junior Engineer(Civil) (28 out of 49), Junior Engineer (Mechanical) (21 out of 55), Assistant Statistical Officer (all the six) and Investigator (13 out of 19) were lying vacant for the last five years.

Farm mechanisation

3.1.15 In August 2002, the department reported that it had been maintaining 269 power tillers at 80 hiring centres all over the State so that the farmers could use them for tilling their land at a reasonable cost. Of these 269 power tillers, 217 were lying inoperative.

Test-check in audit revealed that 38 hiring centres (Dhalai: 5; North: 12; West: 11; and South: 10) with 115 power tillers had not been providing any service to the farmers mainly for want of repair and maintenance and supply of consumables and virtually remained closed to the farmers as of March 2003 (8 for the last 5 years; 9 for 3 years; 16 for 2 years; and 5 for one year).

The department incurred an expenditure of Rs. 17.20 crore on salary of idle staff of these 38 hiring centres during 1998-99 to 2002-03 and the scheme for farm mechanisation failed to fulfil its objective.

Credit facilities

Crop loan

3.1.16 To ensure the desired level of productivity in food grains, adequate quantum of crop loan to the small and marginal farmers is required to be provided by the Government as emphasised in the Action Plan (August 1999) based on the 10 year perspective plan.

The following table shows year-wise requirement of crop loan as assessed in the Action Plan and loan actually provided:

(Rupees in crore)

Year	Loan required	Loan provided	Percentage of achievement
2000-01	15	6.31	42
2001-02	20	3.29	16
2002-03	39.70[o]	4.03	10

Source: Action Plan for the years 2000-01 and 2001-02 and other departmental records.

It would be seen that the percentage of crop loan provided, when compared to the required/targeted amount, had gradually declined from 42 in 2000-01 to 10

[o] Rs. 39.70 crore was the target for disbursement of loan fixed by the participant banks (action plan was not prepared for the year).

in 2002-03. This was certainly not conducive to fulfilment of the objective of self-sufficiency in foodgrains as envisaged in the perspective plan.

Irrigation

Shortfall in utilisation of assured irrigation potential (AIP)

3.1.17 As of March 2003, assured irrigation potential (AIP) of 67,278 hectares was created against the total irrigable land of 1.17 lakh hectares.

The following table shows the year-wise availability of AIP *vis-à-vis* its utilisation during 1998-99 to 2002-03.

Year	AIP available	AIP utilised	Shortfall	Percentage of shortfall
	(In hectares)			
1998-99	44,784	39,160	5,624	13
1999-2000	46,039	40,663	5,376	12
2000-01	52,197	41,085	11,112	21
2001-02	59,951	47,196	12,755	21
2002-03	67,278	53,570	13,708	20

Source: Departmental records.

The percentage of shortfall in utilisation of AIP increased gradually from 13 to 20 over the years, with consequential denial of the benefit to the farmers.

The department stated (February 2003) that shortfall was mainly due to power problem, leakage in pipeline, theft of pump sets etc. The department was thus fully aware of the reasons for less utilisation of AIP but did not take any effective steps to overcome them. The Government stated (September 2003) that action had been taken to utilise the irrigation potential 'to the optimum level'.

Implementation of Centrally sponsored schemes

3.1.18 The department had been implementing 13 Centrally sponsored schemes during 1998-99 to 2002-03. Of these, the following three schemes[■] were test-checked in audit.

(i) Oilseeds Production Programme (OPP)
(ii) National Pulses Development Project (NPDP)
(iii) Integrated Cereal Development Programme (ICDP)

The table below indicates the scheme-wise budget provision, release of funds and expenditure on the three schemes during the period under review:

[■] Other 10 schemes were: (i) Crop insurance; (ii) Establishment of an agency for reporting of agricultural statistics; (iii) Balanced and integrated use on fertilizers; (iv) National project of Development of fertilizers in low consumption areas; (v) Special jute development programme; (vi) Maize minikit programme; (vii) Rice minikit programme; (viii) Wheat minikit programme; (ix) Sustainable development of sugarcane based cropping system areas; and (x) Integrated seed development.

Year : 1998-99 to 2002-03 *(Rupees in crore)*

Name of the scheme	Budget provision	Release			Expenditure			Savings from Central share
		Central share by GOI	State share	Total	Central share	State share	Total	
Oilseeds Production Programme	3.22	5.32	–	5.32	4.76	1.58*	6.34	0.56
National Pulses Development Project	2.16	3.28	–	3.28	2.93	0.97*	3.90	0.35
Integrated Cereal Development Programme	1.10	2.40	0.39	2.79	2.40	0.39	2.79	–

* No evidence for expenditure actually incurred was found in audit.
Source: Monthly progress reports submitted by the Department to the GOI.

Important points noticed in course of test-check of implementation of the schemes are as follows:

Non-release of State share of Rs. 2.86 crore on implementation of OPP and NPDP

3.1.19 Expenditure under OPP, NPDP and ICDP were to be shared by the Central and State Governments on 75:25 basis (100 *per cent* Central assistance was available for ICDP since 2001-02).

During 1998-99 to 2002-03, the Government of India released funds of Rs.8.60 crore (Rs. 5.32 crore for OPP and Rs. 3.28 crore for NPDP), but the State Government did not release the required State share of Rs. 2.86 crore (Rs. 1.77 crore for OPP and Rs. 1.09 crore for NPDP). Nevertheless, in the expenditure statement for Rs. 10.24 crore (Rs. 6.34 crore for OPP and Rs. 3.90 crore for NPDP) relating to the years from 1998-99 to 2002-03 (up to December 2002) furnished to the Government of India, Rs. 2.55 crore (Rs. 1.58 crore for OPP and Rs. 0.97 crore for NPDP) was shown to have been released as State share. The expenditure reported to the Government of India was thus incorrect.

Delay in release of funds for programme implementation

3.1.20 Scrutiny of records showed that on receipt of funds for OPP and NPDP from the Government of India, the Finance Department and the Agriculture Department took six to eight months in releasing the funds to the implementing agencies during 1998-99 to 2001-02[❖].

Test-check of records revealed that 56 to 83 *per cent* of funds under OPP and 46 to 66 *per cent* under NPDP were placed with implementing officers in the months of February and March of each financial year from 2000-01 to 2002-03. There was, therefore, hardly any scope to utilise the whole amount during the currency of the financial year and the funds, on being parked in cash chest, were utilised in subsequent years which was in violation of Financial Rules. As there was no possibility of spending the money within the remaining period

[❖] Delay in release of Rs. 2.42 crore ranging from six to eight months noticed to have occurred in seven cases (Rs. 10 lakh in one case during 1998-99; Rs. 45.97 lakh in two cases during 1999-2000; Rs. 1.57 crore in three cases during 2000-01; and Rs. 28.98 lakh in one case during 2001-02).

of the financial year, these had also resulted in drawal of money in advance of requirement, which was in violation of financial rules.

Issue of utilisation certificate without utilising the funds

3.1.21 The department drew Rs. 24.78 lakh (Rs. 12.69 lakh for OPP and Rs. 12.09 lakh for ICDP) in March 2002, but the entire amount remained unutilised as of May 2003, though the Director of Agriculture furnished utilisation certificate for the whole amount to the Government of India in April 2002.

The Government stated (September 2003) that 'as per advice of the Government of India', utilisation certificate was submitted.

Exhibition of inflated expenditure

3.1.22 The Director of Agriculture furnished annual progress reports (June-July 2000) to the Government of India on implementation of OPP and NPDP for the year 1999-2000, indicating that Rs. 42 lakh (Rs. 37 lakh for OPP and Rs. 5 lakh for NPDP) was spent for the components 'infrastructural development and construction works' under the above two schemes.

Scrutiny of progress reports and other records of the DDAs in the four districts disclosed that no expenditure on these two components was incurred by the four DDAs during the period.

Unauthorised expenditure of Rs. 1.56 crore in excess of allotment for demonstration

3.1.23 Scrutiny of records revealed that out of allotment of Rs. 5.32 crore for oilseeds, Rs. 1.86 crore were earmarked for organising 'Block Demonstration' in 10,301 hectares of land during 1998-99 to 2002-03. Against this, Rs. 3.42 crore was spent up to December 2002 covering 18,642 hectares of land in 'Block Demonstration' resulting in unauthorised excess expenditure of Rs.1.56 crore and physical achievement of 81 *per cent* over the target in terms of area, thereby affecting adversely the implementation of other components of the scheme, as would be evident from the trend of gradual decrease in both coverage of area and production of oilseeds since 1999-2000 as shown in **Appendix - XIII**. The State level sanctioning committee, which was required to approve the expenditure under the scheme guidelines, did not approve the expenditure. The impact assessment reports on such demonstrations were also not available, though called for in audit.

Financial irregularities

'Vouchers' kept in lieu of cash

3.1.24 Test-check of records of three DDOs (SAs of Mohanpur, Jirania and Bishalgarh) and information received from another two DDOs (SAs of Teliamura and Amarpur) revealed that a cash balance of Rs. 0.21 crore was held in the form of 'vouchers' by them during the period 1998-99 to 2002-03. The 'vouchers' represented payment made from undisbursed cash in the cash chest on items for which there was no allotment and sanction.

The above irregularities in cash management were fraught with the risk of unauthorised use and misappropriation of the Government money.

Outstanding abstract contingent bill

3.1.25 Test-check of records of four DDAs of North, Dhalai, West and South districts, eight SAs and information collected from the department in respect of other six SAs of Kanchanpur, Rajnagar, Bagafa, Satchand, Amarpur and Salema revealed that detailed countersigned contingency (DCC) bills against Rs. 4.44 crore drawn on 1,616 abstract contingency (AC) bills during the period from 1978-79 to 2001-02 were lying outstanding as of March 2003 as shown in **Appendix - XIV**. While every such amount was to be adjusted by submission of a DCC bill within two months of drawal in a lump as provided in the Financial Rules, the amount remaining unadjusted for one to 25 years could lead to misappropriation of Government money. The department could not explain the circumstances under which such abnormal delay had occurred.

The very fact that Rs. 4.44 crore remained unadjusted beyond the admissible period of two months, with the earliest drawals of a portion of the amount having been as old as 25 years, is indicative of serious deficiency in financial management.

The Government stated (September 2003) that necessary steps had been taken for adjustment of the amount.

Monitoring and evaluation

Doubtful conducting of crop-cutting experiment

3.1.26 In order to estimate the productivity of different crops per hectare by way of impact assessment, series of crop cutting experiments (CCE) were to be conducted under the scheme of agricultural economics and statistics. Results of all such CCEs were to be recorded in the format prescribed by the department, so that these can be used for future planning and co-ordination.

Test-check of records of the DDA, South revealed that none of the SAs working in the district had furnished the results of CCEs conducted by them during 1999-2000 and 2002-03 in the prescribed format. The absence of this primary document (which is required to be signed by the owner of the land experimented upon as well as the Government officer who conducted the experiment) casts doubt on actual conducting of the CCEs in the district besides having an adverse impact on entire planning process based upon faulty estimate of productivity.

The Government stated (September 2003) that action would be taken to maintain the authenticity of records in future.

Inaction of the Task Force

3.1.27 Based on the perspective plan, an action plan for two years (2000-01 and 2001-02) was prepared in August 1999 by the Task Force constituted under the chairmanship of the Chief Secretary. The action plan was duly approved by the Cabinet in October 1999. The progress of the implementation of the action plan was required to be reviewed by the Task Force on quarterly basis.

Scrutiny of records disclosed that the Task Force met only twice during 2000-01 to 2002-03 for this purpose but no minutes of the meetings were prepared. No initiative was taken to prepare any action plan beyond 2001-02 for implementation of the programme as contemplated in the perspective plan, for reasons not on record.

The Government stated (September 2003) that "it is not known as to why the action plan for the third year and subsequent years for execution of the programmes under perspective plan was not prepared".

Evaluation

3.1.28 It was envisaged in the Action plan for the period from 2000-01 to 2001-02 that after completion of each season i.e. *kharif* and *rabi*, the achievement of the programme components would be evaluated by engaging an independent body e.g. Evaluation Cell of the Planning and Co-ordination Department of the State, which would submit the report to the Task Force. No such evaluation was taken up for submission of such report to the Task Force so far (August 2003).

Impact assessment

3.1.29 According to the target set by the department under the perspective plan, production was to reach a level of 8.83 lakh tonnes for foodgrains and 0.17 lakh tonnes for pulses by 1994-95.

To ensure this, an even rate of annual increase over the year immediately preceding should have been 11.5 *per cent* for foodgrains and 34 *per cent* for pulses, commencing from the level achieved in the base year of 1999-2000.

The following table shows the rate of increase actually achieved against this during the first three years of the perspective plan, separately for foodgrains and pulses:

Item	Annual rate of increase in production over the immediately preceding year *(in per cent)*		Shortfall (-)/ excess (+) in achievement with reference to target *(in per cent)*	Production of foodgrains		Shortfall in production	Value of shortfall in production
Year	Targeted	Actually achieved		Required to be achieved under perspective plan	Actually achieved		*(Rupees in crore)*
Foodgrains (including pulses)				*(in lakh tonnes)*			
2000-01	11.5	8.7	(-) 2.8	5.72	5.58	0.14	14.00
2001-02	11.5	7.0	(-) 4.5	6.38	5.97	0.41	41.00
2002-03	11.5	4.4	(-) 7.1	7.11	6.24	0.87	87.00
Pulses						**1.42**	**142.00**
2000-01	34.0	59.3	(+) 15.3				
2001-02	34.0	(-) 24.4	(-) 68.4				
2002-03	34.0	(-) 1.7	(-) 35.7				

Source: Departmental records.

The trend indicates that the rate of growth in production of foodgrains suffered a decline over the years from 8.7 to a meagre 4.4, and was far from the required rate of growth (11.5) as envisaged by the perspective plan. The rate of growth in production of pulses was also not encouraging as the good results obtained in the form of annual growth in 2000-01 by 59.3 *per cent* which was in excess of the required rate of growth by 15.3 *per cent* had been completely wiped out by a massive decline during the two successive years making the rate even a negative one with a wide deviation from the stipulated rate from the year 2001-02 onwards.

The deviation from the perspective plan resulted in less production of foodgrains of 1.42 lakh tonnes valued at Rs. 142 crore over the three years ending 2002-03.

Gradual decrease was noticed in coverage of area (from 7590 ha in 1998-99 to 4780 ha in 2002-03) under oilseeds, which resulted in less production of oilseeds by 6110 tonnes, valued at Rs. 17.92 crore.

Conclusion

3.1.30 Thus, the overall performance of the department at the end of five years ending 2002-03 was far from satisfactory with reference to its declared objective of attaining self-sufficiency in respect of foodgrains, pulses and oilseeds although Rs. 280.26 crore was spent during the period to fulfil the objective. This was due to:

(i) non-allocation of adequate resources as envisaged in the perspective plan♦,
(ii) inability of the department to utilise even the resources made available in the budget♦ and
(iii) deficiency in implementation of the plan in almost every identified areas as brought out above in the review.

♦ As per perspective plan, the department was required to spend Rs. 23.81 crore and Rs. 35.36 crore for the identified plan components in 2000-01 and 2001-02, against which the budget provision was Rs. 27.51 crore and Rs. 24.25 crore respectively. But the expenditure was Rs. 22.09 crore and Rs. 16.12 crore only during the respective years.

HEALTH AND FAMILY WELFARE DEPARTMENT

3.2 National AIDS Control Programme

The National AIDS Control Programme was introduced in 1987 for countrywide implementation. The main objective of the Programme was not fulfilled in the State due to lack of effective planning, inadequate infrastructure as well as inadequate laboratory testing facilities, shortage of laboratory technicians, and non-availability of medicines for treatment. The performance of the intervention projects suffered due to non-formulation of viable projects according to the core principles of the programme.

Highlights

Against the funds of Rs. 4.29 crore available during 1998-2003 for implementation, Rs. 1.11 crore (26 *per cent*) remained unspent as of March 2003.

(Paragraph 3.2.5)

The drug de-addiction centre at Kumarghat established at a cost of Rs. 8 lakh in September 2000 for providing treatment to injecting drug users could not be made operational for want of equipment, medicines and technical staff, as of May 2003.

(Paragraph 3.2.9)

The intervention projects were not formulated according to the core principles of the programme as many important components were excluded and the prescribed cost schedule for the components of the project were not followed. The expenditure of Rs. 21.22 lakh incurred on them during 2000-03 proved largely wasteful.

(Paragraph 3.2.10)

Infected persons were not informed of their HIV infection. As a result, 278 such persons in the State, as of March 2003, had been unknowingly spreading the deadly disease among the State population. Moreover, as appropriate method of testing was not being followed, blood units supplied from blood banks were also not considered fully safe against HIV infection.

(Paragraph 3.2.15)

Training of medical and paramedical staff in AIDS management was to be completed by March 2002. But 85 *per cent* of the staff targeted for training were not trained as of March 2003.

(Paragraph 3.2.18)

Introduction

3.2.1 Acquired Immuno-Deficiency Syndrome (AIDS) is a life threatening condition representing the most serious public health problem in India. The infection is caused by a virus called human immuno-deficiency virus (HIV). According to the report titled 'Combating HIV/AIDS in India, 1999-2000' brought by the National AIDS Control Organisation (NACO), the predominant modes of transmission of infection in AIDS patients is through heterosexual contact (80.86 *per cent*) followed by blood transfusion and blood product infusion (5.52 *per cent*), injecting drug users (IDU) (5.30 *per cent*), perinatal transmission (0.72 *per cent*) and others (7.60 *per cent*). To combat HIV/AIDS, the Government of India (GOI) launched National AIDS Control Programme in 1987. The programme has moved through three phases since its launching. The GOI negotiated with the World Bank and the International Development Association (IDA) to support a full-fledged National AIDS Control Project (NACP-I covering the period 1992-99 and NACP-II covering the period 1999-2004).

Objectives

3.2.2 The key objectives of the programme were to reduce the spread of HIV and to strengthen India's capacity to respond to the HIV/AIDS on a long term basis. The goal of National Health Policy 2002 was to achieve zero level growth of HIV/AIDS by 2007. The following components were implemented in the State to achieve the objectives and goal of the programme:

(a) Priority targeted interventions for groups at high risk;
(b) Preventive intervention for general community; and
(c) Institutional strengthening

The other two components – Low Cost AIDS Care and Intersectoral Collaboration were not implemented in the State.

Organisational set up

3.2.3 The programme was implemented by the Programme Officer of the State AIDS Cell up to 1998-99 and thereafter by the Project Director of State AIDS Control Society (hereinafter called the Society) through four Chief Medical Officers (CMOs) of all the four districts, four Medical Superintendents of State and District Hospitals*, 10 Sub-Divisional Medical Officers, nine Rural Hospitals, 61 Primary Health Centres (PHCs) and 19 Non-Governmental Organisations (NGOs). The Society had the Commissioner-cum-Secretary of the Health and Family Welfare Department as its President up to 27 February 2001 and thereafter Minister of Health and Family Welfare as Chairman with 10 members including the Project Director as the Member-Secretary. The Project Director and the Assistant Project Director of the Society were on deputation from the department. The Society

* Two State hospitals: GB hospital and IGM hospital (both at Agartala); two district hospitals:Tripura Sundari (TS) hospital at Udaipur, and Rajib Gandhi Memorial (RGM) hospital at Kailashahar.

had 20 other staff members all of whom were on contract service (since April 2001) renewable from time to time.

Audit coverage

3.2.4 Implementation of the programme for the period from 1998-99 to 2002-03 was reviewed in audit between January and April 2003 based on test-check of records of the Society[♣], all the four CMOs, all the two State hospitals[♥], two District hospitals[*] out of four, three Sub-Divisional hospitals[ↄ] out of 10, two Rural hospitals[✈] out of nine, seven PHCs[♦] out of 61 and six NGOs out of 19, covering an expenditure of Rs. 1.19 crore (37 *per cent*) out of Rs.3.18 crore. The results of audit are discussed in the succeeding paragraphs.

Financial arrangement

3.2.5 National AIDS Control Programme is a 100 *per cent* Centrally sponsored scheme financed by Government of India up to 1998-99 and thereafter by National AIDS Control Organisation (NACO). Grants are directly to be released to the Society only after its annual action plan is approved by NACO. Subsequent release of grants was to be on the basis of actual expenditure reported by the Society and expenditure likely to be incurred during the year. Grants released by the Government of India/National AIDS Control Organisation during 1998-2003 and expenditure thereagainst are shown below:

(Rupees in crore)

Year	Opening balance	Funds released	Actual expenditure	Closing balance
1998-99	0.20	NIL	0.20	0.00
1999-2000	0.00	0.70	0.37	0.33
2000-01	0.33	0.82	0.75	0.40
2001-02	0.40	1.92	1.29	1.03
2002-03	1.03	0.65	0.57	1.11
Total		**4.09**	**3.18**	

Source : Information furnished by Tripura AIDS Control Society.

Against the funds of Rs. 4.29 crore (including opening balance of Rs. 0.20 crore) available, the agency utilised Rs. 3.18 crore during 1998-2003, leaving an unspent balance of Rs. 1.11 crore (26 *per cent*). An amount of Rs. 0.68 crore, though sanctioned by the Government of India during 1998-99, was not released due to delay in formation of the State AIDS Control Society.

[♣] The State Aids Control Society (SACS) is audited under Section 14 of the Comptroller & Auditor General's (Duties,Power and Conditions of Service) Act, 1971.

[♥] GB Hospital and IGM Hospital, both located at Agartala.

[*] TS Hospital, Udaipur and RGM Hospital, Kailashahar.

[ↄ] Bishalgarh, Kamalpur and Dharmanagar.

[✈] Kumarghat and Jirania.

[♦] Narsingarh, Mohanpur, Madhupur, Kakraban, Fatikroy, Panisagar and Kadamtala.

An amount of Rs. 17.58 lakh was advanced (February 2002) to four CMOs[✿] to make arrangement for conducting awareness campaigns through the local bodies like Nagar Panchayats, Gram Panchayats, and Agartala Municipal Council. The local bodies were duly paid the amount by the CMOs. The vouchers for adjustment of Rs. 17.58 lakh had not yet been received by the Society. The vouchers were also not made available to Audit by the CMOs during test-check. As such, expenditure of Rs. 17.58 lakh on awareness campaign could not be verified in audit.

Infrastructure

3.2.6 The State Government was required to provide infrastructure with adequate equipment and trained personnel in various health institutions for quality health services. The target fixed for creation of infrastructure and achievement thereagainst during 1998-2003 are shown below:

Name of the units	Target	Achievement	Percentage of shortfall
Blood banks	6	6	NIL
STD clinics	11	3	73
Sentinel surveillance centres	5	3	40
Voluntary blood testing centres	3	1	67
Zonal blood testing centres	3	1	67
Blood component separation unit	1	NIL	100

The Government attributed (August 2003) the reasons for shortfall to lack of planning of the concerned officials of the Society and shortage of manpower.

Blood Banks

3.2.7 It is the responsibility of the State Government as well as the State AIDS Control Society to provide the latest technology available for blood transfusion services and ensure its functioning in an updated manner. The Department claimed to have modernised all the six blood banks in the State. But it was noticed that against 40 items of equipment required to be provided in a modern blood bank, items ranging from four to 12[✈] only were provided in these six blood banks. One Elisa reader machine without printer was provided to BSM hospital, Kamalpur, in September 2001. As a result, the Elisa system remained inoperative (May 2003). The blood bank of TS hospital needed repairs and renovations for which an estimate of Rs. 0.94 lakh was sent to the Society in February 2000. But it was noticed that the said work had not yet been taken up as the Society did not provide the required funds (May 2003).

Again, against the requirement of 24 Laboratory Technicians, 12 Laboratory Assistants and 12 Nurses for six blood banks (according to in-charges of the blood banks), only 12 Laboratory Technicians and five Nurses were provided. It was also noticed that against six technicians required to be appointed by the

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✿ CMO (West): Rs. 7.02 lakh; CMO (South): Rs. 5.23 lakh; CMO (North): Rs. 3.28 lakh; and CMO (Dhalai): Rs. 2.05 lakh.

✈ Four items in RGM hospital and 12 items in GB hospital, IGM Hospital, TS hospital, BSM hospital (Kamalpur), and Dharmanagar hospital.

Society, for which grants of Rs. 0.75 lakh per blood bank per year were available under the programme, no technician was yet appointed. The reasons for not appointing technicians could not be stated by the Society (May 2003).

The Government replied (August 2003) that required number of Laboratory Technicians and Assistants were provided by Health and Family Welfare Department. The reply is not tenable as there was nothing on record to show that the requirement was even assessed by the Society.

Blood Component Separation Unit

3.2.8 According to the National Blood Policy, only the components of blood which are required by a patient should be transfused. For rational use of blood, its components and plasma fraction, it was envisaged in the programme that blood component separation facilities would be established in all the modern blood banks.

Against the requirement of six blood component separation units for the blood banks already set up, it was seen that even the infrastructure for one such unit though targeted to be set up in 1996-97 for the blood bank of the GB hospital, was not provided as of March 2003. For blood component separation facilities, equipment supplied by the NACO (through supplying agency) between March 2001 and July 2002, value for which could not be stated by the department though asked for, had been lying idle (July 2003). The items of equipment were not installed and their functioning tested though the warranty period of one year for most of its components was over. The Government attributed (August 2003) the reasons for delay to failure of the supplier to provide a critical component from NACO 'in due time'.

Drug De-addiction Centre

3.2.9 For providing treatment to the injecting drug users (IDUs), one drug de-addiction centre was established at Kumarghat at a cost of Rs. 8 lakh, and the centre was inaugurated by the Health Minister in September 2000. But the centre was still not functioning, as of May 2003, for want of equipment, medicines and technical staff. The Government stated that the centre should not have been inaugurated before availability of staff.

Programme Implementation

Priority targeted intervention for groups at high risk

3.2.10 Intervention with people with increased vulnerability to HIV is one of the core strategies for prevention of HIV in India. The project aimed to reduce the spread of HIV among groups at high risk by identifying target population and providing peer counselling and condom promotion. These were to be largely delivered by NGOs. The amount allocated for each high-risk group and the expenditure incurred in intervention projects during 2000-03 are shown in **Appendix - XV**.

It was noticed that against the cost of Rs. 1.49 crore as per scales of estimates prescribed in the NACO guidelines, 20 intervention projects at a total cost of Rs. 34.79 lakh only were sanctioned and taken up during 2000-03. The basis of fixing the cost of the projects by the Society was not made available to Audit. Whether the projects, each of which was to be implemented at such a low budget, were at all viable was not examined while fixing the cost of the different projects.

For successful implementation, the intervention projects should include all the following components (i) programme management, (ii) behaviour change communication, (iii) cost of service, (iv) enabling environment, and (v) monitoring and evaluation. It is not enough to provide only one component or its sub-component for a sustainable result.

According to the core principles of the programme, the NGOs whose proposals were recommended by the Technical Advisory Committee, were to be invited to undergo a short orientation course of training in understanding the principles of interventions and formulating a viable project. Seven projects (2000-01 to 2001-02) test-checked, indicated that all of the above components were not covered by the projects and the NGOs were not invited to participate in short orientation course of training. The projects included only cost of programme management and honoraria for counsellors and the medical officer. The Government admitted (August 2003) that the Society made mistakes in formulating the projects.

The honorarium admissible as per scale prescribed by the NACO and the honorarium allowed by the Society in fixing the cost of programme management of the project are shown in the table below:

Category of staff	Monthly rate of honorarium prescribed by NACO	Monthly rate of honorarium allowed by the Society
Programme coordinator	Rs. 6000	Rs. 1500
Office support staff	Rs. 3000	Rs. 300-500
Counsellor	Rs. 4000	Rs. 300-1000
Part time doctor	Rs. 4000	Rs. 500

It was also noticed that cost of drugs for treatment, cost of community events for behaviour change, cost of creating enabling environment and evaluation of the programme were not taken into account. As no viable projects were formulated to achieve the objectives of intervention, the expenditure of Rs. 21.22 lakh incurred during 2000-03, proved wasteful. The performance of a few NGO projects is discussed below.

(i) Door of Hope

3.2.11 An intervention project of 105 Injecting Drug Users (IDUs) was sanctioned (April 2001) for Rs. 3.53 lakh (for three years) against the cost of Rs. 5.84 lakh as per scales prescribed by the NACO and Rs. 1.21 lakh was released to the NGO between July 2001 and March 2002 without making operational the Drug De-addiction Centre, at Kumarghat where the IDUs were to be treated. The project did not include cost of remuneration to staff, creation of enabling environment and evaluation.

It was seen from the performance report furnished by the NGO that though 70 *per cent* of the IDUs were motivated to undergo treatment, the facilities for treatment could not be provided by the Society to the IDUs, despite repeated persuasion from the NGO. The NGO requested (November 2002) to discontinue the project as it was meaningless to continue the project without medical services for de-addiction. The Department decided (January 2003) to discontinue the project. Thus, the project without any provision for treatment did not serve any purpose and the expenditure of Rs.1.16 lakh incurred up to August 2002 towards wages of field workers, stationery, contingent expenditure, transportation and workshop had gone waste.

The Government stated (August 2003) that the funds could have been released to the NGO only after availability of staff in the Drug De-addiction Centre.

(ii) Sanghadip

3.2.12 A project for 1800 truck drivers was taken up in April 2001 at a total cost of Rs. 2.30 lakh (for three years) against the cost of Rs. 10.40 lakh as per scales prescribed by the NACO. Scrutiny of the activity reports submitted by the NGO revealed that routine nature reports indicating health check up of drivers ranging from 105 to 250, and counselling of drivers ranging from 1080 to 1754 were furnished without any further details as to how and by whom health check up and counselling were done.

Behaviour change communication, and creation of enabling environment are the core principles of targeted intervention. For this purpose, baseline assessment at the end of the year is required to be conducted to evaluate the programme. But it was noticed that these components were ignored and no funds were provided for them. All these factors together made the project ineffective.

(iii) Lions Club

3.2.13 An intervention project for two years for 3210 migrant labourers working in the brick fields for Rs. 5.70 lakh was sanctioned in January 2001 against the cost of Rs. 15.58 lakh, as per scales prescribed by the NACO, and Rs. 2.56 lakh was released between April 2001 and January 2002.

The six monthly activity reports submitted by the NGO indicated that 14 health camps and 349 group discussions were held during the year 2001 covering 1125 labourers, and 5000 condoms were distributed. It was also noticed that the project was discontinued since January 2002.

The Government stated (August 2003) that, as the performance of the NGO was not satisfactory, the project was discontinued. Thus, the objectives of the project intervention remained largely unachieved.

Control of Sexually Transmitted Diseases (STD)

3.2.14 With the arrival / spread of HIV infection and because of its strong relation with STD, National STD Control Programme was brought under the purview of the NACO since 1992 and STD clinics were sought to be strengthened by providing drugs, consumables and laboratory support for diagnosis and treatment. All the three STD clinics in the State were claimed to have been strengthened by the department, which meant that the clinics should have had the above facilities.

Test-check revealed that neither any trained Laboratory Technicians nor any Laboratory Assistants were provided in two STD clinics at the TS Hospital, Udaipur, and the RGM Hospital, Kailashahar. Laboratory facilities like reagent, kits, equipment for diagnosis and medicines for treatment were not provided in these STD clinics. In the RGM hospital, Specialist (Dermatology) was also not available since inception to run the clinic effectively as of May 2003.

Records of STD clinic at the GB Hospital indicated that against the requirement♠ of 640 vials of Penicillin, 58200 capsules/tablets of Tetracycline, 43120 of Erythromycine, 7540 of Cotrimoxazole and 4524 of Ciprofloxacin for 1056 patients (actually treated) suffering from Syphilis, Gonorrhoea, Chancroid and Lympho Granuloma Venerae (LGV) during 1998-2002, only 550 vials of Penicillin, 500 tablets/ capsules of Tetracycline and 3400 of Ciprofloxacin were supplied to the clinic. It was also noticed that, for treatment of the diseases like Herpes Trichonomoniais, Candidiasis and Veneral Warts, no medicines were supplied by the Society though a large number of such patients were detected and the Society was required to supply all the medicines according to the programme.

Family Health Awareness Campaigns (FHACs) were organised in April and December 1999, June 2000, April 2001 and March 2002, by organising camps at sub-centre level and arranging treatment of STD patients. Records of the CMOs of four districts test-checked, indicated poor performance in the campaigns organised between June 2000 and March 2002 as shown below:

Period	Target population estimated by the Department	Actual attendance in camps	STD patients identified and referred to clinics	Patients who actually attended clinics	STD prevalence rate among the population that attended the camps (per thousand) (Col 5 ÷ Col 3 X 1000)
1	2	3	4	5	6
June 2000	13.94 lakh	96,973(7)	15,159	8,582(57)	156
April 2001	15.58 lakh	1,09,731(7)	16,818	8,415(50)	153
March 2002	15.66 lakh	1,13,575(7)	20,242	9,303(46)	178
Total			**52,219**	**26,300(50)**	

Figures within brackets represent percentage of attendance to the target.

Source: Reports submitted by the Society to NACO.

The above table indicated that had the attendance in camps been larger, the number of STD patients would have been higher than that of the cases identified. It was noticed that the STD patients covered by treatment ranged between 46 and 57 *per cent* during the period. The prevalence rate of STD

♠ The requirement is assessed with reference to treatment schedule and number of patient treated.

ranged from 153 to 178 among the population that attended the camps, which was quite high. Also, about 50 *per cent* of the patients identified remained unprotected against the spread of HIV, despite an expenditure of Rs. 54.15 lakh in the campaigns. The department thus failed in its role in counselling and motivating the STD patients for taking up the prescribed course of treatment.

Stock register of medicines maintained by the CMO, West, and the CMO, Dhalai, showed that STD medicines were not received between March 1999 and June 2000 by the CMO, West, and between February 2000 and April 2001 by the CMO, Dhalai. In the absence of specific medicines, manner in which the programme was implemented could not be clarified by the CMOs. However, records of the AIDS Control Society indicated that various STD medicines worth Rs. 8.51 lakh[❖] as shown in **Appendix - XVI** were supplied between February 2000 and March 2001 but these were not received by the CMOs.

In reply, the Government stated (August 2003) that this was a very serious matter and the Project Director of the Society was asked to investigate.

Preventive intervention for general community

Blood Safety

3.2.15 One of the main objectives of the National Blood Policy is to make the latest technology available to ensure its functioning in an updated manner. The practice of replacement donors was to be phased out to achieve 100 *per cent* voluntary blood donation. And for this purpose, as envisaged, an action plan is required to be developed by the State Blood Transfusion Council. Donor Organiser and Donor Recruitment Officer for all blood banks are required to be appointed and provided with orientation training cum advocacy programme on donor motivation.

Records indicated that neither was any action plan for phasing out replacement donors drawn nor any Donor Organiser[♠] or Donor Recruitment Officer[♠] appointed by State Blood Council.

The Project Director stated (March 2003) that National Action Plan to achieve availability of 95 *per cent* of the requirement by voluntary blood donation within 2007 was being followed in the State. The reply is not convincing as the State Blood Transfusion Council had achieved 17 *per cent* voluntary donation in 1999, which increased only to 35 *per cent* in 2002. The pace was too slow to successfully attain the goal within another five years when there was no required manpower and a specific action plan.

Records of all the six blood banks, and the zonal blood testing centre indicated that 88,255 blood units were tested between 1998-99 and 2002-03, against

[❖] The value of the medicines was calculated on the basis of the rates collected from the local market as these could not be supplied by the Society.

[♠] The responsibilities of the holder of the post are to motivate the public for voluntary blood donation and to organise blood donation camps.

which 247 HIV seropositive cases* were detected. The information had been withheld from the infected persons and no counselling was done. Even the HIV positive donors were not informed about their HIV status. Public health experts of the country expressed concern that the HIV positive donors have been living without knowledge of their infection and possibly transmitting it to their sexual partners. This was not conducive to programme objectives. Against this background, in December 2002, the Government of India decided that the blood donors found to be HIV positive would be informed about the status of HIV testing and asked to seek confirmatory test and counselling. But the infected persons had not been informed of their HIV infection as yet (May 2003) and, as a result, 278 HIV infected persons had been unknowingly acting as infecting agents in spreading the deadly disease among the State population.

The Government stated (August 2003) that the matter was taken up with the Government of India and the Society would act according to the Government of India directions.

In blood banks, blood units are screened only by Elisa, rapid and simple (ERS) test. But it was established that on being infected with HIV, it takes about six weeks to six months to develop detectable level of antibody in blood. The time gap is called 'window period'. The infection of blood with HIV is not detectable during the 'window period' by the present system of ERS testing. Therefore, blood units supplied by blood banks of the State for safe transfusion after the units had undergone ERS testing were not to be considered safe, and the chance of infection with HIV remained unchecked.

HIV can be detected even in the 'window period' if blood units are tested by Polymerase Chain Reaction (PCR) method as stated (February 2003) by the Medical Officer in charge of Zonal Blood Testing Centre of GB Hospital. The approximate cost of setting up the PCR testing facilities would be Rs. 10 lakh as per his estimate. But it was noticed that neither the AIDS Control Society nor the State Government was considering the setting up of the PCR testing facilities. The guideline issued by the NACO is also silent about handling the problem of 'window period'.

The Government agreed (August 2003) with the fact pointed out above, and stated that the State Government had been following NACO guidelines only in this regard.

Voluntary testing and couselling

3.2.16 Voluntary testing and counselling is the process by which an individual undergoes counselling enabling him to make an informed choice about being tested for HIV. This would involve increasing demand for the facilities for joint testing of couples. It was envisaged in the programme that one voluntary testing centre would be established in each district. But audit scrutiny revealed that against the target for setting up three centres by 1996-97, only one such centre started functioning in 1999-2000 at the GB Hospital, Agartala.

The performance of the voluntary testing centre is shown below:

* In addition, 10 such cases under Voluntary Testing and Counselling and 21 cases by the Sentinel Surveillance Centres were detected.

Year	No. of sites offering services	No. of volunteers targeted for screening	Attendance per site for individual testing	No. of couples jointly tested	HIV positive cases detected
1999-2000	1	250	105	Nil	01
2000-01	1	250	99	Nil	Nil
2001-02	1	250	78	Nil	02
2002-03	1	250	153	Nil	07

That not a single couple turned up during the years for joint testing was also an indication of poor performance of the awareness campaign taken up by the department.

It was noticed that no Counsellor was appointed and no counselling was done, in spite of availability of grants under the programme towards salaries of two Counsellors. The Government stated (August 2003) that appointment of Cousellors was under consideration of the Society.

Sentinel surveillance

3.2.17 Surveillance of STD patients constitutes an important component of prevention and control of HIV/AIDS. The objective of this activity is to develop an effective surveillance system generating a set of reliable data.

Against the target of five Sentinel Surveillance Centres to be set up by 1998-99, three such centres in three districts were set up at the end of 2002-03. The shortfall was attributed (August 2003) by the Government to non-according of sanction of the new sites by the NACO. Records of the surveillance centres showed that 2236 samples were tested during 1998-2003 against which 21 HIV sero-positive cases were detected.

Training

3.2.18 According to the NACO guidelines, training of all specialists, medical officers, nurses, health workers and all laboratory personnel in AIDS management were to be completed between June 2000 and March 2002. The training was to be conducted locally and the society was to sponsor it.

The targets fixed and achievement thereagainst during April 1999 to March 2003 were as follows:

Category of personnel to be trained	Target	Achievement
Medical Officers including Specialists	1115	410(37)
Nurses	1000	156(16)
Laboratory Technicians	160	6(4)
Paramedical staff	1250	309(25)
Anganwadi Workers	3000	127(4)
Community Health Guides	2400	468(20)
Trained Birth Attendants	1211	Nil(0)
Total:	**10136**	**1476(15)**

Figures within brackets represent percentage of coverage.
Source: Tripura AIDS Control Society.

The table indicates that although the training of all categories of staff was to be completed by March 2002, only 15 *per cent* of the target for 10,136 staff members fixed for the period was achieved up to March 2003. The Society could not explain why 85 *per cent* of staff had not been trained as of March 2003.

Institutional strengthening

Functioning of AIDS Control Society

3.2.19 Tripura AIDS Control Society was formed in August 1998 and started functioning from April 1999. The Society was formed in order to remove the bottlenecks faced by programme implementing officers. But it was noticed that the independent functioning of the Society was not ensured. Funds of Rs. 98.62 lakh were released to the Society during 1999-2003 under "Institutional Strengthening" against which the Society spent Rs. 54.49 lakh only. It was also noticed that against 27 posts sanctioned by the NACO for the Society, eight posts* were not filled up, as of March 2003. For field units, 10 posts of Laboratory Technicians for which grants had been available under the programme, were also not filled up. The reasons for delay were not stated although called for (February 2003) in audit.

Monitoring and evaluation

3.2.20 The responsibilities for impact evaluation of the programme rest with National Monitoring and Evaluation Agency. But no such evaluation was so far undertaken by the agency in the State.

Field units are required to submit their monthly reports to the Society in the first week of the following month for monitoring and reporting to the NACO. But it was noticed that 32 reports from the STD clinic of the TS Hospital and 28 reports from the STD clinic of the RGM Hospital were not submitted by the clinics during 2000-01 to 2002-03. The reasons for failure on the part of the Society to collect the reports in time could not be indicated. It was, thus, established that the reports submitted to the NACO did not reflect a correct position of STD treatment during the years.

* Dy. Director (STD), Dy. Director (IEC), Dy. Director (Blood Safety), Drug Inspector, Administrative Officer, Monitoring & Evaluation Officer etc.

SECTION - B
AGRICULTURE DEPARTMENT

3.3 Expenditure on idle staff

Non-functioning of the hiring centres resulted in idling of machinery and idle expenditure of Rs. 30.91 lakh on pay and allowances.

In order to provide technical assistance to farmers, the Agriculture Department maintained six hiring centres with nine power tillers[†] (PTs) at Bishalgarh Agricultural Sub-Division under the control of the Superintendent of Agriculture, Bishalgarh. The hiring centres were established to facilitate availability of PTs to the needy farmers on hire basis at the rate fixed by the Government from time to time.

Test-check (August 2002) of records of Superintendent of Agriculture revealed that functioning of all these hiring centres had been kept suspended since July 1997 due to non-allocation of funds for meeting expenditure on maintenance and operational costs of PTs. As a result, the services of 10 field – specific technical and operational workers remained unutilised. Meanwhile, the Government decided in March 2000 to transfer the activities of hiring centres to Panchayat Samitis, which had also not materialised (January 2003) pending drawing up of modalities for such transfer.

Thus, failure of the department to provide funds for running and maintenance of power tillers and delay in transfer of the centres to Panchayat Samitis led to unproductive expenditure on pay and allowances amounting to Rs. 30.91 lakh for the period from August 1997 to July 2002. This also resulted in idling of nine power tillers worth Rs. 6.23 lakh[♦] and also depriving the farmers of the intending benefits projected under the scheme.

The matter was reported to the Government April 2003; reply had not been received (August 2003).

[†] (i) Bishalgarh: 2 PTs; (ii) Devipur; 2 PTs; (iii) Durganagar: 1 PT;
(iv) Lalsinghmura: 1 PT; (v) Ramnagar: 2 PTs and (vi) Charilam: 1 PT.

