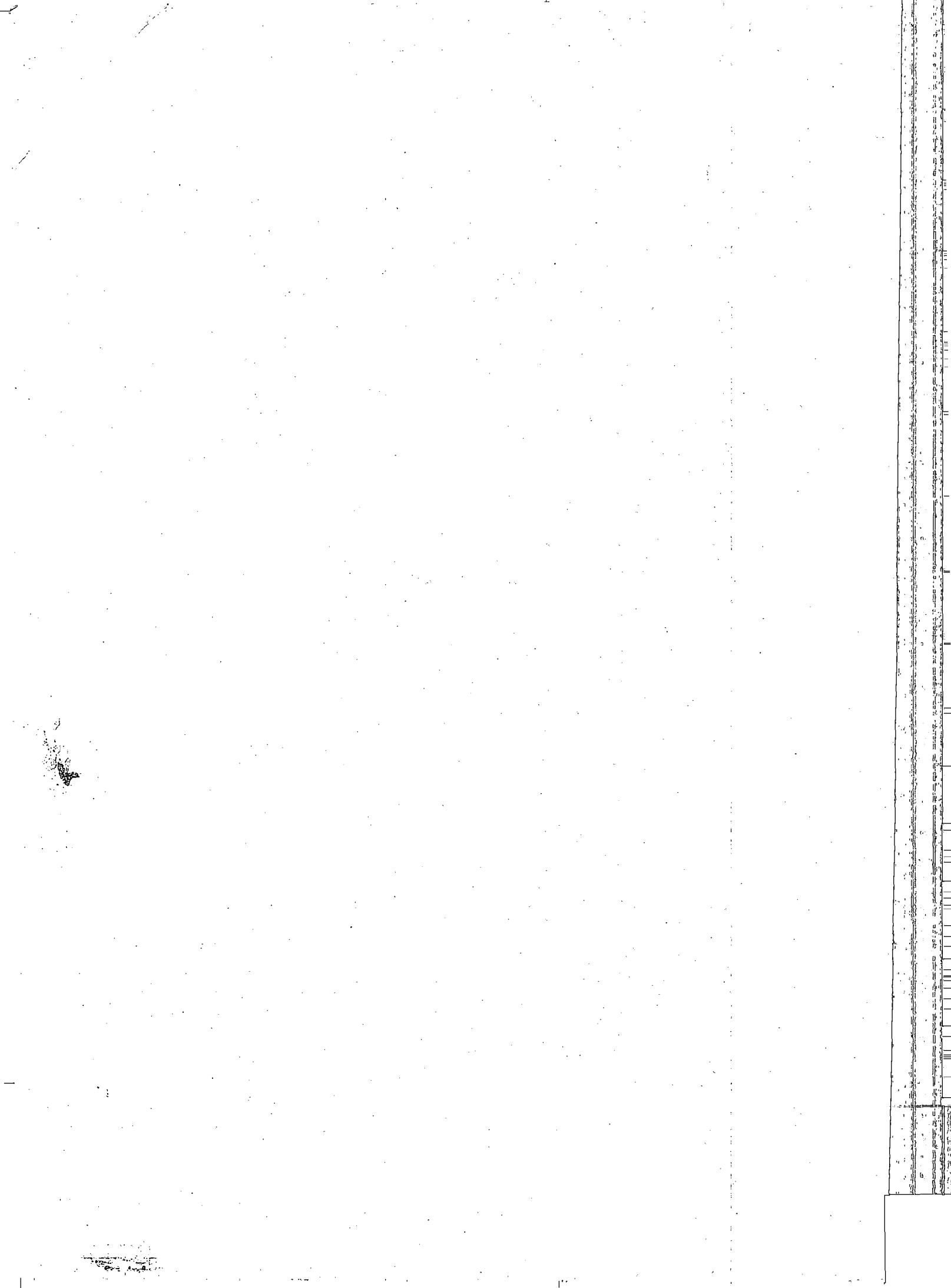


**REPORT OF THE  
COMPTROLLER AND AUDITOR GENERAL  
OF INDIA**

**FOR THE YEAR ENDED  
31 MARCH 2001**

**GOVERNMENT OF ARUNACHAL PRADESH**



# TABLE OF CONTENTS

	<i>Paragraph</i>	<i>Page(s)</i>
<i>Preface</i>		<i>xi</i>
<i>Overview</i>		xv-xxiv

## CHAPTER - I

### AN OVERVIEW OF THE FINANCE OF THE STATE GOVERNMENT

Introduction	1.1	1
Financial position of the State	1.2	1-2
Sources and application of fund	1.3	2-3
Financial operations of the State Government	1.4	3-5
Revenue receipts	1.5	6-7
Revenue expenditure	1.6	7-9
Capital expenditure	1.7	9
Quality of expenditure	1.8	9-10
Financial Management	1.9	10-13
Public debt	1.10	13-14
Indicators of the financial performance	1.11	15-18
Abstract of receipts and disbursements for the year 2000-2001	Exhibit - I	19-20
Financial indicators for Government of Arunachal Pradesh	Exhibit - II	21

## CHAPTER - II

### APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

Appropriation Accounts 2000-01 at a glance		22
Introduction	2.1	23
Summary of Appropriation Accounts	2.2	23
Excess over provision relating to previous years requiring regularisation	2.3	24

	<i>Paragraph</i>	<i>Page(s)</i>
Results of Appropriation Audit	2.4	25-27
Control over expenditure	2.5	28
Rush of expenditure	2.6	28

**CHAPTER - III**  
**CIVIL DEPARTMENTS**  
**SECTION - A - REVIEW**

**HEALTH AND FAMILY WELFARE  
DEPARTMENT**

Prevention and Control of Diseases	3.1	29-48
------------------------------------	-----	-------

**SECTION - B - PARAGRAPHS**

**EDUCATION DEPARTMENT**

Non-Formal Education (NFE)	3.2	49-53
----------------------------	-----	-------

**ENVIRONMENT AND FOREST  
DEPARTMENT**

The Arunachal Pradesh State Pollution Control Board (APSPCB)	3.3	53-56
---	-----	-------

**SOCIAL WELFARE DEPARTMENT**

Arunachal Pradesh State Social Welfare Board (APSSWB)	3.4	56-60
Avoidable extra expenditure	3.5	60-62

**HORTICULTURE DEPARTMENT**

Blocking up of fund	3.6	62-63
---------------------	-----	-------

**RURAL DEVELOPMENT DEPARTMENT**

Administrative expenditure in excess of prescribed limit under IRDP	3.7	63-64
--	-----	-------



	<i>Paragraph</i>	<i>Page(s)</i>
Locking up/diversion of fund on construction of staff quarters in the permanent complex of women and child development training centre at Itanagar	3.8	64-65
Extra expenditure	3.9	65-66

**FISHERIES, SOCIAL WELFARE AND SECRETARIAT ADMINISTRATION DEPARTMENTS**

Failure of senior officials to enforce accountability and protect the interests of government	3.10	66-68
---	------	-------

**FINANCE DEPARTMENT**

Misappropriation, losses etc.	3.11	68-69
-------------------------------	------	-------

**CHAPTER - IV**

**WORKS EXPENDITURE**

**SECTION - A - REVIEW**

**PUBLIC HEALTH ENGINEERING DEPARTMENT**

Drinking Water Supply	4.1	70-94
-----------------------	-----	-------

**SECTION - B - PARAGRAPHS**

**PUBLIC WORKS DEPARTMENT**

Unauthorised utilisation of fund	4.2	95-96
----------------------------------	-----	-------

**PUBLIC HEALTH ENGINEERING DEPARTMENT**

Unfruitful expenditure	4.3	96-97
------------------------	-----	-------

	<i>Paragraph</i>	<i>Page(s)</i>
<b>IRRIGATION AND FLOOD CONTROL DEPARTMENT</b>		
Locking up of fund on a Marboat	4.4	97-98
<b>RURAL WORKS DEPARTMENT</b>		
Wasteful expenditure on an incomplete road work	4.5	98-99
Nugatory expenditure on the construction of a rural link road	4.6	99-100

## CHAPTER - V

### STORES AND STOCK

#### SECTION - B - PARAGRAPH

##### PUBLIC WORKS DEPARTMENT

Injudicious procurement of materials resulted in loss and idle outlay of materials	5.1	101-102
--	-----	---------

## CHAPTER-VI

### REVENUE RECEIPTS

#### GENERAL

Trend of revenue receipts	6.1	103
Tax revenue raised by the State	6.2	104
Non-Tax revenue of the State	6.3	104
Analysis of Actual Revenue receipts of the State	6.4	105-106
Follow up on Audit Report – Summarised position	6.5	106-107
Response of the departments to Draft Paragraphs	6.6	108

## SECTION-B-PARAGRAPHS

ENVIRONMENT AND FOREST  
DEPARTMENT

Loss of revenue	6.7	109
Loss of revenue	6.8	110
Loss of revenue	6.9	111
Loss of revenue	6.10	112
Short realisation of revenue	6.11	113
Short realisation of royalty	6.12	113-114
Short realisation of royalty and monopoly fee	6.13	114

## TRANSPORT DEPARTMENT

Unauthorised use of motor vehicles without payment of tax	6.14	115
---	------	-----

## CHAPTER - VII

FINANCIAL ASSISTANCE TO LOCAL  
BODIES AND OTHERS

General	7.1	116
Utilisation Certificate	7.2	116-117
Audit of financial assistance to local bodies and others	7.3	117-118
Audit under section 20(i)	7.4	118
Audit arrangement by Government	7.5	118-119

## CHAPTER -VIII

GOVERNMENT COMMERCIAL AND  
TRADING ACTIVITIES

Overview of Government Companies and Departmentally managed Commercial undertakings	8.1	120-129
---	-----	---------

SECTION-B-PARAGRAPHS

TRANSPORT DEPARTMENT

Misappropriation 8.2 130-131

SUPPLY DEPARTMENT

Loss due to unauthorised free distribution of rice 8.3 131-132

Shortage of stock/Misappropriation 8.4 132-133

POWER DEPARTMENT

Idle outlay 8.5 133

Unfruitful investment and locking up of funds 8.6 133-134

Unauthorised and unfruitful investment 8.7 135-136

IV - OTHER

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

IV - OTHER

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

	Appendix	Page(s)
Part A. Government Accounts	I(A)	139
Part B. List of indices/ratios and basis for their calculation	I(B)	140
Statement showing the Plan and Non-Plan expenditure under Revenue and Capital during 2000-2001	I(C)	141
Statement showing unnecessary supplementary provision	II	142
Statement showing excessive supplementary grants in cases where ultimate savings in each case exceeded Rs.10 lakh	III	143-144
Statement showing the excess expenditure under the grants	IV	145
Statement showing supplementary provision which proved insufficient by more than Rs.10 lakh leaving an uncovered excess	V	146
Statement showing expenditure which fell short by more than Rs.1 crore and also by more than 10 <i>per cent</i> of the total provision	VI	147
Statement showing the number of cases in which expenditure exceeded the approved provisions by Rs. 25 lakh or more and also by more than 10 <i>per cent</i> of the total provision	VII	148
Statement showing persistent savings in excess of Rs.10 lakh in each case and 10 <i>per cent</i> or more of the provision	VIII	149
Statement showing persistent excess	VIII-A	150
Statement showing excessive/unnecessary re-appropriation of funds	IX	151-154
Statement showing New Service/New Instrument of Service	X	155
Statement showing expenditure met without provision of fund	XI	156
Non-surrender of savings	XII	157
Statement showing the number of cases in which the amount surrendered in excess of actual savings/excess	XIII	158
Statement showing the drawal of amount by AC bills in Arunachal Pradesh	XIV	159-163

	<i>Appendix</i>	<i>Page(s)</i>
Statement showing rush of expenditure during the month of March	XV	164
Statement showing funding position under NTPC, RNTPC, NPCB, NLEP & NACP	XVI	165-166
Statement showing detection of new TB cases by sputum examination	XVII	167
Statement showing the number of TB cases brought under treatment and number of TB cases discharged	XVIII	168
Statement showing cataract operations done at Permanent Hospitals	XIX	169
Statement showing the activities carried out by the three DBCS during 1996-2001	XX	170
Statement showing the target and achievement of case detection/survey, examination etc.	XXI	171
Statement showing details of staff position of State AIDS Control Society	XXII	172
Statement showing details Blood tests could not be conducted by the General Hospital, Pasighat	XXIII	173
Statement showing the details of procurement of consumables, Reagents, Chemicals etc. by the AIDS Society, A.P. and materials issued and quantities actually received by the 3 Hospitals during 1999-2000 to 2000-2001.	XXIV	174
Statement showing fictitious procurement/issue of medicines to STD clinic and hospital- Naharlagun and Tawang (1999-2000)	XXV	175
Statement showing procurement of medicines shown as issued to District TB Officers (DTO) and non receipt of the drugs by DTOs under opportunistic Infections	XXVI	176
Statement showing Testing Certificate of NFE students and for their entry into formal system of education	XXVII	177
Payment of honorarium to instructors at higher rate	XXVIII	178

	<i>Appendix</i>	<i>Page(s)</i>
Statement showing discontinuation of the scheme resulted in non-availing of central assistance	XXIX	179
Statement showing delay in completion of programmes	XXX	180
Statement showing inadmissible expenditure on administrative expenses	XXXI	181
Statement showing department-wise break-up of misappropriation, losses etc., cases as of 30 June 2001	XXXII	182
Statement showing target and achievement	XXXIII	183
Statement showing Time and Cost Overrun	XXXIV	184
Statement showing status of submission of accounts by autonomous bodies and completion of audit as of September 2001	XXXV	185
Statement showing particulars of up to date paid up capital, budgetary outgo, loans given out of budget and loans outstanding as on 31 March 2001 in respect of Government Companies	XXXVI	186-187
Summarised financial results of Government Companies for the latest year for which accounts were finalised	XXXVII	188-189
Statement showing grants/subsidy received, guarantees received and guarantees outstanding at the end of March 2001	XXXVIII	190-191
Statement showing financial position, working results and operational performance of the State Transport service for the year upto 1999-2000	XXXIX	192-193
Statement showing the Department-wise outstanding Inspection Reports (IRs)	XL	194
Statement showing the Department-wise draft paragraphs/reviews reply to which are awaited	XLI	195
Statement showing operational performance of Electricity (Power) Department	XLII	196-197

...the ...  
...the ...  
...the ...

...the ...  
...the ...  
...the ...

...the ...  
...the ...  
...the ...

...the ...  
...the ...  
...the ...

...the ...  
...the ...  
...the ...

...the ...  
...the ...  
...the ...

...the ...  
...the ...  
...the ...

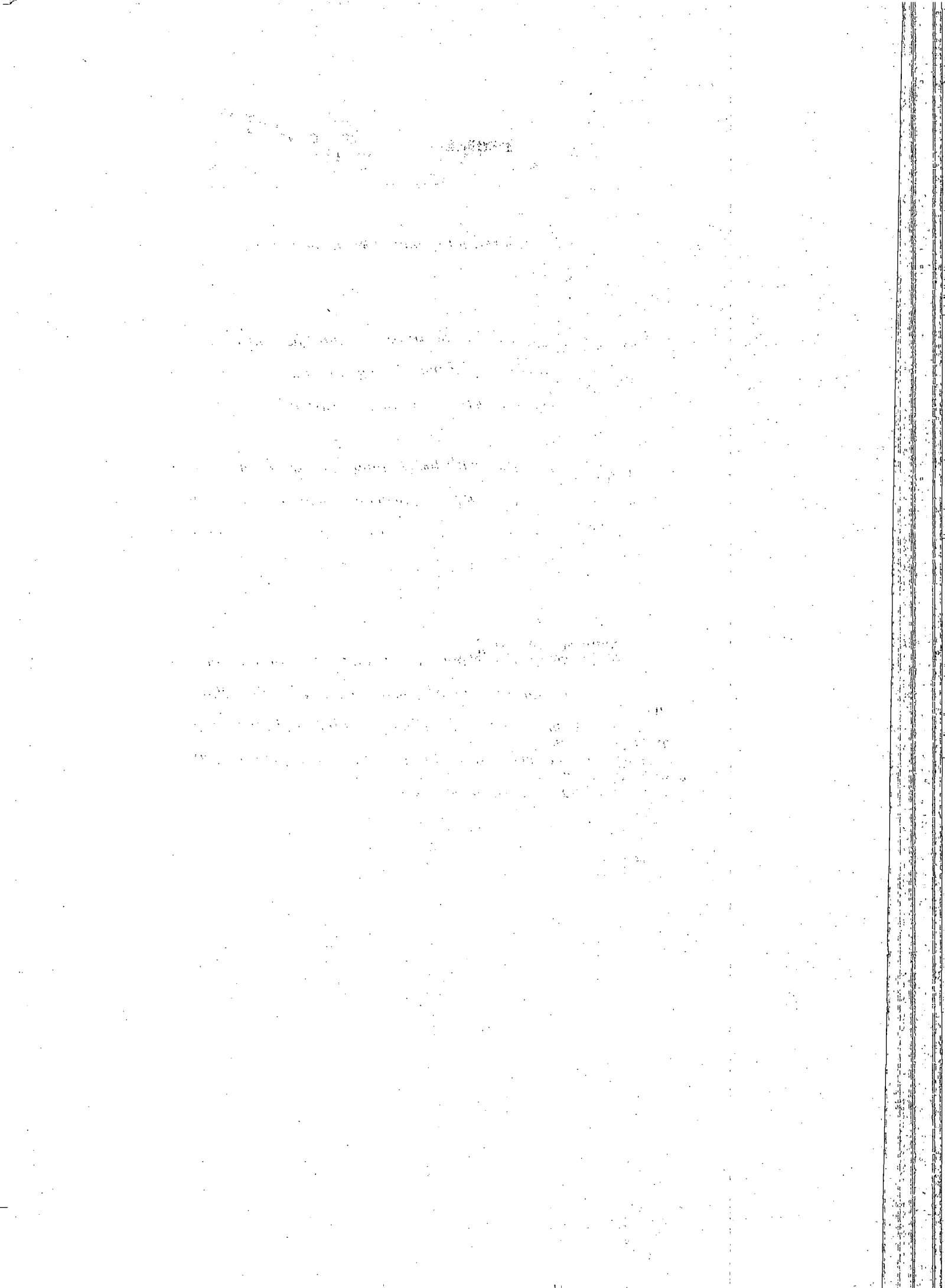
...the ...  
...the ...  
...the ...





## Preface

1. *This Report has been prepared for submission to the Governor under Article 151 of the Constitution.*
2. *Chapters I and II of this report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2001.*
3. *The remaining chapters deal with the findings of performance audit and audit of transactions in the various departments including the Public Works and Irrigation Department, audit of Stores and Stock, Revenue Receipts, audit of Autonomous Bodies and departmentally run commercial undertakings.*
4. *The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 2000 – 2001 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 2000 – 2001 have also been included wherever necessary.*



---

***O V E R V I E W***

---

附錄一：臺灣省各縣人口統計表



## OVERVIEW

This Report includes two chapters on Finance and Appropriation Accounts of Government of Arunachal Pradesh for the year 2000-2001 and six other chapters, comprising 2 reviews and 49 paragraphs, based on the audit of certain selected programmes and activities of the financial transactions of the Government. A synopsis of the important findings contained in this Report is presented in this overview.

### 1 Accounts of the State Government

- The outstanding liabilities of the State increased by **84 per cent** from Rs.515.04 crore in 1996-97 to Rs.945.66 crore in 2000-2001. However very little of the borrowings were available for capital formation after meeting the repayment obligation. Of Rs.275.13 crore received during 2000-2001, only Rs.47.95 crore was available for investment after repayment obligation. During 2000-2001 while the liabilities of the State Government grew by **27.52 per cent**, its assets grew by only **6.66 per cent** mainly as a result of very high growth in the loans from LIC (**100 per cent**) and Suspense and Miscellaneous balances (**100 per cent**), loan from other institutions (*38 per cent*) and deficit in revenue account. The revenue receipts during the year decreased by **4.71 per cent** when compared to 1999-2000. Of the total revenue receipts of Rs.961.41 crore, Rs.877.13 crore constituting **91 per cent** came from State's share of Union taxes and duties and Central grants. There was overall deterioration in the financial condition.
- Revenue expenditure (Rs.979.62 crore) during the year accounted for **79 per cent** of the total expenditure of the State Government and increased by **17 per cent** compared to 1999-2000.
- The share of Non-Plan expenditure to Revenue Expenditure during 2000-2001 was **62 per cent** against **38 per cent** under plan side.
- The accounts of the State showed a revenue deficit (excess of revenue expenditure over revenue receipts) of Rs.18.21 crore during 2000-2001 for the first time out of last 5 years and a fiscal deficit (excess of revenue and capital expenditure over revenue receipts) of Rs.283.60 crore which was mainly covered by net proceeds of the Public Debt (Rs.95.24 crore) and partly by the surplus from Public Account (Rs.180.44 crore). The fiscal deficit has grown by **219.40 per cent** in 2000-2001, when compared to 1999-2000.
- The share of Capital expenditure to total expenditure dropped from **31 per cent** in 1996-1997 to **21 per cent** in 2000-2001.
- Recoveries of loan and advances given by the Government to Companies etc. had not improved and there was increase in amount



advanced resulting increase in closing balance at the end of 2000-2001 by 7.51 **per cent** over the previous year i.e. 1999-2000.

- The payment of interest on borrowings of the Government increased by 127 **per cent** from Rs.53.26 crore in 1996-97 to Rs.120.68 crore in 2000-2001.
- Against investment of Rs.12.71 crore as on 31 March 2001 in various companies/Co-operative societies, negligible dividend was received during 2000-2001.

## II. Indicators of financial position of the state

- Negative balance of current revenue (BCR) in all the five years indicated Government's depending on borrowing for meeting its plan expenditure.
- Ratio of Capital outlay/Capital receipts showed declining trend and was from 3.45 in 1996-1997 to 1.43 in 2000-2001 indicating lesser revenue receipts were being applied for capital formation.
- During 2000-2001, the State had sustained revenue deficit for the first time during the last five years and the ratio was 0.06 during 2000-2001 indicating worsening financial sustainability. The ratio of assets and liabilities decreased from 4.20 in 1996-1997 to 3.16 in 2000-2001 indicating declining solvency of the State.

*(Paragraph 1.1 to 1.12)*

## III. Appropriation Audit and control over expenditure

- Against the total budget provision of Rs.1451.67 crore (including supplementary) actual expenditure was Rs.1285.03 crore and the overall saving of Rs.166.64 crore was the result of saving of Rs.179.91 crore in 91 grants and appropriations offset by excess of Rs.13.27 crore in 12 cases of grants and appropriations. The excess expenditure requires regularisation by the Legislature under Article 205 of the Constitution of India.
- Supplementary provision made during the year constituted 23 **per cent** of original provision as against 15 **per cent** in the previous year. Supplementary provision of Rs.9.89 crore made in 19 cases of grants/appropriations during the year proved unnecessary as the expenditure was less than the original budget provision. Further, against the requirement of Rs.103.78 crore in 39 cases, supplementary grants and appropriations of Rs.223.86 crore were obtained resulting in savings in each case exceeding Rs.10 lakh, aggregating Rs.120.08 crore. Substantial non-utilisation/underutilisation of supplementary provision indicated absence of closer scrutiny of the supplementary estimates proposed by the departments.



