

Presented before  
the State Legislature

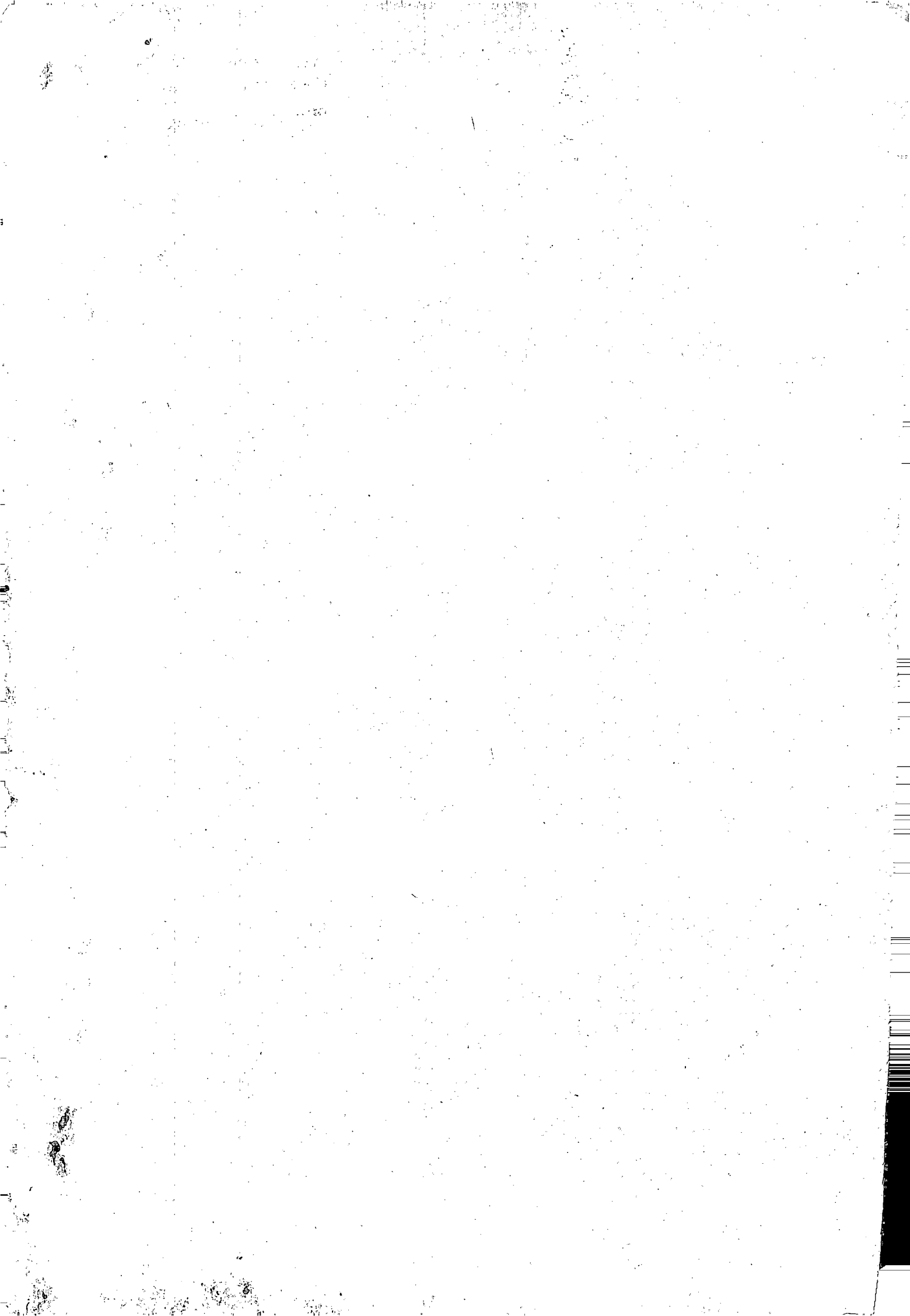
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# Report of the Comptroller and Auditor General of India

For the year ended 31 March 2004



**GOVERNMENT OF TRIPURA**



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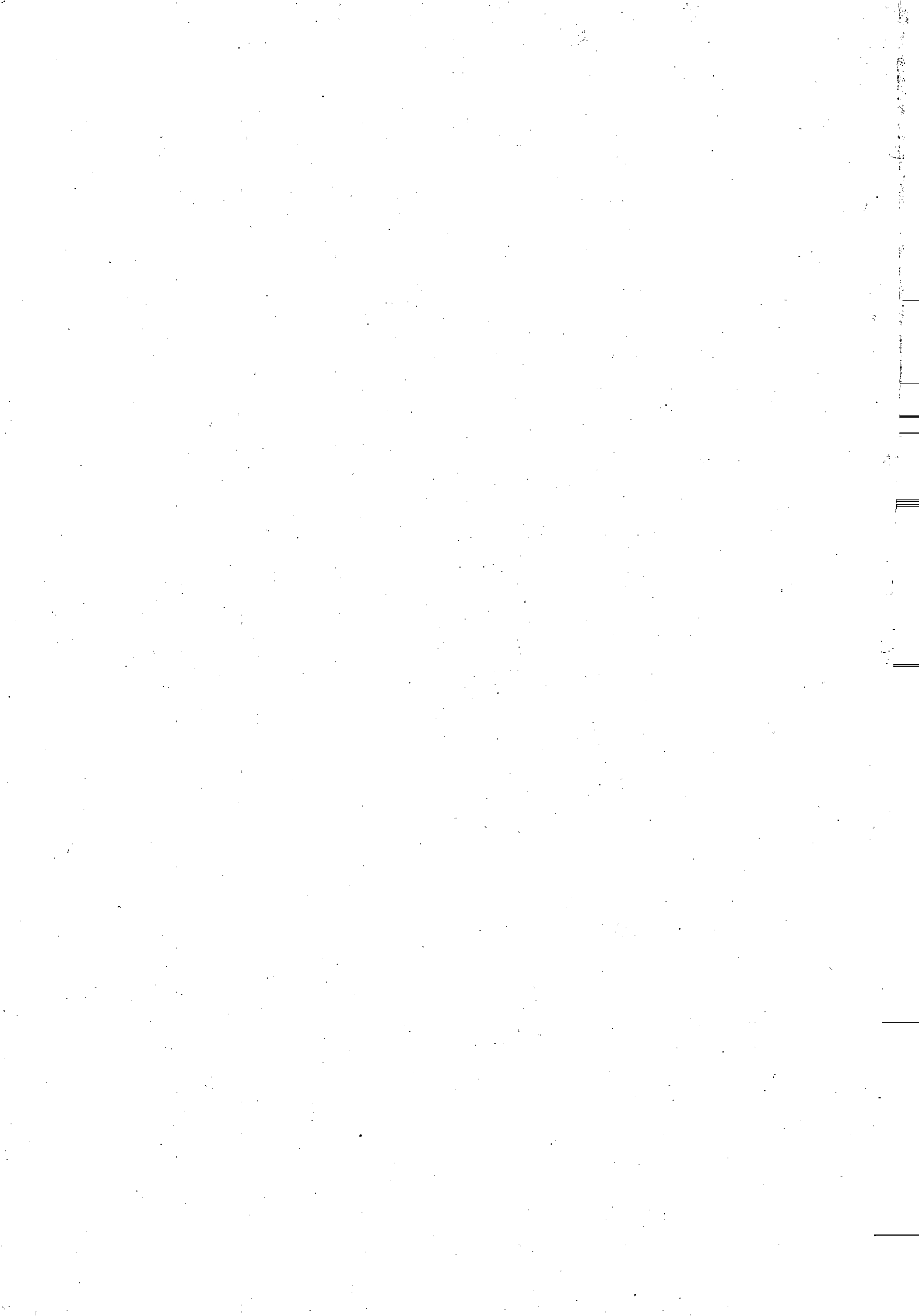
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## PREFACE

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 2004.
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 2003-04 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 2003-04 have also been included, wherever necessary.



# **OVERVIEW**



OVERVIEW



## OVERVIEW

This Report contains 23 audit paragraphs and five performance reviews / long paragraph apart from comments on the Finance and Appropriation Accounts. According to existing arrangements, copies of the draft audit paragraphs and draft audit reviews are sent to the concerned Secretary to the State Government by the Accountant General (Audit) with a request to furnish replies within six weeks. In respect of 15 audit paragraphs and one review included in this Report, no response was received from the concerned Secretary to the State Government.

### *1. Finances of the State Government*

The revenue receipts of the State Government increased by 15.30 *per cent* over the previous year as against the average trend rate of 11.45 *per cent* during the five year period 1999-2004. Revenue receipts during the year comprised tax revenue of Rs. 221.47 crore (10 *per cent*), non-tax revenue of Rs. 167.78 crore (8 *per cent*) and Government of India transfer of Rs. 1778.41 crore (82 *per cent*).

The total expenditure in 2003-04 increased by Rs. 93 crore over previous year mainly due to increase in interest payment by Rs. 42 crore. Expenditure on General Services and interest payments which were considered as non-developmental together accounted for 36.60 *per cent* in 2003-04 as against 31.62 *per cent* in 1999-2000. On the other hand, development expenditure accounted for 61.66 *per cent* in 2003-04 as against 67.15 *per cent* in 1999-2000.

In the year 2003-04, plan expenditure and development expenditure declined compared to 1999-2000, though capital expenditure has slightly increased. Percentage of plan expenditure, capital expenditure and development expenditure had decelerated in 2003-04 to 29.72, 17.70 and 61.81 *per cent* from 31.85, 18.71 and 62.18 in the previous year. While non-plan revenue expenditure increased from Rs. 1621.10 crore in 2002-03 to Rs. 1731.88 crore in 2003-04, non-plan capital expenditure increased from Rs. 22.52 crore to Rs. 29.89 crore.

At the end of 2003-04, Government had invested Rs. 313.13 crore in its Statutory corporations, Government companies and co-operative societies, but there was no return on this investment.

*(Paragraphs 1.5 to 1.8)*



## **Fiscal Reforms Programme**

A Memorandum of Understanding (MOU) was signed in March 2003 between Government of India and Government of Tripura under the Fiscal Reforms Programme.

According to the MOU, Government of Tripura received Rs. 5.32 crore as incentive from the Government of India during the years 2001-04 to overcome fiscal constraints.

*(Paragraph 1.10)*

### **Fiscal ratios**

The revenue expenditure over the five years 1999-2004 was on increasing trend and comprises 82 *per cent* of total expenditure in 2003-04 leaving a very little for capital formation or asset creation. The development expenditure to total expenditure was on a declining trend and its ratio has fallen significantly in the year 2003-04 over the previous year(s). This indicates State's inadequate expansion of its development activity. Increasing ratio of fiscal liabilities to GSDP on account of increasing interest payment indicate that the State is gradually getting into a debt trap.

*(Paragraph 1.11)*

## **2. Allocative priorities and Appropriation**

Against the total budget provision of Rs.3630.09 crore, actual expenditure was Rs.2962.03 crore. Overall savings of Rs. 668.06 crore were the results of savings of Rs. 901.61 crore in 56 grants and appropriations, offset by excess of Rs. 233.55 crore in five grants and appropriations. The excess expenditure required regularisation by the Legislature under Article 205 of the Constitution of India.

In 39 cases, supplementary provision of Rs. 125.99 crore proved unnecessary.

In 55 cases, saving was more than Rs.10 lakh in each case and also over 10 *per cent* of the total provision.

In seven cases under five grants / appropriations, expenditure of Rs. 72.15 crore was incurred without budget provision.

In 60 cases, anticipated savings of Rs. 453.33 crore had not been surrendered.

In seven cases, against actual savings of Rs. 33.77 crore, Rs.53.71 crore had been surrendered, resulting in excess surrender of Rs. 19.94 crore.

*(Paragraphs 2.2 to 2.8)*



### **3. Audit Reviews**

#### **3.1 Working of the Indian Systems of Medicine and Homoeopathy**

Lack of planning, poor infrastructure, shortage of staff, poor manpower management, absence of adequate support system and opening of dispensaries without any feasibility study making many of the dispensaries dysfunctional – all in combination had a highly deleterious effect on working of the systems of Ayurveda and Homoeopathy to cater to the needs of public health care in the State.

- Dispensaries were opened without feasibility study. This resulted in non-functioning of 17 Homoeopathic dispensaries for want of patients and wasteful expenditure of Rs. 22.10 lakh.
- Bed capacity of the Homoeopathic Hospital at Agartala remained heavily under-utilised due to non-supply of meals to the patient, poor pathology and radiography services and even non-availability of ambulance.
- An amount of Rupees eight lakh spent on a project for development and cultivation of medicinal plants at Kamalpur proved wasteful as the infrastructure created by July 1999 remained abandoned since then.

(Paragraph 3.1)

#### **3.2 Materials management in Health and Family Welfare Department**

Materials management in the Health and Family Welfare Department was found to have been deficient. Procurement of medicines was not based on realistic assessment as requirement of medicines submitted by different health institutions was not supported by basic data. The system of health care in different health institutions in the State suffered due to delayed and reduced supply of medicines, supply of substandard medicines, and idling of machinery and equipment. Reasons for these deficiencies were attributable to lack of adequate planning and monitoring.

- Penalty of Rs. 18.34 lakh, for delay in supplying medicines was not imposed on the suppliers.
- Eighteen items of machines and equipment purchased during 1996 to 2002 at a cost of Rs. 86.24 lakh remained non-functional (as of June 2004).

(Paragraph 3.2)

#### **3.3 Working of Industries and Commerce Wing of Industries and Commerce Department**

The main objective of the Industries and Commerce Wing of the Industries and Commerce Department to promote the Village and Small Scale Industries in the State was not achieved. Implementation of various schemes suffered due to lack of proper planning, monitoring, and manpower management, failure to



create awareness among the entrepreneurs, and to mobilize and sponsor eligible cases to banks. Diversion and parking of funds had an adverse effect on programme implementation.

- The scheme for the growth of small scale industries (SSI) failed to achieve its objectives as 1,104 units were closed and 4,276 persons lost their employment during 1999-2004.
- The department incurred an expenditure of Rs. 94 lakh towards payment of wages to idle staff of two closed SSI units during 1999-2004.
- An amount of Rs. 1.30 crore under Margin Money Scheme was unauthorisedly diverted by Tripura Khadi and Village Industries Board towards its administrative expenses and thus, the purpose of the Scheme was defeated.

**(Paragraph 3.3)**

### **3.4 Working of Tripura Horticulture Corporation Limited**

The Tripura Horticulture Corporation Limited was incorporated on 7 April 1987 under the Companies Act, 1956 as a wholly owned Government company with the object of raising plantations of economically important species of horticultural and agricultural crops on land acquired by the Company. Working of the Company for the period from 1998-99 to 2002-03 was reviewed in audit.

- Accumulated losses of Rs. 41.16 lakh had eroded 29 *per cent* of the paid-up capital (Rs. 1.40 crore) of the Company.
- Due to low yield of raw cashewnut, the Company suffered a loss of Rs. 2.83 crore.
- The Company engaged 78 daily rated workers (DRWs) without any sanction and as a result, wages of Rs. 61.38 lakh paid to them during 1998-2003 was unauthorised.
- The Company spent Rs. 49.88 lakh during 1998-2003 towards idle wages of 67 DRWs engaged in 17 orchards where there was no plantation activity.
- The Company suffered a loss of Rs. 52.02 lakh in operating the cold storage located at Teliamura.

**(Paragraph 6.2)**

## **4. Paragraphs**

### **(a) Civil**

- Non-adherence to the provision of Financial Rules by three Drawing and Disbursing Officers led to misutilisation of cash of Rs. 11.06 lakh.

**(Paragraph 4.3)**



- The Government had to bear extra liability of Rs. 2.33 crore due to late payment of energy bills.

**(Paragraph 4.5)**

- Transfer of bailey bridge to Border Road Organisation without drawing up agreement and its return and acceptance by unauthorised and unqualified person resulted in idle and infructuous expenditure of Rs. 39.80 lakh.

**(Paragraph 4.8)**

- Failure of the department to get the work done by the first contractor due to departmental lapses and award of the work to another contractor resulted in extra expenditure of Rs. 24 lakh.

**(Paragraph 4.9)**

- Works Advisory Board approved interest free mobilisation advance (Rs. 2.10 crore) to contractor ignoring the provisions of the CPWD manual resulting in loss of interest of Rs. 30 lakh.

**(Paragraph 4.11)**

- Expenditure of Rs. 42.81 lakh incurred on construction of three ropeways was rendered unfruitful and seven ropeways could not be constructed resulting in locking up of an additional amount of Rs. 57.19 lakh allocated for them. The interest loss of the Government on this account was Rs. 30.88 lakh.

**(Paragraph 4.13)**

- Failure on the part of the Agartala Municipal Council to complete the project for construction of slaughter house at Agartala during 1993-94 to 2003-04, due to lack of planning, has led to idle investment (Rs. 65.05 lakh) and blockage of funds (Rs. 1.11 crore).

**(Paragraph 4.14)**

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

- Loss of revenue of Rs. 1.51 crore to the Forest Department was due to illegal felling of trees, non-recovery of timber from felling site, theft of timber from custody / depot, and missing logs.

**(Paragraph 5.2)**

- Non-imposition of fine on the owners of the vehicles carrying load in excess of permissible limit resulted in loss of Rs. 5.50 crore.

**(Paragraph 5.6)**

#### **(c) Commercial**

- Non-imposition of penalty for delayed payment of energy charges by consumers resulted in loss of revenue amounting to Rs. 74.76 lakh.

**(Paragraph 6.4)**



- Inadmissible allowance of rebate to 775 consumers in 1640 cases resulted in loss of revenue of Rs. 14.35 lakh.

**(Paragraph 6.5)**

- Erroneous computation of energy charges by the Sub-divisional Offices led to short realisation of revenue of Rs. 17.64 lakh.

**(Paragraph 6.6)**

**CHAPTER I**  
**FINANCES OF THE STATE**  
**GOVERNMENT**



CHAPTER I  
ORGANIZATION OF THE STATE  
GOVERNMENT



## CHAPTER I: FINANCES OF THE STATE GOVERNMENT

### In Summary

*Large revenue and fiscal deficits year after year indicate continued macro imbalances in a State. In Tripura fiscal deficit increased from Rs. 290.51 crore in 1999-2000 to Rs. 341.39 crore in 2003-04.*

*Revenue of the State consists mainly of its own tax and non-tax revenue, Central tax transfers and grants-in-aid from Government of India. Overall revenue receipts increased from Rs. 1438.26 crore in 1999-2000 to Rs. 2167.66 crore in 2003-04 at an average trend rate of 11 per cent. There were, however, significant inter-year variations in the growth rates. During the current year the revenue receipts grew by 15.30 per cent. On an average 82 per cent of the revenue came from State's share and grants-in-aid during the year. While Central tax transfers had increased by 28.36 per cent, the grants-in-aid from Government of India increased by 8.11 per cent over the last year. Only 18 per cent of the revenue receipts came from State's own resources.*

*Total expenditure of the State increased from Rs. 1731.14 crore in 1999-2000 to Rs. 2512.74 crore in 2003-04 at an average trend rate of 13 per cent. The rate of growth of expenditure in 2003-04 was 3.84 per cent which was lower than the average trend rate (13 per cent) for five years.*

*There was a decrease of one per cent in capital expenditure and 5.21 per cent in non-developmental expenditure during 2003-04 over the last year. The interest payment during 2003-04 was Rs. 332.71 crore and the same grew by 14.44 per cent over the last year. The average growth rate of interest payment during the period 1999-2004 was 11.46 per cent. Debt burden (fiscal liabilities) of the State at the end of 2003-04 was Rs. 3577.93 crore, up by 14.41 per cent over the previous year. The average rate of interest paid on the borrowings of the State during 1999-2004 (10.53 per cent) was more than the average rate of growth of GSDP (9.45 per cent), violating the cardinal rule of debt sustainability. The finances of the State continued to be dependent on the ways and means advance from Reserve Bank of India.*

*State Government has not yet passed any Fiscal Responsibility Act but entered into a Memorandum of Understanding with Government of India in March 2003.*

*Though it is not uncommon for a State to borrow for widening its infrastructure and for creating income generating assets, an ever increasing ratio of fiscal liabilities to GSDP together with a large revenue deficit could lead the State finances into a debt trap. State Government proposes to achieve fiscal sustainability in the medium term in accordance with the Tripura Medium Term Fiscal Reforms Programme in the coming years.*

## 1.1 Introduction

The Finance Accounts of the Government of Tripura are laid out in nineteen statements, presenting receipts and expenditure, revenue as well as capital, in the Consolidated Fund, Contingency Fund and the Public Account of the State Government. The layout of the Finance Accounts is depicted in the **Box 1.1**.

### Box 1.1

#### Layout of Finance Accounts

*Statement No. 1 presents the summary of transactions of the State Government – receipts and expenditure, revenue and capital, public debt receipts and disbursements etc in the Consolidated Fund, Contingency Fund and Public Account of the State.*

*Statement No. 2 contains the summarised statement of capital outlay showing progressive expenditure to the end of current year.*

*Statement No. 3 gives financial results of irrigation works, their revenue receipts, working expenses and maintenance charges, capital outlay, net profit or loss, etc. There is no commercial irrigation project in Tripura State.*

*Statement No. 4 indicates the summary of debt position of the State, which includes borrowings from internal debt, Government of India, other obligations and servicing of debt.*

*Statement No. 5 gives the summary of loans and advances given by the State Government during the year, repayments made, recoveries in arrears, etc.*

*Statement No. 6 gives the summary of guarantees given by the Government for repayment of loans etc. raised by the statutory corporations, local bodies and other institutions.*

*Statement No. 7 gives the summary of cash balances and investments made out of such balances.*

*Statement No. 8 depicts the summary of balances under Consolidated Fund, Contingency Fund and Public Account as on 31 March 2004.*

*Statement No. 9 shows the revenue and expenditure under different heads for the current year as a percentage of total revenue / expenditure.*

*Statement No. 10 indicates the distribution between the charged and voted expenditure incurred during the year.*

*Statement No. 11 indicates the detailed account of revenue receipts by minor heads.*

*Statement No. 12 provides accounts of revenue expenditure by minor heads under non-plan, State plan and centrally sponsored schemes separately and capital expenditure major head-wise.*

*Statement No. 13 depicts the detailed capital expenditure incurred during and to the end of the current year.*



*Statement No. 14 shows the details of investment of the State Government in statutory corporations, Government companies, other joint stock companies, cooperative banks and societies etc, up to the end of the current year.*

*Statement No. 15 depicts the capital and other expenditure to the end of the current year and the principal sources from which the funds were provided for that expenditure.*

*Statement No. 16 gives the detailed account of receipts, disbursements and balances under heads of account relating to debt, Contingency Fund and Public Account.*

*Statement No. 17 presents the detailed account of debt and other interest bearing obligations of the Government.*

*Statement No. 18 provides the detailed account of loans and advances given by the Government of Tripura, the amount of loans repaid during the year, the balances at the end of the year and the amount of interest received during the year.*

*Statement No. 19 gives the details of balances of earmarked funds. No earmarking of funds have been made in Tripura as shown in the statement.*

### *1.2 Trend of Finances with reference to previous year*

Finances of the State Government during the current year compared to previous year were as under:

*(Rupees in crore)*

2002-03	Sl. No.	Major Aggregates	2003-04
<b>1880.07</b>	<b>1.</b>	<b>Revenue Receipts (2+3+4)</b>	<b>2167.66</b>
183.09	2.	Tax Revenue	221.47
98.73	3.	Non-tax Revenue	167.78
1598.25	4	Other Receipts	1778.41
<b>3.10</b>	<b>5.</b>	<b>Non-Debt Capital Receipts</b>	<b>3.69</b>
<b>1883.17</b>	<b>6.</b>	<b>Total Receipts (1+5)</b>	<b>2171.35</b>
<b>1643.62</b>	<b>7.</b>	<b>Non-Plan Expenditure (8+10)</b>	<b>1761.77</b>
1621.10	8.	On Revenue Account	1731.88
290.73	9.	Of which, Interest Payments	332.71
22.52	10.	On Capital Account	29.89
<b>776.55</b>	<b>11.</b>	<b>Plan Expenditure (12 + 13 +14)</b>	<b>750.97</b>
339.62	12.	On Revenue Account	331.05
428.69	13.	On Capital Account	413.89
8.24	14.	On Loans disbursed	6.03
<b>2420.17</b>	<b>15.</b>	<b>Total Expenditure (7 + 11)</b>	<b>2512.74</b>
<b>(-) 537.00</b>	<b>16.</b>	<b>Fiscal Deficit (15-1-5)</b>	<b>(-) 341.39</b>
<b>(-) 80.65</b>	<b>17.</b>	<b>Revenue Deficit (-)/ Surplus (+) (8 + 12 - 1)</b>	<b>(+) 104.73</b>
<b>(-) 246.27</b>	<b>18.</b>	<b>Primary Deficit (-)/Surplus (+) (16-9)</b>	<b>(-) 8.68</b>

### *1.3 Summary of Receipts and Disbursements for the year*

Table 1 summarises the finances of the Government of Tripura for the year 2003-04 covering revenue receipts and expenditure, capital receipts and expenditure, public debt receipts and disbursements and public accounts

receipts and disbursements made during the year as emerging from Statement 1 of the Finance Accounts and other detailed statements.

Table 1: Summary of Receipts and Disbursements for the year 2003-04

<i>(Rupees in crore)</i>							
2002-03	Receipts	2003-04	2002-03	Disbursement	2003-04		
Section A: Revenue					Non-Plan	Plan	Total
1880.07	I. Revenue Receipts	2167.66	1960.72	I. Revenue Expenditure	1731.88	331.05	2062.93
183.09	Tax Revenue	221.47	826.73	General Service	874.45	1.63	876.08
98.73	Non-tax Revenue	167.78	716.56	Social Service	521.21	211.44	732.65
249.71	Share of Union taxes / duties	320.53	375.35	Economic Service	336.22	80.22	416.44
1348.54	Grants from Government of India	1457.88	42.08	Grants-in-aid / contribution	-	37.76	37.76
Section B: Capital							
-	II. Miscellaneous Capital Receipts	-	451.21	II. Capital outlay	29.89	413.89	443.78
3.10	III. Recoveries of Loans and Advances	3.69	8.24	III. Loans and Advances disbursed	-	6.03	6.03
211.48	IV. Public Debt receipts*	405.32	114.80	IV. Repayment of Public Debt	-	-	250.87#
-	V. Contingency Fund	-	-	V. Contingency Fund	-	-	-
1575.97	VI. Public Account receipts	1699.00	1246.12	VI. Public Account disbursements	-	-	1615.86#
110.41	Opening balance	(-) 0.06	(-) 0.06	Closing balance			(-) 103.86
3781.03	Total	4275.61	3781.03	Total			4275.61

\* Includes net ways and means advance also.

# Bifurcation of Plan and Non-Plan not available.

#### 1.4 Audit Methodology

Audit observations on the Finance Accounts bring out the trends in the major fiscal aggregates of receipts and expenditure and from the statements of the Finance Accounts for the year 2003-04 and wherever necessary, show these in the light of time series data and periodic comparisons. The key indicators adopted for the purpose are (i) Resources by volumes and sources, (ii) Application of resources, (iii) Assets and Liabilities, and (iv) Management of deficits. Audit observations have also taken into account the cumulative impact of resource mobilisation efforts, debt servicing and corrective fiscal measures. Overall financial performance of the State Government as a body corporate has been presented by the application of a set of ratios commonly adopted for the relational interpretation of fiscal aggregates.

The reporting parameters are depicted in the Box 1.2.



## Box 1.2

## Reporting Parameters

*Fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the GSDP at current market prices.*

*For tax revenues, non-tax revenues, revenue expenditure etc, buoyancy projections have also been provided for a further estimation of the range of fluctuations with reference to the base represented by GSDP.*

*For most series a trend growth during 1999-2004 has been indicated. The ratios with respect to GSDP have also been depicted. Some of the terms used here are explained in Annexure.*

*The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account as defined in Box 1.3.*

## Box 1.3

## State Government Funds and the Public Account

Consolidated Fund	Contingency Fund	Public Account
All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of State' established under Article 266(1) of the Constitution of India.	Contingency Fund of State established under Article 267(2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.	Besides the normal receipts and expenditure of Government which relate to the Consolidated Fund, certain other transactions enter Government Accounts, in respect of which Government acts more as a banker. Transactions relating to provident funds, small savings, other deposits, etc are a few examples. The public moneys thus received are kept in the Public Account set up under Article 266(2) of the Constitution and the related disbursements are made from it.

## 1.5 State finances by key indicators

**1.5.1 Resources by volumes and sources:** Resources of the State Government consist of revenue receipts and capital receipts. Revenue receipts consist of tax revenues, non-tax revenue, State's share of union taxes and duties and grants-in-aid from the Central Government. Capital receipts comprise miscellaneous

capital receipts like proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources viz., market loans, borrowings from financial institutions / commercial banks etc, and loans and advances from Government of India as well as accruals from Public Account.

Table 2 shows that the total receipts of the State Government for the year 2003-04 were Rs. 4275.67 crore. Of these, the revenue receipts of the State Government were Rs. 2167.66 crore only, constituting 51 *per cent* of the total receipts. The balance of receipts came from borrowings and public account receipts.

**Table 2: Resources of Tripura**

			(Rupees in crore)
<b>I.</b>	<b>Revenue Receipts</b>		<b>2167.66</b>
<b>II.</b>	<b>Capital Receipts</b>		<b>409.01</b>
	(a) Miscellaneous Receipts	-	-
	(b) Recovery of Loans and Advances	3.69	
	(c) Public Debt Receipts	405.32	
<b>III.</b>	<b>Contingency Fund Receipts</b>		<b>Nil</b>
<b>IV.</b>	<b>Public Account Receipts</b>		<b>1699.00</b>
	(a) Small Savings, Provident Fund etc	526.46	
	(b) Reserve Fund	20.74	
	(c) Deposits and Advances	225.07	
	(d) Suspense and Miscellaneous	112.58	
	(e) Remittances	814.15	
<b>Total Receipts</b>			<b>4275.67</b>

**1.5.2 Revenue Receipts:** Statement 11 of the Finance Accounts details the Revenue Receipts of the Government. The Revenue Receipts of the State consist mainly of its own tax and non-tax revenues, Central tax transfers and grants-in-aid from Government of India. Overall revenue receipts, its annual rate of growth, ratio of these receipts to the State's Gross Domestic Product (GSDP) and its buoyancy is indicated in Table 3.

**Table 3: Revenue Receipts – Basic Parameters (Values in Rupees in crore and other in *per cent*)**

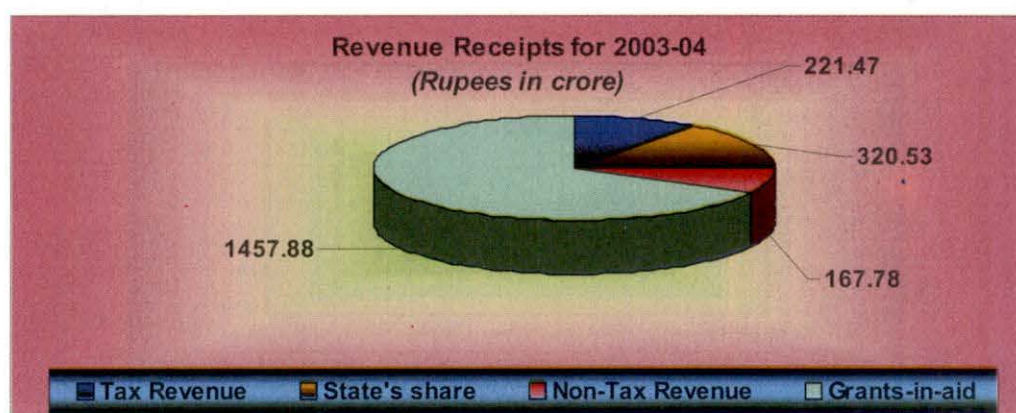
	1999-2000	2000-01	2001-02	2002-03	2003-04	Average
Revenue Receipts	1438.26	1638.06	1867.38	1880.07	2167.66	1798.29
Own Taxes	7.07	7.67	8.49	9.74	10.22	8.64
Non-Tax Revenue	5.30	5.77	5.22	5.25	7.74	5.86
Central Tax transfer	36.82	14.42	42.46	13.28	14.79	24.35
Grants-in-aid	50.81	72.14	73.83	71.73	67.26	67.15
Rate of Growth	13.40	13.89	14.00	0.68	15.30	11.45
Revenue Receipt/GSDP	34.63	36.20	37.76	34.35	36.18	35.82
Revenue Buoyancy	1.505	1.556	1.507	0.064	1.619	1.250
GSDP Growth	8.90	8.93	9.29	10.69	9.45	9.45

The revenue receipts of the State increased from Rs. 1438.26 crore in 1999-2000 to Rs. 2167.66 crore in 2003-04 at an average trend rate of 11.45 *per cent*. There were, however, significant inter-year variations in the growth rates. During the five-year period 1999-2004, the State had a buoyant economy with its GSDP growth averaging 9.45 *per cent*. Revenue growth



exceeded GSDP growth rates during all the years from 1999 to 2004 except 2002-03 and buoyancy of revenue receipt during this period was greater than one. There was sharp increase in revenue buoyancy to 1.619 due to a moderate growth in revenue receipt during 2003-04 relative to GSDP.

While 18 per cent of the revenue receipts during 2003-04 have come from State's own resources comprising tax and non-tax revenues, Central tax transfers and grants-in-aid together contributed 82 per cent of the total revenue. Sales Tax was the major contributor (67 per cent) of State's own tax revenue followed by State Excise (14 per cent), Stamps and Registration fees (5 per cent), and Taxes on Vehicles (4 per cent). Of non-tax revenue sources interest receipts (2 per cent), receipts from Economic Services (87 per cent) were principal contributors. However, 84 per cent of the interest receipts (Rs. 3.67 crore) was only from investment of cash balances.



The arrears of revenue increased by 37 per cent from Rs. 9.64 crore in 1999-2000 to Rs. 13.23 crore at the end of 2003-04. Of these, Rs. 0.71 crore (5.37 per cent) were more than 5 years old.

The current levels of cost recovery (revenue receipts as a percentage of revenue expenditure) in supply of merit goods and services by Government are 11.59 per cent for Secondary Education, 1.01 per cent for University and Higher Education, 0.18 per cent for Technical Education, 3.99 per cent for Health and Family Welfare, and 9.53 per cent in Water Supply and Sanitation etc.

The source of total receipts under different heads and GSDP during 1999-2004 is indicated in Table 4.

Table 4: Sources of Receipts: Trends

Year	Revenue receipts	Capital Receipts			Total receipts	Gross State Domestic product
		Non-debt receipts	Debt receipts	Accruals in Public Account		
1999-2000	1438.26	2.37	304.05	875.18	2619.86	4153.70
2000-01	1638.06	1.87	165.48	1284.28	3089.69	4524.42
2001-02	1867.38	2.32	311.93	1389.48	3571.11	4944.73
2002-03	1880.07	3.10	211.48	1575.97	3670.62	5473.32
2003-04	2167.66	3.69	405.32	1699.00	4275.67	5990.55

## 1.6 Application of resources

**1.6.1 Trend of growth:** Statement 12 of the Finance Accounts depicts the detailed revenue expenditure by minor heads and capital expenditure by major heads. The total expenditure of the State increased from Rs. 1731.14 crore in 1999-2000 to Rs. 2512.74 crore in 2003-04 at an average trend rate of 13 *per cent* per annum. The average rate of growth of total expenditure was higher than the rate of growth of revenue receipts during this period.

Total expenditure of the State, its trend and annual growth, ratio of expenditure to the State's GSDP and revenue receipts and its buoyancy with regard to GSDP and revenue receipts are indicated in Table 5 below:

**Table 5: Total expenditure – Basic Parameters (value in Rupees in crore and other in *per cent*)**

	1999-2000	2000-01	2001-02	2002-03	2003-04	Average / trend
Total expenditure*	1731	2085	2408	2420	2513	2231
Rate of growth	24.73	20.45	15.48	0.51	3.84	13.00
TE/GSDP Ratio	41.68	46.09	48.70	44.22	41.95	44.53
Revenue Receipts/TE Ratio	83.08	78.56	77.55	77.68	86.26	80.63
Buoyancy of total expenditure with						
GSDP	2.778	2.291	1.666	0.048	0.406	1.438
Revenue Receipts	1.846	1.472	1.106	0.752	0.251	1.085

\*Total expenditure includes Revenue Expenditure, Capital Expenditure and Loans and Advances.

Consistent increase of total expenditure over a five-year period 1999-2004 was also reflected in gradual increase in percentage of total expenditure to GSDP (from 41.68 to 41.95 *per cent*) and also revenue receipts to total expenditure (from 83.08 to 86.26 *per cent*). Though in monetary terms, total expenditure in 2003-04 has increased by Rs. 92.57 crore over previous year, its ratio as a percentage to GSDP has shown a declining trend. The increase in total expenditure in 2003-04 was due to increase in interest payment by Rs. 41.98 crore which was nearly 45 *per cent* of net increase of total expenditure over previous year.

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 other contributions to institutions and loans and advances. Relative share of these components in total expenditure is indicated in Table 6.

**Table 6: Components of Expenditure – Relative share (in *per cent*)**

	1999-2000	2000-01	2001-02	2002-03	2003-04	Average / trend
General Services	20.92	20.56	22.13	23.94	23.36	22.18
Interest Payments	10.70	10.84	10.52	12.01	13.24	11.46
Social Services	39.22	37.61	35.78	36.52	35.40	36.91
Economic Services	27.93	29.85	30.17	25.45	26.26	27.93
Grants-in-aid and contributions	1.06	0.93	1.06	1.74	1.50	1.26
Loans and Advances	0.17	0.21	0.34	0.34	0.24	0.26



The movement of relative share of these components of expenditure indicated that all components of expenditure had inter-year variations. But expenditure on General Services and interest payments which were considered as non-developmental, together accounted for 36.60 *per cent* in 2003-04 as against 31.62 *per cent* in 1999-2000. On the other hand, development expenditure i.e., on Social and Economic Services together accounted for only 61.66 *per cent* in 2003-04 as against 67.15 *per cent* in 1999-2000. This indicated declining priority for developmental expenditure.

**1.6.2 Incidence of Revenue expenditure:** In the total expenditure, revenue expenditure had the predominant share. Revenue expenditure is incurred to maintain the current level of services and payment for the past obligations and as such does not result in any addition to the State's infrastructure and service network. The overall revenue expenditure, its rate of growth, ratio of revenue expenditure to GSDP and revenue receipts and its buoyancy are indicated in Table 7.

**Table 7: Revenue Expenditure: Basic Parameters**

	1999-2000	2000-01	2001-02	2002-03	2003-04	Average / trend
Revenue Expenditure (Rupees in crore)	1461.07	1734.04	1812.91	1960.72	2062.93	1806.33
Rate of Growth ( <i>per cent</i> )	24.28	18.68	4.55	8.15	5.21	12.17
RE/GSDP	35.18	38.33	36.66	35.82	34.44	36.09
RE as percentage of TE	84.40	83.16	75.29	81.02	82.10	81.19
RE as percentage of RR	101.59	105.86	97.08	104.29	95.17	100.80
Buoyancy of Revenue expenditure with ( <i>per cent</i> )						
GSDP	2.728	2.093	0.490	0.763	0.551	1.325
Revenue Receipts	1.813	1.345	0.325	11.998	0.340	3.164

Overall revenue expenditure of the State increased at an average trend rate of 12.17 *per cent*. Rate of growth of revenue expenditure reached a level of 24.28 *per cent* in 1999-2000 but had decelerated since then. As a result, revenue expenditure-GSDP ratio declined from 38.33 *per cent* in 2000-01 to 34.44 *per cent* in 2003-04. On an average 81.19 *per cent* of the total expenditure was on current consumption.

**i) High salary expenditure:** Expenditure towards salaries accounted for 51.25 *per cent* of the revenue receipts and 53.85 *per cent* of the revenue expenditure of the State during 2003-04. The expenditure on salaries increased by 58.78 *per cent* from Rs. 699.71 crore in 1999-2000 to Rs. 1110.98 crore in 2003-04 at an average annual rate of 19.37 *per cent* as indicated in the Table 8.

**Table 8: Salary Expenditure**

Head	1999-2000	2000-01	2001-02	2002-03	2003-04
Salary expenditure (Rupees in crore)	699.71	830.49	853.27	989.57	1110.98
As a percentage of GSDP	16.85	18.36	17.26	18.08	18.55
As a percentage of Revenue Receipts	48.65	90.60	45.69	52.63	51.25
As a percentage of Revenue Expenditure	47.89	47.89	47.07	50.47	53.85

ii) **Huge expenditure on pension payments:** Pension payments have increased by 81.19 per cent from Rs. 110.96 crore in 1999-2000 to Rs. 201.85 crore in 2003-04 (average annual rate of 13.76 per cent). Year-wise break-up of expenditure incurred on pension payments during the years 1999-2000 to 2003-04 was as under:

**Table 9: Expenditure of pension payments**

Year	Expenditure (Rupees in crore)	Percentage to total revenue expenditure
1999-2000	110.96	7.59
2000-2001	147.99	8.53
2001-2002	175.03	9.65
2002-2003	226.53	11.55
2003-2004	201.85	9.78

With the increase in number of retirees, the pension liabilities are likely to increase further in future. The State Government has not constituted any fund to meet the fast rising pension liabilities of the retired State employees.

iii) **Interest payments:** The table 10 given below shows that the interest payments by the State Government increased steadily by 80 per cent from Rs. 185.21 crore in 1999-2000 to Rs. 332.71 crore in 2003-04 primarily due to ever increasing borrowings. The interest payment was on Internal Debt (Rs. 162.51 crore), loans received from Central Government (Rs. 90.32 crore) and Small Savings, Provident Funds, etc (Rs. 79.88 crore).

**Table 10: Interest payments**

Year	Interest payments (Rupees in crore)	Percentage of interest payment with reference to	
		Revenue receipts	Revenue Expenditure
1999-2000	185.21	12.88	12.68
2000-01	226.03	13.80	13.03
2001-02	253.22	13.56	13.97
2002-03	290.73	15.46	14.83
2003-04	332.71	15.35	16.13

### 1.7 Expenditure by Allocative priorities

The expenditure of the State in the nature of plan expenditure, capital expenditure and development expenditure reflects its quality. Higher the ratio of these components to total expenditure, better is the quality of expenditure. Table 11 gives these ratios during 1999-2004 as follows:

**Table 11: Quality of Expenditure (per cent to total expenditure)**

	1999-2000	2000-01	2001-02	2002-03	2003-04	Average
Plan expenditure	34.77	33.59	33.88	31.85	29.72	32.76
Capital expenditure	15.46	16.66	24.45	18.71	17.70	18.60
Development expenditure	67.26	67.59	66.18	62.18	61.81	65.00

(Total expenditure does not include Loans and Advances).

All the three components of the quality of expenditure indicated inter-year variations: In the year 2003-04, the plan as well as the development expenditure (expenditure on Economic and Social Services) declined steeply compared to the year 1999-2000.

Out of the developmental expenditure of Rs. 1549.36 crore, during the year, Social Services accounted for 57 per cent (Rs. 889.61 crore). Expenditure on General Education, Health and Family Welfare, Water Supply and Sanitation constituted 77 per cent (Rs. 681.07 crore) of the expenditure on Social sector.

Table 12: Social Sector Expenditure

(Rupees in crore)

	1999-2000	2000-01	2001-02	2002-03	2003-04
General Education	342.06	387.97	434.97	460.24	504.47
Health and Family Welfare	78.39	86.28	92.40	96.08	92.75
Water Supply and Sanitation	51.19	73.46	63.47	60.71	83.85
<b>Total</b>	<b>471.64</b>	<b>547.71</b>	<b>590.84</b>	<b>617.03</b>	<b>681.07</b>
As a percentage of expenditure on Social sector	69.47	69.85	68.58	69.82	76.56

Similarly, the expenditure on Economic Services (Rs. 659.75 crore) accounted for 43 per cent of the development expenditure, of which, Irrigation and Flood Control, Energy and Transport accounted for 23 per cent.