[♦] 2 Power tillers @ Rs. 94,140.00 = Rs. 1,88,280 (purchased in 1998)
7 Power tillers @ Rs. 62,170.00 = Rs. 4,35,190 (purchased in 1987)
Total: Rs. 6,23,470

EDUCATION (HIGHER) DEPARTMENT

3.4 Non-realisation of pro-rata contribution from the beneficiary States

Director of Higher Education could not realise the pro-rata contribution of Rs. 43.68 lakh from three North Eastern States for their nominees studying in Tripura Engineering College.

To modernise the laboratories, workshops etc. of the Tripura Engineering College as prescribed by the All India Council for Technical Education, the Government of Tripura decided (February 1994) to collect fees from the respective State Governments (pro-rata contribution) @ Rs. 42,000 per annum per student nominated by other North Eastern (NE) States from the academic year 1994-95 onwards, against the seats allocated by the North Eastern Council (NEC).

The matter was discussed among the representatives of all the member States in the NEC meeting held on 24 August 1994 and it was agreed in principle to share the additional financial requirement in order to improve the facilities.

Test-check (July 2002) of records of the Director of Higher Education, Tripura, revealed that since introduction of the realisation of pro-rata contribution the Government of Nagaland had sponsored their students for 1994-95 only and Arunachal Pradesh had sponsored their students for 1997-98 and regularly from 1999-2000 onwards while the Government of Manipur had been sponsoring their students regularly from 1997-98 onwards. However, against the demand of Rs. 55.02* lakh realisable from the three States for the academic years 1994-95 to 2002-03, only Rs. 11.34 lakh was realised.

Thus, pro-rata contribution of Rs. 43.68• lakh (Rs. 55.02 lakh – Rs. 11.34 lakh) for the period from 1994-95 to 2002-03 remained unrealised from three States as of July 2003.

The Government to whom the matter was reported in April, 2003 stated (July 2003) that for the last three years the nominating States namely Manipur and Arunachal Pradesh had been nominating fresh candidates with pro-rata contribution in advance at the time of their initial admission. The Government decided not to allow admission of any student without advance payment of pro-rata contribution in the 2nd, 3rd and 4th year. The reply, however, remained silent on collection of outstanding dues from 1994-95 to 2002-03.

* 1994-95 : Rs. 5.04 lakh ; 1995-96: NIL; 1996-97: NIL; 1997-98: Rs. 11.76 lakh; 1998-99: Rs.8.40 lakh; 1999-2000: Rs. 13.44 lakh; 2000-2001: Rs. 7.56 lakh; 2001-2002: Rs. 5.88 lakh; 2002-2003: Rs. 2.94 lakh.

• Nagaland : Rs. 5.04 lakh; Arunachal Pradesh : Rs. 8.40 lakh; and Manipur : Rs. 30.24 lakh.

3.5 Idle expenditure on procurement of books

Books worth Rs. 16.60 lakh procured by the Director of Higher Education for nine public libraries were not put to use of the readers due to non-availability of required infrastructure.

To strengthen and upgrade the public libraries in the State, the 11th Finance Commission awarded Rs. 1.80 crore (State level public library: Rs. 1 crore; and other public libraries: Rs. 0.80 crore) for the years 2000-2005. The Commission suggested to create a corpus, invest the entire funds and utilise the returns from the investment accrued every year for purchase of books, and periodicals.

Test-check (July 2002) of records and subsequent correspondence of the Director of Higher Education, Agartala, revealed that the department received and kept (March 2001) Rs. 1.80 crore in term deposit and earned an interest of Rs. 29.26 lakh thereon, as of September 2002.

The Book Selection Committee constituted (March 2002) by the department had purchased (March 2002) 15,345 books valued at Rs. 16.60 lakh for nine selected public libraries[♦] from Agartala book fair. But these books were not classified and catalogued to bring into use of readers. The books were lying unutilised in the godown of the State Central Library, Agartala.

The Head Librarian of the State Central Library, stated (November 2002) that due to inadequate infrastructure (proper storage and reading facilities) in the public libraries, the books could not be brought into use. It was clear from the reply that the decision to procure books was taken by the department without assessing the available storage facilities prior to procurement of a large stock of books at a cost of Rs. 16.60 lakh.

Thus, injudicious procurement of books without creating adequate storing space in the public libraries for which these were procured resulted in idle expenditure of Rs. 16.60 lakh.

On this being pointed out in audit, the Government stated (June 2003) that the department distributed (November 2002) all the books to nine public libraries, and also stated that decision to launch overall development programmes including expansion of infrastructural facilities of libraries has also been taken. But, subsequent test-check (July 2003) of five libraries[❊] out of nine, revealed that in the absence of required space and furniture, the books though distributed, remained idle. The books also remained unutilised in the remaining four libraries as construction of buildings for two libraries[✤] was

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♦ State Central Library at Agartala, and Sub-Divisional Libraries at Khowai, Sonamura, Udaipur, Belonia, Kailashahar, Dharmanagar, Ambassa and Kamalpur.

❊ Agartala, Khowai, Sonamura, Udaipur and Belonia.

✤ Dharmanagar and Kamalpur.

going on, decision to start construction of the building for one library▼ was taken and there was no decision for construction of building for one library†

As the books purchased could not be put to use of readers for want of buildings with required space to accommodate them, resulting in unnecessary blocking of funds, the department should have put off such purchase till the accommodation facilities were created.

EDUCATION (SCHOOL) DEPARTMENT

3.6 Excess payment to contractor

Non-deduction of Tripura Sales Tax at source resulted in excess payment of Rs. 13.88 lakh to the contractor.

Sections 3A and 3AA of the Tripura Sales Tax (TST) Act, 1976, as amended from time to time, provide for deduction of a certain percentage of the gross amount of the contractor's bill towards TST. The rates are fixed as 1.5 *per cent* in case of RCC bridge work and 4 *per cent* in respect of other works as specified in the Tripura Sales Tax Rules.

The Education Department decided (November 1996) to construct 70 school buildings through Rashtriya Pariyojana Nirman Nigam Limited (RPNN) a Government of India enterprise. The works were estimated to cost Rs. 4 crore✿. Department entered into an agreement (January 1997) with RPNN for construction of the buildings on turnkey basis at different locations within the State. The entire amount of Rs. 4 crore being the estimated cost of construction of the 70 school buildings was paid to RPNN as advance between December 1996 and March 1997.

According to the provision of the agreement, the agency (RPNN) was to submit monthly expenditure statement against the advance payment made to them and, on completion of the work, final statement of expenditure duly audited, was to be submitted to the department for final settlement. The agreement also provided that the sales tax would be borne and paid by the department. As such, the agency had no responsibility to pay the tax.

Scrutiny (July 2002) of the records of the Directorate of School Education, Tripura, revealed that the sales tax leviable on the works contract had not been deposited by the department as per the provision of the agreement. The statement of expenditure and fund utilisation certificate furnished (November 2002) by the agency on completion of the work showed that Rs. 13.88 lakh

▼ Kailashahar.

† Ambassa.

✿ School buildings: 50 Nos @ Rs. 4 lakh = Rs. 2 crore
20 Nos @ Rs. 10 lakh = Rs. 2 crore
Rs. 4 crore

13
13
10

had been adjusted between January 1997 and November 2002 towards sales tax against the advance payment (Rs. 4 crore).

In response to audit query, the Commissioner of Taxes stated (April 2003) that the Sales Tax received from the Director of School Education through adjustment of advances had not been deposited by the Agency (RPNN). Thus, the failure of the department to comply with the provision of agreement had not only resulted in excess payment of Rs. 13.88 lakh made to the agency but also in loss of revenue to the State exchequer to that extent.

The matter was reported to the Government in June 2003; reply had not been received (August 2003).

EDUCATION (SOCIAL WELFARE AND SOCIAL EDUCATION) DEPARTMENT

3.7 Welfare of the handicapped

Introduction

3.7.1 According to the survey conducted by the National Sample Survey Organisation (NSSO) in 1991, about five *per cent* of the population of the country suffers from one disability or the other.

In order to promote welfare of the handicapped, the State Government has been implementing (a) the provisions of "Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act" (the PWD Act), 1995 (a Central act) and (b) various programmes and schemes, including three State sector schemes for extending benefit under (i) scholarship for the physically handicapped students; (ii) Tripura Special Award (marriage with physically handicapped persons) Rules, 1986; and (iii) Tripura Blind and Handicapped Persons Pension Rules, 1980, and five Centrally sponsored schemes†. The Government has also been running three special schools*.

The Education (Social Welfare and Social Education) Department had been declared the Nodal Department for implementation of the PWD Act and other programmes and schemes for the welfare of the handicapped. The other departments which are involved in implementation of the programme were Health and Family Welfare, Labour and Employment, Transport, Revenue and Public Works. The nodal department had not yet ascertained (August 2003)

† (i) Scheme of Assistance to Disabled Persons for Purchase/Fitting of Aids/Appliances.
(ii) Scheme of National Award for People with Disabilities.
(iii)Assistance to Disabled through National Handicapped Finance and Development Corporation.
(iv) Integrated Education for Disabled Children.
(v) National Programme for Rehabilitation of Persons with Disabilities.

* (i) Institute for Visually Handicapped (for Boys), Narsingarh (opened in 1972), (ii) Institute for Visually Handicapped (for Girls), Badharghat (opened in 1982), and (iii) Institute for Speech Rehabilitation, Abhoynagar (opened in 1971).

the category-wise number of disabled persons in the State on the basis of proper survey.

Implementation of the Persons with Disabilities (PWD) Act / Rules

3.7.2 The following table would show that most of the provisions of the PWD Act and the PWD Rules made thereunder (PWD Rules, 1997 framed by the State Government) remained unimplemented (August 2003) and the intended benefits did not reach the disabled persons.

Reference to Act/Rules	Provision	Status of implementation
Prevention and early detection of disabilities		
Section 25 of Act	To take steps in respect of survey, investigation and research on cause and prevention of disabilities.	Reported to have taken up survey, but no action taken in other areas.
Section 25 of Act	Screening of all children at least once in a year to identify 'at risk' cases.	Not done.
Section 25 of Act	Training to be imparted to the staff at the primary health centres on prevention and early detection of disabiltities.	Not done.
Education		
Section 27 of Act	Implementing schemes and programmes for non-formal education for the children with disabilities.	Not done.
Employment		
Section 32 of Act	Identification of posts which can be reserved for persons with disabilities.	Not done.
Section 33 of Act	Reservation of three *per cent* of vacant posts for disabled persons.	Issued order but implementation not monitored.
Rules 37 and 38	Reporting vacancies to Special Employment Exchange by 84 Government controlled establishments.	Effective steps not taken to obtain such reports.
Section 40 of Act	Providing three *per cent* reservation of proportionate quota for disabled persons among the beneficiaries of poverty alleviation programmes.	Instructions issued but implementation not monitored.
Preferential allotment of land		
Section 43 of Act	Scheme for preferential allotment of land to disabled persons for prescribed purposes.	Decision taken by Government (May 1999), but not implemented.

Reference to Act/Rules	Provision	Status of implementation
Non-discrimination		
Section 45 of Act	Ensuring non-discrimination with the disabled persons on the road.	Not done.
Section 46 of Act	Providing necessary facilities for disabled persons in all new public buildings.	Decision taken by the Public Works Department (March 1999), but no information on implementation with the nodal department.
Institution for persons with severe disabilities		
Section 56 of Act	Establishment of institutions for persons with severe disabilities (those with 80 *per cent* or more of any or more disabilities).	Not done.
Social security		
Section 67 of Act	Insurance scheme or any alternative security scheme for Government employees with disabilities.	No such scheme adopted.
Section 68 of Act	Scheme for payment of unemployment allowance to persons with disabilities.	Unemployment allowance @ Rs. 500 per month to fully blind persons under certain conditions approved by the Council of Ministers (September 2002), but no action taken thereafter (August 2003).

Implementation of schemes and programmes

Scheme for Assistance to Disabled Persons for Purchase/Fitting of Aids/Appliances (ADIP)

3.7.3 Out of Rs. 16 lakh received from the Government of India by two District Rural Development Agencies (DRDAs) at Udaipur and Kailashahar in 1997-98 and 1998-99 respectively under the scheme, only Rs. 7.20 lakh were utilised for the persons with disabilities, and funds of Rs. 4.17 lakh were blocked in the form of undistributed aids/appliances, and Rs. 0.11 lakh were diverted (as of 31 March 2003) for purposes not connected with the scheme. The instances indicate that the appliances were purchased without assessment of actual requirement and the scheme was taken up for implementation without due seriousness.

Assistance to Disabled Persons through National Handicapped Finance and Development Corporation (NHFDC)

3.7.4 The National Handicapped Finance and Development Corporation (NHFDC) set up by the Government of India in January 1997 functions as an apex institution for channelising the funds to persons with disabilities. The State Government had nominated (June 2000) the Tripura Scheduled Castes Co-operative Development Corporation Ltd. as the State Channelising Agency (SCA), for obtaining loans from NHFDC for the handicapped persons in Tripura for self-employment.

While during 2000-01 to 2002-03, 205 loan applications were received by the SCA, till May 2003, loans of Rs. 6.76 lakh to only 13 beneficiaries were disbursed. The position indicates lack of initiatives in obtaining and providing loans for persons with disabilities for self-employment.

Moreover, no post-assistance survey to evaluate the socio-economic impact of the assistance and no follow-up action on the assistance were found to have been taken up.

Integrated Education for Disabled Children

3.7.5 Under the scheme, 100 *per cent* financial assistance is provided for education of disabled children which includes (i) assistance towards books, stationery and uniforms; (ii) escort allowance for severely handicapped children, and (iii) reader allowance for blind children. Assistance is also given for setting up and equipping resource rooms with aids and assistive devices, purchase and production of instructional materials, training and orientation of resource teachers, as well as pay and allowances of the Administrative Cell at the State level to implement and monitor the programme.

During 1997-98 to 2001-02, the total amount of admissible grant on the items of expenditure approved by the Government of India was Rs. 85.59 lakh, out of which actual amount released by the Government of India was Rs. 45.73 lakh, and expenditure incurred by the State was Rs. 44.90 lakh during 1997-98 to 2002-03. The State Government could not avail Rs. 39.86 lakh of the total admissible grant from the Government of India during the above period due to laxity in implementation of the scheme that led to under-utilisation of the available funds.

The department could not furnish item-wise expenditure on implementation of the scheme during 1998-99 to 2002-03, though called for in audit.

National Programme for Rehabilitation of Persons with Disabilities

3.7.6 In Tripura, the scheme was launched in December 2001, and West Tripura District was selected for this purpose. The implementing agencies for the programme at the State level and the district level were State Resource

Centre (SRC)* and District Disability Rehabilitation Centre (DDRC)✿, both of which started functioning in 2001-02.

Out of the funds of Rs. 37.50 lakh released by the Government of India during 2000-01 and 2001-02 for the SRC, an amount of Rs. 4.90 lakh was spent (up to March 2003) towards renovation of a building for the SRC. The unspent balance of Rs. 33.41 lakh (including accumulated interest of Rs. 0.81 lakh) of the SRC was lying in bank (June 2003).

Out of the funds of Rs. 1.10 crore released by the Government of India during 2000-01 and 2001-02 for the DDRC, the expenditure (as per audited statement of accounts prepared up to December 2002) was Rs. 2.28 lakh, which included honorarium to doctors (Rs. 1.02 lakh) and miscellaneous office expenses (Rs. 1.26 lakh). But no person with disability was found to have been rehabilitated so far under the scheme (May 2003).

The Government accepted (August 2003) all the above findings and stated that necessary steps have been taken to remove some of the deficiencies.

HOME DEPARTMENT

3.8 Non-realisation of duty allowance

Commandant, Home Guard Organisation, failed to realise the duty allowance of Rs. 10.78 lakh on deployment of home guards from four authorities/organisations.

Utilisation of services of the home guards by the Government departments/public undertakings or private industries for their own work requires realisation of duty allowances from the indenting authorities against such duty. An undertaking for paying such allowances is to be obtained from the indenting authorities before the home guards are deployed.

Test-check (July 2002) of records of the Commandant, Home Guard Organisation, Tripura, Agartala, revealed that duty allowance for deployment of home guards to various public undertakings deployed at the instance of such indenting authorities, was not realised regularly. Claims were preferred after a lapse of three to 118 months after the deployment of home guards without any follow-up action to realise the outstanding claims. Thus, as a result of delay in preferring the claims and lack of follow-up action, duty allowance amounting to Rs. 13.83 lakh for the period from January 1992 to

* The SRC at Agartala has been working under the "Society for Rehabilitation of Disables", a society registered (December 2001) under the Societies Registration Act, 1860.

✿ The DDRC at Agartala was set up by the Artificial Limb Manufacturing Corporation of India (ALIMCO), a Government of India undertaking, under Gramin Punarvas Yojana. The DDRC was inaugurated on 11 December 2001 and has been working under the "District Rehabilitation Society for Disabled", a society registered (December 2001) under the Societies Registration Act, 1860.

May 2002 (as worked out by the department) remained unrealised against five units of Central public undertakings* as of November 2002.

On this being pointed out in audit (July 2002), the Commandant, Home Guard Organisation stated (November 2002) that due to 'communication gap' in preferring the claims, the reimbursement by the public undertakings might have been delayed.

The Government stated (August 2003) that at the instance of audit it has been decided that henceforth no deployment of Home Guards would be made without obtaining undertaking from the agency that the duty allowance would be reimbursed by it. The Government also stated that Rs. 3.05 lakh had been realised in the meantime. Hence, the balance of the unrealised amount stands at Rs. 10.78 lakh (September 2003).

CIVIL DEPARTMENTS

3.9 Outstanding Inspection Reports

First reply for 179 out of 906 Inspection Reports issued up to 2002-03 was not furnished by various Civil Departments while the Government prescribed a time limit of one month from the date of receipt of Inspection Report to furnish the reply.

Audit observations on financial irregularities and defects noticed during local audit but not settled on the spot are reported to the auditee offices and the concerned higher authorities through Inspection Reports. More important irregularities are reported to the Heads of Departments and to the Government. The Government had prescribed that the first reply to the Inspection Reports should be furnished by the concerned departments within one month from the date of their receipt.

The position of outstanding reports in respect of various Civil Departments is indicated below:

A review of position of outstanding inspection reports relating to various Civil Departments revealed that 2612 paragraphs included in 906 inspection reports issued up to 2002-03 were pending settlement as of June 2003. Of these, even first reply had not been received in respect of 179 Inspection Reports inspite of repeated reminders. Year-wise break-up of the outstanding inspection reports and paragraphs is given below:

* 1. Oil and Natural Gas Corporation, Tripura Project, Agartala: Rs. 8.50 lakh (January 1992 to March 2002)
2. Indian Oil Corporation / AOD, Dharmanagar: Rs. 2.78 lakh (March 2001 to May 2002)
3. Indian Airlines, Agartala: Rs. 0.82 lakh (January 2002 to May 2002)
4. Indian Oil Corporation, Kunjaban: 0.85 lakh (January 2002 to May 2002)
5. Indian Oil Corporation, LPG Bottling Plant, Bishalgarh: Rs. 0.88 lakh (January 2002 to May 2002)

Sl. No.	Year	Number of outstanding		Number of inspection reports of which even first reply had not been received
		Inspection Reports	Paragraphs	
1.	Up to 1991-92	30	52	–
2.	1992-93	11	41	2
3.	1993-94	46	133	5
4.	1994-95	99	310	8
5.	1995-96	101	320	9
6.	1996-97	86	235	11
7.	1997-98	99	242	10
8.	1998-99	92	272	12
9.	1999-2000	88	262	17
10.	2000-01	69	213	20
11.	2001-02	90	275	45
12.	2002-03	95	257	40
	TOTAL	**906**	**2612**	**179**

As a result, the following important irregularities commented upon in these Inspection Reports had not been settled as of June 2003.

(Rupees in crore)

Sl. No.	Nature of Irregularities	Number of cases	Amount involved
1.	Wasteful/Infructuous expenditure	29	3.21
2.	Extra/avoidable expenditure	45	2.67
3.	Blockage of funds	28	11.93
4.	Non-recovery of excess payments / overpayments	45	1.01
5.	Others	638	136.01
	Total	**785**	**154.82**

CHAPTER IV

WORKS EXPENDITURE

CHAPTER IV : WORKS EXPENDITURE

SECTION - A

PUBLIC WORKS DEPARTMENT (WATER RESOURCES WING)

4.1 Accelerated Irrigation Benefit Programme

Accelerated Irrigation Benefit Programme (AIBP) was launched by the Government of India in October 1996 to assist the State Government by providing loans to accelerate irrigation projects which were languishing for want of funds. All the irrigation schemes were to be completed within two years. The programme failed to achieve its objectives due to inadequate allocation of State share, diversion of funds from Central loan assistance, unauthorised parking of funds, taking up of new schemes without completing the ongoing ones, and failure of the implementing agencies to construct channels for carrying water into the fields.

Highlights

The State Government had not made any allocation of State share during the initial five years (1996-2001) and the allocation made in the next two years was also meagre resulting in slippage in time schedule of two years for completion of all the three medium irrigation projects.

(Paragraph 4.1.5)

Advance payment of Rs. 13.22 crore paid during 1996-2003 was wrongly booked as expenditure without ascertaining the actual utilisation of advances by the agencies to which these advances were made. As a result, the expenditure on the AIBP for all these years remained overstated.

(Paragraph 4.1.6)

Although funds ranging from Rs. 3.71 crore to Rs. 12.87 crore were retained by the three executing agencies in their bank accounts, the Nodal Authority showed the entire amount as utilised.

(Paragraph 4.1.7)

The department irregularly spent, out of Central loan assistance, Rs. 17.18 crore in operation and maintenance, payment of electricity bills and meeting establishment cost, which are not permissible under the programme.

(Paragraph 4.1.8)

Although the main objective of the AIBP was to complete all on-going projects within two years, the department had constructed only 19 *per cent* of the canals targeted to be constructed after spending 72 *per cent* of the revised cost in respect of three medium irrigation projects (Gomati, Khowai and Manu).

(Paragraph 4.1.10)

The benefit cost ratio of Gomati and Manu medium irrigation projects declined substantially below the permissible level of 1.5 fixed by the Central Water Commission, thus making these projects unviable.

(Paragraph 4.1.10)

42 *per cent* of the minor irrigation schemes taken up (782) for construction was completed (331) after spending three *per cent* more (Rs. 80.69 crore) than the total funds made available (Rs. 78.41 crore) for the schemes during 1999-2003 although these schemes were due for completion within two years.

(Paragraph 4.1.11)

The implementing agencies constructed 52 minor irrigation schemes at a total expenditure of Rs. 4.86 crore without creating facilities for carrying water into the fields. Consequently, full benefits of expenditure of Rs. 4.86 crore had not reached the farmers.

(Paragraph 4.1.13)

Introduction

4.1.1 The Accelerated Irrigation Benefit Programme (AIBP) was launched by the Government of India (GOI) in October 1996 to assist the State Governments by providing Central Loan Assistance (CLA) to accelerate completion of major and medium irrigation projects that had been languishing for want of funds. These projects were expected to be completed during the next four agricultural seasons, i.e., within the next two years.

The programme was modified thrice* (in March 1997, March 1999 and February 2002). From March 1999, all new and ongoing minor (surface) irrigation schemes (MIS) of the North Eastern States were included under the programme.

There was no major irrigation project in the State and all the three medium irrigation projects (Gomati, Khowai and Manu) and 628 minor irrigation schemes (430 new and 198 ongoing) were taken up for construction under the AIBP.

*

Particulars	Initial programme as of 30 October 1996	Important modifications effective from		
		4 March 1997	30 March 1999	1 February 2002
i) Criteria for selection of irrigation projects	Each project costing more than Rs. 1000 crore	Projects costing Rs. 500 crore or more to be included	All new and ongoing minor (surface) irrigation schemes of NE States to be included	-
ii) Funding pattern of CLA (Centre : State)	1:1	2:1	3:1	3:1
iii) Release of CLA	Quarterly	In two equal instalments	-	-
iv) Establishment cost	Not permissible to be met from CLA	Not permissible to be met from CLA	Not permissible to be met from CLA	Up to 15 *per cent* of CLA may be met from State share

Organisational set up

4.1.2 The Chief Engineer, Water Resources (CE,WR) was the nodal authority for implementation of the AIBP in the State. The Secretary, Public Works Department (PWD), was having the overall responsibility for its implementation. The works were executed by four implementing agencies (Agriculture Department, Rural Development Department, Tripura Tribal Areas Autonomous District Council (TTAADC) and Water Resources Wing of the Public Works Department).

Audit coverage

4.1.3 Records for the years 1996-2003 of (i) Chief Engineer (WR), (ii) the Chief Engineer (Agriculture), (iii) the Superintending Engineer (SE) of Rural Development Department and (iv) the SE, TTAADC, along with 12 Executive Engineers† working under the four implementing agencies were test-checked during January to April 2003. 49 *per cent* (Rs. 62.25 crore) of the total expenditure of Rs. 128.32 crore was covered in audit.

The important points noticed during audit are discussed in the succeeding paragraphs.

Financial performance

Funding pattern

4.1.4 Central loan assistance (CLA) was given on 3:1 basis from 30 March 1999 (1:1 up to 3 March 1997 and 2:1 up to 29 March 1999), i.e., in proportion to the allocation of funds as the State share. CLA carried interest fixed by the Government of India from time to time*.

Budget provision and expenditure

4.1.5 The budget provision *vis-à-vis* amount received and expenditure incurred under the AIBP during 1996-2003 are given below:

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†

Agriculture Department	Executive Engineers of West Division, at Agartala; North and Dhalai Division, at Dharmanagar; and South Division, at Udaipur.
Rural Development Department	Executive Engineers, West Division at Agartala; North Division at Kumarghat; Dhalai Division at Ambassa; and South Division at Udaipur.
Public Works Department (Water Resources)	Executive Engineers, Irrigation and Flood Management Divisions at Agartala, Belonia, Kailashahar and Udaipur.
Tripura Tribal Areas Autonomous District Council (TTAADC)	Executive Engineer, West Division, at Khumulwng.

* This was 13 *per cent per annum* at the time of launching the programme, and is currently 11.5 *per cent.*

(Rupees in crore)

Year	For Medium Irrigation Projects (MIPs)					For Minor Irrigation Schemes (MISs)				
		Amount received as					Amount received as			
	Budget provision	CLA	State share	Total	Total expenditure	Budget provision	CLA	State share	Total	Total expenditure
1996-97	8.37	3.77	-	3.77	5.46	-	-	-	-	-
1997-98	5.00	5.10	-	5.10	6.17	-	-	-	-	-
1998-99	7.58	3.98	-	3.98	7.57	-	-	-	-	-
1999-00	7.96	6.30	-	6.30	7.18	25.47	15.48	5.00	20.48	14.24
2000-01	5.58	4.85	-	4.85	5.66	20.64	9.04	4.90	13.94	16.60
2001-02	4.50	2.06	1.13	3.19	4.32	36.85	19.00	7.22	26.22	18.99
2002-03	5.35	2.62	1.35	3.97	11.27	36.00	10.77	7.00	17.77	30.86
Total :	**44.34**	**28.68**	**2.48**	**31.16**	**47.63**	**118.96**	**54.29**	**24.12**	**78.41**	**80.69**

Source: Statement furnished by the CE(WR).

In October 2001 and March 2002, the Government of India directed the State Government to enhance its budget allocation substantially so that three MIPs could be completed in two to three years. But the budget provision for MIPs further declined from Rs. 8.37 crore in 1996 to Rs. 5.35 crore in 2003. During 1996 to 2001, no State share was released against CLA, for which no reasons could be assigned by the department. While submitting (April 2002) proposals to the Government of India for release of CLA, the Chief Engineer (WR) assessed that Rs. 52.48 crore (CLA: Rs. 39.36 crore; State share: Rs. 13.12 crore) would be required for completion of three MIPs by 2005-06. But it could not be clarified by the department why the State allocation for the MIPs was not released initially for five years and was meagre during the next two years, resulting in slippage in time schedule of two years for completion of all the three projects.

The CE (WR) also could not clarify how Rs. 16.47 crore (Rs. 47.63 crore – Rs. 31.16 crore) for MIPs and Rs. 2.28 crore (Rs. 80.69 crore – Rs. 78.41 crore) for MISs were incurred in excess of amounts received during the seven years ending 2002-03.

Advances booked as expenditure

4.1.6 It was noticed in audit that -

(i) During 1996-2003, the PWD (WR) paid Rs. 10.55 crore* as advance to the Power Department for energisation of MI schemes and booked the amount as final expenditure although the Power Department had not furnished (May 2003) any statement showing the actual expenditure incurred from these advances. Consequently, the amount shown as works expenditure of the AIBP did not reflect a correct picture.

* Rs. 2.17 crore by the I & FM Division No. I, at Agartala; Rs. 1.61 crore by the I & FM Division No. II, at Agartala; Rs. 2.32 crore by the I & FM Division No. III, at Udaipur; Rs.1.69 crore by the I & FM Division No. IV, at Belonia; and Rs. 2.76 crore by the I & FM Division No VI, at Kailasahar (Rs. 2.17 crore + Rs. 1.61 crore + Rs. 2.32 crore + Rs. 1.69 crore + Rs. 2.76 crore = Rs. 10.55 crore).

(ii) In December 2000, the Executive Engineer, RD Division, Agartala paid advance of Rs. 1 crore to the Stores Division for purchase of cement, steel etc. The amount was shown as utilised in 2000-01 although the actual utilisation was made subsequently in 2001-02 and 2002-03.

(iii) The Irrigation and Flood Management (I & FM) Divisions, Agartala, Kailashahar and Udaipur paid Rs. 1.67 crore[*] to three Land Acquisition Collectors (LACs) as advance for payment of compensation to persons whose land was acquired for construction of MIPs during 1996-2003. The amount was shown in the accounts as expenditure although in many cases no expenditure was made (May 2003) at all as shown below.

In March 2003, the LAC, Kailashahar reported to Audit that out of Rs. 91.53 lakh, Rs. 60.03 lakh was given to Sub-Divisional Magistrate (SDM), Kailashahar, for payment to awardees, Rs. 4.02 lakh was spent as contingent expenditure, Rs. 2.19 lakh was deposited in court (reasons not given) and remaining Rs. 25.29 lakh was retained in Personal Ledger Account. The LAC, Agartala, also stated to Audit (March 2003) that out of Rs. 37.48 lakh, Rs. 35.22 lakh was given to the SDM, Khowai, in December 1997 and August 2001 for payment to awardees. In May 2003, the SDM, Khowai, stated to Audit that out of Rs. 35.22 lakh, Rs. 13.08 lakh was paid to the awardees and the balance amount of Rs. 22.14 lakh could not be paid as yet (reasons not given). The amount was lying in his Current Deposit Account.

In April 2003, the CE (WR) stated that the LACs could not disburse the amount for want of ownership-rights of the awardees, but he could not explain why advances were irregularly booked as expenditure.

Parking of funds in PL Accounts / Bank Accounts

4.1.7 According to the programme guidelines, all unutilised funds would lapse at the close of each year and would require revalidation during the next year. But funds ranging from Rs. 3.71 crore to Rs. 12.87 crore (for MISs) remained unutilised in bank accounts of three implementing agencies. (Agriculture, Rural Development and TTAADC) during the years 1999-2000 to 2002-03 as shown below :

(Rupees in crore)

Year	Opening balance	Received during the year	Total funds available	Total expenditure (percentage to total funds)	Closing balance
1999-2000	Nil	12.87	12.87	Nil (Nil)	12.87
2000-01	12.87	0.40	13.27	5.42 (41)	7.85
2001-02	7.85	1.04	8.89	5.06 (57)	3.83
2002-03	3.83	1.28	5.11	1.40 (27)	3.71

Source: PWD (WR)

[*] Rs. 0.37 crore paid by the I&FM Division No. I, Agartala, to the Land Acquisition Collector, Agartala; Rs. 0.92 crore by the I&FM Division No. VI, Kailashahar to the Land Acquisition Collector, Kailashahar; Rs. 0.38 crore by the I&FM Division No. III, Udaipur to the Land Acquisition Collector, Udaipur (Rs. 0.37 crore + Rs. 0.92 crore + Rs. 0.38 crore = Rs. 1.67 crore).

The closing balance of Rs. 3.71 crore included Rs. 1.67 crore of Agriculture Department retained in current deposit (CD) account, Rs. 1.07 crore of RD Department retained in CD account, and Rs. 0.97 crore of TTAADC retained in savings bank account.

Although funds were retained at the close of each year, the CE (WR) stated (April 2002) to Audit that all AIBP funds had been utilised. The CE also furnished (October 2002) utilisation certificates to Government of India showing full utilisation of Rs. 43.52 crore received as CLA during 1999-2002 for completion of the MI Schemes.

Inadmissible expenditure

4.1.8 Funds under the programme were given for speedy completion of ongoing schemes. But it was noticed in audit that:

(i) The I & FM Division, Kailashahar spent Rs. 3.09 crore from AIBP funds for operation and maintenance of MI Schemes during 1999-2003, although as per Government's instructions (December 2001 and January 2002) the potential users should bear the cost.

(ii) Similarly, I & FM Divisions, Kailashahar and Udaipur spent Rs. 5.03 crore during 1999-2000 to 2002-03 from AIBP funds for payment of electricity bills raised against these divisions.

(iii) According to the programme guidelines, CLA should not be utilised for meeting establishment cost. From February 2002, up to 15 *per cent* of CLA was to be met from the State share on establishment expenditure. Despite this, I&FM Divisions, at Agartala, Kailashahar and Udaipur unauthorisedly paid Rs. 9.06 crore during the years 1996-97 to 2001-02 from CLA to meet establishment cost of three MIPs▼. The amount was inclusive of Rs. 0.35 crore paid out of the AIBP funds towards establishment cost during February – March 2002. The amount of Rs. 0.35 crore not only exceeded 15 *per cent* of CLA available for the year (Rs. 2.06 crore) but also did not flow from the State share as envisaged in the terms and conditions of CLA.

Planning

4.1.9 Proper planning is a *sine qua non* for successful implementation of a programme.

(i) In June 2000 and December 2001, the State Government directed that survey to assess location-wise data on water availability (volume, discharge etc) and technical feasibility must be a pre-requisite for preparation of drawing, design and estimates etc. But in October 2000, the Superintending Engineer (SE), RDD, Agartala, admitted that estimates were not prepared as the requisite survey was not conducted.

▼ Rs. 3.61 crore by the I & FM Division No. I, Agartala, for Khowai Medium Irrigation Project; Rs. 2.68 crore by the I & FM Division No. III, Udaipur, for Gomati Medium Irrigation Project and Rs. 2.77 crore by the I & FM Division No. VI, Kailashahar, for Manu Medium Irrigation Project (Rs. 3.61 crore + Rs. 2.68 crore + Rs. 2.77 crore = Rs. 9.06 crore).

(ii) In December 2001, the State Government advised that list of MIS beneficiaries (showing SC/ST/OBC break up) indicating quantum of land against each should be prepared. Also, as per the Government's instructions (September 2000), at least 50 *per cent* of the schemes were to be constructed in tribal areas.

As none of the executing agencies maintained list of beneficiaries, the number of tribal people benefited under the programme could not be ascertained.

Physical performance

Medium Irrigation Projects (MIPs)

4.1.10. The financial and physical performance of the MIPs are detailed in **Appendix – XVII**.

(i) Scrutiny of the detailed information at the above **Appendix** shows that even after spending 72 *per cent* (Rs. 128.32 crore) of the revised cost (Rs.178 crore) on the MIPs, the department could construct only 23.85 km constituting 19 *per cent* of the canals targeted to be constructed (123.85 km) and created 19 *per cent* of the targeted irrigation potential during 1996-97 to 2002-03.

(ii) Low allocation of funds by the State Government, short working period, scarcity of materials, shortage of skilled labourers, *inter alia*, were identified by the Government of India (March 2002) as the bottlenecks for implementation of the AIBP in the State.

(iii) The actual achievement would be much less, because after construction of main canals, no branch canals or distributaries were constructed with the result that canal water could not be carried into the fields and the benefit from the completed canals could not be derived by the potential beneficiaries.

(iv) The average annual inflow of CLA to each of these three projects since introduction of the AIBP in 1996-97 was Rs. 1.33 crore[†]. In May 2002 the Goernment of India observed that with such low allocation of CLA (which in turn depended upon the State share allocated in the budget), the projects would take eight to 10 years more for completion even with CLA under the AIBP.

(v) The **Appendix** above showed that the BCR for the Gomati and Manu MIPs declined substantially, below the norm of 1.5 fixed by the CWC, making them unviable. According to the programme guidelines, BCR for each of the MI schemes should be more than one. In December 2001, the State Government directed that depending on water availability and discharge rate, the command area should be identified and BCR analysed. But this has not yet been done by the department (May 2003).

[†] Total CLA received for three MIPs = Rs. 27.86 crore during the past seven years. Average annual inflow of CLA to each project = Rs. 27.86 crore ÷ (7 X 3) = Rs. 1.33 crore.

Minor Irrigation Schemes (MISs)

4.1.11 The number of MISs taken up for construction and completed during 1999-2000 to 2002-03 are shown below:

Year	Number of works taken up			Number of works		Irrigation potential (in lakh hectares)		
	New	Ongoing	Total	Completed	In progress	Targeted **	Created**	Shortfall**
1999-2000	430	198	628	154 (25)	474	0.27	0.04 (15)	0.23 (85)
2000-01	154	474	628	17 (3)	611	0.36	0.07 (19)	0.29 (81)
2001-02	-	611	611	117 (19)	494	0.36	0.15 (42)	0.21 (58)
2002-03	-	494	494	43 (9)	451	0.36	0.17 (47)	0.19 (53)
Total :	**584**	**198**	**782**[⊗]	**331 (42)**	**451**	**0.36**	**0.17 (47)**	**0.19 (53)**

Source: Periodical reports sent to the GOI by the PWD (WR).
Note: Figure in brackets indicates the percentage.

Thus, only 42 *per cent* of the schemes (782) taken up were completed (331) after spending three *per cent* more (Rs. 80.69 crore) than the funds (Rs. 78.41 crore) made available for completion of the schemes during four years from 1999-2000-to 2002-03, although the main objective of the AIBP was to complete the schemes within two years.

In none of the 331 cases, did the executing agencies submit any completion report to the PWD (WR). In the absence of such reports, it had not been possible for Audit to verify the accuracy of the figures for completed schemes as reported by the PWD (WR) to the Government of India. The actual achievement would be much less as some of the schemes were shown completed without laying pipelines or constructing channels for flowing water into the fields, as indicated afterwards.

Such poor performance was due to taking up of new schemes (584) without completing the ongoing schemes (198), although in September 2001, the Government of India advised the department to complete the ongoing schemes first before taking up new ones.

Disproportionate cost of development of irrigation potential

4.1.12 According to the guidelines, cost of development of each hectare of irrigation potential created under MISs should not exceed Rs. 1 lakh. But wide variation ranging from Rs. 0.22 lakh to Rs. 2.43 lakh in cost of development of each hectare was noticed in audit even in the same district as shown below:

(Rupees in lakh)

District	Cost of development of each hectare of irrigation potential created under MISs by		
	Agriculture Department	Rural Development Department	Public Works Department (WR)
West Tripura	0.27	1.50	2.43
South Tripura	0.57	0.27	0.74
North Tripura and Dhalai	0.22	0.71	0.76

Source: PWD(WR)

[⊗] Total No. of works taken up was 782 (584 new + 198 ongoing), of which 331 works had been completed and balance 451 (782 – 331) works were in progress.

**The irrigation potentials targeted and created are progressive figures.

The Department had not furnished (May 2003) reasons for such differences. Audit scrutiny revealed that such wide variations were attributable to diversion of funds for meeting establishment cost, irregularly charging operation and maintenance cost to the AIBP funds, payment of electricity bills out of the AIBP funds, etc.

Construction under schemes without creating facilities for carrying water into the field

4.1.13 It was noticed in audit that 52 MI schemes were constructed by different implementing agencies♦ at a total expenditure of Rs. 4.86 crore during 1999-2000 to 2002-03 where facilities (installation of pumps, laying of pipelines, construction of channels) for carrying water into the fields had not been created (May 2003).

While the Executive Engineer (TTAADC), Birchandra Manu, stated (March 2002) that channels could not be completed for want of funds, the Executive Engineer, RD Division, Agartala, stated (February 2003) that pumps were not provided considering that beneficiaries would get the same from Micro Irrigation Schemes of the RD Department and channels would be constructed by the users. The replies are not acceptable in audit as there were unspent funds lying with both the agencies, as indicated earlier in this report, to construct channels, and the users were not supposed to construct the channels.

Consequently, the full benefit of expenditure of Rs. 4.86 crore is yet to reach the farmers.

Schemes constructed without minimum irrigation potential

4.1.14 Although according to the guidelines an individual scheme should cover at least 20 hectares (ha) of irrigation potential, 36 MI schemes were constructed by two departments during the years 1999-2000 to 2002-03 at a total expenditure of Rs. 1.89 crore⊗ where irrigation potential created by the individual schemes ranged from six to 19 hectares.

Inadmissible expenditure

4.1.15 Exploitation of ground water was not permissible under the AIBP. Despite this, nine irrigation wells that exploit ground water were constructed by the Executive Engineer, RD Division, Ambassa, during 2000-01 to 2002-03 at a cost of Rs. 15.45 lakh in Dumburnagar, Manu and Salema blocks of Dhalai district.

In March 2003, the Superintending Engineer, RD Department, stated that as the estimates were approved by the authority (his designation not specified), the department exploited the ground water. This was an indication that the

♦ 33 schemes by the Agriculture Department at a total expenditure of Rs. 3.71 crore; two schemes by the TTAADC at a total expenditure of Rs. 0.48 crore; and 17 schemes by the I & FM Division No. III, at Udaipur at a total expenditure of Rs. 0.67 crore (Rs. 3.71 crore + Rs. 0.48 crore + Rs. 0.67 crore = Rs. 4.86 crore).

⊗ 20 schemes by Agriculture Department at Rs. 1.23 crore in West and South Districts; and 16 schemes by the PWD(WR) (I&FM Division III) at Rs. 0.66 crore in South District.

programme guidelines were not taken into account in preparation and approval of the estimates.

Utilisation of irrigation potential created

4.1.16 The table below indicates the position of the irrigation potentials from minor irrigation schemes created under the AIBP and utilised during 1999-2000 to 2002-03.

Particulars	1999-2000	2000-01	2001-02	2002-03
i) Irrigation potentials created (in lakh hectares)	0.04	0.07	0.15	0.17
ii) Irrigation potentials utilised (in lakh hectares)	0.02	0.05	0.11	0.12
iii) Percentage of potential utilised to the potential created	50	71	73	71

Source: Statement furnished to Audit by the CE (WR)

The State Planning and Coordination Department identified (February 2001) disrupted power supply, machinery troubles, absence of pipelines/channels, wrong selection of sites and scarcity of water at the source as the main reasons for such under-utilisation.