- Persistent savings ranging from 15 to 100 **per cent** occurred in 14 cases of grants during the three year period from 1998-1999 to 2000-2001 and in 4 cases, expenditure of Rs.0.78 crore was incurred without any provision in the budget.
- Savings of Rs.95.69 crore in 19 grants/appropriations were not surrendered even partially by the concerned departments. On the other hand as against the savings of Rs.5.74 crore available for surrender in 3 cases, Rs.6.69 crore were actually surrendered resulting in excess surrender of Rs.0.95 crore. In one grant, Rs.0.09 crore was surrendered although the expenditure exceeded the grant by Rs.5.16 crore and no savings were available. These instances were indicative of inadequate budgetary control in the respective departments.
- In respect of 74 Drawing and Disbursing Officers (DDO's), DCC bills for Rs.3.15 crore against 117 AC bills drawn during 1998-2001 remained outstanding which indicate a serious deficiency in control over expenditure

*(Paragraph 2.1 to 2.6)*

#### IV. Audit reviews on Developmental/Welfare programmes and other activities

##### *1. Prevention and control of Diseases*

A review of the implementation of the 4 programmes brought out significant systemic and operational deficiencies. While on one hand, it pointed to the failure of the State Government to utilise Central assistance of Rs.1.44 crore at the end of March 2001, on the other end it showed widespread lacuna in implementation of the programmes viz. non-implementation of Revised Strategy for National Tuberculosis Control Programme (RNTCP), non-establishment of eyebank, unproductive expenditure, blockade of fund and shortfall in achievement of targets fixed for different components of these programmes. Some important findings are given below :

- Against total release of Rs.5.03 crore (RNTCP - Rs.0.27 crore, NPCB - Rs.0.58 crore and NACP - Rs.4.18 crore) by the Government of India, Rs.3.59 crore were utilised during 1996-2001 leaving Rs.1.44 crore (29 **per cent**) unspent.
- Under RNTCP, none of the 4 DTCS could start functioning due to delay in formation of societies.
- Under NTCP in 7 out of 13 districts in the State, no DTC's were established. Even the 6 functional DTC's established were not provided with all the essential equipment.
- Unproductive expenditure of Rs.8.71 lakh due to non-functioning of the State TB Training Demonstration Centre at Naharlagun.



- Nine districts with a population of 5.45 lakh were deprived of the benefit of district mobile eye units (DMUs) due to non-appointment of eye specialists etc. for 4 districts and non-sanctioning of the DMUs for 5 districts.
- Shortfall in achievement in cataract surgery during 1996-2001 varied from 35 to 73 **per cent**.
- No eye bank was established either in the Government sector nor by NGO's.
- Doubtful expenditure of Rs.7.19 lakh on procurement of consumables, reagents etc.

*(Paragraph 3.1)*

## **2. Drinking Water Supply**

### **(a) Rural Water Supply Programme**

There are 4298 rural habitations in the state having 7.62 lakh rural population. Though Rs.88.59 crore were spent on the Rajiv Gandhi National Drinking Water Programme, 385 rural habitations (**9 per cent**) in the state were not yet covered and 995 rural habitations (**23 per cent**) were only partially covered. The objective of supplying safe drinking water to 7.62 lakh rural population of 13 districts of the state were not achieved due to non-construction/non-functioning of 13 water testing laboratories in the state and 3328 habitations were provided with untreated water due to non-installation of filtration plants. People's participation under Human Resource Development Programme was Nil. The programme was poorly monitored.

- Due to failure of the Chief Engineer, PHE to utilise the fund, an amount of Rs.19.05 lakh under ARWSP and Rs.1.13 crore under MNP, remained unutilised at the end of March 2001 and delay in release of Central assistance to implementing agencies by the state government ranged from 1 to 15 months.
- The expenditure on O&M under MNP varied from 18 to 28 per cent during 1997-2001 resulting in excess expenditure of Rs.8.48 crore over the norms and consequential shortfall of Rs.10.02 crore on schemes under MNP.
- Nine Public Health Engineering Division irregularly executed 23 rural water supply schemes at a cost of Rs.1.28 crore during 1998-2001 in habitations which were already fully covered.
- Of 4298 habitations targetted to be covered by 2004 AD, only 2918 habitations were fully covered at the end of March 2001 leaving 1380 habitations (PC : 995; NC : 385) to be fully covered.



- There was time over-run of 10 months to 37 months in 32 water supply schemes and cost over-run of Rs.1.72 crore due to laxity in implementation and monitoring of the programme. The excess expenditure on schemes were irregularly met out of ARWSP funds.
- No water testing laboratories were established in rural areas though an expenditure of Rs.0.35 crore was incurred. As a result, quality problems were not effectively handled by the state government.

**(b) Accelerated Urban Water Supply Programme**

Accelerated Urban Water Supply Programme (AUWSP) failed to achieve the end objective of providing safe and adequate drinking water facility to the entire population of the towns with a population of less than 20000 as the two schemes (i) Naharlagun water supply scheme and (ii) Itanagar water supply scheme (Phase – I) selected by the SLC and approved by the GOI in March 1997 does not bring about the desired objective due to the fact that the Naharlagun Water Supply Scheme was kept in abeyance (February 1999) by the GOI as the Government of Arunachal Pradesh had kept the GOI in the dark about the problem faced by the department from 1994 while implementing the ongoing WSS of Naharlagun, approved in July 1989 which is not complete till March 2001 while the other scheme i.e. Itanagar Water Supply Scheme (Phase – I) was not eligible for inclusion under AUWSP as the population of the Itanagar township was 53,000 as per 1991 census and the scheme has not yet been completed. Some important findings are given below:-

- Between November 1992 and January 1997, the Chief Engineer, PHE incurred wasteful expenditure of Rs.5.87 crore on “Augmentation of water supply scheme of Naharlagun/Nirjuli”.
- Itanagar water supply scheme was not eligible for inclusion under AUWSP and the expenditure of Rs.10.42 crore incurred on it was irregular and unauthorised.
- Extra expenditure of Rs.1.23 crore was incurred on excess utilisation of 200 mm ERWMS pipe on Itanagar water supply scheme due to defective estimate of the work

*(Paragraph 4.1)*

**V. Other topics :**

**Civil Departments**

**(a) Non-Formal Education**

- The objective of the scheme to provide elementary education to the children who remained outside the formal system of education and to bring them in mainstream of education was not achieved due to partial



implementation of the scheme for just 10 months only (excluding vacation) during 1998-2000 in one project of 69 centres spread over 3 districts (Papumpare, Lower Subansiri and Upper Subansiri) covering a population of 2.53 lakh (29.28 **per cent** of total population of the State of 8.64 lakh as per 1991 census) at a cost of Rs.7.46 lakh. The remaining population of 6.11 lakh (70.72 **per cent**) in 10 districts were not brought under the purview of the programme for reasons not on record. The programme was discontinued from April 2000 by the State Education Department. Further, there was shortfall in opening of 31 centres (Primary – 25, Upper Primary – 6) against the 100 targetted centres though the DDSE-SRC, Naharlagun reported (June 2000) **per cent** opening of centres to GOI. Besides against the actual enrolment of 905 students (Boys 523, Girls 382) averaging 13 children **per centre** against a norm of 20-25, the State reported the enrolment of students to GOI as 2714 (Boys – 996, Girls 883). The reason for shortfall in opening of 31 centres in Upper Subansiri District and inflated report sent to GOI had not been furnished (March 2001). Only 378 (41.77 **per cent**) out of 905 students qualified for coming over to the Upper Primary level (262 students) and 116 students (12.81 **per cent**) to the main stream of formal education. 527 students (58.23 **per cent**) did not appear at the examination and no reasons were on record.

(Paragraph 3.2)

(b) **The Arunachal Pradesh State Pollution Control Board (APSPCB)**

- The para highlights certain major shortcomings in the implementation of the environmental Acts and Rules relating to Air Pollution and Waste Management which include non-functioning of the Arunachal Pradesh State Pollution Control Board (APSPCB) since its creation in July 1993 due to non-construction of its permanent office building, non-recruitment of staff, non-establishment of a C grade laboratory and non-establishment of two air quality monitoring stations at Itanagar. The equipments purchased for two air quality monitoring stations (Rs.0.87 lakh) during April to August 1996 were lying unutilised till date (May 2001). Of the Boards total receipts of Rs.16.45 lakh during 1991-2001 it has incurred an expenditure of Rs.1.95 lakh during 1996-2001 leaving unutilised balance of Rs.14.50 lakh locked up. The Board had however not prepared its Annual Accounts since its creation in 1993-1994. The APSPCB had not taken any action despite its existence for over eight years to ensure compliance with any of the Acts or Rules and did not discharge its specified activities and functions. The Board exists, but only in name.

(Paragraph 3.3)

(c) **Arunachal Pradesh State Social Welfare Board (APSSWB)**

Some important findings are given below

- The State Board unauthorisedly diverted Rs.16.97 lakh temporarily for a period ranging from 2 to 11 months on twenty occasions from 3



Programme fund without the approval of the Central Board for meeting establishment cost.

- Loss of Rs.3.71 lakh due to non-utilisation of grants under 6 programmes by the VO's because of being blacklisted.
- The Board during 1991-1999 released Rs.33.84 lakh to the Programme implementing institutions under 7 Programmes after delay of 1 to 6 years.
- Of the expenditure of Rs.36.25 lakh expended on creche Programme, no amount was spent for providing services to the children of migratory labourers.
- Implementation of the programme under vocational training course for Adult Women at a cost of Rs.15.34 lakh remained unassessed due to non-maintenance of records.
- Utilisation certificate for Rs.70.90 lakh were outstanding.

*(Paragraph 3.4)*

#### **Avoidable extra /Extra expenditure**

- The Social Welfare Department incurred an avoidable extra expenditure of Rs.19.47 lakh due to procurement of food stuff at higher rate, besides making irregular procurement of food stuff at a cost of Rs.12 lakh. Fund of Rs.53 lakh was also drawn far in advance of requirement.

*(Paragraph 3.5)*

- DRDA, Tezu incurred an extra expenditure of Rs.6.99 lakh due to procurement of CGI sheet at higher rate.

*(Paragraph 3.9)*

#### **Unfruitful/Unproductive/Wasteful/Nugatory expenditure**

- Unfruitful expenditure of Rs.9.50 lakh as the Chief Engineer, PHED could not finalise the alternative sources of water even after eight years of sanction of the work.

*(Paragraph 4.3)*

- The Executive Engineer RWD, Roing incurred wasteful expenditure of Rs.7.11 lakh on execution of the work without proper planning.

*(Paragraph 4.5)*

- The Executive Engineer, Popumpoma Rural Works Division incurred nugatory expenditure of Rs.35.82 lakh due to taking up of a work without proper survey and investigation and clearance from the civil administration.

*(Paragraph 4.6)*



### **Locking up/Diversion of fund**

- The Director of Horticulture Department unnecessarily drew fund of Rs.1.20 crore in advance of requirement which resulted in blocking up of plan funds of Rs.1.20 crore for more than 33 months.

*(Paragraph 3.6)*

- The Rural Development Department unnecessarily drew Rs.14 lakh for construction of staff quarters in the Permanent complex at Itanagar under ICDS Programme and the amount was blocked for 9 to 10 years owing to non-construction of the same. Further the fund was unauthorisedly diverted for construction of another project without the approval from GOI.

*(Paragraph 3.8)*

- Locking up of fund of Rs.7.60 lakh due to idle investment on procurement of a marboat.

*(Paragraph 4.4)*

### **Unauthorised utilisation of fund/Idle investment**

- Due to unplanned and unauthorised utilisation of fund of Rs.57.23 lakh by the Executive Engineer, capital 'B' Division, Itanagar the work of "Construction of office building for Directorate of Horticulture" remained incomplete even after expiry of more than 2 years from the target date of completion of the work.

*(Paragraph 4.2)*

- Loss of Rs.13.16 lakh due to injudicious procurement of material besides idle outlay of materials of Rs.15.18 lakh for the period ranging from 4 to 12 years.

*(Paragraph 5.1)*

### **Misappropriation, Losses etc.**

- Delay in settlement of 31 cases of losses, misappropriation (loss – Rs.839.30 lakh and misappropriation – Rs.0.34 lakh) etc by the 8 Departments resulted in outstanding balance of Rs.839.64 lakh for periods ranging from 3 months to 41 years.

*(Paragraph 3.11)*

### **(d) Revenue receipts**

#### **Loss of revenue**

- Non-tax revenue collections by the state have declined from 66.08 crore in 1996-97 to Rs.63.65 crore in 2000-2001 except for the year 1999-2000.

*(Paragraph 6.4)*



- Loss of revenue of Rs.10.54 lakh due to incorrect fixation of sale value of 994.9006 cum of sized timber removed based on Transit Passes.

*(Paragraph 6.8)*

- Loss of revenue of Rs.9.25 lakh due to failure of the department to bring 261 seized logs to a safer place from flood prone area and seizure spots.

*(Paragraph 6.9)*

- Loss of revenue of Rs.7.90 lakh for sale of 1471.9035 cum of seized timber far below the upset price fixed by the Government.

*(Paragraph 6.10)*

- Non-realisation of motor vehicles tax of Rs.8.14 lakh and maximum penalty of Rs.2.19 lakh for unauthorised use of 149 commercial vehicles.

*(Paragraph 6.14)*

*(e) Commercial and Trading activities*

- As on 31 March 2001 there were five Government Companies (three working companies and two non-working companies) and two Departmentally managed commercial undertakings viz. State Transport Services and State Trading Scheme.

*(Paragraph 8.1.3)*

- None of the 3 companies had finalised its accounts for 2000-2001. The accounts were in arrears ranging from 4 years to 7 years and the accounts of two non-working companies were in arrears for the period ranging from 16 to 19 years.<sup>3</sup> According to latest finalised accounts of 3 working Government Companies, two companies had incurred an aggregate loss of Rs.0.47 crore and one company earned profit of Rs.4.91 crore.

*(Paragraph 8.1.13, 8.1.16 and 8.1.24)*

- Of the two loss incurring working Government companies, one company had accumulated losses amounting to Rs.3.48 crore which has exceeded its paid-up capital of Rs.1.43 crore.

*(Paragraph 8.1.18)*

- As per the latest finalised accounts, the capital employed on 3 working companies was Rs.35.98 crore against which total return was Rs.5.61 crore which was 15.60 per cent as compared to total return of Rs.8.64 crore (39.04 per cent) in 1999-2000.

*(Paragraph 8.1.20)*



- As on 31 March 2000, the accumulated loss of transport services amounted to Rs.81.38 crore which was 97.63 per cent of Government capital of Rs.83.36 crore.

*(Paragraph 8.1.39)*

- The power (Electricity) Department has not prepared proforma accounts pending constitution of State Electricity Board. The transmission and distribution losses were excessive during the period from 1998-1999 to 2000-2001 and ranged from 29.07 to 56.12 **per cent** to total power available for sale as against the norms of 15.5 **per cent** fixed by the Central Electricity authority (CEA). During three years upto 2000-2001, the excess T&D loss beyond norm was 139.98 MU or Rs.26.59 crore in financial terms.

*(Paragraph 8.1.44 & 8.1.47)*

- Laxity in exercising prescribed check and control by the Station Superintendent in maintenance of cash book/subsidiary cash book facilitated misappropriation of Rs.5.73 lakh

*(Paragraph 8.2)*

- The Government sustained a loss of Rs.7.54 lakh for unauthorised distribution of rice (966.64 quintals) free of cost in excess over approved ceiling of Mengio CPO centre.

*(Paragraph 8.3)*

- Lack of prescribed checks and control rendered misappropriation of 8875 SDM straps value Rs.13.25 lakh in Rowriah Base Depot.

*(Paragraph 8.4)*

- Locking up of Rs.74.46 lakh on two incomplete work with consequential loss of interest amounting to Rs.29.23 lakh

*(Paragraph 8.6)*

- Unauthorised investment made by the Naharlagun Electricity Division in absence of approval of the Government for computerisation of billing of electricity charges etc., rendered the expenditure of Rs.46 lakh unfruitful.

*(Paragraph 8.7)*



## CHAPTER - I

### AN OVERVIEW OF THE FINANCES OF THE STATE GOVERNMENT

#### 1.1 Introduction

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

#### 1.2 Financial position of the State

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

**Table 1.1**

**SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT OF ARUNACHAL PRADESH AS ON 31 MARCH 2001**

(Rupees in crore)

As on 31.03.2000	Liabilities		As on 31.03.2001
		<b>External Debt</b>	
<b>162.49</b>		<b>Internal Debt</b>	<b>219.41</b>
	57.92	Market Loans bearing interest	74.14
	...	Market Loans not bearing interest	...
	...	Loans from LIC	1.31
	104.57	Loans from other Institutions	143.96
		Ways and Means Advances	
		Overdraft from Reserve Bank of India	
<b>404.64</b>		<b>Loans and Advances from Central Government</b>	<b>442.96</b>
	85.16	Non-Plan Loans	87.02
	273.98	Loans for State Plan Schemes	309.42
	0.45	Loans for Central Plan Schemes	0.45
	1.76	Loans for Centrally Sponsored Plan Schemes	2.00
	43.29	Loans for Special Schemes	44.07
<b>0.05</b>		<b>Contingency Fund</b>	<b>0.05</b>
<b>196.14</b>		<b>Small Savings, Provident Funds etc.</b>	<b>263.20</b>
<b>11.74</b>		<b>Deposits</b>	<b>17.77</b>
...		<b>Suspense and Miscellaneous balances</b>	<b>43.26</b>
<b>4.66</b>		<b>Reserve Funds</b>	<b>7.68</b>
<b>2168.56</b>		<b>Surplus on Government Account</b>	
	1996.98	(i) Revenue Surplus as on 31 March 2000	2168.56
	171.58	(ii) Revenue Deficit during the year	18.21
<b>2948.28</b>			<b>3144.68</b>

(Rupees in crore)

As on 31.03.2000	Assets		As on 31.03.2001
2807.88		<b>Gross Capital Outlay on Fixed Assets</b>	3072.13
	12.34	Investment in Shares on Companies, Corporation etc.	12.71
	2795.54	Other Capital Outlay	3059.42
15.17		<b>Loans and Advances</b>	16.31
	6.10	Loans for Other Industries and Minerals	6.10
	2.29	Other Development Loans	2.28
	3.79	Loans for Co-operatives	3.76
	2.99	Loans to Government Servants	4.17
		<b>Reserve Fund Investment</b>	
5.73		Advances	6.07
62.42		Suspense and Miscellaneous Balances	...
118.19		Remittance Balances	116.48
(-) 61.11		<b>Cash in Treasuries and Local Remittances</b>	(-)66.31
	(-)80.59	Deposits with Reserve Bank	(-)72.54
	0.65	Departmental Cash Balance	0.85
	...	Permanent Advances	...
	16.17	Cash Balance Investment	...
	2.66	Investment of earmarked Funds	5.38
		Deficit on Government accounts	
		(i) Revenue Deficit of the Current Year	
		(ii) Appropriation of Contingency Fund	
		(iii) Miscellaneous Deficit	
2948.28			3144.68

1.2.2 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. It would be seen from table that while the liabilities increased by 27.52 per cent, the assets grew only by 6.66 per cent during 2000-2001 over the previous year, mainly as a result of a very high growth in the loans from other institutions (38 per cent), loans from LIC (100 per cent), Small Savings, Provident funds etc. (34 per cent) and Suspense and Miscellaneous balances (100 per cent) and deficit in revenue account.

### 1.3 Sources and applications of fund

1.3.1 The position of sources and applications of funds during the current and the preceding years is given in the table below.

**Table 1.2**  
**SOURCES AND APPLICATION OF FUNDS**

(Rupees in crore)

1999-2000		SOURCES		2000-2001	
1008.92		1. Revenue receipts		961.41	
1.35		2. Recoveries of Loans and Advances		1.60	
76.94		3. Increase in Public debt other than overdraft		95.24	
6.97		4. Net receipts from Public account		180.14	
	33.53	-Increase in Small Savings	67.06		
	(-) 2.55	-Increase in Deposits and Advances	5.69		
	(-) 22.95	-Net effect of Suspense and Miscellaneous transactions	105.68		
	(-) 1.06	-Net effect of Remittance transactions	1.71		
2.66		5. Increase in Reserve Funds		0.30	
...		6. Increase in earmarked Funds		2.72	
...		7. Net effect of Contingency Fund transactions		...	
2.22		8. Decrease in closing cash balance		5.20	
1099.06		<b>Total</b>		<b>1246.61</b>	



(Rupees in crore)

1999-2000	APPLICATION	2000-2001
837.34	1. Revenue expenditure	979.62
2.85	2. Lending for development and other purposes	2.74
258.87	3. Capital expenditure	264.25
...	4. Net effect of Contingency Fund transactions	...
...	5. Increase in closing cash balance	...
1099.06	Total	1246.61

**1.3.2** The main sources of funds include the revenue receipts of the Government, recoveries of the loans and advances, public debt and the receipts in the Public Account. These are applied mainly on revenue and capital expenditure and the lending for developmental purposes. It would be seen that the revenue receipts constitute the most significant source of fund for the State Government. Their relative share went down from 91.80 *per cent* in 1999-2000 to 77.12 *per cent* during 2000-2001. This was mainly due to decrease by Rs.225.10 crore and Rs.3.36 crore under State's share of net proceeds of the divisible Union Taxes and non-Tax Revenue respectively when compared to 1999-2000. The relative share of net receipts from the Public Account, however, increased significantly from 0.63 *per cent* in 1999-2000 to 14.45 *per cent* in 2000-2001 and the receipts from the Public Debt went up marginally from 7 *per cent* to 8 *per cent*. The increase in net Public Account receipts was mainly due to increase in suspense and miscellaneous transactions.

**1.3.3** The funds were mainly applied for revenue expenditure, which went up from 76.19 *per cent* (1999-2000) to 78.58 *per cent* (2000-2001) and was higher than the total revenue receipts of the State Government by Rs.18.21 crore. This led to the Revenue deficit. A notable change during the year when compared to 1999-2000 was that while the percentage of capital expenditure decreased to 21.20 *per cent* from 23.55 *per cent*, lending for development also decreased to 0.22 *per cent* from 0.26 *per cent*.

#### 1.4 Financial operations of the State Government

**1.4.1 Exhibit-I** (page 19-20) gives the details of the receipts and disbursements made by the State Government. The Revenue expenditure (Rs.979.62 crore) during the year was higher than the revenue receipts (Rs.961.41 crore) resulting in revenue deficit of Rs.18.21 crore. The Revenue receipts comprised tax revenue (Rs.20.63 crore), non-Tax revenue (Rs.63.65 crore), State's share of union taxes and duties (Rs.115.67 crore) and grants-in-aid from the Central Government (Rs.761.46 crore). The main sources of tax revenue were State Excise (44 *per cent*), Sales Tax (40 *per cent*) and land revenue (7 *per cent*). Non-tax revenue came mainly from Forest and Wild life (20 *per cent*), Power (19 *per cent*), Road Transport (10 *per cent*) and Non-Ferrous Mining and Metallurgical Industries (8 *per cent*).

**1.4.2** The capital receipts comprised Rs.1.60 crore from recoveries of loans and advances and Rs.116.14 crore from public debt. Against this, the expenditure was Rs.264.25 crore on capital outlay, Rs.2.74 crore on disbursement of loans and advances and Rs.20.90 crore on repayment of public debt. The receipts in the Public Account amounted to Rs.875.54 crore,

against which disbursement of Rs.695.10 crore were made. The net effect of the transactions in the Consolidated Fund, Contingency Fund and Public Account was a increase in the minus cash balance (Rs.5.20 crore) from Rs.(-) 61.11 crore at the beginning of the year to Rs.(-) 66.31 crore at the end of the year.