Table 13: Economic Sector Expenditure

(Rupees in crore)

	1999-2000	2000-01	2001-02	2002-03	2003-04
Irrigation and Flood Control	36.50	47.15	56.28	59.06	53.47
Energy	119.85	187.06	177.97	141.50	174.39
Transport	66.89	78.98	121.44	95.66	133.20
<b>Total</b>	<b>223.24</b>	<b>313.19</b>	<b>355.69</b>	<b>296.22</b>	<b>361.06</b>
As a percentage of expenditure of Economic sector	46.17	50.32	49.09	48.08	54.73

### 1.7.1 Financial Assistance to Local Bodies and other Institutions

i) *Extent of assistance:* The quantum of assistance amounting to Rs. 594.55 crore provided by way of grants to different local bodies etc, during the period of five years ending 2003-04 was as follows:

Table 14: Financial Assistance to Local Bodies and other Institutions

(Rupees in crore)

	1999-2000	2000-01	2001-02	2002-03	2003-04
Zilla Parishads and Panchayati Raj Institutions	20.15	36.31	40.25	48.86	57.93
Municipal Corporation and Municipalities	3.73	10.24	11.07	13.84	12.72
Universities and Educational Institutions	34.07	24.27	29.21	36.51	26.34
Development Agencies	1.60	1.65	2.30	2.99	-
Hospital and other Charitable Institutions	1.45	-	-	-	-
Other Institutions	12.37	28.05	46.05	56.83	35.96
<b>Total</b>	<b>73.37</b>	<b>100.52</b>	<b>128.68</b>	<b>159.03</b>	<b>132.95</b>
Percentage of increase (+)/ decrease (-) over previous year	3.24	37.00	28.01	23.59	(-) 19.62
Assistance as a percentage of revenue expenditure	5.02	5.80	7.10	8.11	6.44

The total assistance at the end of 2003-04 had grown by 81.20 *per cent* over the level of 1999-2000, but decreased by 19.62 *per cent* compared to previous year. The assistance to local bodies as a percentage of total revenue expenditure was 6.44 *per cent*.

*ii) Delay in furnishing Utilisation Certificates:* Out of the 641 utilisation certificates pending receipt in respect of grants aggregating Rs. 291.98 crore paid during the period 2002-03 to 2003-04, only 409 utilisation certificates relating to Rs. 159.03 crore were furnished by the department as of 31 August 2004. Department-wise break-up of outstanding utilisation certificates along with the amount involved are shown below:

**Table: 15**

Sl. No.	Department	Number of UCs outstanding	Amount (Rupees in crore)	Earliest year of pendency
1.	Panchayati Raj	72	57.93	2003-04
2.	Urban Development	65	12.72	2003-04
3.	Education	33	26.34	2003-04
4.	Health and Family Welfare	8	0.54	2003-04
5.	Social Security and Welfare	36	2.43	2003-04
6.	Welfare of Scheduled Castes and Other Backward Communities	18	32.99	2003-04
	<b>Total</b>	232	132.95	

*iii) Delay in submission of accounts / information:* In order to identify the institutions which attract audit under Section 14 of the Comptroller and Auditor General'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 2002-03 was called for from the Finance Department in July 2004. No reply has been received (August 2004).

Accounts of 16 autonomous bodies covered under Sections 19(3) and 20(1) of the Act, up to 2003-04 were due for the periods ranging from 12 to 26 years as detailed in **Exhibit V**.

### **1.8 Assets and liabilities**

In the Government accounting system, comprehensive accounting of the fixed assets like land and buildings etc, owned by Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred by the Government. **Exhibit I** gives an abstract of such liabilities and the assets as on 31 March 2004, compared with the corresponding position on 31 March 2003. While the liabilities in this statement consist mainly of internal borrowings, loans and advances from the Government of India, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay, loans and advances given by the State Government and the cash balances. **Exhibit I** shows that while the liabilities grew by 13.25 *per cent*, the assets

increased by 13.81 *per cent* narrowing the gap between assets and liabilities. The liabilities of Government of Tripura depicted in the Finance Accounts, however, do not include the pension, other retirement benefits payable to serving / retired State employees, guarantees/ letters of comforts issued by the State Government. Exhibit IV depicts the Time Series Data on State Government Finances for the period 1999-2004.

**1.8.1 Incomplete projects:** As per the information furnished by the Public Works Department, there were 18 incomplete Minor (15) and Medium (3) Irrigation projects as of March 2004 involving Rs. 30.62 crore whose benefits have not accrued. Details are given in Exhibit VI. Besides, there were 124 incomplete projects, costing Rs. 25 lakh and above each, involving Rs. 12.02 crore as of March 2004.

**1.8.2 Investments and returns:** As on 31 March 2004, Government had invested Rs. 313.13 crore in its Statutory Corporations, Government Companies and Co-operative Societies. Government's return on this investment was nil in the last five years. With an average interest rate of 10.53 *per cent* being paid by Government on its borrowings, the total implicit subsidy during the period 1999-2004 was Rs. 133.80 crore.

Table 16: Return on investment

	1999-2000	2000-01	2001-02	2002-03	2003-04	Average
Investment ( <i>Rupees in crore</i> )	198.85	222.85	260.14	286.27	313.13	256.25
Returns ( <i>Rupees in crore</i> )	Nil	Nil	Nil	Nil	Nil	Nil
Percentage of returns	Nil	Nil	Nil	Nil	Nil	Nil
Average interest rate paid by Government	11.26	11.09	10.34	10.04	9.92	10.53
Difference between interest rate and return	11.26	11.09	10.34	10.04	9.92	10.53
Implicit subsidy ( <i>Rupees in crore</i> )	22.39	24.71	26.90	28.74	31.06	26.76

**1.8.3 Loans and advances by State Government:** In addition to investments in Co-operatives, Corporations and Companies, Government has also been providing support in terms of loans and advances to many of these organisations. Total outstanding balance as on 31 March 2004 was Rs. 64.98 crore. Interest received on such loans had varied from 5.75 *per cent* to 36.66 *per cent* during 1999-2004 (Table 17). Total implicit subsidy during 1999-2004, on such loans was Rs. 4.57 crore.

Table 17: Average interest received on loans advanced by the State Government  
(Rupees in crore)

	1999-2000	2000-01	2001-02	2002-03	2003-04
Opening balance	48.68	49.19	51.68	57.50	62.64
Amount advanced during the year	2.88	4.36	8.14	8.24	6.03
Amount repaid during the year	2.37	1.87	2.32	3.10	3.69
Closing balance	49.19	51.68	57.50	62.64	64.98
Net Addition	0.51	2.49	5.82	5.14	2.34
Amount of interest received	11.62	18.49	3.58	5.83	3.67
Interest received as <i>per cent</i> to loans advanced	23.74*	36.66*	6.55	9.72	5.75
Average interest paid by the State (in <i>per cent</i> )	12.25	10.82	10.35	7.08	9.92
Difference (percentage) between extent paid and received.	11.49	25.84	(-) 3.80	2.63	(-) 4.17
Implicit subsidy	-	-	1.96	-	2.61

#### 1.8.4 Management of cash balances

It is generally desirable that State's flow of resources should match its expenditure obligations. However, to take care of any temporary mismatches in the flow of resources and the expenditure obligations, a mechanism of Ways and Means Advances (WMA) and overdraft from Reserve Bank of India has been put in place. State has shown improvement in management of cash balance as WMA facilities were used for 24 days during 2003-04 as against 27 days in previous year. During the year 2003-04, the State Government has taken Rs. 62.80 crore as ways and means advances and repaid the same during the year.

Table 18: Ways and Means Advances and overdrafts of the State and Interest paid thereon

	1999-2000	2000-01	2001-02	2002-03	2003-04	Average
<b>Ways and Means Advance</b>						
Taken in the year	Nil	43.28	336.75	128.82	62.80	114.33
Outstanding	Nil	Nil	76.29	Nil	Nil	15.25
Interest paid	Nil	0.89	15.37	33.68	0.06	10.00
Number of days	Nil	1	51	27	24	21
<b>Overdraft</b>						
Taken in the year	Nil	Nil	Nil	Nil	Nil	Nil
Outstanding	Nil	Nil	Nil	Nil	Nil	-
Interest paid	Nil	Nil	Nil	Nil	Nil	Nil
Number of days	Nil	Nil	Nil	Nil	Nil	Nil

#### 1.8.5 Undischarged liabilities

i) **Fiscal liabilities – public debt and guarantees:** Constitution of India provides that a State may borrow, within the territory of India, upon the security of its Consolidated Fund, within such limits as may from time to time be fixed by the Act of its Legislature. However, no such law has been passed

\* High percentage was due to more receipt of interest on Cash Balance Investment.



by the State, to lay down any such limit. Table 19 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.

**Table 19: Fiscal Liabilities – Basic Parameters**

(value in Rupees in crore and ratios in per cent)

	1999-2000	2000-01	2001-02	2002-03	2003-04	Average
Fiscal liabilities*	1842	2234	2666	3127	3578	2689
Rate of Growth	27.29	21.24	19.35	17.31	14.40	19.91
<b>Ratio of Fiscal Liabilities</b>						
GSDP	44.40	49.40	53.90	57.10	59.73	52.90
Revenue Receipt	128.10	136.40	142.80	166.30	165.06	147.73
Own Resources	1035.40	1014.90	1040.80	1109.70	9.192	8.585
<b>Buoyancy of Fiscal Liabilities</b>						
GSDP	3.066	2.380	2.083	1.619	1.524	2.134
Revenue Receipt	2.037	1.529	1.382	25.474	0.941	6.273
Own Resources	0.719	0.896	1.182	1.727	0.378	0.980

\* Includes internal debt, loans and advances from GOI and other obligations.

Overall fiscal liabilities of the State increased from Rs. 1842 crore in 1999-2000 to Rs. 3578 crore in 2003-04 on an average rate of 19.91 per cent during 1999-2004. The ratio of these liabilities to GSDP also increased from 44.40 per cent in 1999-2000 to 59.73 per cent in 2003-04. These liabilities stood at 1.65 times of its revenue receipts and 9.19 times of its own resources.

In addition to these liabilities, Government has guaranteed loans raised by various Corporations and others which stood at Rs. 31.82 crore at the end of 2003-04. The guarantees are in the nature of contingent liabilities. No law under Article 293 of the Constitution had been passed by the State Legislature laying down the maximum limit within which Government may give guarantees on the security of the Consolidated Fund of the State.

Fiscal liabilities had grown faster than the revenue receipts and own resources of the State. Average buoyancy of these liabilities with respect to GSDP was 2.134.

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, interest rate was higher than the GSDP growth resulting in negative interest spread in four out of five years (Table 20). This negative spread of interest may endanger debt sustainability.

**Table 20: Debt sustainability – Interest Rate and GSDP Growth (in per cent)**

	1999-2000	2000-01	2001-02	2002-03	2003-04	Average
Weighted Interest Rate	11.26	11.09	10.34	10.04	9.92	10.53
GSDP Growth	8.90	8.93	9.29	10.69	9.45	9.45
Interest spread	(-) 2.36	(-) 2.17	(-) 1.05	0.65	(-) 0.47	(-) 1.08

Another important indicator of the debt sustainability is the net availability of the borrowed funds after payment of principal and interest. Table 21 below

gives the position of receipt and repayment of internal debt and other fiscal liabilities of the State over the last five years. The net funds available from the total receipts on account of public debt, loans and advances from Government of India and other debt receipts (including public account) declined from 23.43 per cent in 2002-03 to 10.17 per cent in 2003-04. This is due to increased interest payments and repayment of loans from borrowed funds.

Table 21: Net availability of borrowed funds

*(Rupees in crore)*

	1999-2000	2000-01	2001-02	2002-03	2003-04	Average
<b>Internal debt</b>						
Receipt	145.30	191.61	139.39	202.92	313.07	198.46
Repayment (Principal + Interest)	75.61	144.35	126.09	143.46	203.80	138.66
Net fund available	69.69	47.26	13.30	59.46	109.27	59.80
Net fund available ( <i>per cent</i> )	47.96	24.66	9.54	29.30	34.90	29.27
<b>Loans and advances from GOI</b>						
Receipt	158.75	17.15	96.25	84.84	92.25	89.84
Repayment (Principal + Interest)	94.23	107.40	117.91	182.98	299.90	160.48
Net fund available	64.52	(-) 90.25	(-) 21.66	(-) 98.14	(-) 207.65	(-) 70.64
Net fund available ( <i>per cent</i> )	40.64	-	-	-	-	-
<b>Other obligations</b>						
Receipt	383.46	616.47	546.01	766.58	752.48	613.00
Repayment (Principal + Interest)	250.48	340.66	367.92	480.84	536.30	395.24
<b>Total liabilities</b>						
Receipt	687.51	825.23	781.65	1054.34	1157.80	901.30
Payment	420.32	592.41	611.92	807.28	1040.00	694.39
Net receipts	267.19	232.82	169.73	247.06	117.80	206.92
Net fund available ( <i>per cent</i> )	38.86	28.21	21.71	23.43	10.17	24.48

During 2003-04, Government resorted to adjustment of high cost borrowings of Rs. 127.65 crore under Debt Swap Scheme; the beneficial effect thereof would, however, be visible only in the future.

### 1.9 Management of deficits

**1.9.1 Fiscal imbalances:** The deficit in Government accounts represents the gap between its receipts and expenditure. The nature of the deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources so raised are applied are important pointers to its fiscal health.

The fiscal deficit, which represents the total borrowings of the Government and the total resource gap increased from Rs. 290.51 crore in 1999-2000 to Rs. 341.39 crore in 2003-04. The fiscal deficit of the Government of Tripura, however, does not include the off budget borrowings made by the Government in the form of bonds through different PSUs.



Table 22 given below shows the position of financial health of the State Government. The State had persistent fiscal deficit. The primary deficit of the State has decreased steeply from Rs. 105 crore in 1999-2000 to Rs. 9 crore in 2003-04. As proportion to the State's GSDP, the fiscal deficit had reached 22.39 per cent in 2003-04.

**Table 22: Fiscal Imbalances – Basic Parameters (value in Rupees in crore and ratios in per cent)**

	1999-2000	2000-01	2001-02	2002-03	2003-04	Average
Revenue deficit	(-) 23	(-) 96	*	(-) 81	*	(-) 40
Fiscal deficit	(-) 291	(-) 445	(-) 538	(-) 537	(-) 341	(-) 430
Primary deficit	(-) 105	(-) 219	(-) 285	(-) 246	(-) 9	(-) 173
RD/GSDP	(-) 0.55	(-) 2.12	-	(-) 1.47	(+) 1.74	(-) 48
FD/GSDP	(-) 6.99	(-) 9.84	(-) 10.88	(-) 9.81	(-) 22.39	(-) 11.98
PD/GSDP	(-) 2.54	(-) 4.84	(-) 5.76	(-) 4.50	(-) 0.15	(-) 3.56
RD/FD	7.85	21.56	-	15.08	-	8.90

(Negative figures indicate deficit)

\* The years 2001-02 and 2003-04 registered a Revenue Surplus.

### 1.10 Fiscal Reforms Programme

Under the Fiscal Reforms Programme initiated by Government of India (GOI), a Memorandum of Understanding (MOU) was signed (March 2003) by Government of India and Government of Tripura with the objective of restoration of State's financial Health, improved governance and service delivery, higher economic growth, reduced poverty and improved social indicators. According to the MOU, incentive to the tune of Rs. 11.53 crore would be provided by Government of India to the State during the year 2001-04 to overcome fiscal constraints subject to State's adherence to fiscal commitment consistent with Mid-Term Fiscal Reform Programme (MTFRP). As of June 2004, only Rs. 5.32 crore had been provided by Government of India to the Government of Tripura and no incentive was received for the years 2001-03.

A review (June 2004) of the progress of implementation of the fiscal reforms measures by the State Government revealed the following:

#### 1.10.1 Tax Reforms

Though the uniform floor rates of sales tax on certain items were introduced in July 2000 and August 2001 and professional tax rate was revised upwards by 50 per cent from first April 2003, the number of assesseees other than Government employees increased only by 623 from 6100 to 6723. Approval of Government of India on the bill to introduce VAT system during 2003-04 has not been obtained as yet (June 2004).

#### 1.10.2 Expenditure Reforms

VRS packages in the PSUs have not been introduced as yet (September 2004). Though the State Government agreed in principle for privatisation of Tripura Jute Mills Ltd, with a view to bring budgetary support to zero level by

2004-05, no indication was made in the process indicators on Mid-Term Fiscal Reforms Programme (MTFRP) as of June 2004 for such privatisation.

Incorporation of separate schedule in the budget indicating the total number of employees as of March 2002 (98288) and expenditure on salaries and allowances was introduced in the budget of 2004-05. But the position of number of employees on regular scale, employees on contract services and fixed pay as on March 2004 was neither indicated in the schedule nor was intimated to audit (June 2004). Further, incorporation of another schedule, indicating scheme-wise and sector-wise subsidies (explicit) from the State budget, has not been introduced.

### ***1.10.3 Power Sector Reforms***

In the power sector reforms, another MOU was signed (August 2003) between the State Government and the Ministry of Power, Government of India. Accordingly, the State Government constituted a one member State Electricity Regulatory Commission in November 2003 and the Chairman of the Commission was appointed in May 2004. The Power Department of the State has been registered as Tripura State Electricity Corporation Limited in June 2004 under Company's Act, 1956. Further, to reduce the transmission and distribution loss, the following steps were to be taken as per the above MOU:

- Installation of meters on 11 KV feeders by 31<sup>st</sup> December 2003.
- 100 *per cent* metering on the LT side of distributive transformer.
- 100 *per cent* metering of all consumers by 31<sup>st</sup> December 2003.
- Development of Distribution Management Information System.

The department stated in August 2004 that except the work of 11 KV feeder metering, other works were in progress.

Further, the power tariff in the State was revised last in July 2003 with 35 *per cent* hike, thereafter no revision has been made as of September 2004.

### ***1.10.4 Hike in bus fares in Road Transport Corporation***

The Government of Tripura was committed to pass on the burden of any increase in the price of petrol and diesel to the passengers by appropriate enhancement of bus fares. Accordingly, the State Government has enhanced the bus fares by 14 *per cent* as on 1 May 2003. But further enhancement was not made thereafter though there was further increase in the price of petrol and diesel by 13.18 and 19.50 *per cent* respectively as of June 2004.

### ***1.11 Fiscal ratios***

The finances of a State should be sustainable, flexible and non-vulnerable. Table given below presents a summarised position of Government finances over 1999-2004 with reference to certain key indicators that help assess the adequacy and effectiveness of available resources and their applications, highlight areas of concern and capture its important facets.

## Indicators of Fiscal Health (in per cent)

Fiscal Indicators	1999-2000	2000-01	2001-02	2002-03	2003-04
<b>I. Resource Mobilisation</b>					
Revenue Receipt/GSDP	34.63	36.20	37.77	34.35	36.18
Revenue Buoyancy	1.505	1.556	1.507	0.064	1.619
Own tax/GSDP	2.45	2.78	3.21	3.35	3.70
<b>II. Expenditure Management</b>					
Total expenditure/GSDP	41.68	46.09	48.70	44.22	41.95
Revenue Receipt/Total Expenditure	83.08	78.56	77.55	77.68	86.26
Revenue Expenditure / Total Expenditure	84.40	83.16	75.29	81.02	82.10
Plan expenditure / total expenditure	34.77	33.59	33.88	31.85	29.72
Capital Expenditure / Total expenditure	15.46	16.66	24.45	18.71	17.70
Development Expenditure / Total Expenditure	67.26	67.59	66.18	62.18	61.81
Buoyancy of TE with RR	1.846	1.472	1.106	0.752	0.251
Buoyancy of RE with RR	1.813	1.345	0.325	11.998	0.340
<b>III. Management of Fiscal Imbalances</b>					
Revenue deficit (Rs. in crore)	23	96	*	81	*
Fiscal deficit (Rs. in crore)	291	445	538	537	59.73
Primary deficit (Rs. in crore)	105	219	285	246	165.06
Revenue deficit/Fiscal deficit	7.90	21.57	*	15.08	0.941
<b>IV. Management of Fiscal Liabilities (FL)</b>					
Fiscal Liabilities/GSDP	44.40	49.40	53.90	57.10	59.73
Fiscal Liabilities / RR	128.10	136.40	142.80	166.30	165.06
Buoyancy of FL with RR	2.037	1.529	1.382	25.474	0.941
Buoyancy of FL with OR	0.719	0.896	1.182	1.727	0.378
Interest spread	-2.36	-2.17	-1.05	0.65	(-) 0.47
Net fund available	38.86	28.21	21.71	23.43	10.17
<b>V. Other Fiscal Health Indicators</b>					
Return on Investment	Nil	Nil	Nil	Nil	Nil
BCR (Rs. in crore)	(-) 354.60	(-) 448.41	(-) 607.83	(-) 529.15	(-) 406.56
Financial Assets / Liabilities	1.40	1.29	1.26	1.20	1.21

\*Represents surplus

The ratio of own taxes to GSDP had shown continuous improvement during the period. The ratio of revenue receipts to GSDP and its buoyancy also was on a rising trend from 1999-2000 to 2001-02 but the revenue buoyancy sharply declined in 2002-03 and again rose in 2003-04. Various ratios relating to expenditure indicate quality of expenditure and sustainability in relation to resources. The total expenditure to GSDP was buoyant. The revenue expenditure is on the increasing trend over the five years 1999-2004 and comprises 82 per cent of total expenditure in 2003-04 leaving a very little for capital formation or asset creation. The development expenditure to total expenditure was on a declining trend and its ratio has fallen significantly in the year 2003-04 over the previous year(s). All these indicate State's increasing dependence on borrowings for meeting its revenue expenditure and inadequate expansion of its development activity. Revenue deficit increased from Rs. 23

crore (1999-2000) to Rs. 81 crore (2002-03) though there was surplus in 2001-02 and 2003-04. Fiscal deficit over last years indicates growing fiscal imbalances of the State. The primary deficit was on increasing trend upto 2001-02 and sharply declined in 2003-04 indicating increase in interest payment (from Rs. 185 crore to Rs. 332 crore) and lesser availability of borrowed funds for developmental purposes.

Increasing ratio of fiscal liabilities to GSDP on account of increasing interest payment indicate that the State is gradually getting into a debt trap. Similarly the higher buoyancy of the debt both with regard to its revenue receipts and own resources indicate its increasing unsustainability. The average interest paid by the State on its borrowing during 1999-2004 has also exceeded the rate of growth of its GSDP, violating the cardinal rule of debt sustainability. There has been a decline in net availability of funds from its borrowing due to larger portion of these funds being used for debt servicing. The States' return on investment was nil. The ratio of State's total financial assets to liabilities has also deteriorated indicating that increasingly greater part of liabilities are without any asset back up. The balance from current revenue of the State has also continued to be negative indicating continued dependence on borrowing for plan and development expenditure.

#### ***1.12 Impact of Government policies***

**Exhibit VII** depicts the progress achieved during 2003-04 as compared to 2001-2002 in various sectors. It would be seen that no new colleges (General and Engineering) were opened in the education sector during the period. The number of Junior and Senior Basic Schools taken together decreased by 26 in 2002-03\* as compared to number of schools in 2001-02, while these increased by 288 in 2003-04. No significant development was noticed in providing health care facilities in the State except establishment of one new primary health centre (PHC) and one Homoeopathy dispensary in 2003-04. Infant mortality of 38 per thousand remained static during 2002-04.

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\* The reasons for decrease of Junior and Senior Basic Schools in 2002-03 were mainly due to non-functioning of schools in remote tribal areas and amalgamation of some schools situated in the same school complex.



**EXHIBIT I***(Rupees in crore)*

<b>Liabilities</b>				
<b>As on 31 March 2003</b>			<b>As on 31 March 2004</b>	
942.21		Internal Debt		1213.99
	582.47	Market Loans bearing interest	855.32	
	0.23	Market Loans not bearing interest	0.23	
	218.22	Loans from LIC of India	283.73	
	141.29	Loans from other Institutions	74.71	
729.58		Loans and Advances from Central Government		612.26
	5.08	Pre- 1984-85 Loans	3.79	
	188.47	Non-Plan Loans	24.25	
	502.10	Loans for State Plan Schemes	548.37	
	1.10	Loans for Central Plan Schemes	1.05	
	12.73	Loans for Centrally Sponsored Plan Schemes	13.29	
	1.41	Ways and Means Advances	1.41	
	18.69	Loans for Special Schemes	20.10	
1406.43		Small Savings, Provident Funds, etc.		1661.58
-		Reserve Fund		-
74.17		Deposits not bearing interest		102.45
10.00		Contingency Fund		10.00
16.56		Remittance balances		-
-		Suspense and Miscellaneous balances		-
629.41		Accumulated surplus on Government Account:		734.14
	710.06	Revenue Surplus brought forward from previous year	629.41	
	(-) 80.65	Add revenue surplus (+) / deficit (-) for the current year	(+) 104.73	
<b>3808.36</b>				<b>4334.42</b>

*(Rupees in crore)*

<b>Assets</b>				
<b>As on 31 March 2003</b>			<b>As on 31 March 2004</b>	
3704.02		Gross capital outlay on Fixed Assets		4147.80
	286.27	Investment in Government Companies and Statutory Corporations, etc.	313.13	
	3417.75	Other Capital Outlay on General, Social and Economic Services	3834.67	
62.64		Loans and Advances by the State Government		64.98
	35.13	Other Development Loans	35.33	
	27.51	Loans to Government Servants	29.65	
1.31		Other Advances		1.58
24.97		Reserve Fund		12.34
15.48		Suspense and Miscellaneous Balances		105.05
Nil		Remittance Balances		106.53
(-) 0.06		Cash Balance		(-) 103.86
	Nil*	Cash in Treasuries	Nil*	
	3.12	Departmental Cash Balance including permanent advances	(-) 3.62	
	92.19	Cash balance investment	(-) 2.60	
	(-) 95.37**	Deposits with Reserve Bank of India	(-) 97.64	
<b>3808.36</b>				<b>4334.42</b>

\* 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 2003-04 upto 25 April 2003/2004.

**EXHIBIT II**

(Rupees in crore)

2002-03			2003-04	
Amount			Amount	
<b>SOURCES</b>				
1880.07		1.Revenue Receipts		2167.66
3.10		2.Recoveries of Loans and Advances		3.69
96.68		3.Increase in Public Debt		154.45
329.84		4.Net Receipts from Public Account		83.14
	(+) 342.25	Increase in Small Savings and Provident Funds	255.15	
	(+) 1.19	Decrease (-) / Increase (+) in Reserve Funds	12.63	
	(+) 21.37	Decrease (-) / Increase (+) in Deposits and Advances	28.01	
	(-) 17.97	Decrease (-)/Increase (+) in Suspense Balances*	(-) 89.56	
	(-) 17.00	Increase in Remittance Balances	(-) 123.09	
<b>2309.69</b>		<b>Total</b>		<b>2408.94</b>
<b>APPLICATION</b>				
1960.72		Revenue Expenditure		2062.93
451.21		Capital Expenditure		443.78
8.24		Lending for development and other purposes		6.03
(-) 110.48		Decrease in cash balance including permanent advances, departmental cash balance and cash balance investment		(-) 103.80
<b>2309.69</b>		<b>Total</b>		<b>2408.94</b>

\* 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 2003-04***(Rupees in crore)*

Receipts			Disbursements					
2002-03		2003-04	2002-03		2003-04			
					Non-Plan	Plan	Total	
	<b>Section-A : Revenue</b>							
1880.07	<b>I. Revenue Receipts</b>	2167.66	1960.72	<b>I. Revenue Expenditure</b>	1731.88	331.05	2062.93	2062.93
184.00	-Tax Revenue	221.47	826.73	<b>General Services</b>	874.45	1.63	876.08	
98.73	-Non-Tax Revenue	167.78	716.56	<b>Social Services</b>	521.21	211.44	732.65	
248.80	-State's Share of Union Taxes	320.53	460.65	-Education, Sports, Arts and Culture	414.83	65.26	480.09	
560.42	-Non-Plan Grants	615.47	84.13	-Health and Family Welfare	57.13	29.30	86.43	
631.39	-Grants for State/Union Territory Plan Schemes	742.16	17.66	-Water Supply, Sanitation, Housing and Urban Development	11.26	9.39	20.65	
10.58	-Grants for Central Plan Schemes	5.18	9.10	-Information and Broadcasting	5.14	3.48	8.62	
97.56	-Grants for Centrally sponsored Plan Schemes	91.29	67.70	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	8.53	58.30	66.83	
48.59	-Grants for Special Plan Schemes (NEC)	3.78	5.28	-Labour and Labour Welfare	4.39	0.99	5.38	
			71.41	-Social Welfare and Nutrition	19.32	44.72	64.04	
			0.63	-Others	0.61	-	0.61	
			375.35	<b>Economic Services</b>	336.22	80.22	416.44	
			134.77	-Agriculture and Allied Activities	103.78	25.68	129.46	
			73.16	-Rural Development	27.83	37.70	65.53	
			0.03	-Special Areas Programme(NEC)	-	2.22	2.22	
			23.30	-Irrigation and Flood Control	20.76	0.57	21.33	
			80.89	-Energy	133.08	0.04	133.12	
			19.16	-Industry and Minerals	11.24	11.42	22.66	
			29.35	-Transport	26.79	0.12	26.91	
			7.12	-Communication	7.21	-	7.21	
			0.46	-Science, Technology and Environment	0.37	0.14	0.51	
			7.11	-General Economic Services	5.16	2.33	7.49	
			42.08	<b>Grants-in-aid and contributions</b>	-	37.76	37.76	
80.65	<b>II. Revenue deficit carried over to Section-B</b>	-	-	<b>II. Revenue surplus carried over to Section-B</b>				104.73
1960.72	<b>Total : Section A</b>	2167.66	1960.72					2167.66

(Rupees in crore)

Receipts			Disbursements					
2002-03		2003-04	2002-03		2003-04			
					Non-Plan	Plan	Total	
	<b>Section-B : Others</b>							
110.41	III. Opening cash balance including permanent advance and cash balance investment	(-) 0.06	-	III. Opening overdraft from Reserve Bank of India	-	-	-	-
Nil	IV. Miscellaneous capital receipts	NIL	451.21	IV. Capital Outlay-	29.89	413.89	443.78	443.78
			43.28	General Services	23.83	19.68	43.51	
			167.24	Social Services	0.36	156.60	156.96	
3.10	V. Recoveries of loans and advances	3.69	24.58	-Education, Sports, Arts and Culture	0.08	24.30	24.38	
2.80	From Government servants	3.34	11.96	-Health and Family Welfare	0.28	6.04	6.32	
0.30	From others	0.35	46.96	-Water Supply and Sanitation	-	63.20	63.20	
Nil	VI. Revenue surplus brought down	104.73	64.80	-Housing and Urban Development	-	42.26	42.26	
211.48	VII. Public debt receipts	405.32	0.10	-Information and Broadcasting	-	-	-	
202.93	Internal debt other than Ways and Means	313.07	18.79	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	-	12.88	12.88	
-76.29	Net transactions under Ways and Means Advances including Overdraft	Nil						
84.84	Loans and advances from GOI	92.25	-	-Social Security and Nutrition	-	7.88	7.88	
1575.97	VIII. Public Account receipts	1699.00	0.05	-Others	-	0.04	0.04	
567.23	Small savings and provident funds etc.	526.46	240.69	Economic Services	5.70	237.61	243.31	
16.51	Reserve fund	20.74	20.08	-Agriculture and Allied Activities	(-) 3.80	17.59	13.79	
			7.64	-Rural Development	-	1.08	1.08	
205.95	Deposits and Advances	225.07	33.02	-Special Areas Programme	-	31.93	31.93	
41.39	Suspense and Miscellaneous	112.58	35.77	-Irrigation and Flood Control	-	32.14	32.14	
744.89	Remittances	814.15	60.61	-Energy	-	41.27	41.27	
NIL	IX. Closing overdraft from RBI	Nil	11.47	-Industry and Minerals	-	10.00	10.00	
			66.30	-Transport	9.50	96.79	106.29	
			0.08	-Science, Technology and Environment	-	0.07	0.07	
			5.71	-General Economic Services	-	6.72	6.72	
				-Communication	-	0.02	0.02	
1900.96		2212.68	451.21					443.78



(Rupees in crore)

Receipts			Disbursements			
2002-03		2003-04	2002-03		2003-04	
	Section-B : Others		8.24	V. Loans and Advances Disbursed		6.03
			8.05	-To Government Servants	5.48	
			0.19	-To others	0.55	
			80.65	VI. Revenue deficit brought down		-
			114.80	VII. Repayment of Public Debt		250.87
			25.72	-Internal Debt other than Ways and Means Advances	41.29	
			NIL	-Net transactions under Ways and Means Advances including Overdraft	Nil	
			89.08	-Repayment of Loans and Advances to Central Government	209.58	
			1246.12	VIII. Public Accounts Disbursements		1615.86
			224.97	-Small Savings and Provident Funds	271.31	
			15.31	-Reserve Fund	8.11	
			184.58	-Deposits and Advances	197.06	
			59.37	-Suspense	202.14	
			761.89	-Remittances	937.24	
			-0.06	IX. Cash Balance at end		(-) 103.86
			Nil*	-Cash in Treasuries	Nil*	
			3.12	-Departmental Cash Balance including permanent advance	(-) 3.62	
			92.19	-Cash Balance investment	(-) 2.60	
			-95.37	-Deposit with Reserve Bank of India	(-) 97.64	
1900.96	Total : Section B :	2212.68	1900.96	Total : Section B :		2212.68

\* 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. 1.22 crore between the figure reflected in the accounts (debit: Rs. 97.64 crore) and that intimated by the RBI (debit: Rs. 96.42 crore) under "Deposit with Reserve Bank". The difference of Rs. 1.22 crore is under reconciliation (September 2004).

**EXHIBIT IV**

**Time Series Data on State Government Finances**

(Rupees in crore)

	1999-2000	2000-01	2001-02	2002-03	2003-04
<b>Part A. Receipts</b>					
<b>1. Revenue Receipts</b>	<b>1438.26</b>	<b>1638.06</b>	<b>1867.38</b>	<b>1880.07</b>	<b>2167.66</b>
(i) Tax Revenue	101.74 (7)	125.58 (8)	158.50 (9)	183.09 (10)	221.47 (10)
Taxes on Agricultural Income	0.78 (1)	0.25 (#)	0.14 (#)	0.01 (#)	0.30 (#)
Taxes on Sales, Trade, etc.	57.78 (57)	81.08 (65)	105.80 (67)	126.97 (69)	149.25 (67)
State Excise	20.11 (20)	19.79 (16)	22.03 (14)	28.21 (15)	31.36 (14)
Taxes on Vehicles	3.60 (3)	4.26 (3)	5.28 (3)	5.29 (3)	8.01 (4)
Stamps and Registration Fees	5.10 (5)	5.94 (5)	9.61 (6)	7.81 (4)	11.17 (5)
Land Revenue	2.57 (2)	1.82 (1)	1.14 (1)	1.31 (1)	2.61 (1)
Other Taxes	11.80 (12)	12.44 (10)	14.50 (9)	14.40 (8)	18.84 (9)
(ii) Non-Tax revenue	76.19 (5)	94.51 (6)	97.64 (5)	98.73 (5)	167.78 (8)
(iii) State's share of Union taxes and duties	529.55 (37)	236.22 (14)	232.62 (12)	249.71 (13)	320.53 (15)
(iv) Grants-in-aid from Government of India	730.78 (51)	1181.75 (72)	1378.62 (74)	1348.54 (72)	1457.88 (67)
<b>2. Misc. Capital Receipts</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>3. Total Revenue and Non-debt Capital Receipts (1+2)</b>	<b>1438.26</b>	<b>1638.06</b>	<b>1867.38</b>	<b>1880.07</b>	<b>2167.66</b>
<b>4. Recoveries of Loans and Advances</b>	<b>2.37</b>	<b>1.87</b>	<b>2.32</b>	<b>3.10</b>	<b>3.69</b>
<b>5. Public Debt Receipts</b>	<b>304.05</b>	<b>165.48</b>	<b>311.93</b>	<b>211.48</b>	<b>405.32</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	145.30	148.33	139.39	202.93	313.07
Net transactions under Ways and Means Advances and Overdrafts	NIL	NIL	76.29	(-) 76.29	Nil
Loans and Advances from Government of India*	158.75	17.15	96.25	84.84	92.25
<b>6. Total Receipts in the Consolidated Fund (3+4+5)</b>	<b>1744.68</b>	<b>1805.41</b>	<b>2181.63</b>	<b>2094.65</b>	<b>2576.67</b>
<b>7. Contingency Fund Receipts</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>Nil</b>
<b>8. Public Account Receipts</b>	<b>875.18</b>	<b>1284.28</b>	<b>1389.48</b>	<b>1575.97</b>	<b>1699.00</b>
<b>9. Total Receipts of the State (6+7+8)</b>	<b>2619.86</b>	<b>3089.69</b>	<b>3571.11</b>	<b>3670.62</b>	<b>4275.67</b>

(#) Negligible

\* Includes Ways and Means Advances from GOI.

(Rupees in crore)

	1999-2000	2000-01	2001-02	2002-03	2003-04
<b>Part B. Expenditure/Disbursement</b>					
<b>10. Revenue Expenditure</b>	<b>1461.07</b> (85)	<b>1734.04</b> (83)	<b>1812.91</b> (75)	<b>1960.72</b> (81)	<b>2062.93</b> (82)
Plan including CSS	343.04 (23)	366.88 (21)	276.17 (15)	339.62 (17)	331.05 (16)
Non-plan	1118.03 (77)	1367.16 (79)	1536.74 (85)	1621.10 (83)	1731.88 (84)
General Services (including Interests Payments)	540.99 (37)	646.44 (37)	717.40 (40)	826.73 (42)	876.08 (42)
Economic Services	328.09 (23)	404.47 (23)	397.08 (22)	375.35 (19)	416.44 (20)
Social Services	573.47 (39)	663.55 (38)	672.79 (37)	716.56 (37)	732.65 (36)
Grants-in-aid and Contributions	18.52 (1)	19.58 (1)	25.64 (1)	42.08 (2)	37.76 (2)
<b>11. Capital Expenditure</b>	<b>267.20</b> (15)	<b>346.69</b> (17)	<b>586.82</b> (25)	<b>451.21</b> (19)	<b>443.78</b> (18)
Plan including CSS	257.94 (97)	332.14 (96)	536.97 (92)	428.69 (95)	413.89 (93)
Non-Plan	9.26 (3)	14.55 (4)	49.85 (8)	22.52 (5)	29.89 (7)
General Services	6.32 (2)	8.25 (2)	68.62 (12)	43.28 (10)	43.51 (10)
Economic Services	155.41 (58)	217.88 (63)	329.49 (56)	240.69 (53)	243.31 (55)
Social Services	105.47 (40)	120.56 (35)	188.71 (32)	167.24 (37)	156.96 (35)
<b>12. Disbursement of Loans and Advances</b>	<b>2.87</b>	<b>4.36</b>	<b>8.14</b>	<b>8.24</b>	<b>6.03</b>
<b>13. Total (10+11+12)</b>	<b>1731.14</b>	<b>2085.09</b>	<b>2407.87</b>	<b>2420.17</b>	<b>2512.74</b>
<b>14. Repayments of Public Debt</b>	<b>42.01</b>	<b>49.95</b>	<b>57.74</b>	<b>114.80</b>	<b>250.87</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	17.04	21.16	25.01	25.72	41.29
Net transactions under Ways and Means Advances and Overdrafts	NIL	NIL	NIL	NIL	Nil
Loans and Advances from Government of India <sup>≡</sup>	24.97	28.79	32.73	89.08	209.58
<b>15. Appropriation to Contingency Fund</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>Nil</b>
<b>16. Total Disbursement out of Consolidated Fund (13+14+15)</b>	<b>1773.15</b>	<b>2135.04</b>	<b>2465.61</b>	<b>2534.97</b>	<b>2763.61</b>
<b>17. Contingency Fund Disbursements</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>Nil</b>
<b>18. Public Account Disbursements</b>	<b>717.70</b>	<b>1007.28</b>	<b>1192.40</b>	<b>1246.12</b>	<b>1615.86</b>
<b>19. Total disbursement by the State (16+17+18)</b>	<b>2490.85</b>	<b>3142.32</b>	<b>3658.01</b>	<b>3781.09</b>	<b>4379.47</b>

<sup>≡</sup> Includes Ways and Means Advances from GOI.

(Rupees in crore)

	1999-2000	2000-01	2001-02	2002-03	2003-04
<b>Part C. Deficits</b>					
20. Revenue Deficit (-)/ Surplus (+) (1-10)	(-) 22.81	(-) 95.98	(+) 54.47	(-) 80.65	(+) 104.73
21. Fiscal Deficit (-) / Surplus (+) (3+4 - 13)	(-) 290.51	(-) 445.16	(-) 538.17	(-) 537.00	(-) 341.39
22. Primary Deficit (-) / Surplus (+) (21-23)	(-) 105.30	(-) 219.13	(-) 284.95	(-) 246.31	(-) 8.68
<b>Part D. Other data</b>					
23. Interest payments (percentage of Revenue expenditure)	185.21 (13)	226.03 (13)	253.22 (14)	290.73 (15)	332.71 (16)
24. Arrears of Revenue ** (percentage of Tax and Non-Tax revenue receipts)	9.64 (5)	14.35 (7)	14.20 (6)	2.46 (0.86)	13.23 (3.40)
25. Financial Assistance to local bodies etc.	73.37	100.52	128.68	112.48	132.95
26. Ways and Means Advances/Overdraft availed (days)	Nil	1	51	27	24
27. Interest on Ways and Means Advances/Overdraft (Rs. in crore)	Nil	0.01*	0.16	0.34	0.06
28. Gross State Domestic Product (GSDP) <sup>1</sup>	4153.70	4524.42	4944.73	5473.32	5990.55
29. Outstanding Fiscal Liabilities @ (year-end)	1842.30	2233.62	2665.92	3127.42	3577.93
30. Outstanding guarantees (year-end)	93.89	83.64	107.82	25.00	41.42 <sup>4</sup>
31. Maximum amount guaranteed (year- end)	79.82	157.22	218.24	66.30	64.83
32. Number of incomplete projects	14	21	59	125	124
33. Capital blocked in incomplete projects	25.40	20.20	41.28	58.73	12.02
** 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).					
<sup>4</sup> Outstanding guarantees include interest of Rs. 0.02 crore.					
<b>Note :</b>					
1. GSDP for current year being not available has been taken based on annual average growth during 1999-2004.					
2. Figures in brackets represent rounded off percentage to total of each sub-heading.					

**EXHIBIT V****Accounts due from autonomous bodies covered under Section 19 (3)  
and 20 (1) of the Act**

Sl. No.	Name of the body	Period of which accounts awaited
	<b>Section 19 (3)</b>	
1.	Tripura Khadi and Village Industries Board	1997-98 to 2003-04
	<b>Section 20 (1)</b>	
2.	Tripura Board of Secondary Education	1998-99 to 2000-01
3.	Tripura University	1998-99 to 2001-02
4.	Agartala Municipal Council	1977-78 to 2003-04
5.	Khowai Nagar Panchayat	1979-80 to 2003-04
6.	Sonamura Nagar Panchayat	1979-80 to 2001-03
7.	Belonia Nagar Panchayat	1977-78 to 2003-04
8.	Udaipur Nagar Panchayat	1977-78 to 2003-04
9.	Amarpur Nagar Panchayat	1979-80 to 2003-04
10.	Kailashahar Nagar Panchayat	1977-78 to 2003-04
11.	Dharmanagar Nagar Panchayat	1977-78 to 2003-04
12.	Sabroom Nagar Panchayat	1978-79 to 2003-04
13.	Kamalpur Nagar Panchayat	1978-79 to 2003-04
14.	Teliamura Nagar Panchayat	1987-88 to 2003-04
15.	Kumarghat Nagar Panchayat	1987-88 to 2003-04
16.	Ranirbazar Nagar Panchayat	1991-92 to 2003-04

**EXHIBIT VI**

**Incomplete Minor and Medium Irrigation Projects**

(Rupees in lakh)

Sl. No.	Name of the project	Month and Year of commencement	Expenditure to the end of March 2004
<b>(a) No benefits accrued</b>			
<b>Minor Irrigation</b>			
1	LI Scheme Project at Malayarmath near Ganganagar under Salema Block	November 2002	27.03
2.	LI Scheme Project at Halahali Math under Salema Block	March 2003	11.39
3.	MIP / Construction of left bank Manu Canal	May 1999	49.05
4.	Construction of Manu Barrage over river Manu at Nalkata	March 2000	1767.49
5.	Diversion scheme over Kachigang Cherra under Matabari Block head work and open canal	May 2001	84.66
6.	Construction of canal	February 2004	93.52
7.	GIP/ Construction of canal / construction of RBMC	August 2002	34.23
8.	GIP/Construction of Canal / Construction of RBMC at road 3200.00mm	August 2002	10.04
9.	GIP / Construction of canal / construction of right bank main canal / conduct canal	January 2004	14.91
10.	GIP/construction of canal / construction of LBMC canal and construction of cross drainage structure over Jamjuri Cherra.	May 2003	18.70
11.	Diversion scheme over Mahamayacherra at Krishnanagar under Rajnagar Block / construction of head works with canal and vertical steel gate.	April 2001	83.18
12.	Muhuri Irrigation Project at Kalashi	March 2001	389.63
13.	Diversion scheme over Baikoracherra under Bagafa Block	April 2001	78.87
14.	Diversion scheme over Chagalnaya cherra	June 2001	28.62
15.	LI scheme of Srinagar over Feni under Stachand Block	June 2001	155.01
	<b>Total</b>		<b>2846.33</b>
<b>(b) No benefits accrued</b>			
<b>Medium Irrigation Project</b>			
16.	KIP/Construction of Khowai right bank canal / providing closed duct 6.375 to 9 km.	August 2002	127.00
17.	KIP / construction of left bank canal earth work including brick lining from 846 to 3.3 km.	May 2002	21.00
18.	Diversion scheme over Mailakcherra in Amarpur Block / Headwork	September 1998	68.09
	<b>Total</b>		<b>216.09</b>
	<b>Grand total</b>		<b>3062.42</b>

N.B. LI - Lift Irrigation.