Operation and maintenance of assets created

Formation of users' committees

4.1.17 In December 2001, the Government directed that potential users of the MI schemes should set up users' committees, which would decide the manner and proportion of water distribution among the users, fix norms for collection of water charges, and would manage the operation and maintenance of the schemes / assets which would be handed over to these committees by the departments.

None of the implementing agencies furnished (May 2003) any information about the number of users' committees formed and number of MI schemes handed over to these committees, though called for in audit.

The CE (WR) stated (March 2003) that irrigation schemes were handed over (date or dates not mentioned) to the Panchayats of the concerned areas for operation and maintenance. But he could not furnish any information on number of schemes handed over to the Panchayats and their locations. The CE (WR) could also not clarify why the departments paid Rs. 3.09 crore from the AIBP funds during 1999-2003 for operation and maintenance, if the schemes were handed over.

Quality of accounts

4.1.18 None of the implementing agencies maintained project-wise accounts, showing release of CLA, state share, year-wise expenditure, final cost, cost on maintenance and repair etc. In the absence of these basic records, achievements reported could not be verified in audit.

Physical verification of assets

4.1.19 The department had not conducted physical verification of assets created under the AIBP during 1999-2000 to 2002-03 and remained unaware of the present condition of the schemes with reference to their water availability, discharge rate etc.

Revenue generation

4.1.20 According to Government notification (July 2000), each Panchayat/Block Advisory Committee (BAC), to whom the MI schemes would be handed over by the department, was to collect water tax from the users at Rs. 50 per *kani* (one *kani* is equivalent to 0.16 hectare) per crop for meeting operation and maintenance cost, payment of electricity bills etc.

But there was no evidence on record that the MI Schemes were handed over and water tax from the users was collected by these bodies according to the above notification. During 2000-03, since issue of the notification, 24697 hectares of irrigation potential were utilised by the department. Had the MI Schemes been handed over to Panchayats/BACs, these bodies could generate a revenue of Rs. 1.54 crore* towards water tax during the above period.

Monitoring and evaluation

4.1.21 To monitor the effective implementation of the programme, the scheme envisaged formation of a State Level Monitoring Committee and a Project Level Monitoring Committee, each constituting five to seven members• for monitoring as well as rendering technical advice. While the State Level Monitoring Committee was to meet quarterly and send its report to the Technical Committee at National level, the Project Level Committee was to meet every month and send monthly report to the State Level and National Level Technical Committee. The committees were not formed (May 2003) and the monitoring system remained confined only to submission of some sporadic reports and returns as and when called for by the Government of India. Thus, the monitoring system in the department remained grossly inadequate.

In July 2001, the Planning Commission appointed Water and Power Consultancy Services (India) Ltd. (WAPCOS) to make impact assessment study of the AIBP, which included one MIP (Gomati) and 17 MISs of the

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* One hectare = 6.25 kanis; 24697 hectares = 1,54,356 kanis; rate of Water Tax = Rs. 50 per crop/per kani i.e. double cropping per kani = Rs. 100; Rs. 100 X 1,54,356 kanis = Rs. 1.54 crore.

• **State Level Monitoring Committee** is to include the Engineer-in-Chief of the State as Chairman; the Chief Engineer of the Project, Chief Engineer of CWC of the Region, Commissioner/Land Acquisition Officer/ District Magistrate, and a representative of the State Finance Department as members; and Superintending Engineer (Monitoring) of the State as Member-Secretary.

Project Level Committee is to include the Chief Engineer of the Project as Chairman; Director (Monitoring), the Director (CWC) of the Region, and the Superintending Engineer (Monitoring) of the Project as members; and the Executive Engineer of the Project as Member-Secretary.

State. The study was conducted in July 2001 and it was stated (May 2003) by the PWD (WR) that the report was received. But the copy of the report, though called for in May 2003, was not made available to Audit for examination.

Impact assessment

4.1.22 The programme was launched with the target that approved projects would be completed within two years to realise bulk benefits. But all the three medium irrigation projects suffered heavily due to extremely slow pace of implementation, huge time and cost overrun, and low budgetary allocation. All these had resulted in delay in completion of the projects by another eight to 10 years. Similarly, progress of MI Schemes was also disrupted due to taking up of new schemes without completing the ongoing ones. Parking of funds in PL accounts and bank accounts indicated the apathy of the executing agencies to accelerate implementation of the programmes so that the benefit may accrue to the farmers early. The programme also suffered as field channels were not created to optimally utilise the irrigation potential created.

The matter was reported to the Government in July 2003; reply had not been received (September 2003).

SECTION - B

PUBLIC WORKS DEPARTMENT

4.2 Excess and unauthorised expenditure on establishment

The Executive Engineer, Agartala Division III, incurred excess and unauthorised expenditure of Rs. 64.22 lakh on establishment.

Test-check (August 2000, September 2001 and October 2002) of records of the Executive Engineer, Agartala Division III, for the period from March 1999 onwards revealed that the division employed Helpers (Grade II), the number of whom varied from 36 to 40 during March 1999 to September 2002, without having any sanctioned strength of Helpers against the division. As a result, there was excess and unauthorised employment of Helpers for which the division had to incur an expenditure of Rs. 64.22 lakh during the period.

On this being pointed out in audit, the division stated (October 2002) that proposal for creation of post was not initiated by it. Creation of post, appointment and posting of staff are done by the 'higher authority'♦. The Engineer-in-chief to whom the matter was referred to by Audit in November 2002 did not respond (September 2003).

The matter was reported to the Government in March 2003; reply had not been received (September 2003).

POWER DEPARTMENT

4.3 Engagement of excess staff

The Executive Engineer, Electrical Division III, Agartala, incurred unauthorised expenditure of Rs. 4.91 crore on engagement of excess staff.

Test-check of records of the Executive Engineer, Electrical Division No. III, revealed that the division employed 192 staff members in six categories of posts❋ in excess of sanctioned strength of the division during the period from December 1997 to March 2003. Of the six categories, the division was having no sanctioned strength for two categories➨. As a result of excess and unauthorised employment of 192 staff members the division incurred excess-expenditure of Rs. 4.91 crore towards their pay and allowances during December 1997 to March 2003. Moreover, despite having excess staff members in the categories of Lineman/Junior Lineman and Helper (172

♦ By the term 'higher authority, the division meant 'the Engineer-in-chief of the Public Works Department' as revealed from further enquiry.

❋ LD Clerk: 3; Meter Inspector: 4; Tracer: 2; Lineman/Junior Lineman: 60; Helper: 112; Operator/Fitter: 11 (Sanctioned strength – LD Clerk : 19; Meter Inspector : Nil; Tracer : 1; Lineman/Jr.Lineman : 36; Helper : 58; Operator : Nil).

➨ Meter Inspector, Operator/Fitter.

numbers), the division incurred expenditure of Rs. 55 lakh towards overtime allowance paid to the above categories of staff during the period January 1998 to March 2003.

While admitting the fact, the Chief Engineer (Electrical), Power Department, in his reply (January 2002 and April 2003) stated that, due to increase in volume of work, the manpower sanctioned by the Finance Department in consolidated form has been distributed according to workload of the divisions. But no such sanction of the Finance Department could be shown to Audit. This indicates a failure in the system of manpower management in the department.

The matter was reported to Government in June 2003; the reply had not been received (September 2003).

4.4 Loss due to excess consumption of gas in power generation

The State Government incurred unproductive expenditure of Rs. 3.17 crore by flaring off natural gas due to unrealistic assessment of actual requirement coupled with unfavourable agreement with the supplier.

The project reports (January 1983 and February 1987) of Baramura gas thermal project envisaged consumption of 0.30 standard cubic metre (SCM) of natural gas per kilowatt-hour (Kwh) of power generation. This was subsequently revised (October 1998) to 0.34 SCM as calorific value of the gas was reassessed and found to be lower (9114 kilo-calories) than that of what was originally considered (10,000 kilo-calories) in the project report.

The contract signed between the State Government and the ONGC/GAIL effective from January 1995 provides for supply of gas as detailed below:

From April 1995 to December 1999	1.38 lakh SCM/day
From January 2000 onwards	0.50 lakh SCM/day

The contract also provides for a minimum guaranteed offtake (MGO) of 80 *per cent* of the contracted quantity of gas by the State Government. In the event of failure to consume the minimum quantity, the Government would be liable to pay for the amount chargeable for the minimum quantity.

Scrutiny revealed that the requirement of gas for the said gas thermal project was much below the minimum contracted quantity all along. As such the department had been flaring off the excess gas for which bills from the ONGC/GAIL were paid on regular basis.

The department opined on different occasions that flaring off of gas was due to variation of demand for power during peak and non-peak hours. But scrutiny of data received (May 2003) from the Power Department revealed that the off-peak demand of the State during 1999-2000 and 2000-01 ranged from 63 to 70 MW while the actual peaking capacity of the gas thermal units in the State (Baramura and Rokhia projects taken together) was only 41.30 MW. This means that if all the gas thermal units were put to use, the units were not in a position to cater to the need of the State even during off-peak hours.

This leads to the audit conclusion that excess consumption was due to avoidable wastage of gas in flaring off and there was unrealistic assessment of actual requirement. The position was worsened by unfavourable agreement with ONGC/GAIL for supply of gas.

Test-check of records (January – February 2002) revealed that, for generation of 6.77 crore kwh[♠] of power, 4.65 crore SCM of gas (valued Rs. 6.28 crore) was consumed during the period from April 1999 to October 2001 in gas thermal power station at Baramura against the consumption of 2.30 crore SCM according to modified norm (0.34 SCM/kwh). The excess consumption worked out to be 0.69 SCM per kwh, which was more than the double the modified norm.

Thus, failure to assess the actual requirement during the period along with the failure to get the supply of gas as per actual requirement regulated at the supplier's end not only resulted in wastage of 2.35 crore SCM of natural gas[✫] but also an unproductive expenditure of Rs. 3.17 crore[✥] from the State exchequer. Immediate steps should be taken up so that such unproductive expenditure may not persist.

The matter was reported to the Government in June 2003; the reply had not been received (September 2003).

4.5 Excess payment against erroneous claims on consumption of gas

The Executive Engineer, Gas Thermal Electrical Division, Rokhia, made payment of Rs. 31.49 lakh against incorrect bills claimed for shortfall in consumption of gas.

The Power Department entered into a contract with Gas Authority of India Limited (GAIL) in January 2001 for continuation of supply of natural gas in the Gas Thermal Power Plant at Rokhia for a period of two years effective from 1 January 2000. The contract provided that the seller (GAIL) would supply natural gas as per requirement subject to a daily contracted quantity of 3,10,000 standard cubic metres (SCM), with a guarantee given by the department to draw every month a minimum quantity of gas equivalent to 80 *per cent* of the daily contracted quantity (i.e. 2,48,000 SCM) multiplied by the

[♠] One kwh represents one unit of electrical energy.

[✫] 4.65 crore SCM *minus* 2.30 crore SCM.

[✥] 2.35 crore SCM multiplied by the average cost of Rs. 1.35 per SCM of gas.

number of days in the month, failing which the buyer is to pay for the minimum guaranteed quantity of gas for such month.

Test-check (November–December 2001) of records of the Executive Engineer, Gas Thermal Electrical Division, Rokhia, revealed that though monthly supply and consumption of gas during February to April 2000 was between 151 and 150☆ *per cent* of the minimum guaranteed offtake (MGO), the GAIL was paid (October–December 2000) an amount of Rs. 31.49 lakh☆ shown in the bills as shortfall in consumption of gas by 24.52 lakh☆ SCM from the contracted quantity, which was not correct. Besides the value of gas actually consumed during the said period of three months was fully paid for during September to November 2000.

Since the contract provided for a minimum guaranteed quantity of gas to be drawn and the actual consumption in each of the three months was above the MGO, the payment of Rs. 31.49 lakh based on erroneous determination of shortfall in consumption of gas was inadmissible as per the terms of contract. The department paid the claims without verifying the facts, thereby causing excess payment to the GAIL. No refund of the amount paid in excess was claimed by the division till the date of audit (December 2001). As per contract, such claim should have been made within 14 days from the date of receipt of the bill, failing which claim would not be entertained and the buyer would lose the right to refer the matter to arbitration. On this being pointed out in audit the department took up the matter (March 2003) with the GAIL for adjustment of the excess payment. The matter had not been settled (July 2003)

The matter was reported to the Government in March 2003 ; reply had not been received (September 2003).

4.6 Undue financial benefit to contractor for post-tender modification of rates

Post-tender modification of rates of contract on supply items of taxable goods resulted in undue financial benefit of Rs. 18.96 lakh to the contractor.

According to the provision of departmental manual,♣ any case of post-tender modification should be viewed seriously and undue advantage of such

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Month	Gas consumed (In lakhs of SCM)	Minimum guaranteed offtake (MGO) (In lakhs of SCM)	Percentage of (2) to (3)	Shortfall in consumption as erroneously shown in the bills (In lakhs of SCM)	Amount (In lakhs of rupees)
(1)	(2)	(3)	(4)	(5)	(6)
February 2000	108.28	71.92	151	7.72	9.89
March 2000	115.78	76.88	151	8.22	10.54
April 2000	111.42	74.40	150	8.58	11.06
			Total.	24.52	31.49

♣ Paragraph 20.1.16.3 of Nabhi's compilation of CPWD Manual, vol. II, 9th Revised Edition 2002.

modification should not be allowed to the contractor. Further, Section 3AA of the Tripura Sales Tax Act, 1976, as amended from time to time provides for deduction of tax at source on taxable goods used in the work under works contract.

The work "Supply, erection and commissioning of 132 KV double circuit transmission line from Rokhia to Agartala (35 KM)" estimated to cost Rs. 4.35 crore was awarded with the approval of the Works Advisory Board (WAB) to a Guwahati based firm at the lowest tendered value further negotiated for Rs. 5.03 crore in February 1995. The work was to be completed by August 1996. The work commenced in March 1995 was still in progress, and against the total value of work done (including price escalation) of Rs. 6.22 crore an amount of Rs. 6.10 crore† was paid to the contractor up to January 1999.

Scrutiny (August 2000) of records of the Executive Engineer, Transmission Division, Agartala, revealed that the rates quoted by the tenderer in March 1994 were inclusive of four *per cent* Works Contract Tax (WCT) on the gross value. The comparative statement duly recommended by the Chief Engineer (Electrical) (July 1994) was approved by the WAB in December 1994. Meanwhile, pursuant to the discussion held with the Superintending Engineer, the contractor intimated (June 1994) that their rates were inclusive of four *per cent* WCT on 'erection items' only, as against gross value comprising supply, erection, commission etc. quoted on turn-key basis. The said post-tender modification was also accepted by the Chief Engineer (Electrical) in February 1995 after the tender was approved by the WAB. Consequently, deduction of WCT of Rs. 5.46 lakh was made only from erection items (valued: Rs. 1.37 crore) as against Rs. 24.42 lakh due on the gross value of work of Rs. 6.10 crore (including supplies of taxable goods used in the work) paid for (up to January 1999).

Thus, irregular acceptance of post-tender modification of rates to exclude recovery of four *per cent* WCT from the supply of taxable goods used in the work in violation of Tripura Sales Tax Act and Rules by the Chief Engineer (Electrical), without the approval of Works Advisory Board, led to undue financial advantage of Rs. 18.96 lakh♦ (Rs. 24.42 lakh – Rs. 5.46 lakh) allowed to the contractor.

The Commissioner of Taxes, to whom the matter was referred (September 2002) by Audit also confirmed (April 2003) that the WCT @ four *per cent* was payable by the contractor on the gross amount of bills including the supply items, and not only on the value of erection as was irregularly allowed by the Power Department.

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† Amount paid up to 35th RA bill in June 1998: Rs. 608.43 lakh
Amount paid as part payment in December 1998: Rs. 1.00 lakh
Amount paid as a part payment in January 1999: Rs. 1.00 lakh
Total :Rs. 610.43 lakh

♦ @ Four *per cent* WCT on Rs. 610.43 lakh = Rs. 24.42 lakh
less amount actually deducted = Rs. 5.46 lakh
Difference : Rs. 18.96 lakh

The matter was reported to the Government in March 2003; reply had not been received (September 2003).

PUBLIC WORKS AND POWER DEPARTMENTS

4.7 Outstanding Inspection Reports

First reply for 19 out of 126 Inspection Reports issued during 1997-98 to 2002-03 was not furnished by Public Works and Power Departments, while the Government prescribed a time limit of one month from the date of receipt of Inspection Report to furnish the reply.

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

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

(a) PUBLIC WORKS DEPARTMENT

A review of position of outstanding inspection reports relating to PWD revealed that 439 Paragraphs included in 103 inspection reports issued between 1997-98 and 2002-03 were pending settlement as of June 2003. Of these, even first reply had not been received in respect of 11 Inspection Reports inspite of repeated reminders. Year-wise break-up of the outstanding inspection reports and paragraphs is given below:

Sl. No.	Year	Number of outstanding		Number of inspection reports of which even first reply had not been received
		Inspection Reports	Paragraphs	
1.	1997-98	32	66	1
2.	1998-99	18	87	1
3.	1999-2000	16	106	–
4.	2000-01	10	78	1
5.	2001-02	19	71	3
6.	2002-03	8	31	5
	TOTAL	**103**	**439**	**11**

The important irregularities noticed during inspection of PW Divisions during 2002-03 are summarised below:

Sl. No.	Nature of irregularities	Number of cases	Amount involved (Rupees in lakh)
1.	Extra/irregular/avoidable/ unfruitful/ wasteful/ unauthorised expenditure/ extra liability	13	336.00
2.	Amount recoverable from contractors	1	1.30
3.	Blocking up of capital	1	2.68
4.	Excess payment	2	0.59
5.	Loss of Government revenue	1	2.91
6.	Non-realisation of licence fees	2	2.99
7.	Execution of work without depositing earnest money	2	182.00
8.	Unadjusted advance	1	23.46
	TOTAL	**23**	**551.93**

(b) POWER DEPARTMENT

65 paragraphs included in 23 inspection reports issued between 1999-2000 and 2002-03 were not settled as of June 2003. Of these, the first reply for eight inspection reports had not been received despite repeated reminders (as of June 2003). Year-wise break-up of outstanding inspection reports and paragraphs are given below:

Sl. No.	Year	Number of outstanding		Number of Inspection Reports for which first reply has not been received
		Inspection Reports	Paragraphs	
1.	1999-2000	8	20	1
2.	2000-01	5	9	2
3.	2001-02	4	9	3
4.	2002-03	6	27	2
	TOTAL	**23**	**65**	**8**

The most important types of irregularities noticed during local audit of Power Department during 2002-03 are summarised below:

Sl No.	Nature of irregularities	Number of cases	Amount involved (Rupees in lakh)
1.	Excess/irregular/unauthorised expenditure/payment etc.	7	434.63
2.	Discrepancy in the Cash Book	1	2.97
3.	Blockage of Government money	1	42.87
4.	Recoverable amount from contractor	1	0.29
5.	Idle expenditure	1	4.98
6.	Theft of tower member	1	11.44
	TOTAL	**12**	**497.18**

CHAPTER V

STORES AND STOCK

CHAPTER V: STORES AND STOCK

SECTION - A

HOME (POLICE) DEPARTMENT

5.1 Materials management in Home (Police) Department

Materials management in the Home (Police) Department was found to have been deficient in many ways. Procurement made without assessing the demands from the field units resulted in issue of materials in excess of requirement just to avoid damage in long storage, as well as idling of stock. Delay in the annual procurement process resulted in purchase at the end of the year or postponement of purchase till the next year.

Highlights

Due to non-acceptance of the lowest rate received by inviting tenders, the department incurred extra expenditure of Rs.19.80 lakh in procurement of woollen blankets.

(Paragraph 5.1.8)

The department incurred an extra liability of Rs.1.66 crore by accepting higher rates for bullet proofing of vehicles and rejecting option for getting the same work done at lower rates.

(Paragraph 5.1.9)

Chassis for four buses worth Rs.17.40 lakh remained idle for more than four years due to failure of the Commandant, 6th battalion of TSR, to take appropriate steps for fabrication of the buses. Loss of interest due to the blocking of funds worked out to Rs. 7.17 lakh.

(Paragraph 5.1.10)

Bullet proofing materials for fabrication of vehicles purchased in 1999-2000 and steel cots in 1995-96, valued at Rs. 15.75 lakh, could not be utilised, as of May 2003. Loss of interest on the funds thus blocked worked out to Rs. 7.13 lakh.

Paragraph 5.1.12)

Bullet proof vehicles worth Rs.63.14 lakh, sanctioned by the Ministry as special Central assistance in kind to the North Eastern States, received without taking any bullet resistance test at the factory could not be utilised for the desired purpose as the vehicles subsequently proved not to have been bullet-resistant.

(Paragraph 5.1.13)

Introduction

5.1.1 The Home (Police) Department procures items like arms and ammunitions, cloth for uniforms, kit articles, wireless equipment, vehicles, POL, and equipment for State forensic science laboratory. The department has no purchase manual of its own and is reported to have been following the instructions contained in the General Financial Rules, the Delegation of Financial Power Rules, and instructions issued by the Government from time to time in this connection.

Organisational set up

5.1.2 The department is headed by the Director General of Police who is assisted by an Inspector General of Police (Administration), Deputy Inspector General of Police (Headquarters) and Assistant Inspector General of Police (Headquarters) in formulating policies for acquisition, distribution and proper accounting of materials. While most of the major items such as arms and ammunitions, vehicles, kits and uniforms, bullet proof materials, POL, tyres and tubes, diets and medicines are procured centrally and stocks are maintained by the central store at Agartala, under the SP (Procurement), POL and tyres and tubes were also found to have been procured by the Commandant, 1st battalion of TSR and also by district level officers. In addition, diets and medicines are also procured by each of the eight battalions of the TSR. Items like communication equipment and forensic materials are procured by the SP (Communication), and the SP (CID)/Director (Forensic Science Laboratory) only.

Audit coverage

5.1.3 Purchase, custody and issue of stores goods[σ] during 1998-99 to 2002-03 were reviewed in audit during February – May 2003 by test-check of records maintained in the Police HQ, the SP (Procurement), the SP (Communication) at Agartala, the Director of Tripura State Forensic Science Laboratory, and the Principal, Police Training College at Narsingarh; four Superintendents of Police at the district level[@] and six battalions of Tripura State Rifles[#](TSR) (out of eight). The expenditure covered in audit was Rs. 127 crore representing 90 *per cent* of the total expenditure (Rs. 141.45 crore) incurred by the department during the period of review. The important points noticed are discussed in the succeeding paragraphs.

Budget provision and expenditure

5.1.4 The following table shows year-wise budget provision and expenditure incurred against stores goods during 1998-99 to 2002-03:

(Rupees in crore)

Year	1998-99	1999-2000	2000-2001	2001-2002	2002-2003	Total
Budget provision	16.96	23.35	17.46	16.99	12.70	87.46
Expenditure	15.45	19.98	14.06	15.35	13.57	78.41
Excess(+) Savings(-)	**(-) 1.51**	**(-) 3.37**	**(-) 3.40**	**(-) 1.64**	**(+) 0.87**	**(-) 9.05**

Source: Statement furnished by the department to Audit.

σ Which consist mainly of :
(1)Machinery and equipment including communication equipment; (2) vehicles; (3) POL; (4) arms and ammunitions; (5) kits and uniforms and (6) diets and medicines.

@ Agartala, Udaipur, Dhalai and Kailashahar.

Gakulnagar, Radhakishore Nagar, Jirania, Chakmaghat, Saidabari and Kachucherra.

From the above, it would be seen that there were substantial savings almost all along, indicating weakness in preparation of procurement budget.

Other sources of funds for procurement of materials

5.1.5 The Department also incurred expenditure on procurement of materials out of the funds received under the Centrally sponsored scheme of Modernisation of Police Force (50:50), Scheme for Reimbursement of Security Related Expenditure (SRE) for the North Eastern States (for POL, vehicles, arms and ammunitions and other equipment), and grants recommended by 11th Finance Commission (for arms and ammunitions and equipment). Besides, grants-in-aid were also received in the form of materials, sanctioned by the Ministry of Home Affairs under Special Central Assistance to the North Eastern States.

The following table shows the additional expenditure incurred by the department on stores goods out of the funds provided under each of the above schemes:

(Rupees in crore)

Year	Modernisation of Police Force	SRE	11th Finance Commission	SCA	Total
1998-99	3.84	3.12	-	1.32	8.28
1999-2000	0.29	2.29	-	8.55	11.13
2000-01	1.51	0.41	-	14.92	16.84
2001-02	3.92	0.63	0.50	12.21	17.26
2002-03	6.60	3.46	0.84	-	10.89
Total :	**16.16**	**9.91**	**1.34**	**37.00**	**64.40**

Source: Statement furnished by the department to Audit.

Assessment of requirement

5.1.6 For procurement of goods centrally, the annual requirement was to be assessed by HQ on the basis of annual demands placed by various field units, based on the consumption of previous year. But it was seen that the SP (Procurement) assessed the requirement of materials for the years 1999-2000 to 2001-02 without taking into account the actual demands of the field units.

Purchase of stores

5.1.7 Procurement of stores well in time for purposeful utilisation is one of the main principles of effective stores management. Scrutiny, however, revealed that the process of inviting tenders and finalisation of rates after getting approval of the departmental committees, continued from June/July to February/March of the relevant years. As a result, either the materials which were purchased at the end of a year were not utilised or procurement of materials for a particular year had to be postponed till next financial year even when there were savings during 1998-99 to 2000-01 as shown below:

(Rupees in crore)

Years	1998-99	1999-2000	2000-01
Savings	1.51	3.37	3.40
Expenditure on procurement of materials postponed till next financial year.	3.04	2.90	2.65

Thus, due to lack of proper planning in procurement of stores, the department failed to utilise the funds provided in the budget to meet the actual demand of units for essential materials (kits and uniforms, communication equipment, POL, and spare parts for repairing of vehicles).

Extra expenditure of Rs.19.80 lakh on procurement of woollen blankets

5.1.8 During 1999-2000, a tender was floated to procure woollen blankets along with other stores articles. The Sample Scrutinising Committee (SSC), on examination of samples and rates of woollen blankets, recommended (March 2000) the sample of M/s Jiwanmall Parashmall, Agartala, which quoted the rate of Rs.315 per piece. The Supply Advisory Board (SAB), in its meeting held in May 2000, accepted all the recommended items of the SSC except woollen blankets without recording any reasons for it. As a result, the department could not purchase blankets during 1999-2000 and 2000-01. During 2001-02, the SP (Procurement) collected the sample and rate from Tripura Khadi and Village Industries Board (TKVIB) and procured 15,228 blankets @ Rs.445 each after getting acceptance of the SAB. But, before effecting the purchase, the current competitive market rate for 2001-02 was not obtained by the department. During 2002-03, the SP (Procurement) requested the TKVIB to intimate as to whether it could supply the blankets @ Rs.351 each as offered by some local firms. The TKVIB agreed and supplied 1000 blankets during 2002-03 @ Rs.351 each (which was less than the rate charged by the TKVIB during 2001-02 for supply of 15,228 blankets).

Thus, the department had to incur an extra expenditure of Rs. 19.80 lakh (Rs.445 – Rs. 315 = Rs. 130 X 15,228 blankets) in 2001-02 due to purchase of woollen blankets at a rate higher than the rate quoted by M/S Jiwanmall Parashmall as recommended by the SSC in 1999-2000 and also ignoring the current market rate for 2001-02.

Extra liability of Rs.1.66 crore

5.1.9 A proposal was initiated by the State Government and sent to the Home Ministry of the Government of India in August 2002 for procurement of bullet proofing materials (BPM) for driver's cabin in the vehicle and *morcha*[#]. The Government of India agreed to the proposal and advised (September 2002 and March 2003) the State Government to procure the materials after observing all the codal formalities. The department invited tenders (November 2002) for each of the items separately and the intending suppliers furnished their samples and the rates of the required items.

[#] An accessory used in bullet proofing.

Samples of the following three firms for bullet proofing materials (BPMs), and of one firm• for *morcha*, passed the test. The rates quoted by them for supply of BPMs (including their fabrication) as well as supply of *morcha* were as follows:

(Rupees in lakh)

Category of vehicle	Rates for BPM quoted by		
	Star Wire Ltd., New Delhi	Perfect Mechanical Industries, Faridabad	Punjab Ex-Servicemen Corporation, Chandigarh
BPM for one tonner vehicles	3.08	3.05	1.65
BPM for Commander jeep	2.70	1.99	1.25
BPM for Maruti gypsy	1.78	1.76	1.20
Supply of *morcha*	0.30	-	-

Punjab Ex-Servicemen Corporation, quoted the lowest rate for BPM but the SSC rejected the bid of the firm in respect of BPM on the plea that the *morcha* of the firm was found to be unsuccessful in test. The Committee thus recommended the sample and rate of the bidder quoting the second lowest rate, i.e. Perfect Mechanical Industries, which was ultimately accepted by the SAB. The supply of BPMs and fabrication of 180 departmental vehicles with the BPMs was awarded (January 2003) to Perfect Mechanical Industries, which was allowed to collect and supply *morcha* from Star Wire Ltd, at the accepted rate.

Had the work been awarded to the lowest bidder, i.e. Punjab Ex-servicemen Corporation, allowing it to collect *morcha* from Star Wire Ltd. at the accepted rate, as was allowed in case of the bidder quoting the second lowest rate, the department could have saved Rs.1.66 crore as shown below:

(Rupees in lakh)

Particulars of vehicles	Rates for BPM quoted by		Excess expenditure involved per vehicle (difference between col. 2 and col. 3)	No. of vehicles	Total extra expenditure
	Perfect Mechanical Industries	Punjab Ex-Servicemen Corporation			
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
One tonner vehicle	3.05	1.65	1.40	60	84.00
Commander jeep	1.99	1.25	0.74	80	59.20
Maruti gypsy	1.76	1.20	0.56	40	22.40
Total					**165.60**

• Star Wire Ltd.

The department stated (May 2003) that as the *morcha* of Punjab Ex-Servicemen Corporation failed in the test, the rates for BPM of the firm were not considered by the SSC. The reply of the department is not tenable as the firm which was awarded the job did not compete at all for *morcha* and was allowed to collect it from another firm (Star Wire). The department could have taken a similar step to get the work done by Punjab Ex-Servicemen Corporation.

Idle investment of Rs.17.40 lakh

5.1.10 Chassis for four buses were procured by the PHQ in December 1998 @ Rs.4.35 lakh each and were issued to the Commandant, 6th battalion of TSR, in May1999. In March 2000, the Commandant decided to get fabrication work done by Ramco Works, a Kolkata based firm, on the terms and conditions of agreement made earlier (July 1999) by the 4th battalion of TSR. An agreement was executed with the firm in the line of the agreement made earlier with the 4th battalion of TSR, but it was not signed by the Commandant. Four separate work orders were issued to the firm in March 2000 for fabrication of the buses at a cost of Rs. 3.25 lakh for each bus. The receipt of the chassis of buses, by the contractor, was recorded on the work order but actually the chassis were not physically handed over to the contractor, as of February 2002. It was also noticed that, as per provision of the agreement (which was likely to be signed by both the parties), the contractor had to make security deposit of Rs. 0.90 lakh and was also to execute an indemnity bond for the full value of the chassis but the contractor did not make the deposit, neither did he execute the bond. The department also did not take any effective steps to get the fabrication done till June 2002. In July 2002, the work of fabrication was awarded to Deluxe Engineering, Agartala, at the rate of Rs.3.50 lakh each (the lowest one obtained by calling tenders). The work is yet to be completed (May 2003).

In reply to the audit query, the Commandant stated (May 2003) that chassis of the buses were not handed over to the firm initially as per instructions (October 2001) of the DGP. The reply was contradictory because it was recorded on the work order that the chassis were received by the firm on 30 March 2000.

Thus, due to faulty and incomplete agreement[+] executed with the earlier firm, the department could neither take appropriate steps against the firm nor could the fabrication work of the buses be done at the accepted rate in time. The buses worth Rs. 17.40 lakh remained unutilised even after a lapse of 54 months, as of May 2003, thereby blocking the funds of Rs. 17.40 lakh for more than four years from the date of their purchase risking substantial deterioration of the condition of the four unused chassis apart from loss of interest working out to Rs. 7.17 lakh[†] on the funds blocked for four years. Besides, the liability of an extra expenditure of Rs. 1.01 lakh was also incurred

[+] As no valid agreement was made with the earlier firm, no penalty for non-fabrication of the buses could be imposed.

[†] Calculated at the rate of interest applicable on the Government borrowings.

by the department for not being able to get the work done at lower rate from the earlier firm (Ranco Works).

Distribution of stores

Excess issue of materials resulting in wasteful expenditure of Rs.9.74 lakh

5.1.11 As per the prescribed scale, two blankets are to be issued to each member of the TSR in every five years and one additional blanket can be issued by the Commandant depending on the place of posting of the entitled persons. Similarly, as per prescribed scale, one person is to be issued one mosquito net in every four years.

(i) During 1998-99 to 2002-2003, 5671 woollen blankets were received by the 1st TSR battalion, Gakulnagar, from the central store. Out of these, 5469 blankets were issued leaving a balance of 202, as of March 2003.

As per prescribed scale, 1140 entitled persons of the battalion were to be issued, at the maximum, 3420 blankets (1140 persons X 3 blankets for each). Excess issue of 2049 blankets (5469 - 3420), valued at Rs. 7.19 lakh♣ to the entitled persons resulted in wasteful expenditure to that extent.

(ii) Similarly, 2875 mosquito nets were received by the 1st battalion of TSR from central store during 1999-2000 to 2002-2003. Out of these, 1922 nets were issued to 1140 entitled persons during the period of four years, leaving a balance of 953 nets, as of 31 March 2003. Thus there was an excess issue of 782 nets (1922 - 1140) valued at Rs. 2.55 lakh♦.

Scrutiny of records of the battalion revealed that the issue of the excess materials to the entitled persons of the unit was done as per instructions (November 2001) of the Director General of Police, as he apprehended that insects could cause damage to the blankets and mosquito nets in storage. Thus the deficiency in inventory management leading to issue of materials in excess of requirement resulted in wasteful expenditure of Rs. 9.74 lakh.

Idle stores

Idle stock of materials

5.1.12 On receipt of expenditure sanction from the Home Department (March 1999), the Commandant, 2nd battalion of TSR, R.K. Nagar, procured bullet proofing materials for 30 vehicles worth Rs. 43.94 lakh for TSR and Tripura Police during June 1999 and March 2000 on the basis of requirement assessed for 1998-99. Out of the 30 vehicles, only 17 vehicles were fabricated, and the balance materials worth Rs. 14.55 lakh remained idle in stock, as of May 2003. Similarly, the Principal, Police Training College, Narasingarh, received 300 steel folding cots in July 1995, from the Central Store, Agartala, on requisition. Out of these, only 150 cots worth Rs. 1.20 lakh were issued for utilisation and remaining 150 cots worth Rs. 1.20 lakh were lying in stock as

♣ 2049 blankets @ Rs.351 per piece.

♦ 782 nets @ Rs.326 per piece.

of May 2003. The details of the materials lying in stock of these two units are as shown below:

Particulars of materials	Quantity	Rates per unit *(Rupees)*	Amount *(Rupees in lakh)*
Jacket sheet	3,894 kg	208	8.10
Bullet proof glass (24 X 176 cm)	8 Nos.	50752	4.06
B.P. glass(34 X 134 cm)	9 Nos.	16952	1.53
B.P glass(44 X 122 cm)	2 Nos.	43160	0.86
Folding cot	150 Nos.	799	1.20
			Total : 15.75

Thus, the materials procured much in advance of actual requirement proved to be unnecessary. The loss of interest due to blocking of funds for four to eight years worked out to Rs.7.13 lakh[☼].

Receipt of bullet proof Maruti gypsy worth Rs. 63.14 lakh without proper test

5.1.13 The Ministry of Home Affairs of the Government of India provided 15 bullet proof Maruti Gypsy Vehicles, costing Rs. 63.14 lakh as grants-in-aid in kind under Special Central Assistance to North Eastern State during 2001-02. The vehicles were sent by the Government of India to Ordnance Factory, Medak, a Central Government organisation, to get the bullet proofing done. On receipt of completion report from the factory, the Director General of Police, Tripura, collected the vehicles through his representatives between December 2002 and March 2003, and transportation cost of Rs.2.06 lakh was incurred for this. But before receipt of the vehicles from the Ordnance Factory, the bullet proofing test was not carried out by the department. To an Audit query, the DGP stated (May 2003) that since the firm was a Government of India undertaking, conducting bullet proofing test was not considered necessary. The vehicles were subsequently issued to different field units. It was noticed in audit that none of the 15 bullet proof vehicles received by these units could resist the bullet firing test undertaken on them. At the instance of Audit, the matter was taken up by the State Government with the Government of India, Ministry of Home Affairs, in May 2003, requesting it for replacement of all the 15 vehicles, with no response received so far (June 2003). Thus, due to acceptance of the vehicles by the department without conducting the bullet resistance test, 15 vehicles costing Rs. 63.14 lakh could not be utilised for the purpose for which they were procured.

☼ (A) Interest on Rs. 14.55 lakh = Rs. 5.99 lakh (rate in *per cent* for 1999-2000: 12.25; 2000-01: 10.82; 2001-02: 10.35; 2002-03: 7.80); (B) Interest on Rs. 1.20 lakh = Rs. 1.14 lakh (rate in *per cent* for 1995-96: 13.85; 1996-97: 13.85; 1997-98: 13.05; 1998-99: 12.15; 1999-2000 to 2002-03: rates as above); A + B = Rs. 7.13 lakh. In each case, the rate of interest taken into account was as applicable on Government borrowings.

Idle vehicles

5.1.14 As per norms prescribed by the Finance Department, a vehicle can be proposed for condemnation if it exceeds a life span of 10 years and also cover a distance of 1.50 lakh km in case of light vehicles and three lakh km in case of heavy vehicles. But from the records of 1st and 3rd battalions of TSR, it revealed that nine light vehicles and six heavy vehicles,[♣] valued at Rs.37.80 lakh, were off the road for periods ranging from five to 80 months being in a bad state of repair, although they had not outlived their prescribed life span or covered the prescribed distance.

Physical verification of stores

5.1.15 In Police HQ, the system of annual physical verification of stores according to norms prescribed in the GFRs is not followed. A certificate is recorded indicating that 'the stock entries are correct', but the correctness was not supported by any physical verification.

Recommendations

- Through effective inventory control, holding stores in excess of requirement should be avoided.
- Contract management in the department, which had been found to be poor, should be strengthened to bring it on a sound footing.
- Physical verification of all the stores should be done once in every year systematically.

The matter was reported to the Government in July 2003; the reply had not been received (September 2003).

[♣] Nine light vehicles (four Marutis and five one-tonners): purchased between June 1996 and October 1999; six heavy vehicles (five trucks and one bus): purchased between February 1985 and September 1990.

SECTION - B

STORES AND STOCK
PUBLIC WORKS DEPARTMENT
(WATER RESOURCES WING)

5.2 Blocking up of funds in long standing unadjusted advances

The Executive Engineer, Resource Division, Agartala did not receive materials for Rs. 23.46 lakh for which advance was made between August 1993 and March 1997 to the Steel Authority of India Limited (SAIL).

To cater to the need of the Public Health Engineering and Water Resources Wings of the Public Works Department, the Executive Engineer, Resource Division has been purchasing Electrical Resistance Welding (ERW) pipes from Steel Authority of India Limited (SAIL) through 100 *per cent* advance payment as per terms and conditions of the offer. Terms and conditions of the offer also stipulate that prices payable for the goods shall be those prevailing on the date of delivery as fixed by the SAIL and time of delivery is not essence of this contract. Handing the materials over to the Railway or other carriers shall constitute due fulfilment of the contract by the SAIL so far as deliveries are concerned.

Test-check (April 1997 and December 2002) of records of the Executive Engineer (EE), Resource Division, Agartala, revealed that the Executive Engineer had paid 100 *per cent* advance totalling Rs. 3.63 crore to the SAIL between August 1993 and March 1997 for supply of 44,000 metres of ERW pipes. Against the advance, the supplier made delivery of 41,902.16 metres valued at Rs. 3.40 crore by November 1998. The remaining quantity of 2097.84 metres of pipes was not supplied subsequently nor was the balance amount of Rs. 23.46 lakh[*] refunded by the supplier as of March 2003. The reason for non-supply of the balance quantity of pipes was not on record. The supplier, however, has been supplying ERW pipes against subsequent advances and supply orders.

Though the supplier had not supplied the balance materials after November 1998, the matter was pursued by the Executive Engineer with the SAIL only in February 2001 after a lapse of more than two years and that too on being pointed out in audit (April 1997). The matter has not been settled, resulting in locking up of funds of Rs. 23.46 lakh since March 1997 and loss of interest amounting to Rs. 19.49 lakh[❖] thereon as of March 2003.

The matter was reported to Government in May 2003; reply had not been received (September 2003).

[*] Rs. 363.33 lakh *minus* Rs. 339.87 lakh.

[❖] Calculated at the rate of 13.85 *per cent* (applicable for the funds borrowed by the Government from market) during 1996-97.