**1.4.3** The financial operations of the State Government pertaining to its receipts and expenditure are discussed in the following paragraphs, with reference to the information contained in Exhibit-I and the time series data for the five years period from 1996-97 to 2000-2001 presented below:-

**Table 1.3**  
**TIME SERIES DATA ON STATE GOVERNMENT FINANCES**  
**(Rupees in crore)**

	1996-97	1997-98	1998-99	1999-2000	2000-2001
<b>Part A. Receipts.</b>					
<b>1. Revenue Receipts</b>	<b>809.04</b>	<b>835.46</b>	<b>923.57</b>	<b>1008.92</b>	<b>961.41</b>
(a) Tax Revenue	8.53	9.83	11.29	13.88	20.63
Agricultural Income Tax	.....	.....	.....	.....	...
Sales Tax	0.40	0.32	0.28	0.35	8.19
State Excise	4.90	5.56	7.58	10.08	9.01
Taxes on vehicle	1.09	0.97	1.01	1.12	1.12
Stamps and Registration fees	0.37	0.42	0.50	0.45	0.25
Land Revenue	1.27	1.98	1.33	1.36	1.45
Other Taxes	0.50	0.58	0.59	0.52	0.61
(b) Non Tax Revenue	66.08	57.27	64.54	67.01	63.65
(c) State's share of Union Taxes	179.03	243.83	268.84	340.77	115.67
(d) Grants-in-aid from GOI	555.40	524.53	578.90	587.26	761.46
<b>2. Misc. Capital Receipts</b>	...	...	...	...	...
<b>3. Total Revenue and non Debt Capital receipts (1+2)</b>	<b>809.04</b>	<b>835.46</b>	<b>923.57</b>	<b>1008.92</b>	<b>961.41</b>
<b>4. Recoveries of Loans and Advances</b>	<b>1.27</b>	<b>1.33</b>	<b>1.38</b>	<b>1.35</b>	<b>1.60</b>
<b>5. Public Debt Receipts</b>	<b>59.06</b>	<b>65.36</b>	<b>76.78</b>	<b>94.81</b>	<b>116.14</b>
Internal Debt (excluding Ways & Means Advance and Overdrafts)	13.84	15.59	18.61	24.50	59.64
Net Transactions under Ways & Means Advances & Overdraft	....	....	....	....	....
Loans and advances from Government of India*	45.22	49.77	58.17	70.31	56.50
<b>6. Total receipts in the Consolidated Fund (3+4+5)</b>	<b>869.37</b>	<b>902.15</b>	<b>1001.73</b>	<b>1105.08</b>	<b>1079.15</b>
<b>7. Contingency Fund Receipts</b>	...	...	...	...	...
<b>8. Public Accounts Receipts</b>	<b>1378.53</b>	<b>4003.49</b>	<b>2939.28</b>	<b>2674.81</b>	<b>875.54**</b>
<b>9. Total Receipts of the State (6+7+8)</b>	<b>2247.90</b>	<b>4905.64</b>	<b>3941.01</b>	<b>3779.89</b>	<b>1954.69</b>
<b>Part B. Expenditure/Disbursement</b>					
<b>10. Revenue Expenditure</b>	<b>604.09</b>	<b>664.62</b>	<b>746.81</b>	<b>837.34</b>	<b>979.62</b>
Plan	210.69	260.18	282.51	297.67	371.44
Non-Plan	393.40	404.44	464.30	539.67	608.18
General Services	166.46	195.99	231.54	270.79	332.04
Social Services	201.72	225.76	234.80	280.48	298.60
Economic Services	235.91	242.87	280.47	286.07	348.98
Grants-in-aid and Contributions	....	....	....	....	....

\* Excludes Ways and Means Advances from GOI.

\*\* Excludes Other Accounts figures.

Chapter I – An overview of the Finances of the State Government

(Rupees in crore)

	1996-97	1997-98	1998-99	1999-2000	2000-2001	
<b>11. Capital Expenditure</b>	276.97	293.57	232.35	258.87	264.25	
Plan	277.75	294.24	232.50	257.81	264.06	
Non-Plan	(-0.78)	(-0.67)	(-0.15)	1.06	0.19	
General Services	8.93	15.71	15.23	15.29	15.88	
Social Services	62.50	44.91	28.83	31.07	42.89	
Economic Services	205.54	232.95	188.29	212.51	205.48	
<b>12. Loans and advances given</b>	1.13	1.06	1.54	2.85	2.74	
<b>13. Total (10+11+12)</b>	882.15	959.25	980.70	1099.06	1246.61	
<b>14. Repayments of Public Debt</b>	10.16	12.29	16.07	17.87	20.90	
Internal Debt (excluding Ways & Means Advances and Overdrafts)	1.78	1.84	2.27	2.29	2.72	
Net Transactions under Ways & Means Advances & Overdraft	...	...	...	...	...	
Loans and advances from Government of India*	8.38	10.45	13.80	15.58	18.18	
<b>15. Appropriation to Contingency Fund</b>	...	...	...	...	...	
<b>16. Total Disbursement out of Consolidated Fund (13+14+15)</b>	892.31	971.54	996.77	1116.93	1267.51	
<b>17. Contingency Fund Disbursement</b>	...	...	...	...	...	
<b>18. Public Account Disbursement</b>	1395.33	3913.07	2967.88	2628.03	695.10***	
<b>19. Total Disbursement by the State (16+17+18)</b>	2287.64	4884.61	3964.65	3744.96	1962.61	
<b>Part C. Deficits/Surplus</b>						
20.	Revenue Surplus (1-10)	204.95	170.84	176.76	171.58	...
	Revenue Deficit	...	...	...	...	18.21
<b>21. Fiscal Deficit (3+4-13)</b>	71.84	122.46	55.75	88.79	283.60	
<b>22. Primary Deficit (21-23)</b>	18.58	62.20	(-15.51)	8.99	162.92	
<b>Part D. Other data</b>						
<b>23. Interest Payments (included in revenue expenditure)</b>	53.26	60.26	71.26	79.80	120.68	
<b>24. Arrears of Revenue (Percentage of Tax &amp; non tax Revenue Receipts)</b>	NA	NA	NA	NA	NA	
<b>25. Financial Assistance to local bodies etc.</b>	4.52	10.85	9.06	13.84	8.17	
<b>26. Ways and Means Advances / Overdraft availed (days)</b>	...	1	21	6	1	
<b>27. Interest on WMA/Overdraft</b>	....	....	0.010	0.02	0.00026	
<b>28. Gross State Domestic Product (GSDP)</b>	329.02	996.19	1071.81	1110.58	NA	
<b>29. Outstanding Debt (year end)</b>	487.42	565.15	652.80	763.28	925.58	
<b>30. Outstanding guarantees (year end)</b>	0.50	0.50	0.50	0.50	0.55	
<b>31. Maximum amount granted (year end)</b>	...	...	....	....	...	
<b>32. Number of incomplete projects</b>	...	...	41	106	241	
<b>33. Capital blocked in incomplete projects</b>			31.25	26.02	47.41	

\* Excludes Ways and Means and Advances from GOI.

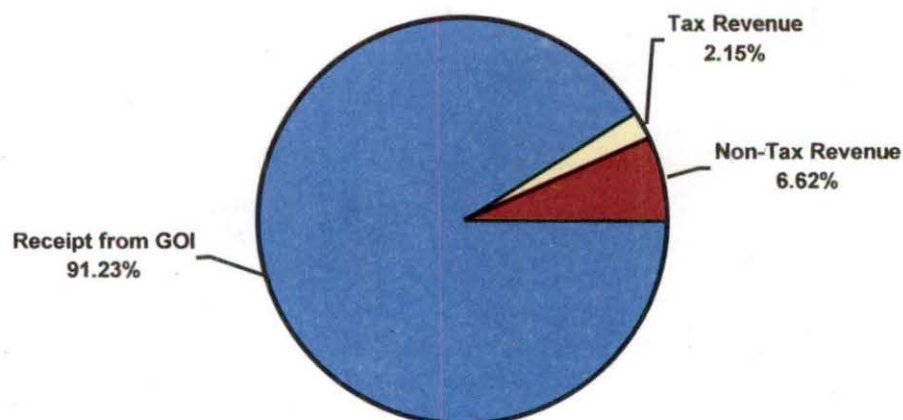
\*\*\* Excludes Other Accounts figures.

## 1.5 Revenue receipts

**1.5.1** The revenue receipts consist mainly of tax and non-tax revenue and receipts from Government of India (GOI). Their relative shares are shown in Figure 1. Revenue receipts decreased from Rs.1008.92 crore in 1999-2000 to Rs.961.41 crore in 2000-2001 which constituted a decrease of 4.71 per cent.

**Figure 1**

Revenue Receipts 2000-01 (Rupees in crores)  
(Percentage of Total Revenue and non Debt Capital Receipt)



### **Tax revenue**

**1.5.2** These constitute negligible share (2.15 per cent) of the revenue receipts inspite of a 48.63 per cent growth over the previous year 1999-2000.

### **Non-tax revenue**

**1.5.3** The non-tax revenue constituted 6.62 per cent of the revenue receipts of the Government in 2000-2001. Despite having registered a significant growth of 7559 per cent and 3031 per cent under other Rural Development Programme and Urban Development, the non-tax revenue decreased marginally by 5.01 per cent over the previous year i.e. 1999-2000, mainly due to decrease in receipts under Other Industries (100 per cent), Other Administrative Services (88 per cent), Information and Publicity (88 per cent), Food Storage and Warehousing (72 per cent) and Social Security Welfare (71 per cent) during 2000-2001.

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

**1.5.4** The State's share of Union taxes (excise duties, income and corporation taxes) decreased by 66 per cent during the year, while the grants-in-aid from the Central Government increased by 30 per cent. These receipts (Rs.877.13 crore) financed 90 per cent of the revenue expenditure (Rs.979.62

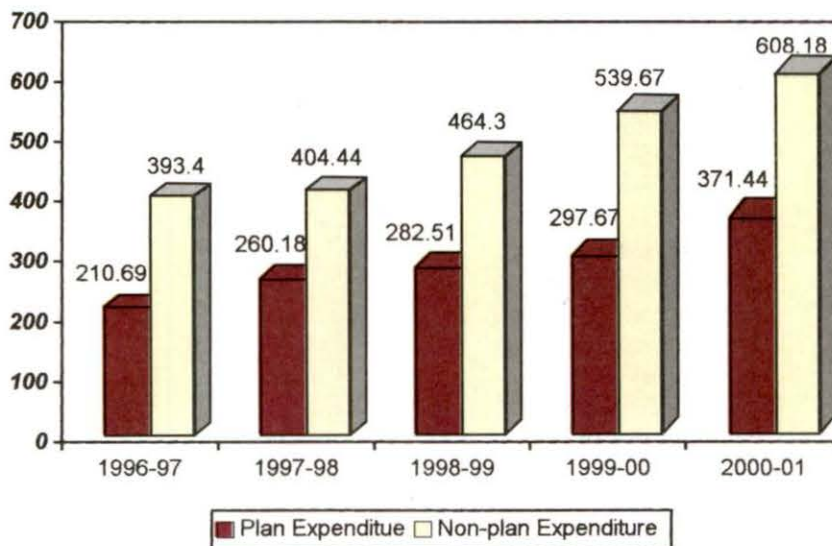


crore) of the State. The relative share of State share of Union Taxes to Revenue Receipts decreased from 22 per cent in 1996-97 to 12 per cent in 2000-2001 while the grants-in-aid from GOI increased from 69 per cent in 1996-1997 to 79 per cent in 2000-2001.

## 1.6 Revenue expenditure

**1.6.1** The revenue expenditure (both Plan and Non-Plan) accounted for 79 per cent of the expenditure of the State Government during 2000-2001 and increased by 17 per cent compared to 1999-2000. Compared to the previous year the increase was 25 per cent under the Plan side and 13 per cent in the Non-Plan side. The share in Non-Plan expenditure during 2000-2001 was 62.08 per cent of the revenue expenditure against 37.92 per cent under Plan. The trend analysis shows that the growth under Non-Plan being faster than the Plan side as shown in Figure 2.

**Figure 2**



**1.6.2** Sector-wise analysis shows that while the expenditure on General Services increased by 99 per cent from Rs.166.46 crore in 1999-2000 to Rs.332.04 crore in 2000-2001, the corresponding increases in expenditure on Social Services and Economic Services were only 48 per cent. As a proportion of total expenditure, the share of General Services increased from 28 per cent in 1996-97 to 34 per cent in 2000-2001, whereas the share of Economic Services and Social Services decreased from 39 per cent to 36 per cent and from 33 per cent to 30 per cent respectively.

### Interest payments

**1.6.3** Interest payments increased steadily by 127 per cent, from Rs.53.26 crore in 1996-1997 to Rs.120.68 crore in 2000-2001. This is further discussed in the section on financial indicators.

**Financial assistance to local bodies and other institutions**

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

**Table 1.4**

(Rupees in lakh)

		1996-97	1997-98	1998-99	1999-2000	2000-2001
(1)	Universities and Educational Institutions	355.91	651.00	673.00	965.00	378.91
(2)	Art and Culture	58.28	...	...	...	46.18
(3)	Medical and Public Health and other charitable Institutions	1.90	355.00	...	...	...
(4)	Urban Development	5.01	...	...	...	...
(5)	Social Welfare	30.67	...	...	...	41.85
(6)	Rural Development	...	...	170.00	243.00	222.00
(7)	Other institutions	...	79.00	63.00	58.00	127.64
(8)	Panchayat Raj Institutions	...	...	...	118.00	...
	<b>Total</b>	<b>451.77</b>	<b>1085.00</b>	<b>906.00</b>	<b>1384.00</b>	<b>816.58</b>
	Percentage of growth over previous year	234	140	(-) 16.50	52.75	(-) 41
	Assistance as a percentage of revenue expenditure	0.75	1.63	1.21	1.65	0.83
	Assistance as a percentage of revenue receipts	0.56	1.30	0.98	1.37	0.85

During the year the assistance to the local bodies and others decreased considerably (41 per cent) as compared to 1999-2000. The financial assistance to universities and educational institutions also witnessed a downfall by 60.73 per cent over 1999-2000.

**1.6.5** The assistance to local bodies and others ranged between 0.56 and 0.85 per cent of the revenue receipts and between 0.75 and 0.83 per cent of the revenue expenditure during 1996-2001.

**Loans and Advances by the State Government**

**1.6.6** The Government gives loans and advances to Government companies, local bodies, autonomous bodies, cooperatives, non-Government institutions, etc., for developmental and non-developmental activities. The position for the last five years given below shows that during 2000-2001 there was negligible

improvement in repayment as a result of which the closing balance increased by about 7.51 per cent.

Table 1.5

(Rupees in crore)

	1996-97	1997-98	1998-99	1999-2000	2000-2001
Opening balance	13.91	13.78	13.51	13.67	15.17
Amount advanced during the year	1.13	1.06	1.54	2.85	2.74
Amount repaid during the year	1.27	1.33	1.38	1.35	1.60
Closing balance	13.78	13.51	13.67	15.17	16.31
Net addition	(-) 0.14	(-) 0.27	(+) 0.16	(+) 1.50	(+) 1.14
Interest received	0.81	0.42	0.03	0.001	0.0001

## 1.7 Capital expenditure

**1.7.1** Capital expenditure leads to asset creation. In addition, financial assets arise from moneys invested in institutions or undertakings outside Government i.e. Public Sector Undertakings (PSUs), corporations, etc. and loans and advances. The capital expenditure in 1999-2000 and 2000-2001 has increased by 11 per cent and 2 per cent over the previous years viz. 1998-1999 and 1999-2000 respectively. The share of Capital expenditure to total expenditure has dropped from 31 per cent in 1996-1997 to 21 per cent in 2000-2001. The table in paragraph 1.4.3 shows that 77.75 per cent and 16.23 per cent of the capital expenditure during 2000-2001 was on Economic and Social Services respectively.

## 1.8 Quality of expenditure

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

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

1.8.3 The following table lists out the trend in these indicators :

Table 1.6

	1996-97	1997-98	1998-99	1999-2000	2000-2001
1. Plan expenditure as a Percentage of :					
Revenue expenditure	35	39	38	36	38
Capital expenditure	104	100	100	100	100
2. Capital expenditure ( <i>per cent</i> of total expenditure)	31	31	24	24	21
3. Expenditure on General Services ( <i>per cent</i> )					
Revenue	28	29	31	32	34
Capital	3	5	7	6	6
4. Amount of wastage and diversion of funds detected during test audit					
5. Non-remunerative expenditure on incomplete projects (Rupees, in crore)	-	-	31.25	26.02	47.41
6. Unspent balances under deposit heads, booked as expenditure at the time of their transfer to the deposit head	NA	NA	NA	NA	NA

1.8.4 It would be seen that the share of Plan expenditure under revenue increased in 1997-98 and declined successively in 1998-99 to 2000-2001 whereas in respect of capital side, cent *per cent* has been achieved. The share of capital expenditure to total expenditure showed a decreasing trend (from 31 *per cent* to 21 *per cent*) during 1996-97 to 2000-2001. The expenditure on General Services under both Revenue and Capital showed an increasing trend between 1997-98 and 2000-2001 in comparison with 1996-97. As on 31.3.2001, Rs.47.41 crore was blocked in 241 incomplete projects.

## 1.9 Financial Management

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

### Investments and returns

1.9.2 Investments are made out of the capital outlay by the government to promote developmental, manufacturing, marketing and social activities. The sector-wise details of investments made and the number of concerns involved were as under :



Table 1.7

(Rupees in crore)

Sector	Number of concerns	Amount invested	
		As on 31.03.2001	during 2000-2001
(1) Government Companies	5	8.71	0.37
(2) Cooperative Institutions	144	4.00	---
<b>Total</b>	<b>149</b>	<b>12.71</b>	<b>0.37</b>

1.9.3 The details of investments and the returns realized during the last five years by way of dividend and interest were as follows :

Table 1.8

Year	Investment at the end of the year	Return	Percentage of return	Rate of interest on Government borrowing (per cent)
(Rupees in Crore)				
1996-97	11.29	0.01	0.07	14.00
1997-98	11.80	0.01	0.08	13
1998-99	12.07	0.03	0.25	13.05 and 12.30
1999-2000	12.34	0.001	0.001	14 and 11.30
2000-2001	12.71	0.0001	0.0001	14 and 11.30

1.9.4 Thus, while the Government was raising high cost borrowings from the market, its investments in Government companies etc., fetched insignificant returns.

#### *Ways and means advances and overdraft*

1.9.5 Under an agreement with the Reserve Bank of India, the State Government had to maintain with the Bank a minimum daily cash balance of Rs.10 lakh. If the balance fell below the agreed minimum on any day, the deficiency had to be made good by taking Ways and Means Advances (WMA)/ Overdraft (OD) from the Bank. In addition special ways and means advances are also made by the Bank whenever necessary. Recourse to WMA/OD means a mismatch between the receipts and expenditure of the Government, and hence reflects on the financial management in Government.

1.9.6 The extent to which the Government maintained the minimum balance with the Bank and took WMA and OD during the year 2000-2001 is given below :-

1. Number of days on which the minimum balance was maintained without obtaining any advance 364 days
2. Number of days on which the minimum balance was maintained by taking ordinary ways and means advance 01 day
3. Number of days on which overdraft was taken ....

During 2000-2001 the State Government took ordinary (Rs.13.36 crore) ways and means advance and the entire amount (Rs.13.36 crore) was repaid along with interest of Rs.0.26 lakh.

### Deficit

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

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

**Table 1.9**

**(Rupees in crore)**

CONSOLIDATED FUND (CF) 2000-2001					
Receipt	Amount			Disbursement	Amount
Revenue	961.41	Revenue deficit	18.21	Revenue	979.62
Misc.					
Capital receipts	...			Capital	264.25
Recovery of loans & advances	1.60			Loans & advances disbursement	2.74
<b>Sub Total</b>	<b>963.01</b>	<b>Gross fiscal deficit</b>	<b>283.60</b>	<b>Sub Total</b>	<b>1246.61</b>
Public debt receipts	116.14			Public debt repayment	20.90
<b>Total</b>	<b>1079.15</b>	<b>A: Deficit in CF:</b>	<b>188.36</b>		<b>1267.51</b>
PUBLIC ACCOUNT 2000-2001					
Small savings, PF etc.	102.96			Small savings, PF, etc.	35.90
Deposits & advances	61.98			Deposits & advances	56.29
Reserve Funds	3.02			Reserve Funds	2.72
Suspense & Misc.	133.26			Suspense & Misc.	27.58
Remittances	574.32			Remittances	572.61
<b>Total Public Account</b>	<b>875.54</b>	<b>B: Surplus in Public Account:</b>	<b>180.44</b>		<b>695.10</b>
		<b>Investment in earmarked fund:</b>	<b>2.72</b>		
		<b>Decrease in cash balances (A-B):</b>	<b>5.20</b>		

1.9.9 The table shows that the Government sustained a revenue deficit of Rs.18.21 crore and a fiscal deficit of Rs.283.60 crore as of 31 March 2001. The deficit was mainly financed by net proceeds of the Public Debt (Rs.95.24 crore) and partly by the surplus from Public Account (Rs.180.44 crore). The table in paragraph 1.4.3 shows that the fiscal deficit has grown by 219.40 per cent in 2000-2001, when compared to 1999-2000.

\* Excludes Other Accounts figures.

**Application of the borrowed funds (Fiscal Deficit)**

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

Table 1.10

Ratio	1996-97	1997-98	1998-99	1999-2000	2000-2001
RD/FD	...*	...*	...*	...*	0.06
CE/FD	3.85	2.39	4.17	2.92	0.93
Net loans/FD	...	...	....	0.01	0.01

**1.9.11** It would be seen that borrowed fund have been applied for meeting revenue expenditure during 2000-2001, increasing the debt burden for maintaining its existing programmes instead of expanding its revenue base.

**Guarantees given by the State Government**

**1.9.12** Guarantees are given by the State Government for due discharge of certain liabilities like repayment of loans, share capital, etc., raised by the statutory corporations, Government companies and cooperative institutions etc., and payment of interest and dividend by them. They constitute contingent liability of the State. No law under Article 293 of the Constitution had been passed by the State Legislature laying down the maximum limits within which Government may give guarantees on the security of the Consolidated Fund of the State. The outstanding guarantee as on March 2001 were Rs.55.00 lakh.

**1.10 Public debt**

**1.10.1** The Constitution of India provides that a State may borrow within the territory of India, upon the security of Consolidated Fund of the State within such limits, if any, as may from time to time, be fixed by an Act of Legislature of the State. No law had been passed by the State Legislature laying down any such limit. The details of the total liabilities of the State Government as at the end of the last five years are given in the following table. During the five year period, the total liabilities of the Government had grown by 84 per cent. This was on account of 99 per cent growth in internal debt, 66 per cent growth in loans and advances from Government of India and 104 per cent growth in

\* In all the years there was a revenue surplus

other liabilities. During 2000-2001, Market Loan of Rs. 16.22 crore was raised by the Government.

**Table 1.11**

Year	Internal debt	Loans and advances from Central Government	Total public debt	Other liabilities	Total liabilities	Ratio of debt to GSDP
<b>(Rupees in crore)</b>						
1996-97	110.18	266.23	376.41	138.63	515.04	1.56
1997-98	123.93	305.55	429.48	153.10	582.58	0.58
1998-99	140.28	349.91	490.19	178.75	668.94	0.62
1999-2000	162.49	404.64	567.13	209.89	777.02	0.70
2000-2001	219.41	442.96	662.37	283.29	945.66	NA

**1.10.2** The amount of funds raised through Public debt, the amount of repayment and net funds available are given in the following table:

**Table 1.12**

	1996-97	1997-98	1998-99	1999-2000	2000-2001
<b>(Rupees in crore)</b>					
<b>Internal Debt<sup>(a)</sup></b>					
Receipt during the year	13.84	15.64	52.29	62.06	73.00
Repayment (Principal + Interest)	15.56	17.00	55.84	59.19	38.39
Net funds available ( <i>Per cent</i> )	1.72 (12)	(-) 1.36 (-9)	(-) 3.55 (-7)	2.87 (5)	34.61 (47)
<b>Loans and advances from GOI</b>					
Receipt during the year	45.22	49.77	58.17	70.31	56.50
Repayment (Principal + Interest)	32.48	39.63	47.58	55.29	64.77
Net funds available ( <i>Per cent</i> )	12.74 (28)	10.14 (20)	10.59 (18)	15.02 (21)	(-) 8.27 (-15)
<b>Other liabilities<sup>(b)</sup></b>					
Receipt during the year	34.72	39.96	50.06	61.51	145.63
Repayment	28.74	31.25	40.71	48.75	124.02
Net funds available ( <i>Per cent</i> )	5.98 (17)	8.71 (22)	9.35 (19)	12.76 (21)	21.61 (15)

**1.10.3** It would be seen that the bulk of the receipts borrowings were utilised in repayments during the entire period and very little were available for investment and other expenditure. Considering that the outstanding debt has been increasing year after year the net availability of funds for investment is going to reduce.

<sup>(a)</sup> Includes Ways and Means advances.

<sup>(b)</sup> Other liabilities includes small savings, provident fund, reserve funds, deposits and other non-interest bearing obligations.

## 1.11 Indicators of the financial performance

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

*(i) Sustainability*

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

*(ii) Flexibility*

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

*(iii) Vulnerability*

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

*(iv) Transparency*

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

*1.11.2* Information available in Finance Accounts can be used to flesh out Sustainability, Flexibility, and Vulnerability that can be expressed in terms of certain indices/ratios worked out from the Finance Accounts. The list of such indices/ratios is given in Appendix-I(B) to this chapter. The table in Exhibit-II (Page 21) indicates the behaviour of these indices/ratios over the period from



1996-97 to 2000-2001. The implications of these indices/ratios for the state of the financial health of the State Government are discussed in the following paragraphs.