**EXHIBIT VII****Statement showing impact of Government Policies in the State**

Serial No.	Description	Unit	Year		
			2001-02	2002-03	2003-04
<b>1.</b>	<b>Education</b>				
(a)	Schools				
(i)	Primary/Junior Basic	Number	2089	2054	1776
(ii)	Middle/Senior Basic	Number	426	435	1001
(iii)	High/Senior Secondary	Number	635	643	652
(b)	Enrollment in schools	In lakh	7.25	7.42	NA
(c)	Literacy	Percentage	73.66	NA	NA
(d)	General Colleges	Number	14	14	14
(e)	Universities	Number	01	01	01
<b>2.</b>	<b>Technical education</b>				
(a)	Engineering college	Number	01	01	01
(b)	Polytechnics	Number	01	01	02
(c)	Industrial Training Institutes	Number	04	04	04
(d)	Motor Driving and Heavy Earthy Moving Training Institutes	Number			
<b>3.</b>	<b>Health</b>				
(i)	Allopathic Dispensaries	Number	538	539	539
(ii)	Primary Health Centres	Number	72	72	73
(iii)	Allopathic Hospitals	Number	26	26	26
(iv)	Ayurvedic Dispensaries	Number	33	38	38
(v)	Ayurvedic Hospitals	Number	01	01	01
(vi)	Natural care Hospitals (Ayurvedic)	Number	Nil	Nil	Nil
(vii)	Ayurvedic Pharmacies	Number	01	01	01
(viii)	Research Institutes	Number	Nil	01	01
(ix)	Homeopathic Health Centres	Number	72	72	73
(x)	Unani Health Centres	Number	Nil	Nil	Nil
(xi)	Medical Colleges	Number	Nil	Nil	Nil
(xii)	Dental Colleges	Number	Nil	Nil	Nil
(xiii)	Ayurvedic Colleges	Number	Nil	Nil	Nil
(xiv)	Infant Mortality	Number per thousand	39	38	38
<b>4.</b>	<b>Animal Health</b>				
(i)	Veterinary dispensaries	Number	50	56	56
(ii)	Central Veterinary Dispensaries	Number	Nil	Nil	Nil
(iii)	Polyclinics	Number	01	01	01
(iv)	Veterinary Hospitals	Number	10	15	15
<b>5.</b>	<b>Power</b>				
(i)	Generation	Million kwh	285.74	336.38	501.48
(ii)	Purchased	Million kwh	332.80	344.28	178.08
(iii)	Consumption	Million kwh	348.00	363.00	414.26
(iv)	Sale	Million kwh	348.00	363.00	414.26
(v)	Rural Electrification	Percent	95.32	95.55	95.80
<b>6.</b>	<b>Roads/Communications</b>				
(i)	Villages connected with roads	Number	NA	NA	NA
(ii)	Motorable Roads	Km	3726	3762	3762
(iii)	Jeepable Roads	Km	2784	2857	2874
(iv)	Less than jeepable roads	Km	8940	8905	8957
(v)	Telephone sets	Number in lakh	0.72	0.79	0.82
(vi)	Vehicles	Number	62321	65588	75547
<b>7.</b>	<b>Irrigation</b>				
	Irrigation potential created	Lakh Hectares	0.07	0.05	0.05
<b>8.</b>	<b>Railway Lines</b>				
(i)	Narrow Gauge	Length in kms	45	65.66	65.66
(ii)	Broad Gauge	Length in kms	Nil	Nil	Nil
<b>9.</b>	<b>Per Capita Income at current prices</b>	Rupees in lakh	0.17	NA	NA
<b>10.</b>	<b>Houses</b>	Number	5488	9652	
<b>11.</b>	<b>Agricultural Production</b>	In lakh tonnes	597.13	611.55	671.66
<b>12.</b>	<b>Fruit Production</b>	In lakh tonnes	4.47	4.60	NA

Source: Economic Survey for the years 2003 and 2004 and information furnished by various departments.

**ANNEXURE**

**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) <i>minus</i> 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 <i>per cent</i> to loans advanced	Interest received [(opening balance + closing balance of loans and advances)/2]* 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 <i>minus</i> plan grants and non-plan revenue expenditure excluding debits under 2048 – Appropriation for reduction or avoidance of debt.



**CHAPTER II**  
**ALLOCATIVE PRIORITIES AND**  
**APPROPRIATION**

CLARENCE  
ALL RIGHTS RESERVED  
APPROPRIATION



## CHAPTER II : ALLOCATIVE PRIORITIES AND APPROPRIATION

### *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*

**2.2** The summarised position of actual expenditure during 2003-04 against 56 grants/appropriations is as follows:

#### Summary of Appropriation Accounts – 2003-2004

**APPROPRIATION ACCOUNTS : 2003-04**  
**Total number of grants : 56 Grants/Appropriations**

Total provision and actual expenditure:

Provision	Amount	Expenditure	Amount
Original	3219.39		2962.03
Supplementary	410.70		
<b>Total gross provision</b>	<b>3630.09</b>	<b>Total gross expenditure</b>	<b>2962.03</b>
<i>Deduct</i> -Estimated recoveries in reduction of expenditure	185.01	<i>Deduct</i> -Actual recoveries in reduction of expenditure	135.62
<b>Total net provision</b>	<b>3445.08</b>	<b>Total net expenditure</b>	<b>2826.41</b>

*(Rupees in crore)*

**Voted and Charged provision and expenditure:**

(Rupees in crore)

	Provision		Expenditure	
	Voted	Charged	Voted	Charged
Revenue	2069.55	347.10	1826.51	337.56
Capital	1128.34	85.10	484.29	313.67
<b>Total Gross</b>	<b>3197.89</b>	<b>432.20</b>	<b>2310.80</b>	<b>651.23</b>
Deduct-recoveries in reduction of expenditure	185.01	-	135.62	-
<b>Total : Net</b>	<b>3012.88</b>	<b>432.20</b>	<b>2175.18</b>	<b>651.23</b>

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

(Rupees in crore)

	Nature of expenditure	Original grant/ Appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving(-) Excess(+)
Voted	I.Revenue	1921.25	148.30	2069.55	1826.51	(-) 243.04
	II.Capital	867.07	249.12	1116.19	478.42	(-) 637.77
	III.Loans and Advances	11.88	0.27	12.15	5.87	(-) 6.28
<b>Total Voted</b>		<b>2800.20</b>	<b>397.69</b>	<b>3197.89</b>	<b>2310.80</b>	<b>(-) 887.09</b>
Charged	IV.Revenue	341.59	5.51	347.10	337.56	(-) 9.54
	V Capital	-	-	-	-	-
	VI.Public Debt	77.60	7.50	85.10	313.67	(+) 228.57
<b>Total Charged</b>		<b>419.19</b>	<b>13.01</b>	<b>432.20</b>	<b>651.23</b>	<b>(+) 219.03</b>
Appropriation to Contingent Fund (if any)						
<b>Grand Total</b>		<b>3219.39</b>	<b>410.70</b>	<b>3630.09</b>	<b>2962.03</b>	<b>(-) 668.06</b>

**Excess over provision relating to previous years requiring regularisation**

2.3 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. The excess expenditure of Rs. 673.40 crore for the years from 1987-88 to 1999-2000 has been regularised by State Legislature in May 2004. However, the excess expenditure amounting to Rs. 857.81 crore for the years from 2000-01 to 2003-2004 has not yet been regularised (September 2004).

(Rupees in crore)

Year	Number of grants	Number of Appropriation	Amount of excess	Amount for which explanations not furnished to PAC
2000-01	5	7	81.92	81.92
2001-02	10	4	275.57	275.57
2002-03	6	4	266.77	266.77
2003-04	2	3	233.55	233.55
<b>Total</b>				<b>857.81</b>

**Fulfillment of Allocative Priorities**

2.4 **Appropriation by Allocative Priorities:** The overall savings of Rs. 668.06 crore were the result of savings of Rs. 901.61 crore in 56 grants and appropriations, offset by excess of Rs. 233.55 crore in two grants and three appropriations. Out of overall savings of Rs. 668.06 crore, major savings of Rs. 508.76 crore (76 per cent) occurred in ten grants as mentioned below.

(Rupees in crore)

Grant No.	Grant			Actual expenditure	Saving
	Original	Supplementary	Total		
	<b>Capital Voted</b>				
14	Power Department				
	89.13	30.14	119.27	57.87	61.40
19	Tribal Welfare Department				
	43.00	26.05	69.05	46.88	22.17
20	Welfare of Scheduled Castes Department				
	17.77	12.78	30.55	16.27	14.28
21	Food and Civil Supplies Department				
	53.87	0.23	54.10	23.45	30.65
31	Rural Development Department				
	1.63	70.82	72.45	11.47	60.98
34	Planning and Coordination Department				
	103.89	-	103.89	2.91	100.98
40	Education (School) Department				
	31.19	3.31	34.50	17.14	17.36
43	Finance Department				
	177.41	0.63	178.04	6.52	171.52
52	Family Welfare and Preventive Medicine				
	6.36	9.55	15.91	3.01	12.91
	<b>Revenue Voted</b>				
52	Family Welfare and Preventive Medicine				
	54.39	7.10	61.49	44.98	16.51
	<b>Total</b>				<b>508.76</b>

Reasons for final savings of the above ten grants have not been intimated by the departments (August 2004).

Areas in which major savings occurred in these ten grants are given in the Appendix - I.

Supplementary provision of Rs.125.99 crore made during the year in 39 cases proved unnecessary or excessive in view of aggregate savings of Rs. 541.47 crore in these cases as detailed in Appendix - II.

In 20 cases, against additional requirement of Rs.36.57 crore, supplementary grants of Rs. 210.00 crore were obtained resulting in savings of Rs.10 lakh and above in each case, aggregating Rs.173.43 crore. Details of these cases are given in Appendix - III.

The excess of Rs. 233.55 crore in 5 grants/appropriations require regularisation under Article 205 of the Constitution. Details of these are given in Appendix - IV.

In 55 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 18 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 2003-2004 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***

2.5 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. 25 lakh in each case under 22 grants and appropriations are indicated in **Appendix – VIII**.

***Expenditure without provision***

2.6 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. 72.15 crore was incurred in seven cases under five 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***

2.7 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 2003-04, there were 60 cases in which savings amounting to Rs. 453.33 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. 450.08 crore. Details are given in **Appendix – X**.

***Surrender in excess of actual savings***

2.8 The amount surrendered in excess of actual savings indicates inadequate budgetary control. As against the total amount of actual savings of Rs.33.77 crore in seven cases, the amount surrendered was Rs.53.71 crore, resulting in excess surrender of Rs. 19.94 crore. Details are given in **Appendix- XI**.

***Trend of recoveries and credits***

2.9 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.135.62 crore (Revenue: Rs.101.15 crore; Capital: Rs.34.47 crore) against the estimated recoveries of Rs.185.01 crore (Revenue: Rs.140.00 crore; Capital: Rs.45.01 crore) were less by Rs. 49.39 crore. The details are given in **Appendix** to the Appropriation Accounts 2003-04.

*Unreconciled expenditure*

2.10 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, General Administration and Secretary, Law Department) did not reconcile expenditure of Rs.21.21 lakh (General Administration: Rs.21.11 lakh; Law: Rs. 10,260) pertaining to the year 2003-04.

*Rush of expenditure*

2.11 The Financial Rules require that Government expenditure be evenly phased out throughout the year as far as practicable. Rush of expenditure at the close of the year can lead to infructuous, nugatory or ill-planned expenditure. In 12 cases, the expenditure in March 2004 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**  
**PERFORMANCE REVIEWS**  
**(CIVIL DEPARTMENTS)**

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## CHAPTER III: PERFORMANCE REVIEWS (CIVIL DEPARTMENTS)

### HEALTH AND FAMILY WELFARE DEPARTMENT

#### 3.1 Working of the Indian Systems of Medicine and Homoeopathy

*Lack of planning, poor infrastructure, shortage of staff, poor manpower management, absence of adequate support system and opening of dispensaries without any feasibility study making many of the dispensaries dysfunctional – all in combination had a deleterious effect on working of the systems of Ayurveda and Homoeopathy to cater to the needs of public health care in the State.*

#### *Highlights*

Dispensaries were opened without feasibility study. This resulted in non-functioning of 17 Homoeopathic dispensaries for want of patients and wasteful expenditure of Rs. 22.10 lakh.

(Paragraph 3.1.5)

Neither Medical Officers nor Pharmacists were provided in five Homoeopathic dispensaries. This made these five Homoeopathic dispensaries dysfunctional.

(Paragraph 3.1.6)

Bed capacity of the Homoeopathic Hospital at Agartala remained heavily under-utilised due to non-supply of meals to the patients, poor pathology and radiography services and even non-availability of ambulance.

(Paragraph 3.1.7)

An amount of Rupees eight lakh spent on a project for development and cultivation of medicinal plants at Kamalpur proved wasteful as the infrastructure created by July 1999 remained abandoned since then.

(Paragraph 3.1.13)

#### *Introduction*

3.1.1 Ayurveda, Siddha, Unani and drugless therapies like Yoga and Naturopathy are collectively called Indian Systems of Medicine which have been widely practised in India for centuries. Homoeopathy, though originating in Germany, has been widely accepted and practised in India. All the above six systems offer a wide range of safe, cost-effective as well as natural therapies.

The urgency to achieve the goal of 'Health for All' set by the World Health Organisation led to recognition of all the six systems as National Systems of Medicine along with Allopathy. The Government of India established a separate Department called the Department of ISM&H\* under the Ministry of

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\* Later renamed as Department of AYUSH (Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy).



Health and Family Welfare in 1995 for organised development of all these six systems of medicine. For this purpose, the Government of India calls for technically viable projects in several thrust areas and finances them after conducting necessary scrutiny and approval. The Government of Tripura had incorporated Ayurveda and Homoeopathy in its public health care system, as early as the First Five Year plan period (1951-56).

### Organisational set up

**3.1.2** Running of the systems of Ayurveda and Homoeopathy side by side with Allopathy is the responsibility of the State Health and Family Welfare Department. The Commissioner-cum-Secretary, Health and Family Welfare Department is the administrative head. He is assisted by two Directors (Director of Health Services and Director of Family Welfare and Preventive Medicines). The State Government has created/ re-designated posts of Deputy Director (both for Ayurveda and Homoeopathy) at Directorate level to look into the development of Ayurveda and Homoeopathy in the State. Pending filling up of the posts, senior Medical Officers under both the systems were posted in the Directorate to function as Deputy Director or Branch Officer.

### Audit coverage

**3.1.3** Working of the Indian Systems of Medicine and Homoeopathy (ISM&H) in the Health and Family Welfare Department for the period from 1999-2004 was reviewed in audit between January and March 2004. Records of the two Directorates, Offices of the State Homoeopath, Ayurvedic Hospital and Homoeopathic Hospital (sole hospitals for the two systems) at Agartala, 11 Ayurvedic dispensaries (out of 38) and 11 Homoeopathic dispensaries (out of 75)\* were test checked. Expenditure of Rs. 4.53 crore (36 per cent) out of the total expenditure of Rs. 12.49 crore was covered. The results of the review are discussed in the succeeding paragraphs.

### Budget provision and expenditure

**3.1.4** Year-wise budget provision and expenditure on ISM&H both under State and Central Sectors during the period from 1999-2004 are as follows:

**Table 1: State Sector programme (Plan and Non-Plan)**

(Rupees in lakh)

Year	Ayurveda						Homoeopathy					
	Budget provision			Expenditure			Budget provision			Expenditure		
	NP	P	T	NP	P	T	NP	P	T	NP	P	T
1999-2000	75.42	0.50	75.92	74.12	0.56	74.68	117.54	1.00	118.54	121.13	3.80	124.93
2000-01	96.18	-	96.18	92.57	6.60	99.17	140.26	-	140.26	138.29	-	138.29
2001-02	100.75	7.40	108.15	100.75	-	100.75	145.60	4.10	149.70	145.60	-	145.60
2002-03	104.94	7.40	112.34	102.61	5.89	108.50	152.03	4.10	156.13	169.28	8.12	177.40
2003-04	107.98	-	107.98	96.87	39.99	136.86	141.66	9.01	150.67	136.43	6.16	142.59
<b>Total</b>	<b>485.27</b>	<b>15.30</b>	<b>500.57</b>	<b>466.92</b>	<b>53.04</b>	<b>519.96</b>	<b>697.09</b>	<b>18.21</b>	<b>715.36</b>	<b>710.73</b>	<b>18.08</b>	<b>728.81</b>

Note: NP = Non-Plan; P = Plan; T = Total

\* Locations of both Ayurvedic and Homoeopathic dispensaries covered are Bamutia, Jirania, Bishalgarh, Melaghar, Sonamura, Udaipur, Kakraban, Ambassa, Panisagar, Dharmanagar and Kailashahar.



Table 2: Central Sector programme (Plan)

(Rupees in lakh)

Year	Ayurveda			Homoeopathy		
	Release by Government of India	Release by State Government	Expenditure	Release by Government of India	Release by State Government	Expenditure
2003-04	200.00	Nil	Nil	14.69*	Nil	Nil

\* In addition to the amount, the Government of India had earlier released (1995-96) Rs. 8 lakh towards the first instalment of a project costing Rs. 40 lakh. The amount representing the first instalment was fully spent between March 1998 and July 1999.

Source: (i) Finance Accounts; and (ii) Statement of budget provision and expenditure furnished by the department.

Table 1 would show that the department incurred Rs. 53.04 lakh and Rs. 18.08 lakh showing them as plan expenditure on Ayurveda and Homoeopathy respectively during the period under review without taking up any plan schemes under the State Sector. This was in violation of accounting principles. The Government stated (August 2004) that the expenditure in plan scheme was incurred in procurement of medicines.

### State Sector Programmes

#### Creation of infrastructure

3.1.5 The 10-years perspective plan prepared (July 2001) by the State Government envisaged the creation of 10-bed facilities in all the four district hospitals and four-bed facilities in all the sub-divisional hospitals (separately for each of the systems of Ayurveda and Homoeopathy). A target was fixed for creation of 124 additional beds for Ayurveda in 15 district and sub-divisional hospitals and the same number of additional beds for Homoeopathy in the above hospitals by 2005 without any year-wise target and without mobilisation of funds for the purpose. However, nothing was done in this respect so far (March 2004). The Government stated (August 2004) that due to funds constraint infrastructure for new hospitals could not be created.

Similarly, targets were also fixed for 2000-04 under the perspective plan for creation of dispensaries, without providing any funds. The following table shows the shortfall against the target:

Table: 3

Items of infrastructure	No. of dispensaries as of March 2000	Target fixed for establishment of additional dispensaries during 2000-04	Dispensaries established during 2000-04	Percentage of shortfall
Ayurvedic dispensaries	32	46	6	87
Homoeopathic dispensaries	45	45	30	33

Test check of records of the Directorate of Health Services revealed that six Ayurvedic and eight Homoeopathic dispensaries were opened during 2002 without ensuring any funds required for the infrastructure. The dispensaries were opened in rented houses without obtaining prior concurrence of the Finance Department as required for opening of any establishment. Approval of

the Finance Department for Ayurvedic dispensaries was accorded in January 2004 without creation of any new posts. But approval for Homoeopathic dispensaries had not yet been accorded (March 2004). The Government agreed with the facts and stated (August 2004) that the Finance Department had been moved for *ex-post facto* approval.

No norms had been laid down by the department for opening of new dispensaries nor were there any specific policy for setting up of any dispensary by fixing the average number of patients required to attend. At the instance of the Commissioner-cum-Secretary of the Health and Family Welfare Department, all the Homoeopathic and Ayurvedic dispensaries were inspected by the Branch Officers of the respective systems in June 2003 and detailed reports submitted on the functioning of the dispensaries covering the period from January 2002 to June 2003. The reports indicated that altogether 17 Homoeopathic dispensaries remained non-functional as not a single patient attended them for treatment, and in eight Ayurvedic dispensaries average daily attendance of patients ranged between five and eight only. In February 2004, it was decided by the Government to close down these 17 Homoeopathic dispensaries\* and to reassess the requirement for continuing Ayurvedic dispensaries where average daily attendance of patients was less than 20. Thus, no purpose was served by opening of these 25 dispensaries without first having the feasibility study despite incurring expenditure of Rs. 92.45 lakh<sup>A</sup>, on salaries of the staff during the period from January 2002 to February 2004. Of Rs. 92.45 lakh, expenditure of Rs. 22.10 lakh, incurred on salaries of Medical Officers in 17 Homoeopathic dispensaries was wasteful as not a single patient attended there.

The Government stated (August 2004) that there was no national norm for establishment of dispensaries. The State Government had established several Homoeopathic and Ayurvedic dispensaries in remote areas of the State to extend treatment facilities.

The reply is not tenable as feasibility of running the dispensaries was not considered before these dispensaries were opened.

### Manpower planning

3.1.6 The department did not assess the requirement nor did it fix any norm for posting of Medical Officers and Pharmacists in hospitals as well as in dispensaries. It appeared that one to two Medical Officers and Pharmacists were posted in the dispensaries depending upon the number of patients attending. Six to seven Medical Officers and two to three Pharmacists were posted in hospitals. Based on these rates, minimum requirement of the staff, number of posts sanctioned by the Government and man-power actually available against each cadre are shown in the table below:

\* Names of dispensaries could not be made available to audit.

<sup>A</sup> 17 MOs @ fixed pay Rs. 5000 × 17 × 26 months =	Rs. 22.10 lakh
8 MOs @ Rs. 13,200 (Pay 10,000+DA3200) = 13200 × 8 × 26 =	Rs. 27.45 lakh
25 Pharmacists @ Rs. 6600 pm (Pay 5000+ DA 1600)	
= 6600 × 25 × 26 months =	Rs. 42.90 lakh
Total =	Rs. 92.45 lakh

Table: 4

Name of posts	Minimum requirement	Posts sanctioned	Manpower available	Percentage of shortfall with reference to minimum requirement
	<i>(in numbers)</i>			
Medical Officer (Homoeopathy)	84	73	62	26
Medical Officer (Ayurveda)	45	47	43	4
Pharmacists (Homoeopathy)	79	73	49	38
Pharmacists (Ayurveda)	41	63	36	12

The table shows that the percentage of overall shortfall in availability of manpower against different key posts with reference to minimum requirement varied from four to 38.

Records further showed that out of the total 113 Ayurvedic and Homoeopathic dispensaries, MOs were not provided in 16 dispensaries<sup>X</sup> and Pharmacists in 40 dispensaries<sup>Y</sup>. In five Homoeopathic dispensaries<sup>+</sup>, neither any MOs nor any Pharmacists were provided. This made these 5 Homoeopathic dispensaries dysfunctional.

One pathology unit was opened in May 1997 in Homoeopathic Hospital at Renters' Colony, Agartala without ensuring regular services of any Technician. Records of the hospital showed that there was no Technician posted during the period from August 2002 to April 2003. Though one Technician was there in the pathology unit since May 2003, his services were available only for 43 days between May 2003 and March 2004. The intended benefits of pathology unit at the hospital were thus denied to the patients.

Similarly, one X-ray unit was established in the Homoeopathic Hospital in November 1997 at a cost of Rs. 3.20 lakh without ensuring regular services of a Radiographer. It was noticed that one Radiographer was to be provided in the hospital for two days in a week. Records of the unit disclosed that the X-ray unit remained non-functional ranging from three months to six months per year during 1999-2004 due to non-availability of X-ray films and absence of Radiographer though Rs. 7.14 lakh was paid to the Radiographer as salary during the period from the Allopathic wing of the department.

All the above findings led to the Audit conclusion that the manpower management for ISM&H was poor and infrastructural facilities provided were not addressing the health care need of the public.

Government admitted (August 2004) the fact and stated that actions were being taken to ensure posting of one Medical Officer or one Pharmacist in each dispensary. It further stated that there was acute shortage of Radiographer all over the State, and one Laboratory Technician would be posted in Homoeopathy Hospital to improve the condition of pathology unit.

X Homoeopathy: 11; Ayurveda: 5

Y Homoeopathy: 34; Ayurveda: 6

+ Simna, Mandai, Thakurchera, Karamchera and 82 Miles.



### **Under-utilisation of bed capacity in hospital**

**3.1.7** The 10-bed Homoeopathic Hospital at Renters' Colony, Agartala started functioning from February 1996. Availability of total bed capacity of the hospital in a year was 3650 (365 × 10) patient-days. Against this, 1884, 1548, 1836, 1473 and 1629 patient-days were utilised annually during the years from 1999-2004. The capacity utilisation ranged from 40 to 52 *per cent*. The heavy under-utilisation was, as analysed by Audit, due to non-supply of meals to the patients, poor pathology service and radiography facilities and even non-availability of ambulance service for the hospital.

The Government admitted (August 2004) that pathology and radiography units in the Homoeopathy Hospital were not full-fledged due to shortage of para medical staff.

The Medical Officer, i/c, State Homoeopathy stated (September 2004) that meals (diet) to the patients has been introduced from September 2004 and the matter regarding ambulance service has been taken up with the Government.

### **Unutilised residential accommodation**

**3.1.8** Mention was made in para 3.12 of the Report of the Comptroller & Auditor General of India for the year ended March 1999 regarding non-utilisation of residential accommodation at the Homoeopathic Hospital. Records showed that two Type-IV quarters for Medical Officers and one 5-bed Nurses hostel were constructed at a cost of Rs. 6.76 lakh in March 1995 and October 1996. The buildings remained unutilised as electricity and water were not provided.

Test-check of records further showed that works for water supply by providing deep tubewell and pump house and extension of electric service connection were taken up in February 1999 and completed in August 2000 at a total cost of Rs. 13.80 lakh, but no pump operator was provided, which resulted in idling of the installation of pump house. Physical verification conducted by the in-charge, Homoeopathic Hospital and the in-charge, Office of the State Homeopath in the presence of members of the Audit team on 23 February 2004 revealed that service connection of electricity and water supply were yet to be provided. The doors and windows of the buildings were in dilapidated condition as the buildings remained unutilised.

The Government admitted (August 2004) the fact that residential accommodation remained vacant for a long time and stated that necessary repairs of the buildings would be done shortly.

The in-charge, Office of the State Homoeopath stated (September 2004) that the matter regarding service connection of electricity and water supply to residential accommodation had been brought to the notice of the department.

Thus lack of proper planning led to idling of the investment of Rs. 20.56 lakh (Rs. 6.76 lakh + Rs. 13.80 lakh) besides loss of interest for Rs. 14.58 lakh<sup>#</sup>.

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# Rs. 6.76 lakh × 13.85 *per cent* (borrowing rate) × 8 years = Rs. 7.49 lakh  
Rs. 13.80 lakh × 12.85 *per cent* (borrowing rate) × 4 years = Rs. 7.09 lakh  
**Total : Rs. 14.58 lakh**



### **Manufacturing unit of Ayurvedic drugs**

**3.1.9** Obtaining of drug manufacturing licence is mandatory under section 33L of the Drugs and Cosmetic Acts, 1940 for manufacturing of Ayurvedic drugs by any Government department. Records indicated that one drug manufacturing unit had been functioning at the Ayurvedic hospital of Agartala since 1959-60 without drug licence. The Deputy Drugs Controller of the State stated (March 2004) that the manufacturing unit of Ayurvedic hospital was asked a long time back (the date could not be specified by him) to stop manufacturing of drugs without a licence. But the manufacturing process was still going on (March 2004) in violation of the provisions of the Drugs and Cosmetics Act.

The Government stated (August 2004) that steps were being taken to obtain drug licence.

### **Failure of control mechanism to stop manufacture and sale of Ayurvedic drugs**

**3.1.10** According to Section 33-EEC of the Drugs and Cosmetics Act, 1940, no person shall manufacture for sale or for distribution any misbranded Ayurvedic drug, i.e. a drug not having been labelled in the prescribed manner (where label is to contain indication of net contents in terms of weight, manufacturing licence No., batch No. and a true list of all the ingredients used with quantity of each along with reference to the method of preparation thereof in details as indicated in the standard text prescribed in the Act). The regulatory activities of the Government are undertaken through issue of drug manufacturing licence. According to information collected by Audit, a firm, Basanti Aushadhalaya of Battala, Agartala has been selling such misbranded Ayurvedic drugs to the public for years together.

The Deputy Drugs Controller of the State stated (September 2004) that the firm Basanti Aushadhalaya had been instructed either to obtain a drug licence in the name of the firm or to stop use of the name of medicine on labels. He also assured that action would be taken against the firm under Drugs and Cosmetics Act, 1940.

### **Procurement of Homoeopathic medicines**

**3.1.11** The Deputy Drug Controller informed (March 2004) Audit that no standards for Homoeopathic mother tinctures had so far been published and no method had been prescribed for testing of potencies of Homoeopathic medicines. Therefore, stress is to be given on observance of good manufacturing practices (GMP) by the manufacturer as per Drugs and Cosmetics Rules. The purchaser is to obtain GMP certificate for credibility of the manufacturers before making purchase from them.

Records of the State Homeopath showed that Homoeopathic medicines were procured at a total cost of Rs. 23.01 lakh during 1999-2004 from Kolkata and Haryana based firms which offered the lowest rate. GMP certificates were not obtained from any of the firms. It was seen that the department had also avoided purchase of the medicines from the manufacturing firms having long

standing reputation in the field, the reasons for which could not be clarified to Audit.

The Government stated (August 2004) that none of the firms had produced GMP certificate and the authority had no other alternative but to select the firms on the basis of rates quoted by them.

### **Central Sector Programmes**

**3.1.12** Since its creation in 1995, the Department of ISM&H under the Ministry of Health and Family Welfare, Government of India has identified several thrust areas for intervention like: improvement and upgradation of standards of education in ISM&H; standardisation of drugs and quality control; ensuring sustained availability of raw materials for ISM&H medicines; research and development; information, education and communication; participation of ISM&H in the National Health and Family Welfare programmes; propagation of Indian systems of medicines in foreign countries, and establishment and strengthening of healthcare infrastructure and patient care facilities in ISM&H.

The department failed to undertake adequate promotional activities during the last eight years from 1995-2004 in the above identified areas by formulating viable projects and their successful execution for which funds could be available from the Government of India.

The Government stated (August 2004) that certain steps had already been taken and that it had been decided to submit proposals for sanction of schemes in respect of strengthening of health care infrastructure in ISM&H.

### **Development and cultivation of medicinal plants (Homoeopathy)**

**3.1.13** The Government of India sanctioned a project costing Rs. 40 lakh for development and cultivation of medicinal plants (Homoeopathy) at Kamalpur and released Rs. 8 lakh in 1995-96 towards the first instalment. The amount was retained in Personal Ledger Account of the State Homoeopath up to February 1998. The amount of Rs. 8 lakh was placed at the disposal of Sub-divisional Medical Officer (SDMO), Kamalpur in March 1998 for implementation. The amount was utilised by the SDMO between March 1998 and July 1999 in construction of a building, pump house, water reservoir, boundary fencing, furniture and in plantation of plants of 12 species, and utilisation certificate was submitted for the funds to the Government of India in December 2003 after a lapse of eight years. But no arrangement was made for posting of staff to look after the project. Other components of the project for which Rs. 32 lakh was sanctioned by the Government of India could not be ascertained as the project papers could not be traced out by the department for production to Audit.

The State Committee on Medicinal Plants observed in July 2000 that the balance funds were not released by the Government of India, as no progress report on utilisation of funds was submitted. Thus, it appeared that due to delay in utilisation of funds, Rs. 32 lakh was not released by the Government of India and the project remained incomplete. The expenditure incurred on

construction of building, pump house, water tank, reservoir and furniture became wasteful as these were never utilised during the last four years.

The Government stated (August 2004) that utilisation of funds got delayed and development of the project could not be made due to extremist problem.

#### **Holding up of funds received from Government of India by the Finance Department**

**3.1.14** The Government of India released funds of Rs. 2.15 crore (Rs. 1.00 crore for setting up of an Ayurvedic drug testing laboratory, Rs. 1.00 crore for running of an Ayurvedic pharmaceutical unit, and Rs. 14.69 lakh for purchase of Homoeopathic medicines) between September 2003 and January 2004. But the funds were not released by the Finance Department as the estimates, and drawings and designs for construction of buildings were not finalised (April 2004).

#### **Shelving of project proposal for Central assistance**

**3.1.15** Records of the State Homeopath, showed that a proposal (both for indoor and outdoor facility) for expansion of existing Homoeopathic hospital by 20 beds, cost of equipment for Homoeopathic hospital, and 10 bed District Homoeopathic hospital was submitted to the Directorate of Health Services in 1997 for approval. The proposal was not processed by the Directorate as of March 2004. For setting up of ISM&H wing in district Allopathic hospitals, Central assistance @ Rs. 35 lakh per hospital was available under the scheme. Thus, by not availing of Central assistance meant for promoting health care facilities, thrust area of strengthening of health care infrastructure and patient care facilities in ISM&H has been ignored.

The manner in which the above three Central Sector Programmes were handled by the department/State Government indicated an overall indifference towards taking up of any promotional activities in the ISM&H thrust areas, for which Central assistance was available.

The Government stated (August 2004) that it had decided to send proposals for setting up separate wings for Homoeopathy and Ayurvedic system in all the district Allopathic hospitals.



### 3.2 Materials management in Health and Family Welfare Department

*Materials management in the Health and Family Welfare Department was found to have been deficient. Procurement of medicines was not based on realistic assessment as requirement of medicines submitted by different health institutions was not supported by basic data. The system of health care in different health institutions in the State suffered due to delayed and reduced supply of medicines, supply of substandard medicines, and idling of machinery and equipment. Reasons for these deficiencies were attributable to lack of adequate planning and monitoring.*

#### Highlights

Penalty of Rs. 18.34 lakh for delay in supplying medicines was not imposed on the suppliers.

(Paragraph 3.2.6)

Expenditure of Rs. 6.71 lakh incurred on purchase of mixture ingredients became unfruitful, as no mixture could be prepared by using these ingredients according to the formulation prescribed in the Pharmacopoeia.

(Paragraph 3.2.7)

Sub-standard medicines valued at Rs. 10.44 lakh purchased during 1999-03 were issued to the patients before receipt of drug testing reports.

(Paragraph 3.2.8)

Machinery and equipment worth Rs. 39.17 lakh were irregularly transferred to a society viz, Tripura Super Speciality Hospital Society.

(Paragraph 3.2.10)

Eighteen items of machinery and equipment purchased during 1996 to 2002 at a cost of Rs. 86.24 lakh remained non-functional (as of June 2004).

(Paragraph 3.2.13)

#### Introduction

3.2.1 The Health and Family Welfare Department procures medicines, equipment, surgical appliances, bedding and clothing etc., to provide health services in the State through a network of health institutions. For this purpose the department maintains two Central Medical Stores (CMS) at Agartala, one under the Director of Health Services, and the other under the Director of Family Welfare and Preventive Medicines. Medicines and other stores are issued from these stores (CMS) to different health institutions (excluding four State hospitals) through the four Chief Medical Officers based on indents placed by them.

**Organisational set up**

3.2.2 The department is headed by the Commissioner and Secretary who is assisted by two Directors viz, Director of Health Services (DHS) and Director of Family Welfare and Preventive Medicines (DFW&PM). The stores required by four State hospitals are procured by respective Medical Superintendents of the State hospitals. While the stores required by the District and Sub-Divisional hospitals are procured by the DHS, the DFW&PM procures the stores for all the Primary Health Centres (PHCs), Community Health Centres (CHCs) in the State.

**Audit coverage**

3.2.3 Purchase, custody and issue of stores in respect of medicines, machinery and equipment, and bedding and clothing for the period from 1999-2004 were reviewed in audit during May - June 2004. Records maintained by DHS, DFW&PM, two CMSs, three Medical Superintendents (MS) of State Hospitals<sup>o</sup> (out of 4), one District Hospital<sup>o</sup> (out of 2), three Sub-Divisional Hospitals<sup>^</sup> (out of 11), four CHCs<sup>^</sup> (out of 9), and one Chief Medical Officer (CMO) at Udaipur (out of four) were examined in audit. Expenditure of Rs.20.99 crore (61 per cent) of the total expenditure of Rs. 34.13 crore was covered in audit.

The important points noticed are discussed in the succeeding paragraphs.

**Budget provision and expenditure**

3.2.4 The year-wise budget provision and expenditure incurred by the department against medicine, machinery and equipment, and bedding and clothing during 1999-04 are shown in the table below:

Table: 1

(Rupees in crore)

Component	1999-2000		2000-01		2001-02		2002-03		2003-04	
	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure
Medicine	1.72	1.89	3.74	4.15	3.79	3.55	3.09	2.32	4.22	4.15
Machinery and Equipment	2.63	2.23	4.16	3.77	4.34	3.47	6.10	4.17	4.22	2.41
Bedding and clothing	0.19	0.23	0.30	0.27	0.88	0.77	0.70	0.53	0.21	0.22
<b>Total</b>	<b>4.54</b>	<b>4.35</b>	<b>8.20</b>	<b>8.19</b>	<b>9.01</b>	<b>7.79</b>	<b>9.89</b>	<b>7.02</b>	<b>8.65</b>	<b>6.78</b>
Savings (-)	(-) 0.19		(-) 0.01		(-) 1.22		(-) 2.87		(-) 1.87	
Excess (+)										

Source: Information furnished by the department.

Besides, the department also received medicines, kits etc for Rs. 20.57 crore in kind from the Government of India during 1999-2004 under National Anti-Malaria Programme and Family Welfare Programme.

<sup>o</sup> GB Pant Hospital, Cancer Hospital and Dr. B.R.Ambedkar Memorial Hospital at Agartala.

<sup>o</sup> Tripura Sundari District Hospital, Udaipur.

<sup>^</sup> Bishalgarh, Melaghar and Belonia.

<sup>^</sup> Jirania, Teliamura, Kumarghat and Sonamura.

It would be seen from the table above that there was savings of Rs. 6.16 crore during 1999-04. The reasons for savings were attributed (August 2004) by the Government to non-finalisation of rates of machinery and equipment, non-execution of supply of medicines by the firms, and receipt of funds at the fag end of the financial year.

### ***Assessment of requirement***

**3.2.5** Proper assessment of requirement is a pre-requisite for effective procurement and stores management. Basic information on the incidence of diseases in the area, number of patients treated (disease-wise) in a year are essential in assessing the requirement of medicines.

Three Sub-Divisional Hospitals and four CHCs test-checked (May-June 2004) failed to furnish the information on number of patients treated based on clinical diagnosis as no such records were maintained by them. The Directorates also could not obtain the consolidated information from the field units, on the number of patients clinically diagnosed and treated by them during 1999-2004, despite having repeatedly called for.

Further test-check of records of the DHS and the DFW&PM showed that 42 to 75 items of medicines worth Rs. 16.06 crore were procured during 1999-2004 according to the requirement placed by the field units, in the absence of any basic reliable data in the Directorates. The requirements placed by the field units were also not supported by the information on (i) actual consumption of medicines in previous year, and, (ii) quantum of medicines available in stock. As a result, the decision on procurement of medicines in a year was taken on previous year's purchase, by changing the quantum from 5 to 10 *per cent* (increase or decrease). This indicated that procurement of medicines was not based on proper assessment of requirement.

The Government stated (August 2004) that a process had already been started to formulate a new scale for procurement of medicines considering relevant up-to-date data.

### ***Procurement of medicine***

#### **Non-imposition of penalty**

**3.2.6** Records of the department indicated that the DHS selected the firms and finalised rates contract and terms and conditions each year for procurement of medicines based on the recommendation of purchase committees. Accordingly, four State hospitals and the two Directorates were to procure all the required medicines. The terms and conditions *inter alia*, stipulated that medicines were to be supplied within two months from the date of issue of supply orders. In case of any delay beyond the stipulated period of two months penalty @ 1 *per cent* per week of delay would be imposed on the suppliers.

Test-check of records (May – June 2004) of the two Directorates, GB Pant Hospital, and Cancer Hospital for the period 2001-2004 revealed that in case of 206 bills there was delay in supplying medicines ranging from one week to nine months. This delay affected the delivery of quality health care facilities to

the patients. The penalty of Rs. 18.34 lakh<sup>1</sup> calculated at 1 per cent per week of delay on total value of medicines supplied, was not imposed on the suppliers.

It was, however, noticed that the DHS exempted penalty of Rs. 6.34 lakh in respect of 64 cases (out of 206) during 2002-03 without approval from the Government. The Government stated (August 2004) that due to non-payment of the bills of the suppliers by the department in due time, the condition stipulating the penalty for late supply of medicines by the suppliers was overlooked. The reply was not acceptable to Audit as imposition of penalty on delay in supplying medicines and delay in making payment against the claims were distinct and separate issues.

### **Unfruitful expenditure on mixture ingredients**

**3.2.7** In Tripura five types of mixtures were being prepared in the health institutions by using 15 ingredients varying from three to five ingredients for each mixture. But this practice of preparation of mixtures in the health institutions had been discontinued prior to 1999-2000. It was noticed that without formulating any methodology to re-introduce the system of supplying mixture to the patients, the department purchased four categories of mixture ingredients<sup>2</sup> valued at Rs. 6.71 lakh during 2000-04. According to the formulations prescribed in the Pharmacopoeia not even a single mixture could be prepared by using only these ingredients. As a result the stock of ingredients remained unutilized as of June 2004. Records of Sub-Divisional Hospitals and CHCs test checked, also confirmed the position.

The Government stated (August 2004) that the available ingredients could be utilised in future and there would be no loss to the Government. The reply was not tenable since the ingredients were procured without assessing any immediate requirement.

Thus, the expenditure of Rs. 6.71 lakh on the mixture ingredients became unfruitful.

### **Sub-standard medicine**

**3.2.8** To provide quality health care services in the State, the department was required to procure standard quality of medicines. The medicines were also being tested in the State Drug Testing Laboratory (SDTL), Agartala which had the facilities for testing 44 items of medicines only, though about 75 items of medicines were procured by the department every year.

As there was no scope in the State for testing all the drugs, the department procured medicines based on the testing reports furnished by the suppliers as per terms and conditions of notice inviting tenders. The medicines were distributed for use/consumption by the patients in the health institutions. Test-check of records of three State hospitals and two Directorates revealed that

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DHS: Rs. 4.64 lakh; DFW&PM: Rs. 10.84 lakh; GB Pant Hospital: Rs. 2.36 lakh; Cancer Hospital: Rs. 0.50 lakh.

<sup>2</sup> Ammonium Chloride: 372 packets; Compound Cardamom Tincture: 4953 bottles; Tincture Ipecac: 1407 bottles and Aromatic spirit of Ammonia: 5016 bottle.



samples of 33 items of medicines procured during 1999-2003 were drawn up by the SDTL for testing. The SDTL declared (November 2000 to April 2003) all these medicines as substandard.

By that time medicines valued at Rs. 10.44 lakh (78 *per cent*), out of total stock of Rs. 13.45 lakh, had been consumed by the patients. It was seen that the department only asked the suppliers to replace the balance quantity of substandard medicines but no action was taken against them.