CHAPTER VI

REVENUE RECEIPTS

CHAPTER VI : REVENUE RECEIPTS

General

Trend of revenue receipts

6.1.1 The tax and non-tax revenue raised by the Government of Tripura during the year 2002-03, the State's share of divisible Union Taxes and grants-in-aid received from the Government of India during the year and the corresponding figures for the preceding four years are given below:

(Rupees in crore)

		1998-99	1999-2000	2000-01	2001-02	2002-03
I.	Revenue raised by the State Government					
	(a) Tax Revenue	84.13	101.74	125.58	158.50	183.09
	(b) Non-Tax Revenue	44.83	76.19	94.51	97.64	98.73
	Total	**128.96**	**177.93**	**220.09**	**256.14**	**281.82**
II.	Receipts from Government of India					
	(a) State's share of net proceeds of divisible Union taxes	457.02	529.55	236.22	232.62	249.71
	(b) Grants-in-aid	682.37	730.78	1181.75	1378.62	1348.54
	Total	**1139.39**	**1260.33**	**1417.97**	**1611.24**	**1598.25**
III.	Total receipts of the State Government (I+II)	**1268.35**	**1438.26**	**1638.06**	**1867.38**	**1880.07**
IV.	Percentage of I to III	10	12	13	14	15

Analysis of receipts during the year 2002-03 and the preceding four years is given below :

Tax revenue

(a) The details of tax revenue raised during the year 2002-03 along with the figures for the preceding four years are given below:

(Rupees in crore)

Sl. No.	Head of Revenue	1998-99	1999-2000	2000-01	2001-02	2002-03	Percentage of increase (+) or decrease (-) in 2002-03 over 2001-02
1.	Sales Tax	47.70	57.78	81.08	105.80	126.97	20.01
2.	State Excise	17.00	20.11	19.79	22.03	28.21	28.05
3.	Other taxes on Income and Expenditure	5.86	10.56	11.21	11.59	12.17	5.00
4.	Stamps and Registration Fees	4.82	5.10	5.94	9.61	7.81	(-) 18.73
5.	Taxes on Vehicles	3.50	3.59	4.26	5.28	5.29	0.19
6.	Other Taxes and Duties on Commodities and Services	1.23	1.19	1.22	2.71	1.16	(-) 57.20
7.	Land Revenue	3.37	2.57	1.82	1.14	1.31	14.91
8.	Taxes on Agricultural Income	0.64	0.78	0.25	0.13	0.01	(-) 92.31
9	Taxes and Duties on Electricity	0.01	0.06	0.01	0.21	0.01	(-) 95.24
10.	Others	-	-	-	-	0.15	-
	Total	**84.13**	**101.74**	**125.58**	**158.50**	**183.09**	**15.51**

Non-tax Revenue

(b) The details of the major non-tax revenue raised during the year 2002-03 along with the figures for the preceding four years are given below:

(Rupees in crore)

Sl. No.	Heads of Revenue	1998-99	1999-2000	2000-01	2001-02	2002-03	Percentage of increase(+) or decrease (-) in 2002-03 over 2001-02
1.	Power	19.91	33.93	35.35	46.20	59.68	29.18
2.	Forestry and Wildlife	1.95	2.44	7.60	4.53	4.09	(-) 9.71
3.	Education, Sports, Art and Culture	0.34	0.26	0.71	4.35	1.10	(-) 74.71
4.	Crop Husbandry	1.57	1.21	1.43	1.46	0.84	(-) 42.47
5.	Other Administrative Services	1.23	2.67	1.04	1.02	1.16	13.73
6.	Water Supply and Sanitation	0.63	5.08	1.21	6.06	0.88	(-) 85.48
7.	Police	2.38	4.29	2.32	4.19	2.99	(-) 28.64
8.	Interest Receipts	3.60	11.62	18.49	3.58	5.83	62.85
9.	Stationery and Printing	1.39	1.75	1.42	1.18	0.69	(-) 41.53
10.	Animal Husbandry	0.49	0.43	0.60	0.92	0.75	(-) 18.48
11.	Industries	3.32	4.09	5.51	6.27	6.04	(-) 3.67
12.	Public Works	0.64	0.64	0.94	1.31	1.41	7.63
13.	Village and Small Industries	0.39	0.17	0.50	0.33	0.09	(-) 72.73
14.	Fisheries	0.17	0.33	0.45	0.33	0.43	30.30
15.	Other Rural Development Programmes	1.74	1.55	0.23	0.13	0.12	(-) 7.69
16.	Others	5.08	5.73	16.71	15.78	12.63	(-) 19.96
	Total	**44.83**	**76.19**	**94.51**	**97.64**	**98.73**	**1.12**

While the prescribed per annum growth rate of tax revenue was recommended as 14.40 *per cent* by the Eleventh Finance Commission, the actual growth rate registered was 21.72 *per cent* on an average during 2000-2003.

Variations between budget estimates and actuals

6.1.2 The variations between the budget estimates and actuals of revenue receipts for the year 2002-03 in respect of the principal heads of tax and non-tax revenue are given below:

(Rupees in crore)

TAX REVENUE					
Sl. No.	**Head of revenue**	**Budget estimates**	**Actuals**	**Variation: increase(+)/ decrease(-)**	**Percentage of variation over budget estimates**
1.	Sales Tax	108.50	126.97	(+) 18.47	17.02
2.	State Excise	21.00	28.21	(+) 7.21	34.33
3.	Stamps and Registration Fees	7.05	7.81	(+) 0.76	10.78
4.	Taxes on Vehicles	5.06	5.29	(+) 0.23	4.55
5.	Land Revenue	2.21	1.31	(-) 0.90	(-) 40.72
6.	Taxes on Agricultural Income	0.16	0.01	(-) 15.00	(-) 93.75
7.	Taxes and Duties on Electricity	0.01	0.01	NIL	NIL

(Rupees in crore)

NON-TAX REVENUE					
Sl. No.	Head of revenue	Budget estimates	Actuals	Variation: Increase (+)/ decrease (-)	Percentage of variation
1.	Power	60.00	59.68	(-) 0.32	(-) 0.53
2.	Forestry and Wildlife	8.80	4.09	(-) 4.71	(-) 53.52
3.	Crop Husbandry	1.70	0.84	(-) 0.86	(-) 50.59
4.	Other Administrative Services	2.80	1.16	(-) 1.64	(-) 58.57
5.	Interest Receipts	20.15	5.83	(-) 14.32	(-) 71.07
6.	Stationery and Printing	1.69	0.69	(-) 1.00	(-) 59.17
7.	Public Works	1.00	1.41	0.41	41.00
8.	Animal Husbandry	0.70	0.75	0.05	7.14
9.	Fisheries	0.55	0.43	(-) 0.12	(-) 21.82
10.	Other Rural Development Programmes	0.26	0.12	(-) 0.14	(-) 53.85
11.	Industries	7.00	6.04	(-) 0.96	(-) 13.71
12.	Water Supply and Sanitation	1.30	0.88	(-) 0.42	(-) 32..31
13.	Education, Sports, Art and Culture	0.45	1.10	0.65	144.44
14.	Police	3.50	2.99	(-) 0.51	(-) 14.57
15.	Village and Small Industries	0.65	0.09	(-) 0.56	(-) 86.15

The reasons for variations in respect of heads of revenue where variations were substantial have not been received from the concerned departments (September 2003), though called for.

Time series analysis of GSDP and Receipts

6.1.3 The buoyancy factor of tax and non-tax receipts gradually increased from 0.38 in 2000-01 to 0.94 in 2002-03. But the buoyancy factor for tax and non-tax receipts was still lower than the prescriptive buoyancy factor of 1.20 as worked out by the Finance Commission. The details are shown in the following table:

(Rupees in crore)

Year	GSDP	Percentage of growth	Total receipts			Percentage of growth	Percentage of buoyancy	Receipts as percentage of GSDP
			Tax receipts	Non-tax receipts	Total			
1998-99	3814.18	15.64	84.13	44.83	128.96	21.08	0.74	3.38
1999-2000	4153.70	8.90	101.74	76.19	177.93	37.97	0.23	4.28
2000-01	4524.42	8.93	125.58	94.51	220.09	23.69	0.38	4.86
2001-02	4944.73	9.29	158.50	97.64	256.14	16.38	0.57	5.18
2002-03	5473.32♦	10.69	183.09	98.73	281.82	10.03	0.94	5.15

Analysis of collection

6.1.4 Break-up of total collection at pre-assessment stage and after regular assessment of sales tax and other taxes for the year 2002-03 and the corresponding figures for the preceding two years as furnished by the Department are as follows:

♦ As the GSDP for the year 2002-03 is not yet available, it has been calculated on the average growth rate for the period 1998-99 to 2001-02.

(Rupees in lakh)

Head 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	Percentage of column 3 to 7
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Finance Department							
1. Sales Tax	2002-03	12058.30	87.82	0.01	0.14	12145.99	99.28
2. State Excise	2002-03	2647.42	-	-	-	2647.42	100
3. Other taxes on income and expenditure	2002-03	1142.25	-	-	-	1142.25	100
4. Taxes and duties on commodities and services	2002-03	97.99	-	0.52	-	98.51	99.47
5. Taxes on Agricultural income	2002-03	1.35	-	-	-	1.35	100

During 2002-03, under Sales Tax, percentage of collection at pre-assessment stage was 99.28.

Cost of collection

6.1.5 The gross collection in respect of major revenue receipts, expenditure incurred on their collection and the percentage of such expenditure to gross collection during the years 2000-01, 2001-02 and 2002-03 along with relevant all India average percentage of expenditure on collection to gross collection for 2000-03 are given below :

(Rupees in crore)

Head of revenue	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection	All India average percentage of expenditure to gross collection
1. Sales Tax	2000-01	81.08	1.16	1.43	
	2001-02	105.80	1.24	1.17	1.27
	2002-03	126.97	2.05	1.61	
2. State Excise	2000-01	19.79	0.53	2.68	
	2001-02	22.03	0.57	2.59	3.21
	2002-03	28.21	0.51	1.81	
3. Stamps and Registration Fees	2000-01	5.94	0.86	14.48	
	2001-02	9.61	1.01	10.51	3.51
	2002-03	7.81	1.01	12.93	
4. Taxes on Vehicles	2000-01	4.26	0.44	10.33	
	2001-02	5.28	0.66	12.50	2.99
	2002-03	5.29	0.51	9.64	

It is thus observed that expenditure on collection under Sales Tax, Stamp Duty and Registration Fees, Taxes on Vehicles is higher than all India Average.

Collection of sales tax per assessee

6.1.6 The following table shows collection of sales tax per assessee for the five years ending 2002-03:

Year	Number of assessee	Sales tax revenue *(Rupees in crore)*	Revenue per assessee *(Rupees in lakh)*
1998-99	5469	45.78	0.84
1999-2000	5858	55.41	0.95
2000-01	6236	78.22	1.25
2001-02	6608	102.19	1.55
2002-03	6868	121.75	1.77

Note : The figures provided by the Department are at variance with the figures shown in Finance Accounts.

Analysis of arrears of Revenue

6.1.7 The arrears of revenue as on 31 March 2003 in respect of some principal heads of revenue amounted to Rs.2.46 crore of which Rs.0.30 crore were outstanding for more than five years as detailed in the following table:

(Rupees in crore)

Sl No.	Head of revenue	Amount outstanding as on 31 March 2003	Amount outstanding for more than 5 years as on 31 March 2003
1.	Sales tax	2.46	0.30

Arrears in assessment

6.1.8 The details of cases pending assessment at the beginning of the year 2002-03, cases becoming due for assessment during the year, cases disposed of during the year and number of cases pending finalisation at the end of the year 2002-03 are as follows:

(Cases in number)

Name of tax	Opening balance	New cases due for assessment during 2002-03	Total assessments due	Cases disposed of during 2002-03	Balance at the end of the year 2002-03	Percentage of Column 5 to 3
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Finance Department						
Sales Tax	16577	5193	21770	3045	18725	58.64

Evasion of tax

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

Sl. No.	Name of tax/duty	Cases pending as on 31 March 2002	Cases detected during 2002-03	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 2003
					No. of cases	Amount of demand *(Rupees in lakh)*	
1.	Sales Tax	10	12	22	4	14.14	18

Write-off and waiver of revenue

6.1.10 During the year 2002-03, there was no case of write-off and waiver of revenue as informed by the Department.

Refunds

6.1.11 The number of refund cases pending at the beginning of the year 2002-03, claims received during the year, refunds allowed during the year and cases pending at the close of the year 2002-03, as reported by the Sales Tax Department are given below:

(Rupees in lakh)

Sl. No.	Position of Refund cases	Sales Tax	
		No. of cases	Amount
1.	Claims outstanding at the beginning of the year	-	-
2.	Claims received during the year	4	28.96
3.	Refunds made during the year	2	0.14
4.	Balance outstanding at the end of the year	2	28.82

Results of audit

6.1.12 Test check of records of Sales Tax, Land Revenue, State Excise, Motor Vehicles Tax, Stamps and Registration Fees, Electricity Duty, Other Tax Receipts, Forest Receipts and other Non-tax Receipts conducted during the year 2002-03 revealed under-assessment / short levy / loss of revenue amounting to Rs. 4.18 crore in 86 cases.

This Report contains seven paragraphs, of which six paragraphs are relating to non-levy of taxes, duties, interest and penalties etc., involving Rs. 54.17 lakh. The Department / Government have accepted audit observations involving Rs. 54.17 lakh, of which Rs. 34.60 lakh had been recovered up to August 2003. No reply has been received from the Government in other cases.

Departmental Audit Committee Meetings

6.1.13 No meeting of Audit committee was held during 2002-03.

Response of departments to Draft Audit Paragraphs

6.1.14 Draft paragraphs and reviews were forwarded to the Secretary of the administrative department concerned demi-officially seeking confirmation of facts and figures and their comments thereon within a period of six weeks from the date of receipt by them. It was, however, observed that seven draft paragraphs were forwarded to the various departments during March-May 2003, but reply for only one draft paragraph was received as of September 2003.

Internal audit

6.1.15 The Finance (Excise and Taxation) Department had not yet built up any internal audit system for auditing revenue receipts of the State Government (September 2003).

Follow up of Audit Reports – summarised position

6.1.16 112 audit paragraphs and 10 reviews had been featured in Audit Reports 1988-89 to 2001-02. Out of 112 paragraphs, 35 paragraphs were discussed by the PAC leaving a balance of 77, and out of 10 reviews featured during the same period six reviews were discussed by the PAC leaving a balance of four at the end of September 2003. As of September 2003, against four reviews and 77 paragraphs remaining to be discussed, three and 41 action taken notes (ATNs) respectively were received. On the other hand, against six reviews and 35 paragraphs already discussed in the PAC, only four ATNs (two against the reviews and two against the paragraphs) were received.

SECTION - B

FINANCE (EXCISE AND TAXATION) DEPARTMENT

STATE EXCISE

6.2 Loss of revenue due to non-deposit of bottling fee

Failure of the Collector of Excise, West Tripura, Agartala, to realise bottling fee on 'India Made Foreign Liquor' from a distillery functioning in the State resulted in loss of revenue amounting to Rs. 35.53 lakh.

The Government of Tripura imposed (April 2002) by a notification issued under the Tripura Excise Act, 1987, bottling fee on production/manufacture of 'India Made Foreign Liquor' (IMFL) by any distillery functioning in the State at the rate of Rs. 5 per bulk litre (BL) of IMFL with effect from 1 April 2002. The manufacturer was to deposit the bottling fee into Government account.

A test-check of records of the Collector of Excise, West Tripura, Agartala, in January and February 2003 revealed that a distillery at Khayerpur, Agartala, had manufactured 7,10,533.76 BL of IMFL and charged and collected bottling fee of Rs. 35.53 lakh against supply of the full quantity from bonded warehouses (the purchasers) during the period from April 2002 to December 2002. But the bottling fee of Rs. 35.53 lakh so charged and collected had not been deposited, as per the provision of the notification, into Government account until March 2003.

Thus, failure of the Collector of Excise, West Tripura, to realise the bottling fee from the distillery on its products of IMFL, resulted not only in loss of revenue of Rs. 35.53 lakh but also extension of undue financial benefit to the manufacturer.

On this being pointed out in audit, the Collector of Excise stated (August 2003) that bottling fees of Rs. 34.60 lakh was deposited (April 2003) to the Government account. Deposit of the balance amount of Rs. 0.92 lakh is awaited (August 2003).

The matter was reported to the Government (June 2003); reply had not been received (September 2003).

SALES TAX

6.3 Loss of revenue due to delay in assessment

Although the business was closed down in 1990, the Department took 11 years thereafter to assess the dealer, who was then not traceable, resulting in loss of revenue of Rs. 6.63 lakh.

The Tripura Sales Tax Act, 1976, provides that every registered dealer is required to furnish quarterly returns of turnover of taxable goods within the prescribed date and pay the tax thereon. If a dealer fails to furnish a return or fails to comply with the terms of notices requiring him to produce specific accounts and documents, the Commissioner of Taxes shall assess the dealer to the best of his judgement and determine the tax payable by him.

During test-check of records of the Superintendent of Taxes, Charge I, Agartala, in July 2002, it was noticed that a manufacturer of tubular electrical poles neither submitted any return nor paid any tax for the assessment year 1988-89. However, the Assessing Authority determined that the dealer supplied electrical poles valued Rs. 10.04 lakh to the Government between June and September 1988. A departmental inspection disclosed in September 1993 that the dealer had closed down his business in 1990. The Assessing Authority after issuing four notices in July 1990, June 1991, December 1996 and May 1997 finally assessed the dealer on 31 July 2001 after a gap of 11 years on the basis of best judgement and determined the tax payable at Rs. 6.63 lakh inclusive of interest and penalty. A demand notice was prepared in August 2001 but as the dealer could not be traced the notice remained undelivered. No further steps were taken for recovery of the dues (July 2002).

Thus, inordinate delay in assessment despite non-submission of return and delay in initiating follow up action against the dealer even after departmental enquiry in 1993 resulted in a loss of revenue of Rs. 6.63 lakh.

On this being pointed out in audit, the Assessing Authority in his reply in October 2002 stated that, due to heavy workload, the assessment could not be taken up in time. However, a notice under the relevant section had been issued in October 2002 to the Executive Engineer, Electrical Stores Division, A.D. Nagar, Agartala (main purchaser of electrical poles) for realisation of the assessed dues from the dealer. Further development had not been intimated (November 2002).

The matter was reported to the Government in May 2003; reply had not been received (September 2003).

6.4 Irregular appropriation of departmental receipts towards departmental expenditure

The Superintendent of Taxes, Churaibari checkpost, utilised the revenue receipts of Rs. 5.71 lakh, in violation of Rules, to meet departmental expenses without depositing the receipts into Government account.

According to the Treasury Rules, all moneys received by or tendered to Government officers on account of revenues of the State, shall without undue delay be paid in full into treasury or into the bank. Money so received shall not be utilised to meet departmental expenditure unless specifically authorised by the above Rules.

Test-check of the records of the Superintendent of Taxes, Churaibari checkpost in May-June 1999 revealed that, between June 1995 and March 1999, an amount of Rs. 5.71 lakh collected from the defaulting dealer/transporter in cash on account of tax, composition money[*], interest, penalty etc. was utilised, in violation of the Rules, towards departmental expenditure.

On this being pointed out in July 1999, the Commissioner of Taxes stated in December 2000 that the money received was utilised towards labour charges for loading and unloading of vehicles in pursuant to Government instructions. The reply is not tenable since deposit of revenue so collected into the Government account is mandatory, except as specifically provided in the Treasury Rules.

The matter was reported to the Government in May 2003; reply had not been received (September 2003).

6.5 Non-assessment of additional sales tax

The Assessing Authority did not assess additional sales tax for 15 assessees resulting in short realisation of tax of Rs. 2.18 lakh and loss of Rs. 2.49 lakh towards penalty and interest on unrealised tax.

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 a dealer whose taxable turnover for a year exceeds Rs.10 lakh by an additional rate of tax of 0.25 *per cent* of the taxable turnover. The rates were changed subsequently from time to time.

[*] Amount receivable for an offence as provided for in Section 32 of the Tripura Sales Tax Act, 1972.

Test-check of assessment records of three Superintendent of Taxes (STs)* revealed that although assessments under the TST Act for the assessment years 1993-94 to 2000-01 in respect of 15 assessees were finalised between October 1999 and October 2002, additional sales tax of Rs. 5.60 lakh was not assessed. However, a sum of Rs. 3.42 lakh was paid by three dealers on their own leaving a balance of Rs. 2.18 lakh and interest of Rs. 2.27 lakh upto the date of assessment. Besides, penalty of Rs. 0.22 lakh on interest was also leviable on the dealers for evading the liability to pay additional tax.

On this being pointed out in audit, the Superintendent of Taxes, Charge I, stated (February 2003) that the cases were taken up for hearing. The Superintendent of Taxes, Udaipur stated during the currency of audit that assessment cases which were pending would be taken up shortly. No further development had been intimated (March 2003).

The matter was reported to the Government in June 2003; reply had not been received (September 2003).

6.6 Loss of revenue due to non-levy of penalty

Failure to levy penalty resulted in loss of revenue amounting to Rs. 1.50 lakh.

Under the TST Act, 1976, if the Assessing Authority (AA), in the course of proceeding under the Act is satisfied that any dealer has, without reasonable cause, failed to furnish the return within the time allowed or failed to comply with a notice issued under Section 9(2) of the Act or has concealed the particulars of his turnovers or has evaded in any way the liability to pay tax, he may direct such dealer to pay by way of penalty, in addition to the tax due, a sum not exceeding one and a half times of that amount but not less than 10 *per cent* of that amount. To ensure uniform practice throughout the State, the Commissioner of Taxes issued (26 December 1987) instructions that a dealer shall be liable to pay penalty where interest was payable and where assessment was made as per best judgement under Section 9(4) of the Act. Further, by Memorandum dated 12 April 2001 the Commissioner decided that a full penalty of 150 *per cent* would be imposed when the liability to pay tax is evaded intentionally and when there is non-compliance of the notice issued by the AA under Section 9(2) of the Act.

Audit of assessment records of the Superintendent of Taxes, Udaipur, revealed that a dealer of bricks was assessed in May 1998 on best judgement basis for the assessment years 1995-96 and 1996-97 for non-compliance of the notices issued under Section 9(2). The dealer appealed in November 1998 to the Revisional Authority (RA) against the assessment order. The case was reassessed under the direction of the RA and it revealed concealment of turnover of Rs. 8.31 lakh and consequent evasion of tax of Rs. 1.54 lakh including interest for which demand was issued in March 1999. For

* STs, Charges I and III, Agartala; and ST, Udaipur.

concealment of turnover, maximum penalty not exceeding Rs. 1.50 lakh was also leviable, but not levied.

The dealer, by paying Rs. 0.51 lakh in June and August 1999, appealed to the TST Tribunal. The appeal was rejected and the case was again remanded in December 2001 to the AA. The AA did not recover the unpaid tax from the dealer nor did it levy the penalty for concealment of turnover as of December 2002. This resulted in non-levy of penalty of Rs. 1.50 lakh.

On this being pointed out in audit, the Superintendent of Taxes stated in December 2002 that the case would be reviewed and a separate proceeding for imposition of penalty would be initiated.

The reply of the Department is not tenable in view of the fact that the existing provision of the Act should have been applied in the case straightway.

The matter was reported to the Government in June 2003; reply had not been received (September 2003).

FOREST DEPARTMENT

6.7 Short realisation of revenue due to non-application of the revised rates

The Divisional Forest Officer, Udaipur, did not realise additional proceeds from the sale of timber at revised rates, which led to loss of revenue of Rs. 1.18 lakh.

Pending upward revision of sale price of timber, the Principal Chief Conservator of Forests, Tripura, had directed in May 1998 all Divisional Forest Officers to issue permits on receipt of application from concerned departments/ organisations/local bodies after obtaining an undertaking to the effect that they would pay the balance dues for timber after the revised rates were notified by the Government. The royalty/sale price of timber was revised (September 1999) with effect from 15 January 1998 at the instance of the Hon'ble Supreme Court.

Test-check of records of the Divisional Forest Officer (DFO), Udaipur, in February 2002 revealed that 33,601 cum of timber of different species was sold by the division at Rs. 1.58 lakh through six permits issued to the buyers between February 1999 and August 1999 after obtaining necessary undertaking. But the enhanced value of 29,357 cum of timber amounting to Rs. 1.18 lakh due to revision of royalty/sale price of timber was not realised from four buyers[✈], as of November 2002.

The DFO stated in August 2003 that the balance amount would be realised soon.

[✈] 1. The Executive Engineer, Rural Development Division, Udaipur; 2. Ashis Kr. Dey, on behalf of Managing Director, TFDPC Ltd.; 3. The Manager, Udaipur Primary Marketing Co-op Society Ltd., on behalf of Inspector of Schools, Udaipur; 4. S. Ahmed, on behalf of the Executive Engineer, NPCC Ltd., Banduar.

The matter was reported to the Government in May 2003; reply had not been received (September 2003).

TRANSPORT DEPARTMENT

6.8 Loss of revenue due to non-imposition of fine for carriage of excess load

Failure to identify trucks with load of coal in excess of permissible limit resulted in non-realisation of Rs. 4.67 lakh towards fine from the transporters.

Under Section 194 of the Motor Vehicles Act, 1988, excess loading of goods vehicle beyond the permissible weight shall be punishable with a minimum fine of two thousand rupees and an additional amount of one thousand rupees per tonne of excess load together with the charges for off-loading of the excess load. The Government of Tripura by notification dated 1 September 1991 imposed restriction on plying of public carrier goods vehicle within the State, the laden weight of which exceeded 15.5 tonnes.

Test check of records of the District Transport Officer (DTO), North Tripura, Kailashahar, revealed that cases of excess loading of goods vehicles and imposition of fines therefor were not recorded. But information collected from the records of the Superintendent of Taxes (Sales Tax), Kailashahar, revealed that, between July 1999 to July 2001, coal was imported by two agencies from outside the State through 20 trucks in 47 trips. The coal carried by the trucks per trip ranged from 18 to 19 tonnes as measured and recorded on each occasion of their crossing the sales tax checkpost at Churaibari. But the excess load of the trucks beyond permissible weight was not detected at the motor vehicle checkpost, Churaibari located at the same building wherefrom the sales tax checkpost was operating. Considering the unladen weight[♦] of five tonnes for each truck, the fine leviable for carriage of excess load of 372.50 tonnes worked out to Rs. 4.67 lakh[†] against 47 cases which were not realised by the Department due to failure to identify cases of excess loading at the motor vehicle checkpost.

The Government to whom the matter was reported in May 2003, stated in their reply in July 2003 that in absence of security forces and weighbridge under the Motor Vehicles Inspector, Churaibari, the tendency of drivers to carry the overload could not be resisted. The reply was not acceptable as the department did not take any initiative to identify cases of excess loading from the State Sales Tax checkpost at Churaibari located at the same building who measured and recorded on each occasion the load of trucks carrying coal and crossing the Sales Tax checkpost at Churaibari.

[♦] The body weight of the vehicle is called unladen weight.

[†]

For 47 cases @ Rs. 2000 per case	= Rs. 94,000
For 372.50 tonnes of excess load @ Rs. 1000 per tonne	= Rs. 3,72,500
Total realisable	**Rs. 4,66,500**

CHAPTER VII

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

CHAPTER VII: FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

7.1 Overview of local and other autonomous bodies and authorities

General

7.1.1 Autonomous bodies and authorities are set up to discharge generally non-commercial functions of Public Utility Services. These bodies/authorities by and large receive substantial financial assistance from the Government. The Government also provides substantial financial assistance to other institutions such as those registered under the respective State Co-operative Societies Act, Companies Act, 1956, etc., to implement certain programmes of the State Government. The grants are intended essentially for maintenance of educational institutions, hospitals, charitable institutions, construction and maintenance of schools and hospital buildings, improvement of roads and other communication facilities under municipalities and local bodies.

During 2002-03, financial assistance of Rs. 159.03 crore was paid to various autonomous bodies and institutions broadly grouped as under:

(Rupees in crore)

Name of institutions	Amount of assistance paid
1. Universities and Educational Institutions	36.51
2. Municipal Corporation and Municipalities	13.84
3. Zilla Parishads and Panchayati Raj Institutions	48.86
4. Development Agencies	2.99
5. Other Institutions	56.83
Total	**159.03**

Delay in furnishing utilisation certificates

7.1.2 Financial rules of the Government require that where grants are given for specific purposes, certificates of utilisation should be obtained by the departmental officers from the grantees, and after verification, these should be forwarded to the Accountant General (Accounts and Entitlement) within one year from the date of sanction, unless specified otherwise.

Of the 752 utilisation certificates pending receipt as of August 2003 in respect of grants aggregating Rs. 287.71 crore paid during the period 2001-02 to 2002-03, only 343 utilisation certificates for Rs. 128.68 crore had been furnished by 31 August 2003 and 409 certificates for an aggregate amount of Rs. 159.03 crore were yet to be received (August 2003). Department-wise break-up of outstanding utilisation certificates for the year 2002-03 are given below:

(Rupees in crore)

Group	Sl. No.	Name of the Department	Number of certificates	Amount involved
Universities and Educational Institutions	1.	Education	45	36.51
Municipal Corporation and Municipalities	2.	Urban Development	92	13.84
Zilla Parishads and Panchayati Raj Institutions	3.	Panchayat Raj	65	48.86
Development Agencies	4.	Rural Development	32	2.99
Other Institutions	6.	Social Security and Welfare	97	3.68
	7.	Welfare of Scheduled Castes and other Backward Communities	22	49.04
	8.	Fisheries Department	36	1.59
	9.	Health and Family Welfare	20	2.52
		Total	**409**	**159.03**

Delay in submission of information/accounts

7.1.3 In order to identify the institutions which attract audit under Section 14/15 of the Comptroller and Auditor General of India's (Duties, Powers and Conditions of Service) Act, 1971, Government/Heads of Departments are required to furnish to Audit every year detailed information about the financial assistance given to various institutions, the purpose for which assistance was sanctioned and the total expenditure of the institutions. Information for the year 2001-02 was called for from the Finance Department in August 2003. No departments/directorates have furnished their reply including information up to 2001-02 and reply is awaited from 33 departments/directorates as of August 2003. Departments/directorates who had not furnished information for a number of years are indicated against each in the following table:

Sl. No.	Name of the Department/Directorate	The period for which information had not been furnished
(1)	(2)	(3)
1.	Agriculture	1995-96 to 2001-02
2.	Animal Resource Development	1995-96 to 2001-02
3.	Co-operation	1987-88 to 2001-02
4.	Higher Education	1987-88 to 2001-02
5.	Social Welfare and Social Education	1992-93 to 2001-02
6.	Health and Family Welfare	1997-98 to 2001-02
7.	Home (Police)	1994-95 to 2001-02
8.	Horticulture, Soil and Water Conservation	1987-88 to 2001-02
9.	Information, Cultural Affairs and Tourism	1994-95 to 2001-02
10.	Panchayat	1994-95 to 2001-02
11.	Revenue	1993-94 to 2001-02
12.	Rural Development	1992-93 to 2001-02
13.	Statistics	1992-93 to 2001-02
14.	Transport	1994-95 to 2001-02
15.	Welfare of SCs, OBCs and Minorities	1992-93 to 1995-96 and 1998-99 to 2001-02

The status of submission of accounts by bodies/authorities and submission of Audit Reports thereon to the State Legislature as of November 2002 is given below:

Sl. No.	Name of bodies	Year upto which			Reasons for non-finalisation of Audit Report	Year upto which Audit Report placed before legislature
		Accounts due	Accounts submitted	Audit Report issued		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Tripura Khadi and Village Industries Board	2002-03	1997-98	1988-89 to 1990-91	Reply to draft audit report (1991-98) from the body is awaited (September 2003)	No information on placement of the Audit Report issued to the Government/ Board had been received (September 2003).
2.	Tripura Board of Secondary Education	2002-03	1997-98	1991-92 and 1992-93	Reply to draft audit report (1993-98) from the body is awaited (September 2003)	1990-91

Due to non-submission of accounts in proper format by the 13 Urban Local Bodies (one Municipal Council and 12 Nagar Panchayats), audit of accounts of which were entrusted to the C&AG of India on permanent basis under Section 20(1) of the C&AG's (Duties, Powers and Conditions of Service) Act, 1971, audit could not be taken up since inception of the respective bodies/authorities. Only transaction audit is being conducted. Accounts of Tripura University are audited under Section 20(1) of the Act *ibid*. Audit of accounts of the University for the period from 1992-93 to 1995-96 have been completed.

The audit of accounts of the following bodies has been entrusted to the C&AG of India for the period mentioned below:

Sl. No.	Name of bodies/authorities	Period of entrustment
1.	Tripura Khadi and Village Industries Board	1999-2000 to 2003-04
2.	Tripura Board of Secondary Education	1996-97 to 2000-01
3.	Agartala Municipal Council	1996-97 onwards on permanent basis
4.	Nagar Panchayats (12 Nos.)	1996-97 onwards on permanent basis
5.	Tripura University	1997-98 to 2001-02

Auditing arrangement

7.1.4 All the seven bodies/authorities, whose accounts were received so far (August 2003) attracted audit under Section 14 of the C&AG's (DPC) Act, 1971. Of these, five bodies/authorities were audited as detailed below:

Sl. No.	Name of bodies/ authorities	Annual accounts	
		Received	Audited
1.	District Rural Development Agency (West)	2000-01 to 2001-02	2000-01 to 2001-02
2.	District Rural Development Agency (South)	2000-01 to 2001-02	2000-01 to 2001-02
3.	District Rural Development Agency (Dhalai)	2001-02	The item is biennial, hence not due.
4.	District Rural Development Agency (North)	1999-2000 to 2002-03	1999-2000 to 2002-03
5.	Tripura State Legal Services Authority	1999-2000 to 2002-03	1999-2000 to 2002-03
6.	Tripura Sports Council	1999-2000 to 2001-02	Audit to be taken up shortly.
7.	Tripura Scheduled Tribes Development Corporation	1991-92 to 2001-02	19991-92 to 2001-02

The accounts of the Tripura Tribal Areas Autonomous District Council (TTAADC) are audited under the provision of Article 244 (2) of the Constitution read with Sixth Schedule to it. The status of submission of annual accounts by the authority to Audit and laying of Audit Reports before the Council as of August 2003 are given below:

Name of bodies	Tripura Tribal Areas Autonomous District Council	
Year up to which	Accounts due	2001-02
	Accounts submitted	1993-94 (in old format)
	Accounts Audited	1993-94
	Audit Report issued	1991-92
Reasons for non-finalisation of Audit Report	The State Government was required to seek clearance from the GOI for acceptance of accounts for 1992-93 and 1993-94 by audit in the old format as a special case. The matter has not yet been settled (September 2003).	
Year upto which Audit Report placed before Council	1991-92	

SECTION – A
INDUSTRIES AND COMMERCE DEPARTMENT

7.2 Working of the Tripura Khadi and Village Industries Board

Tripura Khadi and Village Industries Board was set up in August 1966 with the objective of generating employment for the rural artisans of Khadi and Village Industries sectors through implementation of different programmes and by providing financial assistance to them. The Board failed to generate adequate employment opportunities even after 37 years of its existence due to lack of planning, non-implementation of schemes despite having sufficient funds, and poor financial management. The Board was burdened with high establishment cost due to retention of idle and surplus staff, engagement of staff without any sanctioned posts, and misappropriation of stores. There was virtually no internal control mechanism in the Board to oversee its performance both in physical and financial terms. In 2002-03, administrative expenses alone constituted the entire expenditure of the Board, which had thus lost the rationale for its existence as a development agency.

Highlights

Out of Rs. 1.58 crore received from the KVIC for development of khadi and village industries, the Board spent only Rs. 0.36 crore for the purpose during the five years ending 2002-03.

(Paragraph 7.2.7)

Of the total expenditure of Rs. 6.81 crore incurred by the Board during the period under review, 95 *per cent* constituted administrative expenses leaving only five *per cent* for development programmes.

(Paragraph 7.2.7)

An amount of Rs. 1.61 crore paid to 25,075 persons for setting up of small units of khadi and village industries became unfruitful as the units did not ultimately come up.

(Paragraph 7.2.11)

The number of artisans given work by the Board declined sharply from 348 in 1998-99 to 15 in 2002-03. Average annual income of the artisans varied from Rs. 432 to Rs. 2129 during the period under review, indicating that the Board failed to provide adequate employment to rural artisans and to raise them above the poverty level.

(Paragraph 7.2.18)

The Board spent Rs. 4.18 crore on its surplus and idle staff during 1998-99 to 2002-03. The Board also irregularly spent Rs. 1.20 crore for staff appointed without creating any post and without obtaining approval from the Finance Department for their appointment.

(Paragraphs 7.2.22 to 7.2.24)

Laxity in administrative control led to misappropriation of yarn valued at Rs. 54.05 lakh from the yarn store during 1998-99 to 2002-03.

(Paragraph 7.2.26)

Introduction

7.2.1 Tripura Khadi and Village Industries Board (TKVIB) was set up in August 1966 under the Tripura Khadi and Village Industries Board Act, 1966 (hereinafter called the Act).

The objective of the Board was to generate employment in rural areas through implementation of different programmes of khadi and village industries. The Board was also to provide financial assistance, supply improved tools and equipment, and raw materials to rural artisans, institutions, societies etc. for promotion of khadi and village industries. The Board also carried on trade and business for marketing of the finished products and executed a number of programmes sponsored by the Khadi and Village Industries Commission (KVIC).

Organisational set-up

7.2.2 The Board is headed by a Chairman, who is assisted by a Member-Secretary, an Executive Officer and a Financial Adviser-cum-Chief Accounts Officer. The Board has been functioning under the overall administrative control of the Secretary of Industries and Commerce Department. The Board has a district office at Kumarghat in North Tripura and three sales outlets at Agartala, Dharmanagar and Udaipur.

Audit coverage

7.2.3 The audit of the Board had been entrusted to the Comptroller and Auditor General of India (C&AG) under Section 19(3) of the C&AG's (Duties, Power and Conditions of Service) Act, 1971. The performance of the Board for the years 1998-99 to 2002-03 was reviewed in audit by test-check of records of the Board during October-December 2002. 65 *per cent* of the total expenditure (Rs. 6.37 crore) was covered in audit.

The important points noticed are discussed in the succeeding paragraphs.

Position of accounts

7.2.4 The Board compiled its accounts up to March 1997, which showed a cumulative loss of Rs. 41.80 lakh. The Board had not maintained the age-wise pendency of Rs. 30.51 lakh shown as receivable from sundry debtors and rebate of Rs. 16 lakh shown as reimbursable from the KVIC. In December 2002, Board admitted that amount receivable prior to 1986-87 had not been taken into account. The accounts were thus not reflecting a true and fair picture of the affairs of the Board.

Financial management

Funding pattern

7.2.5 The administrative expenditure (salaries, office expenses etc.) of the Board are met from the grants given by the State Government and expenditure on development of khadi and village industries are met from the funds given by the Khadi and Village Industries Commission (KVIC).

Administration of funds

7.2.6 According to the Act, the Board could maintain only two funds (Khadi Fund and Village Industries Fund). But the Board, in addition to the above two funds, maintained a Trading Fund by transferring money from the other two funds without obtaining any approval from the KVIC or the State Government.

Receipts and expenditure

7.2.7 Funds received from the KVIC and the State Government and expenditure incurred by the Board during the years 1998-99 to 2002-03 are shown below:

(Rupees in lakh)

Year	For khadi activities					For village industries activities				
	Opening balance	Received during the year	Total funds available	Expenditure	Closing balance	Opening balance	Received during the year	Total funds available	Expenditure	Closing balance
1998-99	52.05	Nil	52.05	0.80 (2)	51.25	104.98	1.00	105.98	21.17 (20)	84.81
1999-2000	51.25	Nil	51.25	Nil	51.25	84.81	Nil	84.81	Nil	84.81
2000-01	51.25	Nil	51.25	Nil	51.25	84.81	Nil	84.81	6.32 (7)	78.49
2001-02	51.25	Nil	51.25	Nil	51.25	78.49	Nil	78.49	7.67 (10)	70.82
2002-03	51.25	Nil	51.25	Nil	51.25	70.82	Nil	70.82	Nil	70.82
Total	**52.05**	**Nil**	**52.05**	**0.80**	**51.25**	**104.98**	**1.00**	**105.98**	**35.16**	**70.82**

(Rupees in lakh)

Year	For administrative expenses					
	Opening balance	Received from the State Government	Miscellaneous receipts	Total funds available	Expenditure	Closing balance
1998-99	6.01	87.60	26.77	120.38	110.46 (92)	9.92
1999-2000	9.92	119.00	0.87	129.79	109.15 (84)	20.64
2000-01	20.64	125.00	2.42	148.06	131.61 (89)	16.45
2001-02	16.45	142.00	0.13	158.58	144.12 (91)	14.46
2002-03	14.46	135.62	•	150.08	149.42 (99.56)	0.66
Total	**6.01**	**609.22**	**30.19**	**645.42**	**644.76**	**0.66**

Note: i) The Board showed expenditure of Rs. 57.67 lakh under 'Village Industries' for the year 2001-02 by including Rs. 50 lakh refunded to the KVIC in March 2002.
ii) Figures in the brackets indicate percentage of expenditure to the total funds available.

It is evident from the above table that:

i) Out of Rs. 52.05 lakh available with it, the Board utilised Rs. 0.80 lakh only during the years 1998-99 to 2002-03 for development of khadi activities representing two *per cent* utilisation. Similarly, poor utilisation of funds (33 *per cent*) was also noticed in case of village industries. The Board also did not incur any expenditure on development of Khadi and Village Industries during 2002-03.

ii) Poor utilisation of funds under the khadi and village industries programmes indicates the Board's apathy and inaction of the Board to develop the khadi and village industries in the State.

iii) Of the total expenditure of Rs. 680.72 lakh (khadi: Rs. 0.80 lakh; village industries: Rs. 35.16 lakh; and administrative expenses: Rs.644.76 lakh), administrative expenses alone accounted for 95 *per cent.* High establishment cost was mainly due to retention of idle and surplus staff. In April 2000, the Government expressed its concern on high staff ratio and high percentage of Group D employees (40 *per cent* of 181 staff members). But, no remedial action was taken since then in order to improve the situation.

iv) The opening balance shown by the Board did not include the funds kept in term deposit. On being asked, the Board failed to furnish accounts for the money kept in term deposit from time to time, thus making these funds vulnerable to misappropriation.

Investment of KVIC funds in term deposit account

7.2.8 While releasing funds, the KVIC directed the Board to utilise them for the purpose specified in the sanction orders. In case, the funds so released are invested, approval of the KVIC is necessary according to the Act.

An amount of Rs. 90 lakh received in November 1996 for implementation of Margin Money Scheme for Village Industries was kept in term deposit immediately after receipt of the amount, without obtaining approval from the KVIC. Up to March 2002, the Board earned interest of Rs. 40.61 lakh from these investments. Similarly, the Board also set aside in term deposit Rs. 21.53 lakh received as grants and loans from time to time from the KVIC for implementation of various schemes, as of December 2002. By retaining funds in term deposit accounts, the Board denied the rural artisans of their due benefits that could have flowed from implementation of such schemes.

Diversion of funds

7.2.9 During 1998-2003, the Board diverted Rs. 59.66 lakh received from time to time from the KVIC for development of khadi and village industries activities towards meeting trading expenses of the Board itself. Again in March 2002, the Board diverted another amount of Rs. 54.80 lakh by encashing term deposit for supply of blankets to the Police Department.

Reconciliation of accounts

7.2.10 The Board had not reconciled its accounts with the KVIC and the banks during the last 36 years (1966-2002). Consequently, discrepancies of Rs. 163.80 lakh (receipts: Rs. 149.84 lakh; payment: Rs. 13.96 lakh) between the Board's accounts and KVIC's records remained unsettled although the Board finalised its accounts upto March 1997. Also, no note indicating the discrepancy was found to have been appended to the accounts.

Mobilisation of loans from KVIC

7.2.11 The Board had been taking loans from the KVIC for carrying on its trading activities and for giving loans to the rural artisans of khadi and village industries.

Up to March 2002 (no advance was taken thereafter), the Board took loans of Rs. 3.21 crore from the KVIC for its trading activities (Rs. 1.60 crore) and for giving loans to prospective borrowers (Rs. 1.61 crore) and repaid Rs.49.01 lakh (12 *per cent*) against the due amount of Rs. 4.12 crore to the KVIC. Also, against the recoverable amount of Rs. 4.12 crore, the Board recovered only Rs. 22.58 lakh (principal: Rs. 1.61 crore, interest: Rs. 5.79 lakh), representing only five *per cent* of the total dues from its borrowers, as of March 2002. Due to non-maintenance of loan ledger, year-wise receipts and disbursement of loan could not be verified in audit.

In November 2001 and December 2002, the Board stated that a large number of beneficiaries deserted their areas because of ethnic disharmony and the units did not exist due to utilisation of working capital for personal use, changes in technology etc. Consequently, Rs. 1.61 crore given as loans to 25,075 beneficiaries failed to provide employment and to generate income for them.