**1.11.3 The behaviours of the indices/ratios is discussed below**

**(i) Balance from current revenues (BCR)**

BCR is defined as revenue receipts minus plan assistance grants minus non-plan revenue expenditure. A positive BCR shows that the State Government had surplus from its revenues for meeting plan expenditure. The table shows that the State Government had a negative BCR in all the five years, suggesting that Government had to depend only on borrowings for meeting its plan expenditure.

**(ii) Interest ratio**

The higher the ratio the lesser the ability of the Government to service any fresh debt and meet its revenue expenditure from its revenue receipts. In case of Arunachal Pradesh the ratio has increased from 0.06 to 0.12. This rising interest ratio has adverse implications on sustainability as interest burden is rising.

**(iii) Capital outlay/capital receipts**

This ratio would indicate to what extent the capital receipts are applied for capital formation. A ratio of less than 1 (one) would not be sustainable in the long term in as much as it indicates that a part of the capital receipt is being diverted to unproductive revenue expenditure. On the contrary, a ratio of more than one would indicate that capital investments are being made from revenue surplus as well. The trend analysis of this ratio would throw light on the fiscal performance of the State Government. A rising trend would mean an improvement in the performance. In the case of Arunachal Pradesh, the ratio has come down from 3.45 in 1996-97 to 1.43 in 2000-2001 indicating that lesser revenue receipts were being applied for capital formation.

**(iv) Tax receipts vs Gross State Domestic Product (GSDP)**

Tax receipts consist of State taxes and State's share of Central taxes. The latter can also be viewed as central taxes paid by people living in the state. Tax receipts suggest sustainability but the ratio of tax receipts to GSDP would imply that the Government can tax more, and hence its flexibility. A high ratio may not only point to the limits of this source of finance but also its inflexibility. Time series analysis shows that in case of Arunachal Pradesh this ratio during four years viz., 1996-97 to 1999-2000 decreased from 0.57 to 0.32. The ratio of State tax receipts compared to GSDP has decreased from 0.03 and 0.01 during the period from 1996-97 to 1999-2000. The GSDP Figures pertaining to 2000-2001 have not yet been finalised by the Government for which the ratio of the year could not be worked out. The trend analysis for these four years suggests that while the State Government

had the option to raise more resources through taxation, it chose the easier option of borrowing to meet its increasing revenue and fiscal deficits.

**(v) Return on Investment (ROI)**

The ROI is the ratio of the earnings to the capital employed. A high ROI suggests sustainability. The table presents the return on Government's investments in statutory corporations, Government companies, joint stock companies and co-operative institutions. The ROI in case of the Government of Arunachal Pradesh has been negligible varying between 0.0001 to 0.03 during 1996-2000 and reduced to zero during 2000-2001 suggesting increasing debt burden for the Government.

**(vi) Capital repayments vs Capital borrowings**

This ratio would indicate the extent to which the capital borrowings are available for investment, after repayment of capital. The lower the ratio, the higher would be the availability of capital for investment. In case of Arunachal Pradesh, this ratio decreased from 0.64 in 1997-98 to 0.15 in 2000-2001 indicating availability of Capital for investment but at the cost of increased borrowings and decreasing repayment.

**(vii) Debt vs Gross State Domestic Product (GSDP)**

The GSDP is the total internal resource base of the State Government which can be used to service Debt. An increasing ratio of Debt/GSDP would signify a reduction in the Government's ability to meet its debt obligations and therefore increasing risk for the lender. In the case of Arunachal Pradesh, this ratio which was at 1.56 during 1996-97 declined to 0.58 and 0.62 in 1997-98 and 1998-99 but increased to 0.70 in 1999-2000 thus showing mixed trends. The figures for 2000-2001 have not yet been furnished by the Government (December 2001).

**(viii) Primary deficit vs Fiscal deficit**

Primary deficit is the fiscal deficit minus interest payments. This means that the lower the value of the ratio, the lesser is the availability of funds for capital investment. In case of Government of Arunachal Pradesh, this ratio improved from 0.26 to 0.57 (1996-97 to 2000-2001) indicating that the quantum of borrowing increased at a faster rate relative to interest payment resulting in greater availability of borrowed funds.

**(ix) Revenue deficit/Fiscal deficit**

The revenue deficit is the excess of revenue expenditure over revenue receipts and represents the revenue expenditure financed by borrowings, etc. Evidently, the higher the revenue deficit, the more vulnerable is the State. Since fiscal deficit represents the aggregate of all the borrowings the revenue deficit as a percentage of fiscal deficit would indicate the extent to which the borrowings of the Government are being used to finance non-productive revenue expenditure. Thus, the higher the ratio the worse off is the State because it would indicate that the deficit burden is increasing without adding

to the repayment capacity of the State. During 2000-2001 the State had sustained revenue deficit for the first time during the last 5 years and the ratio was 0.06 during 2000-2001 indicating worsening financial sustainability.

**(x) Assets vs Liabilities**

This ratio indicates the solvency of the Government. A ratio of more than 1 would indicate that the State Government is solvent (assets are more than liabilities) while a ratio of less than 1 would be a contra indicator. In the case of Arunachal Pradesh this ratio has all along been more than 1 but has decreased from 4.20 in 1996-1997 to 3.16 in 2000-2001 indicating that the Government was becoming less solvent.

**(xi) Budget**

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

**Conclusions**

**1.12** The financial position of the State Government characterised by Negative BCR during the period from 1996-1997 to 2000-2001 indicating that State does not have any surplus for meeting Plan expenditure from its revenue after excluding the Plan Central Assistance received and meeting the Non-Plan expenditure. This has adverse implications for sustainability.

**1.13** The matter was reported to Government in December 2001; reply has not been received.



**EXHIBIT - I**  
**ABSTRACT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR 2000-2001**  
**(Rupees in crore)**

Receipts			Disbursements		
1999-2000		2000-2001	1999-2000		2000-2001
	<b>Section – A: Revenue</b>				
1008.92	<b>I. Revenue receipts</b>	961.41	837.34	<b>I. Revenue expenditure</b>	979.62
13.88	Tax Revenue 20.63		270.79	<b>General Services</b> 332.04	
67.01	Non Tax Revenue 63.65			<b>Social Services</b>	
30.25	State's Share of net proceeds of Taxes on income other than corporations		129.17	-Education, Sports, Art and Culture 142.88	
310.52	States Share of Union Taxes 115.67		53.96	-Health and Family Welfare 57.08	
			57.27	-Water Supply, Sanitation, Housing and Urban Development 54.22	
9.86	Non-Plan grants 169.48		2.58	-Information and Broadcasting 2.87	
			...	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes ...	
			2.79	-Labour and Labour Welfare 3.81	
507.51	Grants for State Plan Scheme 514.89		33.31	-Social Welfare and Nutrition 36.11	
56.74	Grants for Central and Centrally Sponsored Plan Schemes 64.82		1.41	-Others 1.63	
13.15	Grants for Special Plan Schemes 12.27			<b>Economic Services</b>	
			143.89	-Agriculture and Allied Activities 141.76	
			19.98	-Rural Development 24.46	
			13.38	-Special Areas programmes 7.03	
			21.40	-Irrigation and flood control 46.34	
			8.83	-Energy 20.16	
			8.97	-Industry and Minerals 15.13	
			38.73	-Transport 46.83	
			0.30	-Science, Technology and Environment 2.31	
			21.60	-General Economic Services 35.43	
			...	-Grants-in-aid and contribution ...	
			8.98	-Communication 9.53	
...	<b>II Revenue deficit carried over to Section B</b>	18.21	171.58	<b>II Revenue Surplus carried over to Section B</b>	
(-58.89)	<b>III Opening Cash balance including Permanent Advances and Cash Balance investment</b>	(-) 61.11		<b>III Opening Overdraft from RBI</b>	---
	<b>IV Miscellaneous Capital receipts</b>		258.87	<b>IV Capital Outlay</b>	264.25
			15.29	<b>General Services-</b> 15.88	
			...	<b>Social Services-</b>	
			4.84	-Education Sports, Art and Culture 10.46	
			2.46	-Health and Family Welfare 6.27	
			23.55	-Water Supply, Sanitation, Housing and Urban Development 25.42	
			0.11	-Information and Broadcasting ...	
			.....	-Welfare of Scheduled Castes Scheduled Tribes and Other Backward classes ...	
				-Social Welfare and Nutrition 0.60	
			0.11	-Others 0.14	
				<b>Economic Services-</b>	
			3.57	-Agriculture and Allied Activities 3.15	
			0.76	-Rural Development 0.70	
			12.27	-Special Areas Programmes 12.23	
			5.93	-Irrigation & Flood Control 6.28	
			95.85	-Energy 86.92	
			0.57	-Industry and Minerals 0.52	
			92.81	-Transport 94.03	
			0.75	-General Economic Services 1.65	
1.35	<b>V Recoveries of Loans and advances</b>	1.60	2.85	<b>V Loans and Advances disbursed</b>	2.74
...	-From Power Projects ...		...	-For Power Projects ...	

\* Details of Plan and Non-Plan expenditure are given in Appendix – I(C)

(Rupees in crore)

Receipts			Disbursements		
1999-2000		2000-2001	1999-2000		2000-2001
	<b>Section - A: Revenue</b>				
1.08	-From Government Servants 1.22		1.79	-To Government Servants 2.40	
0.27	-From Others 0.38		1.06	-To others 0.34	
171.58	<b>VI Revenue Surplus brought down</b>	...	...	<b>VI Revenue deficit brought down</b>	18.21
94.81	<b>VII Public debt receipts</b>	116.14	17.87	<b>VII Repayment of Public Debt</b>	20.90
...	-External debt ...		...	-External debt ...	
24.50	-Internal debt other than ways and means Advances and Overdraft 59.64		2.29	-Internal debt other than Ways & Means Advances & Overdraft 2.72	
...	-Net transactions under Ways and Means Advances including overdraft ...		...	- Net transactions under Ways and Means Advances including Overdraft ...	
70.31	-Loans and Advances from Central Government 56.50		15.58	-Repayment of Loans and Advances to Central Government 18.18	
...	<b>VIII Appropriation to Contingency Fund</b>	...	...	<b>VIII Appropriation to Contingency Fund</b>	...
...	<b>IX Amount transferred to Contingency Fund</b>	...	...	<b>IX Expenditure from Contingency Fund</b>	...
611.49	<b>X Public Account receipts</b>	875.54	604.52	<b>X Public Accounts disbursements</b>	695.10
61.51	-Small savings and Provident fund 102.96		27.98	- Small savings and provident fund 35.90	
2.66	Reserve Funds 3.02		2.66	- Reserve Funds 2.72	
(-)18.02**	-Suspense and Miscellaneous 133.26		4.93	-Suspense and Miscellaneous 27.58	
512.78	-Remittance 574.32		513.84	-Remittance 572.61	
52.56	-Deposits and Advances 61.98		55.11	-Deposits and Advances 56.29	
...	<b>XI Closing Overdraft from Reserve Bank of India</b>	...	(-)61.11	<b>XI Cash Balance at end of 31 March 2001</b>	(-) 66.31
2.66	<b>XII Earmarked funds</b>	2.72		-Cash in Treasuries and Local Remittances	
			(-)80.59	-Deposits with Reserve Bank (-) 72.54	
			0.66	-Departmental Cash Balance including permanent Advances 0.85	
			16.17	-Cash Balance Investment ...	
			2.66	-Investment of earmarked funds 5.38	
1831.92	<b>Total</b>	1914.51	1831.92	<b>Total</b>	1914.51

### Explanatory notes

1. The abridged accounts in foregoing statement have to be read with comments and explanations in the Finance accounts.
2. Government accounts being mainly on cash basis, the deficit on Government account, as shown in Statement I indicates the position on cash basis, as opposed to accrual basis in the commercial accounting, consequently, items payable or receivable or items like depreciation or variation in stock figure etc., do not figure in the accounts.
3. Suspense and Miscellaneous balances includes cheques issued but not paid, payment made on behalf of the State and other pending settlement.
4. There was a difference of Rs. 10.22 crore (net debit) between the figure reflected in the accounts Rs. (-) 15.52 crore and that intimated by the RBI under "Deposit with Reserve Bank" Rs. (-)5.30 crore. The difference is under reconciliation.

\*\* Minus figures are due to adjustment of earlier year outstanding balances.

**EXHIBIT-II**  
**FINANCIAL INDICATORS FOR GOVERNMENT OF ARUNACHAL PRADESH**

	1996-97	1997-98	1998-99	1999-2000	2000-2001
<b>Sustainability</b>					
BCR (Rs. in crore)	(-) 18.61	(-) 39.20	(-) 81.35	(-) 108.15	(-) 238.74
Primary Deficit (PD) (Rs.in crore)	18.62	62.21	(-) 15.51	8.99	162.92
Interest Ratio	0.06	0.07	0.07	0.08	0.12
Capital outlay/Capital receipts	3.45	3.42	2.24	1.99	1.43
Total tax receipts/GSDP	0.57	0.25	0.26	0.32	NA
State Tax Receipts/GSDP	0.03	0.01	0.01	0.01	NA
Return on Investment ratio	0.01	0.01	0.03	0.0001	...
<b>Flexibility</b>					
BCR (Rs. in crore)	(-) 18.61	(-) 39.20	(-) 81.35	(-) 108.15	(-) 238.74
Capital repayments/Capital borrowings	0.13	0.64	0.21	0.19	0.15
State Tax receipts/GSDP	0.03	0.01	0.01	0.01	NA
Debt/GSDP	1.56	0.58	0.62	0.70	NA
<b>Vulnerability</b>					
Revenue Surplus (RS) (+) or Revenue Deficit (-) (Rs.in crore)	204.95	170.84	176.76	171.58	(-) 18.21
Fiscal Deficit (FD) (Rs. in crore)	71.84	122.46	55.75	88.79	283.60
Primary Deficit (PD) (Rs. in crore)	18.58	62.20	(-) 15.51	8.99	162.92
PD/FD	0.26	0.51	0.28	0.10	0.57
RD/FD	*	*	*	*	0.06
Outstanding Guarantees/revenue receipts	0.00	0.00	0.00	0.00	0.0006
Assets/Liabilities	4.20	4.12	3.99	3.79	3.16

- Note :
1. The interest payment in 1998-99 was more than the fiscal deficit, hence the negative figure for primary deficit.
  2. Fiscal deficit has been calculated as : Revenue expenditure + Capital expenditure + Net loans and advances – Revenue receipts – Non-loan capital receipts.
  3. In the ratio Capital outlay vs. Capital receipts, the denominator has been taken as internal loans + Loans and Advances from Government of India + Net receipts from small savings, PF, etc. + Repayments received from loans advanced by the State Government – Loans advanced by State Government.

\* In all the years there was a revenue surplus

## CHAPTER – II

### APPROPRIATION ACCOUNTS – 2000-2001 AT A GLANCE

**Total number of grants/appropriations : 65**

#### Total provision and actual expenditure

(Rupees in crore)

Provision	Amount	Expenditure	Amount
Original	1182.44	Revenue	980.03
Supplementary	269.23	Capital	305.00
<b>Total gross provision</b>	<b>1451.67</b>	<b>Total gross expenditure</b>	<b>1285.03</b>
Recoveries in reduction of expenditure	4.92	<b>Deduct - Actual</b> Recoveries in reduction of expenditure	4.17
<b>Total net provision</b>	<b>1446.75</b>	<b>Total net expenditure</b>	<b>1280.86</b>

#### Voted and charged provision and expenditure

(Rupees in crore)

	Provision		Expenditure	
	Voted	Charged	Voted	Charged
Revenue	907.20	129.11	854.60	125.43
Capital	358.58	56.78	270.74	34.26
<b>Total Gross :</b>	<b>1265.78</b>	<b>185.89</b>	<b>1125.34</b>	<b>159.69</b>
<b>Deduct - recoveries in reduction of expenditure</b>	<b>4.92</b>	-	<b>4.17</b>	-
<b>Total Net:</b>	<b>1260.86</b>	<b>185.89</b>	<b>1121.17</b>	<b>159.69</b>



## APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

### 2.1 Introduction

**2.1.1** The Appropriation Accounts are prepared every year indicating the details of amounts on various specified services actually spent by the Government vis-à-vis those authorised by the Appropriation Act in respect of both charged as well as voted items of the budget.

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

### 2.2 Summary of Appropriation Accounts

**2.2.1** The summarised position of actual expenditure, excess and savings during 2000-2001 against 65 grants/appropriations was as follows:-

**Table 2.1**

(Rupees in crore)						
	Nature of expenditure	Original grant/appropriation	Supplementary grant/appropriation	Total	Actual expenditure	Saving(-) Excess(+)
Voted	I. Revenue	751.62	155.58	907.20	854.60	(-) 52.60
	II. Capital	266.80	88.42	355.22	268.00	(-) 87.22
	III. Loans	3.36	-	3.36	2.74	(-) 0.62
<b>Total Voted:</b>		<b>1021.78</b>	<b>244.00</b>	<b>1265.78</b>	<b>1125.34</b>	<b>(-) 140.44</b>
Charged	IV. Revenue	2.21	0.33	2.54	2.17	(-) 0.37
	V. Capital	-	-	-	-	-
	VI. Public Debt	158.45	24.90	183.35	157.52	(-) 25.83
<b>Total Charged:</b>		<b>160.66</b>	<b>25.23</b>	<b>185.89</b>	<b>159.69</b>	<b>(-) 26.20</b>
Appropriation to Contingency Fund(if any)		-	-	-	-	-
<b>Grand Total:</b>		<b>1182.44</b>	<b>269.23</b>	<b>1451.67</b>	<b>1285.03</b>	<b>(-) 166.64</b>

**2.2.2** These were gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure under revenue expenditure Rs.0.42 crore and Capital expenditure Rs.3.75 crore.

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

2.3.1 As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. However, the excess expenditure amounting to Rs.433.22 crore for the following years were yet to be regularised.

**Table 2.2**

Year	No. of Grant/ Appropriation	Grant/Appropriation(s)	Amount of Excess (Rupees in crore)
1986-87 (U.T. Period)	13	1,7,11,12,13,15,17,30,32,34,39,40,42	6.56
1986-87 (State Period)	28	1,2,3,6,7,8,10,11,13,14,16,18,19,20,22, 24,27,28,29,31,32,33,34,38,39,40,42,43	12.71
1987-88	16	14,18,19,22,23,24,26,30,31,32,33,34,35 40,42 and Public Debt	9.06
1988-89	12	1,13,15,17,21,24,30,31,32,34,40 and Public Debt	54.51
1989-90	15	8,10,15,30,31,32,33,34,38,40,43,45,48, 49 and Public Debt	17.49
1990-91	16	5,8,13,15,19,23,24,26,30,31,32,34,40, 44,48 and Public Debt	28.61
1991-92	17	4,8,10,14,15,18,19,23,25,28,30,31,34, 37,42,43 and Public Debt	63.12
1992-93	11	14,15,18,28,30,31,34,40,43,21,38	27.91
1993-94	12	8,15,19,25,28,30,31,32,34,38,40,45	30.66
1994-95	18	6,8,11,15,21,22,23,26,28,29,31,32,34, 38,40,42,43,45	64.45
1995-96	24	8,9,11,13,14,15,16,18,20,21,23,24,28, 29,31,32,34,40,41,51,53,59,60 and Public Debt	38.41
1996-97	12	1,9,11,13,14,21,28,30,31,34,40,51	14.86
1997-98	15	9,10,11,13,15,20,25,30,31,34,41,46,48, 59 & 60	25.34
1998-99	15	1,7,13,15,19,20,31,34,36,41,50,53,54, 64 and Public Debt	25.26
1999-2000	7	13,31,44,52,53,60 and Public Debt	14.27
<b>Total</b>			<b>433.22</b>

## 2.4 Results of Appropriation Audit

### *Original budget and supplementary provisions*

2.4.1 The overall saving of Rs.166.64 crore was the result of saving of Rs.179.91 crore in 91 grants and appropriations offset by excess of Rs.13.27 crore in 12 cases of grants and appropriations.

(a) Supplementary provision made during the year constituted 23 per cent of the original provision as against 15 per cent in the previous year.

### *Unnecessary/excessive/inadequate supplementary provision*

2.4.2 Supplementary provision of Rs.9.89 crore made in 19 cases during the year proved unnecessary in view of aggregate saving of Rs.20.48 crore as detailed in Appendix - II.

(a) In 39 cases against additional requirement of Rs.103.78 crore, supplementary grants and appropriations of Rs.223.86 crore were obtained resulting in savings in each case exceeding Rs.10 lakh, aggregating Rs.120.08 crore. Details of these cases are given in Appendix - III.

### *Substantial savings/excesses*

2.4.3 The excess of Rs.13.24 crore under 11 grants and Rs.0.03 crore under 1 appropriation require regularisation under Article 205 of the Constitution. Details of these are given in Appendix - IV.

(a) In 6 cases, supplementary provision of Rs.17.66 crore proved insufficient by more than Rs.10 lakh in each grant, leaving an aggregate uncovered excess expenditure of Rs.13.10 crore as per details given in Appendix - V.

(b) In 16 cases, expenditure fell short by more than Rs.1 crore in each case and also by more than 10 per cent of the total provision as indicated in Appendix - VI. In 6 of the above cases (Sl.No.3,7,8,10,12 and 15) 50 to 83 per cent of the total provision totaling Rs.55.43 crore was not utilised.

(c) In 2 cases, expenditure exceeded the approved provisions by Rs.25 lakh or more and also by more than 10 per cent of the total provision. Details of these are given in Appendix - VII. In 1 out of the above 2 cases, the expenditure exceeded the approved provision by over 74 per cent.

### *Persistent savings/excess*

2.4.4 In 14 cases there were persistent savings in excess of Rs.10 lakh and 10 per cent or more of the provision in each case. Details are given in Appendix - VIII.



(a) Excess (12 *per cent*) was persistent in 1 case as detailed in **Appendix - VIII A.**

Persistent excess requires investigation by the Government for remedial action.

***Excessive/unnecessary re-appropriation of funds***

2.4.5 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. Cases where injudicious re-appropriation of funds that resulted in excess/saving by over Rs.20 lakh are given in **Appendix - IX.**

***New Service/New Instrument of Service***

2.4.6 Article 205 of the Constitution provides that expenditure on a "New Services" not contemplated in the Annual Financial Statement (Budget) can be incurred only after its specific authorisation by the Legislature. The Government have issued orders based on recommendations of Public Accounts Committee laying down various criteria for determining items of 'New Service'/'New instrument of Service'.

2.4.7 In 4 cases, expenditure totaling Rs.0.30 crore which should have been treated as 'New Service'/'New Instrument of Service' was met by re-appropriation without the authorisation of the Legislature. This constituted a breach of government financial norms. Details of these cases are given in **Appendix - X.**

***Expenditure without provision***

2.4.8 As envisaged in the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds therefor. It was however, noticed that expenditure of Rs.78.37 lakh was incurred in 4 cases as detailed in **Appendix - XI** without provision having been made either in the original estimates or in the supplementary demands and no re-appropriation orders were issued. This action without authorisation of the Legislature constituted a breach by the government.

***Anticipated savings not surrendered***

2.4.9 According to rules framed by Government the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. However, at the close of the year 2000-2001 there were 19 grants/appropriations in which large savings had not been surrendered even partially by the department. The amount involved was Rs.95.69 crore. In 9 cases, the amount of available savings of Rs.1 crore and above in each case not surrendered, aggregated Rs.90.83 crore. This indicated lack of financial control and monitoring. Details are given in **Appendix - XII.**

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

**2.4.10** In 3 cases, the amount surrendered was in excess of actual savings and in one case though there was excess expenditure under Revenue head of account in respect of one grant, the amount surrendered inflated this excess expenditure under the grant indicating inadequate budgetary control. As against the total amount of actual savings of Rs.5.74 crore, the amount surrendered was Rs.6.69 crore resulting in excess surrender of Rs.0.95 crore and further, against the excess expenditure of Rs.5.16 crore under Revenue Section of one grant, the amount surrendered was Rs.0.09 crore which resulted in injudicious surrender. This calls for better monitoring and control by the Finance Department. Details are given in **Appendix - XIII**.