The Government stated (August 2004) that the facilities of the SDTL were being updated to overcome the problem of delayed receipt of test reports from outside the State.

### **Sub-standard adhesive tapes**

**3.2.9** Scrutiny of records revealed that the department procured 1840 tubes of adhesive tapes (used to seal wounds/stitches) during May-June 2002. The samples of the adhesive tapes were tested by the Central Drug Laboratory, Kolkata through the SDTL and were declared (June 2003) as sub-standard as these tapes did not perform adhesive function. It was noticed that before getting the laboratory test report 621 tubes of adhesive tapes valued at Rs. 1.93 lakh (34 *per cent*), out of total stock of Rs. 5.72 lakh were already issued for use. Though the balance quantity (1219 tubes) was replaced by the firm, no action was initiated against the firm for supplying substandard adhesive tapes.

The Government stated (August 2004) that action against supply of sub-standard medicine was being taken as per the provisions of the Drugs and Cosmetics Acts and Rules.

## ***Procurement of machinery and equipment***

### **Irregular transfer of machinery and equipment**

**3.2.10** Test-check of records (May – June 2004) revealed that machinery and equipment valued at Rs. 39.17 lakh<sup>•</sup> purchased by the department during 2001-03 for the Super Speciality Block at GB Pant Hospital, Agartala were transferred to the Tripura Super Speciality Hospital Society (a registered society) set up (October 2002) according to the Memorandum of Understanding (MOU) signed (October 2002) between the Government of Tripura and Care Foundation, Hyderabad.

This transfer of the machinery and equipment was not regular since there was no such commitment in the MOU.

### **Installation of mammography machine**

**3.2.11** Records revealed that funds of Rs. 30 lakh was released by the Government of India in March 2000 for installation of a mammography machine in Cancer Hospital, Agartala. The department issued work orders for Rs. 25.75 lakh in March 2001 to M/S Siemens Ltd., Kolkata for supply and

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<sup>•</sup> OT lights installed in the Super Speciality Block: Rs. 23.08 lakh; Telemedicine facilities set up at GB Pant Hospital, Agartala and RGM Hospital, Kailashahar linked with Care Foundation, Hyderabad: Rs. 14.42 lakh and ENT Machine: Rs. 1.67 lakh.

installation of the machine (including civil works and electrification of the building) without fixing any time limit for the work. Though it was stipulated in the notice inviting tender that the work should be done within 45 days from the date of issue of supply order, this condition was not incorporated in the work order.

The work for installation and successful demonstration of the machine was completed in April 2002 but the payment (Rs. 25.75 lakh) was made in March 2002. The machine could not be utilised till January 2003 since its installation, due to various faults in the machine.

The Service Engineer of the firm identified (May 2003) the damp condition of the room as the main cause of frequent breakdown of the machine. Though the firm executed the civil works as well for installation of the machine, no initiative was taken either by the firm or by the department to rectify the defects as of June 2004.

The Government stated (August 2004) that renovation / repair work of the room had been taken up by the State Public Works Department in July 2004 and the work was in progress.

Thus, due to delay in installation of the machine and lack of proper planning and monitoring, the desired benefits could not be derived out of the machine, even after investment of Rs. 30 lakh<sup>^</sup>.

### ***Idle investment***

#### **Non-installation of X-ray machines**

3.2.12 Test-check of records (May – June 2004) showed that three X-ray machines were purchased by the department between March 2001 and August 2001, for Sub-Divisional Hospital, Bishalgarh and two CHCs at Ompi and Takarjala at a cost of Rs. 8.64 lakh, and full payment was made (October 2002) to the firm, before installation of the machines with successful demonstration.

It was seen that the dark room required for making the machine functional in the Sub-Divisional Hospital, Bishalgarh was not ready as of June 2004. In the two CHCs the firm could not demonstrate the machines after installation in May 2003 and July 2003 respectively and demanded Rs. 3.15 lakh (June 2004) for replacement of some spare parts.

The Government stated (August 2004) that the demand of the firm for replacement of some spares in respect of the machines of the two CHCs was refused and the firm was asked to arrange demonstration of the machines early after necessary repair.

Thus, lack of proper planning and monitoring on the part of the department had resulted in idle investment of Rs. 8.64 lakh for about three years, besides denial of the benefits to the rural population.

<sup>^</sup> M/S Siemens Ltd.: Rs. 25.75 lakh, Tripura Sales Tax: Rs. 2.81 lakh, External electrification etc.: Rs. 1.44 lakh.

### *Non-functional machinery and equipment*

**3.2.13** Test-check of records revealed that 18 machines and equipment (**Appendix XIII**) purchased during 1996-2002 costing Rs. 86.24 lakh relating to eight health institutions remained non-functional ranging from two years to eight years mainly due to non-availability of consumables, spare parts, and trained manpower. The department did not take appropriate remedial measures to restore functioning of the machinery and equipment. This resulted in denial of intended benefits to the patients.

The Government stated (August 2004) that three ultrasonography machines<sup>†</sup> had been replaced by new ones under buy-back scheme and action was being taken in respect of other equipment.

### *Improper Annual Maintenance Contract*

#### **Undue financial aid to firm**

**3.2.14** An agreement for Rs. 20.41 lakh on Annual Maintenance Contract (AMC) in respect of 32 equipments<sup>‡</sup> covering the period from May 1998 to April 2001 was signed between the DHS and M/S Siemens Ltd, Kolkata in January 1999.

It was noticed in audit that three X-ray machines<sup>†</sup>, covered under the said AMC, remained out of order during September 1998 to December 1998. The firm did not turn up to rectify the defects during the first 6 months even after repeated persuasion. But the department paid (February 1999) Rs. 2.79 lakh for that period though no service was available.

Thus, signing of the agreement with retrospective effect and absence of any penalty clause in the AMC for non-execution of work in time, resulted in undue financial aid of Rs. 2.79 lakh to the firm.

The Government admitted the facts and stated (August 2004) that the machines were put in order after the said period.

### *Recommendation*

#### **3.2.15**

- Physical verification of stores at least once in a year hitherto not done during 1999-2002 may be ensured.
- For quality control, the State Drug Testing Laboratory may be equipped with the facilities of testing injectibles as well as for testing all the items of medicine procured for use in the State.
- Penalty clause may be incorporated in the Annual Maintenance Contract to ensure repair/timely maintenance of the machinery and equipment.

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<sup>†</sup> Sl No. 3 and 11 at **Appendix XIII**.

<sup>‡</sup> 28 X-ray machines, 2 Ultra sound Sonography machines, and 2 Servo ventilators.

<sup>\*</sup> District Hospital, Kailashahar: 2, and Rural Hospital, Gandacherra: 1.



## INDUSTRIES AND COMMERCE DEPARTMENT

### 3.3 Working of Industries and Commerce wing of Industries and Commerce Department

*Overall performance of the department in promoting Village and Small Scale Industries in the State was not achieved. There was drastic fall in employment generation due to closure of 1104 SSI units out of 2193 units. Implementation of various schemes suffered due to lack of proper planning, monitoring, and manpower management, failure to create awareness among the entrepreneurs, and to mobilize and sponsor eligible cases to banks. Diversion of funds had an adverse effect on programme implementation.*

#### *Highlights*

The scheme for the growth of small scale industries (SSI) has failed to achieve its objectives as 1,104 units were closed and 4,276 persons lost their employment during 1999-2004.

(Paragraph 3.3.5)

The department incurred an expenditure of Rs. 94 lakh towards payment of wages to idle staff of two closed SSI units during 1999-2004.

(Paragraph 3.3.6)

There was inadmissible reimbursement of Sales Tax amounting to Rs. 40 lakh to an industrial unit not covered under Capital Investment Scheme.

(Paragraph 3.3.7)

An amount of Rs. 1.30 crore under Margin Money Scheme was unauthorisedly diverted by Tripura Khadi and Village Industries Board (TK&VIB) towards administrative expenses of the body and thus, the purpose of the Scheme was defeated.

(Paragraph 3.3.9)

#### *Introduction*

3.3.1 The objectives of Industries and Commerce wing of the Industries and Commerce Department is to promote Village and Small Scale Industries in the State. This is to be achieved by creating an integrated and comprehensive base for industrialisation through proper linkage between medium, large and small scale units. For this purpose one State Plan Scheme, 10 Centrally sponsored Schemes and one Khadi and Village Industries Commission Scheme are being implemented by the department in the State.

#### *Organisational set up*

3.3.2 The Industries and Commerce Department functions under overall administrative control of two Commissioners-cum-Secretaries, (i) Industries and Commerce, Handloom, Handicrafts and Sericulture and (ii) Information



Technology. The department has three separate wings viz, (i) Industries and Commerce, (ii) Handloom, Handicrafts and Sericulture and (iii) Information Technology. Each wing has a separate directorate.

Various industrial schemes/programmes are also being implemented by the two Government Companies viz, Tripura Industrial Development Corporation Ltd (TIDC) and Tripura Small Scale Industries Corporation Ltd (TSIC), and one autonomous body viz, Tripura Khadi and Village Industries Board (TK&VIB).

#### *Audit coverage*

**3.3.3** The working of Industries and Commerce wing of the Department alongwith manpower management for the period from 1999-2004 were reviewed in audit between January 2004 and April 2004. Records of the Directorate of Industries and Commerce, three District Industries Centres<sup>▲</sup> (DICs) out of four, four Industrial Estates<sup>\*</sup> (IEs) out of five, one Industrial Training Institute (ITI) (at Kailashahar) out of three, one Engineering Cell of Growth Centre at Bodhjongnagar and two Government Companies were test checked covering an expenditure of Rs. 40.30 crore (26 per cent) out of total expenditure of Rs. 152.63 crore.

#### *Financial Management*

##### **Budget provision and expenditure**

**3.3.4** For preparation of budget estimates, the Head of the Department or the Controlling Officer was required to obtain inputs from the field offices. The Controlling Officer did not insist on the field officers' furnishing necessary information. Consequently the budget estimates were prepared without any input from the field offices.

The budgetary allocation and expenditure both for revenue and capital account during the period from 1999-2004 were as under:

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▲ West Tripura District (Agartala), South Tripura District (Udaipur), North Tripura District (Kailashahar).  
\* Arundhutinagar, Badharghat (West Tripura District), Dhajanagar (South Tripura District), Dharmanagar (North Tripura District).

Table: 1  
A-Revenue

(Rupees in lakh)

Year	State Plan		CSS		Total Plan		Non-Plan		Grand total	
	BP	Expen- diture	BP	Expen- diture	BP	Expen- diture	BP	Expen- diture	BP	Expen- diture
1999-2000	440.94	402.75	172.00	19.46	612.94	422.21	425.78	412.39	1038.72	834.60
2000-2001	378.21	377.88	381.50	302.57	759.71	680.45	586.85	588.45	1346.56	1268.90
2001-2002	362.00	362.00	15.00	15.58	377.00	377.58	753.93	719.50	1130.93	1097.08
2002-2003	570.00	554.53	16.72	10.72	586.72	565.25	733.65	726.13	1320.37	1291.38
2003-2004	722.85	717.65	190.08	190.08	912.93	907.93	782.98	685.25	1695.91	1592.98
<b>Grand total</b>	<b>2474.00</b>	<b>2414.81</b>	<b>775.30</b>	<b>538.41</b>	<b>3249.30</b>	<b>2953.22</b>	<b>3283.19</b>	<b>3131.72</b>	<b>6532.49</b>	<b>6084.94</b>
Savings		59.19		236.89		296.08		151.47		447.55

B-Capital

Year	State Plan		CSS		Total Plan		Non-Plan		Grand total	
	BP	Expen- diture	BP	Expen- diture	BP	Expen- diture	BP	Expen- diture	BP	Expen- diture
1999-2000	743.00	743.00	-	-	743.00	743.00	-	83.98	743.00	826.98
2000-2001	803.00	803.00	-	-	803.00	803.00	693.15	538.86	1496.15	1341.86
2001-2002	1737.07	1737.07	608.00	889.50	2345.07	2626.50	-	-	2345.07	2626.57
2002-2003	1364.00	1364.00	186.00	186.00	1550.00	1550.00	-	-	1550.00	1550.00
2003-2004	1096.50	1217.50	27.13	2.38	1123.63	1219.88	0	0	1123.63	1219.88
<b>Total</b>	<b>5743.57</b>	<b>5864.57</b>	<b>821.13</b>	<b>1077.88</b>	<b>6564.70</b>	<b>6942.45</b>	<b>693.15</b>	<b>622.84</b>	<b>7257.85</b>	<b>7565.29</b>
Savings (-) Excess (+)		(+)121.00		(+) 256.75		(+) 377.75		(-) 70.31		(+) 307.44

Source:-The information as furnished by the department.  
BP = Budget Provision.

Apart from the expenditure indicated above, Rs. 16.12 crore was spent by Tripura Industrial Development Corporation (Rs. 15.93 crore) and Tripura Small Industries Corporation (Rs. 0.19 crore) during the period 1999-2004 in implementation of various Centrally Sponsored Industrial Schemes.

The above table indicated that there was a saving of Rs. 4.48 crore in Revenue Sector and there was an excess expenditure of Rs. 3.07 crore in the Capital Sector.

The reasons for savings / excess over budget provision was due to preparation of budget without assessing the actual requirement.

### Growth of Small Scale Industries (SSIs)

3.3.5 The main objectives of the creation of SSI units is to generate employment opportunities. The growth of SSI units (year wise) as well as employment generated in the State for the year ending March 2004 are given in the table below:

Table: 2

	Upto 1998-99	1999- 2000	2000-01	2001-02	2002-03	2003-04	Total upto 2003-04
SSI units	2017	56	32	30	45	13	2193
Employment generation	5228	231	238	78	158	39	5972

Source:-Information as furnished by the department.

It was noticed in audit that out of 2,193 units, 1,104 units were closed as of March 2004. As a result 4,276 persons (72 per cent) lost employment against

5,972 new jobs created. The department failed to furnish year-wise details of closure of the units indicating the number of persons losing their jobs. The reasons for closure of the SSI units also were not stated. Thus, the main objective of creation of SSI units was frustrated. The Government offered no comment on this.

### ***Infrastructure Development***

3.3.6 There are five industrial estates in Tripura covering an area of 95.35 acres. Of the five industrial estates, two were set up in 1965 and three in 1971, in which 84 sheds were constructed and 29 plots were developed by the department as of March 2004 for allotment. The information on construction of sheds (year-wise) as well as the amount spent in creation of this infrastructure was not furnished. Records showed that out of 84 sheds, 75 sheds were allotted and nine\* sheds remained unallotted as of March 2004. The reasons for not allotting nine sheds were neither stated nor found on record.

Test-check of the records of two industrial estates at Arundhutinagar and Bhadharghat and information collected in respect of other three Estates revealed that out of total allotment of 75 sheds to various industrial entrepreneurs, 18 units, (including 8 departmentally run units) were closed. The department handed over the closed departmental units to Tripura Small Industries Corporation Ltd in July 1998 to look after the working of these units, of which four units were subsequently revived (date not specified). While the services of the staff of two closed units were placed under the Secretariat Administrative Department and the Jute Mills Ltd, the services of the staff of other two<sup>o</sup> closed units could not be utilised otherwise. As a result, Rs. 94 lakh were spent by the department towards wages of the idle staff varying from 19 to 30 persons during the period from April 1999 to March 2004.

### ***Programme Management***

#### **Subsidy payment**

#### **Subsidies given to closed SSI units**

3.3.7 The department paid Capital Investment Subsidy (both Central and State), Sales Tax Re-imbusement Subsidy and Central Transport Subsidy of Rs. 1 crore between 1999-2000 and 2003-04 against 13 claims to 9 SSI units (Appendix XIV) which were closed. This led to inadmissible payment of subsidy of Rs. 1 crore as the department did not ascertain the status of the units before and after payment of subsidies/incentives though required according to the guidelines of the scheme. This indicates lack of internal control and monitoring on the part of the department.

#### **Inadmissible payment of subsidy**

Under Tripura Incentive Schemes 1995 and 2002 the department reimbursed Rs. 40 lakh (July 2003 and December 2003) to M/s Gemini Distilleries

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\* Dhajanagar: 1; Kumarghat: 7; Dharmanagar: 1.

<sup>o</sup> i) Footwear unit, Arundhutinagar and (ii) Blacksmithy unit, Arundhutinagar.

(Tripura) Pvt. Ltd, producing India Made Foreign Liquor (IMFL). But the list of firms approved by Government of India (February 1999) did not include IMFL units for the incentive scheme. Thus, reimbursement of Sales Tax of Rs. 40 lakh to the unit in 2003 was inadmissible, as Gemini Distilleries was not covered under the scheme.

The department admitted (March 2004) that the industrial units producing IMFL was not included in the suggested list of industries of the Growth Centre Project.

### Implementation of Schemes

3.3.8 The following four schemes, out of 12 schemes implemented by the department, were test-checked in Audit:

- (i) Margin Money Scheme (MMS)
- (ii) Prime Minister's Rojgar Yojana (PMRY)
- (iii) Growth Centre (GC)
- (iv) Export Promotion Industrial Park (EPIP)

### Margin Money Scheme (MMS)

3.3.9 According to the scheme guidelines, the Khadi and Village Industries Commission (KVIC) is to provide 25 per cent of the project cost subject to a maximum of Rs. 10 lakh as margin money to the nodal agency Tripura Khadi and Village Industries Board (TK&VIB). The financing banks are to initially sanction loan to the beneficiaries at 90 per cent of the project cost in case of general category and at 95 per cent in case of weaker section and claim margin money from the nodal agency after releasing the first instalment of loan.

Year-wise target fixed by TK&VIB for implementation of the scheme and achievement there-against during 1999-2004 are shown below:

Table: 3

*(Rupees in lakh)*

Year	No. of projects targeted	Projects sponsored		Projects sanctioned		Disbursed	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1999-2000	455	220	196.18	34	48.39	34	45.37
2000-01	500	258	738.63	34	85.87	31	67.03
2001-02	500	497	1405.64	142	214.37	108	149.65
2002-03	852	893	3547.67	191	727.04	149	459.98
2003-04	1000	842	3335.17	58	311.33	32	53.66
<b>Total</b>	<b>3307</b>	<b>2710</b>	<b>9223.29</b>	<b>459</b>	<b>1387.00</b>	<b>354</b>	<b>775.69</b>

Source: Departmental Figure.

It was noticed that the scheme suffered a setback for not releasing adequate amount of margin money by the KVIC due to non-submission of the utilisation certificate by the TK&VIB against the money released. The department failed to furnish the details of funds received by TK&VIB from KVIC and actual utilisation there-against.



### Diversion of funds

Records revealed that the TK&VIB diverted Rs. 1.30 crore from margin money funds to meet administrative expenses, which resulted in non-settlement of post margin money claims of financing banks. There was nothing on record to indicate that any mechanism was evolved by the department to oversee the proper utilisation of funds by the TK&VIB.

### Prime Minister's Rojgar Yojana (PMRY)

3.3.10 Projects costing upto Rs. 1 lakh for setting up self employment venture are to be covered under this scheme. Banks would consider providing a composite loan to the extent of 95 per cent of the project cost not exceeding Rs. 95,000. The composite loan includes capital subsidy to the extent of 15 per cent of the project cost in the case of NE Region with a ceiling of Rs. 15000 per borrower which was to be reimbursed by the Government of India after the loan is disbursed by the banks.

The year-wise target fixed, projects sponsored and sanctioned and achievement thereagainst in implementation of the scheme during 1999-2004 are shown below: (projects can be sponsored more than the target fixed as per guidelines).

Table: 4

(Rupees in lakh)

Year	No. of projects targeted	Projects sponsored		Projects sanctioned		Disbursed		Percentage of achievement in relation to target
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	
1999-2000	1300	1807	1295.69	1085	737.66	705	432.28	54
2000-01	1300	1881	1403.28	1157	776.14	872	539.89	67
2001-02	3000	3678	2651.63	2359	1629.69	1673	1095.37	56
2002-03	3000	4129	3020.12	2481	1806.97	1989	1337.18	66
2003-04	3000	4298	3287.93	2903	1839.05	306	183.18	10

Source: Figures furnished by the department.

The table shows a poor picture of achievement with reference to target fixed during 1999-2004. Reasons for poor achievement were not on record.

### Training

Records showed that the Finance Department and the Industries and Commerce Department delayed releasing funds (Rs. 58.98 lakh) to the implementing agencies for PMRY training. The delay ranged from 98 days to 445 days. Test check of cash books of three District Industries Centres (DICs) revealed that against the submission of utilisation certificates for Rs. 51.59 lakh to the Government of India, funds of Rs. 12.01 lakh\* under PMRY training, and contingency remained unutilised as of January 2004. Thus, financial performance under training programme was over reported to the Government of India.

\* DICs: - West Tripura District: 4.63 lakh; South Tripura District: Rs. 3.04 lakh; North Tripura District: Rs. 4.34 lakh.

### Growth Centre

3.3.11 The objective of the Growth Centre, a cent *per cent* Centrally Sponsored Scheme (CSS), was to create all the necessary physical infrastructural facilities.

The Government of India approved (November 1997) the project of Growth Centre at Bodhjungnagar near Agartala on an area of 242 acres of land at a project cost of Rs. 15 crore to be completed in 5 years. The TIDC was the nodal agency for implementation of the scheme. It spent Rs. 12.15 crore (81 *per cent* of project cost) as of March 2004. The works relating to physical infrastructural facilities, which were the main purpose of setting up the Growth Centre, were, not completed<sup>⊗</sup> even after a lapse of 6 years.

Besides, out of 242 acres of land, 146 acres (60 *per cent*) were developed for allotment, of which only 48.34 acres (33 *per cent*) were allotted to 10 entrepreneurs between May 1999 and March 2004. Against these 10 entrepreneurs, lease rent of Rs. 16.94 lakh was outstanding as of March 2004. While admitting the fact the Government stated (July 2004) that out of Rs. 16.94 lakh, Rs. 0.32 lakh had since been realised. The Government further added that for providing effluent treatment, fire protection scheme and solid waste disposal, necessary efforts were being made to create industrial infrastructure.

### Diversion of funds

TIDC created an Engineering Cell (December 1998) for physical implementation and other civil engineering activities of the project. According to State Government's resolution (February 1999), the pay and allowances of the staff of the Engineering Cell was to be met from TIDC's own funds. It was noticed that TIDC diverted Rs. 12.70 lakh from the funds of Growth Centres to meet the expenditure on pay and allowances of the staff of the Engineering Cell during the period from December 1998 to March 2004.

The department stated (July 2004) that the establishment expenditure was borne by the interest earned from the project funds. The reply was not tenable since the interest earned from the project funds also formed a part of the project funds and approval from the Government of India was not obtained for meeting establishment expenses out of interest earned on investment of project funds.

### State Level Committee meetings

The State Level Committee (SLC) was required to hold its meeting in every quarter to monitor and review the progress of implementation of the Growth Centre and to furnish quarterly progress reports to Government of India. But against the requirement of 25 meetings, only nine meetings were held between May 2000 and January 2004 indicating 64 *per cent* shortfall as of March 2004. The SLC, however, did not furnish quarterly progress report to the

<sup>⊗</sup> (i) Effluent treatment, fire protection scheme, and solid waste disposal scheme under Industrial infrastructure, (ii) guest house and bachelor accommodation under Social infrastructure, non-residential building under Commercial infrastructure, (iii) Residential building (Total: Rs. 3.42 crore).

Government of India regularly. The Government stated (July 2004) that based on practical situations only nine meetings (SLC) were held. They, however, had noted it for future guidance.

### **Export Promotion Industrial Park (EPIP)**

3.3.12 The Government of India, Ministry of Commerce introduced a cent *per cent* Centrally Sponsored Scheme "Export Promotion Industrial Park" (EPIP) in November 1993 for providing financial assistance to the State Governments for creation of infrastructure facilities. The Government of India approved (April 2001) the project at Bodhjunnagar with an area of 126.12 acre and released first instalment of Central grant of Rs. 3 crore (September 2001) with the stipulation to utilise the grant within a period of one year from the date of issue. Records revealed that the Tripura Housing Board (THB) was assigned the work of preparing Master Plan for the project on a consultancy fee of Rs. 15 lakh. As the THB submitted the Plan (March 2002) in an abridged shape, the State Government decided (May 2002) to implement the project on turnkey basis, by M/S Consulting Engineering Service (India) Pvt. Ltd (CES), a Delhi based firm. Accordingly, an agreement was executed (November 2002) between the TIDC and the firm (CES). But the project was not implemented as of March 2004. The delay in implementing the project was attributed (May 2004) by the department to lack of seriousness, sincerity and ability to take up the work on turn key basis by the firm (CES). Thus, expenditure of Rs. 15.61 lakh incurred by TIDC as of March 2004, as consultancy fee towards preparation of Master Plan and other miscellaneous expenditure etc., became unfruitful. Besides, the funds of Rs. 2.84 crore remained blocked for three years due to lack of adequate planning and monitoring of the project.

The Government stated (July 2004) that the work had since been rescinded as the firm (CES) was not interested in executing the project, and the work had been assigned to concerned wings of various departments (PWD, Power etc) of the State Government in the light of the Master Plan submitted by CES and THB.

### ***Man Power Management***

#### **Vacancies in various cadres**

3.3.13 Records of the department indicated that 441 posts of various cadres against the total sanctioned strength of 1409 posts were lying vacant as of March 2004. 12 key functionary posts (out of 28) of Group A cadre and 28 key posts (out of 32) of Group B cadre were not filled up during 1999-2004. Two posts of Group A were, however, filled up in July 2004. The vacancies in key functionary posts ranged between 43 *per cent* and 88 *per cent*. Non filling up of the vacancies in key posts had seriously affected the implementation of various programmes.

The Government stated (July 2004) that key functionary posts of Group A and Group B cadres could not be filled up by promotion due to non-availability of eligible candidates in feeder posts.

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THB: Rs. 10 lakh; CES: Rs. 4.86 lakh; and Misc expenditure by TIDC: Rs. 0.75 lakh.

According to Government of India decision below FR 49, an officer can not be sanctioned honorarium for attending duties of another senior post involving higher responsibility in addition to duties attached to his own post. Test-check of records revealed that between November 1997 and March 2004, on being asked to hold the full current duty charge of General Manager in four DICs, one Deputy Director and five Managers were allowed to draw honorarium of Rs. 0.66 lakh at the rate of Rs. 300 per month on regular basis. This was in violation of the provision of Fundamental Rules. Moreover, as per the relevant guidelines in Fundamental Rules an officer cannot be given full current duty charge of another post unless he is finally appointed to the additional post.

In none of the cases were the officers finally appointed to the higher post and were only asked to hold the charge of the additional post. As such the engagement was irregular.

The Government stated (July 2004) that the honorarium was sanctioned by the Finance Department in February 1997 for discharging higher responsibilities. The reply is not tenable since the sanction of such honorarium was contrary to the Government of India decision below FR 49.

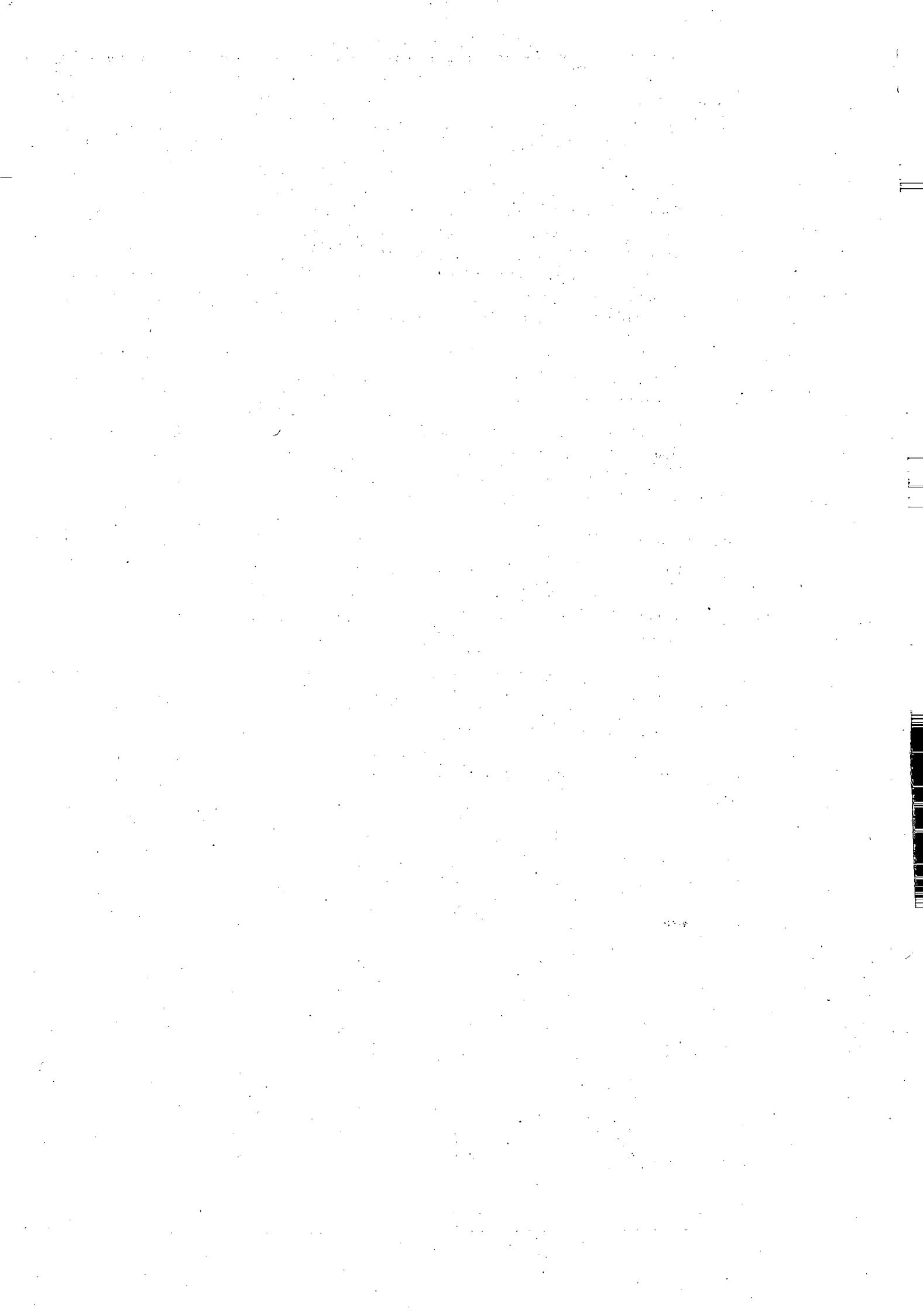
### **Conclusion**

**3.3.14** The main objective of the department to promote Village and Small Industries in the State was not fulfilled although Rs. 152.63 crore was spent during 1999-2004 in implementation of various programmes. This was mainly due to:

- (i) inadequacy in planning, monitoring and co-ordination,
- (ii) non-implementation/delayed implementation of the programme.

The Government stated (July 2004) that planning, monitoring and co-ordination in regard to different schemes were being done vigorously and efforts were on to complete all the projects in time.





**CHAPTER IV**  
**AUDIT OF TRANSACTIONS**  
**(CIVIL DEPARTMENTS)**

CHAPTER IV  
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(CIVIL DEPARTMENTS)

## CHAPTER IV: AUDIT OF TRANSACTIONS (CIVIL DEPARTMENTS)

### AGRICULTURE DEPARTMENT

#### 4.1 Non-compliance of PAC's recommendations led to advances lying unadjusted

**Non-compliance of PAC's recommendations regarding adoption of PWD system in maintaining the basic records and non-adherence to financial rules by the Agricultural Department, led to advances of Rs. 1.64 crore remaining unadjusted over a period of one to four years.**

The Public Accounts Committee (PAC) in its Sixtieth Report recommended (February 2000) that the Agriculture Department (Engineering Cell) of the State should adopt PWD system in maintaining the basic records. The Agriculture Department has not adopted the system as of May 2004.

Para 9 of the Central Public Works Department (CPWD) Manual<sup>o</sup> requires use of muster rolls (MRs) for getting works done departmentally through labourers and workmen. An MR is generally issued for a specific period not exceeding one month at a time and for a specific item of work. The request for issue of MRs needs to be submitted in time and its periodical closure and submission to Executive Engineer is required to ensure payment to labourers through temporary advance.

Test-check (December 2003 and January 2004) of records of the Executive Engineer (West), Agriculture Department, Agartala revealed that eight new works\* were taken up departmentally by engaging labourers through MR. Neither was any request for issue of MR submitted by the Implementing Officers (IOs) nor did the Executive Engineer issue any MR for engagement of labourers/workmen. Thus, the PWD system of ensuring control over expenditure in execution of works through MRs was not followed by the department.

Scrutiny also revealed that to execute the works, seven Junior Engineers (JEs) were given advances in instalments on the condition that the subsequent amounts of instalments of advances to be released to them, would be equal to the amounts of adjustments submitted by the IOs against previous advances. But even this condition, as set by the department, was not followed as advances were being paid to the IOs, without obtaining adjustments against

<sup>o</sup> CPWD Manual is followed by the State Public Works Department (PWD).

\* (i) AIBP works, (ii) Construction of Cold Storage at Badharghat, Agartala, (iii) Construction of buildings for T.S.R. 2<sup>nd</sup> Bn. at R.K. Nagar, (iv) Construction of Training Institute for Swavalamban at A.D. Nagar, (v) Construction of Traffic Training Centre at PTC, Narsingarh, (vi) Construction of Officer's barrack at PTC, Narsingarh, (vii) Construction of S.B. Training Institute, (viii) Construction of market complex at Golchakkar, Agartala.



previous advances. This had led to accumulation of unadjusted amount of advances of Rs. 1.64<sup>^</sup> crore paid to seven JEs between December 1999 and December 2003.

As the adjustments against advances were not submitted, the actual utilisation of the funds and the actual progress of work done as of date could not be examined in audit.

Thus, the department had failed to ensure the accountability of the departmental officers in financial activities due to non-compliance with PAC's recommendations and non-adherence to financial procedures in respect of the works done through MRs. Besides, this entailed an inherent risk of misappropriation/misutilisation of Government funds.

The Executive Engineer stated (July 2004) that adjustments for Rs. 93.63 lakh have since been received from six IOs.

The matter was reported to the Government in June 2004; their reply had not been received (September 2004).

## **ANIMAL RESOURCE DEVELOPMENT DEPARTMENT**

### **4.2 Non-realisation of cost of milk from Tripura Co-operative Milk Producers' Union Limited**

**Non-execution of any formal agreement specifying the time frame for payment resulted in non-realisation of Rs. 13.69 lakh for supply of milk even after a lapse of almost five years.**

General Financial Rules provide that prior to supply of any item, both the supplier and recipient should enter into contract or agreement. This would ensure that, in the event of any deviation from the terms and conditions of the contract or agreement, neither of the parties would be able to escape its liabilities subsequently.

Test-check (June 2002) of records of the Deputy Director, R.K. Nagar Farm Complex of Animal Resource Development Department and information collected in December 2003 revealed that the department supplied milk, produced in the cattle farm to Tripura Co-operative Milk Producers' Union Ltd (a co-operative society), Agartala, at the rate approved from time to time by the Government and the society on the basis of two axis pricing system<sup>#</sup>. The department did not enter into any formal agreement with the society on

<sup>^</sup> (i) P.B. Chowdhury: Rs. 48.25 lakh; from July 2002 to December 2003, (ii) Dipak Ghosh: Rs. 32.45 lakh; from January 2001 to November 2003, (iii) Apu Roy: Rs. 28.00 lakh; from April 2002 to December 2003, (iv) T. Dutta Chowdhury: Rs. 25.00 lakh; from June 2002 to December 2003, (v) M.K. Deb: Rs. 20.50 lakh; from July 2002 to November 2003, (vi) Ashish Das: Rs. 6.00 lakh; from August 2002 to December 2003 and (vii) Subir Shome: Rs. 3.95 lakh; from December 1999 to October 2000.

<sup>#</sup> Two axis pricing system means price determined on the basis of fat and solid non-fat contents present in one kg of milk.

the procedure/period for payment by the society against the supply made by the department.

It was seen that during 1996-97 to 2003-04 (upto July 2003) the Farm supplied 3,92,815.3 kgs of milk to the society. Of this, Rs. 13.69 lakh, being the cost of 1,45,471 kgs of milk supplied between June 1996 and November 1999, remained outstanding against the society as of September 2004.

Thus, due to non-execution of a formal agreement specifying the time frame for payment as well as lack of persuasion with the concerned society, the department could not realise the sale proceeds of Rs. 13.69 lakh for supply of milk even after a lapse of almost five years.

The Government to whom the matter was reported in March 2004 stated (July 2004) that the amount of Rs. 13.69 lakh would be recovered from the society in quarterly instalments within a period of five years.

## EDUCATION (SCHOOL AND HIGHER) AND AGRICULTURE (HORTICULTURE) DEPARTMENTS

### 4.3 Misutilisation of cash

**Non-adherence to the provision of Financial Rules by three Drawing and Disbursing Officers led to misutilisation of cash of Rs. 11.06 lakh.**

Accountability of the Drawing and Disbursing Officers (DDOs) is to be ensured through strict adherence to the provision of the Treasury and Financial Rules in handling and retention of cash. Undisbursed cash held by the DDOs is to be kept in safe custody for immediate disbursement for which it was already sanctioned and drawn.

Scrutiny (July 2002 to November 2003) of records of three DDOs, one each from the Education (School), Education (Higher) and Agriculture (Horticulture) Departments disclosed serious irregularities and non-observance of provisions of rules by the concerned DDOs, which resulted in misutilisation of undisbursed cash of Rs. 11.06 lakh as detailed below. It was also noticed that physical verification of cash at the end of each month was also not regularly done by the DDOs.

At the instance of Audit, physical verification of cash was conducted by the three DDOs\* between July 2002 and November 2003. Against the total closing cash balance of Rs. 2.20 crore recorded in the cash books of these

\* (1) The Director of School Education, Agartala; closing balance: Rs. 177.34 lakh; cash shortage: Rs. 2.14 lakh (July 2002);

(2) The Vegetable and Seed Production Officer, Horticulture Research Complex, Nagicherra; closing balance: Rs. 6.37 lakh; cash shortage: Rs. 0.69 lakh (September 2003); and

(3) The Principal, Polytechnic Institute, Narshingharh; closing balance: Rs. 36.46 lakh; cash shortage: Rs. 8.23 lakh (November 2003).

DDOs, only Rs. 2.09 crore was physically available, leaving a shortage of cash of Rs. 11.06 lakh in three offices.

All the three DDOs made unauthorised advances of Rs. 11.06 lakh by recording the individual amounts in a register and in some cases against 'paper slips (issued by concerned DDOs)' which cannot constitute cash balance. This resulted in misutilisation of Rs. 11.06 lakh which was advanced to different staff members for making payment towards telephone bills, purchase of office materials, travelling allowances, car registration charges etc.

Non-maintenance of the cash book in accordance with the provisions of treasury rules and persistent practice of allowing the unauthorised advance and utilisation of cash through issue of 'paper slip' by the concerned DDOs led to misutilisation and shortage of cash. Thus, non-adherence to the provisions of Treasury/Financial Rules in handling cash made the system vulnerable to misappropriation.

The matter was reported to the Government in March 2004. In reply (June 2004) the Education (School) Department while admitting the lapse stated that expenditure from undisbursed cash was incurred without waiting for sanction to avoid unpleasant situation. The Education (Higher) Department admitted (September 2004) the fact and stated that necessary action in this regard has already been taken up and ensured that Financial Rules would be rigidly followed.

Reply from the other department had not been received (September 2004).

## HOME (POLICE AND FIRE SERVICE) DEPARTMENT

### 4.4 Short realisation of service charge

**The Director of Fire Service did not realise the service charge for Rs. 11.68 lakh at an enhanced rate consequent upon revision of pay, from the Project Manager, Agartala Gas Turbine Power Project of NEEPCO, for deployment of fire service crew.**

The Project Manager, Agartala Gas Turbine Power Project of the North Eastern Electric Power Corporation Limited (NEEPCO) (a Government of India Enterprise) requested (March 1998) the Director of Fire Service, Tripura, for providing a fire fighting unit at its Power Plant at Ramchandranagar as a preventive measure. The Project Authority agreed to bear the service charge\* for the fire service crew, but no formal agreement between the Project Authority and the Government was found to have been drawn up.

Test-check (October 2003) of records in the Directorate of Fire Service, Agartala, revealed that a crew consisting of 12 fire service personnel with necessary equipment was deployed at the Power Project with effect from August 1998. A service charge of Rs. 2990 per day (calculated by the

\* The service charge was inclusive of salary and allowances for the crew, depreciation charge for appliances and equipment and cost of fuel and stationery.

Directorate of Fire Service and approved by the Government), was accepted by the Project Authority and paid regularly against monthly bill raised by the department. Consequent upon the revision of pay and allowances of the State Government employees taking effect from October 1998 and rise in the cost of fuel etc, the service charge was also enhanced to Rs. 4023 per day with the approval of the Government (May 2002) to take effect from June 2002, though the revision of service charge should have been done with effect from October 1998 along with the revision of pay and allowances of the employees. Thus, the system lapse as revealed by the delay in effecting revision of service charge and also non-preferring claims on this account at enhanced rate, for the period from October 1998 to May 2002, by the department resulted in short realisation of Rs. 11.68 lakh (Rs. 872\* × 1139 days) from the Project Authority.

On this being pointed out in audit, the Director of Fire Service raised (November 2003) a supplementary bill for Rs. 11.68 lakh against the Project Authority. He also stated (June 2004) that effort was being made to realise the outstanding amount. Further development has been awaited.

The matter was reported to the Government in March 2004. The Government admitted (September 2004) the fact as stated by the Director of Fire Service.

## POWER DEPARTMENT

### 4.5 Extra liability for belated payment of energy bills

#### **The Government had to bear extra liability of Rs. 2.33 crore due to late payment of energy bills.**

The Power Department, Government of Tripura purchases power (electricity) from National Hydro Power Corporation Limited (NHPC) and North Eastern Electric Power Corporation Limited (NEEPCO). According to the provisions of the agreements concluded (NHPC: March 1996; NEEPCO: December 1996) with these firms, NHPC charges surcharge at the rate of two *per cent* per month and NEEPCO charges interest at the rate of 1.5 *per cent* per month, if energy bills raised by them are not paid by the department within one month from the date of presentation of the bills. Mention was made in Para 4.3 of the Report of the Comptroller and Auditor General of India for the year ended 31<sup>st</sup> March 1998 regarding interest liability for belated payment of energy charges. The Government in its written reply furnished (September 2000) to the Public Accounts Committee (PAC) stated that it had decided to go in for agreement with the respective firms provided earlier surcharge/interest levied were waived off. No follow-up action was, however, taken by the department (May 2004) despite PAC's recommendations in its 65<sup>th</sup> Report.

Test-check (August-September 2003) of records of the Executive Engineer, Electrical Division No. IX, Agartala, who has been entrusted with the payment

\* Rs. 872 is the difference between salary component of the revised rate of service charge and that of the pre-revised rate.



of energy bills on behalf of the department, revealed that these firms claimed Rs. 2.33\* crore being surcharge/interest for belated payment of energy bills.

The Chief Engineer (Electrical), Tripura stated (May 2004) that though provisions for energy charges were duly made in the annual budget of the Power Department, expenditure had been incurred according to LOC\* issued from time to time to the Division. The Finance Department, Government of Tripura was requested (June 2004) to furnish the reasons for not releasing adequate funds in time to Power Department despite having provision in budget.

Thus, the Government had to bear extra liability of Rs. 2.33 crore for belated payment of energy bills despite having sufficient budget provision.

The matter was reported to Government in June 2004; the reply had not been received (September 2004). The Finance Department stated (July 2004) that pending liabilities could not be settled as the Power Department could not make adequate budget provision. The Finance Department also stated that it could not make the required budget provision due to financial constraint. But the reply of the Finance Department is not tenable as there were overall savings in the Power Department as well as in the departments of State Government as a whole during these years.

#### **4.6 Interest liability for belated payment of monthly transmission charges**

##### **Late payment of bills for monthly transmission charges to Power Grid Corporation of India Limited resulted in extra liability of interest of Rs. 57 lakh.**

For transmission of power to Tripura from various Central power plants in the North Eastern Region, the Power Department, Government of Tripura concluded an agreement (September 1994) with Power Grid Corporation of India Limited (PGCI). According to the provision of the agreement, the department is required to establish a revolving Letter of Credit (LOC) for such amount as may be agreed upon between the department and PGCI. If revolving LOC has not been opened by the department, PGCI shall forward a bill for total monthly transmission charges to the department and the department shall pay the amount to PGCI within 30 days from the receipt of the bill failing which the department shall pay simple interest at the rate of 1.5 *per cent* per month on the outstanding amount for the period beyond 30 days period aforesaid.