Assistance to cooperative societies

7.2.12 The Board paid Rs. 19.43 lakh as grants (Rs. 7.33 lakh) and loans (Rs. 12.10 lakh) to 30 cooperative societies upto March 1995 (with no payment thereafter) for development of village industries. The loan carried four *per cent* annual interest and was repayable in 10 years. For default in repayment of loans, the Board was to charge five *per cent* penal interest.

As of March 2002, against recoverable amount of Rs. 12.10 lakh, the Board was able to realise only Rs. 2.48 lakh from five out of 30 societies. The Board proposed (June 1996 and November 1998) to the Sub-Divisional Officers (SDOs) concerned (Bishalgarh and Dharmanagar) to institute certificate cases against only two societies out of 30 defaulters although the Government introduced 'Public Demand Recovery Act' in September 2000, which envisages institution of certificate cases against all the defaulting borrowers. The Board stated (June 2003) that the SDOs had not yet responded.

The Board did not develop any procedure to monitor the activities of the societies for creation of employment and generation of income during the past eight years.

Physical performance

Planning

7.2.13 Ideally production is based on demand. But the Board produced goods without assessing their demand and without formulating any perspective plan for marketing. In the absence of a well-developed marketing strategy, goods worth Rs. 39.44 lakh remained unsold, as of December 2002. Moreover, goods worth Rs. 2.38 lakh were damaged because of prolonged storage. Inventory worth Rs. 11.54 lakh was found to have remained blocked for one to three years or more (the sub-para on stores management hereinafter may be referred to in this connection). According to the Act, the Board was to prepare every year its annual programme of works and submit it to the Government for approval. But no such programme was drawn up and the Board continued its activities on *ad hoc* basis without any specific work programme during the period under review.

Khadi activities

Target and achievement

7.2.14 Targets fixed for production, sales, and generation of employment *vis-à-vis* the achievement during 1998-99 to 2002-03 are given below:

Year	Production		Sales				Generation of employment	
			Target	Actual				
	Target	Actual		Wholesale	Retail	Total	Target	Actual
	(Rupees in lakh)		*(Rupees in lakh)*				*(In person years)*	
1998-99	23.50	11.09	69.50	4.21	19.44	23.65	875	348
1999-2000	17.50	3.54	35.00	Nil	3.88	3.88	550	199
2000-01	5.00	0.11	20.00	69.12	3.72	72.84	250	20
2001-02	7.00	3.05	37.50	84.25	3.24	87.49	220	118
2002-03	Nil	Nil	121.00	20.50	8.25	28.75	110	15
Total	**53.00**	**17.79**	**283.00**	**178.08**	**38.53**	**216.61**	**2005**	**700**

Percentage of achievement for production, sales, and generation of employment to the total targets were 34, 77 and 35 respectively. The above table shows that the targets were not related to achievement during the preceding years.

Sharp decline in production was due to under-utilisation of spinning centres. 82 *per cent* of the sales during the period under review was on account of sale of woollen blankets purchased from outside the State and supplied to the Police Department. This kind of trading was not under the purview of activities of the Board as defined in the Act. Apart from violating the provision of the Act, this had virtually no impact on the development of khadi and village industries of the State.

Under-utilisation of spinning centres

7.2.15 Performance of the spinning centres run by the Board during the aforesaid years is indicated below:

Particulars	1998-99	1999-2000	2000-01	2001-02	2002-03
Total No. of spinning centers	20	20	20	20	20
Total No. of spinning centres that had functioned during the year	10	10	2	Nil	4
Total No. of *charkhas* installed	500	500	500	500	500
Total No. of *charkhas* that had functioned during the year	182	175	11	Nil	100
Percentage of utilisation of *charkhas*	36	35	2	Nil	20
Percentage of shortfall in utilisation of *charkhas*	64	65	98	100	80
Annual spinning capacity of *charkhas* that had functioned (hanks in lakh)	3.28	3.15	0.20	Nil	1.80
Yarn actually spinned (hanks in lakh)	4.41	0.77	0.03	Nil	0.44
Percentage of yarn spinned to the annual spinning capacity	134	24	15	Nil	24
Percentage of shortfall in achievement	-	76	85	100	76

Source: Board records.

The above table shows that:

i) Only two to 36 *per cent* of the available *charkhas* were utilised during the years 1998-2003 (excepting 2001-02 when there was no utilisation at all, reportedly due to misappropriation of yarn).

ii) Similarly, excepting for 1998-99 and 2001-02, yarn spun as compared to the annual spinning capacity of the *charkhas* varied between 15 and 24 *per cent.*

The Board stated (December 2002) that Khadi weaving and spinning activities had been suspended temporarily in 2001-02 due to erosion of working capital on account of misappropriation of yarn.

It was also noticed during audit that, according to the Board (July 1997), physical constitution of the spinners did not permit them to run the *charkhas* continuously for more than three hours. The reason offered was not acceptable in audit as production in 1998-99 by the same spinners was 134 *per cent* of the total production capacity. (This was, however, possible due to work by the spinners for extra hours). In April 1996 and December 2000, the Board stated that, if funds were given to it, closed centres could be reopened. The contention too was not acceptable in audit as there had been unspent amount of Rs. 51.25 lakh all along during the years 1998-99 to 2002-03 for khadi activities.

The extremely poor performance of the spinning centres despite having funds in abundance as well as *charkhas* in adequate numbers indicated failure of the Board to activate the spinners and keep the centres in running condition due to lack of managerial efficiency. Misappropriation of yarn valued at Rs. 54.05 lakh from the yarn store of the Board during 1998-99 to 2002-03 also contributed to it.

Sales

7.2.16 The performance of two (Dharmanagar and Udaipur) out of three sales outlets *vis-à-vis* expenditure incurred by them during 1998-99 to 2002-03 are indicated below:

(Rupees in lakh)

	1998-99	1999-2000	2000-01	2001-02	2002-03
Expenditure	1.56	1.65	1.73	1.80	0.91
Sales	0.37	0.14	0.11	0.20	Nil

In June 2000, the Board opined that sales figures of two outlets did not justify continuation of these units. Even then, the Board did not take any action either to close the units or to boost their sales.

Village industries

7.2.17 To carry on trading activities, the Board set up several production units (exact number could not be specified by the Board) under 11 Khadi and

Village Industries sub-sectors♥ (10 of which pertained to village industries) between 1968-1976 at a total investment of Rs. 2.03 lakh and incurred a further expenditure of Rs. 1.26 crore to run these sub-sectors upto March 1998. Of these 11 sub-sectors, units under three sub-sectors[A] alone had been working during 1998-99 to 2002-03, as functioning of units in other sub-sectors did not prove viable. In April 1996, the Board admitted that, due to suspension of work in eight sub-sectors, a large number of staff had become surplus.

Till March 1997 (no accounts were compiled thereafter), total cumulative loss sustained by the units under 11 sub-sectors was Rs. 41.80 lakh. A joint survey of all the sick units was made by the Board and the KVIC in February 2002, when it was suggested to convert all of them into economically viable units. But, as of December 2002, nothing was done by the Board in this respect.

Employment generation

7.2.18 Employment provided to artisans in khadi and village industries and their average annual income during the years 1998-2003 are shown below:

	1998-99	1999-2000	2000-01	2001-02	2002-03
i) No. of artisans given employment	348	199	20	110	15
ii) Total amount of wages paid (*Rupees in lakh*)	7.41	3.69	0.37	0.51	0.30
iii) Average annual earning per artisan (*in rupees*)	2129	1855	1832	432	1967

It would be seen from the above that the number of artisans given work decreased sharply from 348 in 1998-99 to 15 in 2002-03 although one of the main objectives of the Board was to provide employment to rural artisans. Similarly, the average annual income of the artisans showed that none of them could be brought above the poverty line (a person having annual income not above Rs. 3370.20• is considered to be living below poverty line in this State).

In August 1999, the Government directed the Board to submit action plan for resource mobilisation to the extent of at least Rs. 15 lakh annually from its own activities. The Board had not taken any action to achieve the target.

Marketing

7.2.19 In November 2001, the Board observed that due to geographical bottlenecks (details not specified) its products were not able to compete with others, and there were no traditional buyers for khadi products in the State.

♥ Khadi, Cottage Match, Village Oil, Village Pottery, Village Leather, Processing of Cereals and Pulses, Carpentry and Blacksmithy, Fibre, Bee-keeping, Cane and Bamboo, and Handmade Paper.

[A] Khadi, Carpentry and Blacksmithy, and Fibre.

• Effective from April 1997.

Sharp and gradual decline in production during the period under review indicated the Board's failure to utilise its resources to attain its objectives.

Implementation of schemes

Margin Money Scheme for Village Industries

7.2.20 To provide financial assistance to rural entrepreneurs, the KVIC introduced Margin Money Scheme for Village Industries in August 1995 and paid Rs. 1.11 crore to the Board in October 1996 (Rs. 90 lakh) and November 2002 (Rs. 21 lakh). The Board failed to utilise the amount fully, and refunded Rs. 50 lakh to the KVIC in March 2002, inspite of the fact that the Board had designated staff for such scheme along with the requisite infrastructure to implement it.

Up to December 2002, the Board received 3081 applications from the prospective beneficiaries, of which 2188 cases were sponsored to the banks, and the banks paid margin money of Rs. 23.68 lakh to 74 entrepreneurs, representing an achievement of only three *per cent* compared to the number of cases sponsored.

When Rs. 50 lakh (out of Rs. 1.11 crore provided in October 1996) were returned to the KVIC in March 2002 due to inability of the Board to spend the funds under the scheme, further release of Rs. 21 lakh by the KVIC to the Board in November 2002 was injudicious. This had only raised the balance of unspent amount under the scheme to Rs. 58.32 lakh (in savings bank account) as of December 2002, leading to unnecessary blocking of funds. The Board stated (December 2002) that it did not approach and 'persuade' the KVIC to provide the additional funds under the scheme.

Such poor performance of the scheme was an indication of the apathy of the Board in utilising the funds for the welfare and economic development of the rural entrepreneurs and artisans, basically for which the body was created by the Government.

Manpower management

7.2.21 The Board had 181* staff members, of which 69 were technical personnel, 40 ministerial personnel and 72 Group D employees, which constituted 38 *per cent,* 22 *per cent* and 40 *per cent* of the total staff strength respectively. Total administrative expenses of the Board and expenditure on salaries during the years 1998-99 to 2002-03 are shown below:

*

	Ministerial	Class IV and Night guard	Contingent Class III	Contingent DRW/Class IV	Technical	Total
Sanctioned strength	34	41	7	31	74	187
Men in position	33	41	7	31	69	181
Excess	Nil	Nil	Nil	Nil	Nil	Nil
Shortage	1	Nil	Nil	Nil	5	6

(Rupees in lakh)

	1998-99	1999-2000	2000-01	2001-02	2002-03
Total amount of salaries	90.21	90.53	104.55	112.66	137.39
Total administrative expenses	110.46	109.15	131.61	144.12	149.42
Total expenditure of the Board	132.43	109.15	137.93	151.79	149.42
Percentage of salaries paid to total administrative expenses	82	83	79	78	92
Percentage of salaries paid to total expenditure	68	83	76	74	92
Percentage of administrative expenses to total expenditure	83	100	95	95	100

Note: Sudden increase in amount of salaries during 2000-2001 and 2001-02 was stated to be due to payment of arrear pay and allowances under revision of pay rules.

It would be seen that, as of 2002-03, salaries accounted for 92 *per cent* of the total administrative expenses of the Board. The situation so worsened in 2002-03 that administrative expenses alone constituted the entire expenditure of the Board. The Board thus lost the rationale for its existence as a development agency.

Salaries to surplus staff

7.2.22 In April 1996, the Board admitted that as manufacturing units in eight sub-sectors out of 11 had been closed, a large number of its staff members became surplus. Audit scrutiny revealed that, Rs. 3.21 crore paid as salaries to 57 members of the technical staff attached to the closed units during 1998-99 to 2002-03 was unproductive.

Similarly, the Board also paid Rs. 30.05 lakh as salaries during the years 1998-99 to 2002-03 to its staff members attached to the closed spinning units.

Idle establishment

7.2.23 To implement various programmes, the Board set up a district office at Kumarghat in North Tripura district in September 1987 in a rented building with five staff members (one Assistant District Development Officer, two Upper Division Clerks, one Junior Supervisor and one Peon). But no job was assigned to them for the past 16 years (1987-2003). As a result, Rs. 47.31 lakh paid as salaries (Rs. 46.06 lakh) and rent for the office building (Rs. 1.25 lakh) during September 1987 to December 2002 became unproductive.

The Board had an internal audit wing with four staff members (one Accounts Officer, one Accountant, one Auditor and one Clerk) under the supervision of a Financial Adviser-cum-Chief Accounts Officer. But no audit was conducted by this wing, although the Board paid Rs. 21.40 lakh as salaries to these four staff members during 1998-99 to 2002-03.

Engagement of staff without sanction

7.2.24 As per the Tripura Khadi and Village Industries Regulations, 1970, the Board cannot create posts and engage any staff/worker, where the monthly salary of the incumbent exceeds Rs. 300, without approval of the Finance Department.

But, the Board appointed 40 Class IV employees, between October 1975 and November 1997, each at a monthly pay of Rs. 300 *plus* allowances, without obtaining prior approval from the Finance Department, thus, incurring an unauthorised expenditure of Rs. 56.14 lakh paid as salaries to these employees from the date of their appointment (calculated upto December 2002).

Similarly, it was noticed in audit that the Board itself created 16 posts but these were not approved by the Finance Department and, in five other cases, the Board did not even create the posts but they were shown to have been filled up without taking the concurrence of the Finance Department. Consequently, expenditure of Rs. 63.64 lakh paid to 17 employees belonging to 10 categories of posts✦ during 1998-99 to 2002-03 was irregular.

Stores management

7.2.25 The Board had three stores (a cotton store, a yarn store and a vastragar) at Agartala. No reserve stock limit was fixed for these stores and materials were being procured without taking into account the volume of sales or indents. As a result, there was a large closing stock unnecessarily inflating the inventory position at the end of each year, as shown below:

(Rupees in lakh)

Year	Opening balance	Materials received	Total stock	Materials issued	Closing stock	Materials sold
1998-1999	32.82	39.96	72.78	34.54 (47)	38.24	23.65 (33)
1999-2000	38.24	7.81	46.05	5.67 (12)	40.38	3.88 (8)
2000-2001	40.38	71.92	112.30	78.99 (70)	33.31	72.84 (65)
2001-2002	33.31	94.75	128.06	92.25 (72)	35.81	87.49 (68)
2002-2003	35.81	6.95	42.76	3.32 (8)	39.44	28.75 (67)

Note: Figures in the brackets indicate percentage of materials issued or sold to the total stock. Value of materials purchased and issued include cost of blankets purchased and delivered to the Police Department during the last three years.

Retention of large stocks every year had not only resulted in blocking up of funds (with a total loss of interest of Rs. 17.05 lakh* during 1998-99 to 2002-03) but also affected the quality of the unsold stock.

✦ Head Clerk: 1; Accountant: 1; Stenographer: 1; Auditor: 2; Surveyor: 1; Supervisor: 1; Assistant Supervisor: 5; Junior Supervisor: 2; Master Potter: 2; and Designer-cum-Modeller: 1.

* Calculated on the unnecessary accretion of Rs. 30 lakh every year to the opening balance (the rates of interest applied were 12.15 *per cent* (1998-2000) and 10.82 *per cent* (2000-03) as were applicable for the funds borrowed by the Government during these years.

Misappropriation of stores

7.2.26 Scrutiny of the consolidated statement of receipts and issues of yarn from April 1993 to August 1999 and physical verification report for the yarn store for the period from April to August 1999 prepared by the Board showed that against the book balance of 7.96 lakh hanks of yarn, only 2.21 lakh hanks were physically available in stock. This resulted in shortage of 5.75 lakh hanks of yarn valued at Rs. 20.62 lakh.

No documentary evidence was available with the Board to show that 9.41 lakh hanks of yarn (value: Rs. 33.43 lakh) issued to the dyers and individuals during the above period had actually been received back by the Board. This indicated misappropriation of Rs. 33.43 lakh (**Appendix - XVIII**), being the value of yarn not returned. Materials were issued by the storekeeper without obtaining any order from the higher authorities of the Board. Stock Registers for the years 1998-99 to 2002-03 had also not been checked by any responsible officer of the Board. The laxity in administrative control of the Board resulting in a poor inventory management was largely responsible for facilitating the misappropriation.

Monitoring and supervision

7.2.27 In September 1997, the Board directed its technical staff to visit Weaving Centres regularly and submit performance reports in the prescribed proforma by the seventh of every month. The Board could not make available any report submitted by its technical staff during 1998-99 to 2002-03.

To revive the activities of the Board and make it self-reliant, the Government constituted a committee in April 2000 under the chairmanship of the Principal Secretary, Finance, which was to submit its report by May 2000. The committee had not submitted its report as of December 2002. Similarly, to review the performance of the Board, the Government decided (December 2000) to hold monthly meetings with the Board officials, but the Board failed to produce any minutes of such meetings when called for in audit.

This led to the audit conclusion that there was virtually no in-built control mechanism functioning in the Board to make it work efficiently and effectively in order to achieve the objectives for which it was established.

To overcome the shortcomings discussed above, the Government should take immediate action to revamp the organization by conducting periodic review of the functioning of the Board to ensure that organisational objectives are met fully. More effective internal control mechanism should be introduced as the present system is not working at all.

The matter was reported to the Government in June 2003; reply had not been received (September 2003).

CHAPTER VIII

GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

CHAPTER VIII : GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

8.1 Overview of Government companies and statutory corporation

Introduction

8.1.1 As on 31 March 2003, there were nine Government companies (eight working companies and one non-working company*) and one working statutory corporation as against the same number of working and non–working companies and statutory corporation as on 31 March 2002 under the control of the State Government. The accounts of the Government companies (as defined in section 617 of Companies Act, 1956) are audited by statutory auditors who are appointed by the Comptroller and Auditor General of India (C&AG) as per provisions of section 619(2) of Companies Act, 1956. The accounts are also subject to supplementary audit conducted by the C&AG as per provisions of section 619 of the Companies Act, 1956. The audit of Tripura Road Transport Corporation (TRTC), the only statutory corporation is conducted by the C&AG, as sole auditor, under section 33 (2) of the Road Transport Corporations Act, 1950.

Working Public Sector Undertakings (PSUs)

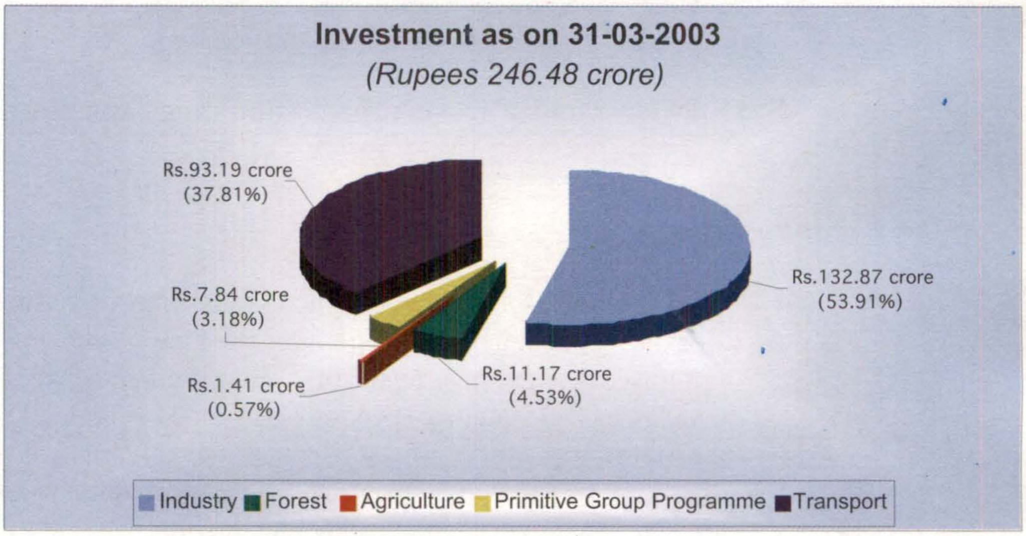
Investment in working PSUs

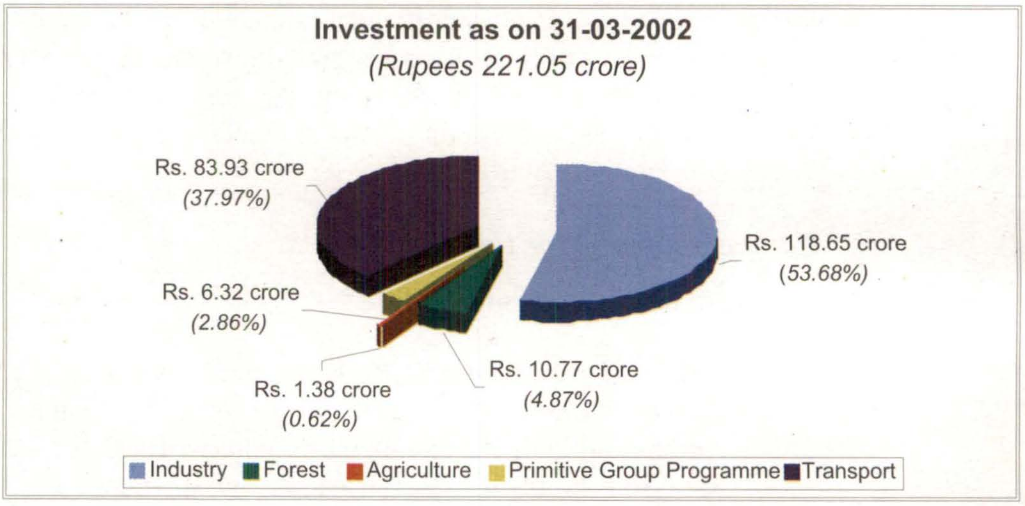
8.1.2 As on 31 March 2003, the total investment in nine working Public Sector Undertakings (eight Government companies and one statutory corporation) was Rs. 246.48 crore (equity : Rs. 232.53 crore; long term loans: Rs. 13.95 crore) as against a total investment of Rs. 221.05 crore (equity: Rs.207.88 crore; long term loans : Rs. 13.17 crore) as on 31 March 2002. The analysis of investment in working PSUs is given in the following paragraphs.

The investment (equity and long term loans) in various sectors and percentage thereof at the end of 31 March 2003 and 31 March 2002 are indicated below in the pie-charts :

* Non-working company is a company which is under the process of liquidation/closure/merger etc.

Sector-wise investment in working Government companies and statutory corporation





- Sector-wise investment consists of paid-up capital and long term loans
- Figures in brackets indicate the percentage of investment to total investment in PSUs
- Primitive Group Programme consists of schemes for welfare and development of primitive tribes

Working Government companies

8.1.3 As per information furnished by the Management, the total investment in eight working companies as on 31 March 2003 was Rs. 153.28 crore (equity: Rs. 139.47 crore and long term loans : Rs. 13.81 crore) as against total investment of Rs. 137.12 crore (equity : Rs. 123.95 crore and long term loans : Rs. 13.17 crore) as on 31 March 2002 in eight working Government companies. Out of eight working Government companies, one (Tripura Jute Mills Ltd., serial number A-6 of **Appendix - XIX**) has been referred to Bureau of Industrial and Financial Reconstruction (BIFR).

The summarised statement of Government investment in working Government companies in the form of equity and loans is detailed in **Appendix- XIX** . As on 31 March 2003, the total investment in working Government companies comprised 91 *per cent* of equity capital and nine *per cent* of loans as compared to 90 and 10 *per cent* respectively, as on 31 march 2002. Increase in the total investment was mainly due to fresh investment in Agriculture, Forest and Industry sectors and decrease in long term loans in Industries sector only.

Working statutory corporation

8.1.4 The total investment in Tripura Road Transport Corporation at the end of March 2003 and March 2002 was Rs. 93.19 crore (equity: Rs. 93.06 crore plus long term loan: Rs. 0.13 crore) and Rs. 83.93 crore (equity : Rs. 83.93 crore) respectively.

The summarised statement of Government investment in Tripura Road Transport Corporation in the form of equity and loans is detailed in **Appendix- XIX .**

Budgetary outgo, grants/subsidies, guarantees, waiver of dues and conversion of loans into equity

8.1.5 The details regarding budgetary outgo, grants/subsidies, guarantees issued, waiver of dues and conversion of loans into equity by State Government to working Government companies and statutory corporation are given in **Appendices – XIX and XXI** .

As per information furnished by the Management, the budgetary outgo in the form of equity capital, loans and subsidies from the State Government to working Government companies and working statutory corporation during 2000-03 are given below :

(Rupees in crore)

	2000-01				2001-02				2002-03			
	Companies		Corporation		Companies		Corporation		Companies		Corporation	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Equity Capital	6	9.38	1	11.06	6	14.54	1	10.79	7	15.53	Nil	Nil
Loans	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	1	9.13
Subsidy	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total outgo	6*	9.38	1	11.06	6*	14.54	1	10.79	7*	15.53	1	9.13

During the year 2002-03, no guarantee was given. At the end of the year, guarantees amounting to Rs. 2.18 crore against one Government company were outstanding.

* These are the actual number of companies which received budgetary support in the form of equity/loan and subsidy from the State/Central Government and other sources during the respective years.

Finalisation of accounts by working PSUs

8.1.6 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 read with section 19 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. They are also to be laid before the Legislature within nine months from the end of financial year. Similarly, in case of statutory corporation, the accounts are finalised, audited and presented to the Legislature as per the provision of the Act.

However, as could be noticed from **Appendix– XX**, none of the eight working Government companies and one statutory corporation finalised their accounts for the year 2002-03 within the stipulated period. During the period from October 2002 to September 2003, eight working Government companies finalised their accounts relating to the previous years.

The accounts of all the working Government companies and lone statutory corporation were in arrears for periods ranging from two to 12 years as on 30 September 2003 as detailed below :

Sl. No.	Number of working companies/corporation		Period for which accounts were in arrears	Number of years for which accounts were in arrears	Reference to Sl. No. of Appendix – XX	
	Government companies	Statutory corporation			Government companies	Statutory corporation
1.	2	-	1991-92 to 2002-03	12	3(i), 3(iii)	-
2.	2	-	1993-94 to 2002-03	10	3(iv), 3(v)	-
3.	1	-	1995-96 to 2002-03	8	2(i)	-
4.	1	-	1997-98 to 2002-03	6	3(ii)	-
5.	1	-	1998-99 to 2002-03	5	1(i)	-
6.	1	-	2001-02 and 2002-03	2	4(i)	-
7.	-	1	2000-01 to 2002-03	3	-	5(i)

The administrative departments have to oversee and ensure that the accounts are finalised and adopted by the PSUs within the prescribed period. The concerned administrative departments and officials of the Government were apprised quarterly by the Audit regarding arrears in finalisation of accounts. The Commissioner, Finance, convened meeting of Managing Directors of the concerned companies in April and July 2003 and stressed on the need for clearing the arrears in finalisation and adoption of accounts. As a result of arrears in accounts, the net worth of these PSUs could not be assessed in audit.

Financial position and working results of working PSUs

8.1.7 The summarised financial results of working PSUs (Government companies and statutory corporation) as per their latest finalised accounts are given in **Appendix – XX** . Besides, financial position and working results of the statutory corporation for the latest three years of which accounts only for 1999-2000 are finalised are indicated in **Appendices– XXII and XXIII** respectively.

According to the latest finalised accounts of eight working Government companies and one working statutory corporation, eight companies and the corporation had incurred an aggregate loss of Rs. 8.90 crore and Rs. 10.52 crore respectively.

Working Government companies

Loss incurring working Government companies

8.1.8 Out of the eight loss incurring working Government companies, two companies♠ had accumulated loss aggregating Rs. 38.81 crore which exceeded their paid-up capital of Rs. 19.92 crore.

Despite poor performance and complete erosion of paid-up capital, the State Government continued to provide financial support to the companies in the form of contribution towards equity, etc. According to available information, the total financial support so provided by the State Government by way of equity during 2002-03 amounted to Rs. 9.70 crore to the said companies.

Working statutory corporation

Loss incurring statutory corporation

8.1.9 The only statutory corporation (Tripura Road Transport Corporation) had accumulated loss aggregating Rs. 90.33 crore till 1999-2000 (up to which the accounts were finalised) which exceeded its paid-up capital of Rs. 62.08 crore.

Despite poor performance and complete erosion of paid-up capital, the State Government continued to provide financial support to this statutory corporation in the form of contribution towards equity. According to available information, the total financial support provided by the State Government by way of loan during 2002-03 to this corporation amounted to Rs. 9.13 crore.

Operational performance of working statutory corporation

8.1.10 The operational performance of the working statutory corporation (Tripura Road Transport Corporation) is given in **Appendix– XXIV.** Following are the important observations on operational performance of the corporation.

- Percentage of utilisation of bus increased from 49 in 2000-01 to 56 in 2001-02 and 61 in 2002-03.
- Operating revenue per kilometre (Rs. 10.16) was too little in comparison to average expenditure per kilometre (Rs. 42.83) incurred thereagainst. As a result, the corporation had to incur losses by Rs. 32.67 per kilometre during 2002-03 in operating the buses on road.
- Similarly, the corporation had also incurred loss of Rs. 31.86 per kilometre in operating the trucks on road during 2002-03.

♠ Tripura Small Industries Corporation Limited and Tripura Jute Mills Limited.

Return on capital employed

8.1.11 According to the latest finalised accounts (up to September 2003), the capital employed worked out to Rs. 36.61 crore in eight working companies and total return thereon amounted to (-) Rs. 6.20 crore as compared to total return of (-) Rs. 2.33 crore on capital employed of Rs. 41.30 crore in the previous year. Similarly, the capital employed and total return thereon in case of working statutory corporation as per the latest finalised accounts (1999-2000) worked out to (-) Rs. 25.89 crore and (-) Rs. 6.89 crore respectively against the total return of (-) Rs. 6.42 crore in the previous year (1998-99). The details of capital employed and total return on capital employed in case of working Government companies and statutory corporation is given in **Appendix– XX.**

Non-working PSUs

Investment in non-working PSUs

8.1.12 There was only one company *viz.* Tripura State Bank Ltd., which was non-working for about 33 years and under process of liquidation under Section 560 of the Companies Act, 1956. As on 31 March 2003, the total investment in this company in the form of equity was Rs. 4 lakh. Effective steps need to be taken for its expeditious liquidation.

The matter was taken up (August 2003) with the Commissioner, Finance, to ascertain the present status of this non-working company; the reply was awaited (September 2003).

Status of placement of Separate Audit Reports of statutory corporation in Legislature

8.1.13 The following table indicates the status of placement of Separate Audit Reports (SARs) on the accounts of statutory corporation issued so far (September 2003) by the Comptroller and Auditor General of India in the Legislature by the Government:

Sl. No.	Name of the statutory corporation	Year up to which SARs placed in Legislature	Years for which SARs not placed in the Legislature		
			Year of SAR	Date of issue to the Government	Reasons for delay in placement in Legislature
1.	Tripura Road Transport Corporation	1992-93	1993-94 to 1997-98 1998-99 1999-2000	13.6.2000 11.3.2002 14.3.2002	The Government has not furnished any reasons for delay.

Due to delay in presentation of SARs by the Government in the Legislature, the activities relating to the accounts of the corporation for the years 1993-94 to 1999-2000 were left outside the scope of legislative scrutiny.

Disinvestment, privatisation and restructuring of PSUs

8.1.14 During the year 2002-03, there was no case of disinvestment, privatisation and restructuring including merger and closure of State PSUs by the State Government.

Internal Audit

8.1.15 No internal audit arrangement had so far been made in any of the PSUs as of September 2003.

Results of audit on accounts of PSUs by the Comptroller and Auditor General of India

8.1.16 During October 2002 to September 2003, 11 (eleven) accounts of six working Government companies were selected for review. The net impact of the important audit observations as a result of such review of the accounts of these PSUs was increase in loss by Rs.4.38 crore:

None of the companies had either introduced regular internal audit control system or prescribed internal audit standard by issue of appropriate manual.

Errors and omissions noticed in case of Government companies

8.1.17 Some of the major errors and omissions noticed in the course of review of annual accounts of the above companies are mentioned below:

(a) Tripura Jute Mills Limited (1990-91)

(i) Non-consideration of negotiated settlement with Financial Institutions resulted in overstatement of secured loan and loss equally by Rs. 1.56 crore.

(ii) Non-provision of interest due on unsecured loan payable to the Government of Tripura has resulted in understatement of loss by Rs. 44.59 lakh.

(b) Tripura Jute Mills Limited (1991-92)

(i) Non-provision of interest on unsecured loan payable to the Government of Tripura has resulted in understatement of loss by Rs. 53.85 lakh.

(ii) Non-provision of penal damage for belated payment of Provident Fund Contribution has resulted in understatement of loss by Rs. 1.14 crore.

(c) Tripura Forest Development and Plantation Corporation Limited (1994-95)

(i) Non-adjustment of subsidy of Rs. 1.04 crore received from Rubber Board resulted in understatement of loss to the same extent.

(d) Tripura Industrial Development Corporation Limited (1996-97)

(i) Non-provision of interest accrued but not due on loan resulted in understatement of loss by Rs. 12.48 lakh.

(ii) Non-provision of Rs. 57.83 lakh in respect of loss of assets as per RBI guidelines resulted in understatement of loss to that extent.

Recommendations

8.1.18 Of the nine PSUs, one working Government company (Tripura Jute Mills Ltd.) and one working statutory corporation (Tripura Road Transport Corporation) had been incurring losses for seven consecutive years (as per their latest finalised accounts) leading to negative net worth. In view of poor turnover and continuous losses, the Government may attempt to improve the performance of these two PSUs to avoid further losses.

Response to Inspection Reports, paragraphs and reviews

8.1.19 Audit observations raised during audit and not settled on the spot are communicated to the heads of PSUs and concerned departments of the State Government through Inspection Reports. The Government had prescribed that the first reply to the Inspection Reports should be furnished by the heads of PSUs through respective heads of departments within a period of one month from the date of their receipt. Inspection Reports issued up to March 2003 pertaining to nine PSUs disclosed that 230 paragraphs relating to 53 Inspection Reports remained outstanding at the end of September 2003. Of these, Inspection Reports containing 96 paragraphs had not been replied to for more than one year. Department-wise break-up of Inspection Reports and paragraphs issued up to 31 March 2003 and outstanding as on 30 September 2003 are given in **Appendix – XXV.**

Similarly draft paragraphs and reviews are forwarded to the Secretary of the administrative department concerned demi-officially seeking confirmation of facts and figures and their comments thereon within a period of six weeks. It was, however, observed that out of five draft paragraphs and one draft review forwarded to the various departments during March – June 2003 replies in respect of four draft paragraphs were not received as of September 2003, as detailed in **Appendix – XXVI.**

It is recommended that the Government should ensure that (a) procedure exists for action against the officials who failed to send replies to Inspection Reports/draft paragraphs/reviews as per the prescribed time schedule, (b) action to recover loss/outstanding advances/ overpayment is taken in a time bound schedule and (c) the system of responding to the audit observations is revamped.

Position of discussion of Commercial Chapter of Audit Reports by the Committee on Public Undertakings (COPU)/Public Accounts Committee (PAC)

8.1.20 The table given below indicates the position of discussion of reviews and paragraphs (Chapter VIII titled 'Government Commercial and Trading Activities') of Audit Reports (Civil) by COPU/PAC, as on 30 September 2003.

Period of Audit Report	Total number of reviews/paragraphs which appeared in Chapter VIII of Audit Report (Civil)		Number of reviews and paragraphs pending for discussion	
	Reviews	Paragraphs	Reviews	Paragraphs
1997-98	1	2	-	1
1999-2000	1	1	1	1
2000-01	1	-	-	-
2001-02	1	4	1	4

619-B companies

8.1.21 Some non-Government companies are deemed to be Government companies under Section 619-B of the Companies Act, 1956 for the limited purpose of extending to them the provision relating to audit of Government companies contained in Section 619 of the Act. There was only one company coming under Section 619-B of the Companies Act, 1956. The table given below indicates the details of paid-up capital, investment by way of equity and summarised working results of the company based on the latest available accounts:

(Rupees in lakh)

Name of the company	Year of accounts	Paid-up capital	Investment by			Profit(+)/ loss(-)	Accumulated loss
			State Government	Government companies*	Others		
Tripura Natural Gas Company	1999-2000	53.65	NIL	53.65	NIL	(+) 9.73	7.65

* Two Government companies *viz.* Tripura Industrial Development Corporation Limited and Assam Gas Company Limited.

SECTION - A

Tribal Rehabilitation in Plantation and Primitive Group Programme Department

8.2 Working of the Tripura Rehabilitation Plantation Corporation Limited

Highlights

The Tripura Rehabilitation Plantation Corporation Limited was incorporated on 3 February 1983 as a wholly owned Government Company with the object of rehabilitating landless tribal *jhumias* and other landless people of the State through rubber and other plantations.

(Paragraph 8.2.1)

The Company had finalised the accounts up to 2000-01. The accounts depicted accumulated loss of Rs. 2.88 crore.

(Paragraphs 8.2.6 and 8.2.7)

The Company had incurred unproductive expenditure of Rs 2.35 crore on rubber plantation originally raised covering 1636.01 hectares but subsequently damaged due to cattle gazing, fire etc., which could have been avoided by taking preventive measures in time.

(Paragraph 8.2.12)

Lower stand per hectare due to underutilisation of land and absence of proper maintenance of plantation deprived the beneficiaries of their potential economic benefit by sale of rubber to the extent of Rs. 22.34 crore.

(Paragraph 8.2.13)

Shortfall in dry rubber production of 2298.25 tonnes valued at Rs. 6.86 crore due to low yield per tree for lack of effective control on tapping operations resulted in potential loss of income of Rs. 6.86 crore to the beneficiaries.

(Paragraph 8.2.14)

The growers of 252 hectares of plantations were deprived of the benefit of cash subsidy of Rs. 0.55 crore which the Rubber Board did not release due to deficiency noticed in raising and maintenance of plantations.

(Paragraph 8.2.15)

The Company failed to secure compensation amounting to Rs. 27.74 lakh from the insurance company in respect of 46 claims due to absence of appropriate insurance coverage of the rubber plantations.

(Paragraph 8.2.16)

Introduction

8.2.1 The Tripura Rehabilitation Plantation Corporation Limited was incorporated on 3 February 1983 as a wholly owned Government Company. The main objectives of the Company are to:

- rehabilitate tribal *jhumias* and other landless people of the State on rubber and other plantations to be raised by the Company or to be acquired from the State Government/other public sector undertakings.
- create employment facilities for the people depending mainly on shifting cultivation so as to wean them away from that uneconomic practice of cultivation to a more profitable land use.

Organisational set up

8.2.2 As on 31 March 2002, there were 16 directors in the Board including the Chairman and the Managing Director. The Managing Director (appointed by the State Government) is the Chief Executive who looks after day to day working of the Company. He is assisted by four Deputy Managers, one Accounts Officer, and one Assistant Manager (Marketing).

The Company supervises plantation programmes through its three zonal offices located in North, West and South Tripura. The North Zone Office located at Kumarghat started functioning in May 1987. The West and South Zone Offices located at Agartala started functioning in August 1987. The South Zone Office was later shifted to Udaipur in September 1994.

Scope of audit

8.2.3 A review on working of the Company during 1983-84 to 1994-95 was incorporated in the Report of the Comptroller and Auditor General of India for the year 1994-95. The review was discussed by the Committee on Public Undertakings (COPU) (April 1999 and March 2000). The recommendations of the Committee have not yet been received. The current review conducted during December 2002 to March 2003 covers the performance of the Company for the period from 1995-96 to 2001-02.

Funding

Share capital

8.2.4 The authorised capital of the Company was Rs. 5 crore consisting of five lakh equity shares of Rs. 100 each. The paid up capital of Rs. 4.58 crore as on 31 March 2002 was wholly subscribed by the State Government.

Borrowings

8.2.5 The Company had borrowed Rs. 0.76 crore up to March 1995 against the sanction of Rs. 0.96 crore by National Bank for Agriculture and Rural Development (NABARD) under its refinance scheme for 709 beneficiaries.

The interest accrued up to 31 March 2000 along with principal totalling Rs. 1.57 crore[♦] was refunded by the Company during 1995-96 to April 2000.

An amount of Rs. 1.15 crore[♦] was recovered during last seven years ending 31 March 2002 from the beneficiaries on account of principal and interest against an investment of Rs. 0.76 crore. A balance of Rs. 0.35 crore is yet to be recovered.

The Government stated (July 2003) that the balance of Rs. 0.35 crore was being realised and expected to be complete by the end of 2003-04.

In addition, the Company borrowed Rs. 1.73 crore between August and December 2000 from Development Unit (DU) of the World Bank Aided Rubber Project, set up by the State Government, at an annual rate of interest of 12.5 *per cent*, to provide financial assistance to the beneficiaries. Repayment of loan from the beneficiaries would be effected by adjustment against sales of raw latex after the expiry of seven years.

The incidence of the rate of interest on the growers through the Company @ 12.5 *per cent* per annum was constituted as follows:

From	To	Interest rate charged by the lender	Additional increase in incidence borne by the borrower
(1)	(2)	(3)	(4)
1. Government of India(GOI)	NABARD	7.0 % (on NABARD)	NIL
2. NABARD	TSCB*	7.5 %(on TSCB)	0.5 % (borne by TSCB)
3. TSCB	DU	8.5 % (on DU)	1.0 % (borne by DU)
4. DU	Growers (through Company)	12.5 % (on growers through Company)	4.0 % (borne by growers through Company)
Total			**5.5 %**

* *Tripura State Co-operative Bank Ltd.*

The above table shows that the growers had to bear an additional interest of 5.5 *per cent* per annum (as would be obtained by addition of items 2, 3, and 4 of col. 4) over the interest which was charged by the GOI. Thus involvement of agencies at items 2 and 3 resulted in simply increased cost of interest to the growers. The Government stated (July 2003) that it was not possible to channelise the money directly from the Government of India to the growers who were widely dispersed in the State. The Government set up Development Unit for monitoring the disbursement, proper utilisation and recovery of loan.

Financial position

8.2.6 The table below summarises the financial position of the Company for the six years up to 2001-02:

[♦] Of this, Rs. 7.49 lakh borne by the Rubber Board towards subsidy on interest.

[♦] Out of Rs. 1.50 crore.