**2.4.11** The above instances of budgetary irregularities are reported from year to year in Chapter II of the Audit Report. If precautions had been taken by all the departments in the light of the observations made earlier in Chapter II of the Reports, the irregularities could not have occurred.

***Non-receipt of explanations for savings/excesses***

**2.4.12** For the year 2000-2001, explanations for savings/excesses were not received.

***Trend of Recoveries and credits***

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

**2.4.14** In 2 grants the actual recoveries (Rs.32.91 lakh) adjusted in reduction of expenditure without any provision of fund and exceeded by Rs.32.91 lakh (Revenue –Rs.9.65 lakh and Capital – Rs.23.26 lakh ) and 1 grant the actual recoveries (Rs.383.96 lakh) were less than the estimated recoveries (Rs.491.99 lakh) by Rs.108.03 lakh. More details are given in Appendix of Appropriation Accounts.

***Un-reconciled expenditure***

**2.4.15** Financial rules require that the Departmental Controlling Officers (DCOs) should periodically reconcile their figures of expenditure with those booked by the Accountant General. 71 DCOs reconciled their figures of expenditure only once in March 2001. In respect of 06 heads of accounts, expenditure of Rs.61.63 crore pertaining to 2000-2001 no reconciliation was made by the 6 DCOs.

## **2.5 Control over expenditure**

**2.5.1** Rules provide that drawals in Abstract Contingent Bill (AC Bill) require presentation of Detailed Countersigned Contingent Bills (DCC Bills) to the Controlling Officer (CO) and transmission to the Accountant General. A certificate shall be attached to every AC bill to the effect that (DCC Bills) have been submitted to the CO in respect of AC bills drawn more than a month before the date of that bill.

**2.5.2** Text check (March 2001) of the records of 74 Drawing and Disbursing Officers (DDO's) revealed that Rs.3.15 crore were drawn during 1998-99 (Rs.0.41 crore), 1999-2000 (Rs.1.19 crore) and 2000-2001 (Rs.1.55 crore) through 117 AC bills (1998-99 :19 nos; 1999-2000 :18 nos; 2000-2001 : 80 nos) but DCC bills had not been furnished to the Accountant General till 31 March 2001. (Details given in Appendix XIV).

**2.5.3** Withdrawal of money in AC bills was exhibited in the accounts and as shown spent for the purpose for which the funds were provided by the Legislature. However, due to non-submission of detailed countersigned bills, the actual expenditure against which the withdrawal in AC bills and the extent to which the purpose for which the amounts appropriated was fulfilled, remained unassessed. The large scale non regularisation of withdrawals through AC bills indicated a serious deficiency in control over expenditure. Because of this Rs.3.15 crore had not been accounted for by the Government till 31 March 2001.

## **2.6 Rush of expenditure**

**2.6.1** 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. The percentage of expenditure during the 4<sup>th</sup> quarter and during the March 2001 compared to the total expenditure varied between 34 and 75, 18 and 63 respectively in respect of 9 illustrative heads of accounts as indicated in Appendix - XV.

**2.6.2** The matter was reported to Government in December 2001; reply has not been received.

CHAPTER – III : CIVIL DEPARTMENTS  
SECTION – A - REVIEW

HEALTH AND FAMILY WELFARE DEPARTMENT

3.1 Prevention and Control of Diseases

*Highlights*

*The review highlights failure of the State Government to utilise Central assistance of Rs.1.44 crore (National TB Control Programme – Rs.0.20 crore, National Programme for Control of Blindness – Rs.0.40 crore and National Aids Control Programme – Rs.0.84 crore), non-implementation of Revised strategy for National Tuberculosis Control Programme (RNTCP), non-establishment of eye bank, unnecessary blockade of fund, shortfall in achievement of targets fixed for different components of these programme and lack of proper monitoring of implementation of these programmes.*

Against total releases of Rs.5.03 crore (Rs.0.27 crore RNTCP, Rs.0.58 crore NPCB and Rs.4.18 crore NACP) by the Government of India, Rs.3.59 crore were utilised during 1996-2001 leaving Rs.1.44 crore (29 per cent) unspent.

(Paragraph 3.1.4 to 3.1.10)

Under RNTCP, none of the 4 DTCs could start functioning due to delay in formation of societies.

(Paragraph 3.1.6)

Under NTCP, in 7 out of 13 districts in the State, no DTCs were established. Even the 6 functional DTCs were not provided with all the essential equipment.

(Paragraph 3.1.17 to 3.1.19)

Unproductive expenditure of Rs.8.71 lakh due to non-functioning of the State TB Training Demonstration Centre at Naharlagun.

(Paragraph 3.1.21 & 3.1.22)



Nine districts with a population of 5.45 lakh were deprived of the benefit of district mobile eye units (DMUs) due to non-appointment of eye specialist etc. for 4 districts and non-sanctioning of the DMUs for 5 districts.

(Paragraph 3.1.27)

Shortfall in achievement in cataract surgery during 1996-2001 varied from 35 to 73 per cent.

(Paragraph 3.1.32)

No eye bank was established either in the Government sector nor by NGOs.

(Paragraph 3.1.39)

Unnecessary locking up of fund of Rs.13.00 lakh for purchase of 6500 wall clocks for distribution/display to different hostels/schools prior to selection of NGO.

(Paragraph 3.1.57)

Doubtful expenditure of Rs.7.19 lakh for procurement of consumables, reagents etc.

(Paragraph 3.1.64 & 3.1.65)

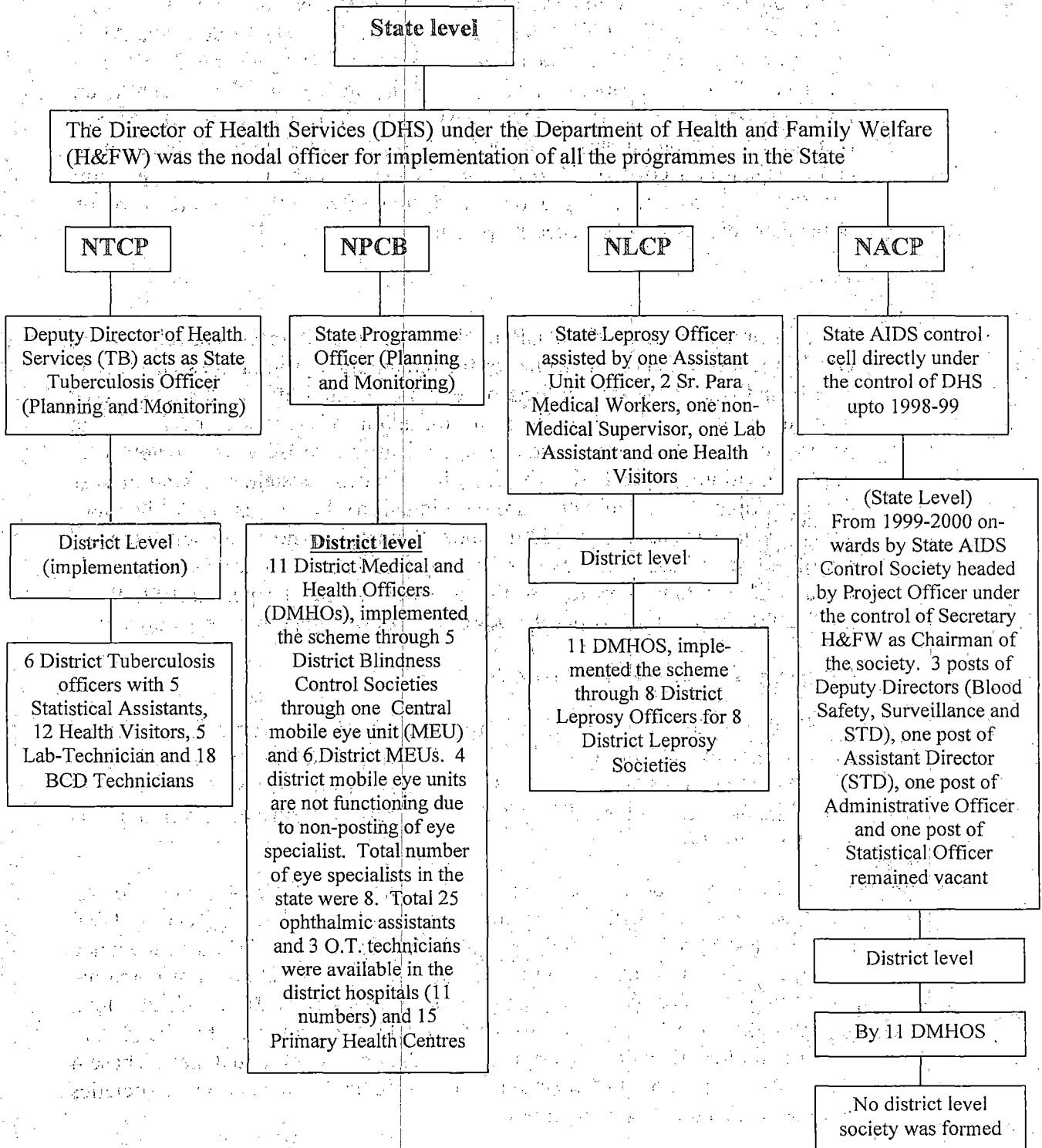
### ***Introduction***

3.1.1 Of many public health hazards encountered by the country the 4 diseases, viz. Tuberculosis (TB), Blindness, Leprosy and Acquired Immune Deficiency Syndrome (AIDS) have caused tremendous socio-economic problem to the country. The objective of the National TB Control Programme (NTCP) had been implemented in the state since 1996-97 with the aim to detect the disease amongst the population and to treat them for the remedy. The National Programme for Control of Blindness (NPCB) was launched in the state in 1981-82 with the aim to reduce incidence of blindness from 1.4 per cent to 0.3 per cent of the population by 2000 AD by providing eye care service to the community. The thrust of the National Leprosy Control Programme (NLCP) launched in the state in the middle part of 1981, was to reduce the cases to less than one per 10,000 population by the year 2000 AD, by way of early detection and prompt treatment. The objective of National AIDS Control Programme (NACP) introduced by the Government of India in 1992, was mainly to combat spread of HIV infection. The programme was implemented in the state from 1992.

**Organisational set up**

3.1.2 The organisational structure for implementation of the programmes is detailed below:-

**Chart - 3.1**



In the State so far one State Society under NACP made operational. The State Society under RNTCP has not yet started functioning.

### ***Audit Coverage***

3.1.3 The implementation of the Prevention and Control of Diseases Programmes (National TB Control Programme, NPCB, NLEP and NACP) during 1996-97 to 2000-2001 were reviewed during February-April 2001 based on test-check of records of the DDHS(TB), Naharlagun, 3 out of 6 DTOs (East Siang, West Kameng and West Siang), 3 DTCs (Bomdila, Along and Pasighat) and ISTCS (Naharlagun), SPO, Naharlagun and 3 DBCS at Pasighat, Along and Bomdila, SLO, Naharlagun and 4 DLS (Naharlagun, Pasighat, Bomdila and Along), SPO-SACC and Project Director-APSACS, 2 STD clinics and blood banks attached to two general hospitals at Naharlagun and Pasighat and covered 66 *per cent* (Rs.565.73 lakh) of total expenditure (Rs.862.41 lakh) under 4 programme during 1996-2001. Important points noticed are discussed in succeeding paragraphs.

### ***Finance***

3.1.4 Implementation of NACP in the state was financed entirely by the Government of India (GOI) while for the remaining 3 programmes viz. NTCP, NPCB and NLCP the state efforts were supplemented by assistance rendered in cash or kind by the GOI. With the formation of societies under the four programmes, central cash assistance was released directly to the societies for implementation of specified activities while central assistance in kind or cash for development of infrastructure continued to be released to the state government. The actual expenditure under the programmes from state side and out of the central assistance as furnished by the department and as appeared in the annual accounts prepared by the societies during the period 1996-97 to 2000-2001 are given in **Appendix-XVI**. The following points were noticed:-

#### ***Central assistance remained unutilised***

3.1.5 It would be seen from **Appendix-XVI** that unutilised Central assistance at the end of 2000-01 was to the tune of Rs.1.44 crore {RNTCP – Rs.0.20 crore (4 societies), NPCB – Rs.0.40 crore and NACP – Rs.0.84 crore} against a cash grant of Rs.5.03 crore received during the 5 years period ended March 2001.

3.1.6 In respect of RNTCP unutilised balance of Rs.20.43 lakh Central assistance: Rs.19.78 lakh and interest earned on bank deposit (Rs.0.65 lakh) by the 4 test checked societies (STCS, Naharlagun and 3 DTCs at Pasighat, Along and Bomdila) during the period from 1998-99 to 2000-01 was mainly due to non-encashment of bank drafts (Rs.13.55 lakh) by the DTCs at Along and Bomdila and the balance of Rs.6.88 lakh was retained by the STCS, Naharlagun for utilisation for payment of salaries of contractual staff. These 4 DTCs also could not start functioning due to delay in formation of societies and non-encashment of bank drafts.

3.1.7 The unutilised central assistance of Rs.40.60 lakh (Rs.58.35 lakh – Rs.17.75 lakh) with Government under NPCB during 1996-2000 ranged



between 27 and 65 *per cent* of the total fund released. The state government, however, had not assigned any reason for non-release of central assistance amounting to Rs.12.10 lakh to the State Project Officer (SPO) for implementation of the programme. Out of Rs.12.10 lakh, Rs.8.22 lakh remained unutilised under sub head “State Ophthalmic Cell” alone during 1996-2000.

3.1.8 In respect of NACP it was seen that at the end of operational period of the programme under phase-I (upto 31.3.1999), a total amount of Rs.32.39 lakh out of Central assistance of Rs.1.59 crore provided during 1996-97 to 1998-99 remained unutilised with the state government due to non-release of the amount to the State AIDS Control Cell (SACC). It was also noticed that in addition to Rs.32.39 lakh, the state government also retained another amount of Rs.16.49 lakh, being the unutilised balance of Central assistance pertaining to earlier periods from 1992-93 to 1995-96 and which has already been pointed out in paragraph 3.4 of the Audit Report of the Comptroller and Auditor General of India for the year ended 31<sup>st</sup> March 1996. Further, as per guidelines under Phase-II of the programme, unutilised balance of Central assistance which remained with the SPO/state government was to be transferred to the PD-APSACS for utilisation under Phase-II. The state government, however, had not transferred Rs.48.88 lakh as of April 2001. The reasons for under utilisation of Central assistance by the societies had not been ascertained by the State programme officer.

#### *Expenditure not regularised*

3.1.9 The position of Central assistance received along with additional fund mobilised by interest earned on bank deposit, Public donations etc. and expenditure incurred against 3 test checked DBCS (Pasighat, Along and Bomdila) out of 5\* DBCS in the state during 1996-2001 appear in Appendix-XVI.

3.1.10 It can be seen from Appendix-XVI that no Central assistance was provided to any of the three test checked societies during 2000-2001 and the reason thereof was not on record. The annual quantum of Central assistance of Rs.3.00 lakh for societies was determined (January 1993) by Government of India such as (i) For Contractual remuneration for DBCS-Rs.0.60 lakh (ii) For Consumables for cataract surgery-Rs.1.50 lakh (iii) For Secretariat assistance and POL – Rs.0.40 lakh and (iv) Contingencies – Rs.0.50 lakh.

3.1.11 From the details of actual expenditure (as given below) in respect of two societies (Pasighat and Along) it was, noticed that the expenditure was not regulated as per prescribed norm.

---

\*. Pasighat, Along, Bomdila, Khonsa and Tawang.

Table – 3.1

Society	Year	Contractual remuneration	Consumables for cataract surgery	Secretariat assistance and POL	Contingency	IEC	Total
Pasighat	1997-98	Nil	1.69	0.34	0.72	0.17	2.92
	1998-99	0.12	3.19	0.28	0.06	0.07	3.72
Along	1998-99	Nil	2.64	0.07	0.28	...	2.99
	1999-2000	Nil	2.10	0.37	...	0.94	3.41

Source :- From the Department

3.1.12 The reasons for short release of Central assistance to Pasighat society during 1997-98 and Along society during 1998-99 was neither available on record nor stated (March 2001). However, in all cases, expenditure under the component "Consumable for cataract surgery" exceeded the amount fixed under the norm to the extent of 13 to 113 *per cent*. The excess expenditure was mainly met from savings available under other components. The reasons for deviation were not on record.

***Diversion of fund for construction of buildings/barracks etc.***

3.1.13 In respect of NLCP, the percentage of unutilised balances at the end of each year during 1996-97 to 2000-2001 varied from 14 to 54 *per cent*. The Assistant Unit Officer (AUO), Leprosy stated (March 2001) that savings occurred due to late release of fund by GOI.

3.1.14 As per guidelines issued by the Director General of Health and Services (DGHS) Ministry of Family Welfare – New Delhi during 1994, there was no provision for incurring expenditure on construction/minor works out of the Central assistance provided to the societies. Test check (March 2001) of annual accounts of the societies revealed that 4 societies viz, Bomdila (Rs.0.40 lakh), Tezu (Rs. 3.72 lakh), Naharlagun (Rs.3.40 lakh) and Along (Rs.0.56 lakh) had irregularly spent a sum of Rs.8.08 lakh on construction of buildings/Barracks, etc. during 1996-97 to 1999-2000 without obtaining the approval of the GOI. The unauthorised expenditure led to diversion of funds.

***Implementation***

***(a) National Tuberculosis Control Programme***

3.1.15 Under the NTCP, a District TB Centre (DTC) in every district and a TB unit at sub district level in association with all the existing medical and health institution is to be established.

3.1.16 The programme is being implemented in the state by only 6 DTCs (Bomdila, Tezu, Deomali, Ziro, Pasighat and Along) under the control of 6 DTOs with the help of Peripheral Health Institutions (PHI) including PHCs and CHCs at sub-district (rural) level. The service of PHIs was utilised as Microscopic Centre (MC), X-ray Centre (XC) and Referral Centre (RC). No separate TB unit as contemplated under the programme was established at sub-district (rural) level.

***In seven out of thirteen districts in the State, no separate DTCs were established and the functional DTCs were not provided with the essential equipment***

3.1.17 In 7 out of 13 districts in the state, separate DTCs as per provision of the programme guidelines have neither been established and no reason had been assigned thereof. As a result, people/TB patients of these districts were deprived of the facility of District TB centre. Even the existing 6 DTCs (Bomdila, Tezu, Pasighat, Ziro, Deomali and Along) were not provided with essential equipment though the DTC wise requirement of equipment and vehicles were one X-ray unit, 2 Microscope, 1 vehicle (Maruti Gypsy) and 1 Odelca Camera with X-ray film (1 with 10 rolls) for each district.

3.1.18 The newly established DTC at Along (1996) was not yet provided with a vehicle while the existing vehicles of the other 5 DTCs supplied during the year from 1980 to 1994, were not in good condition. 2 vehicles of DTCs Pasighat and Deomali were beyond economic repair and were withdrawn from road from January 1996.

3.1.19 The Director General of Health Services, New Delhi was therefore requested (January 1996) by the DHS-AP to supply the required equipment and vehicles to 6 DTCs. The equipment and vehicles, however, had not been supplied by the DGHS till April 2001 despite reminder in June 1997.

***Twenty eight centres were not functioning for want of microscope, MOs and Lab. Technicians etc.***

3.1.20 From the records of the three test checked DTCs (Bomdila, Pasighat and Along) it was seen that out of 53 centres {Bomdila-21 (MC\*\*-5, XC-4, RC-12), Pasighat-18 (MC-10, XC-3, RC-5) and Along-14 (MC-3, XC-4 and RC-7)}, 28 centres {Bomdila-8 (MC-3, RC-5) Pasighat-12 (MC-7, RC-5) and Along-8 (MC-1, RC-5 and XC-2)} were not functioning from 1996-97 due to non-availability of microscopes, non-posting of MOs and laboratory technicians etc. These 28 centres therefore had not carried out any activities under NTCP. The exact number of total population affected due to non-functioning of the centres was not available on record but under 10 non-functional MCs (3 under DTC, Bomdila and 7 under DTC, Pasighat) total population involved was 52,603. The State Programme Officer (SPO) had not

---

\*\* MC=Microscopic Centres  
XC=X-Ray Centres  
RC=Referral Centres



taken up the matter with the Government to make the 28 centres functional and the reason thereof was not furnished.

***Unproductive expenditure due to non-functioning of State TB Training and Demonstration Centre***

3.1.21 In terms of provision of NTCP guidelines, one State TB centre otherwise known as State TB Training and Demonstration Centre (STBTDC) was to be established in each state for imparting training and re-orientation to the personal engaged in the TB Control Programme, organising seminars and re-orientation training courses for general health services personal, private practitioners etc. and for conducting epidemiological and laboratory studies essential for the TB programme.

3.1.22 Accordingly, one STBTDC was established at Naharlagun in November 1997 at a cost of Rs.8.71 lakh through funds provided by the state government. It was, however, noticed that except holding 2 days refresher training course on two occasions in October 1997 and October 2000 for training 40 TB health staff of different disciplines, the building was not put to use and remained idle. The DDHS (TB) (March 2001) informed that the centre could not be put to use for want of equipment such as X-ray units, Odelca Camera with X-ray films, microscope, vehicle and staff. As the centre was near non-functional, the investment of Rs.8.71 lakh remained unproductive.

***Performance***

***Detection of new TB cases by sputum examination***

3.1.23 Achievements vis-à-vis targets in respect of detection of new TB cases by sputum examination in TB clinics under DTCs and different Peripheral Health Institution (PHIS) including PHCs/CHCs were indicated in **Appendix-XVII**.

3.1.24 For detection of new TB cases, it was found that the achievements were far higher than the targets set and there were no reasons on record, nor could be stated by the SPO. The setting of the target were not realistic. The reason for abrupt reduction of targets for new sputum examination during the year 1999-2000 and 2000-01 was attributable to non-functioning of 28 centres for want of equipment and staff. However, it was seen that the percentage of annual rate of new sputum examination with reference to population covered during the period from 1996-97 to 2000-01 were in the decreasing trend and it varied from 1.18 to 0.40 and the percentage of annual rate of patient cure with reference to TB cases detected was also in the lower side and it ranged from 8.32 to 20.21 only. The annual prevalence rates of TB per 100 population in the state with reference to new sputum examination and Sputum+ve detected were in the increasing trend and it varied from 4.85 to 7.24 during the period from 1996-97 to 2000-01 which indicates an unfavourable impact of the measure taken. Similarly, a reduction in new case detection rate indicated a reduction in coverage of case detection.

**Treatment**

3.1.25 As per information made available to audit by the SPO, the number of TB cases brought under treatment and number of TB cases discharged after completion of treatment were indicated in **Appendix-XVIII**.

3.1.26 The percentage of old and new cases and number of patients discharged each year could not be assessed as the information in respect of the number of old cases brought under treatment each year was not available on the records of the SPO.

**(b) National Programme for Control of Blindness (NPCB)**

***Nine districts with a population of 5.45 lakh were deprived of the benefit of mobile eye service***

3.1.27 According to 1991 census, the total population in the 13 districts of the state stood at 8.65 lakh. To provide eye care services to the people of 13 districts in the state, one Central Mobile Unit (CMU) at Naharlagun under Papumpare district and 6 District Mobile Eye Units (DMUs) were created between 1985-86 and 1999-2000. The details of expenditure on creation of these units were not available on records, but only 2 DMUs in respect of Tirap and West Siang districts were functioning. The remaining four DMUs in the districts of East Kameng, Upper Subansiri, Dibang Valley and Changlang remained non-functional due to non-appointment of eye specialists and Para-Medical Ophthalmic Assistants (PMOAs) by the state government. The DMUs for the other five districts viz. West Kameng, Tawang, Lower Subansiri, Lohit and Upper Siang have not yet been sanctioned and the reasons thereof were not stated (April 2001). As a result, benefit of mobile eye service could not be extended to a large section of the population numbering 5.45 lakh under nine districts as on date (March 2001). Similarly, against 2 general hospitals and 11 districts hospitals, eye specialists are available only in 2 general hospitals and 4 districts hospitals.

**Implementation*****Plan of Action***

3.1.28 On scrutiny of records of three test checked DBCS (Pasighat, Along and Bomdila), it was noticed that no plan of action for all the activities (cataract surgery, screening for refractive errors and provision of spectacles, eye Health Education including Ocular injuries and Rehabilitation of incurably blind) was prepared annually. None of the DBCS had furnished any reasons for this omission. Thus, in the absence of proper plan of action there was no scope to assess how far the objectives of the programme were achieved by each society per year.