Test-check (August–September 2003) of records of the Executive Engineer, Electrical Division No. IX who has been entrusted with the payment of transmission charges to PGCI on behalf of the Power department, revealed that the department had neither opened a revolving LOC with the Bank nor paid the bills within 30 days from receipt of the bills, and PGCI claimed

\* NHPC: surcharge of Rs. 0.63 crore for the period from October 2001 to September 2003; and NEEPCO: interest of Rs. 1.70 crore for the period from October 2001 to March 2003.

\* Authority to incur expenditure.

interest of Rs. 57 lakh relating to the period from October 2001 to August 2003.

The Chief Engineer (Electrical), Tripura stated (May 2004) that though due provision was made in the annual budget of the Power Department expenditure had been incurred according to LOC issued from time to time to the division. The Finance Department, Government of Tripura was requested (June 2004) to furnish the reasons for not releasing adequate funds to the Power Department despite having provision in annual budget.

Thus, late payment of bills for transmission charges despite having sufficient budget provision has led to bear extra liability of Rs. 0.57 crore.

The matter was reported to Government in June 2004; the reply had not been received (September 2004). The Finance Department stated (July 2004) that pending liabilities could not be settled as the Power Department could not make adequate budget provision. The Finance Department also stated that it could not make the required budget provision due to financial constraint. But the reply of the Finance Department is not tenable as there were overall savings in the Power Department as well as in the departments of State Government as a whole during these years.

#### **4.7 Amount not recovered from the defaulting contractor**

**The Executive Engineer, Transmission Division, rescinded a work but did not recover Rs. 36.13 lakh from a contractor towards the cost of materials not returned and the extra cost borne by the department for getting the balance work done by another contractor.**

Supply, erection and commissioning of 132 KV single circuit transmission line from Kumarghat to Kailashahar (17.225 km) was awarded to a Kolkata based firm 'A' (M/S Ancon Engineering Co. Pvt Ltd.) in May 1993 at Rs. 97.76 lakh with the stipulation to complete the work within 24 months. Though the contractor started the work in June 1993, on being dissatisfied with the progress of work, the Executive Engineer rescinded the contract in May 1996 by invoking the clause of the agreement which provides that the extra cost required to get the balance work done would be borne by the contractor. The final bill (January 1997) for the work executed against the original contract revealed that after adjustment of all the dues an amount of Rs. 5.48 lakh was recoverable from the contractor. This *inter alia* includes the cost of materials issued to the firm, which were neither used in the work nor returned to the department. A letter was issued to the firm in January 1997 with the request to deposit Rs. 5.48 lakh towards the cost of materials issued by the department.

The balance work was awarded to another contractor (a local firm) in June 1999 at Rs. 1.12 crore (63.10 per cent above the estimated cost of Rs. 70.41 lakh) which was completed in August 2000 at a cost of Rs. 2.29 crore.

The extra cost borne by the department to execute the balance work was computed to be Rs. 31.65 lakh\*. Thus, the total amount recoverable from the defaulting contractor 'A' finally stood at Rs. 37.13 lakh (Rs. 31.65 lakh plus Rs. 5.48 lakh). The security deposit of Rs. 1 lakh lying with the department was forfeited leaving a balance of Rs. 36.13 lakh, which could not be recovered by the department.

In his reply, the Executive Engineer stated (January 2004) that no further step could be taken to recover the amount as the firm 'A' was not traceable. The reply was not convincing as nothing was available on record in support of the statement and the work was awarded after the firm had satisfied the department about its capability to execute such work. The fact remains that though the firm did not respond to its letter of demand issued in January 1997 consequent to the rescission of contract in May 1996, the department failed to take any legal action against the contractor as of March 2004. The department never raised its claim of Rs. 31.65 lakh representing the difference of cost payable by the defaulting contractor according to the provision of the contract agreement.

The matter was reported to the Government in June 2004; reply had not been received (September 2004).

## PUBLIC WORKS DEPARTMENT

### 4.8 Idle and infructuous expenditure on bailey bridge by the Executive Engineer, Amarpur Division

Transfer of bailey bridge to Border Road Organisation without drawing up an agreement and its return and acceptance by unauthorised and unqualified person resulted in idle and infructuous expenditure of Rs. 39.80 lakh.

Para 17.1.1 of Central Public Works Account (CPWA) Code read with Chapter 4 of Government Accounting Rules, 1990, stipulates that in the case of transactions between two Governments, adjustment shall always be made in such manner and to such extent as may be mutually agreed upon by the Governments concerned. Further, Para 157 of CPWD Code provides that normally a Junior Engineer (JE) will be responsible for receipt, issue, preservation and safe custody of stores. Where a store-keeper is also posted, he will work under the strict supervision and vigilance of the JE and receipt of stores will be the responsibility of the Junior Engineer.

To facilitate carriage and supply of materials on Indo-Bangladesh Border Roads in South Tripura, under construction by Border Road Organisation (BRO), the BRO proposed (December 1998) to carry out repair works of the road from Jatanbari to Chuplingcherra including the bridge at Chuplingcherra. Accordingly, the road was handed over by the State PWD to the BRO in December 2000.

\* The difference of cost (Rs. 31.65 lakh) was computed on item-wise quantity stipulated in the agreement (executed with the contractor 'A') multiplied by the extra cost paid to the 2<sup>nd</sup> contractor on each item.

Test-check (December 2003 to January 2004) of records of the Executive Engineer (EE), Amarpur Division, revealed that one 120 feet long bailey bridge costing Rs. 39.80 lakh was procured (September 1999) for erection over Chuplingcherra on emergent basis to keep the movement of food grains as well as security personnel unaffected as repairing of the existing dilapidated timber bridge was difficult due to high level of water.

As handing over of the road along with Chuplingcherra bridge had already been agreed to by the State Government in principle and the actual handing over was under process, in anticipation of handing over, the Engineer-in-Chief of the State PWD instructed (August 1999) the Executive Engineer, Amarpur Division to hand over the bailey bridge to the BRO for erection over Chuplingcherra stating (August 1999) that the cost of the bridge would be reimbursed by the BRO. But, no formal agreement was drawn between the State PWD and the BRO setting forth the conditions regarding reimbursement of cost of the bridge by the BRO. The Executive Engineer handed over in September 1999 the bailey bridge to the BRO for erection over Chuplingcherra.

Scrutiny of records in the Division revealed that the bailey bridge received by the BRO in September 1999 was returned to the Division in November 2000. On audit query, the Division could not state whether the bridge was installed by the BRO as planned earlier. The bridge was received by a Work Assistant posted in Amarpur Division, and he did not point out any shortage / dissimilarity between the bridge components issued and those received back. After a lapse of about one and a half years, in April 2002, the Executive Engineer of the Division informed the BRO that some of the components were not returned by it while some other components returned by it were not similar to those originally issued to them by the Division. The Divisional Officer asked the BRO authority to replace the components. But the BRO did not respond. The bridge could not be put to use by the Division and was lying idle in the stockyard of the Division (February 2004).

Thus, the Divisional Officer could not get the cost of the bridge reimbursed by the BRO due to the absence of any agreement. The Division also did not depute any authorised qualified official to receive the components of the bailey bridge, which ultimately resulted in idle and infructuous expenditure of Rs. 39.80 lakh.

The Chief Engineer, PWD (R&B) admitted (September 2004) the fact and stated that the question of signing agreement would be reviewed in the light of audit observations. He also stated that it should not be treated as blocking of funds but he himself could not ascertain if these components were put to use during these years.

The matter was reported to the Government in April 2004; reply had not been received (September 2004).



#### 4.9 Extra expenditure on drainage scheme of Agartala Municipality

**Failure of the department to get the work done by the first contractor due to departmental lapses and award of the work to another contractor resulted in extra expenditure of Rs. 24 lakh.**

Test-check (January–February 2003) of the records of the Executive Engineer, Public Health Engineering (PHE) Division I, Agartala, revealed that the work “Improvement of drainage scheme of Agartala Municipality (central area), Katakhal basin, Phase I/Construction of RCC drain including RCC box culverts from Shibnagar Khal to Harijan Colony Sump Groups I, II & III” was awarded to contractor ‘A’ in December 1994. The work was awarded at Rs. 95.48 lakh (estimated cost: Rs. 79.39 lakh) with 6 months’ time allowed for completion.

The contractor could not start the work even within the stipulated period of completion of work (June 1995) due to non-receipt of (i) site for work, and, (ii) approved drawing and design, from the department. The department handed over the site for work and approved drawing and design to the contractor only in October 1995.

Due to such delay in handing over of site and approved drawing and design, the contractor demanded (November 1995) enhancement of rate on reinforced cement concrete and cement concrete items for Rs. 13.18 lakh. The department did not accept enhancement of rate and rescinded the work in January 1996. The work was subsequently awarded to contractor ‘B’ in August 1996 at the rates quoted by him and he completed the work in February 1999. The contractor was paid Rs. 1.26 crore in August 2001.

A comparative study of the expenditure, taking into consideration the quantity of work actually executed by contractor ‘B’ with that of contractor ‘A’ revealed that had the site along with approved drawing and design for this work been handed over to contractor ‘A’ in time, the work could have been executed by contractor ‘A’ at Rs. 1.02 crore instead of Rs. 1.26 crore paid to contractor ‘B’.

According to the CPWD Code<sup>♦</sup> and Manual<sup>▼</sup>, the availability of a clear site and drawing and design is to be ensured before taking up the execution of any work. Thus, failure of the department to provide the site and approved drawing and design in time, resulted in extra expenditure of Rs. 24 lakh (Rs. 1.26 crore–Rs. 1.02 crore).

The Government to whom the matter was reported in March 2004 stated (June 2004) that as per agreement made with contractor ‘A’, difference of cost (Rs. 24 lakh) should be borne by the contractor ‘A’, who has been asked in December 2003 to deposit the amount. The matter was lying with the arbitrator as referred to by the contractor ‘A’.

<sup>♦</sup> Paragraph 86A(ii) of the CPWD Code.

<sup>▼</sup> Paragraphs 5.1, 15.2.1 and 17.3.1 of CPWD Manual Volume II.

**4.10 Unauthorised expenditure on pay and allowances and avoidable expenditure on wages of Daily Rated Workers (DRWs) in two Divisions of PWD**

**Injudicious distribution of Helpers between two Divisions led to excess and unauthorised expenditure of Rs. 54.50 lakh on pay and allowances on Agartala Division together with extra avoidable expenditure of Rs. 21.68 lakh on Ambassa Division.**

Test-check (October – November 2003) of records of the Executive Engineer, Agartala Division II, revealed that the Division employed 150 Helpers during April 2000 to August 2003 as against a sanctioned strength of 120 Helpers. As a result, there was unauthorised engagement of 30 Helpers and the Division had to incur an excess and unauthorised expenditure of Rs. 54.50 lakh during the said period. Further test-check (November – December 2003) of records of the Executive Engineer, Ambassa Division, disclosed that the Division was functioning with a shortage of 26 to 33 Helpers during 2000-01 to 2003-04. This shortage led to engagement of 26 Daily Rated Workers (DRWs) for which the Division had to incur extra expenditure of Rs. 21.68 lakh towards wages during the period from March 2000 to August 2003 which could have been avoided had the excess numbers of Helpers deployed in Agartala Division II been placed at the disposal of Ambassa Division to meet its manpower requirement. Audit enquiry revealed that the services of Helpers were transferable among the divisions.

This indicates that the department failed to operate its manpower deployment mechanism to ensure proper distribution of Helpers in the instant cases. The department neither regularised the excess engagement nor did the Division initiate any proposal to increase sanctioned strength of Helpers to regularise the engagement of 30 Helpers in excess.

The matter was reported to the Government in April 2004; reply had not been received (September 2004).

**4.11 Undue financial benefit to contractor – Muhuri Irrigation Work, Kalashi**

**Works Advisory Board approved interest free mobilisation advance (Rs. 2.10 crore) to contractor ignoring the provisions of the CPWD Manual resulting in loss of interest of Rs. 30 lakh.**

Para 32.7 of CPWD Manual Volume II as adopted by the State Government read with Director General's order thereunder provides that in respect of certain specialised and capital intensive works, as determined by the Chief Engineer, costing not less than Rs. 1 crore, mobilisation advance sanctioned to a contractor is to be limited to a maximum of 10 *per cent* of the estimated cost put to tender or Rs. 1 crore, whichever is less. Such mobilisation advance would also bear 10 *per cent* simple interest on it. The conditions of sanctioning mobilisation advance should be indicated in the Notice Inviting Tender (NIT).

Test-check (February – March 2004) of records of the Executive Engineer, Irrigation and Flood Management Division No. IV, Belonia revealed that the conditions of sanctioning mobilisation advance were not indicated in NIT in respect of the work, Muhuri Irrigation Project at Kalashi, South Tripura (Diversion Scheme)/construction of Head Works with gates, head regulators etc. The tenderer requested (May 2000) for 10 *per cent* interest free mobilisation advance. The request was approved by the Works Advisory Board on recommendation (October 2000) of the Chief Engineer, Public Works Department (Water Resource) contrary to the provisions of the CPWD Manual. The work was awarded (March 2001) to the contractor at a cost of Rs. 21.17 crore i.e., 42.84 *per cent* above the estimated cost of Rs. 14.82 crore with the stipulation to complete the work by March 2004. The work commenced in November 2002 was in progress. The Executive Engineer paid mobilisation advance of Rs. 2.10 crore in three instalments of Rs. 0.70 crore each in March 2001, February 2003 and November 2003.

Thus, the payment of interest free mobilisation advance to the contractor ignored the provisions of the CPWD Manual. Consequently the Government sustained loss of interest for Rs. 30 lakh during the period from March 2001 to March 2004 i.e., from the date of payment to the date of partial adjustment of Rs. 0.09 crore upto 8<sup>th</sup> RA bill. The loss in the shape of interest would be more at the end of full adjustment of the advance. Besides, undue financial benefit was extended to the contractor through excess payment of advance by Rs. 1.10 crore (Rs. 2.10 crore – Rs. 1.00 crore).

The matter was reported to the Government in June 2004; reply had not been received (September 2004).

**4.12 Non-recovery of penalty from the defaulting contractors by Executive Engineer, Ambassa Division, Agartala Division II and Amarpur Division**

**Three Executive Engineers did not recover penalty of Rs. 26.95 lakh from the defaulting contractors due to non-employment of technical staff at the site of work.**

The contract (clause 36 of the agreement executed either in PWD Form 7 or in Form 8) provides that the contractor shall employ: i) one Graduate Engineer with minimum one year's experience when the cost of work to be executed is more than Rs. 50 lakh; ii) one qualified Diploma Holder (Overseer) with minimum three years' experience when the cost of the work to be executed is more than Rs. 20 lakh but less than Rs. 50 lakh. In case the contractor fails to employ the technical staff as specified above he shall be liable to pay a sum of Rs. 2,000 in case of Graduate Engineer and Rs. 1,000 in case of Diploma Holder for each month of default.

As prescribed in the CPWD Manual, Volume II, after award of work, the contractor should be asked to furnish the details such as name, qualifications and address of the Engineer employed by the contractor. The Assistant Engineer should record a certificate in each running bill to the effect that a

qualified engineer, employed by the contractor as per the provisions of clause 36, has looked after the work during its execution.

Test-check (October–December 2003) of records in three Divisions, viz. Ambassa Division, Agartala Division II and Amarpur Division, revealed that neither did the Executive Engineers (EEs) ask the contractors to furnish details of technical staff appointed by them nor did the contractors furnish the information. The Assistant Engineers also did not furnish any certificate in the running bills regarding appointment of engineer by the contractors. Audit scrutiny revealed that Rs. 26.95 lakh (Ambassa Division: Rs. 10.92 lakh; Agartala Division II: Rs. 8.82 lakh and Amarpur Division: Rs. 7.21 lakh) recoverable from the defaulting contractors under clause 36 was not recovered at the prescribed rates in 125 cases of failure of the contractors to employ the technical staff.

The Chief Engineer (PWD) stated (September 2004) that the concerned Executive Engineers have already been advised to take appropriate action so as to ensure the recovery of full amount from the defaulting contractors.

The matter was reported to the Government in April 2004; reply had not been received (September 2004).

## TRIBAL WELFARE DEPARTMENT

### 4.13 Idle expenditure and locking up of funds on construction of ropeways

**Expenditure of Rs. 42.81 lakh incurred on construction of three ropeways was rendered unfruitful and seven ropeways could not be constructed resulting in locking up of an additional amount of Rs. 57.19 lakh allocated for them. The interest loss of the Government on this account was Rs. 30.88 lakh.**

The Forest (Conservation) Act, 1980 and the Forest (Conservation) Rules, 1981 provide that for use of forest land for non-forest purpose, prior approval of the Central Government should be obtained by sending proposal in the prescribed form.

Scrutiny (November–December 2003) of records in the Directorate of Welfare for Scheduled Tribes revealed that pursuant to a proposal from the department, the Government of India released (March 2001) a grant of Rs. 1 crore for construction of 10 ropeways at different locations\* in the remote hilly areas of Tripura. The Tribal Welfare Department entrusted the construction work to the Executive Engineer, Mechanical Division in the Agriculture Department of the State Government. Accordingly the total funds were placed (May 2002) with him. The Executive Engineer engaged (October 2002) Kamaloday Construction (India) Pvt. Ltd, Noida, for construction of 10 ropeways at the cost of Rs. 9.55 lakh each with the stipulation to complete the work within 60 days from the date of handing over of the site.

\* Tlangsang, Sabwal, Kanpui (Behlianchip), Paharpur, Kalabari, Saikerbari, Atharomura, Harbang, Falkabari and Champaknagar.



Out of 10, only three ropeways (one each at Sabwal, Tlangsang, and Kanpui) were completed between March and May 2003 at a cost of Rs. 30.03 lakh. A further expenditure of Rs.12.78 lakh was also incurred towards procurement of some materials and construction of labour shed etc, in connection with remaining seven ropeways. But construction of the remaining ropeways were not taken up, as of February 2004. The balance amount of Rs. 57.19 lakh (Rs. 100 lakh *minus* Rs. 42.81 lakh) had been retained in the Current Deposit Account of the Mechanical Division. In August and September 2003, the Tribal Welfare Department directed the District Magistrate and the Block Development Officer concerned to form a society involving the local people. The society would take over the ropeways as well as shoulder the responsibility of their running and maintenance.

The society was not formed nor could the ropeways be taken over following objection from the Forest Department as all these ropeways were constructed in forest areas without obtaining prior approval from the Government of India, required under the rules. The Tribal Welfare Department did not approach the Government of India as of February 2004 for obtaining permission to use forest land for non-forest purpose though the Forest Department pointed out the need for such permission during the execution of the work.

Thus, due to negligence of the department in obtaining the requisite clearance from the Government of India, Rs. 1 crore remained locked up for three years with interest loss of Rs. 30.88 lakh<sup>^</sup> upto March 2004. This has also resulted in delay in extending the desired benefit of all weather transportation facilities to the targeted tribal people.

The matter was referred to the Government in April 2004; reply had not been received (September 2004).

## URBAN DEVELOPMENT DEPARTMENT

### 4.14 Idle investment and blocking of funds on construction of slaughter house

Failure on the part of the Agartala Municipal Council to complete the project for construction of slaughter house at Agartala during 1993-94 to 2003-04, due to lack of planning, has led to idle investment (Rs. 65.05 lakh) and blocking of funds (Rs. 1.11 crore).

A project for construction of a slaughter house (where 250 goats and 50 pigs can be slaughtered, processed and converted into meat mechanically) under Centrally Sponsored Scheme (50:50) – “Modernisation of slaughter house”, at Agartala was approved by the Government of India during 1993-94. Accordingly, Central share of Rs. 1.26 crore\* and State share of Rs. 50 lakh\*\* was released to the Agartala Municipal Council (AMC) during 1994-95 to 2001-02 for implementation.

<sup>^</sup> Calculated @ interest applicable on the Government borrowings.

\* 1994-95: Rs. 46 lakh, 2001-02: Rs. 80 lakh

\*\* 1995-96: Rs. 40 lakh, 1996-97: Rs. 10 lakh

The State Government decided in May 1997 to award the work of the slaughter house to Steel Industries Kerala Limited (SILK), a Government of Kerala undertaking and accordingly the SILK submitted (December 1998) a detailed project report for Rs. 1.54 crore.

The State Advisory Board decided in March 1999 that the civil and structural works would be done by the AMC at a cost of Rs. 44.41 lakh on the basis of drawing and design submitted by the SILK and the work for supply and installation of machineries in the slaughter house would be done by the SILK at a cost of Rs. 80.33 lakh. Accordingly an agreement was executed (March 1999) between the AMC and the SILK and an amount of Rs. 30 lakh was paid to the SILK as advance payment (as of March 2004).

Test-check (February 2003) of records of the Agartala Municipal Council revealed that work order for civil and structural works was issued to a local contractor in June 2000 and the site for the work was handed over to the contractor in November 2000. The work was actually started in March 2001 and the building for installation of machineries was ready in August 2003.

The SILK was requested (August 2003) to start the work for supply and installation of machineries. But as of June 2004 the SILK did not respond to the request of the State Government. There was nothing on record to indicate the reasons for not taking up the work by the SILK. Out of the total funds of Rs. 1.76 crore, an amount of Rs. 65.05 lakh (including an advance payment of Rs. 30 lakh to the SILK) had been spent upto June 2004.

Thus, the department failed to complete the project even after a lapse of 10 years due to lack of planning and monitoring despite availability of funds, and the investment of Rs. 65.05 lakh became idle. Besides, an amount of Rs. 1.11 crore (Rs. 1.76 crore – Rs. 65.05 lakh) remained unutilised at the end of 2003-2004.

The matter was reported to the Government in June 2004. The Government admitted (September 2004) the fact and stated that the Government of Kerala had intimated that the SILK had taken necessary steps to implement the project expeditiously.

## CIVIL, POWER AND PUBLIC WORKS DEPARTMENTS

### 4.15 Outstanding Inspection Reports

First reply for 186 out of 979 Inspection Reports issued during 1991-92 to 2003-04 was not furnished by Civil, Power and Public Works Departments, though the Government had 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 Civil, Power and Public Works Departments is discussed below:

**(a) CIVIL DEPARTMENTS**

A review of position of outstanding Inspection Reports relating to various Civil Departments revealed that 2682 paragraphs included in 903 Inspection Reports issued up to 2003-04 were pending for settlement as of June 2003. Of these, even first reply had not been received in respect of 165 Inspection Reports in spite 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.	Up to 1991-92	14	26	Nil
2.	1992-93	11	41	1
3.	1993-94	32	111	2
4.	1994-95	99	310	8
5.	1995-96	99	305	9
6.	1996-97	81	230	11
7.	1997-98	84	190	10
8.	1998-99	88	268	12
9.	1999-2000	78	246	12
10.	2000-01	54	166	12
11.	2001-02	90	267	21
12.	2002-03	82	214	32
13.	2003-04	91	308	35
	<b>TOTAL</b>	<b>903</b>	<b>2682</b>	<b>165</b>

As a result, the following important irregularities commented upon in these Inspection Reports had not been settled as of June 2004.

*(Rupees in crore)*

Sl. No.	Nature of Irregularities	Number of cases	Amount involved
1.	Wasteful/Infructuous expenditure	23	3.10
2.	Extra/avoidable expenditure	32	2.14
3.	Blockage of funds	25	12.31
4.	Non-recovery of excess payments / overpayments	52	4.54
5.	Others	626	135.13
	<b>TOTAL</b>	<b>758</b>	<b>157.22</b>

**(b) POWER DEPARTMENT**

Sixty seven paragraphs included in 25 Inspection Reports issued between 1999-2000 and 2003-04 were not settled as of June 2004. Of these, the first reply for nine Inspection reports had not been received despite repeated reminders (as of June 2004). Year-wise break-up of outstanding Inspection Reports and paragraphs are given below:

Sl. No.	Year	Number of outstanding		Number of Inspection Reports of which first reply had not been received
		Inspection Reports	Paragraphs	
1.	1999-2000	6	12	Nil
2.	2000-01	5	8	2
3.	2001-02	4	9	3
4.	2002-03	4	13	1
5.	2003-04	6	25	3
	<b>TOTAL</b>	<b>25</b>	<b>67</b>	<b>9</b>

The most important types of irregularities noticed during local audit of Power Department during 2003-04 are summarised below:

(Rupees in crore)

Sl. No.	Nature of irregularities	Number of cases	Amount involved
1.	Excess/irregular/unauthorised expenditure/payment etc.	6	3.85
2.	Non-recovery amount from contractor	3	1.10
	<b>TOTAL</b>	<b>9</b>	<b>4.95</b>

### (c) PUBLIC WORKS DEPARTMENT

A review of position of outstanding Inspection Reports relating to PWD revealed that 261 paragraphs included in 51 Inspection Reports issued between 1999-2000 and 2003-04 were pending for settlement as of June 2004. Of these, even first reply had not been received in respect of 12 Inspection Reports in spite 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.	1999-2000	15	94	Nil
2.	2000-01	7	54	1
3.	2001-02	12	43	2
4.	2002-03	7	29	2
5.	2003-04	10	41	7
	<b>TOTAL</b>	<b>51</b>	<b>261</b>	<b>12</b>

The important irregularities noticed during inspection of PW Divisions during 2003-04 are summarised below:

(Rupees in crore)

Sl. No.	Nature of irregularities	Number of cases	Amount involved
1.	Extra/irregular/avoidable/ unfruitful/ wasteful/ unauthorised expenditure/ extra liability	17	3.20
2.	Recovery from contractor	8	0.51
3.	Award of work without call of tender	1	1.24
	<b>TOTAL</b>	<b>26</b>	<b>4.95</b>



**General**

**Follow up on Audit Reports**

4.16 Eighty four\* reviews and 339\* paragraphs had been featured in Audit Reports 1988-89 to 2002-03. At the end of September 2004, out of 84 reviews, 39 reviews were discussed by the PAC leaving a balance of 45 and out of 339 paragraphs featured during the same period, 140 paragraphs were discussed by the PAC leaving a balance of 199 paragraphs. Against 39 reviews and 140 paragraphs already discussed in the PAC, action taken notes (ATN) on the recommendations of the PAC in respect of 20 reviews and 88 paragraphs were yet to be received (September 2004).

**Audit arrangement for local bodies**

4.17 Audit of accounts of the Tripura State Legal Services Authority for the period from 1999-2000 to 2002-03 was conducted under Section 19 (2) of the C&AG's (Duties, Powers and Conditions of Service Act, 1971) and SAR was issued in April 2004.

The audit of accounts of the following bodies / authorities has been entrusted to the C&AG of India under Sections 19 (3) and 20 (1) of the C&AG's (Duties, Powers and Conditions of Service Act, 1971) for the period mentioned below:

Sl. No.	Name of bodies/authorities	Period of entrustment	Section of the C&AG's (DPC) Act, 1971
1.	Tripura Khadi and Village Industries Board	1999-2000 to 2003-04	19 (3)
2.	Tripura Board of Secondary Education	1996-97 to 2000-01	20 (1)
3.	Agartala Municipal Council	1996-97 onwards on permanent basis	20 (1)
4.	Nagar Panchayats (12 Nos.)	1996-97 onwards on permanent basis	20 (1)
5.	Tripura University	1997-98 to 2001-02	20 (1)
6.	Tripura Housing Board	Upto 1992-93	19 (3)

The status of submission of accounts by the bodies/authorities and submission of Audit Reports thereon to the State Legislature as of July 2004 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	2003-04	1997-98	1988-89 to 1990-91	Audit Report for the years 1991-92 to 1996-97 is in progress	No information on placement of the SARs issued to the Government/ Board had been received (July 2004).
2.	Tripura Board of Secondary Education	2000-01	1997-98	1993-94 to 1997-98	Audit Report for the years 1993-94 to 1997-98 issued to the Government in April 2004	1991-92 and 1992-93

\* Including 4 reviews and 45 paragraphs relating to the Power Department as appeared in Chapter VIII (titled 'Government Commercial and Trading Activities') of Audit Reports. These reviews and paragraphs are discussed by the PAC.

Due to non-submission of accounts in proper format by the Agartala Municipal Council and 12 Nagar Panchayats, audit could not be taken up since their inception. Only transaction audit is being conducted. Audit of accounts of the Tripura University for the period from 1992-93 to 1995-96 have been completed and separate Audit Report issued. Audit of accounts of the Tripura Housing Board for the period from 1990-91 to 1992-93 (entrusted in February 2003) is being taken up.

The following 18 bodies/authorities, whose accounts were received so far (July 2004) attracted audit under Section 14 of the C&AG's (DPC) Act, 1971. Of these, 10 bodies/authorities were audited (upto July 2004) as detailed below:

Sl. No.	Name of bodies/ authorities	Annual accounts	
		Received	Audited
1.	District Rural Development Agency (West)	2000-01 and 2001-02	2000-01 and 2001-02
2.	District Rural Development Agency (South)	2002-03 and 2003-04	2002-03 and 2003-04
3.	District Rural Development Agency (Dhalai)	2001-02 and 2002-03	Being taken up shortly
4.	District Rural Development Agency (North)	1999-2000 and 2000-01	1999-2000 and 2000-01
5.	Tripura Sports Council	1999-2000 to 2001-02	1999-2000 to 2001-02
6.	Tripura Scheduled Tribes Co-operative Development Corporation	1991-92 to 2002-03	1991-92 in 2002-03
7.	Tripura Scheduled Caste Co-operative Development Corporation	1993-94 to 1997-98	1993-94 to 1997-98
8.	World Bank Aided Rubber Project	2002-03	2002-03
9.	Tripura State Social Welfare Advisory Board	1998-99 to 2001-02	1998-99 to 2001-02
10.	Ramakrishna Mission Vidyalaya	2002-03 and 2003-04	2002-03 and 2003-04
11.	Ramthakur Pathsala Boy's H.S. (+2 stage) school	1982-83 to 1995-96	Audit is in progress
12.	Tripura Health and Family Welfare Society	1998-99 to 2001-02	1998-99 to 2001-02
13.	Tripura State Aids Control Society	1999-2000 to 2001-02	Being taken up shortly
14.	Tripura Blindness Control Society	2002-03	-do-
15.	Tripura State Leprosy Control Society	2001-02	-do-
16.	Tripura State Council for Science and Technology	1998-99 to 2002-03	-do-
17.	Tripura Minorities Co-operative Development Corporation	1998-99 to 2001-02	-do-
18.	D.N. Vidyamandir	1994-95 to 2001-02	-do-

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 July 2004 are given below:

Name of bodies	Tripura Tribal Areas Autonomous District Council (TTAADC)	
Year up to which	Accounts due	2002-03
	Accounts submitted	1993-94 (in old format)
	Accounts Audited	1993-94
	Audit Report issued	1991-92
Reasons for non-finalisation of Audit Report	The Audit Reports of TTAADC could not be finalised for the years 1992-94, as the accounts were prepared in old format. The State Government had sought clearance from the Government of India for acceptance of accounts for 1992-93 and 1993-94 in the old format as a special case. The matter has not yet been settled (July 2004).	
Year upto which Audit Report placed before the Council	1991-92	

### Outstanding Inspection Reports

4.17.1 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.

As of September 2004, 278 paragraphs included in 45 Inspection Reports issued to local bodies / authorities upto 2003-04 were pending settlement. Of these, even first reply had not been received in respect of 22 Inspection Reports in spite 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.	1999-2000	NIL	NIL	-
2.	2000-01	11	61	2
3.	2001-02	NIL	NIL	-
4.	2002-03	18	101	8
5.	2003-04	16	116	12
	<b>TOTAL</b>	<b>45</b>	<b>278</b>	<b>22</b>

As a result, the following important irregularities commented upon in these Inspection Reports had not been settled as of August 2004:

(Rupees in lakh)

Sl. No.	Nature of Irregularities	Number of cases	Amount involved
1.	Wasteful/Infructuous expenditure	3	4.68
2.	Extra/avoidable expenditure	7	44.15
3.	Blockage of funds	4	146.19
4.	Non-recovery of excess payments / overpayments	19	409.28
	<b>TOTAL</b>	<b>33</b>	<b>604.30</b>

**CHAPTER V**  
**REVENUE RECEIPTS**





## CHAPTER V: REVENUE RECEIPTS

### 5.1 General

#### *Trend of revenue receipts*

5.1.1 The tax and non-tax revenue raised by the Government of Tripura during the year 2003-04, 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:

**Table: 1**

*(Rupees in crore)*

		1999-2000	2000-01	2001-02	2002-03	2003-04
I.	Revenue raised by the State Government					
	(a) Tax Revenue	101.74	125.58	158.50	183.09	221.47
	(b) Non-Tax Revenue	76.19	94.51	97.64	98.73	167.78
	<b>Total</b>	<b>177.93</b>	<b>220.09</b>	<b>256.14</b>	<b>281.82</b>	<b>389.25</b>
II.	Receipts from Government of India					
	(a) State's share of net proceeds of divisible Union taxes	529.55	236.22	232.62	249.71	320.53
	(b) Grants-in-aid	730.78	1,181.75	1,378.62	1,348.54	1,457.88
	<b>Total</b>	<b>1,260.33</b>	<b>1,417.97</b>	<b>1,611.24</b>	<b>1,598.25</b>	<b>1,778.41</b>
III.	Total receipts of the State Government (I+II)	<b>1,438.26</b>	<b>1,638.06</b>	<b>1,867.38</b>	<b>1,880.07</b>	<b>2,167.66</b>
IV.	Percentage of I to III	12	13	14	15	18

### Tax Revenue

The details of tax revenue raised during the year 2003-04 along with the figures for the preceding four years are given below:

**Table: 2**

*(Rupees in crore)*

Sl. No.	Heads of revenue	1999-2000	2000-01	2001-02	2002-03	2003-04	Percentage of increase (+) or decrease (-) in 2003-04 over 2002-03
1.	Sales Tax	57.78	81.08	105.80	126.97	149.25	(+) 18
2.	State Excise	20.11	19.79	22.03	28.21	31.36	(+) 11
3.	Other Taxes on Income and Expenditure	10.56	11.21	11.59	12.17	17.28	(+) 42
4.	Stamps and Registration Fees	5.10	5.94	9.61	7.81	11.17	(+) 43
5.	Taxes on Vehicles	3.59	4.26	5.28	5.29	8.01	(+) 51
6.	Other Taxes and Duties on Commodities and Services	1.19	1.22	2.71	1.16	1.46	(+) 26
7.	Land Revenue	2.57	1.82	1.14	1.31	2.61	(+) 99
8.	Taxes on Agricultural Income	0.78	0.25	0.13	0.01	0.30	(+) 2900
9.	Taxes and Duties on Electricity	0.06	0.01	0.21	0.01	0.01	-
10.	Others	-	-	-	0.15	0.02	(-) 87
	<b>Total</b>	<b>101.74</b>	<b>125.58</b>	<b>158.50</b>	<b>183.09</b>	<b>221.47</b>	<b>(+) 21</b>

### Non-tax Revenue

The details of the major non-tax revenue raised during the year 2003-04 along with the figures for the preceding four years are given below:

Table: 3

(Rupees in crore)

Sl. No.	Heads of revenue	1999-2000	2000-01	2001-02	2002-03	2003-04	Percentage of increase (+) or decrease (-) in 2003-04 over 2002-03
1.	Power	33.93	35.35	46.20	59.68	121.78	(+) 104
2.	Forestry and Wildlife	2.44	7.60	4.53	4.09	14.70	(+) 259
3.	Education, Sports, Art and Culture	0.26	0.71	4.35	1.10	1.28	(+) 16
4.	Crop Husbandry	1.21	1.43	1.46	0.84	1.08	(+) 29
5.	Other Administrative Services	2.67	1.04	1.02	1.16	1.27	(+) 9
6.	Water Supply and Sanitation	5.08	1.21	6.06	0.88	1.95	(+) 122
7.	Police	4.29	2.32	4.19	2.99	5.13	(+) 72
8.	Interest Receipts	11.62	18.49	3.58	5.83	3.67	(-) 37
9.	Stationery and Printing	1.75	1.42	1.18	0.69	0.99	(+) 43
10.	Animal Husbandry	0.43	0.60	0.92	0.75	0.93	(+) 24
11.	Industries	4.09	5.51	6.27	6.04	5.61	(-) 7
12.	Public Works	0.64	0.94	1.31	1.41	2.11	(+) 50
13.	Village and Small Industries	0.17	0.50	0.33	0.09	0.12	(+) 33
14.	Fisheries	0.33	0.45	0.33	0.43	0.53	(+) 23
15.	Other Rural Development Programmes	1.55	0.23	0.13	0.12	0.22	(+) 83
16.	Others	5.73	16.71	15.78	12.63	6.41	(-) 49
	<b>Total</b>	<b>76.19</b>	<b>94.51</b>	<b>97.64</b>	<b>98.73</b>	<b>167.78</b>	<b>(+) 70</b>

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 21.53 per cent on an average during 2001-2004.

**Variations between budget estimates and actuals**

5.1.2 The variations between the budget estimates and actuals of revenue receipts for the year 2003-04 in respect of the principal heads of tax and non-tax revenue are given below:

Table: 4

(Rupees in crore)

TAX REVENUE					
Sl. No.	Heads of revenue	Budget estimates	Actuals	Variation: increase(+)/decrease(-)	Percentage of variation over budget estimates
1.	Sales Tax	118.00	149.25	31.25	(+) 26
2.	State Excise	28.60	31.36	2.76	(+) 10
3.	Stamps and Registration Fees	11.09	11.17	0.08	(+) 1
4.	Taxes on Vehicles	6.09	8.01	1.92	(+) 32
5.	Land Revenue	1.38	2.61	1.23	(+) 89
6.	Taxes on Agricultural Income	0.16	0.30	0.14	(+) 88
7.	Taxes and Duties on Electricity	0.21	0.01	(-) 0.20	(-) 95
8.	Other Taxes on Income and Expenditure	15.40	17.28	1.88	(+) 12



Table: 5

(Rupees in crore)

NON-TAX REVENUE					
Sl. No.	Heads of revenue	Budget estimates	Actuals	Variation: Increase (+)/decrease (-)	Percentage of variation
1.	Power	77.09	121.78	44.69	(+) 58
2.	Forestry and Wildlife	7.22	14.70	7.48	(+) 104
3.	Crop Husbandry	1.66	1.08	(-) 0.58	(-) 35
4.	Other Administrative Services	0.70	1.27	0.57	(+) 81
5.	Interest Receipts	4.89	3.67	(-) 1.22	(-) 25
6.	Stationery and Printing	0.68	0.99	0.31	(+) 46
7.	Public Works	1.10	2.11	1.01	(+) 92
8.	Animal Husbandry	1.02	0.93	(-) 0.09	(-) 9
9.	Fisheries	0.33	0.53	0.20	(+) 61
10.	Other Rural Development Programmes	0.02	0.22	0.20	(-) 1000
11.	Industries	6.62	5.61	(-) 1.01	(-) 15
12.	Water Supply and Sanitation	0.35	1.95	1.60	(+) 457
13.	Education, Sports, Art and Culture	0.25	1.28	1.03	(+) 412
14.	Police	4.41	5.13	0.72	(+) 16
15.	Village and Small Industries	0.03	0.12	0.09	(+) 300

The reasons for variation in respect of heads of revenue where variations were substantial have not been received from the concerned departments (September 2004) though called for.

### Analysis of collection

5.1.3 Break-up of total collection at pre-assessment stage and after regular assessment of Sales Tax and other taxes for the year 2003-04 and the corresponding figures for the preceding two years as furnished by the Department are as follows:

Table: 6

(Rupees in lakh)

Heads of revenue	Year	Amount collected at pre-assessment stage	Amount collected after regular assessment (additional demand)	Penalties for delay in payment of taxes and duties	Amount refunded	Net collection	Percentage of column 3 to 7
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Finance Department</b>							
1. Sales Tax	2003-04	14,693.51	84.06	1.14	4.97	14,773.74	99.46
2. State Excise	2003-04	3,135.27	-	-	-	3,135.27	100
3. Other Taxes on Income and Expenditure	2003-04	1,657.57	-	-	-	1,657.57	100
4. Taxes and Duties on Commodities and Services	2003-04	123.09	-	-	-	123.09	100
5. Taxes on Agricultural Income	2003-04	33.96	-	-	-	33.96	100

During 2003-04, under Sales Tax, percentage of collection at pre-assessment stage was 99.46.



**Cost of collection**

5.1.4 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 2001-02, 2002-03 and 2003-04 along with relevant all India average percentage of expenditure on collection to gross collection for 2001-04 are given below:

Table: 7

*(Rupees in crore)*

Heads 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	2001-02	105.80	1.24	1.17	
	2002-03	126.97	2.05	1.61	1.18
	2003-04	149.25	1.86	1.25	
2. State Excise	2001-02	22.03	0.57	2.59	
	2002-03	28.21	0.51	1.81	2.92
	2003-04	31.36	0.46	1.47	
3. Stamps and Registration Fees	2001-02	9.61	1.01	10.51	
	2002-03	7.81	1.01	12.93	3.46
	2003-04	11.17	0.94	8.42	
4. Taxes on Vehicles	2001-02	5.28	0.66	12.50	
	2002-03	5.29	0.51	9.64	2.86
	2003-04	8.01	0.57	7.12	

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

**Collection of Sales Tax per assessee**

5.1.5 The following table shows collection of Sales Tax per assessee for the five years ending 2003-04:

Table: 8

Year	Number of assessee	Sales Tax revenue (Rupees in crore)	Revenue per assessee (Rupees in lakh)
1999-2000	4,827	57.78	1.20
2000-01	5,429	81.08	1.49
2001-02	5,731	105.80	1.85
2002-03	6,062	126.97	2.09
2003-04 (Provisional)	6,225	147.74	2.37

**Arrears of revenue**

5.1.6 The arrears of revenue as on 31 March 2004 in respect of some principal heads of revenue amounted to Rs. 13.23 crore of which Rs. 0.71 crore were outstanding for more than five years as detailed in the following table:

Table: 9

(Rupees in crore)

Sl No.	Heads of revenue	Amount outstanding as on 31 March 2004	Amount outstanding for more than 5 years as on 31 March 2004
1.	Sales Tax	12.69	0.71
2.	Other Taxes on Income and Expenditure	0.24	-
3.	Taxes on Agricultural Income	0.30	-
	<b>Total</b>	<b>13.23</b>	<b>0.71</b>

**Arrears in assessment**

5.1.7 The details of cases pending assessment at the beginning of the year 2003-04, 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 2003-04 according to information furnished by the Department, are as follows:

Table: 10

(Cases in number)

Name of tax	Opening balance	New cases due for assessment during 2003-04	Total assessments due	Cases disposed of during 2003-04	Balance at the end of the year 2003-04	Percentage of Column 5 to 3
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Finance Department</b>						
Sales Tax	22,718	6,738	29,456	4,627	24,829	68.67
Taxes on Agricultural Income	226	19	245	NIL	245	NIL

**Evasion of tax**

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

Table: 11

Sl. No.	Name of tax/duty	Cases pending as on 31 March 2003	Cases detected during 2003-04	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 2004
					No. of cases	Amount (Rupees in lakh)	
1.	Sales Tax	18	28	46	31	14.16	15

**Write-off and waiver of revenue**

5.1.9 During the year 2003-04, there was no case of write-off and waiver of revenue as informed by the Department.

**Refunds**

5.1.10 The number of refund cases pending at the beginning of the year 2003-04, claims received during the year, refunds allowed during the year and cases pending at the close of the year 2003-04, as reported by the Department are given below:

Table: 12

Sl. No.	Position of refund cases	(Rupees in lakh)	
		Sales Tax	
		No. of cases	Amount
1.	claims outstanding at the beginning of the year	2	28.82
2.	claims received during the year	4	4.87
3.	refunds made during the year	6	33.69
4.	balance outstanding at the end of the year	Nil	Nil

**Results of audit**

5.1.11 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 2003-04 revealed under-assessment / short levy / loss of revenue amounting to Rs. 13.72 crore in 151 cases.