(Rupees in lakh)

Liabilities	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02 (Provisional)
Paid-up capital	452.73	452.73	457.73	457.73	457.73	457.73
Share suspense	5.00	5.00	-	-	-	-
Reserve and surplus (funds for plantation)	573.25	635.13	687.18	905.01	1261.23	1508.85
Secured loan	75.66	75.66	75.25	20.65	182.76	204.49
Current liabilities and provision	44.10	39.43	19.89	29.95	27.94	25.06
Funds for 2nd phase project	1.25	1.25	1.25	1.20	1.20	1.20
	1151.99	**1209.20**	**1241.30**	**1414.54**	**1930.86**	**2197.33**

(Rupees in lakh)

Assets	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02 (Provisional)
Net fixed assets	11.05	9.32	8.15	15.34	31.61	9.68
Development of property and rubber plantation	608.94	683.16	732.36	820.80	952.10	1141.78
Current assets, loans and advances	256.62	241.06	332.49	297.37	659.40	757.97
Accumulated losses (intangible assets)	275.38	275.66	168.30	278.80	287.75	287.90
Capital work-in-progress	-	-	-	2.23	-	-
Total	**1151.99**	**1209.20**	**1241.30**	**1414.54**	**1930.86**	**2197.33**

Net worth	755.60	817.20	976.61	1083.94	1431.21	1678.68
Capital employed	223.57	210.95	320.75	282.76	663.07	742.59
Capital invested	1106.64	1168.52	1220.16	1383.39	1901.72	2171.07

Note:
(1) Net Worth represents paid-up capital *plus* reserves *less* intangible assets/accumulated loss.
(2) Capital employed represents net fixed assets *plus* working capital.
(3) Capital invested represents paid up capital *plus* long term loan *plus* free reserves.

Source: Annual Accounts for the years 1996-97 to 2001-02.

The following observations are made in respect of financial position of the Company:

i) Accumulated losses of Rs. 2.88 crore resulted in erosion of 62.86 *per cent* of the paid-up capital;
ii) Interest bearing secured loans increased to Rs. 2.04 crore in 2001-02 from Rs. 20.65 lakh in 1999-2000; and
iii) Current assets of Rs. 6.59 crore in 2000-01 included loan receivable from beneficiaries to the extent of Rs. 2.39 crore.

Working results

8.2.7 The following table gives the summarised working results of the Company for the six years ending 2001-02:

(Rupees in lakh)

	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02 (Provisional)
A. Income						
Miscellaneous receipts	73.18	86.11	105.48	226.58	240.37	274.46
Interest on term deposit	14.37	11.92	6.74	9.73	7.81	13.39
	87.55	**98.03**	**112.22**	**236.31**	**248.18**	**287.85**
B. Expenditure						
Establishment expenses	78.23	90.85	102.11	221.22	242.92	275.90
Administrative expenses	9.38	5.46	10.38	14.80	10.42	10.41
Miscellaneous expenses	2.45	2.00	1.68	1.48	2.94	1.85
	90.06	**98.31**	**114.17**	**237.50**	**256.28**	**288.16**
Loss (B-A)	2.51	0.28	1.95	1.19	8.10	0.31

Source: Annual Accounts for the years 1996-97 to 2001-02.

The following observations are made in respect of working results of the Company:

i) During the last six years up to 2001-02, the Company had incurred cash losses amounting to Rs. 14.34 lakh. The cumulative loss of the Company at the end of 2001-02 stood at Rs. 2.88 crore. The Government stated (July 2003) that accumulated loss was mostly owing to the excess of Establishment and Administrative Expenses over grants-in-aid received from the Government.

ii) Total expenses increased to Rs. 2.88 crore (i.e. 220 *per cent*) in 2001-02 from Rs. 0.90 crore in 1996-97 mainly due to increase in salaries and statutory provisions for the employees.

iii) Miscellaneous receipts have increased from Rs. 0.73 crore in 1996-97 to Rs. 2.74 crore in 2001-02 due to increase in gross sales of Rubber Sheet and grants-in-aid for salary.

Plantation schemes

8.2.8 There were 49,800 tribal *jhumia* families in Tripura according to the Survey Report prepared by Tribal Welfare Department in 1987 (no survey had been conducted thereafter). During 1995-2002, the Company had targeted to provide employment facilities to 2473 families by raising 2483 hectares of rubber plantation. Of this, the Company had raised 1585.92 hectares of rubber plantation (including re-stocking of 106.58 hectares of plantation) for 1443 beneficiaries through the following three schemes during the period as detailed below:

Sl. No.	Name of the scheme	Land to be brought under plantation (in hectares)		Number of beneficiary families		Percentage of shortfall	
		Target	Achievement	Target	Achievement	In raising plantation	In number of beneficiary families covered
1.	Rehabilitation of landless tribal *jhumias* on Government land	809	86.40	809	56	89	93
2.	Rubber plantation on the allotted *jote* land	913	786.82	913	782	14	14
3.	Rubber plantation under World Bank Aided Rubber Project	761	606.12	760	605	20	20
	Total	**2483**	**1479.34**	**2482**	**1443**	**40**	**42**

The above table indicates that the overall targets against the three schemes fell short by 40 and 42 *per cent* respectively in terms of raising plantation and number of families covered.

The table below shows the position of the financial target and funds received for plantation and expenditure incurred thereagainst during 1995-96 to 2001-02.

(Rupees in lakh)

Year	Financial target for plantation	Funds received including subsidy	Expenditure incurred for plantation	Excess (+) / shortages (-) of funds
1995-96	103.27	90.09	65.15	(+) 24.94
1996-97	97.47	85.35	59.50	(+) 25.85
1997-98	147.58	61.89	74.23	(-) 12.34
1998-99	161.43	51.64	49.19	(+) 2.45
1999-2000	197.28	142.58	88.45	(+) 54.13
2000-01	203.38	356.22	135.29	(+) 220.93
2001-02	186.04	247.62	189.69	(+) 57.93
Total	**1096.45**	**1035.39**	**661.50**	**(+) 373.89**

Although the Company received funds for Rs.10.35 crore, it incurred expenditure of Rs.6.61 crore for plantation and the balance funds of Rs.3.74 crore were lying unutilised (Rs.1.75 crore: fixed deposit in UTI bond; Rs.1.00 crore: cash at Bank; and Rs.0.99 crore: cash in hand). The Government stated (July 2003) that availability of appropriate land is the foremost requirement for raising rubber plantation, over which the Company has no control; willingness of the people for taking up the plantation work, and other enabling factors apart from timely placement of funds are required to achieve the targets.

Rehabilitation of landless tribal jhumias on Government khas land

8.2.9 Up to 1994-95, the Company rehabilitated 1576 tribal *jhumia* families under the scheme by raising 2326.50 hectares of rubber plantation.

During 1995-2002, the total plantation raised was 86.40 hectares covering 56 beneficiaries against the target of 809 hectares and also 809 beneficiaries. The achievement was only 11 *per cent* of targeted plantation. The year-wise actual plantation ranged from zero to 47 *per cent* of the target as detailed below:

Year	Rubber plantation targeted to be raised	Plantation actually raised	Number of beneficiary families		Percentage of achievement to target	
	(in hectares)		Target	Achievement	Plantation	Beneficiary families
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1995-96	100	46.77	100	30	47	30
1996-97	50	4.15	50	3	8	6
1997-98	72	22.38	72	15	31	21
1998-99	50	13.10	50	8	26	16
1999-2000	200	-	200	-	-	-
2000-01	337	-	337	-	-	-
2001-02	-	-	-	-	-	-
Total	**809**	**86.40**	**809**	**56**	**11**	**7**

It would be evident from the above table that the Company discontinued raising rubber plantation under the scheme from 1999-2000 onwards, although targets were continued to be fixed up to 2000-01. The Company rehabilitated only 56 tribal *jhumia* families during four years ending 1998-99 against the target of 809 set for seven years ending 2001-02 and could achieve only seven *per cent* in terms of beneficiary families.

The Company could not achieve the target in any of the years due to the following:

a) The Company could not raise plantation in protected forest as the permission from the Government of India was not obtained.
b) The required land to achieve the target was not available. The Company fixed the target without considering the availability of required land.

Rubber plantation on the allotted jote land

8.2.10 The scheme was started in 1986-87. Up to 1994-95, 358.40 hectares of rubber plantation was raised for 350 families. During 1995-2002, the Company raised 786.82 hectares of rubber plantation under this scheme as against the target of 913 hectares, achieving 86 *per cent* of the target as detailed below in respect of 782 beneficiary families as against the target of 913:

Year	Rubber plantation (in hectares)			Number of beneficiary families		
	Target	Plantation actually raised	Percentage of achievement to target	Target	Actual	Percentage of achievement to target
1995-96	20	31.10	156	20	31	155
1996-97	25	10.65	43	25	10	40
1997-98	20	61.79	309	20	60	300
1998-99	20	12.54	63	20	12	60
1999-2000	200	196.49	98	200	196	98
2000-01	53	152.62	288	53	152	287
2001-02	575	321.63	56	575	321	56
Total	**913**	**786.82**	**86**	**913**	**782**	**86**

The target fixed by the Company for the years 1995-96 to 2000-01 was very low in comparison to that fixed for the year 1999-2000 and 2001-02, reasons for which were not furnished. Thus, it is evident from the above table that there was no coherent plan for raising rubber plantation on the allotted *jote* land, affecting adversely the sustainable socio-economic upliftment of the tribal people of the State, despite the fact that the Company was having fixed deposits ranging from Rs. 50.40 lakh to Rs. 2.08 crore for raising plantation during the period.

The Company could not achieve the target due to the following reasons:

a) There was no co-ordinated action plan.

b) Pay and allowances of the employees are to be met from grants-in-aid for salary received from the Government. But it was observed in audit that funds of Rs. 30 lakh (in addition to grants-in-aid of Rs. 92 lakh received from the Government for salary) were diverted unauthorisedly every year from the Plantation Fund of the Company for paying salary as grants-in-aid for salary was not enough. Diversion of Plantation Fund for payment of salary adversely affected achievement of the plantation target.

The Government stated (July 2003) that during the period, the Company concentrated on implementing the World Bank Aided Rubber Project. With limited infrastructure and other constraints it was not possible to adhere to the targets of other schemes.

Rubber Plantation under World Bank Aided Rubber Project

8.2.11 Under the World Bank Aided Rubber Project, the Company set the target of raising 1000 hectares of rubber plantation during 1993-2000 for economic resettlement of scheduled tribe families through rubber plantation on their allotted *jote* land. The scheme was to be implemented partly with the funds to be received from the Rubber Board as subsidy against the plantation and partly with the bulk funds received as loan from the bank. In 1996, the World Bank was requested to explore the feasibility of setting up a revolving fund for development of rubber plantation in Tripura. As a result, a loan of Rs.1.73 crore was sanctioned in 2000-01 in two instalments with the following objectives:

a) Expanding and strengthening the rubber sub-sector;

b) Increasing rubber production by small holders; and

c) Generating rural employment by engaging beneficiaries in various plantation activities during the period before the tapping starts.

Under the scheme, a total of 763.46 hectares of rubber plantation was raised up to 2001-02. A balance of 236.54 hectares was yet to be raised to achieve the final target.

The year-wise target and achievement under this scheme during the period 1995-96 to 2001-02 as furnished by the Company is given below:

	Rubber plantation (in hectares)			Number of beneficiary families		
	Target	Achievement	Percentage of achievement to target	Target	Achievement	Percentage of achievement to target
Up to 1994-95	239	157.34	65.83	239	157	66
1995-96	150	104.50	69.67	150	104	69
1996-97	150	67.05	44.70	150	67	45
1997-98	211	132.73	62.91	211	132	63
1998-99	200	42.08	21.04	200	42	21
1999-2000	50	29.25	58.50	50	30	60
2000-01	-	174.51	-	-	174	-
2001-02	-	56.00	-	-	56	-
Total	**1000**	**763.46**	**76.35**	**1000**	**762**	**76**

It was seen in audit that a bulk portion of the funds received from the World Bank was kept in fixed deposit and the funds were not utilised to raise plantation as per target in any of the years.

The Government stated (July 2003) that the plantation expenditure in the initial stage was met from the Company's own resources and Rubber Board subsidies. Subsequently, on receipt of loan from Development Unit, the expenditure had been set off against the funds received. Maintenance of the plantation was continuing with the funds received.

Maintenance of rubber plantation

Unsuccessful rubber plantation

8.2.12 Out of a total area of 3591.70 hectares of rubber plantation originally raised during 1984-85 to 1999-2000, 1636.01 hectares got damaged in different years due to cattle gazing, fire etc., which could have been avoided by taking preventive measures in time. The preventive measures are strong and effective fencing, arrangement of constant watch over the plantations, measures against damage of plants due to sun scorch and damage by diseases and pests. The expenditure incurred on such unsuccessful plantation representing 45.55 *per cent* of the plantation originally raised worked out to Rs. 2.35 crore.

Despite the facts already mentioned in the Report of the Comptroller and Auditor General of India for the year 1994-95, the Company did not make any further progress in restocking from the level achieved up to 1994-95.

The Government stated (July 2003) that initially all the plantations were taken up in interior areas. The activity was new for the beneficiaries. Long gestation period of rubber trees before giving returns caused indifference and negative attitude on the part of the beneficiaries. Prevailing atmosphere of insurgency in the State also acted to a great extent for this scenario as it adversely affected supervisory work. However, the Company had submitted a comprehensive proposal for rejuvenating the damaged plantations.

Stand of plants

8.2.13 As per the Rubber Board's recommendation, initial stand* of 420 to 445 buds grafted and 445 to 520 poly-clonal plants per hectare would have to be thinned out to a minimum stand of 380 plants per hectare under healthy and uniform growth condition in the seventh year. But the stand of trees per hectare in the plantation raised by the Company during 1995-96 to 2001-02 ranged between 178 and 246 as against the norm of 380 plants fixed by the Company. Reasons for shortfall in stand per hectare are (a) non-initiation in gap-fillings within one year from the year of actual plantation raised; (b) lack of infrastructural facilities; (c) lack of adequate technical manpower; (d) lack of proper supervision.

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* Stand of plants means density of minimum 380 rubber plants per hectare in the seventh year.

This lower stand deprived the beneficiaries of potential earnings from sale of rubber of 6672.35 tonnes valued at Rs. 22.34 crore as would be evident from the following table:

Year	Plantation to be matured as per norm (in hectares)	Stand as per norm (in number of plants) (col. 2 x 380)	Actual stand (in number of plants)	Shortfall (in number of plants) (col. 3 – col. 4)	Average stand per hectare (col. 4/ col. 2)	Average yield of dry rubber per tree per annum as per norm of the Company (in Kg) (1000 Kg /380 trees per ha)	Loss of potential production (in tonnes) (col. 5x col. 7/1000)	Prevalent rate of dry rubber per Kg (*in Rupees*)	Total potential loss due to less production (*Rs. in crore*)
1	2	3	4	5	6	7	8	9	10
1995-96	1059.00	402420	189892	212528	179	2.63	558.95	57.00	3.19
1996-97	1398.50	531430	269656	261774	193	2.63	688.47	48.21	3.32
1997-98	2123.00	806740	384260	422480	181	2.63	1111.12	34.92	3.88
1998-99	2183.50	829730	389661	440069	178	2.63	1157.38	26.22	3.03
1999-2000	2185.50	830490	390614	439876	179	2.63	1156.87	28.37	3.28
2000-01	2315.50	879890	443567	436323	192	2.63	1147.53	27.62	3.17
2001-02	2413.10	916978	593011	323967	246	2.63	852.03	29.00	2.47
Total							**6672.35**		**22.34**

The Government stated (July 2003) that the shortfall of trees was mainly due to natural calamities. It was, however, observed in audit that the norm of 380 tappable trees were fixed by the Company considering that there would be casualties and some trees would not attain tappable size by the end of seventh year of raising plantation.

Productivity of plantation

Low yield per tree

8.2.14 Latex is being collected from the rubber plantation by the tappers on alternate days. Audit analysis of yearwise yield of latex from tappable trees indicates that failure to chalk out any time schedule for engagement of tappers to collect latex from the plantation and lack of sound planning in this connection resulted in scattered stand. During the period of six years up to 2001-02, dry rubber* ranging from 18.20 gms to 22.20 gms per tree per tapping day was obtained as against the norm of 43 gms fixed by the Rubber Board. As a consequence, there was a shortfall in the dry rubber production by 2298.25 tonnes during the above period resulting in potential loss of income to the beneficiaries working out to Rs. 6.86 crore, as shown in the following table:

* Latex converted into rubber sheet.

Year	Total production (in tonnes)	Number of blocks*	Total number of trees tapped (numbers in lakh) (No. of blocks x 300)	Average tapping days utilised per tree	Production of dry rubber per tree per tapping day (in gms) (col. 2/4x5)	Norm for production as fixed by Rubber Board (in gms)	Shortfall in production (in tonnes) [cols.(7-6)x(5x4)]	Rate per Kg. of dry rubber (*in rupees*)	Potential loss of income (*Rs. in crore*) (cols. 8x 9)
1	2	3	4	5	6	7	8	9	10
1996-97	112.22	145.00	0.44	140	18.20	43	152.77	48.21	0.74
1997-98	190.53	205.85	0.62	140	22.00	43	182.28	34.92	0.64
1998-99	325.00	370.50	1.11	140	20.90	43	343.43	26.22	0.90
1999-2000	426.19	457.44	1.37	140	22.20	43	398.94	28.37	1.13
2000-2001	485.59	579.05	1.74	140	19.90	43	562.72	27.62	1.55
2001-02	593.01	694.65	2.08	140	20.40	43	658.11	29.00	1.90
Total	**2132.54**		**7.36**		**20.70**		**2298.25**		**6.86**

The Government stated (July 2003) that reasons for low rubber production per hectare compared to the Rubber Board norms were (i) the ownership of the plantations was vested with the beneficiaries who were reluctant to carry out maintenance of the plantations; (ii) in some cases the beneficiaries had been disposing of materials of their own, which was not reflected in the accounts.

Cash subsidy

8.2.15 To encourage the production of rubber in the State, the Rubber Board provided, *inter alia*, financial assistance in the form of cash subsidy to the growers provided the Board had issued permit for the period from 1995-96 to 2001-02 for their plantations. The main conditions for issue of permits as fixed by the Rubber Board was that the Company should ensure (a) removal of non-rubber trees in excess of the permissible numbers; (b) weeding, circle weeding or strip weeding; (c) adequate manuring to be done as per Board's recommendations; (d) establishment of leguminous cover crops in the entire area; (e) minimum stand per hectare should be 420; (f) fencing around the plantation to be done; (g) boundary fire belt to be provided around the plantation. The Rubber Board paid cash subsidy in six to seven instalments at the rate of Rs. 8000 per hectare to small growers (a small grower would not have plantation exceeding 20 hectares) during 1995-2002. The rate of subsidy was enhanced to Rs. 18,000 from 1997. From 1998 onwards the rate was further increased to Rs. 22,000 per hectare. For being eligible for subsidy, the permit holders were to achieve, *inter alia*, the standard girth of trees and prescribed stand per hectare. The year-wise details of actual plantation raised and permits obtained thereagainst for getting financial assistance in the form of subsidy from the Rubber Board for the period from 1998-99 to 2001-02 are given below:

* One block means the density of 300 tappable trees.

Year	Actual plantation raised during the year (In hectares)	Plantation for which permit was obtained from Rubber Board to receive subsidy (In hectares)	Plantation for which permit was not obtained from Rubber Board to receive subsidy (in hectares) (Col. 2 – Col. 3)	Admissible rate of subsidy per hectare to be received from Rubber Board (in Rupees)	Potential loss of financial assistance in the form of subsidy due to failure to fulfil the conditions (Rupees in lakh) (Col. 4 X Col. 5)
(1)	(2)	(3)	(4)	(5)	(6)
1998-99	67.72	66.58	1.14	22000	0.25
1999-2000	225.74	115.14	110.60	22000	24.33
2000-01	327.13	216.70	110.43	22000	24.29
2001-02	377.63	347.80	29.83	22000	6.56
	998.22	**746.22**	**252.00**		**55.43**

Scrutiny of records disclosed that the Company could obtain permits in respect of 746.22 hectares only out of 998.22 hectares raised by it for 1443 growers.

Thus, the Company could not obtain for the growers cash subsidy of Rs. 0.55 crore for not getting permit for 252 hectares of plantations due to non-fulfilment of eligibility conditions. The plantations were not considered to be eligible due to (a) damage to the plantations, (b) lack of minimum stand in the plantations and (c) non-attainment of required minimum girth by trees as a result of poor manuring and other cultural operations.

The Government stated (July 2003) that (i) in some cases permits were not issued by the Rubber Board due to non-fulfilment of norms; (ii) some plantations were damaged in the first year itself due to natural calamity and fire incident; (iii) visit by Rubber Board could not be arranged in the first year in many of the plantations. The Government is taking necessary measures in this regard.

Insurance of rubber plantation

8.2.16 The National Insurance Company Limited started, in collaboration with the Rubber Board, a comprehensive scheme for insurance of immature rubber plantations aged up to seven years against natural calamities. The insurance premium payable by the growers was to be deducted from the subsidy released by the Rubber Board.

The Company approached from time to time for bringing 2474.40 hectares of rubber plantations created from inception up to 2001-02 under insurance coverage, against which insurance for only 90.24 hectares of plantations was agreed to by the Insurance Company and the request for insurance in respect of remaining plantations was rejected due to non-obtaining permits and non-achievement of the required stand.

Records revealed that 1636.01 hectares of rubber plantation got damaged due to cattle grazing, fire etc., for which the Company lodged claims for compensation to the insurer during the period from inception to 2001-02. The basis on which claim was lodged for 1636.01 hectares is not clear when only 90.24 hectares of plantation was insured by the Insurance Company. The Company was able to recover only Rs. 7.09 lakh from the insurer from inception, as of May 2003. The Insurance Company was not in a position to settle 46 outstanding claims for Rs. 27.74 lakh lodged by the Company due to non-renewal of insurance policy, non-achievement of required stand, etc. All of these were specific instances of mismanagement on the part of the Company.

The Government stated (July 2003) that there was no provision of insurance coverage of plantations beyond seventh year of plantation under the scheme. The delay in settlement of claims was due to the fact that the Insurance Company had settled claims only after inspection by the Rubber Board and Insurance Company. The surveyors from Insurance Company come from outside the State and this often leads to delays. Further, due to insurgency problem timely inspections by Rubber Board are not feasible. Insurance claim was also not accepted for plantations damaged by miscreants.

Marketing strategy

8.2.17 The Company had not set up a full-fledged marketing department. In reply, the management stated (May 2003) that the disposal of materials was done by the marketing cell after collecting all the relevant information from internet and the prevailing Kottayam price constituting the benchmark. The reply is not acceptable, because, the Company, while fixing the rates of raw latex, did not compare it with the market rate for the product. As a result, a section of the beneficiaries did not sell their latex to the Company, as the price of latex was fixed by the Company unrealistically at a lower side compared to the prevailing market rate. On the other hand, the Company did not initiate any cost analysis before fixing the selling price of dry rubber. The existing marketing cell, therefore, needs to be strengthened to handle the required job for building up a sound marketing system.

The Government stated (July 2003) that total staff strength of the Company is about 150 spread over three zones and 50 centres and having a low turn over. In this perspective, the Company did not consider it feasible to set up a full-fledged marketing department.

Outcome of rehabilitation

8.2.18 The target of the Company in rehabilitating tribal families was to provide an income of Rs. 5000 per month (at 1997-98 price level) to each beneficiary from 1997-98 onwards by collection, processing and marketing of latex by them when the plantations came under tapping.

But the Company could not furnish any information indicating the number of beneficiary families who could earn the targeted income of Rs. 5000 per month during the period under review.

The Government stated (July 2003) that the monthly income ranged from Rs. 2500 to Rs. 5000 per month per individual 'in large number of cases'. It furnished an indicative list of 45 beneficiaries who were getting regular income of Rs. 2500 – Rs. 5000 per month from sale of latex. Audit, however, observed that, out of 45 beneficiaries, only three beneficiaries constituting 6.66 *per cent* only had attained the targeted income of Rs. 5000 per month.

Management information system

8.2.19 The Company had not devised any management information system (MIS) so as to exercise control over vital areas such as performance of nurseries, maintenance of plantation, generation of employment opportunities, utilisation of manure, submission of claims for subsidies, development of infrastructure, etc. In reply (May 2003), the management stated that the MIS would be introduced.

Accounting manual and internal audit

8.2.20 Although non-preparation of accounting manual and absence of internal audit were commented upon in the Report of the Comptroller and Auditor General of India for 1994-95, the Company neither prepared nor adopted any accounting manual of its own. The Company did not also develop any internal audit wing, as of May 2003.

Physical verification of assets

8.2.21 Although it was commented upon in the Report of the Comptroller and Auditor General of India for 1994-95, the Company did not devise a system of physical verification of its fixed and current assets periodically. The Company had never conducted the physical verification of assets created by it so far (May 2003).

Non-maintenance of records

8.2.22 The Company did not maintain at its Head Office any register of rubber plantations showing therein the number and varieties of trees planted, mortality, vacancy filling and conditions of stocking etc. No register of rubber nurseries was also maintained. The Company did not also maintain a register of other fixed assets such as buildings, roads, water reservoirs, vehicles etc.

The management stated (May 2003) that they did not maintain it in the Head Office, but periodical information was being collected from the zonal offices. This indicates that the management was not aware of the updated information on the range of assets created by it so far, and gathers information on an *ad hoc* basis whenever required, which was not conducive to sound planning and its execution.

Conclusion

8.2.23 The Company was formed with the main objectives of rehabilitating tribal *jhumias* on rubber/ other plantations and creating employment facilities for them so as to wean them away from the uneconomic practice of *jhum* cultivation. The Company could not achieve the objective as it failed to extend the intended benefits to the target group as envisaged mainly due to inadequate infrastructure, unscientific planting and lack of proper monitoring and supervision of raising and maintenance of the plantations. The Company could not provide the targeted income of Rs. 5000 per month (at 1997-98 price level) to the owner of plantation nor could it involve the beneficiary families in diverse range of activities for sustainable socio-economic upliftment of the tribal people of the State.

SECTION – B

INDUSTRIES AND COMMERCE DEPARTMENT

Tripura Jute Mills Limited

8.3 Loss due to non-adherence to provision of the agreement

Failure of the Government as well as the Company to go in for arbitration as per provision of the agreement resulted in loss of Rs. 1.39 crore.

To remove the financial constraints and improve on poor capacity utilisation of the installed plant and machinery, the State-owned Tripura Jute Mills Limited was in search of a financier having experience in Jute Industry and prepared to invest large funds for running the Company so that the existing employees of the mills would not be rendered jobless. Accordingly, Tripura Jute Mills Limited executed (July 1994) an agreement with M/s Raj International, a Kolkata based firm for handing over the management of the Company for a period of five years. The agreement provided, *inter alia,* that

- The firm would act as a financier who would invest funds for operation/production, payment of monthly salary/wages including allowances, taxes, staff welfare expenses etc.
- Either party would serve three months' notice in case of cancellation/termination of the agreement.
- The Company would hand over the mills along with its plant and machinery and the firm would take over the management of mills with effect from 16 September 1994.
- All resulting products would belong to the firm.
- In case of differences and dispute, the matter should be referred by the either party to the sole arbitration of a Single Arbitrator who was to be appointed by the Government.

However, the firm could not take over the management of the Mills on 16 September 1994 as the work of repair and renovation of machinery could not be carried out by the said firm due to non-release of required funds by the Government. However, the firm took over the management on 1 November 1994 but they left the premises of the mills on 2 December 1994 without paying salaries/wages of the employees and fixed and variable costs of the mills. Moreover, three months' notice pertaining to termination/ cancellation of the agreement was also not served by the firm.

The management decided on 20 January 1995 to lodge a claim with the firm towards the cost of salaries, wages and other fixed and variable costs etc. for the period from 16 September 1994 to 20 January 1995. The loss sustained by the Company on above items during the period was Rs. 1.39 crore, as calculated in Audit. But it was noticed in audit that the Company did not lodge any claim till date (August 2003). On the contrary, it approached the

Government in October 1995 to appoint an Arbitrator. The Government asked the Company in October 1995 to furnish some basic information. But the Company had not yet complied with the above instructions till the date of audit, reasons for which were not on record. The Government also did not take any action even after a lapse of eight years. In the meantime, the claim became time-barred for arbitration.

The Government stated (July 2003) that to lodge claim with M/s Raj International and to refer the matter to the Arbitrator, a chartered firm was appointed (August 1996) to assess the actual loss. But since there was some omission in the report (August 1997) of the said firm, it was asked to submit a supplementary report. The revised report submitted by the firm was misplaced and later traced after Audit raised the issue. The report was stated to be misplaced due to the absence of regular Financial Controller/Accounts Officer in the Company since 1996 and also due to seizure of the file by the vigilance department. The Company, however, decided (August 2003) to approach the Government to get legal opinion for recovery of claim against M/s Raj International. An arbitrator was appointed by the Government in September 2003.

Thus, failure of the management as well as the Government to take appropriate action in time for arbitration, the Company sustained a loss of Rs. 1.39 crore.

TRANSPORT DEPARTMENT

Tripura Road Transport Corporation

8.4 Avoidable expenditure on penal damages for belated payment of subscriptions and contributions towards Employees Provident Fund

Delayed payment of subscriptions and contributions towards Employees Provident Fund by the Tripura Road Transport Corporation led to avoidable expenditure on penal damages of Rs. 29.54 lakh.

Section 14 -B of the Employees Provident Fund and Miscellaneous Provisions (EPFMP) Act, 1952, requires the employers to deposit contributions (both employees' subscriptions and employer's contributions) towards Employees Provident Fund (EPF) to the Regional Provident Fund Commissioner (RPFC) within 15 days from the date of closure of the month to which contribution relates, failing which the employer would be liable to pay damage for belated payment for the amount not exceeding the arrears of contributions.

Test-check (February to April 2002) of records of the Tripura Road Transport Corporation (TRTC), Agartala revealed that employees' subscriptions and employers' contributions due for the period from August 1982 to May 1993 were not deposited with the RPFC within the specified time limit. As a result, RPFC issued (December 1999) a demand notice to the TRTC after levying penal damages amounting to Rs. 29.54 lakh for default in payment of arrear of EPF contributions and the Corporation had paid the whole amount in January 2003.

Thus, delayed deposit of EPF contributions resulted in avoidable payment of penal damages of Rs. 29.54 lakh.

Further scrutiny (June 2003) of records revealed that delayed deposit of EPF contributions is still continuing. A notice of demand for Rs. 1.73 crore has been issued (April 2003) by the RPFC on penal damages for belated payment of EPF contributions for the period from June 1993 to February 2000. The Corporation did not make any payment (August 2003). The Managing Director, TRTC, stated (June 2003) that due to non-receipt of adequate funds required for payment of salary of the staff from the Government, the management could not make payment of the contributions towards Employees Provident Fund in time.

The matter was reported to the Government in June 2003; reply had not been received (September 2003).

POWER DEPARTMENT

8.5 Non-realisation of energy charge and surcharge on belated payment against power supplied to Mizoram

The Executive Engineer, Gas Thermal Electrical Division, Rokhia, failed to realise energy charges of Rs. 7.13 crore due from Mizoram Government and also did not levy surcharge of Rs. 0.90 crore for belated payment of energy charges.

The second phase (units 5 and 6) of the Rokhia Gas Thermal Power Project was financed by North Eastern Council (NEC) to mitigate power shortage in Tripura and Mizoram, to be shared on 50:50 basis. Accordingly, 50 *per cent* of power generated through phase II of the project was supplied to Mizoram for which monthly bill was raised by the Executive Engineer, Gas Thermal Electrical Division (EE, GTED), Rokhia*, against Mizoram Government, as per tariff fixed by the NEC. Mizoram Government was to pay the bill within 30 days from the date of presentation of bill failing which a surcharge @ 1.5 *per cent* per month would be levied.

Test-check (January 2002) of record of the EE, GTED, Rokhia, revealed that the Division raised monthly bills for Rs. 18.36 crore against Mizoram Government for the period from February 1998 to September 2002. The Mizoram Government paid Rs. 4.90 crore for 16 monthly bills in July 1999 (Rs.1.40 crore), March 2000 (Rs. 2.31 crore), August 2000 (Rs.31.40 lakh) and July 2002 (Rs.0.88 crore) after lapse of a period ranging from one to 18

* Afterwards, the Executive Engineer, Division – IX, Agartala has been entrusted with the work of raising the bills since 1 June 2002.

months from the date of presentation of the respective bills. In addition, the Government of Mizoram paid a lump sum amount of Rs. 6.33 crore (in March 2002: Rs. 5.33 crore; in August 2002: Rs. 1 crore) without indicating the months against which the lump sum payment had been made. Further, for belated payment of 16 bills, surcharge of Rs. 0.90 crore was not levied.

Thus, due to inadequate Government initiative to settle the outstanding energy bills with Mizoram, energy charges of Rs.8.03 crore remained unrealised including surcharge (Rs. 0.90 crore) not levied for belated payment of bills, there was shortfall in resources to the State exchequer to that extent.

The matter was reported to the Government in March 2003; reply had not been received (September 2003).

8.6 Loss due to unauthorised allowance of rebate

Inadmissible allowance of rebate to 395 consumers in 468 bills resulted in loss of revenue of Rs. 10.43 lakh to the Power Department.

In terms of clause 17 (c) of the Tripura Electric Supply Conditions, 1985, rebate is not admissible to a consumer if the bill is not paid within fifteen days from the date of its presentation.

Test-check (December 2001 to October 2002) of records maintained by 12 Electrical sub-divisions relating to the accounts for the period from June 2000 to September 2002 revealed that the rebate was allowed to 395 consumers in 468 cases against the bills raised for consumption of electrical energy between March 1994 and August 2002, even though the payments were not made within the stipulated period. This inadmissible allowance of rebate resulted in loss of revenue of Rs. 10.43 lakh.

On this being pointed out in audit, two Electrical sub-divisions (Khayerpur and GB Complex) realised Rs. 0.32 lakh (Khayerpur: Rs. 0.27 lakh; GB Complex: Rs. 0.05 lakh) on presentation of supplementary bills for Rs. 4.15 lakh (Khayerpur: Rs. 0.49 lakh; GB Complex: Rs. 3.66 lakh) and Electrical Sub-Division No. I, Agartala and Boxanagar raised (November and February 2003 respectively) supplementary bills for the amount of Rs. 1 lakh and Rs. 0.68 lakh but realisation was awaited (September 2003).

The matter was reported to the Government in March 2003; reply had not been received (September 2003).

8.7 Loss of revenue due to non-imposition of penalty

Non-imposition of penalty for delayed payment of energy charges by consumers resulted in loss of revenue of Rs. 54.53 lakh.

The clauses (a) and (b) of Condition 28 of the Tripura Electric Supply Conditions, 1985 stipulate imposition of penalty for not making payment of electricity consumption bill within 30 days from the due date (which is calculated to fall on a date 15 days after the date of presentation of the bill), at the rate of 10 paise per unit per 30 days or part thereof, from the day following the due date of payment.

During December 2001 to October 2002, test check of records maintained by 13 Electrical sub-divisions relating to the accounts for the period from July 1999 to September 2002 was conducted. It was noticed in test check that though the payment by 559 consumers in respect of 858 bills for consumption of electrical energy between March 1989 and June 2002 was made beyond the stipulated period, penalty leviable as per the above conditions was not imposed and realised from them. This resulted in loss of revenue to the extent of Rs. 54.53 lakh.

On this being pointed out in audit, two Electrical sub-divisions (Khayerpur and G.B. Complex) realised Rs. 1.86 lakh (Khayerpur: Rs. 1.76 lakh; GB Complex: Rs. 0.10 lakh) on presentation of supplementary bills for Rs. 25.57 lakh (Khayerpur: Rs. 3.33 lakh; GB Complex: Rs. 22.24 lakh) and Electrical Sub-division No. I, Agartala raised (November 2002) supplementary bills for Rs. 6.24 lakh but realisation was awaited (September 2003). Other Electrical sub-divisions had not yet responded (September 2003).

The matter was reported to the Government in March 2003; reply had not been received (September 2003).

CHAPTER IX

INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ARRANGEMENT IN GOVERNMENT DEPARTMENTS

CHAPTER IX :INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ARRANGEMENT IN GOVERNMENT DEPARTMENTS

9.1 Internal control System in Labour and Employment Department

Introduction

9.1.1 Internal control is the process by which an organisation governs its activities to effectively and efficiently accomplish its objectives. The existence of an adequate system of internal control minimises the risk of errors and irregularities. With this, an organisation may protect its resources against loss due to waste, abuse, mis-management, errors and fraud, and other irregularities. An organisation is to ensure that controls are in place and applicable statutes and regulations are complied with and probity and propriety are observed in decision making.

Audit coverage

9.1.2 To evaluate the internal control system, both administrative and financial, in the State Government during the last five years (i.e., from 1998-99 to 2002-03), a test-check was conducted (August 2003) in the Labour and Employment Department in its two Directorates out of its two Directorates and one Organisation*. The findings are given in the succeeding paragraphs.

Consolidated instructions on internal control

9.1.3 The department did not have any consolidated instructions as to the controls to be exercised at different levels.

The Finance Department also could not furnish (August 2003) the details of measures adopted/prescribed by the State Government in respect of internal control, as well as policies and procedures framed by it to ensure a reliable internal control system both in regard to budgetary control and administrative control.

The General Administration (Administrative Reforms) Department had published a Manual of Office Procedure and circulated it to all concerned for compliance.

Compliance with provisions of the Manual of Office Procedure

9.1.4 Test-check of records of the two Directorates under the Labour and Employment Department, as well as replies furnished by the Directorates to Audit revealed non-compliance with the provisions of the Manual in the following key areas:

* (i) Directorate of Employment Services and Manpower Planning; (ii) Directorate of Labour; (iii) Factories and Boilers Organisation.

Provision	Purpose	Status of compliance
Preparation of weekly arrear statements of the number of cases received but action on which is pending.	Required to be prepared on the last working day of the week for watching the action taken.	Not prepared.
Preparation of monthly statement of cases pending disposal for over a month.	To monitor reasons for delay in disposal.	Not prepared.
Maintenance of register for periodical returns.	Required to be maintained to ensure punctual receipts, preparation and despatch of periodical reports/returns etc. (to higher authorities on departmental activities) in prescribed form.	Not maintained.
Maintenance of reminder diary.	Required to be maintained for ensuring timely action on specific matters.	Not maintained.
Periodical inspection of units followed by issue of inspection reports by the Secretary/Head of Department/ other corresponding officer.	Required to ascertain the state of affairs in each unit and to see whether prescribed procedures and instructions are understood properly and followed intelligently.	No recorded evidence of compliance produced to Audit.

Some rules have also been prescribed in the Manual of Office Procedure on departmental accounts for guidance of the controlling officers and their subordinate disbursing officers with a view to ensuring effective control over expenditure. Test-check of records of the two Directorates, and replies furnished by them to Audit also revealed non-compliance, as given below:

Action required to be taken	Status of compliance
The DDO was to maintain a separate register in Form GFR 9 in respect of expenditure for each minor or sub-head with which he was concerned.	Not complied with.
The Controlling Officer was to maintain a broadsheet in Form GFR 10 to watch the receipt of returns in respect of expenditure from the disbursing officers.	Not complied with.
The Controlling Officer was to prepare a statement in Form GFR 11 on receipt of returns in respect of expenditure for a particular month for all disbursing officers.	Not complied with.

Test-check of records of the two Directorates also revealed the following irregularities:

Maintenance of cash book

9.1.5 The Central Treasury Rules provide that at the end of each month the Drawing and Disbursing Officer (DDO) should verify the cash balance in the cash book and record a signed certificate indicating that the physical cash balance found on verification agreed with the book balance shown in the cash book. It was seen that no such physical verification was done during the period under audit in the two Directorates.

Drawal of funds in AC Bills

9.1.6 Funds drawn in an Abstract Contingent Bill (AC Bill) should be adjusted in Detailed Countersigned Contingent Bill (DCC Bill) submitted to the Controlling Officer within 60 days from the date of drawal of the amount. It was seen that in the Directorate of Labour, Rs. 0.44 lakh and Rs. 9.06 lakh were drawn in AC Bills on 28 March 2002 and 31 March 2003 respectively but the DCC bills were not submitted (August 2003).

Maintenance of vehicles

Maintenance of history sheets of vehicles

9.1.7 As provided in Rule 3(b) of the Staff Car Rules, the Controlling Officer shall maintain a record in the prescribed form indicating the model of the car/chassis number, engine number, date of purchase/receipt, registration number, cost of the car, details of repairs and replacements, indicating the cost and the dates on which these were carried out and also details of spare parts. But no such record of the two vehicles under the Directorate of Employment Services and Manpower Planning were maintained. According to information furnished by the Directorate, it had purchased POL worth Rs. 3.20 lakh and had spent Rs. 2.14 lakh on maintenance and spare parts during 1998-99 to 2002-03 in respect of the two vehicles. But vehicle-wise details of such expenditure were not maintained.

Maintenance of log-books of vehicles

9.1.8 As provided in Rule 3(a) of the Staff Car Rules, the Controlling Officer in respect of the car (here, the Director) shall maintain a log book prescribed in the Rules. Scrutiny of log-books of vehicles maintained by the two Directorates in respect of five vehicles* revealed that some of the columns devised to contain vital information were left blank. This resulted in omission of important information like kilometres covered, POL consumed, identity of officer using the car, and places visited. Over-writing/re-writing of entries in the log-books and petrol account was not attested in many cases.

Maintenance of Register of old and used automobile spare parts

9.1.9 As provided in Rule 112 of the GFRs , an inventory of all old and used automobile spare parts, tyres, tubes, etc, and other costly parts is required to be maintained item-wise and physically verified at least once in a year with a

* Directorate of Employment Services and Manpower Planning: 2; Directorate of Labour: 3.

verification certificate issued from the competent authority. It was seen that the Directorate of Labour did not maintain any account of old spare parts, tyres, tubes etc during 1998-99 to 2002-03 although it was in possession of three vehicles during the period. Thus, there was no check to keep watch on unauthorised sale of these articles and misappropriation of sale proceeds.

Consumption of fuel

9.1.10 The Transport Department had prescribed (March 1991) the ceilings of consumption of fuel by different kinds of vehicles, used by the Government offices. Test-check of records relating to two vehicles of the Directorate of Employment Services and Manpower Planning and three vehicles of the Directorate of Labour for the period from 1998-99 to 2002-03 revealed excess consumption of 3,798 litres of petrol costing Rs. 0.95 lakh and 1,755 litres of petrol costing Rs. 0.44 lakh respectively. If the necessary checks were exercised with reference to the ceiling norms and the entries in the history sheets / log books, the irregularities could have been identified and remedial measures taken in time. These necessary checks were, therefore, found not to have been working in the two Directorates.

Maintenance of stock book

Physical verification of stores and stock

9.1.11 Financial rules provide that physical verification of all stores and stock should be done at least once in a year and results of such verification require to be recorded for taking corrective measure. But no such physical verification of stores was conducted in the two Directorates during 1998-99 to 2002-03.

No surveys and studies carried out

9.1.12 Paragraph 1.16 of the National Employment Service Manual provides that the State Directorate will also function as a manpower organisation and planning agency for the State, and will provide leadership, guidance and expertise *inter alia* in "Surveys and studies relating to employment and unemployment" and "Manpower planning and forecasting". But no such surveys and studies and manpower planning and forecasting had been made by the Directorate of Employment Services and Manpower Planning so far (September 2003). The Government also overlooked the matter, indicating lack of control over the working of its subordinate offices.

Conclusion

9.1.13 The above points revealed weakness in internal control system in both the Directorates.

9.2 Internal audit arrangement by Finance Department

9.2.1 For carrying out internal audit in various Government Departments and audit of accounts of rural and urban local bodies, the set up of an Audit Directorate under the administrative control of the Finance Department was approved in the meeting of the Council of Ministries held on 19 September 2000.