3.1.29 The details of activities connected with the 4 components carried out by the societies and shortcoming noticed therein were as under :

### ***Cataract Surgery***

3.1.30 As per strategies adopted under NPCB, cataract operations were performed mainly in permanent hospitals i.e. two general hospitals and four district hospitals (Along, Khonsa, Yingkiong and Tawang) equipped with ward and theatre facilities and partly by holding camps either in well equipped PHCs/CHCs or through improvised wards/theatre at camp sites. Under three test checked districts only two CHCs at Basar and Likabali in the district of West Siang were used as camp sites.

3.1.31 The details of cataract operations done at permanent hospitals and at camps during 1996-97 to 2000-2001 appear in **Appendix-XIX**.

#### ***Shortfall in achievement in cataract surgery during 1996-2001 ranged from 35 to 73 per cent at Permanent Hospitals***

3.1.32 It was seen from **Appendix-XIX** that the shortfall in achievement of target of cataract operations during 1996-97 to 2000-2001 ranged from 35 to 73 per cent. The SPO in his reply on shortfall stated (April 2001) that the annual target for cataract operation for the state as fixed by Government of India was too high considering limitations of inaccessible terrain, lack of communications, shortage of ophthalmic manpower, lack of motivation of backward tribal people etc. The SPO however, had not furnished any reason for downward trend of performance of operation during the last two years as compared to the earlier three years. The basis on which targets were fixed by Government of India was not available on record nor could be furnished by the SPO. The SPO also stated that the matter regarding reduction of annual target for cataract operation was already taken up with Government of India at the level of state government (April 1998) but the reaction of Government of India was not yet made known.

#### ***Only 12 eye camps were held during 1996-2001 and 9706 patients were checked***

3.1.33 No target for holding eye camps was fixed either by Government of India or by the state government. Achievement in respect of eye camps held, patients checked etc. are shown in the **Appendix-XIX**.

3.1.34 During the period of five years from 1996-97 to 2000-2001, 12 eye camps were held in the state and 9706 patients were checked which constitutes only 1.12 per cent of the total population (8,64,558) of the state. The reasons for poor performance in holding eye camps and patients checked were attributed by the SPO, NPCB due to poor infrastructure and inadequate provision of funds.



***Spectacles were not provided to 141 confirmed cases of refractive errors for want of fund under screening for refractive errors and provision of spectacles***

3.1.35 The records relating to information of the number of cases of vision screening done by the DBCS for the state as a whole for the period from 1996-97 to 2000-2001 were not maintained. Records of three test checked DBCSs also showed that this activity was undertaken in limited cases, confined mainly to school children without making the activity a regular item of the annual plan of DBCSs.

3.1.36 The details of activities carried out by three DBCSs during 1996-97 to 2000-01 appear in **Appendix-XX**.

3.1.37 Three DBCS carried out 2809 nos of screening for refractive errors during 1996-97 to 2000-01 which constituted a testing of only 0.96 per cent of the population in the three districts. It was further noticed that in respect of 219 confirmed cases of refractive errors spectacles could be provided to only 78 school children. Performance of the three societies in respect of screening for refractive errors and provision of free spectacles was poor.

***Services of 80 trained teachers were not utilised under Eye Health Education/Information, Education and Communication (IEC)***

3.1.38 IEC activities include identification and motivation of potential beneficiaries through educating voluntary groups, teachers and other relevant persons. Scrutiny of records showed that 80 teachers (Along-53, Bomdila-27) out of 2282 teachers available in the three test checked districts were trained in matters of eye screening during the last five years from 1996-97 to 2000-01. No indication was however, available on record to show that the trained teachers had rendered any service in the matter of identification and motivation of potential beneficiaries and no reasons had been furnished (December 2001).

***Other Connected Activities***

***No eye bank was developed either at Government sector or at the level of NGO***

3.1.39 There is no eye bank in the state. The SPO stated that due to fund constraints and non-receipt of any response from NGOs, an eye bank could not be developed as yet. In the absence of any eye bank in the state, the observance of National Fortnight on Eye Donation and holding of radio talks on the subject year after year did not generate the response required.

**(c) National Leprosy Eradication Programme**

***Non-preparation of Annual Action Plan (AAP)***

3.1.40 On scrutiny of records of 4 test-checked\* District Leprosy Societies (DLS), it was seen that none of these societies had prepared any AAP for the years from 1996-97 to 1999-2000. It was stated by the Assistant Unit Officer (AUO) Leprosy of DLS Naharlagun that AAP could not be prepared for want of expert person while the other 3 DLS had not furnished any reason for non-preparation of AAPs. In the absence of the AAPs, shortfall if any, in respect of training imparted, IEC activity etc., during 1996-2000 could not be verified in audit.

***Target and achievement of case detection/survey, examination etc.***

3.1.41 The targets of new case detection, cases brought under treatment and cases to be discharged were fixed by the GOI. Details of cases actually detected, treated and discharged and population covered by enumeration and examination each year during 1996-97 to 2000-2001 are shown in **Appendix-XXI**.

***Objective of the programme was not achieved***

3.1.42 On the basis of annual prevalence rate of Leprosy per 10,000 population in Arunachal Pradesh as furnished by State Leprosy Officer (March 2001), the target for new case detection should have been fixed by GOI. But the targets for new case detection and new cases brought under treatment as fixed by the Ministry of Health and Family Welfare Department, (Leprosy Division) New Delhi remained more or less static in all the years during 1996-97 to 2000-2001 and was far below achievements reported. The basis of target fixation by GOI were not on record but the achievements clearly represented that the targets set were unrealistic.

3.1.43 Hence, the objective of the programme to eradicate leprosy by 2000 AD by reducing case load to less than 1 per 10,000 population was not achieved by the state as the prevalence rate even at the end of March 2001 remained 2.05 per 10,000 population.

***Mobile Leprosy Treatment Units (MLTU)***

***Performance of MLTUs in the 4 societies could not be verified in Audit for non-maintenance of record***

3.1.44 As per guidelines, each MLTU will remain in the field for 10-12 days in a month at a stretch making night halt at different pre-identified places. The MLTU will diagnose new patients and provide Multi-Drug Therapy (MDT) Service to them and also to the defaulters (those who had not taken complete treatment).

---

\* Naharlagun, West Siang, West Kameng and East Kameng

3.1.45 It was noticed that out of 13 districts, only 4 districts (East Siang, West Siang, West Kameng and East Kameng) were tested as moderately endemic districts while the remaining 9 districts were classified as low endemic districts. As per norms laid down, 2 MLTUs were permitted for each moderately endemic districts and one MLTU for each low endemic district. There are 8 MLTUs functioning at the District Headquarters at Khonsa, Pasighat, Along, Tawang, Changlang, Tezu, Naharlagun and Bomdila which cater to the need of the whole state. Of these, Pasighat, Along and Bomdila though falls under category of moderately endemic, no second MLTU was created for these districts so far.

3.1.46 On scrutiny (March-April 2001) of records of 4 societies test checked, it was found that none of the societies had maintained any record showing the pre-identified places to be visited by MLTU, quantity of medicines distributed in each visit, number of patients treated and defaulters searched out. In the absence of records, performance of MLTUs in the 4 societies could not be verified in audit.

3.1.47 However, test-check of log books of the vehicles used for MLTU services in respect of DLO Bomdila and DLO Along revealed that none of the vehicle was utilised by the respective DLOs to perform the required 120 days of duty in a year and the shortfall in respect of MLTU services in the two districts (Bomdila – 89 to 209 days and Along – 75 to 336 days) ranged between 63 and 95 per cent. The societies had not stated the reasons for shortfall.

***Misutilisation of GOI fund due to non-maintenance of records***

3.1.48 As per guidelines, incentives were payable to the MLTU staff engaged under the programme while attending additional duties under multi-drug regimen. Scrutiny of annual accounts of the 4 test checked societies\*\*\* revealed that an amount of Rs.5.69 lakh was paid as incentive to the staff during 1996-2001, but none of the Society could however, justify these payments as no records in support of additional duties performed by the MLTUs staff were available. The payment of incentive of Rs.5.69 lakh was irregular and GOI funds were misutilised.

***(d) National Aids Control Programme***

3.1.49 Implementation of NACP under its different operational components is discussed below:-

---

\*\*\* (i) Divisional Leprosy Society Subansiri, Naharlagun (Rs.1.88 lakh), (ii) District Leprosy Society, West Siang, Along (Rs.2.37 lakh), (iii) District Leprosy Society East and West Kameng, Bomdila (Rs.0.76 lakh), (iv) District Leprosy Society, East Siang, Pasighat (Rs.0.68 lakh).



### ***Programme Management***

3.1.50 As per information made available to audit, out of 18 posts of different categories sanctioned by GOI under the NACP, only 7 posts (4 posts under SAAC and 3 posts under APSACS) were filled up till April 2001 leaving 11 posts vacant (**Appendix – XXII**). It was also noticed that the vacant posts were advertised in newspapers only as recently in February 2001 and no further progress in the matter of selection and appointment of staff against these vacant posts was made till April 2001. Thus delay in appointment of required staff had affected the activities connected with IEC, VCT, blood bank, blood testing and monitoring/evaluation of the programme in particular.

### ***Priority Targeted Intervention (PTI) for groups at high risk***

3.1.51 The project aims to reduce the spread of HIV in groups at high risk by introducing target population and providing counselling, condom promotion, treatment of STIS\* and client programme. The identification of Commercial Sex Workers (CSWs), Truck Drivers (TDs), Injecting Drug Users (IDUs) etc. has not been made in the state either by the SAAC or APSACS during 1996-2001 and no specific allotment of fund for the component was made by NACO.

### ***Condom delivery system***

3.1.52 During the period from 1996-97 to 1999-2000, only 40,000 Nirodhs (condoms) valued Rs.0.10 lakh were received by the Society from NACO for distribution to the population at subsidised rate of Rs.2/- for a packet of 5 pieces of condoms through NGOs under social marketing. Till date (April 2001) the entire condoms received are in stock and the reasons for their non-distribution has not been stated (December 2001).

### ***Preventive Intervention for the general community***

3.1.53 Activities under this component are carried out under three separate sub-components as detailed below :-

### ***Six Districts with a population of 3.28 lakh remained uncovered under FHACs programme***

3.1.54 Against the Central assistance of Rs.99.68 lakh released during 1999-2000 to 2000-2001 for IEC activities, Rs.71.44 lakh was incurred on advertisement in newspapers/distribution of flags/banners and display of hoardings on the occasion of World's AIDS day (WAD), procurement of materials etc. and the balance of Rs.28.24 lakh remained unutilised.

---

\* STIS : Sexually transmitted infections

3.1.55 The main IEC activity was done by holding two Family Health Awareness Campaigns (FHACs) – one in December 1999 at a cost of Rs.27.25 lakh by covering 7 districts (East Siang, West Siang, Lohit, West and East Kameng, Papumpare and Tirap districts) out of 13 districts of the state. As a result, 6 districts (Dibang Valley, Changlang, Tawang, Lower and Upper Subansiri and Upper Siang districts) with a population of 3.28 lakh remained uncovered by this programme. Though there was no fund constraint, the reasons for not covering the remaining 6 districts under FHAC were not furnished by the Society.

3.1.56 Again, 12 districts (except Dibang Valley) were covered in June 2000 under second FHAC and a total amount of Rs.27.28 lakh was spent but Dibang Valley was not covered even under this FHAC. Out of 12 DMOs, 6 DMOs had not submitted to the Society utilisation certificates in respect of cash grant of Rs.12.20 lakh till December 2001.

***Unnecessary locking up of fund of Rs.13 lakh due to procurement of 6,500 Wall Clocks far in advance of requirement***

3.1.57 Scrutiny of records of the society revealed that 6,500 wall clocks being a part of IEC material were procured (April 2000) from a Guwahati based firm at a cost of Rs.13.00 lakh for distribution/display/in different hotels/schools through NGOs. It was, however, noticed from the stock register that the materials were lying with the Society undistributed due to non-fulfilment of terms and conditions stipulated in the guidelines by the 4 NGOs selected (November 2000) by the Society for the purpose. The procurement of IEC materials was not justified and resulted in unnecessary blockade of Rs.13.00 lakh for the last one year.

3.1.58 In another case, it was also noticed that 12 sets\* of Public Announcement Systems were procured (September 2000) by the Society from a local firm at a cost of Rs.3.91 lakh for distribution to 12 DMOs. Out of 12 sets only 2 sets were issued (December 2000) to 2 DMOs (Seppa and Pasighat) while the remaining 10 sets valued Rs.3.25 lakh were lying undistributed without any recorded reason. On cross check of records of DMO-Pasighat, it was noticed that the PA system could not be used for IEC activities due to non-supply of cables for the system by the Society. Non-distribution of 10 sets immediately after receipt also indicated that there was inflated projection of needs.

***Providing Voluntary Testing and Counselling (VTC)***

3.1.59 On scrutiny of records (March – April 2001) of the Society, it was seen that during the period from 1996-97 to 2000-2001, no specific fund for the purpose was allotted by NACO and consequently activities contemplated under VTC were not undertaken in the state.

---

\* Each set consist of Amplifier with Tape Deck, Microphone stand, Microphone tiepin, Speaker and Cable speaker

***Reduce transmission of AIDS by blood transfusion and occupational exposure***

***Functional status of the BBs***

3.1.60 Under Government Sector, in Arunachal Pradesh there are two Blood Banks (BBs) attached to the two General Hospitals (GH) at Naharlagun and Pasighat. The Society, however, had not taken any action for their upgradation and modernisation.

3.1.61 Test-check of records revealed that the BB at Naharlagun General Hospital was not functioning since June 1996 as out of two refrigerators, one was received in a defective condition from NACO in 1995 and the other went out of order from June 1996. Repair and replacement of the same was not undertaken as of April 2001. Besides, two Elisa Readers supplied to it by NACO in July 1992 for conducting Human Immune Deficiency Virus (HIV) tests were installed after lapse of 4 years in July 1996 due to non-deployment of service engineer in time by NACO. BB at General Hospital, Pasighat though established in 1998, actually started functioning from February 2001. The specific reason for delay in making the BB functional was not on record.

3.1.62 In the absence of any target, shortfall if any, regarding blood tests conducted by the two BBs could not be ascertained in audit. It was, however, noticed from the records of General Hospital, Pasighat that during 1996-99, 3 types of Blood tests (HIV Rapid, VDRL and HBSAG) were not carried out for a period ranging from 3 to 12 months due to shortage/inadequate supply of test kits. The details are indicated in **Appendix-XXIII**.

***Non accountal/ shortage of eight test kits due to incorrect maintenance of stock book by the Society***

3.1.63 The SACC/APSACS received 68 Rapid test and 18 Elisa test kits from NACO during the period from 1996-97 to 2000-01. It was also noticed that out of 68, 53 test kits and all the 18 Elisa test kits were issued by the APSACS to different District Hospitals during the aforesaid period. Number of test kits issued to BB-Naharlagun and BB-Pasighat were 33 (Rapid-28 and Elisa-5) and 22 (Rapid-15 and Elisa-7) respectively. Against the undistributed 15 Rapid test kits which should have been available in the stock of APSACS, only 7 test kits were reflected in the stock book. The reason for non-accountal/shortage of remaining 8 test kits could not be explained by the APSACS. Further it was noticed from the stock register that 2 out of the 22 Rapid test kits received on 13-04-1998 had lost their shelf life on the date of receipt and thus 200 tests could not be conducted (each kit contains 100 test tubes).



***Doubtful utilisation of consumables, reagents and chemicals for want of proper maintenance of records***

3.1.64 As per norms fixed under modernisation of BBs by NACO, major BBs and District BBs were to be provided with consumable, reagents and chemicals etc. valued at Rs.2.00 lakh and Rs.1.25 lakh respectively each year.

3.1.65 As per information available on record (Appendix-XXIV) consumables etc. valued at Rs.8.80 lakh, out of Rs.16.40 lakh procured by APSACS during August 1999 to September 2000, were shown as issued to GH-Naharlagun (Rs.4.43 lakh), BB-Pasighat (Rs.4.22 lakh) and District Hospitals Tezu (Rs.0.15 lakh) and the balance material of Rs.7.60 lakh (Rs.16.40 lakh – Rs.8.80 lakh) were still lying with the Society (April 2001). A cross check of records of GH-Naharlagun and GH-Pasighat, however, revealed that materials valued at Rs.1.61 lakh (BB-Naharlagun – Rs.0.88 lakh and BB-Pasighat – Rs.0.73 lakh) only were received and utilised by them. On a query, Medical Officers in charge of these two hospitals had also confirmed the non-receipt of balance materials valued Rs.7.04 lakh (Rs.3.55 lakh + Rs.3.49 lakh). The position of consumables etc. in respect of DH-Tezu, however, could not be ascertained as the Society could not produce any receipt/issue voucher acknowledging the receipt of materials worth Rs.0.15 lakh. Thus, the utilisation of consumables, reagents and chemicals valued at Rs.7.19 lakh (Rs.7.04 lakh + Rs.0.15 lakh) remained doubtful. The matter was neither investigated by the Society nor any action taken.

***STI/HIV/AIDS Sentinel Surveillance***

3.1.66 Sentinel Surveillance was conducted in two surveillance centre established at General Hospital, Naharlagun and Pasighat during the period from August 1999 to October 1999 and from August 2000 to October 2000 by screening 482 Anti Natal cases (GH-Naharlagun-258 cases, GH-Pasighat-224 cases) and 524 STD clinics attenders (GH-Naharlagun-276 cases, GH-Pasighat-248 cases) and 1 case of HIV positive was detected but there was nothing on record to ascertain the fate of the case and the reason thereof had not been furnished. In the absence of any target, shortfall, if any, in sentinel surveillance could not be ascertained in audit. STI surveillance through specific survey and behaviour surveillance survey were not conducted during 1996-2001. AIDS case surveillance was done during the period January-October 2000 in the two GHs at Naharlagun and Pasighat but there was no report of any AIDS case or AIDS death during this period. The SACC however, had not initiated any action for collection of Syndromic based information from the peripheral health institutions for reasons not on record. There was, therefore, no co-ordination between the AIDS society and the District medical authority regarding collection of samples in respect of suspected AIDS cases from the CHC/PHC in the districts.

***Three STD clinics remained non-functional for want of medicines***

3.1.67 As per Annual Action Plan (AAP), for the year 1999-2000, 4 STD clinics at DH-Along, GH-Pasighat, DH-Tezu and DH-Khonsa were to be constructed and for this purpose Rs.2.00 lakh was provided to each DMO during March 2000. STD clinics at GH-Pasighat, Tezu and Along were completed between May 2000 and November 2000 at a cost of Rs.6.00 lakh but the same could not be made functional due to non-supply of medicines. The construction of the STD clinic at Khonsa is yet to be completed.

***Fictitious payment due to non-receipt of STD medicines***

3.1.68 Scrutiny of stock and issue register of medicines of the APSACS revealed that sexually transmitted diseases (STD) medicines (**Appendix-XXV**) valued at Rs.7.40 lakh were procured from a Guwahati based supplier during September 1999 and March 2000 and the entire quantity was shown as issued to two STD clinics at General Hospital-Naharlagun (Rs.3.76 lakh) and DH-Tawang (Rs.3.64 lakh). But in support of issue, no issue or receipt vouchers could be produced to Audit. On cross verification of records of STD clinics at GH-Naharlagun which was located in the same station and from the FAX message (April 2000) from DMO, Tawang it was confirmed that no STD medicines were received by these hospitals. The expenditure of Rs.7.40 lakh was thus fictitious.

3.1.69 It was stated by the Project Director, APSACS that medicines were procured at the approved rate of the state government during 1999-2000. On scrutiny of rates paid to the suppliers (M/s Top P'Cols-Guwahati) along with the rate fixed by the Government, it was noticed that in 8 cases, the rates paid were higher than the approved rates which resulted in an excess payment of Rs.0.97 lakh as shown in **Appendix-XXV**. No action has been initiated by the Society to recover the overpaid amount from the supplier.

***Training***

3.1.70 Five training courses on AIDS programme were held at Naharlagun during the period from February 2000 to July 2000 at a cost of Rs.1.77 lakh. In connection with procurement of training materials the following irregularities were noticed.

***Irregular procurement of training materials and idle outlay of materials***

3.1.71 On scrutiny of sanctions accorded by the PD/SAPO it was seen that training modules such as Books etc. valued at Rs.7.99 lakh were procured in February 2000 but payment was made by obtaining 4 separate bills of Rs.1,99,836 each from the supplier. Splitting up of orders was deliberately resorted by the PD/SAPO to avoid sanction from Chairman of EC, as the financial power of PD/SAPO in the matter of purchases was Rs.2 lakh at a time for number of works in the same time. The irregular procurement of training modules has not yet been regularised.

3.1.72 Besides, there was no urgency of training materials as the time schedule for training of Paramedical staff was neither fixed nor organised as of April 2001. Consequently these training modules were lying unused in stock. Thus the amount of Rs.7.99 lakh was unnecessarily blocked for a period of more than 14 months from February 2000 to April 2001.

***Non-submission of utilisation certificate by the Non-Government Voluntary Organisation (NGO)***

3.1.73 It was seen that grants amounting to Rs.10.83 lakh were paid to 6 NGOs (Dony Polo Mission, Naharlagun – Rs.4.98 lakh; Garo Welfare Association-Rs.4.90 lakh; Arunachal Medical Student Association-Rs.0.40 lakh; Gramin Bikash Kendra, Itanagar-Rs.0.15 lakh; Arunachal Pradesh Doctors Association, Naharlagun-Rs.0.10 lakh and Arunachal Medical Student Association, Naharlagun-Rs.0.30 lakh) by the then SACC during the period from 1996-97 to 1998-99 and by the society from 1999-2000 to 2000-2001. The necessary utilisation certificates for the amount had not yet been received from 6 NGOs. The Society had not initiated any action to get the UCs from the NGOs and the actual utilisation of the grant thus remained unassessed.

***Other Topics***

***Doubtful Expenditure due to non-maintenance of proper records***

3.1.74 Test-check of records (March-April 2001) of the APSACS, showed that under opportunistic infection, 19 items of medicines valued at Rs.5.13 lakh (as detailed in **Appendix-XXVI**) were procured (March 2000) from a Guwahati based firm. As per entries in the stock book the entire procured quantities of medicines were shown as issued to the 5 DTOs (Along, Bomdila, Zero, Pasighat and Tezu) in March 2000 though there was no indent/demand from them. The details of receipt and issues appear in **Appendix-XXVI**. A cross verification of the stock book of 3 test checked DTOs (Along, Bomdila & Pasighat) and from information furnished from the other two DTOs, showed that no such medicines were received by them. Moreover, no record acknowledging receipt of the medicines by the concerned DTOs could be made available to audit by the Society. In the absence of any record in support of receipt of medicines by any of the DTOs, the genuineness of procurement and supply to DTOs of medicines worth Rs.5.13 lakh was doubtful.

***Monitoring and Evaluation***

3.1.75 Successful implementation of the programmes depend upon proper monitoring and inspection. No state level monitoring cell had been created either in the Directorate of Health Services or in the State Aids Control Society and no state level monitoring and supervision of the 4 programmes had ever been carried out. Similarly, at the district level no proper monitoring and supervision had been done. The function of the DHS and State AIDS Control Society remained limited to collection and compilation of reports and returns only, for onward submission to the GOI under the 4 programmes. Reports of AIDS cases prior to January 2000 and for the month from



November 2000 to March 2001 and sentinel surveillance reports for the period from December 2000 to March 2001 were not submitted to NACO (April 2001). The reasons for non-reporting of AIDS cases prior to January 2000 and delay in reporting for 6 months had not been stated by the Society. No evaluation of the programmes was conducted at any level to assess the overall impact on control of diseases.

3.1.76 The Programmes on NPCB and NTBCP failed to create any significant impact in the state due to numerous system deficiencies such as non-creation of adequate treatment facilities in all the districts; inadequate infrastructure facilities including technical man power, non-maintenance of data of blind people, non-creation of eye bank, incomplete treatment due to shortage of medicine and inadequate IEC activities etc.

3.1.77 The foregoing points were reported to the Government (July 2001); their reply has not been received (December 2001).