This Chapter contains six paragraphs (including one long para), relating to loss of revenue, short realisation / non-realisation of revenue etc involving Rs. 7.26 crore. The Department/ Government has accepted audit observations involving Rs. 1.68 crore of which Rs. 15.01 lakh had been recovered upto August 2004. No reply has been received from the Government in three cases.

**Departmental Audit Committee Meetings**

5.1.12 No meeting of Audit Committee was held during 2003-04.

**Response of departments to draft audit paragraphs**

5.1.13 Draft paragraphs were forwarded to the Secretary of the administrative departments 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 2004, but replies in respect of three draft paragraphs have not been received as of September 2004.

**Internal audit**

5.1.14 The Finance (Excise and Taxation) Department had not yet built up any internal audit system for auditing revenue receipts of the State Government (September 2004).

**Follow up of Audit Reports – summarised position**

5.1.15 Ten reviews and 109 audit paragraphs had featured in Audit Reports 1988-89 to 2002-03. Out of 10 reviews, six reviews were discussed by the PAC leaving a balance of four, and out of 109 paragraphs featured during the same period 41 paragraphs were discussed by the PAC leaving a balance of 68 at the end of September 2004. As of September 2004, against four reviews and 68 paragraphs remaining to be discussed, 46 action taken notes (ATNs) against three reviews and 43 paragraphs were received. On the other hand, against six reviews and 41 paragraphs already discussed in the PAC, only 11 ATNs (two against the reviews and nine against the paragraphs) on the recommendations of the PAC were received.

## SECTION – A

### FOREST DEPARTMENT

#### 5.2 Loss of revenue

Scrutiny of records in the office of the Principal Chief Conservator of Forest, eight Divisional Forest Officers (Bagafa, Gomti, Kailashahar, Kanchanpur, Manu, Sadar, Teliamura, Udaipur) and Trishna Wild Life Warden revealed the following:

#### **Loss of revenue due to illegal felling of trees**

**5.2.1** Approval for diversion of forest land measuring 54.08 hectare in Jirania-Chakmaghat sector and 77 hectare in Chakmaghat-Mungiabari sector for construction of railway line from Kumarghat to Agartala was conveyed by the Ministry of Environment and Forests, Government of India, in October 2000 and February 2002 respectively. It was stipulated that the tree felling should be done only in deserving cases with the prior permission of the concerned Divisional Forest Officer, who shall recover the felled materials and bring it to Government depot at the cost of user agency.

Scrutiny of the records of the Teliamura Forest Division revealed (November 2002) that without taking any permission from the concerned Forest Division the North-East Frontier (NEF) Railway unauthorisedly felled all the trees falling in the proposed alignment though the land was not formally handed over to them by Forest Department. Further scrutiny revealed that with the commencement of earthwork on the railway line all the trees so felled were buried under deep soil, making them irretrievable. The Division detected the offence (January 2002) but failed to prefer claim for Rs. 26.39 lakh against the NEF Railway, being assessed royalty of lost timber.

Thus, lack of proper vigil over the forest land and properties led to the destruction of forest resources and consequent loss of forest property valuing Rs. 26.39 lakh.

After this was pointed out in audit, the department preferred claim of Rs. 26.39 lakh against the NEF Railway in June 2003. Position of recovery was awaited (September 2004).

Government while accepting the facts stated (August 2004) that the matter was being pursued vigorously with the user agency.

#### **Loss of revenue due to non-recovery of timber from felling site**

**5.2.2** In accordance with the provision of the Indian Forest Act, 1927 whenever an offence is detected and the offender is not found, the forest produce is required to be seized and carried to the nearest field depot for disposal. The field officer in whose jurisdiction the seizure takes place is responsible for the safe custody of the produce so seized till the produce is finally disposed of.



Scrutiny of the records of two Forest Divisions (Kailashahar and Udaipur) disclosed that out of 6,426.330 cubic metre (cum) timber intercepted and seized during the period between April 1999 and March 2004, only 4,323.615 cum timber was recovered from the site, 1,966.489 cum timber valued at Rs. 1.02 crore had been removed by the miscreants and 136.226 cum timber valued at Rs. 8.18 lakh had been damaged as it was not transported to field depot by the department.

Government stated (August 2004) that the removal was done by miscreants even before the felled trees could be taken into possession, while the damages were due to unscientific way of felling of trees by them. The reply further stated that such losses could not be avoided in case of illicit felling. Government, however, remained silent on measures taken to contain illicit felling and consequent losses of revenue.

#### **Loss of revenue due to theft of timber from custody/depot**

**5.2.3** Timber obtained from departmental operation and/or seizure from illicit felling etc are transported to the nearest departmental custody or the depots for disposal through permit/tender etc.

Scrutiny of records of three Forest Divisions disclosed (April-May 2004) that 547.117 cum\* timber valued at Rs. 12.16 lakh had been missing from the departmental custody during the last five years from April 1999 to March 2004. Further scrutiny disclosed that the department did not create necessary infrastructure even in the designated sales depots for safe storage of timber. None of the depots were either protected by concrete boundaries or provided with adequate round the clock watch and ward staff. As a result, timber brought to sales depot / field depot were lying in the open, vulnerable to theft.

Thus, inadequate infrastructure in the depots located mainly in various Range / Beat office premises resulted in frequent theft of timber and consequent loss of forest revenue.

Government to whom the matter was reported (June 2004) stated (August 2004) that action was being initiated to write off the losses. The reply was, however, silent about steps taken to curb cases of theft of timber while in departmental custody.

#### **Loss due to missing logs**

**5.2.4** Scrutiny of the stock register of timber of Manu Range under Manu Forest Division revealed that Range Officer, Manu while handing over charge (December 2003) did not include 145 logs (seized between 1995-96 and 2002-03), 56 pieces of sawn timber and 13 posts having a total volume of 45.767 cum in his handing over memo though these were neither sold nor reported missing/damaged.

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* Bagafa –	381.819 cum
Kailashahar –	145.533 cum
Manu -	19.765 cum
<b>Total:</b>	<b>547.117 cum</b>

After this was pointed out, the incumbent Range Officer stated (April 2004) that he had no stock of timber in the Range custody other than those mentioned in the handing over memo. Thus missing of timber logs/posts led to a revenue loss of Rs. 2.15 lakh.

Government to whom the matter was reported (June 2004) stated (August 2004) that the case was being inquired into for taking further necessary action. Further reply was awaited (September 2004).

## SECTION – B FINANCE (EXCISE AND TAXATION) DEPARTMENT

### 5.3 Short realisation of excise duty

**Consequent upon upward revision of rate retrospectively the excise duty of Rs. 3.25 lakh remained unrealised.**

By notification dated 11 August 2003 the Government enhanced the excise duty on India Made Foreign Liquor (IMFL) from Rs. 120 per LPL<sup>†</sup> to Rs. 130 per LPL with effect from 1 August 2003.

Test-check of records of the Collector of Excise, North Tripura, Kailashahar, and of Kumarghat bonded warehouse functioning under the jurisdiction of the Collector of Excise, North Tripura, revealed that 16 retailers lifted 32,535 LPL of IMFL from the bonded warehouse during the period from 2 August 2003 to 11 August 2003 against 19 permits issued by three Collectors of Excise and paid Rs.39.04 lakh towards excise duty at the pre-revised rate instead of Rs. 42.29 lakh at the enhanced rate applicable from 1 August 2003. This resulted in short realisation of excise duty of Rs. 3.25 lakh.

The matter was reported to the Government in April 2004; reply had not been received (September 2004).

### 5.4 Non-realisation of annual literage fee

**The Collector of Excise, South Tripura District, did not realise annual literage fee of Rs. 11.87 lakh.**

In terms of Government of Tripura, Finance Department notification dated 1 April 2002, the retailers of IMFL and beer, shall pay annual literage fee\* on the assessable quantity of IMFL and beer sold during the previous twelve months at the rates shown below:

- a) IMFL – Rs. 4 per LPL<sup>A</sup>
- b) Beer – Rs. 2 per BL<sup>E</sup>

Test check of records of the Collector of Excise, South Tripura, Udaipur, revealed in May-June 2003 that 19 retailers during the period from April 2002 to March 2003, sold 1.82 lakh LPL of IMFL and 2.29 lakh BL of beer and the literage fee of Rs. 11.87 lakh was recoverable from them. Neither the Collector of Excise fixed the fee on the assessable quantity of IMFL/beer nor did the retailers deposit the fee (which became due in April 2003) into Government account. This indicates lack of initiative in timely realisation of Government dues.

<sup>†</sup> London Proof Litre; London proof is a specific measure of the absolute alcohol content of a distilled liquor, which is a mixture of alcohol and water.

\* Literage fee is payable by all retailers of IMFL in addition to the excise duty.

<sup>A</sup> LPL: London proof litre

<sup>E</sup> BL: Bulk litre

The Government to whom the matter was reported in June 2004, stated (July 2004) that it had, meanwhile, realised Rs. 11.42 lakh and had taken initiative to realise the balance amount (Rs. 0.45 lakh). Further reply was awaited (September 2004).

## FOREST DEPARTMENT

### 5.5 Non-levy of sales tax on forest royalty

**Three Divisional Forest Officers did not levy sales tax of Rs. 2.47 lakh on forest royalty for bamboo.**

The Tripura Sales Tax (Ninth Amendment) Act, 2000, effective from 29 July 2000, provides for levy of sales tax at the rate of eight *per cent* on the sale of bamboo.

During test-check of records of three<sup>♦</sup> DFOs, between November 2002 to December 2003, it was noticed that Rs. 30.83 lakh was realised as royalty on sale of bamboo during the period from July 2000 to April 2002 but sales tax of Rs. 2.47 lakh was not realized on the above royalty. Thus, due to non-levy of the sales tax according to the provisions of the Act, the Government sustained a loss of revenue of Rs. 2.47 lakh.

The matter was reported to the Government in April 2004, reply had not been received (September 2004).

## TRANSPORT DEPARTMENT

### 5.6 Loss of revenue due to non-imposition of fine at prescribed rate

**Non-imposition of fine on the owners of the vehicles carrying load in excess of permissible limit resulted in loss of revenue of Rs. 5.50 crore.**

According to the Motor Vehicles Act, 1988 and notification issued by the Government of Tripura in November 1999, the carriage of goods by motor vehicles beyond the permissible limit shall be punishable with a minimum fine of Rs. 2000 and an additional fine of Rs. 1000 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 restricted plying of any public carrier goods vehicle within the State, the laden weight\* of which exceeded 15.5 tonnes.

Test-check of records of motor vehicles check gate at Churaibari under the jurisdiction of District Transport Officer (DTO), North Tripura, Kailashahar, revealed in August 2003 that out of 62,688 vehicles checked during the period

<sup>♦</sup> Bagafa, Sadar Division and Teliamura Division.

\* The body weight *plus* the weight of goods together constitutes the laden weight of a vehicle.



from April 2000 to July 2003, 39,643 vehicles were identified as overloaded for carriage of goods beyond the permissible limit and Rs. 2.43 crore was realised as fine instead of minimum amount of Rs. 7.93 crore<sup>^</sup>.

Thus, non-imposition of penalty at the prescribed rate at the check gate and failure of the department to enforce effective internal control over the collection of revenue, resulted in loss of revenue of Rs. 5.50 crore.

The matter was reported to the Government in April 2004; reply had not been received (September 2004).

#### **5.7 Non-realisation of revenue**

**Failure to credit bank drafts in Government account and not initiating timely action in revalidating or having fresh bank drafts received under National Permit Scheme led to non-realisation of Rs. 7.93 lakh towards revenue.**

Under the National Permit Scheme, the owners of public carriers registered in other States are authorised to ply in the State of Tripura by remitting a composite fee of Rs. 3000 in lump sum in advance or in two instalments each year by bank drafts to the State Transport Authority (STA), Tripura, through their respective STAs. Financial rules provide that bank drafts so received on account of revenue of the Government shall without delay be remitted into the Treasury / Bank for credit to the Government account.

Test-check of records of the office of the Deputy Transport Commissioner (DTC), Tripura, Agartala revealed in March 2003 that the DTC received 363 bank drafts for Rs. 7.93 lakh received between September 1999 and February 2002 from STAs of other States towards composite fees. Of these, 212 bank drafts valued at Rs. 5 lakh were sent to STAs of other States for revalidation, four bank drafts valued at Rs. 0.06 lakh were dishonoured due to improper issue and 147 time expired drafts of Rs. 2.87 lakh were not sent to the respective STAs to arrange for fresh bank drafts in lieu of these as of March 2003.

The Government to whom the matter was reported in June 2004 stated (August 2004) that a sum of Rs. 3.59 lakh had been realised through revalidation of bank drafts and was constantly pursuing to realise the balance amount. Further reply was awaited (September 2004).

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<sup>^</sup> 39,643 vehicles @ Rs. 2000 per vehicle.

**CHAPTER VI**  
**GOVERNMENT COMMERCIAL**  
**AND TRADING ACTIVITIES**

CHAPTER VI  
GOVERNMENT COMMERCIAL  
AND TRADING ACTIVITIES



## CHAPTER VI: GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

### 6.1 Overview of Government companies and Statutory corporation

#### *Introduction*

**6.1.1** As on 31 March 2004, there were nine Government companies (eight working companies and one non-working company<sup>\*</sup>) and one working Statutory corporation as against the same number of working and non-working Government companies and Statutory corporation as on 31 March 2003 under the control of the State Government. The accounts of the Government companies (as defined in Section 617 of the Companies Act, 1956) are audited by Statutory Auditors who are appointed by the Comptroller and Auditor General of India (CAG) as per provisions of Section 619(2) of the Companies Act, 1956. These accounts are also subject to supplementary audit conducted by the CAG as per provisions of Section 619 of the Companies Act, 1956. The audit of Tripura Road Transport Corporation (TRTC), the only Statutory corporation, is conducted by the CAG, as sole Auditor, under Section 33 (2) of the Road Transport Corporations Act, 1950.

#### *Working Public Sector Undertakings (PSUs)*

##### **Investment in working PSUs**

**6.1.2** As on 31 March 2004, the total investment in nine working PSUs (eight Government companies and one Statutory corporation) was Rs. 265.21 crore (equity<sup>\*\*</sup>: Rs. 255.09 crore; long term loans: Rs. 10.12 crore) as against a total investment of Rs. 246.48 crore (equity: Rs.232.53 crore; long term loans: Rs. 13.95 crore) as on 31 March 2003. The analysis of investment in working PSUs is given in the following paragraphs.

##### **Sector-wise investment in working Government companies and Statutory corporation**

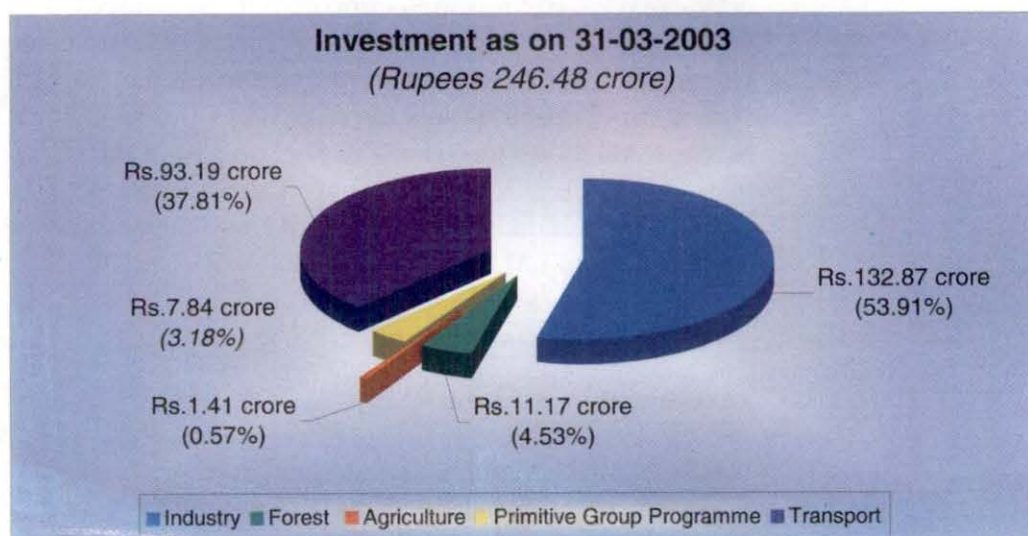
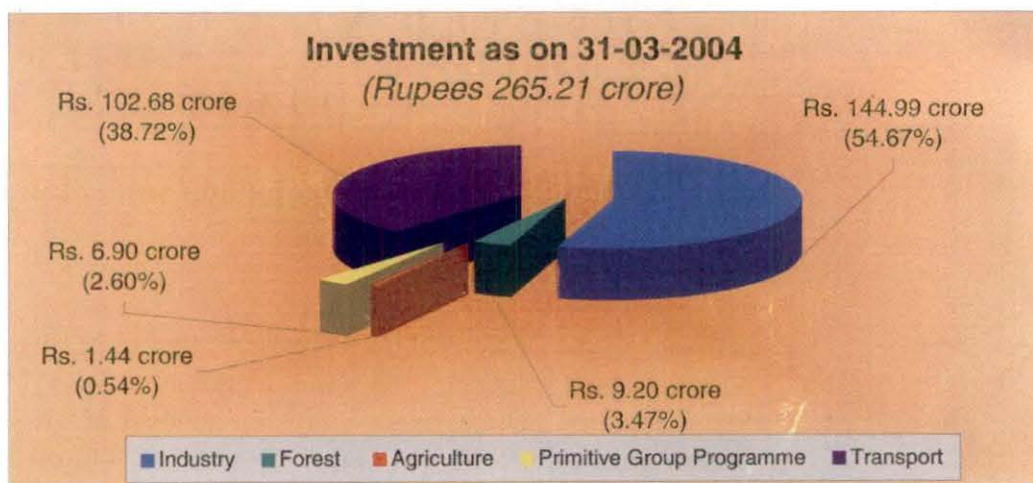
**6.1.3** The investment (equity and long term loans) in various sectors and percentage thereof at the end of 31 March 2004 and 31 March 2003 is indicated below in the pie-charts:

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<sup>\*</sup> Non-working company is a company which is under the process of liquidation/closure/merger etc.

<sup>\*\*</sup> The figure as per Finance Accounts is Rs. 248.51 crore, the difference is under reconciliation.





### Working Government companies

**6.1.4** The total investment in eight working companies as on 31 March 2004 was Rs. 162.52 crore (equity: Rs. 152.79 crore and long term loans : Rs. 9.73 crore) as against total investment of Rs. 153.28 crore (equity : Rs. 139.47 crore and long term loans : Rs. 13.81 crore) as on 31 March 2003 in eight working Government companies. Out of eight working Government companies, one company (Tripura Jute Mills Ltd., serial number A-6 of **Appendix - XV**) 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 - XV**. As on 31 March 2004, the total investment in working Government companies comprised 94 *per cent* of equity capital and six *per cent* of loans as compared to 91 and nine *per cent* respectively, as on 31 March 2003. Increase in the total investment was mainly due to fresh investment in Agriculture and Industry sectors.

### Working Statutory corporation

**6.1.5** The total investment in Tripura Road Transport Corporation at the end of March 2004 and March 2003 was Rs. 102.68 crore (equity: Rs. 102.30

crore *plus* long term loan: Rs. 0.38 crore) and Rs. 93.19 crore (equity: Rs. 93.06 crore *plus* long term loan: Rs. 0.13 crore) respectively.

The summarised statement of Government investment in Tripura Road Transport Corporation in the form of equity and loans is detailed in Appendix- XV.

***Budgetary outgo, grants/subsidies, guarantees, waiver of dues and conversion of loans into equity***

6.1.6 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 – XV and XVII.

The budgetary outgo in the form of equity capital, loans and subsidies from the State Government to working Government companies and working Statutory corporation for the three years upto 31 March 2004 is given below:

(Rupees in crore)

	2001-02				2002-03				2003-04			
	Companies		Corporation		Companies		Corporation		Companies		Corporation	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Equity Capital	6	14.54	1	10.79	7	15.53	Nil	Nil	4	9.11	1	9.24
Loans	Nil	Nil	Nil	Nil	Nil	Nil	1	9.13	Nil	Nil	Nil	Nil
Subsidy	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	2	0.94	Nil	Nil
Total outgo	6*	14.54	1	10.79	7*	15.53	1	9.13	6*	10.05	1	9.24

During the year 2003-04, no guarantee was given. At the end of the year, guarantees amounting to Rs. 50 lakh against one Government company were outstanding.

***Finalisation of accounts by working PSUs***

6.1.7 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 provisions of the Act.

As seen from Appendix- XVI, none of the eight working Government companies and one Statutory corporation finalised their accounts for the year 2003-04 within the stipulated period. During the period from October 2003 to August 2004, eight working Government companies and one Statutory corporation finalised their accounts relating to the previous years.

\* 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.

The accounts of all the working Government companies and one Statutory corporation were in arrears for periods ranging from one to 12 years as on 31 August 2004 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 -XVI	
	Government companies	Statutory corporation			Government companies	Statutory corporation
1.	1	-	1992-93 to 2003-04	12	5	-
2.	1	-	1993-94 to 2003-04	11	3	-
3.	1	-	1995-96 to 2003-04	9	7	-
4.	2	-	1996-97 to 2003-04	8	2, 6	-
5.	2	-	1999-2000 to 2003-04	5	1, 4	-
6.	1	-	2003-04	1	8	-
7.	-	1	2001-02 to 2003-04	3	-	1

It is the responsibility of the administrative departments 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. 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*

6.1.8 The summarised financial results of working PSUs (Government companies and Statutory corporation) as per their latest finalised accounts are given in Appendix – XVI. Besides, financial position and working results of the Statutory corporation for the last three years as per latest finalised / provisional accounts are indicated in Appendices– XVIII and XIX 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. 7.17 crore and Rs. 13.42 crore respectively.

#### *Working Government companies*

##### *Profit earning working companies and dividend*

6.1.9 Out of eight companies which finalised their accounts for previous years by September 2004, one Government company<sup>Ψ</sup> earned a profit of Rs. 1.40 crore. This company did not declare any dividend.

##### *Loss incurring Companies*

6.1.10 Of the seven loss making companies, two companies<sup>\*</sup> had accumulated loss aggregating Rs. 54.63 crore which exceeded their paid-up capital of Rs. 28.90 crore.

<sup>Ψ</sup> Tripura Forest Development and Plantation Corporation Limited.

<sup>\*</sup> Tripura Jute Mills Limited and Tripura Small Industries Corporation Limited.

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 2003-04 amounted to Rs. 6.90 crore to the Tripura Jute Mills Limited.

### **Working Statutory Corporation**

#### **Loss incurring Statutory corporation**

6.1.11 The only Statutory corporation (Tripura Road Transport Corporation) had accumulated loss aggregating Rs. 103.74 crore till 2000-01 (up to which the accounts were finalised) which exceeded its paid-up capital of Rs. 73.14 crore.

Despite poor performance and complete erosion of paid-up capital, the State Government continued to provide financial support to the 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 equity during 2003-04 to this Corporation amounted to Rs. 9.24 crore.

#### **Operational performance of working Statutory corporation**

6.1.12 The operational performance of the working Statutory corporation (Tripura Road Transport Corporation) is given in Appendix- XX. Following are the important observations on operational performance of the Corporation.

- Percentage of utilisation of buses decreased from 61 in 2002-03 to 54 in 2003-04. Percentage of utilisation of trucks also decreased from 59 in 2002-03 to 50 in 2003-04.
- Operating revenue per kilometre (Rs. 11.62) was too little in comparison to average expenditure per kilometre (Rs. 41.78) incurred thereagainst during the year 2003-04. As a result, the Corporation had to incur loss of Rs. 30.16 per kilometre during 2003-04 in operating the buses on road.
- Similarly, the Corporation had also incurred loss of Rs. 71.88 per kilometre in operating the trucks on road during 2003-04.

### **Return on capital employed**

6.1.13 The details of capital employed and total return on capital employed in case of working Government companies and Statutory corporation are given in Appendix- XVI. According to the latest finalised accounts (up to August 2004), the capital employed<sup>A</sup> worked out to Rs. 41.71 crore in eight working companies and total return<sup>B</sup> thereon amounted to (-) Rs. 3.60 crore as compared to total return of (-) Rs. 6.20 crore in the previous year (accounts finalised upto September 2003). Similarly, the capital employed and total return thereon in case of working Statutory corporation as per the latest finalised accounts worked out to (-) Rs. 22.43 crore and (-) Rs. 9.11 crore respectively against the total return of (-) Rs. 6.89 crore in the previous year (accounts finalised upto September 2003).

<sup>A</sup> Capital employed represents net fixed assets (including capital work-in-progress) plus working capital.

<sup>B</sup> For calculating total return on capital employed, interest on borrowed funds is added to net profit / subtracted from the loss as disclosed in the Profit and Loss Account.



**Non-working PSUs**

**Investment in non-working PSUs**

**6.1.14** There was only one company (Tripura State Bank Ltd) which had been non-working for about 34 years and under process of liquidation under Section 560 of the Companies Act, 1956. As on 31 March 2004, 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 2004) with the Commissioner-cum-Secretary of the Finance Department to ascertain the present status of this non-working company; the reply was awaited (September 2004).

**Status of placement of Separate Audit Reports of Statutory corporation in Legislature**

**6.1.15** The following table indicates the status of placement of Separate Audit Reports (SARs) on the accounts of Statutory corporation issued so far (August 2004) 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 2000-01	13.6.2000  11.3.2002 14.3.2002 12.11.2003	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 2000-01 were left outside the scope of legislative scrutiny.

**Disinvestment, privatisation and restructuring of PSUs**

**6.1.16** During the year 2003-04, there was no case of disinvestment, privatisation and restructuring including merger and closure of State PSUs by the State Government.

**Results of audit on accounts of PSUs by the Comptroller and Auditor General of India**

**6.1.17** During October 2003 to August 2004, 10 accounts of seven 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.5.42 crore.

**6.1.18** 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 Forest Development and Plantation Corporation Limited (1995-96)**

- Non-adjustment of damaged plantation of Rs. 1.87 crore resulted in overstatement of Plantation Assets and profit by Rs. 1.87 crore each.

**(b) Tripura Tea Development Corporation Limited (1995-96)**

- Non-provision of depreciation chargeable on Central Tea Processing Factory at Durgabari has resulted in understatement of depreciation as well as loss by Rs. 1.25 crore each.
- Non-adjustment of funds in respect of Small Marginal and Tribal Farmers Scheme has resulted in overstatement of Reserves and Surplus as well as loss equally by Rs. 33.59 lakh
- Non-adjustment of fixed assets of Fatikcherra Tea Estate which was already handed over to a private firm has resulted in overstatement of fixed assets and understatement of loss equally by Rs. 36.37 lakh.

**(c) Tripura Jute Mills Limited (1994-95)**

- Non-provision of outstanding liabilities for payment of penal damages in respect of Provident Fund contribution has resulted in understatement of accumulated loss by Rs. 2.67 crore.
- Short provision of outstanding liabilities in respect of Tripura Sales Tax and Central Sales Tax has resulted in understatement of current liabilities and loss by Rs. 1.96 crore.

***Internal Audit***

6.1.19 No internal audit arrangement had so far been made in any of the PSUs as of August 2004. None of the companies had either introduced regular internal audit control system or prescribed internal audit standard by issue of appropriate manual.

***Recommendation***

6.1.20 Of the nine working PSUs, one working Government company (Tripura Jute Mills Limited) and one working Statutory corporation (Tripura Road Transport Corporation) had been incurring losses for eight 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***

6.1.21 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. Review of Inspection Reports issued upto March 2004 pertaining to nine PSUs disclosed that 217 paragraphs relating to 64 Inspection Reports remained outstanding at the end of September 2004. Of these, Inspection Reports containing 87 paragraphs had not been replied to for more than one year. Department-wise break-up of Inspection Reports and paragraphs issued upto 31 March 2004 and outstanding as on 31 August 2004 are given in Appendix – XXI.

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 four draft paragraphs and one draft review forwarded to the various departments during January–June 2004, replies in respect of three draft paragraphs and one review were not received as of September 2004, as detailed in Appendix – XXII.

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)***

6.1.22 Out of 18 reviews and 72 paragraphs appeared in Chapter VIII (titled ‘Government Commercial and Trading Activities’) of the Audit Reports for 1988-89 to 2002-03, three reviews and 40 paragraphs were pending for discussion by COPU (two reviews and three paragraphs) and PAC\* (one review and 37 paragraphs) as at the end of September 2004.

Against 12 reviews and 24 paragraphs already discussed in the Committee on Public Undertakings, reports containing the recommendations in respect of four reviews and 12 paragraphs were published. Of these, action taken note in respect of one review was yet to be received as of September 2004.

Against three reviews and eight paragraphs (relating to the Power Department) already discussed in the PAC, action taken notes on the recommendations of the PAC in respect of two reviews and five paragraphs were yet to be received (September 2004).

***619-B Companies***

6.1.23 There was one company coming under Section 619-B of the Companies Act, 1956. The table given below indicates the details of paid-up capital, 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 profit (+)/ loss(-)
			State Government	Government companies*	Others		
Tripura Natural Gas Company	2001-02	53.65	NIL	53.65	NIL	12.19	12.27

\* Reviews and paragraphs relating to the Power Department are discussed by the Public Accounts Committee.

\* Two Government companies viz. Tripura Industrial Development Corporation Limited and Assam Gas Company Limited.

## SECTION – A

### AGRICULTURE DEPARTMENT

#### 6.2 Working of Tripura Horticulture Corporation Limited

##### *Highlights*

Accumulated losses of Rs. 41.16 lakh had eroded 29 per cent of the capital contribution (Rs. 1.40 crore).

(Paragraph 6.2.6)

Due to low yield of raw cashewnut, the Company suffered a loss of Rs. 2.83 crore.

(Paragraph 6.2.12)

The Company engaged 78 daily rated workers (DRWs) without any sanction. As a result, the amount of Rs. 61.38 lakh spent by the Company towards wages of 78 DRWs during 1998-2003 was unauthorised.

(Paragraph 6.2.15)

Rupees 49.88 lakh were spent by the Company towards idle wages of 67 DRWs during 1998-2003, as there was no plantation activity in 17 orchards.

(Paragraph 6.2.15)

The Company suffered a loss of Rs. 52.02 lakh in operating the cold storage located at Teliamura.

(Paragraph 6.2.16)

##### *Introduction*

6.2.1 Tripura Horticulture Corporation Limited (Company) was incorporated on 7 April 1987 under the Companies Act, 1956 as a wholly owned Government company. The main objects of the Company are to:

- raise plantations of economically important species of horticultural and agricultural crops on land acquired by the Company;
- acquire from the State Government existing plantations and orchards created by Government; and
- carry on business of planters, sellers and dealers in horticultural crops and other plantation products.

The Company deviated from plantation activity to other trading activities (*viz.* sale of fertilizers, seeds, power tillers, spare parts etc.) since 1990-91.



### Scope of audit

**6.2.2** Working of the Company covering the period from 1987-88 to 1994-95 was last reviewed and incorporated in the Report of the Comptroller and Auditor General of India for the year 1995-96. The review was discussed in the Committee of Public Undertakings (COPU) on 8 January 2002. The recommendation of the Committee has not been received (March 2004).

The present review conducted during the period from February to April 2004 covers the performance of the Company for the period from 1998-99 to 2002-03.

### Organisational set up

**6.2.3** The management of the Company was vested in a Board of Directors consisting of 11 directors, including the Chairman as on 31 March 2004. A Joint Director of Agriculture Department functions as a part time Managing Director of the Company. He is the Chief Executive of the Company and is assisted in his day-to-day functions by three Divisional Managers.

### Financial structure

#### Share capital

**6.2.4** The authorised share capital of the Company was Rupees five crore consisting of five lakh equity shares of Rs. 100 each. The paid up share capital of Rs. 1.40 crore as on 31 March 2003 was wholly subscribed by the State Government.

#### Borrowings

**6.2.5** As on 31 March 1999, the secured loans borrowed from various banks by the Company were Rs. 79.64 lakh. The Company further raised secured loan of Rs. 21.04 lakh during 2001-02 and thereby total secured loan to be repaid by the Company was Rs. 100.68 lakh. The Company repaid secured loan (Rs. 92.03 lakh) alongwith the interest (Rs. 0.20 lakh) thereon upto March 2003 and the outstanding secured loan and interest amounting to Rs 8.65 lakh and Rs. 0.73 lakh respectively were yet to be repaid as on 31 March 2003.

### Financial position and working results

#### Financial position

**6.2.6** The table below summarises the financial position of the Company for the five years upto 2002-03:

*(Rupees in lakh)*

	1998-99	1999-2000	2000-01	2001-02	2002-03
<b>A. Liabilities</b>					
					<b>(Provisional)</b>
1. Share capital	135.00	136.00	136.00	137.60	140.10
2. Reserve and surplus	-	2.87	2.86	8.55	8.55
3. Borrowing excluding interest (secured loan)	79.64	26.82	6.04	27.28	8.65
4. Trade dues and other liabilities	540.85	443.21	508.45	490.08	500.22
<b>Total</b>	<b>755.49</b>	<b>608.90</b>	<b>653.35</b>	<b>663.51</b>	<b>657.52</b>

(Rupees in lakh)

	1998-99	1999-2000	2000-01	2001-02	2002-03
<b>B. Assets</b>					
					(Provisional)
1. Gross block	107.61	120.70	127.87	132.58	132.94
2. Less: depreciation	9.65	19.78	22.66	26.04	28.63
3. Net block	97.96	100.92	105.21	106.54	104.31
4. Investment	129.88	93.31	93.31	81.75	81.75
5. Current assets, loans and advances	501.15	399.30	420.29	429.70	430.30
6. Accumulated losses	26.50	15.37	34.54	45.52	41.16
<b>Total</b>	<b>755.49</b>	<b>608.90</b>	<b>653.35</b>	<b>663.51</b>	<b>657.52</b>
<b>Capital employed</b>	<b>58.26</b>	<b>57.01</b>	<b>17.05</b>	<b>46.16</b>	<b>34.39</b>
<b>Net worth</b>	<b>108.50</b>	<b>123.50</b>	<b>104.32</b>	<b>100.63</b>	<b>107.49</b>

Note : (1) Capital employed represents net fixed assets plus working capital,  
(2) Net worth represents paid-up capital plus free reserve and surplus less intangible assets.

Source: Accounts for 1998-99 and provisional accounts for the years 1999-2000 to 2002-03.

As on 31 March 2004, finalisation of the accounts from the years 1999-2000 onwards was in arrears. On the basis of provisional accounts, the following observations are made in respect of financial position of the Company as on 31 March 2003:

- Accumulated losses of Rs. 41.16 lakh resulted in erosion of 29.37 per cent of the paid up capital;
- Current assets of Rs. 4.30 crore in 2002-03 included sundry debtors of Rs. 2.72 crore (i.e. 63.25 per cent) which adversely affected the liquidity of the Company;
- Trade dues and other liabilities were always more than that of current assets during the last five years.

#### Working results

6.2.7 The table below summarises the working position of the Company for the five years upto 2002-03:

(Rupees in lakh)

A. Income	1998-99	1999-2000	2000-01	2001-02	2002-03
1. Sales	345.39	483.33	475.97	607.96	631.10
2. Miscellaneous income	0.74	1.67	0.89	1.07	11.64
3. Accretion (+) /reduction (-) in stock	(+) 0.13	(-) 1.63	(+) 6.59	(+) 6.82	(-) 2.62
<b>Total</b>	<b>346.26</b>	<b>483.37</b>	<b>483.45</b>	<b>615.85</b>	<b>640.12</b>
B. Expenditure					
1. Purchase	328.45	446.90	420.31	565.52	580.74
2. Establishment charges	32.99	44.04	41.24	46.56	42.74
3. Administrative, selling and distribution expenses	15.23	15.71	19.96	18.04	21.59
4. Depreciation	2.15	1.46	2.89	3.37	2.59
<b>Total</b>	<b>378.82</b>	<b>508.11</b>	<b>484.40</b>	<b>633.49</b>	<b>647.66</b>
C. Loss					
	<b>32.56</b>	<b>24.74</b>	<b>0.95</b>	<b>17.64</b>	<b>7.54</b>

Source: Accounts for 1998-99 and provisional accounts for the years 1999-2000 to 2002-03.

The following observations are made in respect of working results of the Company:

- During the last five years upto 2002-03, the Company had incurred losses of Rs. 83.43 lakh;
- Total expenses increased to Rs. 6.48 crore (i.e. 70.97 per cent) in 2002-03 from Rs. 3.79 crore in 1998-99 mainly due to increase in purchase and management expenses;
- Miscellaneous income increased from Rs. 0.74 lakh in 1998-99 to Rs. 11.64 lakh in 2002-03 due to increase in interest on fixed deposit and sale of unusable iron clamp;
- Sales ranging from 0.10 to 0.22 per cent of total sales relate to sales of cashewnuts and the remaining sale relates to sales of agricultural inputs (viz. fertilizers, seeds, power tillers, spare parts etc). This indicated that the Company deviated from plantation activity to other trading activities since 1990-91.

### Sundry debtors

6.2.8 The table below shows the position of sundry debtors at the end of the last five years upto 2002-03:

*(Rupees in lakh)*

Year	Debtors at the end of the year	Sales during the year	Debtors in terms of months' sales
1998-99	262.23	345.39	9.11
1999-2000	317.65	483.33	7.89
2000-01	220.25	576.02	4.58
2001-02	242.25	606.55	4.79
2002-03	272.30	633.50	5.15

The outstanding balances of sundry debtors were steadily increasing at the end of each year since 2000-01. Debtors in terms of months' sales varied from almost five months to nine months which adversely affected the liquidity of the Company. The Company did not take appropriate follow up measures for realisation of outstanding dues. Adequate steps need to be taken for recovery of these long pending outstanding recoverable from various departments/individual.

### Techno-economic feasibility report

6.2.9 As per techno-economic feasibility report prepared in December 1984 by Agriculture Finance Corporation Limited (AFCL), a land of 8,200 hectares was to be brought under horticulture production. In addition to raising of the plantation, the report also suggested to set up a fruit-processing unit at Kumarghat with an annual production capacity of 1,500 tonnes of fruit juice concentrates, 2,000 tonnes of cashewnuts, 4,000 tonnes of cattle feed and 7.5 tonnes of pineapple fibres. The Board of Directors approved (May 1987) the report for implementation by the Company.

The Company took possession of only 1,715 hectares of land from the Government (1987-88). The entire area so taken over, however, belonged to protected forest area. The Forest (Conservation) Act, 1980 forbids utilisation of forest land for non-forestry purpose without obtaining prior approval from the Government of India, Ministry of Environment and Forest.

The Company raised only 1092.20 hectares (out of 1715 hectares of protected forest land) of various plantations in 17 centres scattered throughout the State

at the end of March 2003. The Company did not set up the fruit-processing unit because North Eastern Regional Agriculture Marketing Corporation (NERAMAC), a Government of India Undertaking, had already taken up a similar project at Nalkata.

### *Project for cashewnut development*

6.2.10 Under the project report modified in September 1989 by the National Bank for Agriculture and Rural Development (NABARD), the Company was to raise 3,000 hectares of cashewnut plantations under its refinance programme. Ultimately, the Company utilised only 1,035.70 hectares of protected forest land for raising cashewnut plantation upto 1993-94. No further cashewnut plantations were raised during the last 10 years since 1993-94 to 2003-04 as the bank declined to release loans on the ground that the Company did not possess right and title of land on which the plantations had been raised.

The Government constituted (July 2000) a committee consisting of 10 members headed by Shri K. Arya, Principal Secretary, Forest Department to look into the problems faced by the Company and to suggest remedial measures. The Arya committee identified the constraints, namely, absence of proper supervision as the orchards were mainly located in extremist prone areas, non-availability of adequate share capital, non-availability of working capital, and absence of commercial approach of trading activities in working of the Company.

As regards development of cashewnut plantation, the Arya committee observed (July 2000) that the four orchards viz Bastali, South Krishnapur, South Srirampur and Balidhum were located in insurgency free area and suggested for revival of the centres. The Board of Directors also approved (August 2000) the proposal. But revival of the orchards was not effected (April 2004) due to fund constraint. Government decided (June 2004) that the Company would take adequate measures for revival of the orchards.

### **Stand of plants**

6.2.11 AFCL recommended (December 1984) a density of 272 cashewnut plants per hectare of plantation. The stand of plants per hectare (orchard-wise) in the cashewnut plantation raised by the Company during 1998-99 to 2003-04, however, ranged between Nil and 132, as detailed below:



Sl. No.	Name of plantation centre	Area covered under the centre (in hectare)	Plants that should exist as per AFCL norms (Col 3X272)	No. of plants actually existed	Difference	Range of density (i.e. plants per hectare) (Col 5+3)
1	2	3	4	5	6	7
1	Balidhum	75.00	20,400	1,403	18,977	19
2.	Durgachera	35.00	9,520	840	8,680	24
3.	Dewancherra	50.00	13,600	4,225	9,375	85
4.	Golaghati	13.50	3,672	-	3,672	-
5.	Gokulnagar	44.00	11,968	2,580	9,388	59
6.	Gardhang	175.00	47,600	12,500	35,100	71
7.	Harimangal	30.00	8,160	45	8,115	2
8.	Karaicherra	317.00	86,224	10,132	76,092	32
9.	Manubazar	25.00	6,800	3,308	3,492	132
10.	Latiacherra	29.20	7,942	2,205	5,737	76
11.	South Machmara	80.00	21,760	4,700	17,060	59
12.	South Hichacherra	52.00	14,144	3,305	10,839	64
13.	South Krishnapur	45.00	12,240	1,441	10,799	32
14.	South Srirampur	45.00	12,240	2,322	9,918	52
15.	Bastali	20.00	5,440	1,050	4,390	53
<b>Total</b>		<b>1,035.70</b>	<b>2,81,710</b>	<b>50,056</b>	<b>2,31,634</b>	<b>48</b>

Reasons for shortfall in stand per hectare as analysed by audit were (a) non-initiation in gap-fillings within one year from the year of actual plantation raised, (b) lack of infrastructural facilities; and (c) lack of adequate technical manpower. The Management had not explained the reasons for shortfall though the factors as analysed by Audit were controllable.

#### Low yield of cashewnut

6.2.12 As per the approved (September 1989) scheme, the cashewnut plantations were to yield from the fifth year of planting at the rate of one kg which were to be increased to eight kg in 10<sup>th</sup> year. During the period of five years upto 2003-04, raw cashewnut ranging from 32.60 gram to 95.93 gram per tree per year was obtained as against the norm of average 4500 gram per tree fixed by the NABARD. As a consequence, there was a shortfall in raw cashewnut production by 11,11,223 kg during the above period resulting in loss of income of Rs. 2.83 crore to the Company as shown in the following table. The low yield was mainly due to scattered stand of plants, lack of infrastructure and lack of adequate planning.

Years	Total production (in kg)	No. of trees existed	Production of raw cashewnut per tree per annum (in gm) (Col.2 x 1000/Col.3)	Standard production as per norm fixed by NABARD (in kg)	Shortfall in production (in kg) (Col.5 - Col.2)	Rate per kg of raw cashewnut (in Rs.)	Loss of income (Rupees in lakh)
1	2	3	4	5	6	7	8
1999-2000	3731	50056	74.53	2,25,252	2,21,521	28.58	63.31
2000-01	1776	50056	35.48	2,25,252	2,23,476	28.58	63.87
2001-02	3096	50056	61.85	2,25,252	2,22,156	19.50	43.32
2002-03	4802	50056	95.93	2,25,252	2,20,450	20.50	45.19
2003-04	1632	50056	32.60	2,25,252	2,23,620	30.00	67.09
<b>Total</b>	<b>15,037</b>			<b>11,26,260</b>	<b>11,11,223</b>		<b>282.78</b>

The Arya committee appointed by the Government observed that lack of motivation and absence of work culture in the Company were the factors for low turnover. While admitting the facts, Government stated (June 2004) that the department would take adequate remedial measures.

### ***Other Plantations***

#### **Orange plantation**

6.2.13 The Company had 46.5 hectares of area at Sabuwal located in Jampui Hill Range for orange plantation. Out of 46.5 hectares, it had orange plantation in five hectares. The Company framed (August 1999) a project report for the remaining areas wherein a yearly income of Rs 36 lakh with the yield of 300 MT of fruits were projected. The Company raised plantation in another 10 hectares of land incurring an expenditure of Rs. 0.79 lakh during 1988-89 to 2002-2003. The Company earned Rs. 6,000 only as sale proceeds of fruits against the estimated sale of Rs. 36 lakh in 2002-03. Deficiency in upkeep and maintenance of orchards caused the shortfall in production as well as earning of revenue.