According to the proposed set up, the Directorate will have two wings, *viz,* (i) Internal Audit Wing and (ii) Local Fund Audit Wing. The Internal Audit Wing will carry out internal audit of all Government departments, the directorate and other field offices. At the beginning, the Internal Audit Wing will carry out its functions in the major departments like Home, Education, Health and Family Welfare, Public Works, Power and Rural Development. It will gradually cover all the other departments and will also carry out internal audit of the accounts of Tripura Tribal Areas Autonomous District Council (TTAADC), set up under sixth schedule of the Constitution. The Local Fund Audit Wing will carry out the statutory audit of rural local bodies* including those falling under the TTAADC areas and urban local bodies†.

The State Government created 240 posts of different categories in September 2001 (**Appendix -XXVII**) for the Audit Directorate against which, only 12 posts have been filled up between May and July 2002.

The administrative office of the Directorate started functioning in May 2002 with the appointment of a Director of Audit for exercising the powers in respect of establishment of the Audit Directorate from time to time.

The recruitment of personnel in the remaining key posts was not made (September 2003) mainly due to delay in finalisation of recruitment rules for the posts of Auditor, Assistant Audit Officer, Panchayat Audit Officer and Audit Officer. The recruitment rules for Auditor were finalised in November 2002 and for Assistant Audit Officer, Panchayat Audit Officer and Audit Officer in August 2003.

The details of powers, authority, functions and responsibilities of the Directorate as well as of various functionaries had not yet been prescribed (September 2003).

Suitable legislation to enable the Directorate to undertake internal audit had also not been made (September 2003) by the State Government.

Thus, the Audit Directorate is yet to become fully operational although a period of almost three years had elapsed (September 2003) since the date of its approval in September 2000. Services of 12 staff members (10 ministerial; two

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* Zilla Parishads, Panchayat Samitis and Gram Panchayats.

† Agartala Municipal Council and all Nagar Panchayats.

Group D) who joined the establishment more than a year ago had also been remaining mostly under-utilised (September 2003).

The Director of Audit stated (August 2003) that recruitment of 28 Auditors (out of 88) was under process, powers and authority of the various functionaries of the Directorate would be prescribed and suitable legislation to enable the Directorate to undertake internal audit would be placed to the Government on finalisation of Audit Manual. But no specific time schedule was spelt out to start the actual work of internal audit although the matter was delayed.

MKBiswas

Agartala
The 10 JAN 2004

(M.K. Biswas)
Accountant General (Audit),
Tripura, Agartala

Countersigned

New Delhi
The 28 JAN 2004

(Vijayendra N. Kaul)
Comptroller and Auditor General of India

APPENDICES

APPENDIX – I

(Reference : Paragraph 2.1.3)

Cases where supplementary provision proved unnecessary

(Rupees in lakh)

Sl. No	Number and name of grant/appropriation	Original grant/ appropriation	Supplementary provision	Savings
	Revenue - Voted			
1.	8-Appointment and Services	114.51	3.40	94.46
2.	9-Statistical	250.92	15.00	63.08
3.	11- Transport	157.87	16.21	25.75
4.	19-Tribal Welfare	12188.79	583.13	996.22
5.	20-Welfare of Scheduled Caste	3728.89	572.57	765.37
6.	21-Food and Civil Supplies	922.93	105.55	240.94
7.	23-Panchayat Raj	6380.31	5.00	163.17
8.	25-Industries (H.H.& Sericulture)	728.52	190.77	204.18
9.	26-Fisheries	1106.09	65.30	259.96
10.	27-Agriculture	4394.85	32.04	279.18
11.	28-Horticulture	1311.41	11.31	256.90
12.	29-Animal Resource Development	1945.70	31.45	35.94
13.	33-Science, Technology & Environment	95.04	0.73	14.89
14.	35-Urban Development	971.65	310.83	395.31
15.	38-Stationery and Printing	470.89	2.74	15.51
16.	39-Education (Higher)	2891.69	34.92	77.62
17.	42-Education (Sports and Youth Programme)	1206.16	168.70	257.48
18.	50-Civil Defence	33.60	2.61	7.42
19.	51-Public Works (PHE)	2090.21	90.77	1148.86
20.	52-Family Welfare and Preventive Medicine	5031.75	275.60	313.90
	Capital – Voted			
21.	10-Home (Police)	2231.43	1020.15	1961.82
22.	13-Public Works (R&B)	15598.00	43.00	4698.14
23.	14-Power	13860.75	2044.00	8056.97
24.	15-Irrigation and Flood Control	2312.24	0.97	363.18
25.	19-Tribal Welfare	6801.70	1870.51	2710.62
26.	20-Welfare of Scheduled Castes	3255.22	426.22	1986.38
27.	21-Food and Civil Supplies	5496.05	58.95	1994.89
28.	24-Industries and Commerce	3093.00	81.00	1624.00
29.	27-Agriculture	2116.30	7.50	304.57
30.	28-Horticulture	542.00	15.15	356.00

APPENDIX – I (concld.)

(Reference : Paragraph 2.1.3)

Cases where supplementary provision proved unnecessary

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Original grant/ appropriation	Supplementary provision	Savings
31.	29-Animal Resource Development	523.34	103.71	304.57
32.	30-Forest	1208.59	463.67	698.86
33.	36-Jail	92.50	572.50	598.99
34.	39-Education (Higher)	1462.47	318.70	544.06
35.	42-Education (Sports and Youth Programme)	2333.53	171.35	2315.53
36.	51-Public Works (PHE)	4594.09	601.01	1257.65
37.	52-Family Welfare and Preventive Medicine	719.95	1071.43	1571.64
	Total:		**11388.45**	**37436.03**

APPENDIX – II

(Reference : Paragraph 2.1.3)

Statement showing cases where supplementary provision was made in excess of actual requirement

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Original grant/ appropriation	Expenditure	Additional requirement	Supple-mentary provision	Savings
	Revenue – Voted					
1.	3-GA (Secretariat Administration)	1225.86	1340.88	115.02	183.56	68.54
2.	5-Law	925.59	938.18	12.59	55.00	42.41
3.	17-Information, Cultural Affairs and Tourism	898.23	1022.95	124.72	163.60	38.88
4.	22-Relief and Rehabilitation	684.04	871.79	187.75	445.44	257.69
5.	24-Industries and Commerce	1255.88	1280.58	24.70	119.00	94.30
6.	37-Labour and Employment	186.61	208.01	21.40	36.59	15.19
7.	41-Education (Social)	5690.75	6073.87	383.12	540.45	157.33
8.	44-Institutional Finance	76.27	79.00	2.73	13.73	11.00
	Capital – Voted					
9.	5-Law	43.00	98.05	55.05	130.70	75.65
10.	6-Revenue	392.50	623.15	230.65	783.07	552.42
11.	11-Transport	932.92	959.64	26.72	110.12	83.40
12.	12-Cooperation	271.22	714.01	442.79	649.79	207.00
13.	16-Health and Family Welfare	526.85	964.23	437.38	801.34	363.96
14.	35-Urban Development	405.69	565.62	159.93	360.93	261.00
	Total:			**2224.55**	**4395.32**	**2228.77**

APPENDIX – III

(Reference : Paragraph 2.1.3)

Excess of expenditure over provision requiring regularisation

Sl. No.	Number and name of grant/appropriation	Total grant/ Appropriation Rs.	Total Expenditure Rs.	Excess Rs.
Revenue - Voted				
1.	6-Revenue	37,98,12,000	42,28,63,018	4,30,51,018
2.	7-Administrative Reforms	64,50,000	64,55,250	5,250
3.	10-Home (Police)	205,80,00,000	209,66,85,358	3,86,85,358
4.	36-Jail	5,32,17,000	5,59,64,339	27,47,339
5.	45-Taxes and Excise	2,59,56,000	2,69,47,124	9,91,124
6.	47-CM's Secretariat	40,57,000	41,99,162	1,42,162
Capital - Charged				
7.	12-Co-operation	55,72,000	55,72,320	320
8.	14-Power	5,50,00,000	5,50,00,333	333
9.	31-Rural Development	5,00,000	5,21,000	21,000
10.	43-Finance	44,88,24,000	303,09,11,788	258,20,87,788
	Total			**266,77,31,692**

APPENDIX – IV

(Reference : Paragraph 2.1.3)

Statement showing cases where supplementary provision was inadequate

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Original provision	Supple-mentary provision	Total provision	Expendi-ture	Excess of expenditure over total provision
Revenue - Voted						
1.	6-Revenue	3793.56	4.56	3798.12	4228.63	430.51
2.	10-Home (Police)	18809.27	1770.73	20580.00	20968.85	386.85
3.	36-Jail	511.88	20.29	532.17	559.64	27.47
4.	53-Tribal Welfare (Research)	38.83	0.09	38.92	56.10	17.18
Capital - Charged						
5.	43-Finance	4449.60	38.64	4488.24	30309.11	25820.87
	Total:		**1834.31**			**26682.88**

APPENDIX – V

2002-3

(Reference : Paragraph – 2.1.3)

Statement showing cases where saving was more than Rs. 10 lakh and over 10 *per cent* of provision

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Total provision	Savings	Savings as percentage of total provision
Revenue Section				
Revenue (voted)				
1.	4-Election	536.46	124.33	23
2.	6-Revenue	3793.56	430.51	11
3.	8-Appointment and Services	117.91	94.46	80
4.	9-Statistical	265.92	63.08	24
5.	11- Transport	174.08	25.75	15
6.	20-Welfare of Scheduled Caste	4301.46	765.37	18
7.	21-Food and Civil Supplies	1028.48	240.94	23
8.	25-Industries (H.H&Sericulture)	919.29	204.18	22
9.	26-Fisheries	1171.39	239.96	20
10.	28-Horticulture	1322.72	256.90	19
11.	31-Rural Development	6648.43	971.99	15
12.	33-Science, Technology & Environment	95.77	14.89	16
13.	35-Urban Development	1282.48	395.31	31
14.	42-Education (Sports and Youth Programme)	1374.86	257.48	19
15.	46-Treasuries	220.22	24.62	11
16.	51-Public Works (PHE)	2180.98	1148.86	53
Revenue (charged)				
17.	14-Power	1070.00	115.28	11
18.	27-Agriculture	57.00	14.32	25
19.	43-Finance	29253.31	3848.44	13
Capital Section				
Capital (voted)				
20.	10-Home (Police)	3251.58	1961.82	60
21.	12-Cooperation	921.01	207.00	22
22.	13-Public Works	15641.00	4698.14	30
23.	14-Power	15904.75	8056.97	51
24.	15-Irrigation and Flood Control	2313.21	363.18	16
25.	19-Tribal Welfare	8672.21	2710.62	31
26.	20-Welfare of Scheduled Caste	3681.44	1986.38	54
27.	21-Food and Civil Supplies	5555.00	1994.89	36
28.	24-Industries and Commerce	3174.00	1624.00	51
29.	26-Fisheries	365.05	364.82	99.90

APPENDIX – V (concld.)

(Reference : Paragraph 2.1.3)

Statement showing cases where saving was more than Rs. 10 lakh and over 10 *per cent* of provision

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Total provision	Savings	Savings as percentage of total provision
30.	27-Agriculture	2123.80	796.58	38
31.	28-Horticulture	557.15	356.00	64
32.	29-Animal Resource Development	627.05	304.57	49
33.	30-Forest	1672.26	698.86	42
34.	31-Rural Development	3380.54	2218.28	66
35.	35-Urban Development	766.62	201.00	26
36.	36-Jail	665.00	598.99	90
37.	39-Education (Higher)	1781.17	544.06	31
38.	42-Education (Sports and Youth Programme)	2504.88	2315.53	92
39.	43-Finance	1427.00	622.33	44
40.	51-Public Works (PHE)	5195.10	1257.65	24
41.	52-Family Welfare and Preventive Medicine	1791.38	1571.64	88
Capital (charged)				
42.	13-Public Works	1200.00	140.77	12

APPENDIX – VI

(Reference : Paragraph 2.1.3)

Statement showing significant cases of persistent savings

(Rupees in crore)

Sl. No.	Number and name of grant/appropriation	Amount of savings (percentage of savings to total provision in brackets)		
		2000-2001	2001-2002	2002-2003
Revenue (voted and charged)				
1.	35-Urban Development	1.69 (16)	2.59 (21)	3.95 (31)
Capital (voted)				
2.	13-Public Works	20.32 (21)	35.13 (20)	46.98 (30)
3.	14-Power	37.71 (30)	31.03 (21)	80.57 (51)
4.	19-Tribal Welfare	10.31 (21)	37.75 (37)	27.11 (31)
5.	20-Welfare of Scheduled Caste	9.87 (35)	27.74 (58)	19.86 (54)
6.	24-Industries and Commerce	1.54 (22)	4.00 (100)	16.24 (51)
7.	27-Agriculture	4.03 (27)	9.22 (41)	7.97 (38)
8.	52-Family Welfare and Preventive Medicine	68.01 (36)	23.84 (88)	15.72 (88)

APPENDIX – VII

(Reference : Paragraph 2.1.3)

Expenditure exceeding the provision by more than Rs. 50 lakh and also by more than 10 *per cent* of the total provision

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Total provision	Total expenditure	Excess	Percentage of excess expenditure to the total provision
Revenue Section (Voted)					
1.	6-Revenue	3798.12	4228.63	430.51	11
Capital Section (Charged)					
2.	43-Finance	4488.24	30309.12	25820.88	575

APPENDIX – VIII

(Reference : Paragraph 2.1.4)

Injudicious re-appropriation of funds

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Detailed head of grant/appropriation affected	Provision Original (O) Supplementary (S)	Re-appro-priation	Total grant	Actual expenditure	Saving (-) Excess (+)
1.	Grant No. 3 – GA (Secretariat Administration) Department	2070 – Other Administrative Services 115 – Guest House, Government Hostels, etc. (014) Tripura Bhavan – New Delhi (Non-plan)	(O) 61.98 (S) 24.34	0.23	86.55	66.91	-19.64
2.	Grant No. 4 – Election Department	2015 – Election 105 – Charges for Conduct of Elections to Parliament (Non-plan)	(O) 200.00	-154.00	46.00	Nil	-46.00
		106 – Charges for Conduct of Elections to State Legislature (Non-Plan)	(O) 200.00	-1.00	199.00	185.18	-13.82
		800- Other Expenditure Reimbursable Sharing Scheme (Non-Plan) (State Share)	(O) 8.13	19.37	27.50	Nil	-27.50
		Central Share	(O) 8.13	19.37	27.50	Nil	-27.50
		2015 – Elections 102 – Electoral Officers (Non-plan)	(O) 120.00	65.33	185.53	170.97	-14.56
3.	Grant No. 5- Law Department	2014 – Administration of Justice 108 – Criminal courts (Non-plan)	(O) 338.04	-17.28	320.76	290.31	-30.45

APPENDIX – VIII (contd.)

(Reference : Paragraph 2.1.4)

Injudicious re-appropriation of funds

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Detailed head of grant/appropriation affected	Provision Original (O) Supplementary (S)	Re-appropriation	Total grant	Actual expenditure	Saving (-) Excess (+)
4.	Grant No. 6 – Revenue Department	2245 – Relief on Account of Natural Calamities 80- General 800- Other Expenditure (036) Natural Calamities (Non-plan) (State Share)	(O) 143.00	440.00	583.00	1185.97	602.97
		2029 – Land Revenue 101 – Collection Charges (Non-plan)	(O) 823.32	-77.68	745.64	730.93	-14.71
		103 – Land Records (Non-plan)	(O) 216.94	-30.82	186.12	172.00	-14.12
		094 – Other Establishments (033) Sub-Divisional Establishments (Non-plan)	(O) 571.22	-25.75	545.47	513.41	-32.06
		2235- Social Security and Welfare 02 – Social Welfare 200 – Other Programmes (Non-plan)	(O) 130.00	30.00	160.00	100.00	-60.00
		4070 – Capital Outlay on Other Administrative Services 800- Other Expenditure (042) Finance Commission Award (Plan)	(O) 55.50 (S) 301.65	-41.50	315.65	42.57	-273.08
		(043) Computerisation of Land Records (CSS) (Plan)	(O) 180.00	-180.00	Nil	16.05	16.05
		(797) State Share of Strengthening of Revenue Administration and Upgradation of Land Records (Plan)	(S) 233.50	41.50	275.00	6.48	-268.52
		4070 – Capital Outlay on Other Administrative Services 800 – Other Expenditure 031 – Strengthening of Revenue Administration and Upgradation of Land Records (CSS) (Plan)	(O) 152.00	123.00	275.00	424.41	149.41

APPENDIX – VIII (contd.)

(Reference : Paragraph 2.1.4)

Injudicious re-appropriation of funds

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Detailed head of grant/appropriation affected	Provision Original (O) Supplementary (S)	Re-appropriation	Total grant	Actual expenditure	Saving (-) Excess (+)
5.	Grant No. 9 – Statistical Department	02 – Surveys and Statistics	(O) 63.75	-11.05	52.70	41.93	-10.77
		National Sample Survey Organisation (Non-plan)					
6.	Grant No. 10 – Home (Police) Department	800 – Other Expenditure (State Plan)	(O) 3.26		3.26	319.78	316.52
		2055 – Police 003 – Educational and Training (Non plan)	(O) 414.28 (S) 80.00	6.82	501.10	512.95	11.85
		101 – Criminal Investigation and Vigilance (State Plan) (Non-plan)	(O) 1073.15	- 26.65	1046.50	1085.34	38.84
		108 – State Headquarters Police (067) TSR Bn.No. II (State Plan) (Non-plan)	(O) 884.28	- 65.64	818.64	952.69	134.05
		(068) TSR Bn.No. III (State Plan) (Non-plan)	(O) 745.18	80.07	825.25	974.03	148.78
		(069) TSR Bn.No. IV(State Plan) (Non-plan)	(O) 790.38	52.79	843.17	939.42	96.25
		(088) TSR Bn.No. VII(State Plan) (Non-plan)	(O) 436.76 (S) 204.90	11.82	653.48	724.64	71.16
		109 – District Police (073) District Civil Police (State Plan) (Non-plan)	(O) 4471.67 (S) 150.15	205.84	4827.66	5165.76	338.10
		(075) Mobile Task Force (State Plan) (Non-plan)	(O) 209.88	- 0.96	208.92	250.41	41.49
		3275 – Other Communication Services 101 - Wireless Planning and Co-ordination (078) Police Radio (State Plan) (Non-plan)	(O) 709.13	- 43.12	666.01	712.06	46.05
		2055 – Police 108 - State Headquarters of Police (066) TSR Bn.No. I (State Plan) (Non-plan)	(O) 873.91	45.89	919.80	873.63	- 46.17
		(072) TSR Bn.No. VI (State Plan) (Non-plan)	(O) 890.92	- 40.42	850.50	828.79	- 21.71

APPENDIX – VIII (contd.)

(Reference : Paragraph 2.1.4)

Injudicious re-appropriation of funds

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Detailed head of grant/appropriation affected	Provision Original (O) Supplementary (S)	Re-appropriation	Total grant	Actual expenditure	Saving (-) Excess (+)
		(089) TSR Bn.No. VIII (Reimbursable sharing scheme)	(O) 532.10 (S) 132.52	22.82	687.44	Nil	- 687.44
		(782) TSR Bn.No. IX (I.R Bn. No.IV) (Reimbursable sharing scheme) (Non-plan)	(O) 20.87	- 1.20	19.67	Nil	- 19.67
		109 - District Police (074) District Armed Reserve (State plan) (Non-plan)	(O) 3432.43	- 190.30	3242.13	3001.24	- 240.89
		800 - Other Expenditure (State plan) (Non-plan) (080) Central M.T Pool	(O) 541.46 (S) 21.52	43.12	606.10	586.33	-19.77
		2070- Other Administrative services 107 – Home Guards (082) Home Guards Organisation (Reimbursable Sharing Scheme) (Non-plan)	(O) 652.67 (S) 36.02	5.90	694.59	Nil	-694.59
		(083) Home Guards Border Wing Battalion (Reimbursable Sharing Scheme) (Non-plan)	(O) 54.59	0.92	55.51	Nil	-55.51
		4070 – Capital outlay on other administrative services 800- Other Expenditure (042) Finance Commission Award	(S) 62.13	74.54	136.67	73.21	-63.46
		4055 – Capital outlay on Police 800 – Other expenditure (087) Amenities for CPMF (Reimbursable Sharing Scheme) (Non-plan)	(O) 150.00 (S) 97.15	112.85	360.00	314.23	-45.77
7.	Grant No. 11 – Transport Department	3055 – Road Transport 001 – Direction and Administration (Plan)	(O) 32.53 (S) 15.80	0.60	48.93	32.48	-16.45

APPENDIX – VIII (contd.)

(Reference : Paragraph 2.1.4)

Injudicious re-appropriation of funds

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Detailed head of grant/appropriation affected	Provision Original (O) Supplementary (S)	Re-appropriation	Total grant	Actual expenditure	Saving (-) Excess (+)
8.	Grant No. 13 – Public Works (R&B) Department	4216 – Capital outlay on housing 01 – Government Residential Building 106 – General Pool Accommodation (113) General Services (Plan)	(O) 8900.00	-4853.00	4047.00	3051.72	-995.28
		(119) Social Service (Plan)	(O) 1100.00	-300.00	800.00	857.99	57.99
		5054 – Capital outlay on Roads and Bridges 02 – Strategic and Border Roads 337 – Road Works (127) Central Road Fund (CSS) (Plan)	(O) 100.00 (S) 43.00	50.00	193.00	91.33	-101.67
		800 – Other expenditure (117) Externally aided project (State plan)	(O) 200.00	193.00	393.00	72.74	-320.26
		(129) Strategic Road (CSS)	(O) 50.00	-50.00	Nil	31.88	31.88
		4059 – Capital outlay on public works 01 – Office Buildings 101 – Construction – General Pool Accommodation (113) General Services (State Plan)	(O) 150.00	50.00	200.00	376.11	176.11
		5054 – Capital outlay on Roads and Bridges 04 – District and other roads 800 – Other expenditure (123) Other than MNP (State Plan)	(O) 148.00	628.56	776.56	1945.75	1169.19
		4059 – Capital outlay on public works 01 – Office buildings 101 – Construction – General Pool Accommodation (042) Finance Commission Award (State Plan)	Nil	603.30	603.30	109.09	-494.21
		5054 – Capital outlay on Roads and Bridges 04 – District and other roads 800 – Other expenditure (118) Border Area Development Programme (State Plan)	Nil	423.72	423.72	844.03	420.31
		(778) Loans from HUDCO (State Plan)	Nil	1000.00	1000.00	112.18	-887.82

APPENDIX – VIII (contd.)

(Reference : Paragraph 2.1.4)

Injudicious re-appropriation of funds

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Detailed head of grant/appropriation affected	Provision Original (O) Supplementary (S)	Re-appro-priation	Total grant	Actual expenditure	Saving (-) Excess (+)
9.	Grant No.14 – Power Department	2801 – Power 04-Diesel and Gas Power Generation 001-Direction and Administration (Non-plan)	(O) 103.69	12.50	116.19	180.87	64.68
		05 -Transmission and Distribution 001- Direction and Administration (Non-plan)	(O) 2931.39	- 12.50	2918089	3048.42	129.53
		04 -Diesel / Gas Power Generation 001- Direction and Administration (Plan)	(O)320.00	- 110.00	210.00	198.67	- 11.33
		052 -Machinery and Equipment (151) Development of North East and Sikkim (CSS)	(O) 2000.00	- 532.00	1468.00	1047.20	- 420.80
		4801 – Capital Outlay on Power Projects 01 -Hydel Generation 800 -Other expenditure (144) Hydro Electric Project (Plan)	(O) 20.00	- 20.00	Nil	16.44	16.44
		04- Diesel / Gas Power Generation 052- Machinery and Equipment (143) Gas Thermal Project (Plan)	(O) 98.00	- 98.00	Nil	22.00	22.00
		05 -Transmission and Distribution 800- Other Expenditure (145) Transmission (Plan)	(O) 150.00	- 77.00	73.00	83.34	10.34
		06-Rural Electrification 800 Other expenditure (903) ACA-Service Connection (Plan)	Nil	100.00	100.00	Nil	- 100.00

APPENDIX – VIII (contd.)

(Reference : Paragraph 2.1.4)

Injudicious re-appropriation of funds

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Detailed head of grant/appropriation affected	Provision Original (O) Supplementary (S)	Re-appropriation	Total grant	Actual expenditure	Saving (-) Excess (+)
10.	Grant No.15 – Public Works (WR) Department	2702 – Minor Irrigation 80 -General 001- Direction and Administration (112) Execution	(O) 1155.97 (S) 1.60	0.02	1157.59	1042.32	- 115.27
		2711 – Flood Control and Drainage 01 -Flood Control 001 -Direction and Administration (Non-plan)	(O) 512.21	- 0.02	512.19	444.66	- 67.53
		4701 – Capital outlay on Major and Medium Irrigation 04 -Medium Irrigation, Non-commercial 800 -Other Expenditure (168) AIBP – Gumti Irrigation Project (Plan-Central and State Share)	(O) 68.00	39.00	107.00	48.92	- 58.08
		(169) AIBP – Khowai Irrigation Project (Plan-Central and State Share)	(O) 110.00	- 3.00	107.00	18.16	- 88.84
		(170) AIBP – Manu Irrigation Project (Plan-Central and State Share)	(O) 110.00	56.00	166.00	58.26	- 107.74
		4711 – Capital Outlay on Flood Control Projects 01 -Flood Control 001 -Direction and Administration (Plan)	(O) 24.50	4.55	29.05	39.74	10.69
		800 -Other Expenditure (172) Protective Works (Plan)	(O) 32.75	44.90	77.65	54.61	- 23.04
		(118) Border Area Development Programme (Plan)	Nil	146.68	146.68	162.95	16.27
11.	Grant No. 16 – Health Department	2210 – Medical and Public Health 01 -Urban Health Services – Allopathy 110 -Hospitals and dispensaries (186) Hospitals	(O) 2697.93	28.29	2726.22	2583.51	- 142.71
		05 -Medical Education, Training and Research 105 -Allopathy (193) Education (Plan)	(O) 242.78	- 153.43	89.35	71.87	- 17.48

APPENDIX – VIII (contd.)

(Reference : Paragraph 2.1.4)

Injudicious re-appropriation of funds

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Detailed head of grant/appropriation affected	Provision Original (O) Supplementary (S)	Re-appro-priation	Total grant	Actual expenditure	Saving (-) Excess (+)
		4210 – Capital Outlay on Medical and Public Health 01 -Urban Health Services 110 -Hospital and Dispensaries	(O) 202.85	- 49.18	153.67	103.03	- 50.64
		4552 – Capital Outlay on North Eastern Areas 05 Medical Education, Training and Research 200 -Other Systems (220) Regional Pharmacy Institute (Plan)	(O) 157.00	- 1.00	156.00	80.24	- 75.76
		(221) North Eastern Regional Diabetes Research Centre	(S) 49.00	1.00	50.00	10.16	- 39.84
12.	Grant No.17 – Information, Cultural Affairs and Tourism Department	2220 – Information and Publicity 60 -Others 106 -Field Publicity (State Plan)	(O) 183.17 (S) 3.75	- 5.72	181.20	165.65	- 15.55
13.	Grant No.19 – Tribal Welfare Department	2225 – Welfare of Scheduled Castes, Scheduled Tribes and Other Backward classes 02 -Welfare of Scheduled Tribes 277 -Education (281) Special Central Assistance (State Plan)	(O) 210.75 (S) 253.66	- 123.41	341.00	257.04	- 83.96
		2402 – Soil and Water Conservation 102 -Soil Conservation (518) Catchment of Gumati river valley Project (CSS) (Plan)	(O) 22.30	5.70	28.00	15.50	-12.50
		102- Social and Farm Forestry (517) Farm Forestry (Plan)	(O) 13.70 (S) 45.69	6.24	65.63	16.03	-49.60
		2202 – General Education 01 – Elementary Education 106 – Teachers and other Services (681) Government Primary Schools (Tribal Sub-plan) (State Plan)	(O) 1879.00	-106.10	1772.90	1546.56	-226.34
		02 – Secondary Education 104 – Teachers and Other Services (State Plan)	59.00	-18.05	40.95	24.20	-16.75

APPENDIX – VIII (contd.)

(Reference : Paragraph 2.1.4)

Injudicious re-appropriation of funds

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Detailed head of grant/appropriation affected	Provision Original (O) Supplementary (S)	Re-appro-priation	Total grant	Actual expenditure	Saving (-) Excess (+)
		104 – Community Health Centres (121) (BMS/PMGY)	(O) 47.00	-20.50	26.50	15.51	-10.99
		110 - Hospital and Dispensaries (186) Hospital (State Plan)		26.11	26.11	13.00	-13.11
		102 – Social and Farm Forestry (504) Plantation for Industrial and Commercial Uses (Plan)	(O) 15.32	-3.78	11.54	22.77	11.23
		4801 – Capital outlay on Power Projects 06 – Rural Electrification 800 – Other Expenditure (ND) (147) REC (Normal) (Plan)	(O) 142.00	-6.00	136.60	16.19	-120.41
		4216 – Capital Outlay on Housing 03 – Rural Housing 800 – Other Expenditure (BMS/PMGY) (571) Indira Awas Yojana (Plan)	(O) 743.75	48.65	792.40	Nil	-792.40
		(State Share) (Plan)	(O) 10.00	5.00	15.00	Nil	-15.00
		4210 – Capital Outlay on Medical and Public Health 02 – Rural Health Centres 103 – Primary Health Centres (PMGY) (121) Basic Minimum Service (Plan)	(O) 84.70	-24.70	60.00	0.92	-59.08
		(104) – Community Health Centres (Plan)	(O) 30.50	-8.50	22.00	Nil	-22.00
		4215 – Capital Outlay on Water Supply and Sanitation 01 – Water Supply 102 – Rural Water Supply (590) PMGY Drinking Water (Plan)		287.93	287.93	Nil	-287.93
		102 – Rural Sanitation Services (563) Total Sanitation Campaign	Nil	14.17	14.17	Nil	-14.17
		4216 – Capital Outlay on Housing 03 – Rural Housing 800 – Other Expenditure (571) Indira Awas Yojana (Plan)	Nil	9.40	9.40	801.80	792.40

APPENDIX – VIII (contd.)

(Reference : Paragraph 2.1.4)

Injudicious re-appropriation of funds

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Detailed head of grant/appropriation affected	Provision Original (O) Supplementary (S)	Re-appropriation	Total grant	Actual expenditure	Saving (-) Excess (+)
		4702 – Capital Outlay on Minor Irrigation 101 – Surface Water (175) Accelerated Irrigation Benefits Programme (Plan)	(O) 260.00	9.00	269.00	308.01	39.01
		4711 – Capital Outlay on Flood Control Projects 01 – Flood Control 800 – Other Expenditure (172) Protective Works (Plan)	(O) 18.00	27.00	45.00	68.23	23.23
14.	Grant No. 20 – Welfare of Scheduled Castes Department	2202 – General Education 01 – Elementary Education 106 – Teachers and Other Services (681) Government Primary Schools (Scheduled Castes (Plan) (D. Pool) (Plan)	(O) 1025.00 (S) 113.65	31.35	1170.00	827.45	-342.55
		4701 – Capital Outlay on Major and Medium Irrigation 04 – Medium Irrigation Non-Commercial 800 – Other Expenditure (168) AIBP – Gomati Irrigation Projects (Central Share) (Plan)	(O) 16.00	8.00	24.00	Nil	-24.00
		4702 – Capital Outlay on Minor Irrigation 101 – Surface Water (175) Accelerated Irrigation Benefit Programme (Central Share) (Plan)	(O) 464.00	-135.00	329.00	309.00	-20.00
		State share (Plan)	(O) 104.00	-20.00	84.00	35.56	-48.44
		4210 – Capital Outlay on Medical and Public Health 02 – Rural Health Services 104 – Community Health Centres (Plan)	(O) 47.90	-12.90	35.00	Nil	-35.00
15.	Grant No. 21- Food and Civil Supplies Department	3456 – Civil supplies 001 – Direction and Administration State Plan	(O) 139.27 (S) 1.05	-10.42	129.90	119.42	-10.48

APPENDIX – VIII (contd.)

(Reference : Paragraph 2.1.4)

Injudicious re-appropriation of funds

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Detailed head of grant/appropriation affected	Provision Original (O) Supplementary (S)	Re-appropriation	Total grant	Actual expenditure	Saving (-) Excess (+)
		4408 – Capital Outlay on Food, Storage and Warehousing 01 – Food 800 – Other Expenditure (292) Strengthening of Public Distribution System State Plan	(O) 4783.05	-1233.05	3550.00	3505.32	-44.68
16.	Grant No. 24 – Industries and Commerce Department	2851 – Village and Small Industries 102 – Small Scale Industries	(O) 476.45 (S) 74.50	-32.62	518.33	507.05	-11.28
		(326) Prime Minister's Rojgar Yojana (CSS) (Plan)	(O) 25.00	-9.79	15.21	Nil	-15.21
17.	Grant No. 26 – Fisheries Department	001 – Direction and Administration	(O) 669.83 (S) 0.10	-23.54	646.39	657.74	11.35
		101 – Inland Fisheries (356) Development of Fisheries	(O) 209.58	-12.45	197.13	186.71	-10.42
		120 – Fisheries Cooperatives (352) Fish Farmers Development Agency (CSS) (Plan)	(O) 40.60	-0.01	40.59	Nil	-40.59
		2552 – North Eastern Areas 003 – Training (282) Integrated Fisheries Development in Tripura, NEC Scheme (Plan)	(S) 16.00	3.50	19.50	Nil	-19.50
		4405 – Capital Outlay on Fisheries 101 – Inland Fisheries (357) Wet Land Development Project of Rudrasagar (CSS) (Plan)	(O) 100.00	-60.00	40.00	Nil	-40.00
		4552 – Capital Outlay on North Eastern Areas 003 – Training (789) Extension support to fish farmers through field publicity and demonstration, NEC Scheme (Plan)	(O) 72.85	3.00	75.85	Nil	-75.85

APPENDIX – VIII (contd.)

(Reference : Paragraph 2.1.4)

Injudicious re-appropriation of funds

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Detailed head of grant/appropriation affected	Provision Original (O) Supplementary (S)	Re-appropriation	Total grant	Actual expenditure	Saving (-) Excess (+)
18.	Grant No. 27 – Agriculture Department	2401 – Crop Husbandry 001 – Direction and Administration (366) Project for Development of Infrastructure Facilities	(O) 3908.09 (S) 19.80	-279.02	3648.87	3681.11	32.24
		4401 – Capital Outlay on Crop Husbandry 107 – Planned Protection (Non-plan)	(O) 130.00	-20.00	110.00	85.00	-25.00
		4435 – Capital Outlay on other Agricultural Programmes 01 – Marketing and Quality Control 101 – Marketing Facilities (398) Development of Infrastructure in Rural Market Project of Tripura with facilities of Cold Storage under RIDF (NABARD) (Plan)	(O) 450.00	-150.00	300.00	164.82	-135.18
19.	Grant No. 28 – Horticulture Department	2401 – Crop Husbandry 001 – Direction and Administration	(O) 717.09 (S) 6.87	-208.48	515.48	546.86	31.38
		2402 – Soil and Water Conservation 001 – Direction and Administration	(O) 533.32	-134.71	398.61	412.41	13.80
		(444) Soil and Water Management in Tripura (Plan)	(O) 0.44	0.06	0.50	27.47	26.97
20.	Grant No. 29 – Animal Resource Development Department	2403 – Animal Husbandry 001 – Direction and Administration (111) Direction	(O) 760.69 (S) 10.25	3.69	774.63	787.34	12.71
		101 – Veterinary Services and Animal Health (455) Reinderpest Eradication Schemes (CSS) (Plan)	(O) 2.00	12.33	14.33	26.48	12.15
		103 – Poultry Development (467) Breeding Operation	(O) 77.88	-2.07	75.81	96.50	20.69
		4404 – Capital Outlay on Dairy Development 102 – Dairy Development Project (483) Integrated Dairy Development Project (CSS) (Plan)	(O) 90.00	-33.49	56.51	Nil	56.51

APPENDIX – VIII (contd.)

(Reference : Paragraph 2.1.4)

Injudicious re-appropriation of funds

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Detailed head of grant/appropriation affected	Provision Original (O) Supplementary (S)	Re-appropriation	Total grant	Actual expenditure	Saving (-) Excess (+)
21.	Grant No. 30 – Forest Development	2406 – Forestry and Wild Life 02 – Environmental Forestry and Wild Life 110 – Wild Life Preservation (512) Assistance to Sepahijala Zoo (CSS) (Plan)	(S) 18.85	15.16	34.01	Nil	-34.01
		2402 – Soil and Water Conservation 102 – Soil Conservation (518) Catchment of Gomati River Valley Project (CSS) (Plan)	(O) 25.16	15.16	10.00	30.21	20.21
		2406 – Forestry and Wild Life 01 – Forestry 102 – Social Farm Forest (517) Farm Forestry Plan	(O) 22.65	-1.93	20.72	74.77	54.05
		4406 – Capital Outlay on Forestry and Wild Life 01 – Forestry 101 – Forest Conservation, Development and Regeneration (521) Assistance to States for development of National Parks and Sanctuary (CSS) (Plan)	(O) 83.85	21.38	105.23	74.27	-30.96
		102 – Social and Farm Forestry (423) Implementation of National Afforestation Programme (IAEP) (CSS) (Plan)	(O) 39.75	-12.15	27.60	13.50	-14.10
		(505) Fuel Wood and Forest Project State plan	(O) 36.85	-26.73	10.12	Nil	10.12
		4406 – Capital Outlay on Forestry and Wild Life 01 – Forestry 102 – Social and Farm Forestry (867) ACA – Conservation and Development of Medicinal Plant Resources (Plan)	(S) 58.27	16.73	75.00	105.06	30.06

APPENDIX – VIII (contd.)

(Reference : Paragraph 2.1.4)

Injudicious re-appropriation of funds

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Detailed head of grant/appropriation affected	Provision Original (O) Supplementary (S)	Re-appro-priation	Total grant	Actual expenditure	Saving (-) Excess (+)
		4552 – Capital Outlay on North Eastern Areas 01 – Forestry 105 – Forest Produce (530) Process-cum-Rubber Product Development (NEC Scheme)	(O) 50.00	-23.90	26.10	60.80	34.70
22.	Grant No. 31 – Rural Development Department	4215 – Capital Outlay on Water Supply and Sanitation 01 – Water Supply 102 – Rural Water Supply (569) Sinking / Resinking /replacement of RCC Well, machinery wells/ renovation of wells etc. (BMS/PMGY) (Plan)	(O) 372.25	-372.25	Nil	280.32	280.32
23.	Grant No. 35 – Urban Development Department	2217 – Urban Development 01 – State Capital Development 191 – Assistance to local bodies etc. (629) Swarnajayanti Shahari Rojgar Yojana Urban Local Bodies (Agartala Municipal Council) (CSS) (Plan)	(O) 40.00	-10.00	30.00	9.89	-20.11
		05 – Other Urban Development Scheme 191 - Assistance to local bodies etc. (629) Swarnajayanti Shahari Rojgar Yojana (CSS) (Plan)	(O) 110.00	-40.83	69.17	40.92	-28.25
		(630) Urban Development Work Nagar Panchayats (Plan)	(O) 12.00 (S) 251.45	-2.64	260.81	26.22	-234.59
		80 – General 001 – Direction and Administration	(O) 26.15 (S) 1.73	1.09	28.97	18.97	-10.00
		4217 – Capital Outlay on Urban Development 60 – Other Urban Development Schemes 191 – Assistance to Local Bodies etc (042) Finance Commission Award Nagar Panchayats (Plan)	(O) 33.04 (S) 71.13	63.45	167.62	Nil	-167.62

APPENDIX – VIII (contd.)

(Reference : Paragraph 2.1.4)

Injudicious re-appropriation of funds

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Detailed head of grant/appropriation affected	Provision Original (O) Supplementary (S)	Re-appropriation	Total grant	Actual expenditure	Saving (-) Excess (+)
24.	Grant No. 37 – Labour and Employment	2203 – Labour and Employment 01 – Labour 109 – Beedi Workers' Welfare (647) Special security for labour MB Scheme (Plan)	(O) 3.40	-0.80	2.60	18.60	16.00
25.	Grant No. 38 – GA (Printing and Stationery) Department	2058 – Stationery and Printing 103 – Government Press (State Plan)	(O) 342.29	-11.44	330.85	317.75	-13.10
26.	Grant No. 40 – Education (School) Department	2202 – General Education 01 – Elementary Education 106 – Teachers and other services (681) Government Primary School (Tribal Sub-plan)	(O) 13480.15 (S) 960.24	279.09	14719.48	14459.83	-259.65
		4202 – Capital Outlay on Education 01 – General Education 201 – Elementary Education (681) Government Primary School (Plan)	(O) 64.00	-40.00	24.00	Nil	-24.00
		202 – Secondary Education (733) Government Secondary School	(O) 63.00	-48.55	14.45	47.77	33.32
27.	Grant No. 41 – Education (Social) Department	2235 – Social Security and Welfare 02 – Social Welfare 001 – Direction and Administration	(O) 525.73	-193.09	332.64	252.80	-79.84
		(101) National Old Age Pension Scheme (State Plan)	(O) 143.54	85.11	228.65	Nil	228.65
		2236 – Nutrition 02 – Distribution of Nutritious Food and Beverages 800 – Other Expenditure (BMS/PMGY) (Plan)	(O) 132.00	-38.12	93.88	77.87	-16.01
		2202 – General Education 01 – Elementary Education 106 – Teachers and other services (Non-plan)	(O) 471.43	-8.33	463.10	493.85	30.75
		04 – Adult Education 200 – Other Adult Education Programme (Non-plan)	(O) 2028.34	-19.67	2008.67	2037.15	28.48

APPENDIX – VIII (contd.)

(Reference : Paragraph 2.1.4)

Injudicious re-appropriation of funds

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Detailed head of grant/appropriation affected	Provision Original (O) Supplementary (S)	Re-appropriation	Total grant	Actual expenditure	Saving (-) Excess (+)
		2235 – Social Security and Welfare 02 – Social Welfare 101 – Welfare of the Handicapped (714) Institute for the Blind	(O) 41.59	0.82	42.41	98.31	55.90
		(716) Integrated Child Development Schemes (CSS)	(O) 1260.00 (S) 27.53	662.01	1949.54	1865.74	-83.80
		2235 – Social Security and Welfare 02 – Social Welfare 101 – Welfare of the Handicapped (714) Institute for the Blind (CSS)	Nil	60.35	60.35	Nil	60.35
		03 – National Social Assistance Programme 102 – National Family Benefit Scheme (State Plan)	Nil	105.80	105.80	72.35	-33.45
28.	Grant No. 42 – Education (Sports and Youth) Programme	2204 – Sports and Youth Services 101 – Physical Education	(O) 1139.49	-8.66	1130.83	1093.98	-36.85
		(746) Introduction of Yoga in Schools in Tripura (CSS)	(O) 2.00 (S) 151.65	0.52	154.17	Nil	-154.17
		4202 – Capital Outlay on Education, Sports, Art and Culture 03 – Sports and Youth Services 800 – Other Expenditure (CSS)	(O) 2315.53	-548.14	1767.39	Nil	-1767.39
29.	Grant No. 43 – Finance Department	2071 – Pension and other Retirement Benefits 01 – Civil 102 – Commuted value of pension (Non-plan)	(O) 2502.66	-2.66	2500.00	288.56	-2211.44
		(104) Gratuities (Non-plan)	(O) 4370.78 (S) 126.56	2.66	4500.00	1699.65	-2800.35
		2049 – Interest payments 01 – Interest on internal debt 122 – Interest on investment in special Central Government securities issued against net collection of small savings	(O) 2890.76	-225.76	2665.00	2722.85	56.85

APPENDIX – VIII (contd.)