### ***Recommendations***

3.1.78 Unspent balance of funds under various programmes (RNTCP, NPCB and NACP) should be utilised immediately.

- State TB training and Demonstration Centre at Naharlagun and 4 DTCs under RNTCP may be made functional immediately.
- Eye Bank under NPCB may be established as early as possible.
- Each MLTU should perform the minimum days of field duty for 10 days in a month to reduce the case load to less than 1 per 10,000 population.
- The State Aids Control Society has to strengthen its monitoring and supervision activities by working in closer co-ordination with the district medical authorities.

## SECTION – B - PARAGRAPHS

## EDUCATION DEPARTMENT

## 3.2 Non-Formal Education (NFE)

3.2.1 The scheme of NFE, a cent percent centrally sponsored scheme, was devised in 1979-80, scaled up in 1987 and revised in 1993 with the aim to provide elementary education to the children who remained outside the formal system of education, comparable to the quality with the formal education and to bring them in the main stream of formal education. Its focus was on children in the 6-14 years age group engaged in domestic works. A NFE centre could be opened with 20-25 eligible participating children at a place and time convenient to children under the charge of locally selected instructors. The main objective of the scheme was (i) to develop the scheme of non-formal education for meeting the educational needs of out of school children (ii) to establish a partnership between the Government and voluntary agencies in the task (iii) to identify from the local community young persons and to train them as organisers of NFE centres etc.

3.2.2 Test-check (January-March 2001) of the records of the Deputy Director of School Education (DDSE) (State Research Centre), 3 DDSEs in the districts (Papumpare, Lower Subansiri and Upper Subansiri) and 8 centres\* out of 69 disclosed the following :

***Partial implementation/Discontinuance of the scheme***

3.2.3 The scheme was implemented for just 10 months\*\* (excluding vacation) during 1998-2000 in one project of 69 centres spread over 3 districts covering a population of 2.53 lakh (29.28 per cent of total population of the state of 8.64 lakh as per 1991 census) (Papumpare – 1.00 lakh, Lower Subansiri – 1.03 lakh, and Upper Subansiri – 0.50 lakh) out of 13 districts in the state. The scheme was sanctioned in 1995-96 by the Government of India (GOI) against the state proposal of one project of 100 NFE centres by the state and released Rs.7.84 lakh (August 1995) as first instalment of Rs.15.68 lakh (60 : 40 ratio basis) to run the centres for a period of 9 months (July 1995 to March 1996). After due revalidation, the state government drew Rs.9.80 lakh

\* Lower Subansiri: 3, Upper Subansiri: 5

\*\* (i) Papumpare District - December 1998 to September 1999

(ii) Upper Subansiri District – June 1999 to March 2000

(iii) Lower Subansiri District – December to March 1999 and October 1999 to March 2000.

(March 1998) including state share of Rs.1.96 lakh for use in the scheme. On the basis of 60 : 40 ratio, the 1<sup>st</sup> instalment of the state matching share (Rs.3.92 lakh) fell short by Rs.1.96 lakh (Rs.3.92 lakh – Rs.1.96 lakh). Thus, delay in release of funds by the state government resulted in non-implementation of the scheme during 1995-96 to 1997-98. During 1998-2000, the total expenditure incurred against the scheme was Rs.7.46 lakh and the balance of Rs.2.34 lakh was remitted to treasury by the Assistant Director of School Education, State Resources Centre, Naharlagun between April 1999 and April 2000 after retaining the amount in hand by the respective DDSE's and SIE Changlang for the period ranging from 1 to 2 years. The remaining population of 6.11 lakh (70.72 per cent) in 10 districts were not brought under the purview of the programmes for reasons not on record. There were no voluntary Agencies or Non-Government Organisations (NGO's) who participated in implementation of the scheme.

3.2.4 The State Authority did not request the Central Government for further releases and the scheme of NFE was discontinued by the State Education Department arbitrarily from April 2000 on the ground that the project was taken up on experimental basis and the Department was not satisfied with the success of the project. The authority under which the scheme was discontinued was not furnished to audit (March 2001).

**Shortfall in opening of 31 centres in Upper Subansiri district and inflated report sent to GOI**

3.2.5 The physical target and achievement of the scheme appear in the table below :

**Table – 3.2**

Name of Districts	No. of centres proposed for (Co-education)			No of Centres opened in 1998-99 (Co-education)			Actual enrolment as per field records			Figures reported to GOI		
	Pri- mary	Upper Pri- mary	Total	Pri- mary	Upper Pri- mary	Total	Pri- mary	Upper Pri- mary	Total	No. of Centres run	Enrolment	
											Boys	Girls
Papumpare	10	-	10	10	-	10	211	-	211	10	118	93
Lower Subansiri	27	13	40	27	13	40	341	204	545	40	410	313
Upper subansiri	40	10	50	15	4	19	127	22	149	50	991	789
Total	77	23	100	52	17	69	679	226	905	100	1519	1195

Source – From the Department.

3.2.6 It would be seen from table that there was shortfall in opening of 31 centres (Primary - 25; Upper Primary – 6) against the 100 targetted centres though the DDSE-SRC, Naharlagun reported (June 2000) cent percent



opening of centres to GOI. Besides, against actual enrolment of 905 (Boys 523, Girls 382) students averaging 13 children *per centre* against a norm of 20-25, the state reported the enrolment of students to Government of India as 2714 (Boys - 1519; Girls - 1195) students inflating the statistics by 1809 numbers (Boys 996, Girls 813). The reason for shortfall in opening of 31 centres in Upper Subansiri district and inflated report sent to the GOI by the DDSE-SRC, Naharlagun had not been furnished (March 2000). The Department, however, stated (March 2001) that because of scattered holdings in hilly areas of the state, the norm of 20-25 children could not be adhered to. This reply is not acceptable as no reasons could be offered as to why the statistics sent to GOI were doctored.

### ***Non-adoption of condensed course in Non Formal Education Centers***

3.2.7 As per strategy of the Scheme, the NFE primary level course (up to class V) was to be completed in two years and the upper primary level (class VI to VIII) course in three years by adopting a specially designed condensed syllabus. The study of 8 years duration (Class I to VIII) was to be completed in 5 years. In the state, no such separate condensed course was adopted on the plea of huge printing costs. The Education Department instead, adopted the syllabus meant for general learners of class I to VIII, which frustrated the basic objective of the scheme.

### ***Testing and certification of NFE students for their entry into formal system of education.***

3.2.8 NFE Scheme envisaged strategy of testing and certification of NFE students to enable their entry into the formal system of education. Test check of records disclosed that a total of 905 learners (primary – boys 402, girls 277; upper primary – boys 121, girls 105) enrolled in the 69 NFE centres (primary 52 centres, upper primary 17 centres) of which 378 students (41.77 *per cent*) appeared and qualified for the upper primary level (boys – 165 and girls – 97) and main stream of formal education (boys – 60 and girls – 56). Reasons for 527 learners (58.23 *per cent*) not appearing in the examination was neither stated nor on record. The details appear in **Appendix – XXVII**. It would be seen that out of 378 successful students, 262 students of Primary level qualified for coming over to the next stage and 116 students of upper Primary level qualified for coming up to mainstream of formal education but how many of them had continued their study in formal system of education could not be verified by audit due to non-maintenance of records.

3.2.9 The objective of NFE of providing elementary education to 905 children at a cost of Rs.7.46 lakh and to bring them in the mainstream of formal education was thus not achieved in respect of all the 3 districts test checked.

3.2.10 It was also noticed that the NFE courses were completed in 10 months in place of the prescribed 5 years (2 years for primary level and 3 years for upper primary level) and the Department stated that the students of NFE

centres were mainly school dropout children who had already completed a few years of formal education and the NFE centres helped them in their weak areas so as to bring them back to the formal system of education. Thus, the children who had undergone formal education for certain period were selected and given Non-formal education for the short period of 10 months (the period falling short for formal education). This was totally contrary to the objectives of the programme. Again, the reply also remained silent as to whether the matter was taken up with the Government of India for relaxation of the norms for dropout school children and whether its approval had been obtained.

***Payment of honorarium to instructors at higher rate***

3.2.11 As per NFE Scheme, one instructor for each primary and upper primary centre is entitled to honorarium of Rs.200/- and Rs.250/- per month respectively. Records (paid vouchers and expenditure statements) revealed that honorarium was paid to instructors at Rs.250/- each per month for Primary centre and Rs.350/- each per month for Upper primary centre resulting in an extra expenditure of Rs.0.62 lakh. The details of extra expenditure are indicated in **Appendix – XXVIII**.

***Excess procurement of equipment/teaching and learning materials.***

3.2.12 As per funding pattern, the GOI releases grant of Rs.750/- for equipment (box, petromax, black board etc.) and Rs.850/- for teaching/learning material (maps, charts, books, and game materials etc.) for each primary level centre. Similarly, grant is also released for each upper primary centre at the rate of Rs.1,050/- and Rs.850/- for equipment and teaching and learning materials respectively. For running 69 centres, the department incurred a total expenditure of Rs.3.08\*\* lakh on equipment and teaching and learning materials which resulted in an extra expenditure of Rs.1.92 lakh\* over the laid down norms.

***Delay in implementation and discontinuance of scheme resulted in non availing of central assistance of Rs.71.05 lakh by the state.***

3.2.13 As per the pattern of financial assistance formulated by the Government of India for running 1 project of 100 centres (primary 77 and upper primary 23) the state government was entitled to grants-in-aid of Rs.14.21 lakh for every subsequent year of implementation of the scheme as detailed in **Appendix - XXIX**.

3.2.14 The financial assistance to the state was given to implement the programme during 1995-96 but the delayed implementation of scheme during 1998-99 and 1999-2000 and its discontinuance since April 2000 on the plea

---

\*\* (Papumpare Rs.0.27 lakh, Lower Subansiri, Rs.1.35 lakh and Upper Subansiri Rs.1.46 lakh)

\* (Rs.3.08 lakh – Rs.1.16 lakh (52 Primary Centres – Rs.0.83 lakh + 17 Upper Primary Centres – Rs.0.33 lakh)

that the desired result was not satisfactory was most unfortunate as the scheme is in operation throughout the country. Had the scheme been implemented during 1995-96 and were in operation till this date, the state would have been entitled to a central assistance of Rs.71.05 lakh at the rate of Rs.14.21 lakh for every year since 1996-97 to 2000-2001 which resulted in non-availment of the opportunity of non-formal education to out of school children.

### ***Excess Engagement of Instructors***

3.2.15 In Upper Subansiri district 15 primary and 4 Upper Primary Centres were opened in June 1999 for imparting NF Education. But it was seen that during the period from June 1999 to March 2000, 16 instructors were engaged for 8 months and 45 for 2 months in primary centres and 9 instructors for 8 months, 12 for 2 months in upper primary centres against requirement of 15 (15X1) and 8 (4X2) instructors respectively, for 10 months. Thus, there was excess engagement of 1 (16-15) instructor for 8 months and 30 (45-15) for 2 months in primary centres and 1 (9-8) instructor for 8 months and 4 (12-8) for 2 months in upper primary centres, which resulted in extra expenditure of Rs.0.23\* lakh. The reason for excess entertainment of Instructors had not been furnished.

3.2.16 The matter was reported to the Government and Department (September 2001); their replies have not been received (December 2001).

## **ENVIRONMENT AND FOREST DEPARTMENT**

### **3.3 The Arunachal Pradesh State Pollution Control Board (APSPCB)**

3.3.1 For prevention, control and abatement of air pollution, Government of India (GOI) enacted the Air (Prevention and Control of Pollution) Act, 1981. The Environment (Protection) Act, an umbrella Act which was also more comprehensive and covering the specific and general provisions relating to pollution of the environment including the management of hazardous, biomedical and solid waste, was enacted by Parliament in May 1986. The Bio-Medical Waste (Management and Handling) (BMWMH) Rules were drawn up by the GOI and came into effect from July 1998. The Acts and Rules are applicable throughout the country.

\* 1X8mXRrs.250 = Rs.2000, 30X2mXRrs.250 = Rs.15000,  
1X8mXRrs.350 = Rs.2800 and 4X2mXRrs.350 = Rs.2800



3.3.2 The Arunachal Pradesh State Pollution Control Board (APSPCB) first constituted in July 1993 was reconstituted in March 2000. The APSPCB headed by a part time Chairman who is also the Principal Secretary (Environment & Forests) to the Government of Arunachal Pradesh has 13 official and non-official members representing the Government, local bodies, statutory bodies, companies etc. and a part time Member Secretary who is a Deputy Conservator of Forests. The main functions and activities of the APSPCB are:

- (i) to plan a comprehensive programme for the prevention, control or abatement of air pollution and to secure the execution thereof ;
- (ii) to advise the state government on any matter concerning the prevention, control or abatement of air pollution;
- (iii) to collect and disseminate information relating to air pollution;
- (iv) to inspect air pollution control areas at such intervals to assess the quality of air therein and take steps for the prevention, control or abatement of air pollution in such areas;
- (v) to identify sources of waste generation (hazardous, bio-medical and municipal solid wastes), to notify for proper control and vigilance and to ensure the disposal site of waste had been notified by the state government.

3.3.3 The state government in December 2000 declared the whole of the state of Arunachal Pradesh as an "air Pollution Control Area" but as required under the BMWMH Rules, the prescribed authority who was to be appointed by August 1998, had not been appointed as on date (November 2001).

3.3.4 The source of fund of the APSPCB consists of grants-in-aid from the Central and the State government. A cent *per cent* check of the Receipts and Expenditure of the APSPCB for the period 1991-92 to 2000-2001 was conducted in audit in May 2001 and the following were disclosed :

***Non utilisation of central assistance***

3.3.5 Of the APSPCB's total receipts of Rs.16.45 lakh during the period from 1991-92 to 2000-2001 {Rs.14.24 lakh from the Central Pollution Control Board (CPCB), New Delhi, Rs.1.99 lakh from consent fees and Rs.0.22 lakh from other receipts}, it has incurred an expenditure of only Rs.1.95 lakh during 1996-97 to 2000-2001 leaving an unutilised balance of Rs.14.50 lakh locked up (Rs.12.64 lakh in bank and Rs.1.86 lakh in equipment and materials procured but not put to use).

***Air quality monitoring stations not set up***

3.3.6 Before APSPCB was constituted, the CPCB had sanctioned and released (December 1991), Rs.1.99 lakh to the APSPCB towards establishment of two air quality monitoring stations at Itanagar (Rs.1.62 lakh) along with three months advance operation and maintenance costs of two centres (Rs.0.37 lakh). Out of Rs.1.99 lakh, the APSPCB had spent Rs.0.87



lakh during April to August 1996 for procurement of certain instruments and equipment but the remaining amount of Rs.1.12 lakh was retained in a current bank account operated since May 1992 with State Bank of India, Itanagar.

3.3.7 The Chairman APSPCB and Principal Secretary (Environment and Forest) to the Government of Arunachal Pradesh stated (November 2001) that the equipment purchased could not be set up due to non-selection of site and non-appointment of any technical personnel. The reply however, was silent on the irregular procurement of instruments without selection of site and non-recruitment of technical staff. The equipment purchased were lying un-utilised till date (November 2001).

***Pollution awareness and assistance centres were not set up***

3.3.8 Out of Rs.1.00 lakh received by the APSPCB in February 1996 and July 1999 for setting up of pollution awareness and assistance centres, Rs.0.99 lakh was spent on purchase of furniture and a computer though the sanction prohibited these purchases. Further though these items were purchased the centres were not set up nor awareness on the effects of pollution disseminated to the population in the state.

***Non-preparation of Annual Accounts and Annual Reports***

3.3.9 The APSPCB is required to prepare Annual Accounts and the same are to be audited by a qualified auditor on the advice of the Comptroller and Auditor General of India. The APSPCB had, however, not prepared its Annual Accounts since its creation in 1993-94.

3.3.10 The APSPCB is further required to prepare an Annual Report giving a true and full account of its activities during the previous financial year and submit this report to the state government by 15 May each year. This Report is also to be laid in the State Legislature within 9 months from the last date of the previous financial year. The APSPCB has not prepared any Annual Report since 1993-94 and its activities has not been assessed since its creation by the State Legislature. The Chairman APSPCB and Principal Secretary (Environment and Forest) to the Government of Arunachal Pradesh in his reply (November 2001) stated that due to non-creation and filling up of post for the Board, the annual Account and Reports could not be prepared. He however, stated that the observation of audit is noted for compliance.

***Non-creation of assets despite availability of central assistance***

3.3.11 Since inception, the APSPCB has been functioning from the Office of the Principal Chief Conservator of Forests (PCCF) with the help of his staff.

3.3.12 The APSPCB in April 2000 received Rs.8 lakh from GOI for construction of office building, C grade Laboratory and residential buildings but the amount remained un-utilised as of May 2001 due to non-allotment of land by the DC Papumpare. The Chairman APSPCB and Principal Secretary (Environment and Forest) to the Government of Arunachal Pradesh in his reply (November 2001) stated that the C grade laboratory could not be set up as posts for running the laboratory had not been created. The fact remains that

besides this no action had been taken to procure the land for instituting the laboratory nor for procurement of the equipment for the same.

3.3.13 The APSPCB had not taken any action despite its existence for over eight years to ensure compliance with any of the Acts or Rules. This is also supported by the fact that against twenty mandatory meetings due to be held by the APSPCB during 1996-97 to 2000-2001 only four were held and with thin attendance. Pollution was not a priority item for APSPCB. The APSPCB did not discharge its specified activities and functions. The APSPCB exists, but only in name. The Chairman APSPCB and Principal Secretary (Environment and Forest) to the Government of Arunachal Pradesh in his reply (November 2001) stated that due to absence of any significant industrial activity in the state the problem of pollution is insignificant. He however, stated that the state government is also taking action to gradually build up the required scientific capability of the Board to enable it to discharge its duties effectively in time to come.

3.3.14 The matter was referred to the Government/APSPCB in August 2001 and reply was received (November 2001) which has been incorporated.

## SOCIAL WELFARE DEPARTMENT

### 3.4 Arunachal Pradesh State Social Welfare Board (APSSWB)

3.4.1 The Arunachal Pradesh State Social Welfare Board (State Board) constituted in 1963 as per Article of Association of the Central Social Welfare Board (Central Board) was registered in November 1998. The State Board is headed by a chairperson and is aided by a Secretary, 17 other members representing the state government, Central Board and Non-Government institutions, along with some regular staff. The main function and activities of the Board are to promote the growth of voluntary social welfare agencies and to administer social welfare programmes sponsored by the Central Board for the welfare of needy women and children. The expenditure towards welfare programmes are entirely met by the Central Board while the cost of establishment of the State Board and 10 Programme Implementation Committees (PICs) is shared by the Central Board and the state government in the ratio of 50 : 50 and 2 : 1 respectively. Funds are provided by the Central Board in the form of grants-in-aid.

3.4.2 A check (June 2001) of the State Board and a few voluntary organisations (VOs) disclosed the following :-

***Temporary diversion from 3 programme funds for meeting establishment cost***

3.4.3 Diversion of any part of plan fund for meeting Non-Plan expenditure is not permissible as per terms and conditions of the sanctions of the Central Board.

3.4.4 However, during 1993-94 to 2000-01, the State Board on twenty occasions had unauthorisedly diverted Rs.16.97 lakh out of grants provided by Central Board for implementation of three programmes to meet the payment of salary of staff, honorarium and other allowances/claim of Chairperson and office expenditure. The diverted amounts were refunded after 2 to 11 months from the date of drawal of funds.

3.4.5 The unauthorised diversion of funds by the State Board led to non-implementation of 3 programmes for a period ranging from 2 to 11 months and thereby deprived the beneficiaries of the immediate benefits of the programme. The reason for diversion was attributed to untimely release of establishment fund by the Central and State Governments.

3.4.6 The Chairperson of the Board stated (December 2001) that part of plan fund was diverted to Non-Plan under unavoidable circumstances for making payment of pay and allowances of staff and office expenses etc. The main reason for diversion was attributed to untimely release of establishment fund by CSWB and state government. The diversion of funds were made without the approval of the Central Board.

***Loss of Rs.3.71 lakh due to non-utilisation of Grants under 6 programmes by the VO's because of being black listed.***

3.4.7 Scrutiny in audit and information furnished by the State Board revealed that during 1994-95 to 1995-96, Rs.2.46 lakh was released as grants-in-aid to 6 VO's for implementation of 4 programmes but the VO's could not furnish utilisation certificates, expenditure statements or any other proof of utilisation of funds till March 2001. Instead of initiating recoveries of the amount the State Board blacklisted these 6 VO's. It was also noticed that the Board disbursed further grants to the tune of Rs.1.25 lakh under 3 programmes (Socio Economic Programme (SEP) – Rs.0.82 lakh, Grants-in-Aid (GiA) – Rs.0.35 lakh and VTC – Rs.0.08 lakh) to 3 of these blacklisted VO's during the period from 1995-96 to 1997-98 without any recorded reasons. Thus action of the Board was therefore highly irregular.

3.4.8 The recovery of Rs.3.71 lakh (Rs.2.46 lakh + Rs.1.25 lakh) from these defaulted VO's appears remote because of their being black listed.

3.4.9 The Chairperson of the Board stated (December 2001) that out of Rs.3.71 lakh, the recovery/utilisation certificates for Rs.2.26 lakh have been recovered/received and for the balance amount of Rs.1.45 lakh, utilisation



certificates of grants has not yet been received from these institutions. The reply was silent on how the Board accorded further grants of Rs.1.25 lakh to the 3 defaulting institutions during 1995-98 without receipt of utilisation certificate of grants for Rs.0.93 lakh already granted to them during 1994-96 (M/s Maga Welfare Organisation – Rs.0.53 lakh, AP State Council for Child/Welfare – Rs.0.20 lakh and M/s Hutto Welfare Society – Rs.0.20 lakh) and inspite of their being black listed. Of these, M/s Maga Welfare Organisation has not yet refunded Rs.16,200 (loan amount under SEP 1994-95) and the other two organisations had submitted utilisation certificates of grants amounting to Rs.20,000 each under AGP only on 12.08.98 and 04.01.2000 respectively.

***The Board released Rs.33.84 lakhs to the programme implementing institutions under 7 programmes after delay of 1 to 6 years.***

3.4.10 It was seen that the funds provided to the State Board for implementation of 7 programmes were not released in time to the implementing institutions. The State Board during the period from 1991-92 to 1998-99 received Rs.33.84 lakh for implementation of 7 programmes from the Central Board but the amount were released to the implementing institutions after a delay of 1 to 6 years (Details in **Appendix – XXX**).

3.4.11 This has affected the implementation of the schemes and the inordinate delay in release of funds to the implementing institutions resulted in non timely implementation of the schemes. The justification for these inordinate delays were neither on record nor stated (June 2001).

3.4.12 The Chairperson of the Board stated (December 2001) that the reasons for delay in release of fund was due to lack of sufficient staff, late receipt of fund from the Central Board and delayed receipt of documents from the Institutions.

***No amount was spent for providing services to the children of migratory labourers under creche programme despite expenditure of Rs.36.25 lakh***

3.4.13 To provide health care, immunisation, supplementary nutrition etc. to the children of 0-5 age group of working and ailing mothers who belong to the migrant labour community engaged in construction work, the Central Board extends grant of 90 per cent to a crèche with the remaining 10 per cent to be borne by the VOs.

3.4.14 The State Board is required to conduct a survey to assess the requirement of creche and to ensure that the area covered by the scheme have no Anganwadi centres providing similar services under ICDS. Of the amount of Rs.36.25 lakh expended during 1993-94 to 2000-01 by the 10 PICs (Rs.15.99 lakh) and 15 VOs (Rs.20.26 lakh) on 46 creches, no amount was spent for providing services to the children of migratory labourers for which the scheme was basically formulated. Besides, none of the 15 VOs contributed

10 per cent matching grants as required under the scheme. The objectives of the scheme were thus not achieved.

3.4.15 In reply, the Chairperson of the Board confirmed (December 2001) that no amount was spent for providing services to children of migratory labourers and that the beneficiaries of the creche programme implemented by PIC/VO's may be much more deserving beneficiaries. The Chairperson also stated in reply that the VOs did not contribute the 10 per cent as they were not financially sound. The programme was thus not implemented as per guideline laid down.