#### **Pineapple plantation**

6.2.14 The Government provided 15 hectares of land to the Company for pineapple plantation as a captive area cultivation of pineapple juice concentration plant adjacent to NERAMAC factory at Nalkata in 1994. The Company, however prepared (March 1995) a project report for raising plantation on an area of 20 hectares at a cost of Rs. 17.59 lakh. The Company actually raised plantation on 10.5 hectares in 1994-95 and spent Rs. 21.33 lakh, upto 1998-99. The reasons for incurring expenditure of Rs. 21.33 lakh for 10.5 hectares which was not commensurate with the projected expenditure (Rs. 17.59 lakh) for plantation on 20 hectares were not furnished. In 1998, this plantation had totally been damaged for lack of after-care activities. But the Company maintained watch and ward staff against the damaged plantation and spent Rs. 8.18 lakh towards their wages during 1999-2000 to January 2004. The Chief Secretary, Government of Tripura instructed (April 1999) to revive the damaged plantation but no development towards the revival of the damaged plantation has yet (April 2004) been made by the Company. Reasons for not developing the plantation were mainly due to non-availability of adequate working capital and inaccessibility on account of insurgency.

### ***Manpower management***

6.2.15 The Company had 110 members of staff of which 27 were regular and 83 were daily rated workers (DRWs). The salaries of eight regular officials (one Managing Director, three Divisional Managers, one Junior Engineer, two Drivers and one Group-D) had been borne by Agriculture Department. Salaries and wages of the remaining 102 staff out of 110 were borne by the Company. There was no sanction for 78 DRWs though the wages of the DRWs constituting 75 per cent of the total staff strength were being regularly paid by the Company. This resulted in incurring of unauthorised expenditure of Rs. 61.38 lakh during the last five years from 1998-99 to 2002-03.

The administrative expenses of the Company and expenditure as salaries and wages during the years 1998-99 to 2002-03 are shown below:

(Rupees in lakh)

	1998-99	1999-2000	2000-01	2001-02	2002-03
Salaries and wages	32.99	44.04	41.24	46.56	42.74
Administrative expenses	48.17	57.63	57.75	59.75	53.69
Total expenditure of the Company as per Accounts	50.37	61.21	64.09	67.97	66.92
Percentage of Salaries and wages paid to administrative expenses	68.49	76.42	71.41	77.92	79.61
Percentage of salaries and wages paid to total expenditure	65.50	71.95	64.35	68.50	63.87
Percentage of administrative expenses to total expenditure	95.63	94.15	90.11	87.91	80.23

It would be seen that salaries and wages accounted for 68 to 80 *per cent* of the administrative expenses during 1998-2003 and the percentage of administrative expenses varied from 80 to 96 *per cent* of the total expenditure of the Company during these years. The Company thus, lost the rationale for its existence as a Horticultural Development Agency.

The Company engaged 67 DRWs for maintenance of 17 orchards covering an area of 1035.70 hectares during the period from 1998-99 to 2002-03. Records disclosed that the Company spent Rs. 49.88 lakh towards payment of idle wages of 67 DRWs while there was no plantation activity in the orchards during 1998-2003. The Arya committee appointed by the Government to assess the problems faced by the Company and to suggest remedial measures observed (July 2000) that the expenditure incurred towards the DRWs was infructuous as the Company did not carry out any activity in the orchards. The committee recommended that only 14 workers required for running the four orchards for revival should be maintained and 53 workers in the other orchards should be retrenched. The Company has not taken any action in this regard. The Government asked (June 2004) the Management to move the Finance Department for arranging adequate funds for revival of the orchards. There was no further development as of August 2004.

### **Other Trading Activities**

#### **Operation of cold storage**

6.2.16 The Company had been operating two cold storages, one at Baikhora, and other at Teliamura.

The cold storage at Baikhora was constructed in April 2002 by the Agriculture Department with the storing capacity of 2000 MT and handed over to the Company from April 2002.

The cold storage at Teliamura was constructed in May 2002 by the Agriculture Department with storing capacity of 500 MT at a total cost of Rs. 83.15 lakh financed by the North-Eastern Council (NEC) against the administrative approval of Rs. 97.50 lakh. The cold storage was handed over to the Company in May 2002. During the year 2002-03, the Company stored 32 MT of potato seeds and earned Rs.0.30 lakh against the operating expenditure of Rs. 1.26<sup>o</sup> lakh. During the year 2003-04, the cultivators stored 426 MT potato seeds in Teliamura cold storage and the Company collected rental charges of Rs. 4.05

<sup>o</sup> Electricity charges: 0.41 lakh, Salaries and wages: Rs. 0.55 lakh, and Insurance premium: Rs. 0.30 lakh.



lakh after incurring operating cost of Rs. 2.59\* lakh. It was, however, noticed that the entire quantity of 426 MT of potato seeds stored was completely damaged in October 2003. The Company had to purchase and supply 426 MT of fresh potato seeds worth Rs. 40.84 lakh to cultivators, as compensation for damaged potato seeds.

The Managing Director in his report dated 18 October 2003 stated that non-maintaining of required temperature due to constructional defects of the cold storage building was the main reason of damage of potato seeds. On the other hand, Chief Engineer, Agriculture Department reported (18 October 2003) that due to improper stacking of potato bags during day time without cooling down them in the pre-cooling chamber of the cold storage was the cause of damage. The then Managing Director, one Divisional Manager, one Orchard Assistant and two Junior Engineers of the Agriculture Department were suspended for their negligence in duty and technical defects noticed in the operation of cold storage. No charge sheet was, however, issued against them till April 2004. The Government appointed (November 2003) the Joint Director, Agriculture Department and the Chief Engineer, Agriculture Department to enquire simultaneously into technical aspects of the issue. The reports of the enquiry officers, however, could not be made available to Audit.

Government stated (June 2004) that the Agriculture Department had taken back the custody of the cold storage from the Company in April 2004.

The Company subsequently lodged insurance claim for compensation of the entire damaged stock. The insurance policy itself disclosed that there was no possibility in getting the said compensation from the Insurance Company as the policy was covered only on deterioration of stock due to accidental power failure. The loss worked out (May 2004) by the Management in running the cold storage at Teliamura was Rs.52.02 lakh (compensation: Rs.40.84 lakh, repairs and maintenance: Rs. 5.25 lakh, salaries: Rs. 2.53 lakh and others: Rs. 3.40 lakh).

### *Inventory control*

**6.2.17** Inventory control includes control over all kinds of stores. It is a system which ensures the provision of the required quantity of inventories at the required time with the minimum amount of capital investment and with the primary objective of avoiding excessive investment in inventory. Pursuant to a decision (March 1989) of the Board of Directors, the Management procured essential items of spare parts of power tillers from manufacturers for sale to farmers. The table below shows the position regarding purchase and sales of spare parts of power tillers during the last five years upto 2002-03 and the closing stock at the end of each year:

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\* Electricity charges: Rs. 1.44 lakh, Salaries and wages: Rs. 0.76 lakh, and Insurance premium: Rs. 0.39 lakh.



(Rupees in lakh)

Year	Opening balance	Purchase	Sales	Closing balance	Closing balance in terms of months' sales
1	2	3	4	5	6
1998-99	19.04	24.40	23.53	19.91	10.15
1999-2000	19.91	15.98	17.68	18.21	12.39
2000-01	18.21	22.85	18.61	22.45	14.48
2001-02	22.45	28.52	24.95	26.02	12.51
2002-03	26.02	14.02	19.88	20.16	12.14

Thus, the closing stock of spare parts remained high over the years representing 10.15 months' sale (1998-99) to 14.48 months' sale (2000-01) during the years 1998-2003. The Management also did not sort out the obsolete, slow-moving and surplus/non-moving items lying in the store. The Company did not even have a regular system of physical verification of stores and spares. Since the Company finances its trading activities by drawing overdrafts from banks, the Company should have determined a reasonable stock level, but this was not done. The Management did not fix (March 2004) the minimum, maximum and re-ordering level of various spare parts.

The Management stated (June 2004) that the physical verification of stores was taken up in 2002-03; but the physical verification report was yet to be finalised.

#### **Internal control**

6.2.18 Internal control is a management tool used to provide reasonable assurance that management's objectives are being achieved. The head of organisation must ensure that a proper internal control structure is instituted, reviewed and updated to keep it effective. But the Management had not devised any internal control system so as to exercise control over vital areas such as upkeep of service centre, performance of nurseries, maintenance of plantation, utilisation of stores and stocks, development of infrastructure etc.

#### **Accounting manual and internal audit**

6.2.19 The 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 the year 1995-96. The Company neither prepared nor adopted any accounting manual of its own. The Company did not also develop any internal audit wing, as of March 2004.

#### **Conclusion**

6.2.20 The Company was formed with the main objective of integrated development of horticulture and processing, storage and marketing of horticulture crops in the State. The Company could not achieve the objectives due to inadequate infrastructure, absence of proper supervision, non-availability of adequate working capital, non-appointment of full-time Managing Director, lack of motivation and absence of commercial approach for trading activities. The plantation did not give the expected yield. Expenditure of the Company constitutes mainly pay and allowances and administrative expenses. The Company thus, has lost its usefulness in development of horticulture in Tripura.

## SECTION – B

## INDUSTRIES AND COMMERCE DEPARTMENT

## Tripura Small Industries Corporation Limited

**6.3 Idle investment on poly-pouch plant and equipment**

**Poly-pouch plant and equipment purchased at a cost of Rs. 12.48 lakh were lying idle, which also led to loss of interest of Rs. 4.05 lakh.**

A proposal to supply liquor in poly-pouch was mooted in 1995 by the Management of the Tripura Small Industries Corporation Limited (TSIC) in order to prevent the illicit trade of country liquor. The Board of Directors did not consider (January 1996) it feasible and rejected the proposal. Subsequently, the Revenue (Sales Tax & Excise) Department (now renamed as Finance Excise and Taxation Department) and the Industries and Commerce Department in a joint meeting decided (May 1996) to sell country liquor by TSIC only in packed bottle from 1 November 1996. The meeting also decided to explore the possibility of marketing the same in poly-pack.

Contrary to the above decisions, the TSIC, with the approval of the Chairman, procured (February 2001) a poly-pouch plant along with other required accessories at a total cost of Rs. 12.48 lakh without ascertaining its feasibility. The plant was installed in December 2001. After trial production, the Public Analyst found the sample of 500 ml pouch packet, sent for chemical analysis, not fit for human consumption. As a result the commercial production of the plant was stopped and the plant has since been lying idle as of January 2004.

Thus, the hasty procurement of poly-pouch plant and equipment without ascertaining its feasibility and making other ancillary arrangements resulted in idle investment of Rs. 12.48 lakh besides loss of interest of Rs. 4.05 lakh<sup>o</sup> due to blockage of funds for a period of three years from February 2001 to January 2004.

The Management stated (January 2004) that they could not obtain any feasibility report as the plant was set up on the advice of Excise Department.

The Government stated (July 2004) that it was thinking to utilise the plant for other purpose to make the investment commercially fruitful.

## POWER DEPARTMENT

**6.4 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 amounting to Rs. 74.76 lakh.**

The clauses (a) and (b) of condition 28 of the Tripura Electric Supply Conditions, 1998, 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

<sup>o</sup> Rs. 12.48 lakh × Rate of interest at 10.82 per cent p.a. (borrowing rate of 2000-01) × 3 years  
= Rs. 4.05 lakh.

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.

It was noticed during test-check of records of 20 electrical sub-divisions between September 2002 and January 2004 that though the payment by 1027 consumers in respect of 2079 bills for consumption of electrical energy between April 1998 and November 2003 was made beyond the stipulated period, penalty of Rs. 75.36 lakh leviable as per the above conditions was not imposed and realised from them.

It was, however, noticed that one electrical sub-division (electrical sub-division VI, Agartala), realised Rs. 0.60 lakh out of Rs. 16.83 lakh on presentation of supplementary bills and eight electrical sub-divisions raised supplementary bills but realisation was not yet made. Other electrical sub-divisions had not yet responded (January 2004).

The matter was reported to the Government in March 2004; reply had not been received (September 2004).

#### **6.5 Loss due to unauthorised allowance of rebate**

**Inadmissible allowance of rebate to 775 consumers in 1640 cases resulted in loss of revenue of Rs. 14.35 lakh to the Power Department.**

In terms of clause 17 (c) of the Tripura Electric Supply Conditions, 1985 and 1998, no rebate is admissible to a consumer if the bill is not paid within 15 days from the date of its presentation.

It was noticed during test-check of records of 20 electrical sub-divisions between September 2002 and January 2004 that the rebate was allowed to 775 consumers in 1640 bills for consumption of electric energy between September 1996 and September 2003 even though the payments were not made within the stipulated period, resulting in loss of revenue of Rs. 14.92 lakh.

On this being pointed out in audit, nine electrical sub-divisions stated (between April 2003 and January 2004) that the amount would be realised by preferring supplementary bills. Out of nine sub-divisions, one sub-division (SDO (E) Kumarghat) has intimated (July 2004) that it had realised Rs. 0.57 lakh out of total realisable amount of Rs. 0.61 lakh. Information regarding recoveries from other eight sub-divisions has not been received as of August 2004. Thus, loss of revenue for inadmissible allowance of rebate comes to Rs. 14.35 lakh as of date.

The matter was reported to the Government in June 2004; reply had not been received (September 2004).

## 6.6 Short realisation of revenue

**Erroneous computation of energy charges by the Sub-divisional Officers, Electrical Sub-division No. II, Agartala and Electrical Sub-division, Bordowali, led to short realisation of revenue of Rs. 17.64 lakh.**

The Tripura Electric Supply Conditions, 1992, as amended from time to time provides that the electricity tariff to be charged from 1 June 1992 on electrical energy consumed under the category 'bulk supply' shall be as under:

- (i) Rs. 1.20 per kWh subject to a monthly minimum charge of Rs. 3,600 where the bulk consumption is at 400 volt LT and maximum demand does not exceed 63 kVA;
- (ii) Rs. 1.10 per kWh subject to a monthly minimum charge of Rs. 18,000 where the bulk supply is at 11 kV and the maximum demand is 63 kVA and above but less than 630 kVA; and
- (iii) Rs. 1 per kWh subject to a monthly minimum charge of Rs. 1 lakh where the bulk supply is at 33 kV and the maximum demand is 630 kVA and above but less than 4000 kVA.

The above rates, were replaced from 1 April 1999, by a single rate of Rs. 2 per kWh subject to monthly minimum charge to be calculated at the rate of Rs. 154 per kVA of the connected load. From 1 March 2000, the Government decided to collect the monthly minimum charge on the basis of a contracted load, and the contracted load for this purpose shall be 80 *per cent* of the connected load.

Test-check (April-May 2001) of records of two consumer sub-divisions (Electrical Sub-division No. II, Agartala and Electrical Sub-division, Bordowali) and information collected in December 2003 revealed that the bills for the period from February 1997 to June 2000 against nine consumers were not raised according to the rates applicable to them.

Two consumers falling under the category (ii) above were charged at a monthly minimum rate of Rs. 3,600 instead of Rs. 18,000 for the period from 27 February 1997 to 22 February 1999 resulting in short realisation of energy charges of Rs. 6.91 lakh.

Five consumers falling under the category (ii) above were charged on lump sum basis instead of the rates applicable to them. This resulted in short realisation of energy charges of Rs. 3.28 lakh during 27 February 1997 to 30 June 2000.

Two consumers falling under category (iii) above were charged for the billing period from 22 February 1999 to 28 February 2000, at the minimum rate applicable from 1 March 2000 instead of the rates prevailing during that period, resulting in short realisation of Rs. 7.45 lakh during that period.



Thus, erroneous computation of energy charges at lower tariff by two electrical sub-divisions, led to short realisation of revenue of Rs. 17.64 lakh.

On this being pointed out in audit both the Sub-divisional Offices (Electrical) issued revised bills and realised Rs. 10.69 lakh as of December 2003.

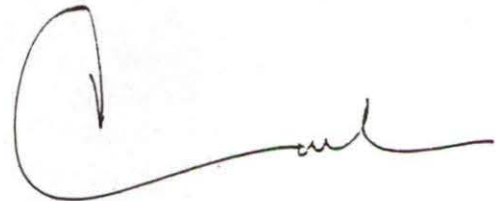
The matter was reported to Government in March 2004; the reply had not been received (September 2004).



(A.W.K. Langstieh)  
Accountant General (Audit),  
Tripura, Agartala

Agartala  
The 7 JAN 2005

Countersigned



(Vijayendra N. Kaul)  
Comptroller and Auditor General of India

New Delhi  
The 12 JAN 2005

# APPENDICES

APPENDICES

**APPENDIX - I**  
(Reference to paragraph 2.4)

**Areas in which major savings occurred**

Grant No/ Major Head	Areas in which major savings occurred	Savings (Rupees in crore)
<b>14</b>	<b>Power Department (Capital-Voted)</b>	
4552	Gas Thermal Project (Baramura) NEC (Plan)	11.77
4801	Power	33.03
<b>19</b>	<b>Tribal Welfare Department (Capital-Voted)</b>	
4801	Capital Outlay on Power Projects (PMGY) Power (P)	2.25
4702	Capital Outlay on Minor Irrigation Projects (P)	2.53
4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and other Backward classes	4.28
4515	Capital Outlay on other Rural Development Programme	2.16
4401	Capital Outlay on Crop Husbandry (CSS)	3.24
4406	Capital Outlay on Forestry and Wild Life (CSS0)	4.06
<b>20</b>	<b>Welfare of Scheduled Castes Department</b>	
4225	Capital Outlay on Welfare of Scheduled castes and Backward Classes (CSS)	2.98
4406	Capital Outlay on Forestry and Wild Life (CSS)	4.52
4801	Power Projects - Rural Electrification (Plan)	1.15
<b>21</b>	<b>Food and Civil Supplies Department</b>	
4408	Capital Outlay on Food Storage and warehousing (Non-Plan)	7.85
<b>31</b>	<b>Rural Development Department (Capital-Voted)</b>	
4215	Capital Outlay on Water Supply and Sanitation	60.92
4515	Capital Outlay on other Rural Development Programme	0.05
<b>34</b>	<b>Planning and Coordination Department</b>	
4070	Capital Outlay on other Administrative Services	0.29
<b>40</b>	<b>Education (School) Department</b>	
4202	Capital Outlay on Education Sports, Arts and Culture	0.70
<b>43</b>	<b>Finance Department</b>	
7610	Loans to Government servants	4.37
<b>52</b>	<b>Public Works and Preventive Medicine</b>	
4210	Capital Outlay on Medical and Public Health (CSS)	12.02
<b>Revenue - Voted</b>		
<b>52</b>	<b>Public Works and Preventive Medicine</b>	
2210	Medical and Public Health (Plan and Non-Plan)	1.72
2211	Family Welfare (CSS)	1.10



APPENDIX - II

(Reference : Paragraph 2.4)

Cases where supplementary provision proved unnecessary

(Rupees in lakh)

Sl. No	Number and name of grant/appropriation	Original grant/appropriation	Supplementary provision	Savings
<b>Revenue - Voted</b>				
1.	6-Revenue Department	3919.03	197.24	593.41
2.	7-Administrative Reforms Department	67.73	3.88	6.64
3.	16-Health Department	3503.21	119.42	343.37
4.	21-Food and Civil Supplies Department	825.66	7.22	64.31
5.	25-Industries (HH and Sericulture)	825.14	60.57	162.30
6.	27-Agriculture Department	4169.23	49.41	226.23
7.	30-Forest Department	2785.65	248.64	633.72
8.	31-Rural Development Department	6683.63	5.08	321.79
9.	33-Science, Technology and Environment	91.83	6.73	11.84
10.	34-Planning and Coordination	132.89	4.02	5.00
11.	39-Education (Higher) Department	3091.57	6.93	27.48
12.	40-Education (School) Department	40956.05	54.70	2483.72
13.	42-Education (Sports and Youth Programme)	1273.75	35.13	53.23
14.	43-Finance Department	26019.80	150.20	5962.95
15.	44-Industrial Finance	78.48	6.59	7.60
16.	52-Family Welfare and Preventive Medicine	5439.09	710.00	1650.64
17.	53-Tribal Welfare (Research)	40.14	3.88	16.95
<b>Revenue - Charged</b>				
18.	28-Horticulture Department	12.44	0.36	0.47
<b>Capital - Voted</b>				
19.	6-Revenue Department	631.15	347.54	702.95
20.	10-Home (Police) Department	2799.59	1305.95	2151.51
21.	12-Cooperation Department	125.83	27.29	53.80
22.	14-Power Department	8913.26	3013.97	6139.82
23.	15-Public Works (WR) Department	1967.83	765.13	926.53
24.	16-Health Department	1050.91	703.00	1512.49
25.	20-Welfare of Schedule Caste Department	1777.05	1277.60	1427.80
26.	21-Food and Civil Supplies Department	5387.50	22.39	3065.22
27.	23-Panchayat Raj Department	352.94	300.00	652.94
28.	26-Fisheries Department	66.83	8.12	41.18
29.	27-Agriculture Department	1895.00	455.04	1316.03
30.	28-Horticulture Department	420.70	273.59	292.95
31.	29-Animal Resource Development Department	551.23	219.33	519.40

## APPENDIX – II (concl.)

(Reference : Paragraph 2.4)

## Cases where supplementary provision proved unnecessary

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Original grant/appropriation	Supplementary provision	Savings
32.	30-Forest Department	883.04	382.17	1025.45
33.	36-Jail Department	587.16	420.00	518.60
34.	39-Education (Higher) Department	1169.57	40.10	862.04
35.	40-Education (School) Department	3118.95	330.58	1736.01
36.	42-Education (sports and youth programme)	152.29	14.00	156.80
37.	43-Finance Department	17740.50	63.46	17151.80
38.	49-Fire Service Organisation	34.94	5.00	31.86
39.	52-Family Welfare and Preventive Medicine	636.35	954.82	1290.53
	<b>Total</b>		<b>12599.08</b>	<b>54147.36</b>

APPENDIX – III

(Reference : Paragraph 2.4)

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	Supplementary provision	Savings
<b>Revenue – Voted</b>						
1.	3-GA(Secretariat Admn)	1371.17	1404.71	33.54	152.05	118.51
2.	5-Law	1017.65	1039.16	21.51	175.35	153.84
3.	10-Home (Police)	21955.34	22229.81	274.47	1116.00	841.53
4.	17-Information, Cultural Affairs and Tourism	930.55	976.65	46.10	57.08	10.98
5.	19-Tribal Welfare Department	11191.40	11301.53	110.13	1865.87	1755.74
6.	20-Welfare of Schedule Castes Department	3836.82	4030.25	193.43	947.23	753.80
7.	24-Industries and Commerce	1405.54	1579.70	174.16	281.44	107.28
8.	26-Fisheries	1010.52	1035.24	24.72	57.76	33.04
9.	29-Animal Resources	2025.42	2070.06	44.64	117.99	73.35
10.	35-Urban Development	1171.36	1318.64	147.28	472.79	325.51
11.	37-Labour and Employment	201.62	210.84	9.22	93.05	83.83
12.	41-Education (Social)	5555.06	5748.72	193.66	851.17	657.51
13.	45-Taxes and Excise	244.37	249.37	5.00	31.70	26.70
<b>Revenue - Charged</b>						
14.	13-PW (Roads and Bridges) Department	3003.25	3078.25	75.00	501.75	426.75
<b>Capital-Voted</b>						
15.	11-Transport	1133.67	1269.25	135.58	400.58	265.00
16.	13-PW (Roads and Bridges) Department	12962.86	13208.14	245.28	1757.15	1511.87
17.	19-Tribal Welfare Department	4300.09	4688.09	388.00	2604.83	2216.83
18.	31-Rural Development	162.69	1147.13	984.44	7082.26	6097.82
19.	51-PW (PHE) Department	5031.00	5355.03	324.03	1826.14	1502.11
<b>Capital charged</b>						
20.	13-PW (Roads and Bridges) Department	1200.00	1426.38	226.38	607.30	380.92
<b>Total:</b>				<b>3656.57</b>	<b>20999.49</b>	<b>17342.92</b>

## APPENDIX - IV

(Reference : Paragraph 2.4)

## Excess of expenditure over provision requiring regularisation

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Total grant/ Appropriation	Total Expenditure	Excess
<b>Revenue - Voted</b>				
1.	28-Horticulture	1069.44	1072.73	3.29
2.	36-Jail Department	590.65	597.26	6.61
<b>Capital-Voted</b>				
3.	5-Law Department	38.60	118.38	79.78
<b>Capital - Charged</b>				
4.	31-Rural Development	5.00	5.26	0.26
5.	43-Finance Department	5938.40	29203.64	23265.24
	<b>Total</b>			<b>23355.18</b>



APPENDIX - V

(Reference : Paragraph - 2.4)

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
<b>Revenue Section</b>				
<b>Revenue - Voted</b>				
1.	5-Law Department	1193.00	153.84	13
2.	6-Revenue Department	4116.27	593.41	14
3.	11-Transport Department	147.55	44.63	30
4.	13-Public Works (Roads and Bridges)	10775.81	1272.28	12
5.	14-Power Department	15952.79	2394.13	15
6.	19-Tribal Welfare Department	13057.27	1755.74	13
7.	20-Welfare of Schedule caste	4784.05	753.80	16
8.	22-Relief and Rehabilitation Department	1030.78	138.55	13
9.	23-Panchayat Raj Department	6321.87	902.86	14
10.	25-Industries (HH and Sericulture)	885.71	162.30	18
11.	30-Forest Department	3034.29	633.72	21
12.	32-TRP and PGP Department	514.62	142.68	28
13.	33-Science, Technology and Environment	98.56	11.84	12
14.	35-Urban Development Department	1644.15	325.51	20
15.	37-Labour and Employment	294.67	83.83	28
16.	38-GA (Printing and Stationery)	474.76	61.79	13
17.	43-Finance Department	26170.00	5962.95	23
18.	46-Treasuries	232.90	58.80	25
19.	51-Public Works (PHE)	2111.04	1263.05	60
20.	52-Family Welfare and Preventive Medicine	6149.09	1650.64	27
21.	53-Tribal Welfare (Research)	44.02	16.95	39
<b>Revenue-Charged</b>				
22.	13-Public Works (Roads and Bridges)	3505.00	426.75	12
23.	14- Power Department	1000.00	132.03	13
<b>Capital - Voted</b>				
24.	6-Revenue Department	978.69	702.95	72
25.	10-Home (Police) Department	4105.54	2151.51	62
26.	11-Transport Department	1534.25	265.00	17
27.	12-Co-operation Department	153.12	53.80	35
28.	14-Power Department	11927.23	6139.82	51
29.	15-Public Works (Water Resource) Department	2732.96	926.53	34

## APPENDIX - V (concl.)

(Reference : Paragraph 2.4)

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.	16-Health Department	1753.91	1512.49	86
31.	17-Information, Cultural Affairs and Tourism Department	73.00	13.00	18
32.	19-Tribal Welfare Department	6904.92	2216.83	32
33.	20-Welfare of Scheduled Castes Department	3054.65	1427.80	47
34.	21-Food and Civil Supplies Department	5409.89	3065.22	57
35.	23-Panchayat Raj Department	652.94	652.94	100
36.	24-Industries and Commerce Department	1895.00	675.12	36
37.	26-Fisheries Department	74.95	41.18	55
38.	27-Agriculture Department	2350.04	1316.03	56
39.	28-Horticulture Department	694.29	292.95	42
40.	29-Animal Resource Development Department	770.56	519.40	67
41.	30-Forest Department	1265.21	1025.45	81
42.	31-Rural Development Department	7244.95	6097.82	84
43.	34-Planning and Coordination Department	10389.00	10098.20	97
44.	35-Urban Development Department	493.30	493.30	100
45.	36-Jail Department	1007.16	518.60	51
46.	39-Education (Higher) Department	1209.67	862.04	71
47.	40-Education (School) Department	3449.53	1736.01	50
48.	42-Education (Sports and Youth Programme)	166.29	156.80	94
49.	43-Finance Department	17803.96	17151.80	96
50.	45-Taxes and Excise Department	15.00	12.49	83
51.	49-Fires Service Organisation	39.94	31.86	80
52.	51-Public Works (PHE)	6857.14	1502.11	22
53.	52-Family Welfare and Preventive Medicine	1591.17	1290.53	81
<b>Capital - Charged</b>				
54.	12-Co-operation Department	56.43	17.45	31
55.	13-Public Works (Roads and Bridges)	1807.30	380.92	21

APPENDIX - VI

(Reference : Paragraph 2.4)

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)		
		2001-2002	2002-2003	2003-2004
<b>Revenue - Voted</b>				
1.	20-Welfare of Scheduled Castes Department	20.36(34)	7.65(18)	7.54(16)
2.	25-Industries and Commerce Department	2.51(28)	2.04(22)	1.62(18)
3.	35-Urban Development Department	2.59(21)	3.95(31)	3.26(20)
4.	46-Treasuries	1.10(36)	0.25(11)	0.59(25)
<b>Capital - Voted</b>				
5.	15-Public Works (Water Resource) Department	17.72(40)	3.63(16)	9.27(34)
6.	19-Tribal Welfare Department	37.75(37)	27.11 (31)	22.17(32)
7.	20-Welfare of Scheduled Castes Department	27.74(58)	19.86(54)	14.28(47)
8.	21-Food and Civil Supplies Department	13.56(25)	19.95(36)	30.65(57)
9.	24-Industries and Commerce Department	4.00(100)	16.24(51)	6.75(36)
10.	26-Fisheries Department	1.60(60)	3.65(100)	0.44(55)
11.	27-Agriculture Department	9.22(41)	7.97(38)	13.16(56)
12.	29-Animal Resource Development Department	0.63(17)	3.05(49)	5.19(67)
13.	30-Forest Department	2.86(19)	6.99(42)	10.25(81)
14.	31-Rural Development Department	8.50(21)	22.18(66)	60.98(84)
15.	36-Jail Department	0.46 (61)	5.99(90)	5.19(51)
16.	42-Education (Sports and Youth Programme) Department	19.01(96)	23.16(92)	1.57(94)
17.	43-Finance Department	5.20(42)	6.22(44)	171.52(96)
18.	51-Public Works (PHE) Department	8.10(17)	12.58(24)	15.02(22)

## APPENDIX - VII

(Reference : Paragraph 2.4)

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
<b>Capital - Voted</b>					
1.	5-Law Department	38.60	118.38	79.78	207
<b>Capital - Charged</b>					
2.	43-Finance Department	5938.40	29203.64	23265.24	392



APPENDIX -VIII

(Reference : Paragraph 2.5)

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 (+)
1.	6 -Revenue Department	2029-Land Revenue 101-Collection charges 05-Establishment 16-District Establishment (Non-Plan)	(O) 773.69	-2.63	771.06	743.43	-27.63
		103- Land Records 05-Establishment 60-Survey and Settlement (Non-Plan)	(O) 203.34	0.23	203.57	165.66	-37.91
		2053-District Administration 16-District Establishment (Non-Plan)	(O) 393.00	-2.83	390.17	331.51	-58.66
		2245-Relief on Account of Natural calamities 05-Calamity Relief fund 101-Transfer to Reserve Fund and Deposit Accounts Calamity Relief Fund 99-Others 30-Natural Calamities (Non-Plan)	(O) 601.00 (S) 192.01	22.99	816.00	459.27	-356.73
		2506-Land Reforms 001-Direction and Administration 98- Administration 06-Revenue (Non-Plan)	(O) 817.70	3.66	821.36	779.45	-41.91

## APPENDIX –VIII (contd.)

(Reference : Paragraph 2.5)

## 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 (+)
		4070-Capital Outlay on other Administrative Services 800-Other Expenditure 43-Finance Commission 01-Augmentation Traditional Water Sources (Plan)	(O) 315.65	-14.00	301.65	-	-301.65
		48-Border Area Development Programme 01-DADP (Plan)	(S) 331.99	10.63	342.62	-	-342.62
		70-State share of strengthening of Revenue, Administration and updating of land records 06-Revenue (Plan)	(O) 125.00	3.37	128.37	75.15	-53.22
2.	10 – Home (Police) Department	2055-Police 001-Direction and Administration 12-IR Bn. Non-SRE 04-Battalion No. IV (TSR) Bn No. IX Reimbursable /Sharing Scheme (Non-Plan)	(O) 570.30	-110.12	460.18	431.41	-28.77
		108-State Headquarter Police 12-IR Battalion Non-SRE 01-Bn No.I (TSR Bn No. V) (Non-Plan)	(O) 793.35	91.87	885.22	859.78	-25.44
		109-District Police 09-Security Related Expenditure 03-District Administration C. Reimbursable / Sharing scheme (Non-Plan)	(O) 600.00 (S) 54.82	366.82	1021.64	914.91	-106.73
		800-Other Expenditure 08-Police 08-Misc Provisioning Services (Non-Plan)	(O) 315.49	141.96	457.45	368.87	-88.58

APPENDIX – VIII (contd.)

(Reference : Paragraph 2.5)

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 (+)
		4055-Capital Outlay on Police 211-Police Housing 800-Other Expenditure Reimbursable / Sharing Scheme 08-Police 11-Police Force (Modernisation) (CS) (Non-Plan)	(O) 986.09 (S) 667.00	348.78	2001.87	291.86	-1710.01
		4055-Capital Outlay on Police 800-Other Expenditure 08-Police 11-Police Force Modernisation (State share) (Non-Plan)	(O) 648.78	-348.78	300.00	706.01	406.01
3.	13 – Public Works (Roads and Bridges) Department	2059-Public Works 80-General 001-Direction and Administration 25-Public Works 02-Direction (Non-Plan)	(O) 1073.21	27.09	1100.30	761.57	338.73
		03-Execution (Non-Plan)	(O) 3412.61	55.10	3467.71	3325.65	142.06
		80-General 799-Suspense 65-Suspense Accounts 01-Public Works (Non-Plan)	(O) 5000.00	-2000.00	3000.00	2078.96	-921.04



## APPENDIX – VIII (contd.)

(Reference : Paragraph 2.5)

## 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 (+)
		003-Training 03-Research and Training 14-Training of Workers (Non-Plan)	(O) 5.20	9.80	15.00	81.84	66.84
		102-Maintenance and Repairs 25-Public Works 01-Administrative Building (Non-Plan)	(O) 70.88	74.12	145.00	233.91	88.91
		2216-Housing 01-Government Residential Building 106-General Pool Accommodation 25-Public Works 03-Execution (Non-Plan)	(O) 81.25	68.75	150.00	275.24	125.24
		3054-Roads and Bridges 04-District and other Roads 800-Other Expenditure 25-Public Works 03-Execution (Non-Plan)	(O) 1062.75	276.38	1339.13	2644.90	1305.77
		2049-Interest payment 01-Interst on Internal Debt 200-Interest on other Internal Debt 58-Debt service 08-LIC loan (Non-Plan)	(O) 3000.00	-100.00	2900.00	3063.14	163.14
		1216-Capital Outlay on Housing 01-Government Residential Building 106-General Pool Accommodation 52-Housing 02-Civil works (plan)	(O) 2697.00	-897.00	1800.00	1003.18	-796.82
		03-General Administration (Plan)	(O) 1000.00	-500.00	500.00	236.73	-263.27
		05-Jail (Plan)	(O) 150.00	-115.00	35.00	65.44	-30.44



APPENDIX – VIII (contd.)

(Reference : Paragraph 2.5)

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 (+)
		5054-Capital Outlay on Roads and Bridges 04-District and other Roads 800-Other Expenditure 51-Externally Aided Projects 02-Roads (Plan)	(O) 393.00	-193.00	200.00	14.89	-185.11
		54-NABARD 01-RIDF-V-Construction Ongoing Rural Bridges Projects (Plan)	(O) 2000.00	200.00	2200.00	1570.19	-629.81
		99-Others 60-Other than MNP (Plan)	(O) 776.56	867.63	1644.19	-	-1644.19
		4216-Capital Outlay on Housing 01-Government Residential Building 106-General Pool Accommodation 52-Housing 04-Police (Plan)	(O) 400.00	-325.00	75.00	968.57	893.57
		5054-Capital Outlay on Roads and Bridges 04-District and other Roads 800-Other Expenditure 64-HUDCO 01-Improvement of Roads (Plan)	(O) 1000.00 (S) 475.64	0.42	1476.06	1719.55	243.49
4.	14 – Power Department	2801-Power 01-Hydel Generation 800-Other Expenditure 04-Diesel/Gas Power Generation 26-Power 03-Gas Power (Non-Plan)	(O) 2000.00 (S) 1818.19	16.67	3834.86	3548.04	-286.82
		26-Power 04-Gas Thermal Project (Non-Plan)	(O) 510.71	-170.13	340.58	404.51	63.93

## APPENDIX – VIII (contd.)

(Reference : Paragraph 2.5)

## 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 (+)
		08-Power Supply (Non-Plan)	(O) 1185.00 (S) 4925.32	170.13	6280.45	5885.50	-394.95
		04-Diesel / Gas Power Generation 001-Direction and Administration 98-Administration 14-Power (Non-Plan)	(O) 121.49	22.06	143.55	188.97	45.42
		05-Transmission and Distribution	(O) 3104.94	-19.45	3085.49	3115.39	29.90
		4801-Capital Outlay on Power Project 05-Transmission and Distribution 001-Direction Administration 56-Non lapsable 10-Transmission Scheme (CSS)	(O) 25.00	254.30	279.30	0.14	-279.16
		800-Other Expenditure 56-Non-lapsable 09-Sub-Transmission and Distribution (CSS)	(O) 1975.00	-1755.00	220.00	-	-220.00
		60-APDRP 01-Metering (Plan)	(O) 1800.00 (S) 564.90	152.26	2517.16	556.57	-1960.59
		05-Gas – 121 MW GTP at Rakhia Phase II (CSS)	(O) 30.00	627.00	657.00	1039.52	382.52
		05-Transmission and Distribution 14-Power (Plan)	(O) 717.25	-0.20	717.05	808.30	91.25
5.	15-Public Work (Water Resources) Department	2702-Minor Irrigation 80-General 001-Direction and Administration 27-Water Resource Direction 14-Execution (Non-Plan)	(O) 1194.30	-11.18	1183.12	1141.21	-41.91

APPENDIX – VIII (contd.)

(Reference : Paragraph 2.5)

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 (+)
		2711-Flood Control and Drainage 01-Flood Control 001-Direction Administration 27-Water Resources 05-Flood Control and Drainage (Non-Plan)	(O) 528.49	-12.48	516.01	424.49	-91.52
		2702-Minor Irrigation 01-Surface Water 102-Lift Irrigation Scheme 27-Water Resources 07-Lift Irrigation (Non-Plan)	(O) 449.00	-2.47	446.53	489.06	42.53
		4701-Capital Outlay on Major and Medium Irrigation 04-Medium Irrigation – Non-commercial 001-Direction Administration 27-Water Resources 13-Direction 03-Manu Irrigation Projects (Plan)	(O) 162.00 (S) 32.45	23.75	218.20	117.94	-100.26
		4702-Capital Outlay on Minor Irrigation 101-Surface Water 45-AIBP 04-Other Irrigation Projects (Plan)	(O) 1034.00	-264.00	770.00	493.74	-276.26
		46-State Share of AIBP 04-Other Irrigation Projects (Plan)	(O) 308.00	-44.00	264.00	211.13	-52.87
		4702-Capital Outlay on Minor Irrigation 101-Surface Water 54-NABARD 03-IRDF –VI-Construction of Cold Storage and Market Yards (Plan)	(S) 192.00	308.00	500.00	200.00	-300.00

## APPENDIX – VIII (contd.)

(Reference : Paragraph 2.5)

## 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 (+)
6.	16-Health Department	2210-Medical and Public Health 01-Urban Health Service – Allopathy 001-Direction and Administration 98-Administration 16-Health (Non-Plan)	(O) 2956.61 (S) 20.79	11.59	2988.99	2716.33	-272.66
		110-Hospital and Dispensaries 16-Hospital 07-GB Hospital (Non-Plan)	(O) 195.47	-33.93	161.54	136.19	-25.35
		4210-Capital Outlay on Medical and Public Health 01-Urban Health Services 110-Hospital and Dispensaries 56-Non-lapsable 08-Strengthening of Super Specialty Block at GB Hospital at Agartala (CSS)	(O) 481.21	-88.00	393.21	34.70	-358.51
		4552-Capital Outlay on North Eastern Area 05-Medical Education, Training and Research 200-Other Systems 57-North Eastern Area Development 30-Regional Institute of Pharmaceutical Science and Technology (NEC Scheme) (Plan)	(O) 161.00	-45.00	116.00	26.52	-89.48
7.	19-Tribal Welfare Department	2225-Welfare of Scheduled Castes Scheduled Tribes and Other Backward Classes 02-Welfare of Scheduled Tribes 800-Other Expenditure 34-Tribal Sub-Plan 14-Sixth Schedule (Plan)	(O) 2929.90	11.00	2940.90	2457.79	-483.11



APPENDIX – VIII (contd.)

(Reference : Paragraph 2.5)

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 (+)
		2401-Crop Husbandry 102-Food Grains Crops 38-Micro Management 04-Integrated Cereal Development Programme (Plan)	(O) 58.00	-2.59	55.41	14.12	-41.29
		2202-General Education 01-Elementary Education 106-Teachers and Other Services 42-Government Primary 01-Middle Stage Education (VI to VIII) (Plan)	(O) 591.20	-121.60	469.60	430.00	-39.60
		01-Primary Education from (I to V) (Plan)	(O) 1716.20	-149.05	1567.15	1600.35	33.20
		5054-Capital Outlay on Roads and Bridges 04-District and other Roads 800-Other Expenditure 99-Others 66-Other than MNP (Plan)	(O) 454.22	-77.44	376.78	451.54	74.76
		4801-Capital Outlay on Power Projects 06-Rural Electrification 800-Other Expenditure 47-PMGY 05-Power (Plan)	(S) 125.00	100.00	225.00	-	-225.00
		53-REC 01-MNP (Plan)	(O) 40.00	-40.00	-	30.00	30.00

## APPENDIX – VIII (contd.)

(Reference : Paragraph 2.5)

## 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 45-AIBP 04-Other Irrigation Projects (Central share) (Plan)	(O) 940.00	-240.00	700.00	447.37	-252.63
		4225-Capital Outlay on Welfare of Scheduled Castes and Scheduled Tribes and Other Backward Classes 02-Welfare of Scheduled Tribes 102-Economic Development 55-Block Grant 01-Under Article 275 (I) (Plan)	(O) 313.00 (S) 413.43	109.57	836.00	523.00	-313.00
		4406-Capital Outlay on Forestry and Wild Life 01-Forestry 102-Social and Farm Forestry 44-ACA – Development and Bamboo Resources 01-ACA (Plan)	(S) 43.05	26.95	70.00	-	-70.00
		800-Other Expenditure 56-Non-Lapsable 16-Strengthening of Infrastructure for Forest Production (CSS)	(S) 160.12	6.63	166.75	-	-166.75
8.	20-Welfare of Scheduled Castes Department	4225-Capital Outlay on Welfare of Scheduled Castes 01-Welfare of Scheduled Castes 800-Other Expenditure 33-Welfare Programme 31-Special Central Assistance (CSS)	(O) 500.00	-321.09	178.91	-	-178.91
		4702-Capital Outlay on Minor Irrigation 101-Surface Water 45-AIBP 04-Other Irrigation Projects (Central Share) (Plan)	(O) 376.00	-96.00	280.00	202.93	-77.07

APPENDIX – VIII (contd.)