(Reference : Paragraph 2.1.4)

Injudicious re-appropriation of funds

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Detailed head of grant/appropriation affected	Provision Original (O) Supplementary (S)	Re-appro-priation	Total grant	Actual expenditure	Saving (-) Excess (+)
		03 – Interest on small savings, provident fund etc. 104 – Interest on State provident fund (762) Interest on general provident fund	(O) 10386.00	-1939.35	8446.65	7874.62	-572.03
		04 – Interest on loans and advances from central Government 101 – Interest on loans for State Plan schemes	(O) 5821.33	-350.83	5470.50	5379.81	-90.69
		107 – Interest on pre-1984-85 loans	(O) 38.52	-6.22	32.30	122.99	90.69
		4070 – Capital Outlay on other administrative services 800 – Other expenditure (042) Finance Commission Award (Plan)	(O) 37.00	-14.09	22.91	11.81	-11.10
		7610 – Loans to Government servant etc. 201 – House building advances (Non-plan)	(O) 840.00	-70.00	770.00	521.97	-248.03
		6004 – Loans and advances from Central Government 01 – Non-plan loans 102 – Share of small savings collections (Non-plan)	(O) 1161.40	-213.45	947.95	6249.61	5301.66
30.	Grant No. 51 – Public Works (PHE) Department	4215 – Capital Outlay on water supply and sanitation 01 – Water Supply 102 – Rural Water Supply (112) Execution (State Plan)	(O) 1245.15	-1.00	1244.15	1196.54	-47.61
		(178) – Rural Water Supply Scheme	(O) 145.00	15.00	160.00	173.77	13.77
31.	Grant No. 52 – Family Welfare and Preventive Medicine	2210 – Medical and Public Health 104 – Community Health Centres (Plan) (121) BMS/PMGY (State Plan)	(O) 91.20	-46.20	45.00	30.16	-14.84
		2211 – Family Welfare 001 – Direction and Administration (206) District Family Welfare Bureau (CSS) (Plan)	(O) 188.75	10.60	199.35	178.64	-20.71
		(207) – State Family Welfare Bureau (CSS) (Plan)	(O) 43.55	22.50	66.05	39.43	-26.62
		003 – Training (208) Training of Auxiliary Nurse cum Midwives, Dhais and Local Health Visitors (CSS) (Plan)	(O) 371.00	4.00	375.00	342.81	-32.19

APPENDIX – VIII (concld.)

(Reference : Paragraph 2.1.4)

Injudicious re-appropriation of funds

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Detailed head of grant/appropriation affected	Provision Original (O) Supplementary (S)	Re-appro-priation	Total grant	Actual expenditure	Saving (-) Excess (+)
		(209) Training and Employment of multipurpose workers (CSS) (Plan)	(O) 427.60	4.50	432.10	360.36	-71.74
		101 – Rural Family Welfare Services (210) Rural Family Welfare (CSS) (Plan)	(O) 995.85	5.00	1000.85	941.06	-59.79
		2210 – Medical and Public Health 01 – Urban Health Services – Allopathy 110 – Hospital and dispensaries (187) Dispensaries (Non-plan)	(O) 469.79	0.52	469.27	554.37	85.10
		03 – Rural Health Services – Allopathy 101 – Health Sub-Centres (BMS/PMGY) (Plan)	(O) 1.00	-0.50	0.50	66.20	65.70
		4210 – Capital Outlay on Medical and Public Health 103 – Primary Health Centres (121) Basic Minimum Service, PMGY (Plan)	(O) 106.65	-26.25	80.40	25.68	-54.72
		104 – Community Health Centres (121) Basic Minimum Service, PMGY (Plan)	(O) 43.75	-14.30	29.45	Nil	-29.45
		(201) National Malaria Eradication Programme (CSS) (Plan)	(O) 285.00 (S) 271.43	24.17	580.60	Nil	-580.60

APPENDIX – IX

(Reference : Paragraph 2.1.5)

Expenditure incurred without budget provision

Sl. No.	Number and name of grant/appropriation	Head of account	Amount paid (Rupees in lakh)
1.	10 – Home (Police) Department (Revenue Voted)	2053 – District Administration 093 – District Establishment	0.50
		800 – Other Expenditure (CSS)	0.25
		Sixth Schedule	0.65
		2055 – Police 108 – State Headquarters Police 089 – TSR Battalion No. VIII (State Plan) (Non-plan)	733.22
		2070 – Other Administrative Services 107 – Home Guards (082) Home Guards Organisation (State Plan) (Non-plan)	729.57
		(083) Home Guards Border Wing Battalion (State Plan) (Non-plan)	58.80
2.	20 – Welfare of SC Department	2225 – Welfare of SC, ST and other backward classes 03 – Welfare of Backward classes 277 – Education (287) Other backward classes welfare (CSS)	186.50
		4210 – Capital Outlay on Medical and Public Health 02 – Rural Health Services 103 – Primary Health Centre (Plan)	2.44
3.	43 – Finance Department	6003 – Internal Debt of the State Government 110 – Wages and Means Advances (Non-plan)	20511.00
		Total	**222,22. 93**

APPENDIX – X

(Reference : Paragraph 2.1.6)

Statement showing amounts of savings of Rs. 10 lakh and above not surrendered

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Total provision	Total expenditure	Total savings	Amount not surrendered
	Revenue Section - Voted				
1.	5- Law Department	980.59	938.18	42.41	31.00
2.	9- Statistical Department	265.92	202.84	63.08	28.20
3.	11- Transport Department	174.08	148.33	25.75	25.75
4.	13- Public Works (R&B) Department	8524.41	8361.65	162.76	162.76
5.	14- Power	10018.98	9574.14	444.84	444.84
6.	15- Public Works (WR) Department	4415.43	4016.79	398.64	398.64
7.	16- Health and Family Welfare Department	3388.57	3122.07	266.50	206.28
8.	17- Information, Cultural Affairs and Tourism Department	1061.83	1022.95	38.88	38.88
9.	19- Tribal Welfare Department	12771.92	11775.70	996.22	552.89
10.	20- Welfare of Scheduled Castes Department	4301.46	3536.09	765.37	589.57
11.	21- Food and Civil Supplies Department	1028.48	787.54	240.94	12.13
12.	22- Relief and Rehabilitation	1129.48	871.79	257.69	257.69
13.	24- Industries and Commerce Department	1374.88	1280.58	94.30	29.29
14.	25- Industries (H.H. and Sericulture) Department	919.29	715.11	204.18	136.79
15.	26- Fisheries Department	1171.39	931.42	239.97	184.52
16.	30- Forest Department	2414.86	2356.26	58.60	58.04
17.	31- Rural Development Department	6648.43	5676.44	971.99	971.99
18.	35- Urban Development Department	1282.48	887.17	395.31	339.98
19.	37- Labour and Employment Department	232.20	208.10	24.10	15.19
20.	38- Printing and Stationary Department	473.63	458.12	15.51	15.51
21.	40- Education(School) Department	37355.44	37078.16	277.28	277.28
22.	41- Education(Social) Department	6231.20	6073.87	157.33	157.33
23.	42- Education(Sports and Youth Programme) Department	1374.86	1117.38	257.48	248.19
24.	43- Finance Department	24572.90	22707.87	1865.03	1865.03
25.	44- Institutional Finance	90.00	79.00	11.00	11.00
26.	46- Treasuries Department	220.22	195.60	24.62	24.62
27.	51- Public Works(PHE) Department	2180.98	1032.12	1148.86	1148.86
28.	52- Family Welfare and Preventive Medicine Department	5307.35	4993.45	313.90	241.10

APPENDIX – X (concld.)

(Reference : Paragraph 2.1.6)

Statement showing amounts of savings of Rs. 10 lakh and above not surrendered

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Total provision	Total expenditure	Total saving	Amount not surrendered
	Revenue Section - Charged				
29.	13-Public Works (R&B) Department	3003.25	2725.12	278.13	278.13
30.	14- Power Department	1070.00	954.72	115.28	45.28
31.	27- Agriculture Department	57.00	42.68	14.32	14.32
32.	43-Finance Department	29253.31	25404.87	3848.44	505.72
	Capital Section - Voted				
33.	5- Law Department	173.70	98.05	75.65	51.95
34.	6- Revenue Department	1175.57	623.15	552.42	495.42
35.	10- Home (Police) Department	3251.58	1289.76	1961.82	1961.82
36.	11- Transport Department	1043.04	959.64	83.40	83.40
37.	12- Co-operation Department	921.01	714.01	207.00	10.41
38.	13-Public Works(R & B) Department	15641.00	10942.86	4698.14	2693.92
39.	14-Power Department	15904.75	7847.78	8056.97	7059.97
40.	15- Public Works(WR) Department	2313.21	1950.03	363.18	291.71
41.	16- Health and Family Welfare Department	1328.19	964.23	363.96	329.14
42.	19- Tribal Welfare Department	8672.21	5961.59	2710.62	208.33
43.	20- Welfare of Schedule Castes Department	3681.44	1695.06	1986.38	1021.56
44.	21- Food and Civil Supplies Department	5555.00	3560.11	1994.89	83.98
45.	26- Fisheries Department	365.05	0.23	364.82	193.78
46.	27- Agriculture Department	2123.80	1327.22	796.58	745.64
47.	29- Animal Resource Development Department	627.05	322.48	304.57	130.03
48.	30- Forest Department	1672.26	973.40	698.86	628.26
49.	31- Rural Development Department	3380.54	1162.26	2218.28	90.00
50.	34- State Planning & Co-ordination Department	3235.00	270.00	2965.00	30.00
51.	35- Urban Development Department	766.62	565.62	201.00	95.00
52.	36-Jail Department	665.00	66.01	598.99	584.15
53.	39- Education(Higher) Department	1781.17	1237.11	544.06	170.01
54.	40- Education(School) Department	1786.95	441.27	1345.68	900.78
55.	42- Education(Sports and Youth Programme) Department	2504.88	189.35	2315.53	1767.39
56.	43- Finance Department	1427.00	804.67	622.33	408.74
57.	45- Taxes and Excise Department	28.13	10.72	17.41	17.41
58.	51- Public Works(PHE) Department	5195.10	3937.45	1257.65	1189.65
59.	52- Family Welfare and PM Department	1791.38	219.74	1571.64	1324.09
Capital Section - Charged					
60.	13- Public Works(R & B) Department	1200.00	1059.23	140.77	140.77
	Grand Total:	**261505.45**	**208469.14**	**53036.31**	**32024.11**

APPENDIX – XI

(Reference : Paragraph 2.1.7)

Statement showing amounts surrendered in excess of saving

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Total savings	Amount surrendered	Amount surrendered in excess
	Revenue - Voted			
1.	6- Revenue Department	Nil	36.83	36.83
2.	8- Appointment & Services Department	94.46	94.71	0.25
3.	27- Agriculture Department	279.18	294.45	15.27
4.	28- Horticulture Department	256.90	342.03	85.13
5.	29- Animal Resource Development Department	35.94	73.20	37.26
6.	34- Planing & Co-ordination Department	11.67	15.74	4.07
7.	49- Fire Services Organisation	34.62	36.13	1.51
	Revenue - Charged			
8.	28- Horticulture Department	Nil	4.94	4.94
	Capital - Voted			
9.	28- Horticulture Department	356.00	363.00	7.00
10.	49- Fire Services Organisation	0.004	36.13	36.13
	Total	**1068.774**	**1297.16**	**228.39**

APPENDIX – XII

(Reference : Paragraph 2.1.11)

Statement showing rush of expenditure in the month of March 2003

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Total provision	Total expenditure	Expenditure during March 2003	Percentage of expenditure during March to	
					Total provision	Total expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	3-GA (Secretariat Administration)	1415.42	1342.92	284.68	20	21
2.	4-Election	541.46	412.13	180.11	33	44
3.	5-Law	1154.29	1036.23	259.98	23	25
4.	12-Cooperation	1634.55	1361.31	750.99	46	55
5.	13-Public Works	28368.86	23088.86	5520.13	19	24
6.	14-Power	27543.73	18926.65	3774.21	14	20
7.	16-Health and Family Welfare	4716.76	4086.30	1140.23	24	28
8.	17-Information, Cultural Affairs and Tourism	1176.83	1137.95	345.22	29	30
9.	18-Political	51.57	49.10	33.84	66	69
10.	20-Welfare of Scheduled Castes	7982.90	5231.15	1640.64	21	31
11.	22-Relief and Rehabilitation	1132.66	874.97	385.61	34	44
12.	24-Industries and Commerce	4548.88	2830.58	782.67	17	28
13.	26-Fisheries	1542.16	936.17	215.54	14	23
14.	28-Horticulture	1896.26	1283.36	374.56	20	29
15.	29-Animal Resource Development	2604.20	2263.69	665.98	26	29
16.	30-Forest	4087.12	3329.66	1151.71	28	35
17.	33-Science, Technology & Environment	142.14	127.25	40.36	28	32
18.	34-State Planning and Coordination	3378.09	401.42	134.05	4	33
19.	35-Urban Development	2049.10	1452.79	520.37	25	36
20.	36-Jail	1197.17	625.65	134.56	11	22
21.	37-Labour and Employment	223.20	208.01	45.41	20	22
22.	41-Education (Social)	6231.20	6073.87	1891.42	30	31
23.	44-Institutional Finance	212.25	79.00	25.72	12	33
24.	45-Taxes and Excise	287.69	280.19	91.86	32	33
25.	48-High Court	264.36	259.44	54.07	20	21
26.	53-Tribal Welfare (Research)	38.92	36.49	10.06	26	28
27.	54-Factories and Boilers	47.30	47.09	12.33	26	26
28.	56-Information Technology	326.40	326.40	291.31	89	89

APPENDIX – XIII

(Reference: Paragraph 3.1.23)

Statement showing the area, production and yield of food grains and oil seeds per hectare between 1998-99 to 2002-03

Year	Food grains												Oil seeds			Total area covered under food-grains*	Total production of foodgrains▼
	Rice			Wheat			Maize			Pulses							
	A	P	Y	A	P	Y	A	P	Y	A	P	Y	A	P	Y		
1998-99	255.49	491.43	1923	1.11	2.10	1892	2.32	1.73	746	7.45	4.21	565	7.59	5.56	733	266.37	499.47
1999-2000	232.16	505.69	2178	1.25	2.40	1920	1.25	1.00	800	7.19	4.35	605	6.14	4.16	678	241.85	513.44
2000-01	243.08	547.53	2252	1.07	2.23	2084	1.58	1.58	1000	11.09	6.93	625	6.26	4.51	720	256.82	558.27
2001-02	246.74	587.38	2381	1.22	2.45	2008	2.08	2.08	1000	8.40	5.24	624	5.26	3.82	726	258.44	597.15
2002-03	251.75	614.35	2440	1.00	2.00	2000	2.39	2.16	9.4	8.25	5.15	624	4.78	3.64	762	263.39	623.66

Source: Departmental records.

A = Gross area in thousand hectares.
P = Production in thousand tonnes.
Y = Yield in Kg/hectare.
Gross area in thousand hectares.
▼ Production in thousand hectares.

APPENDIX - XIV

(Reference: Paragraph 3.1.25)

Statement showing the position of AC bills awaiting adjustment as on 31 March 2003

Sl. No.	Name of Drawing and Disbursing Officer	Year of drawal	No. of AC bills outstanding	Amount involved (Rs.)
1.	Superintendent of Agriculture (SA), Panisagar	1984-85 to 1989-90	69	5,89,127
		1990-91 to 1999-2000	146	31,81,212
		2000-2001 to 2001-2002	156	29,88,275
2.	SA, Kumarghat	1979-80	18	81,790
		1981-82 to 1983-84	17	2,46,998
		1999-2000 to 2000-2001	83	38,67,089
		2000-2001 to 2001-02	100	41,85,177
3.	SA, Kanchanpur	1983-84 to 1988-89	132	11,18,243
		1998-99 to 1999-2000	7	2,60,000
		2000-2001 to 2001-2002	48	22,23,000
4.	SA, Kadamtala	2000-2001 to 2001-2002	39	12,85,905
5.	SA, Matabari	2001-2002	58	26,89,500
6.	SA, Rajnagar	1979-80	4	9,300
		1980-81 to 1988-89	6	31,800
		1997-98 to 1998-99	11	2,27,500
		2000-2001	30	12,40,000
		2001-2002	67	25,99,000
7.	SA, Bagafa	2000-2001	2	75,000
		2001-2002	50	15,46,300

APPENDIX - XIV (Contd.)

(Reference: Paragraph 3.1.25)

Statement showing the position of AC bills awaiting adjustment as on 31 March 2003

Sl. No.	Name of Drawing and Disbursing Oficer	Year of drawal	No. of AC bills outstanding	Amount involved (Rs.)
8.	SA, Satchand	1985-86 to 1988-89	94	8,43,800
		1993-94 to 1999-2000	80	23,73,100
		2000-2001	52	17,99,500
		2001-2002	88	36,55,200
9.	SA, Amarpur	1982-83 to 1983-84	2	18,000
		1998-99 to 1999-2000	4	1,55,600
		2000-2001 to 2001-2002	47	18,04,700
10.	DDA, West Agartala	1999-2000	1	8,13,800
11.	SA, Melaghar	1988-89	5	64,123
		1992-93 to 1999-2000	77	15,10,037
12.	SA, Mohanpur	1999-2000	56	13,95,000
13.	SA, Jirania	1999-2000	4	1,10,000
14.	SA, Salema	1978-79 to 1979-80	5	27,619
		1981-82 to 1989-90	37	4,58,767
		1990-91	1	12,308
		2001-2002	20	8,80,650
			1616	**4,43,67,420**

APPENDIX – XV

(Reference : paragraph 3.2.10)

Statement showing the Intervention Projects implemented during the period from 2000-01 to 2002-03

Group	Year	Targeted interventions		Amount *(Rupees in lakh)*	
		Planned to be covered *(in numbers)*	Actually covered *(in numbers)*	Allocated	Utilised
Commercial sex workers	2001-02	NIL	40	6.00	0.39
	2002-03	NIL	45	6.00	0.54
Injectable drug users	2001-02	NIL	105	6.00	1.21
Truck drivers	2000-01	NIL	92	6.00	1.07
	2001-02	NIL	1800	6.00	2.30
	2002-03	NIL	400	6.00	1.36
Migrant labourers	2000-01	NIL	867	6.00	2.12
	2001-02	NIL	1736	6.00	4.50
	2002-03	NIL	12,394	6.00	4.65
Street children and rickshaw pullers	2002-03	NIL	172	6.00	1.28
Transport workers	2002-03	NIL	3738	6.00	1.80
Total:			**21,389**	**66.00**	**21.22**

APPENDIX – XVI

(Reference: paragraph 3.2.14)

Statement showing the list of medicines supplied by AIDS Control Society but not received by the CMOs

Medicines supplied to Chief Medical Officer, Dhalai District, Ambassa

Name of the medicine supplied	Quantity of medicine supplied during		Value of medicine supplied (Rupees in lakh)
	February and May 2000	March 2001	
Tab Cotrimoxazole	50,000 (Nos.)	20,000 (Nos.)	0.79
Tab Erythromycine (250 mg)	5,000 (Nos.)	16,000 (Nos.)	0.84
Cap Tetracycline (250 mg)	20,000 (Nos.)	1,00,000 (Nos.)	1.44
Tab Metronidazole (400 mg)	25,000 (Nos.)	—	0.17
Tab Norfloxacine (400 mg)	—	10,000 (Nos.)	0.48
Cap Ciprofloxacine (500 mg)	5,000 (Nos.)	15,000 (Nos.)	1.30
Cap Amoxyciline (250mg)	—	10,000 (Nos.)	0.44
Tab Doxycycline (100 mg)	—	18,000 (Nos.)	0.63
B.B. Emulsion (500 ml)	125 (Bottles)	—	0.15
		Total (A)	**6.24**

Medicines supplied to Chief Medical Officer, West District, Agartala

Name of the medicine supplied	Quantity of medicine supplied during February and May 2000	Value of medicine supplied *(Rupees in lakh)*
Tab Cotrimoxazole	50,000 (Nos.)	0.56
Tab Erythromycine (250 mg)	10,000 (Nos.)	0.44
Cap Tetracycline (250 mg)	20,000 (Nos.)	0.24
Tab Metronidazole (400 mg)	35,000 (Nos.)	0.23
Cap Ciprofloxacine (500 mg)	10,000 (Nos.)	0.65
B.B. Emulsion (500 ml)	125 (Bottles)	0.15
	Total (B)	**2.27**

Grand Total (A+B) =Rs. 8.51 lakh

APPENDIX – XVII

(Reference: Paragraph 4.1.10)

Statement showing the financial and physical performance of the MIPs

Name of the MIP	Approved by the CWC in	Estimated cost *(Rupees in crore)*		Amount of CLA received *(Rupees in crore)*	Total expenditure *(Rupees in crore)*	Scheduled date of completion	Irrigation potential *(in hectares)*		Benefit cost ratio (BCR)		Canals targeted for construction (in km)		Canals actually constructed (in km)	
		Original	Latest Revised (January 2002)				Targeted	Created	As per original project report	As per revised project report	Right Bank	Left Bank	Right Bank (Percentage to target)	Left Bank (Percentage to target)
Gomati	March 1979	5.88	59	11.27	39.76	March 1984	4486	1750 (39)	1.69*	1.38*	23.40	22.50	3.15 (13)	15 (67)
Khowai	May 1980	7.10	67	7.78	49.74	March 1985	4515	600 (13)	1.82#	1.63#	13.55	24.40	Nil	1 (4)
Manu	August 1981	8.18	52	8.81	38.82	March 1989	4198	200 (5)	1.74*	1.41*	10.00	30.00	Nil	4.70 (16)
Total :		**21.16**	**178**	**27.86**	**128.32**		**13199**	**2550 (19)**	-	-	**46.95**	**76.90**	**3.15 (7)**	**20.70 (27)**

Source: PWD (WR)

* As per the proposal document for AIBP prepared by the PWD (WR) and sent to GOI for release of CLA

\# As supplied by the PWD

APPENDIX - XVIII

(Reference: paragraph 7.2.26)

Statement showing the number of hanks of yarn issued to Dyers and Individuals and value thereof being not returned

Particulars	NMC Grey	NMC Jharna	NMC Plain	Muslin Grey	Muslin Jharna	Total
Hanks of yarn issued to the Dyers	6,80,500	Nil	Nil	1,26,500	Nil	8,07,000
Hanks of yarn issued to the Individuals	33,175	73,300	3,400	7,270	16,900	1,34,045
Total:	**7,13,675**	**73,300**	**3,400**	**1,33,770**	**16,900**	**9,41,045**
Value of hanks of yarn issued *(Rupees in lakh)*	24.98	2.90	0.13	4.75	0.67	33.43

APPENDIX – XIX

(Reference: Paragraphs 8.1.3, 8.1.4, 8.1.5)

Statement showing particulars of paid up capital, equity/loans received out of budget, other loans and loan outstanding etc. as on 31 March 2003 in respect of Government companies and statutory corporation

(Rupees in lakh)

Sl. No.	Name of the Sector and name of the Company	Paid up Capital at the end of the year 2002-03					Equity/Loan received out of the budget during the year		Other Loans received during the year	Loans outstanding at the end of the year			Debt Equity Ratio (Previous year)
		State Government	Central Government	Holding Companies	Others	Total	Equity	Loan		Govt.	Others	Total	
1	2	3(a)	3(b)	3(C)	3(d)	3(e)	4(a)	4(b)	4(C)	4(d)	4(e)	4(f)	5
A. Working Government Companies													
AGRICULTURE													
1.	Tripura Horticulture Corporation Ltd.(THCL)	140.10	-	-	-	**140.10**	2.50	-	-	-	-	-	-
	Total: AGRICULTURE	**140.10**	-	-	-	140.10	**2.50**	-	-	-	-	-	-
FOREST													
2.	Tripura Forest Development and Plantation Corporation Ltd. (TFDPCL)	870.44	29.50	-	-	**899.94**	40.00	-	-	-	217.55	217.55	0.24(0.25)
	Total: FOREST	**870.44**	**29.50**	-	-	899.94	**40.00**	-	-	-	**217.55**	**217.55**	0.24(0.25)
INDUSTRIES													
3.	Tripura Small Industries corporation Limited (TSICL)	1762.32	-	-	-	**1762.32**	220.00	-	-	-	61.82	61.82	0.03(0.03)
4.	Tripura Industrial Development Corporation Ltd.(TIDCL)	1009.00	-	-	163.50	**1172.50**	80.00	-	-	-	129.83	129.83	0.11(0.25)
5.	Tripura Handlooms and Handicraft Development Corporation Ltd. (THHDCL)	1250.84	77.78	-	4.00	**1332.62**	203.00	-	-	258.24	277.95	**536.19**	0.40(0.44)
6.	Tripura Jute Mills Ltd. (TJML)	7246.51	-	-	-	**7246.51**	750.00	-	-	109.45	-	**109.45**	0.02(0.02)
7.	Tripura Tea Development Corporation Ltd. (TTDCL)	935.50	-	-	-	**935.50**	257.00	-	-	-	-	-	-
	Total: INDUSTRIES	**12204.17**	**77.78**	-	**167.50**	**12449.45**	**1510.00**	-	-	**367.69**	**469.60**	**837.29**	**0.07(0.08)**
PRIMITIVE GROUP PROGRAMME													
8.	Tripura Rehabilitation Plantation Corporation Ltd. (TRPCL)	457.73	-	-	-	457.73	-	-	-	173.82	152.40	**326.22**	0.71(0.38)
	Total: Primitive Group Programme	**457.73**	-	-	-	457.73	-	-	-	**173.82**	**152.40**	326.22	**0.71(0.38)**
	Total(A): (Government Companies)	**13672.44**	**107.28**	-	167.50	13947.22	**1552.50**	-	-	**541.51**	**839.55**	**1381.06**	**0.10(0.11)**

APPENDIX – XIX (concld.)

(Reference: Paragraphs 8.1.3, 8.1.4, and 8.1.5)

Statement showing particulars of paid up capital, equity/loans received out of budget, other loans and loan outstanding etc. as on 31 March 2003 in respect of Government companies and statutory corporation

(Rupees in lakh)

Sl. No	Name of the Sector and name of the Company	Paid up Capital at the end of the year2002-03					Equity/Loan received out of the bndget during the year		Other Loans received during the year	Loans outstanding at the end of the year			Debt Equity Ratio (Previous year)
		State Govt.	Central Govt.	Holding Companies	Others	Total	Equity	Loans		Govt.	Others	Total	
1	2	3(a)	3(b)	3(C)	3(d)	3(e)	4(a)	4(b)	4(C)	4(d)	4(e)	4(f)	5
B. Working Statutory Corporation													
TRANSPORT													
1.	Tripura Road Transport Corporation (TRTC)	8942.25	363.74	-	-	9305.99	-	913.04	-	-	13.46	13.46	0.001(NIL)
	Total(B): Statutory Corporation	**8942.25**	**363.74**	**-**	**-**	**9305.99**	**-**	**913.04**	**-**	**-**	**13.46**	**13.46**	**0.001(NIL)**
	Grand Total(A+B)	**22614.69**	**471.02**	**-**	**167.50**	**23253.21**	**1552.50**	**913.04**	**-**	**541.51**	**853.01**	**1394.52**	**0.06(0.06)**
C. Non-working companies													
FINANCE													
1.	Tripura State Bank Ltd.	-	-	-	-	4.00	-	-	-	-	-	-	-
	Total(C)	**-**	**-**	**-**	**-**	**4.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

APPENDIX – XX

(Reference: Paragraphs 8.1.6, 8.1.7 and 8.1.11)

Summarised financial result of working Government companies and statutory corporation for the latest year for which accounts were finalised as of September 2003

(Rupees in lakh)

Sl. No.	Name of Sector and Name of the Companies	Name of Department	Date of Incorporation	Period of Accounts	Year in which accounts finalised	Net Profit (+)/ Loss (-)	Net impact of audit comments	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital Employed	Total Return on Capital employed	Percentage of total return on Capital employed	Accounts in arrears in terms of years	Turn over (as on 31.3.03) (Rs. in lakh)	Man-power (number of regular employees) (as on 31.3.03)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
A	***Working Government Companies***														
1.	**AGRICULTURE**														
(i)	Tripura Horticulture Corporation Limited	Agriculture Department	7.4.87	1997-98	2002-03	(-)14.44	Increase in loss by Rs. 13.70 lakh	135.00	(-)14.43	43.54	(-)7.66	–	5 years	N.A.	26
	Total:Agriculture					**(-)14.44**		**135.00**	**(-)14.43**	**43.54**	**(-)7.66**	–		**N.A.**	**26**
2.	**FOREST**														
(i)	Tripura Forest Dev. and Plantation Corporation Ltd.	Forest Department	26.3.76	1994-95	2003-04	(-)14.28	Increase in loss by Rs. 126.16 lakh	758.02	(-)490.91	1204.41	22.37	1.86	8 years	1442.41	243
	Total:Forest					**(-)14.28**		**758.02**	**(-)490.91**	**1204.41**	**22.37**	**1.86**		**1442.41**	**243**
3.	**INDUSTRY**														
(i)	Tripura Small Industries Corporation Ltd.	Industry Department	30.4.65	1990-91	2003-04	(-) 120.02	Increase in loss by Rs. 78.38 lakh	165.92	(-) 229.02	541.25	(-) 120.02	–	12 years	1037.13	198
(ii)	Tripura Industrial Development Corporation Ltd.	-do-	28.3.74	1996-97	2002-03	(-)60.60	Increase in loss by Rs. 92.55 lakh	916.50	(-) 272.70	1387.40	(-)14.73	–	6 years	185.01	28
(iii)	Tripura Handloom and Handicrafts Development Corporation Ltd.	-do-	5.9.74	1989-90	2002-03	(-) 100.27	NRC issued	151.44	(-) 128.72	272.24	(-) 100.27	–	12 years	339.37	231
(iv)	Tripura Tea Development Corporation Ltd.	-do-	11.08.80	1992-93	2003-04	(-) 6.12	Decrease in loss by Rs. 81.13 lakh	233.50	(-) 21.32	718.17	(-) 6.12	–	10 years	216.70	809
(v)	Tripura Jute Mills Ltd.	-do-	10.10.74	1992-93	2003-04	(-) 565.34	Increase in loss by Rs. 208.73 lakh	1826.05	(-) 3652.16	(-) 1168.92	(-) 385.03	–	10 years	200.56	1420
	Total: Industry					**(-) 852.35**		**3293.41**	**(-) 4303.92**	**1750.14**	**(-) 626.17**	–		**1978.77**	**2686**

APPENDIX – XX (concld.)

(Reference: Paragraphs 8.1.6, 8.1.7 and 8.1.11)

Summarised financial result of working Government companies and statutory corporation for the latest year for which accounts were finalised as of September 2003

(Rupees in lakh)

Sl. No.	Name of Sector and Name of the Companies	Name of Department	Date of Incorporation	Period of Accounts	Year in which accounts finalised	Net Profit (+)/ Loss(-)	Net impact of audit comments	Paid up Capital	Accumulated Profit (+)/ Loss(-)	Capital Employed	Total Return on Capital employed	Percentage of total return on Capital employed	Accounts in arrears in terms of years	Turn over (as on 31.3.03) (Rs. in lakh)	Man-power (number of regular employees) (as on 31.3.03)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
4.	**PRIMITIVE GROUP PROGRAMME**														
(i)	Tripura Rehabilitation Plantation Corporation Ltd.	Tribal Welfare Department	3.2.83	2000-01	2003-04	(-) 8.95	NRC issued	457.73	(-) 287.75	663.09	(-) 8.95	–	2 years	344.07	155
	Total: Primitive Group Programme					**(-) 8.95**		**457.73**	**(-) 287.75**	**663.09**	**(-) 8.95**	–		**344.07**	**155**
	Total of 'A' (Government Companines)					**(-) 890.02**		**4644.16**	**(-) 5097.01**	**3661.18**	**(-) 620.41**	–		**3765.25**	**3110**
B. Working Statutory Corporation															
5.	**TRANSPORT**														
(i)	Tripura Road Transport Corporation	Transport Department	23.10.69	1999-2000	2001-02	(-) 1051.63	Increase in loss by Rs. 303.90 crore	6208.06	(-) 9032.67	2589.34	(-) 688.81	26.60	3 years	359.97	801
	Total of 'B'(Statutory Corporation)					**(-) 1051.63**		**6208.06**	**(-) 9032.67**	**2589.34**	**(-) 688.81**	26.60		**359.97**	**801**
	GRAND TOTAL (A+B)					**(-) 1941.65**		**10852.22**	**(-) 14129.68**	**6250.52**	**(-) 1309.22**	–		**4125.22**	**3911**

APPENDIX – XXI

(Reference: Paragraph 8.1.5)

Statement showing subsidy received, guarantees received, waiver of dues, loans on which moratorium allowed and loans converted into equity during the year, subsidy receivable and guarantee outstanding at the end of March 2003

(Rupees in crore)

Sl. No.	Name of the Public Sector Undertaking	Subsidy received during the year				Guarantee received during the year and outstanding at the end of the year					Waiver of dues during the year				Loans on which moratorium allowed.
		Central Government	State Government	Others	Total	Cash credit from Bank	Loan from other sources	Letter of credit opened by banks in respect of imports	Payment obligation under agreement with Foreign Consultants or contract	Total	Loans repayments written off	Interest waived	Penal interest waived	Total	
1	2	3(a)	3(b)	3(c)	3(d)	4(a)	4(b)	4(c)	4(d)	4(e)	5(a)	5(b)	5(c)	5(d)	6
A.	***WORKING GOVERNMENT COMPANIES***														
	Tripura Horticulture Corporation Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Tripura Forest Development and Plantation Corporation Ltd.	-	-	-	-	-	-	-	-	(2.18)*	-	-	-	-	-
	Tripura Small Industries Corporation Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Tripura Industrial Development Corporation Ltd	-	-	-	-	-	-	-	-	-	0.0034	0.98	0.20	1.18	Moratorium allowed on all loans
	Tripura Handloom and Handicrafts Development Corporation ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Tripura Jute Mills Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Tripura Tea Development Corporation Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Tripura Rehabilitation Plantation Corporation Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total of 'A'	**-**		**-**	**-**	**-**	**-**	**-**		**(2.18)**	**0.0034**	**0.98**	**0.20**	**1.18**	**-**
B.	***WORKING STATUTORY CORPORATION***														
	Tripura Road Transport Corporation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total of 'B'														
	Grand Total (A+B)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2.18)**	**0.0034**	**0.98**	**0.20**	**1.18**	**-**

* Category-wise break-up was not available.

APPENDIX – XXII

(Reference: Paragraph 8.1.7)

Statement showing financial position of statutory corporation

(Rupees in crore)

Particulars		1999-2000	2000-2001	2001-2002
1.	**Tripura Road Transport Corporation**		(Provisional)	(Provisional)
A.	**Liabilities**			
	Capital (including capital loan and equity capital)	62.08	73.14	83.68
	Borrowings from Government*	0.25	0.25	0.25
	Borrowings from other sources	0.69	0.13	-
	Funds (excluding depreciation funds)	1.41	1.29	1.50
	Depreciation Reserve	5.97	6.50	-
	Trade dues and others current liabilities (including provision)	31.85	36.86	39.97
	Total of 'A'	**102.99**	**118.17**	**125.40**
B.	**Assets**			
	Gross Block	9.09	10.75	11.00
	Capital Work-in-progress including cost of chassis	-	-	-
	Investment	-	-	-
	Current Assets, Loans and Advances	2.83	3.68	0.40
	Accumulated losses	90.33	103.74	114.00
	Total of 'B'	**102.25**	**118.17**	**125.40**
C.	**Capital Employed#**	(-) 25.90	(-) 28.94	(-) 28.57

* The Borrowings were not for capital investment but for loans and advances to staff.

\# Capital employed represents net fixed assets (including work-in-progress) *plus* Working Capital.

APPENDIX – XXIII

(Reference: Paragraph 8.1.7)

Statement showing working results of statutory corporation (Tripura Road Transport Corporation)

(Rupees in crore)

Sl. No.	Particulars	1999-2000	2000-01	2001-02
Operating			(Provisional)	(Provisional)
a.	Revenue (Income)	2.31	2.93	3.30
b.	Expenditure	11.59	12.42	11.52
c.	Surplus (+)/Deficit (-)	(-) 9.28	(-) 9.49	(-) 8.22
Non-operating				
a.	Revenue (Income)	0.29	0.70	0.50
b.	Expenditure	4.42	0.60	0.40
c.	Surplus (+)/Deficit (-)	(-) 4.13	0.10	0.10
Total				
a.	Revenue (Income)	2.60	3.63	3.80
b.	Expenditure	16.01	13.02	11.92
c.	Net profit (+)/Loss (-)	(-) 13.41	(-) 13.41	(-) 8.12
	Interest on Capital and Loans	4.21	4.30	4.60
	Total return on Capital Employed*	(-) 9.21	(-) 5.09	(-) 3.52

* Total return on capital employed represents net surplus (+)/deficit (-) *plus* total interest charged to Profit and Loss Account (*less* interest capitalised).

APPENDIX - XXIV

(Reference: Paragraph 8.1.10)

Statement showing operational performance of statutory corporation (Tripura Road Transport Corporation)

Sl. No.	Particulars	Bus			Truck		
		2000-01	2001-02	2002-03 (Provisional)	2000-01	2001-02	2002-03 (Provisional)
1.	**Average No. of vehicles held**	77	84	93	22	22	22
2.	**Average No. of vehicles on road**	38	47	57	10	12	13
3.	Percentage of utilisation of vehicles	49.35	55.95	61.29	45.45	54.55	59.09
4.	Number of employees	800	779	768	98	95	85
5.	Employee – vehicle ratio	10.39	9.27	8.26	4.45	4.31	3.86
6.	No. of routes operated at the end of the year	27	28	28	-	-	-
7.	Route Kilometres	3129	3287	3242	-	-	-
8.	Kilometres operated (in lakh)						
	(a). Gross	20.89	24.73	26.46	1.70	2.03	1.76
	(b). Effective	19.96	23.56	25.80	1.68	2.02	1.76
	(c). Dead	0.93	1.17	0.66	0.02	0.01	-
9.	Percentage of dead kilometres to gross kilometres	4.45	4.73	2.49	1.18	0.49	-
10.	Average kilometres covered per Bus/Truck/day	151	138	127	46	46	37
11.	Operating revenue per kilometre (Paise)	954	NA	1016	1800	NA	1763
12.	Average expenditure per kilometre (Paise) (Operating)	4939	NA	4283	7509	NA	4949
13.	Profit (+) / Loss (-) per kilometre (Paise)	(-) 3985	NA	(-) 3267	(-) 5629	NA	(-) 3186
14.	No. of operating depots	2	2	2	1	1	1
15.	Average No. of break-downs per lakh kilometers	36	17	13.37	0.6	0.05	-
16.	Average No. of accidents.	0.33	0.16	0.04	-	-	-
17.	Passenger – kilometres operated (in crore)	6.38	8.74	9.05	-	-	-
18.	Occupancy ratio	68.10	77.28	75.00	-	-	-

APPENDIX – XXV

(Reference: Paragraph 8.1.19)

Statement showing the Department-wise Inspection Reports issued up to 31-03-2003 (outstanding as on 31 September 2003)

Sl. No.	Name of Department	No. of PSUs	No. of outstanding IRs	No. of outstanding Paragraphs	Years from which observation outstanding
1.	2	3	4	5	6
1.	Industries & Commerce	3	3	10	1992-93
2.	Industries & Commerce	2	2	11	1993-94
3.	Transport	1	1	5	-do-
4.	Forest	1	1	2	-do-
5.	Agriculture	1	1	2	-do-
6.	Industries & Commerce	2	2	12	1994-95
7.	Transport	1	1	11	-do-
8.	Forest	1	1	4	-do-
9.	TRP & PGP	1	3	11	-do-
10.	Industries & Commerce	2	2	12	1995-96
11.	Transport	1	1	10	-do-
12.	TRP & PGP	1	1	2	-do-
13.	Industries & Commerce	3	3	14	1996-97
14.	Forest	1	1	4	-do-
15.	TRP & PGP	1	2	3	-do-
16.	Industries & Commerce	2	2	10	1997-98
17.	TRP & PGP	1	2	4	-do-
18.	Industries & Commerce	2	2	7	1998-99
19.	Forest	1	1	5	-do-
20.	TRP & PGP	1	1	4	-do-
21.	Transport	1	1	9	-do-
22.	Industries & Commerce	3	3	21	1999-2000
23.	Agriculture	1	1	5	-do-
24.	TRP & PGP	1	1	1	-do-
25.	Industries & Commerce	2	2	16	2000-01
26.	Forest	1	1	5	-do-
27.	Transport	1	1	4	2001-02
28.	Industries & Commerce	8	8	15	2002-03
29.	Forest	1	1	5	-do-
30.	Agriculture	1	1	6	-do-
			53	**230**	

APPENDIX - XXVI

(Reference: Paragraph 8.1.19)

Statement showing the Department-wise draft paragraphs, replies to which are awaited

Sl. No.	Name of the department	No. of draft paragraphs	Date of issue
(1)	*(2)*	*(3)*	*(4)*
1.	Power Department	3	March 2003
2.	Transport Department	1	June 2003

APPENDIX - XXVII

(Reference: Paragraph 9.2.1)

Statement showing wing-wise distribution of posts under the Audit Directorate

Sl. No.	Name of the post	Sanctioned strength
A	**For Headquarters**	
	1. Office Superintendent	1
	2. Head Clerk-cum-Accountant	2
	3. Upper Division Clerk	2
	4. Lower Division Clerk	4
	5. Group D	8
	Total	**17**
B	**For Internal Audit Wing**	
	1. Deputy Director	1
	2. Audit Officer	1
	3. Assistant Audit Officer	3
	4. Auditor	6
	5. Lower Division Clerk	3
	6. Group D	3
	Total	**17**
C	**For Local Fund Audit Wing**	
	1. Deputy Director	1
(a)	**For First Tier (Head Office)**	
	1. Assistant Audit Officer	3
	2. Auditor	6
	3. Lower Division Clerk	3
	4. Group D	3
(b)	**For Second Tier (Block level)**	
	1. Panchayat Audit Officer	38
	2. Auditor	76
	3. Lower Division Clerk	38
	4. Group D	38
	Total	**206**
Grand Total A+B+C		**240**