(Reference : Paragraph 2.5)

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 (+)
		4225-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and other backward classes 01-Welfare of Scheduled Castes 102-Economic Development 48-Border Area Development 01-BAD (Plan)	(O) 49.56	50.44	100.00	-	-100.00
		4406-Capital Outlay on Forestry and Wild Life 01-Forestry 800-Other Expenditure 56-Non-lapsable 21-Infrastructure for wild life (CSS)	(O) 41.48	3.52	45.00	-	-45.00
		4801-Capital Outlay on Power Projects 06-Rural Electrification 800-Other Expenditure 47-PMGY 05-Power (Plan)	(S) 57.01	57.99	115.00	-	-115.00
		4702-Capital Outlay on Minor Irrigation 101-Surface Water 46-State Share of AIBP 04-Other Irrigation Projects (State share) (Plan)	(O) 112.00	16.00	96.00	154.31	58.31
9.	21-Food and Civil Supplies Department	4408-Capital Outlay on Food, Storage and Warehousing 01-Food 101-Procurement and Supply 65-Suspense Account 04-Civil Supply (Non-plan)	(O) 4750.00	-1750.00	3000.00	2310.75	-689.25
		99-Others 43-Strengthening of Public Distribution System (CSS)	(O) 100.00	-25.71	74.29	-	-74.29
10.	24-Industries and Commerce Department	2851-Village and Small Industries 102-Small Scale Industries 29-Industries Development 14-Operation and Maintenance (Non-Plan)	(O) 260.99	-35.50	225.49	198.63	-26.86

## APPENDIX – VIII (contd.)

(Reference : Paragraph 2.5)

## 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 (+)
11.	25-Industries (Handloom, Handicrafts and Sericulture) Department	2851-Village and Small Industries 103-Handloom Industries 44-Additional Central Assistance 01-ACA (Plan)	(S) 60.57	19.17	79.74	52.70	-27.04
12.	27-Agriculture Department	2401- Crop Husbandry- 001-Direction and Administration 37-Agricultural Development 50-Project for Development of Infrastructure Facilities (Non-Plan)	(O) 3592.84	-23.15	3569.69	3498.60	-71.09
13.	29-Animal Resource Development Department	4403-Capital Outlay on Animal Husbandry 103-Poultry Development 42-Broiler Duck Breeding Farm (CSS)	(O) 12.50	30.00	42.50	-	-42.50
14.	30-Forest Department	2552-North Eastern Area 01- Forestry 105-Forest Produce 24-Setting up of a Factory of Commercial utilisation Rubber Board and Production of Laminated Rubber Wood (NEC Scheme) (Plan)	(O) 250.00	-150.00	100.00	-	-100.00



APPENDIX – VIII (contd.)

(Reference : Paragraph 2.5)

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 (+)
		4406-Capital Outlay on Forestry and Wild Life 01-Forestry 101-Forest Conservation Development and Regeneration 44-Additional Central Assistance 01-ACA (Plan)	(S) 44.37	0.63	45.00	-	-45.00
		800-Other Expenditure 56-Non-Lapsable 15-Forest Fire Control and Management (CSS)	(O) 30.95	49.61	80.56	9.77	-70.79
		16-Strengthening of Infrastructure for Forest Protection (CSS)	(O) 363.85	-68.79	295.06	-	-295.06
		17-Preparation of Working Plan / Survey and Demarcation (CSS)	(O) 44.80	41.07	85.87	9.00	-76.87
		21-Infrastructure for Wild Life (CSS)	(S) 112.97	33.85	146.82	19.16	-127.66
15.	32-TRP and PGP Department	2225-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes 02-Welfare of Scheduled Tribes 102-Economic Development 33-Welfare Programme 49-Intensive Rehabilitation of PG Tribes (CSS)	(O) 142.74	-42.00	100.74	9.44	-91.30
16.	37-Labour Organisation	2230-Labour and Employment 01-Labour 111-Social Security for Labour 44-ACA – Asangathita Shramik Sahayika Prakaalpa 01-ACA (Plan)	(S) 73.05	1.95	75.00	-	-75.00

## APPENDIX – VIII (contd.)

(Reference : Paragraph 2.5)

## 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 (+)
17.	40-Education (School) Department	2202-General Education 01-Elementary Education 106-Teachers and Other Services 41-Sarva Shiksha Abhiyan (CSS)	(O) 1800.00	118.86	1918.86	-	-1918.86
		01-Middle Stage Education (from class VI to VIII) (Plan)	(O) 638.15	-90.55	547.60	502.16	-45.44
		107-Teacher Training	(O) 114.50	16.76	131.26	33.76	-97.50
		03-Research and Training 04-District Institute of Education (Basic Training Institute) (Plan)					
		18-Government Secondary School (Plan)	(O) 154.65	-10.60	144.05	70.81	-73.24
		107-Scholarship 35-Scholarship and Stipend 12-Other Stipend (Plan)	(O) 135.22	-32.06	103.16	53.39	-49.77
		2236-Nutrition 02-Distribution of Nutritious Food and Beverages 102-Mid-day Meals 41-Human Development 56-Mid-day Meals (Plan)	(O) 454.15	-255.72	198.43	277.08	78.65
		2202-General Education 01-Elementary Education 104-Inspection 42-Government Primary Schools 02-Primary Education (from class I to V) (Plan)	(O) 1430.80	85.40	1516.20	1564.36	48.16

APPENDIX – VIII (contd.)

(Reference : Paragraph 2.5)

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 (+)
		2236-Nutrition 02-Distribution of Nutritious Food and Beverage 102-Mid-day Meals 47-Pradhan Mantri Gramin Yojana 01-Elementary Education (Plan)	(O) 54.70	318.29	372.99	348.35	-24.64
		4202-Capital Outlay on Education Sports, Art and Culture 01-General Education 202-Secondary Education 41-Human Development 18-Government Secondary School (Plan)	(O) 25.95 (S) 13.58	1.17	40.70	10.95	-29.75
		201-Elementary Education 42-Government Primary Schools 02-Primary Education (from class I to V) (Plan)	(O) 25.00	10.00	35.00	62.50	27.50
18.	41-Education (Social) Department	2202-General Education 04-Adult Education 200-Other Adult Education Programme 33-Welfare Programme 09-General (Non-Plan)	(O) 2120.87 (S) 127.59	-35.53	2212.93	2058.46	-154.47
		2235-Social Security and Welfare 102-Child Welfare 33-Welfare Programme 15-ICDS (CSS)	(O) 1372.06 (S) 36.93	0.67	1409.66	1128.89	-280.77

## APPENDIX – VIII (contd.)

(Reference : Paragraph 2.5)

## 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 (+)
		03-National Social Assistance Programme 101-National Old Age Pension Scheme 33-Welfare Programme 25-National Old Age Pension (Divisible Pool) (Plan)	(O) 772.35	-40.29	732.06	673.75	-58.31
		2236-Nutrition 02-Distribution of Nutritious Food and Beverages 101-Special Nutrition Programme 69-NPAG 01-NPAG (Plan)	(S) 65.98	42.70	108.68	-	-108.68
		2235-Social Security and Welfare 02-Social Welfare 001-Direction and Administration 33-Welfare Programme 09-General (Plan)	(O) 240.45	1.50	241.95	338.08	96.13
19.	42-Education and (Sports and Youth Programme) Department	2204-Sports and Youth Programme 101- Physical Education 41-Human Development 10-Development of Infrastructure Games and Sports (Non-Plan)	(O) 1169.50	-2.98	1166.52	1141.90	-24.62
		4202-Capital Outlay on Education Sports, Art and culture 800-Other Expenditure 48-Border Area Development Plan 01-BADP (CSS)	(O) 152.29	-52.29	100.00	-	-100.00
20.	43-Finance Department	2052-Secretariat General Services 090-Secretariat General Services 05-Establishment 26-Finance Commission (Non-Plan)	(O) 31.50 (S) 6.20	1.10	38.80	10.28	-28.52



APPENDIX – VIII (contd.)

(Reference : Paragraph 2.5)

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 (+)
		2071-Pension and Other Retirement Benefits 01-Civil 102-Commuted Value of Pension 02-Pension 01-General Pension (Non-Plan)	(O) 3050.00	72.75	3122.75	258.51	-2864.24
		01-Civil 104-Gratuities 02-Pension 01-General Pension (Non-Plan)	(O) 4688.00	10.24	4698.24	1836.72	-2861.52
		01-Civil 105-Family Pension 02-Pension 01-General Pension (Non-Plan)	(O) 6600.00 (S) 137.80	169.96	6907.76	538.90	-6368.86
		2071-Pension and Other Retirement Benefit 01-Civil 101-Superannuation and Other Retirement Allowances 02-Pension 01-General Pension (Non-Plan)	(O) 11600.00	-253.45	11346.55	17547.97	6201.42
		2049-Interest Payment 03-Interest on Small Saving PF etc. 58-Debt Service 05-GPF (Non-Plan)	(O) 10135.98	1473.90	8662.08	7946.59	-715.49
		2049-Interest Payment 04-Interest on Loans and Advances from Central Government 104-Interest on loans for Non-Plan Scheme 58-Debt Services 13-Non-Plan Scheme (Non-Plan)	(O) 3320.20	-742.00	2578.20	2475.51	-102.69
		01-Interest on Internal Debt 101-Interest on Market Loans 58-Debt Service 10-Market Loans (Non-Plan)	(O) 5600.00	128.00	5728.00	6460.43	(+) 732.43

## APPENDIX – VIII (contd.)

(Reference : Paragraph 2.5)

## 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 (+)
		01-Interest on Internal Debt 122-Interest on Investment in Central Government Securities issued against net collection of Small Savings 58-Debt Services 17-Small Savings Collection (Non-Plan)	(O) 4324.12	-46.17	4277.95	4895.09	617.14
		01-Interest on Internal Debt 305-Management of Debt 09-Management of Debt (Non-Plan)	(O) 22.00	-22.00	-	27.83	27.83
		04-Interest on Loans and Advance from Central Government 101-Interest on Loans for State / Union Territory Plan Scheme 58-Debt Services 19-State Plan Scheme (Non-Plan)	(O) 5755.10	392.48	6147.58	6085.93	-61.65
		7610-Loans to Government Servant etc. 202-Advance for Purchase of MC. 99-Others 57-State Government (Non-Plan)	(O) 75.00	-5.00	70.00	30.55	-39.45
		204-Advances for Purchase of Computer 99-Others 51-State Government (Non-Plan)	(O) 200.00	-53.00	147.00	119.23	-27.77
		201-House Building Advance 99-Others 51-State Government (Non-Plan)	(O) 560.00	-28.00	588.00	345.16	-242.84
		201-House Building Advance 99-Others 51-AIS (Non-Plan)	(O) 60.00	5.00	65.00	-	-65.00
		201-House Building Advance 99-Others 53-Advance to Member of TLA (Non-Plan)	(O) 150.00	-100.50	49.50	-	-49.50
		6004-Loans and Advance from Central Government 01-Non-Plan Loans 102-Share of Small Savings Collection 58-Debt Services 17-Small Savings Collection (Non-Plan)	(O) 1125.40	298.17	827.23	16279.11	15451.88

APPENDIX – VIII (contd.)

(Reference : Paragraph 2.5)

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 (+)
		6004-Loans and Advances from Central Government 02- Loans for State / Union Territory Plan Scheme 101-Block Loans 58-Debt Services 19-State Plan Scheme (Non-Plan)	(O) 2062.30	57.25	2119.55	3848.63	1729.08
21.	51 Public Works (PHE) Department	2215-Water Supply and Sanitation 01-Water Supply 011-Direction and Administration 28-Public Health 06-Execution (Non-Plan)	(O) 367.84	40.86	408.70	381.32	-27.38
		44-Additional Central Assistance 01-Additional Central Assistance (Plan)	(S) 450.73	121.27	572.00	-	-572.00
22.	52-Family Welfare and Preventive Medicine	2210-Medical and Public Health 01-Urban Health Service – Allopathy 200-Other Health Services 47-PMGY 06-Primary Health (Non-Plan)	(O) 1491.21	-7.87	1483.34	1406.45	-76.89
		2211-Family Welfare 101-Rural Family Welfare Services 19-Family Welfare 06-Rural Family Welfare (CSS)	(O) 1036.00	-1000.00	36.00	61.41	25.41
		2210-Medical and Public Health 03-Rural Health Services – Allopathy 103-Primary Health Centres 47-PMGY 06-Primary Health (Plan)	(S) 59.26	4.04	63.30	118.31	55.01

## APPENDIX – VIII (concl.)

(Reference : Paragraph 2.5)

## 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 (+)
		06-Public Health 001-Direction and Administration 98-Administration 52-Family Welfare (Non-Plan)	(O) 439.41	838.79	1278.20	1234.83	-43.37
		4210-Capital Outlay on Medical and Public Health 01-Urban Health Services 200-Other Health Schemes 15-Health Services 11-National Programme for Control of Blindness (CSS)	(O) 233.75	-182.75	51.00	-	-51.00
		04-Public Health 101-Prevention and Control of Diseases 15-Health Services 07-National Anti Malaria Programme (CSS)	(O) 300.50 (S) 764.34	135.16	1200.00	120.00	-1080.00



APPENDIX – IX  
(Reference : Paragraph 2.6)

Expenditure incurred without budget provision

Sl. No.	Number and name of grant/appropriation	Head of account	Amount paid (Rupees in lakh)
1.	6-Revenue Department (Capital-Voted)	4070-Capital Outlay on other Administrative Service 800-Other Expenditure 99-Others 07-Computerisation of land records (CSS)	11.26
2.	19-Tribal Welfare Department	4711-Capital Outlay on Flood Control Projects 01-Flood Control 800-Other Expenditure 44-Additional Central Assistance 01-ACA (Plan)	94.76
3.	20-Welfare of Scheduled Castes Department	4225-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and other backward classes 01-Welfare of Scheduled Castes 277-Education 33-Welfare Programme 05-Central Assistance for Girls Hostel for Scheduled Castes (Plan)	4.35
4.	28-Horticulture Department	4552-Capital Outlay on North Eastern Area 800-Other expenditure 57-North Eastern Area Development 32-Development of Mushroom cultivation in Tripura (Plan)	5.41
		33-Expansion of Turmeric Cultivation in Tripura (Plan)	4.15
5.	43-Finance Department (Capital-Charged)	6003-Internal Debt of the State Government 110-Ways and Means advance 58-Debt Services 20-Ways and Means Advances (Non-Plan)	6280.00
		2049-Interest Payment 01-Interest on Internal Debt 200-Interest on other Internal Debt 58-Debt Service 43-Power Bond(Non-Plan)	815.52
<b>Total</b>			<b>7215.45</b>

**APPENDIX - X**  
(Reference : Paragraph 2.7)

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
<b>Revenue Section - Voted</b>					
1.	3-GA (Secretariat Administration) Department	1523.22	1404.71	118.51	118.51
2.	5-Law Department	1193.00	1039.16	153.84	146.79
3.	6-Revenue Department	4116.27	3522.86	593.41	593.41
4.	9-Statistical Department	216.61	194.47	22.14	20.41
5.	10-Home (Police) Department	23071.34	22229.81	841.53	841.53
6.	14-Power Department	15952.79	13558.66	2394.13	2394.13
7.	15-Public Works (Water Resource) Department	4894.39	4461.36	433.03	293.48
8.	16-Health Department	3622.63	3279.26	343.37	343.37
9.	17-Information, Cultural Affairs and Tourism Department	987.63	976.65	10.98	10.98
10.	19-Tribal Welfare Department	13057.27	11301.53	1755.74	1389.25
11.	20-Welfare of Schedule Castes Department	4784.05	4030.25	753.80	584.31
12.	21-Food and Civil Supplies Department	832.88	768.57	64.31	62.31
13.	22-Relief and Rehabilitation Department	1030.78	892.23	138.55	136.97
14.	24-Industries and Commerce Department	1686.98	1579.70	107.28	107.28
15.	25-Industries (Handloom, Handicrafts and Sericulture) Department	885.71	723.41	162.30	149.95
16.	26-Fisheries Department	1068.28	1035.24	33.04	15.61
17.	27-Agriculture Department	4218.64	3992.41	226.23	180.22
18.	29-Animal Resources Development Department	2143.41	2070.06	73.35	73.35
19.	30-Forest Department	3034.29	2400.57	633.72	397.97
20.	31-Rural Development Department	6688.71	6366.92	321.79	220.55
21.	32-TRP and PGP Department	514.62	371.94	142.68	97.53
22.	33-Science, Technology and Environment	98.56	86.72	11.84	11.83
23.	35-Urban Development Department	1644.15	1318.64	325.51	325.51
24.	37-Labour Organisation	294.67	210.84	83.83	79.15
25.	38-GA (Printing and Stationery) Department	474.76	412.97	61.79	17.28
26.	40-Education (School) Department	41010.75	38527.03	2483.72	1878.67
27.	41-Education (Social) Department	6406.23	5748.72	657.51	657.51
28.	42-Education (Sports and Youth Programme)	1308.88	1255.65	53.23	38.30
29.	43-Finance Department	26170.00	20207.05	5962.95	5950.70
30.	45-Taxes and Excise Department	276.07	249.37	26.70	26.70
31.	46-Treasuries	232.90	174.10	58.80	48.53
32.	49-Fires Service Organisation	1017.48	990.84	26.64	23.26
33.	51-Public Works (PHE) Department	2111.04	847.99	1263.05	1239.80

APPENDIX – X (concl.d.)  
(Reference : Paragraph 2.7)

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
34.	52-Family Welfare and Preventive Medicine	6149.09	4498.45	1650.64	269.12
35.	53-Tribal Welfare (Research)	44.02	27.07	16.95	16.88
<b>Revenue Section - Charged</b>					
36.	13-Public Works (Roads and Bridges) Department	3505.00	3078.25	426.75	426.75
<b>Capital Section - Voted</b>					
37.	6-Revenue Department	978.69	275.74	702.95	702.95
38.	10-Home (Police) Department	4105.54	1954.03	2151.51	2151.51
39.	11-Transport Department	1534.25	1269.25	265.00	265.00
40.	14-Power Department	11927.23	5787.41	6139.82	3696.12
41.	15-Public Works (Water Resources) Department	2732.96	1806.43	926.53	926.53
42.	16-Health Department	1753.91	241.42	1512.49	1382.49
43.	19-Tribal Welfare Department	6904.92	4688.09	2216.83	1981.89
44.	20-Welfare of Schedule Caste Department	3054.65	1626.85	1427.80	983.59
45.	24-Industries and Commerce Department	1895.00	1219.88	675.12	24.15
46.	26-Fisheries Department	74.95	33.77	41.18	14.35
47.	27-Agriculture Department	2350.04	1034.01	1316.03	1316.03
48.	28-Horticulture Department	694.29	401.34	292.95	266.30
49.	29-Animal Resources Development Department	770.56	251.16	519.40	519.40
50.	30-Forest Department	1265.21	239.76	1025.45	1025.45
51.	31-Rural Development Department	7244.95	1147.13	6097.82	6097.82
52.	36-Jail Department	1007.16	488.56	518.60	516.80
53.	39-Education (Higher) Department	1209.67	347.63	862.04	859.84
54.	41-Education (Social) Department	800.00	788.22	11.78	11.78
55.	42-Education (Sports and Youth Programme) Department	166.29	9.49	156.80	104.51
56.	43-Finance Department	17803.96	652.15	17151.81	461.31
57.	45-Taxes and Excise Department	15.00	2.51	12.49	12.49
58.	49-Fires Service Organisation	39.94	8.08	31.86	31.86
59.	51-Public Works (PHE) Department	6857.14	5355.03	1502.11	1502.11
60.	52-Family Welfare and Preventive Medicine	1591.17	300.64	1290.53	1290.53
<b>Grand Total:</b>		<b>263044.58</b>	<b>193762.04</b>	<b>69282.54</b>	<b>45332.71</b>

**APPENDIX – XI**  
(Reference : Paragraph 2.8)

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
	<b>Revenue - Voted</b>			
1.	8-Appointment and Service Department	2.99	6.38	3.39
2.	13-Public Works (Roads and Bridge) Department	1272.28	1481.80	209.52
3.	28-Horticulture Department	Nil	7.68	7.68
4.	36-Jail Department	Nil	2.32	2.32
	<b>Revenue – Charged</b>			
5.	43-Finance Department	365.84	1731.11	1365.27
	<b>Capital – Voted</b>			
6.	40-Education (School) Department	1736.01	2139.95	403.94
	<b>Capital – Charged</b>			
7.	43-Finance Department	Nil	1.92	1.92
	<b>Total</b>	<b>3377.12</b>	<b>5371.16</b>	<b>1994.04</b>



APPENDIX – XII  
(Reference : Paragraph 2.11)

Statement showing rush of expenditure in the month of March 2004

(Rupees in lakh)

Sl. No.	Number and name of grant/appropriation	Total provision	Total expenditure	Expenditure during March 2004	Percentage of expenditure during March to	
					Total provision	Total expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	13-PW (Roads and Bridges)	30805.12	27216.30	7146.02	23	26
2.	15-PW (WR)	7665.35	6296.84	1649.56	22	26
3.	18-GA(Political)	62.58	55.44	12.66	20	23
4.	19-Tribal Welfare	19962.19	15989.62	4535.40	23	28
5.	20-Welfare of Scheduled Castes	7838.70	5657.03	1624.90	21	29
6.	22-Relief and Rehabilitation	1030.78	892.23	260.28	25	29
7.	28-Horticulture	1776.53	1486.40	432.38	24	29
8.	30-Forest	4299.50	2640.33	531.81	13	20
9.	33-Science, Technology and Environment	120.50	108.66	33.70	28	31
10.	34-Planning and Coordination	10525.91	422.71	128.73	1	30
11.	41-Education (Social)	7206.23	6536.94	1702.77	24	26
12.	55-Employment	153.64	150.49	35.65	23	24

**APPENDIX - XIII**  
(Reference to paragraph 3.2.13)

**Statement showing details of machinery and equipment remained non-functional**

Sl. No.	Name of health institution	Name of the machine/equipment	Year of purchase	Value (Rs. in lakh)	Date from which remained non-functional	Reason
1.	GBP Hospital, Agartala	Mobile C-Arm with Image Intensifier	1997	20.96	August 2002 to date	For want of consumables valued Rs. 8 lakh
2.	GBP Hospital, Agartala	Blood Gas Analyser	1998	11.00	April 2001 to date	For want of reagent and trained manpower
3.	GBP Hospital, Agartala	Ultrasonography machine (2 Nos)	1997	9.46	NA	Awaiting repair
4.	GBP Hospital, Agartala	60 MA Mobile X-ray machine (2 Nos)	1997	3.96	NA	Awaiting repair
5.	GBP Hospital, Agartala	Spectro photometer	1997	0.87	2001 to date	Awaiting repair
6.	GBP Hospital, Agartala	Auto-Analyser	1997	8.98	August 1999 to date	Non-availability of fund
7.	GBP Hospital, Agartala	Haemodialysis Machine	1997	8.95	September 2001 to date	Awaiting repair
8.	Sub-Divisional Hospital, Amarpur	15-MA Portable X-ray machine	NA*	NA	July 2002 to date	Awaiting repair
9.	Sub-Divisional Hospital, Amarpur	ECG machine	1999	0.20	June 2000 to date	Awaiting repair
10.	Sub-Divisional Hospital, Kamalpur	ECG machine	1996	0.20	April 1996 to date	Awaiting repair
11.	Sub-Divisional Hospital, Sabroom	Ultrasonography machine	1998	5.80	December 2002 to date	Awaiting repair
12.	Sub-Divisional Hospital, Chailengta	Ultrasonography machine	2002	5.80	Since installation in 2002	Air condition system not provided
13.	Sub-Divisional Hospital, Chailengta	X-ray machine	2002	3.20	Since installation in 2002	For want of radiographer
14.	Community Health Centre, Teliamura	ECG machine	2000	0.20	Since installation in 2000	Awaiting repair
15.	Community Health Centre, Nutan Bazar	X-ray machine	2001	3.33	Since installation in 2001	For want of radiographer
16.	Community Health Centre, Manu Bazar	X-ray machine	2001	3.33	Since installation in 2001	For want of radiographer
<b>Total:</b>				<b>86.24</b>		

\*Received from Udaipur Hospital and installed on 07-10-1999.

APPENDIX - XIV

(Reference to Paragraph – 3.3.7)

Statement showing irregular and inadmissible payment of subsidy

I. Central Capital Subsidy				
Sl. No.	Name and address of the closed SSI unit (A)	Period of claim (B)	Year of disbursement	Amount disbursed (Rs.)
(1)	(2)	(3)	(4)	(5)
A.	M/s Loknath Rubber Industries, Udiapur	1999-2000	2000-01	1,59,058
<b>Total:</b>				<b>1,59,058 (a)</b>
B. Capital Investment subsidy under Tripura Incentive Scheme				
1.	M/s Dipali Plastic Industries, Agartala	1997-1999	2000-01	26,576
2.	M/s Ghosh Zerox Centre, Khayerpur, Agartala	1999-2000	2000-01	85,052
3.	M/s Loknath Rubber Industries, Udiapur	1999-2000	2000-01	2,12,078
4.	M/s Kumarghat Spun Pipe Industries, Kumarghat, North Tripura	1998-99	2002-03	3,88,140
<b>Total:</b>				<b>7,11,846 (b)</b>
C. Sale Tax Re-imbusement (State package)				
1.	M/s Kumarghat Spun Pipe Industries, Kumarghat, North Tripura	1) Upto 30.6.02	2002-03	5,88,000
		2) 01.7.2002 to 30.9.2002	-do-	1,79,755
		3) 01.10.2002 to 31.03.2003	-do-	5,30,644
		4) 01.04.2003 to 30.06.2003	-do-	4,38,331
<b>Total:</b>				<b>17,36,730 (c)</b>

## APPENDIX – XIV (concl'd.)

(Reference to Paragraph – 3.3.7)

Statement showing irregular and inadmissible payment of subsidy

(1)	(2)	(3)	(4)	(5)
<b>D.</b>	<b>Central Transport Subsidy</b>			
1.	M/s Sri Ram Rubber Products, A.D. Nagar, Agartala	20.12.1996 to 31.03.1998	1999-2000	20,964
2.	M/s Sri Ram Food Products, N.S. Road, Agartala	01.04.1997 to 31.03.1998	-do-	1,02,305
3.	M/s K.D. Industries, Lankamura / Abhoynagar, Agartala	1) 01.04.1997 to 31.03.1998	-do-	3,50,588
		2) 01.04.1999 to 31.03.2000	2001-02	3,25,615
4.	M/s S.K. Enterprise, Ujan Abhoynagar, Agartala	01.06.1995 to 01.01.1996	1999-2000	556
5.	M/s Narayan Stone Crusher, Nutannagar, Agartala	01.04.1996 to 31.03.1997	2000-01	16,38,108
		01.10.1997 to 31.12.1997	-do-	8,85,129
		01.01.1998 to 31.03.1998	-do-	15,65,566
		01.04.1998 to 05.11.1998	-do-	22,75,527
6.	M/s Dipali Plastic Industries, N.S. Road, Agartala	01.04.1998 to 31.03.1999	2001-02	8282
		01.04.1999 to 31.03.2000	-do-	19,464
		01.04.2000 to 31.03.2001	2002-03	49,429
		01.04.2001 to 31.03.2002	2003-04	13,453
7.	M/s Kumarghat Spun Pipe Industries, Kumarghat, North Tripura	1) 01.04.1999 to 31.03.2000	2001-02	30,205
		2) 01.04.2000 to 31.03.2001	2002-03	84,933
<b>Total:</b>				<b>73,70,124 (d)</b>
<b>Grand Total</b>			<b>(a + b+ c+ d)</b>	<b>99,77,758</b> <b>say Rs. 1 crore</b>



APPENDIX – XV

(Reference: Paragraphs 6.1.4, 6.1.5 and 6.1.6)

Statement showing particulars of paid up capital, equity/loans received out of budget, other loans and loan outstanding etc. as on 31 March 2004 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 2003-04					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	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>A. Working Government companies</b>													
<b>AGRICULTURE</b>													
1.	Tripura Horticulture Corporation Ltd. (THCL)	143.60	-	-	-	143.60	3.35	-	-	-	-	-	-
	<b>Total: AGRICULTURE</b>	<b>143.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143.60</b>	<b>3.35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FOREST</b>													
2.	Tripura Forest Development and Plantation Corporation Ltd. (TFDPCL)	890.44	29.50	-	-	919.94	-	-	-	-	-	-	-
	<b>Total: FOREST</b>	<b>890.44</b>	<b>29.50</b>	<b>-</b>	<b>-</b>	<b>919.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INDUSTRIES</b>													
3.	Tripura Small Industries Corporation Ltd. (TSICL)	1980.81	-	-	-	1980.81	-	-	-	16.10	-	16.10	0.01 (0.03)
4.	Tripura Industrial Development Corporation Ltd.(TIDCL)	1009.00	-	-	163.50	1172.50	46.60	-	-	-	40.76	40.76	0.03 (0.11)
5.	Tripura Handlooms and Handicraft Development Corporation Ltd. (THHDCL)	1479.82	77.78	-	4.00	1561.60	-	-	-	258.24	316.86	575.10	0.37 (0.40)
6.	Tripura Jute Mills Ltd. (TJML)	7936.51	-	-	-	7936.51	690.00	-	-	109.45	-	109.45	0.01 (0.02)
7.	Tripura Tea Development Corporation Ltd. (TTDCL)	1106.50	-	-	-	1106.50	171.00	-	-	-	-	-	-
	<b>Total: INDUSTRIES</b>	<b>13512.64</b>	<b>77.78</b>	<b>-</b>	<b>167.50</b>	<b>13757.92</b>	<b>907.60</b>	<b>-</b>	<b>-</b>	<b>383.79</b>	<b>357.62</b>	<b>741.41</b>	<b>0.05 (0.07)</b>
<b>PRIMITIVE GROUP PROGRAMME</b>													
8.	Tripura Rehabilitation Plantation Corporation Ltd. (TRPCL)	457.73	-	-	-	457.73	-	-	-	-	231.68	231.68	0.51 (0.71)
	<b>Total: Primitive Group Programme</b>	<b>457.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>457.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>231.68</b>	<b>231.68</b>	<b>0.51 (0.71)</b>
	<b>Total(A): (Government companies)</b>	<b>15004.41</b>	<b>107.28</b>	<b>-</b>	<b>167.50</b>	<b>15279.19</b>	<b>910.95</b>	<b>-</b>	<b>-</b>	<b>383.79</b>	<b>589.30</b>	<b>973.09</b>	<b>0.06 (0.10)</b>

## APPENDIX – XV (concl'd.)

(Reference: Paragraphs 6.1.4, 6.1.5 and 6.1.6)

Statement showing particulars of paid up capital, equity/loans received out of budget, other loans and loan outstanding etc. as on 31 March 2004  
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 2003-04					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	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>B. Working Statutory corporation</b>													
<b>TRANSPORT</b>													
1.	Tripura Road Transport Corporation (TRTC)	9865.92	363.74	-	-	10229.66	923.67	-	-	25.00	13.46	38.46	NIL (0.001)
	<b>Total(B): Statutory corporation</b>	<b>9865.92</b>	<b>363.74</b>	<b>-</b>	<b>-</b>	<b>10229.66</b>	<b>923.67</b>	<b>-</b>	<b>-</b>	<b>25.00</b>	<b>13.46</b>	<b>38.46</b>	<b>NIL (0.001)</b>
	<b>Grand Total(A+B)</b>	<b>24870.33</b>	<b>471.02</b>	<b>-</b>	<b>167.50</b>	<b>25508.85</b>	<b>1834.62</b>	<b>-</b>	<b>-</b>	<b>408.79</b>	<b>602.76</b>	<b>1011.55</b>	<b>0.04 (0.06)</b>
<b>C. Non-working companies</b>													
<b>FINANCE</b>													
1.	Tripura State Bank Ltd.	4.00	-	-	-	4.00	-	-	-	-	-	-	-
	<b>Total(C)</b>	<b>4.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



APPENDIX – XVI

(Reference: Paragraphs 6.1.7, 6.1.8 and 6.1.13)

Summarised financial result of working Government companies and Statutory corporation for the latest year for which accounts were finalised as of August 2004

(Rupees in lakh)

Sl. No.	Name of the 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 31.3.04) (Rs. in lakh)	Man-power (number of regular employees) (as on 31.3.04)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>A Working Government companies</b>															
<b>AGRICULTURE</b>															
1.	Tripura Horticulture Corporation Ltd.	Agriculture Department	7.4.87	1998-99	2004-05	(-) 12.06	NRC issued	135.00	(-) 26.50	58.26	(-) 3.69	-	5 years	N.A.	26
	<b>Total: Agriculture</b>					<b>(-) 12.06</b>		<b>135.00</b>	<b>(-) 26.50</b>	<b>58.26</b>	<b>(-) 3.69</b>	-		<b>N.A.</b>	<b>26</b>
<b>FOREST</b>															
2.	Tripura Forest Dev. and Plantation Corporation Ltd.	Forest Department	26.3.76	1995-96	2004-05	(+) 139.60	Decrease in profit by Rs. 193.96 lakh	782.94	(-) 351.70	1369.60	139.60	10.19	8 years	1566.08	243
	<b>Total: Forest</b>					<b>139.60</b>		<b>782.94</b>	<b>(-) 351.70</b>	<b>1369.85</b>	<b>139.60</b>	<b>10.19</b>		<b>1566.08</b>	<b>243</b>
<b>INDUSTRY</b>															
3.	Tripura Small Industries Corporation Ltd.	Industries and Commerce Department	30.4.65	1992-93	2003-04	(-) 68.95	NRC issued	400.92	(-) 517.60	247.44	(-) 67.01	-	11 years	874.88	196
4.	Tripura Industrial Development Corporation Ltd.	-do-	28.3.74	1998-99	2004-05	(-) 69.88	Increase in loss by Rs. 7.67 lakh	1005.00	(-) 426.31	2488.44	(-) 4.91	-	5 years	202.71	28
5.	Tripura Handloom and Handicrafts Development Corporation Ltd.	-do-	5.9.74	1991-92	2004-05	(-) 7.69	NRC issued	211.48	(-) 191.85	461.35	122.34	26.52	12 years	358.71	228
6.	Tripura Tea Development Corporation Ltd.	-do-	11.08.80	1995-96	2004-05	(-) 48.14	Increase in loss by Rs. 142.81 lakh	337.50	(-) 83.94	566.59	(-) 48.14	-	8 years	NA	686
7.	Tripura Jute Mills Ltd.	-do-	10.10.74	1994-95	2004-05	(-) 650.27	Increase in loss by Rs. 197.32 lakh	2488.69	(-) 4945.15	(-) 1799.70	(-) 498.36	-	9 years	400.07	1400
	<b>Total: Industry</b>					<b>(-) 844.93</b>		<b>4443.59</b>	<b>(-) 6164.85</b>	<b>1964.12</b>	<b>(-) 496.08</b>	-		<b>1836.37</b>	<b>2538</b>

## APPENDIX – XVI (concl.)

(Reference: Paragraphs 6.1.7, 6.1.8 and 6.1.13)

Summarised financial result of working Government companies and Statutory corporation for the latest year for which accounts were finalised as of August 2004

(Rupees in lakh)

Sl. No.	Name of the 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 31.3.04) (Rs. in lakh)	Man-power (number of regular employees) (as on 31.3.04)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
<b>PRIMITIVE GROUP PROGRAMME</b>															
8.	Tripura Rehabilitation Plantation Corporation Ltd.	Tribal Welfare Department	3.2.83	2002-03	2004-05	(-) 0.01	NRC issued	457.73	(-) 287.90	778.63	(-) 0.01	-	1 year	491.41	150
	<b>Total: Primitive Group Programme</b>					(-) 0.01		<b>457.73</b>	<b>(-) 287.90</b>	<b>778.63</b>	<b>(-) 0.01</b>	-		<b>491.41</b>	<b>150</b>
	<b>Total of 'A' (Government companies)</b>					<b>(-) 717.40</b>		<b>5819.26</b>	<b>(-) 6830.95</b>	<b>4170.86</b>	<b>(-) 360.18</b>	-		<b>3893.86</b>	<b>2957</b>
<b>B. Working Statutory corporation</b>															
<b>TRANSPORT</b>															
9.	Tripura Road Transport Corporation	Transport Department	23.10.69	2000-01	2003-04	(-) 1341.52	Increase in loss by Rs. 618.38 lakh	7314.04	(-) 10374.19	(-) 2243	(-) 911	-	3 years	NA	756
	<b>Total of 'B' (Statutory corporation)</b>					<b>(-) 1341.52</b>		<b>7314.04</b>	<b>(-) 10374.19</b>	<b>(-) 2243</b>	<b>(-) 911</b>	-		<b>NA</b>	<b>756</b>
	<b>GRAND TOTAL (A+B)</b>					<b>(-) 2058.92</b>		<b>13133.30</b>	<b>(-) 17205.14</b>	<b>1927.86</b>	<b>(-) 1271.18</b>	-		<b>3893.86</b>	<b>3713</b>



**APPENDIX – XVII**  
(Reference: Paragraph 6.1.6)

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 2004

(Figures in column 3 (a) to 5 (d) are in Rupees in crore)

(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
<b>A. WORKING GOVERNMENT COMPANIES</b>															
	Tripura Horticulture Corporation Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Tripura Forest Development and Plantation Corporation Ltd.	0.21	-	-	0.21	-	-	-	-	-	1.32	1.12	-	2.44	-
	Tripura Small Industries Corporation Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Tripura Industrial Development Corporation Ltd.	-	-	-	-	-	-	-	-	-	0.03	0.89	0.17	1.09	Moratorium allowed on all loans
	Tripura Handloom and Handicrafts Development Corporation Ltd.	-	-	-	-	(0.50)	-	-	-	(0.50)	-	-	-	-	-
	Tripura Jute Mills Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Tripura Tea Development Corporation Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Tripura Rehabilitation Plantation Corporation Ltd.	-	-	0.73	0.73	-	-	-	-	-	-	-	-	-	-
	<b>Total of 'A'</b>	<b>0.21</b>	<b>-</b>	<b>0.73</b>	<b>0.94</b>	<b>(0.50)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.50)</b>	<b>1.35</b>	<b>2.01</b>	<b>0.17</b>	<b>3.53</b>	<b>-</b>
<b>B. WORKING STATUTORY CORPORATION</b>															
	Tripura Road Transport Corporation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total of 'B'</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Grand Total (A+B)</b>	<b>0.21</b>	<b>-</b>	<b>0.73</b>	<b>0.94</b>	<b>(0.50)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.50)</b>	<b>1.35</b>	<b>2.01</b>	<b>0.17</b>	<b>3.53</b>	<b>-</b>

## APPENDIX – XVIII

(Reference: Paragraph 6.1.8)

## Statement showing financial position of Statutory corporation

(Rupees in crore)

Particulars		2000-01	2001-02	2002-03
<b>1.</b>	<b>Tripura Road Transport Corporation</b>		<b>(Provisional)</b>	<b>(Provisional)</b>
<b>A.</b>	<b>Liabilities</b>			
	Capital (including capital loan and equity capital)	73.14	83.68	93.06
	Borrowings from Government*	0.25	0.25	0.25
	Borrowings from other sources	0.13	-	0.13
	Funds (excluding depreciation funds)	1.29	1.50	1.26
	Depreciation Reserve	6.50	-	5.00
	Trade dues and others current liabilities (including provision)	36.86	39.97	45.00
	<b>Total of 'A'</b>	<b>118.17</b>	<b>125.40</b>	<b>144.70</b>
<b>B.</b>	<b>Assets</b>			
	Gross Block	10.75	11.00	11.26
	Capital Work-in-progress including cost of chassis	-	-	-
	Investment	-	-	-
	Current Assets, Loans and Advances	3.68	0.40	4.94
	Accumulated losses	103.74	114.00	128.50
	<b>Total of 'B'</b>	<b>118.17</b>	<b>125.40</b>	<b>144.70</b>
<b>C.</b>	<b>Capital Employed†</b>	<b>(-) 22.43</b>	<b>(-) 28.57</b>	<b>(-) 28.80</b>

\* 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 – XIX

(Reference: Paragraph 6.1.8)

Statement showing working results of Statutory corporation  
(Tripura Road Transport Corporation)

(Rupees in crore)

Sl. No.	Particulars	2000-01	2001-02	2002-03
<b>Operating</b>			(Provisional)	(Provisional)
a.	Revenue (Income)	2.93	3.30	3.20
b.	Expenditure	12.42	11.52	12.29
c.	Surplus (+)/Deficit (-)	(-) 9.49	(-) 8.22	(-) 9.09
<b>Non-operating</b>				
a.	Revenue (Income)	0.70	0.50	0.65
b.	Expenditure	0.60	0.40	5.76
c.	Surplus (+)/Deficit (-)	(+) 0.10	0.10	(-) 5.11
<b>Total</b>				
a.	Revenue (Income)	3.63	3.80	3.85
b.	Expenditure	13.02	11.92	18.05
c.	Net profit (+)/Loss (-)	(-) 13.41	(-) 8.12	(-) 14.20
	Interest on Capital and Loans	4.30	4.60	5.55
	Total return on Capital Employed*	(-) 9.11	(-) 3.52	(-) 8.65

\* Total return on capital employed represents net surplus (+)/ deficit (-) plus total interest charged to Profit and Loss Account (less interest capitalized).



**APPENDIX - XX**  
(Reference: Paragraph 6.1.12)

**Statement showing operational performance of Statutory corporation  
(Tripura Road Transport Corporation)**

Sl. No.	Particulars	Bus			Truck		
		2001-02	2002-03 (Provisional)	2003-04 (Provisional)	2001-02	2002-03 (Provisional)	2003-04 (Provisional)
1.	Average No. of vehicles held	84	93	98	22	22	22
2.	Average No. of vehicles on road	47	57	53	12	13	11
3.	Percentage of utilisation of vehicles	55.95	61.29	54	54.55	59.09	50
4.	Number of employees	779	768	739	95	85	79
5.	Employee – vehicle ratio	9.27	8.26	7.54	4.31	3.86	3.59
6.	No. of routes operated at the end of the year	28	28	30	-	-	-
7.	Route Kilometres	3287	3242	3446	-	-	-
8.	Kilometres operated ( in lakh)						
	(a). Gross	24.73	26.46	28.31	2.03	1.76	1.60
	(b). Effective	23.56	25.80	28.02	2.02	1.76	1.59
	(c). Dead	1.17	0.66	0.29	0.01	-	0.01
9.	Percentage of dead kilometres to gross kilometres	4.73	2.49	1.02	0.49	-	0.62
10.	Average kilometres covered per Bus/Truck/day	138	127	146	46	37	40
11.	Operating revenue per kilometre (Paise)	NA	1016	1162	NA	1763	2187
12.	Average expenditure per kilometre (Paise) (Operating)	NA	4283	4178	NA	4949	9375
13.	Profit (+) / Loss (-) per kilometre (Paise)	NA	(-) 3267	(-) 3016	NA	(-) 3186	(-) 7188
14.	No. of operating depots	2	2	2	1	1	1
15.	Average No. of break-downs per lakh kilometers	17	13.37	11.94	0.05	-	Nil
16.	Average No. of accidents	0.16	0.04	0.14	-	-	Nil
17.	Passenger – kilometres operated (in crore)	8.74	9.05	9.22	-	-	-
18.	Occupancy ratio	77.28	75.00	70.10	-	-	-



APPENDIX - XXI

(Reference: Paragraph 6.1.21)

Statement showing the Department-wise Inspection Reports issued up to 31-03-2004  
(outstanding as on 31 August 2004)

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	4	1992-93
2.	Industries & Commerce	2	2	10	1993-94
3.	Transport	1	1	4	-do-
4.	Forest	1	1	2	-do-
5.	Agriculture	1	1	2	-do-
6.	Industries & Commerce	2	2	11	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	10	1995-96
11.	Transport	1	1	10	-do-
12.	Industries & Commerce	2	2	8	1997-98
13.	TRP & PGP	1	2	4	-do-
14.	Industries & Commerce	2	2	6	1998-99
15.	Forest	1	1	5	-do-
16.	TRP & PGP	1	1	2	-do-
17.	Transport	1	1	6	-do-
18.	Industries & Commerce	3	3	19	1999-2000
19.	Agriculture	1	1	4	-do-
20.	TRP & PGP	1	1	1	-do-
21.	Industries & Commerce	2	2	14	2000-01
22.	Forest	1	1	5	-do-
23.	Transport	1	1	4	2001-02
24.	Industries & Commerce	8	8	13	2002-03
25.	Forest	1	1	5	-do-
26.	Agriculture	1	1	6	-do-
27.	TRP & PGP	1	2	3	-do-
28.	Industries & Commerce	7	12	24	2003-04
29.	Forest	1	2	4	-do-
30.	Agriculture	1	1	2	-do-
31.	TRP & PGP	1	1	3	-do-
Total			64	217	

## APPENDIX – XXII

*(Reference: Paragraph 6.1.21)*

Statement showing the Department-wise reviews / draft paragraphs,  
replies to which are awaited

Sl. No.	Name of the department	No. of review	No. of draft paragraphs	Period of issue (Date of issue)
(1)	(2)	(3)	(4)	(5)
1.	Power Department	-	1	June 2004
2.	-do-	-	2	March 2004
3.	Agriculture Department	1	-	June 2004