***Implementation of the programme "Vocational Training course for Adult Women" at a cost of Rs.15.34 lakh remained unassessed due to non-maintenance of records***

3.4.16 The scheme aims at providing opportunities to needy and deserving women in the age group of 18-30 years to undergo intensive training in selected vocations to enable them to find suitable employment in the open market or be self employed in any trade. The selection for the vocational training (syllabus) is required to be done by the State Board in consultation with the Regional Employment Directorate, other departments and voluntary organisations keeping in view the employment potential in the state. For this purpose, a complete record of the successful candidates and their placement in appropriate jobs was to be maintained in an INDEX CARD.

3.4.17 As per records of the Board, vocational training to 925 women was imparted by 16 VOs and 6 PICs during 1993-94 to 2000-01 by spending Rs.15.34 lakh. The Board and the grantee institutions had not maintained any INDEX CARD or record of 925 trainees.

3.4.18 The Board thus had no information to watch regarding the employment of these 925 candidates. Non-maintenance of records of implementation of the programme at a cost of Rs.15.34 lakh could not be vouched safe and impact of the programme could therefore not be assessed by Audit.

3.4.19 The Chairperson of the Board stated (December 2001) that index cards of the successful candidates could not be maintained due to lack of staff. The Institute would be asked to maintain the records regarding employment of the trained candidates.

***Idle investment of Rs.18.47 lakh on pay and allowances of 8 idle drivers without any work***

3.4.20 Scrutiny in Audit revealed that 8 out of 14 vehicles provided to the State Board by the Central Board between 1964 and 1990 went out of order and remained off road from December 1980 to January 2000. The Board had not taken any action for repair of these vehicles or for their disposal by Public auction. The 8 drivers attached to these vehicles remained idle and the pay and

allowances of Rs.18.47 lakh paid to them for the period from 1 January 1991 to 31 March 2000 was an idle investment.

3.4.21 The Chairperson of the Board stated (December 2001) that the vehicles could not be repaired as the PIC budget for repair/POL etc. of the vehicle was only Rs.6000 per year and the services of the drivers could not be utilised as the Central Board had not provided any new vehicles to the PIC. The Chairperson also stated that though a directive of the GOI of 01.04.1999 required that all vacant posts in ICDS were to be filled up from the employees of the PIC/BAP, the Directorate of Social Welfare and the Women and Child Development Welfare Board had failed to take over these idle drivers.

*Utilisation certificate for Rs.70.90 lakh were outstanding.*

3.4.22 As per guidelines, every grantee is required to furnish utilisation certificate for the grants received from the granter within 6 months of the close of the financial year in which the grants are given.

3.4.23 Scrutiny of records in audit revealed that the State Board did not take steps to obtain utilisation certificates for Rs.70.90 lakh released as grants during 1993-94 to 2000-01 from 186 organisations/institutions.

3.4.24 The Chairperson of the Board stated (December 2001) that all efforts would be made to obtain the utilisation certificates from the defaulting institutions. Further, development is awaited (December 2001).

3.4.25 The matter was reported to the Government in November 2001, reply had not been received (December 2001).

### **3.5 Avoidable extra expenditure**

The Social Welfare Department incurred an avoidable extra expenditure of Rs.19.47 lakh, due to procurement of food stuffs at higher rate, besides making irregular procurement of food stuff at a cost of Rs.12 lakh. Fund of Rs.53 lakh was also drawn far in advance of requirement

3.5.1 The Government of Arunachal Pradesh sanctioned for procurement of 5 items of food stuff at a cost of Rs.53 lakh for the year 1996-97 for free distribution through Anganwadi Centres under the Special Nutrition Programme (SNP) of ICDS projects. The Director, Social Welfare (DSW), Naharlagun in March 1997 drew the amount in Abstract Contingent (AC) bills and procured 4 items of food stuffs between November 1997 and December 1997 at a cost of Rs.52,99,771 (Dry Khejur – Rs.16,99,972; Tilwa – Rs.11,99,912; Dalia – Rs.11,99,987 and Nutritious biscuits – Rs.11,99,900) from local firms through limited tender (September 1997). The balance of Rs.229.00 was deposited into the treasury in June 1998. The detailed

countersigned Contingent (DCC) bills for the same was submitted on 07.12.1998.

3.5.2 Test check of records (December 2000) of the Directorate revealed the following irregularities.

3.5.3 The procurement of foodstuffs was made on the basis of the rates recommended by the Board (constituted in September 1997) to Government which were accepted by the Minister of Social Welfare, Women and Child Development (MSWWCD).

3.5.4 The Directorate during the period from November 1997 to December 1997 procured 2 items of food stuffs, i.e., 15777 Kgs of Dry Khejur @ Rs.107.75 per Kg and 24742 Kgs of Dalia @ Rs.48.50 per Kg involving an amount of Rs.29 lakh. The Chief Minister of Arunachal Pradesh in July 1998 enquired about the high rate for procurement of 24742 Kgs of Dalia at Rs.48.50 per Kg. Accordingly, the MSWWCD verified (July 1998) the market rate of Dalia from 3 firms in Tezpur and found that the same was not more than Rs.13 per Kg. Thus, the rate of Dalia @ Rs.48.50 per Kg as recommended by the Board and accepted by the MSWWCD was not a realistic one and no safeguards were taken by conduct of surveys of local markets to protect the interests of Government. Similarly, Audit verification (December 2000) from a Naharlagun based firm revealed that the prevailing market rate of Dry Khejur was not more than Rs.40 per Kg.

3.5.5 Thus, the procurement of foodstuff at higher rate by issue of tender notice to limited number of local suppliers resulted in extra expenditure of Rs.19.47 lakh\* computed with reference to the rates in force during the period. Further, the item of foodstuff "Nutritious Biscuits" was procured (Rs.12 lakh) irregularly from local firms without issuing any Notice Inviting Tender (NIT) and the fund (Rs.15 lakh) earmarked for Horlicks (not procured) was utilised for procurement of 4 other items of foodstuffs in contravention of the sanction accorded by the Government.

3.5.6 It was also noticed that though the amount of Rs.53 lakh was drawn in AC bills in March 1997 for procurement of foodstuffs, the NIT for the same was issued in September 1997 and procurement of foodstuffs were made during the period from November 1997 to December 1997. Hence, the amount was drawn far in advance of requirement in order to avoid lapse of

Name of the Item	Quantity procured (KG)	Rate at which procured (Rs./KG)	Amount involved (Rupees in lakh)	Actual market rate (Rs./KG)	Cost of procurement at market rate (Rupees in lakh)	Extra expenditure (Rupees in lakh)
Dry Khejur	15777	107.75	17.00	40.00	6.31	10.69
Dalia	24742	48.50	12.00	13.00	3.22	8.78
			29.00		9.53	19.47



budget grant for the year 1996-97. The drawal of fund in AC Bills was also irregular as the DCC bills were submitted after 19 months from the date of drawal of AC bills which were not covered by the rules. The reason for delay in submission of DCC bills was neither available on records nor stated (December 2000).

3.5.7 In reply, the Secretary, Social Welfare stated (August 2001) that in the capital complex, there is no retail or whole seller of these items. On receipt of complaint of higher rates, the case was thoroughly examined by the Government and thereafter the DCC bills were countersigned. However, in future, publication in leading newspaper would be ensured first before rates are accepted.

3.5.8 The fact, however, remains that the procurement of food stuffs were made at higher rates without ascertaining rates from adjoining areas and the item of foodstuffs, i.e. Nutritious Biscuits was procured from the local market irregularly without issuing any NIT. Further, the amount of Rs.53 lakh was drawn far in advance of requirement and the drawal of fund in AC bills was also irregular.

## HORTICULTURE DEPARTMENT

### 3.6 Blocking up of fund

**The Director of Horticulture Department unnecessarily drew fund of Rs.1.20 crore in advance of requirement which resulted in blocking up of Plan funds of Rs.1.20 crore for more than 33 months**

3.6.1 M/s NADEREX of Holland submitted the proposal (May 1997) for establishment of a citrus nursery on 10 hectares of land and demonstration orchard on one hectare land at Yingkiong. The Government of Arunachal Pradesh Planning and Development Department in December 1997 accorded expenditure sanction of Rs.1.20 crore. The project was awarded to the said firm on a turnkey basis.

3.6.2 Since the Project was to be undertaken by a foreign firm the clearance of the Government of India and the RBI was required to be obtained. Even before obtaining clearances, the state government entered into an agreement with M/s NADEREX on the 19<sup>th</sup> January 1998. The Ministry of Agriculture, Government of India refused permission (July 1998) to enter into a contract with M/s NADEREX. The state government terminated the agreement with M/s NADEREX on the 23<sup>rd</sup> July 1999.

3.6.3 The Deputy Director of the Horticulture Department drew the amount of Rs.1.20 crore through an A.C. Bill in February 1998. The amount was then

converted into a banker's cheque in March 1998 and remained as such till November 2000. The Horticulture Department referred the matter to the Finance Department who opined (December 1999) that the amount drawn through an A.C. Bill should be immediately deposited into Government Account. Instead of depositing the amount the matter was referred to the Chief Minister, who decided in May 2000 to spend this amount for setting up two citrus nursery cum Progeny gardens at Roing and Khazalong at a cost of Rs.63.42 lakh and Rs.56.57 lakh respectively and accordingly sanction for those two gardens was accorded by the Government in August 2000.

3.6.4 Thus, the amount of Rs.1.20 crore remained out of Government account for more than 33 months which resulted locking up of Government fund of Rs. 1.20 crore besides loss of interest of Rs.29.70 lakh calculated at minimum RBI rate of 9 *per cent* per annum.

3.6.5 In reply, the Director of Horticulture Department stated (August 2001) that the Department was unaware about the procedure for obtaining permission from Government of India while entering into the agreement with M/s NADEREX, Holland. The Department tried its level best to deposit the unspent amount in Government account but the Government was in favour of utilising the amount for establishment of citrus nursery at Bomdila, Roing. This reply was not tenable on the ground that after retention of the Government money out of Government account for more than 33 months, the action of the Government to decide to set up 2 new nurseries cum Progeny gardens with funds drawn initially for the purpose of setting up a citrus nursery and demonstration orchard at Yingkiong was not in order and constituted diversion of funds.

3.6.6 The matter was reported to the Government in February 2001; reply has not been received (December 2001)

## RURAL DEVELOPMENT DEPARTMENT

### 3.7 Administrative expenditure in excess of prescribed limit under IRDP

**Failure to restrict administrative expenses by the DRDA, Ziro within the prescribed ceiling resulted in inadmissible expenditure of Rs.56.61 lakh and retarded the development activity to that extent due to excessive administrative expenditure.**

3.7.1 As per Para 6.9 of the Integrated Rural Development Programme (IRDP) Manual, the ceiling on administrative expenses under the IRDP is 10 *per cent* (for DRDA's having 8 or more blocks) of the fund allocation during a year.

3.7.2 Test check (August 2000) of records of the District Rural Development Agency (DRDA), Ziro revealed that the agency spent Rs.81.47 lakh towards administrative expenses during 1996-97 (Rs.23.68 lakh), 1997-98 (Rs.33.54 lakh) and 1998-99 (Rs.24.25 lakh) against the admissible amount of Rs.24.86 lakh out of the total IRDP fund of Rs.248.61 lakh (1996-97 : Rs.71.20 lakh; 1997-98 : Rs.109.86 lakh; 1998-99 : Rs.67.55 lakh) received during these years, thereby exceeding the prescribed ceiling limit by Rs.56.61 lakh (Rs.81.47 lakh – Rs.24.86 lakh) as shown in Appendix-XXXI. The administrative expenditure incurred during 1996-99 thus ranged from 31 to 36 per cent of total allocation of IRDP fund instead of 10 per cent. Thereby adversely affecting development activity under IRDP. The DRDA did not give reasons for the deviation from the IRDP guidelines (February 2001).

3.7.3 The matter was reported to the Government/Department in November 2001; reply has not been received (December 2001).

**3.8 Locking up/diversion of fund on construction of staff quarters in the permanent complex of women and child development training centre at Itanagar**

The Rural Development Department unnecessarily drew Rs.14 lakh for construction of staff quarters in the permanent complex at Itanagar under ICDS programme and the amount was blocked for 9 to 10 years owing to non-construction of the same. Further, the fund was unauthorisedly diverted for construction of another project without the approval from GOI

3.8.1 General Financial Rules provide that unless otherwise ordered by the Government, every grant made for a specific object should be spent within a reasonable time and if the grantee institution after receipt of grant is not in a position to spend the grant, the entire grant should be refunded forthwith to Government.

3.8.2 Test-check (August 2000) of records of the District Rural Development Agency (DRDA), Ziro revealed that the Government of Arunachal Pradesh, Rural Development Department, without obtaining allotment of land from the Government, sanctioned Rs.14.00 lakh (March 1991: Rs.8.00 lakh and March 1992: Rs.6.00 lakh) for construction of staff quarters in the permanent complex of Women and Child Development Training Centre at Itanagar under the ICDS Programme. Accordingly, the two bank drafts of Rs.8.00 lakh (April 1991) and Rs.6.00 lakh (April 1992) received by the DRDA, Ziro from the Director of Rural Development for this purpose were deposited (April 1991 and April 1992) in the State Bank of India, Ziro in a savings bank account as envisaged in the sanction. Till 31 March 2000 this original amount was not utilised and had appreciated to

Rs.19.81 lakh (including interest of Rs.5.81 lakh). The non-allotment of land by the Government for the construction was stated as the reason for non utilisation of the grant but no reasons to support this contention could be produced to audit. The Agency retained the grant amount for a period varying from 9 to 10 years and should have refunded it to Government. The unauthorised retention of the grant led to blocking up of Government funds. Further, the impact on training i.e. whether the training under ICDS programme remained suspended due to non-utilisation of the fund for 9 to 10 years had not been furnished (May 2001).

3.8.3 The Government accorded sanction for Rs.14.00 lakh for construction of the office building for project Director, Ziro in May 2000. The Government decided (July 2000) to utilise the said amount for construction of a building for DRDA, Ziro. Hence, ICDS fund was unauthorisedly diverted without approval of the Government of India. Further development regarding the construction of the DRDA office building at Ziro and reasons for delay in taking the Government decision for utilisation of the grants could not be furnished to Audit (March 2001).

3.8.4 Thus, the premature sanction and drawal of the fund in advance of requirement for construction of the staff quarters in the permanent complex resulted in blocking up of Rs.14.00 lakh for a period of about 9 to 10 years which defeated the very purpose for which the grants were sanctioned.

3.8.5 In reply, the Secretary (RD&PR) stated (June 2001) that since the funds were drawn from State Plan Housing budget, the question of approval from the Government of India for diversion of the funds did not arise. The reply is not tenable on the ground that the funds were drawn for construction of staff quarters in the permanent complex of Women and Child Development Training Centre at Itanagar under ICDS programme which were unauthorisedly diverted for construction of an office building for DRDA, Ziro without the approval from the Government of India.

3.8.6 The matter was reported to the Government (November 2000); reply has not been received (December 2001).

### 3.9 Extra Expenditure

**DRDA, Tezu incurred extra expenditure of Rs.7.00 lakh due to procurement of CGI sheet at higher rate**

3.9.1 The Government of Arunachal Pradesh approved (February 1999) separate rates for local procurement of Corrugated Galvanised Iron (CGI) sheets of 0.63 mm thickness by different District Rural Development Agencies (DRDAs). The rates for DRDA, Tezu was approved by the Government of Arunachal Pradesh Rural Development Department at Rs.34,560 per MT which was inclusive of all charges, i.e. labour, packing, transportation etc.



3.9.2 Test check (December 2000) of records of the Project Director (PD), District Rural Development Agency (DRDA), Tezu revealed that for implementation of the Indira Awaas Yojana (IAY) Scheme, the Agency procured 52.16 MT CGI sheets @ Rs.39,400 per MT and 54.248 MT CGI sheets @ Rs.42,800 during March 1999 to March 2000 as against the approved rate of Rs.34560 per MT. This resulted in avoidable extra expenditure of Rs.6.99 lakh. In reply, Agency stated that no supplier was willing to supply at the Government approved rate. The reply of the Agency is also not acceptable as the Government had fixed different rates for different DRDAs after considering all aspects including local conditions.

3.9.3 Thus, due to purchase of 52.16 MT and 54.248 MT of CGI sheets @ Rs.39,400 and @ Rs.42,800 per MT respectively against the approved rate of Rs.34,560 per MT as fixed by the Government of Arunachal Pradesh, the DRDA, Tezu incurred an extra expenditure of Rs.6.99 lakh\* say Rs. 7 lakh.

3.9.4 The matter was reported to the Government/Department in January 2000; reply has not been received (December 2001).

**FISHERIES, SOCIAL WELFARE AND SECRETARIAT  
ADMINISTRATION DEPARTMENTS**

**3.10 Failure of senior officials to enforce accountability and  
protect the interests of Government**

**205 paragraphs pertaining to 78 Inspection Reports involving Rs.58.74 crore concerning Fisheries, Social Welfare and Secretariat Administration Departments were outstanding as on June 2001. Of these first replies for 2 Inspection Reports containing 6 paragraphs had not been received**

3.10.1 Accountant General (Audit) conducts periodical inspection of the Government departments to test check the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed up with Inspection Reports (IRs). When important irregularities etc. detected during inspection, are not settled on the spot, these are included in the IRs and the IRs are issued to the Heads of offices inspected with a copy to the next higher authorities. Rules/orders of Government provide for prompt response by the executive to the IRs issued by the AG to ensure rectificatory action in compliance of the prescribed rules and procedures and accountability for the deficiencies, lapses, etc. noticed during the inspection. The Heads of offices and next higher

\* 52.16 MT x Rs.4840 (Rs.39400 – Rs.34560) = Rs.2.52 lakh  
54.248 MT x Rs.8240 (Rs.42800 – Rs.34560) = Rs.4.47 lakh  
Total = Rs.6.99 lakh

authorities are required to attend to the observations contained in the IRs and rectify the defects and omissions promptly and report compliance to the AG. Serious irregularities are also brought to the notice of the Head of the Department by the office of the Accountant General (Audit). A half-yearly report of pending inspection reports is sent to the Secretary of the Department (in respect of pending IRs) to facilitate monitoring of the audit observations in the pending IRs.

3.10.2 Inspection Reports issued from 1986 upto March 2001 pertaining to 31 offices of 3 departments disclosed that 205 paragraphs relating to 78 IRs involving an amount of Rs.58.74 crore remained outstanding at the end of June 2001. Of these, 7 IRs containing 12 paragraphs had not been replied to/settled for more than 10 years. Even the initial replies, which were required to be received from the Heads of offices within six weeks from the date of issue of IR were not received in respect of 6 paras for 2 IRs pertaining to 2 offices issued between 1986-87 and 1999-2000.

3.10.3 As a result, some of the important irregularities pertaining to 66 paragraphs (10 paragraphs + 43 paragraphs + 13 paragraphs) involving an amount of Rs.27.89 crore (Rs.0.03 crore + Rs.25.04 crore + Rs.2.82 crore) commented upon in the outstanding Inspection Reports of the three departments have not been settled as of June 2001 as indicated below :

Table – 3.3

Sl. No.	Nature of Irregularities	Fisheries Department		Social Welfare Department		Secretariat Administration Department	
		No of paras	Amount (Rs. in lakh)	No of paras	Amount (Rs. in lakh)	No of paras	Amount (Rs. in lakh)
1.	Local purchase of stationery in excess of authorised limits and expenditure incurred without sanction	-	-	2	12.54	-	-
2.	Non-observance of rules relating to custody and handling of cash, position and maintenance of Cash Book and Muster Roll	-	-	11	4.37	-	-
3.	Delay in recovery or non-recovery of department receipts, advances and other recoverable charges	9	2.40	3	2.22	5	6.57
4.	Drawal of funds in advance of requirements resulting in retention of money in hand for long periods	-	-	5	127.91	-	-
5.	For want of D C C bills	1	0.15	4	17.74	8	275.84
6.	For want of APRs	-	-	2	1.94	-	-
7.	Non-maintenance of proper stores accounts and non-conducting of physical verification of stores	-	-	5	21.39	-	-
8.	For want of sanctions	-	-	7	3.97	-	-
9.	Utilisation certificate and accounts certificate by audit in respect of grants-in-aid not furnished	-	-	4	2311.62	-	-
	<b>Total</b>	<b>10</b>	<b>2.55</b>	<b>43</b>	<b>2503.70</b>	<b>13</b>	<b>282.41</b>

\* Source : From the Departments

3.10.4 A review of the IRs which were pending due to non receipt of replies, in respect of the departments revealed that the Heads of the offices, whose records were inspected by AG, and the Heads of the Departments, viz., Director of Fisheries, Director of Social Welfare and Under Secretary (Estt), SAD failed to discharge due responsibility as they did not send any reply to a large number of IRs/Paragraphs and thereby indicated their failure to initiate action in regard to the defects, omissions and irregularities pointed out in the IRs of the AG. The Secretaries of the concerned Departments, who were informed of the position through half-yearly reports, also failed to ensure that the concerned officers of the Departments took prompt and timely action.

3.10.5 The above also indicated that no action was taken against the defaulting officers.

3.10.6 It is recommended that the Government should look into this matter and ensure that (a) action is taken against the officials who fail to send replies to IRs/Paras as per the prescribed time schedule, (b) action is initiated to recover loss/outstanding advances/overpayments in a time bound manner and (c) there is a proper system of expeditious compliance to audit observations in the Department.

3.10.7 The matter was reported to the Government in August 2001; reply has not been received (December 2001).

## FINANCE DEPARTMENT

### 3.11 Misappropriation, losses etc.

**Delay in settlement of 31 cases of losses, misappropriation (loss – Rs.839.30 lakh and misappropriation – Rs.0.34 lakh) etc. by the 8 Departments resulted in outstanding balance of Rs.839.64 lakh for periods ranging from 3 months to 41 years**

3.11.1 Thirty one cases of misappropriation, losses etc. of Government money aggregating Rs.839.64 lakh reported to Audit were pending settlement for periods ranging from 3 months to 41 years at the end of June 2001.

3.11.2 Department-wise and case-wise analysis of outstanding cases in which final action was pending as of 30 June 2001 is given in Appendix-XXXII.

3.11.3 The year-wise and department-wise, position of misappropriation, losses etc. along with period of pending as of 30 June 2001 is given in table 3.4 and 3.5 below:-

Table – 3.4

Year	Cases of Loss**		Cases of Misappropriation		Total No. of cases	
	Number	Amount (Rupees in lakh)	Number	Amount (Rupees in lakh)	Number	Amount (Rupees in lakh)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
upto 1990	16	10.12	1	0.34	17	10.46
1991-92	1	0.65	-	-	1	0.65
1992-93	2	0.18	-	-	2	0.18
1993-94	1	0.15	-	-	1	0.15
1994-95	1	Amount not intimated	-	-	1	-
1995-96	1	0.48	-	-	1	0.48
1996-97	1	Amount not intimated	-	-	1	-
1997-98	1	1.08	-	-	1	1.08
1998-99	2	8.52	-	-	2	8.52
1999-2000	1	4.44	-	-	1	4.44
2000-2001	2	813.68	-	-	2	813.68
	1	Amount not intimated	-	-	1	-
<b>Total:</b>	<b>30</b>	<b>839.30</b>	<b>1</b>	<b>0.34</b>	<b>31</b>	<b>839.64*</b>

Table – 3.5

Sl. No.	Department***	Number of cases	Period of pendency	Amount (Rupees in lakh)
1.	Education	4	3 years to 6 years	3.37
2.	Forest*	11	3 months to 14 years	828.25
3.	General Administration	1	22 years	0.03
4.	Public Works	6	8 years to 14 years	2.93
5.	Supply and Transport	6	14 years to 41 years	1.33
6.	Information and Public Relation	1	12 years	2.65
7.	CWC*	1	6 years	Amount not intimated
8.	Public Health Engineering	1	4 years	1.08
	<b>Total:</b>	<b>31</b>		<b>839.64</b>

3.11.4 Out of 31 numbers of unsettled cases, departmental/police action was awaited in 10 cases, 8 cases were pending in the court of law and 13 cases were awaiting recovery/write off order from Government.

3.11.5 The matter was referred to Government (August 2000); their reply has not yet been received (December 2001).

\* No of cases in which amount not intimated – 3 (Forest – 2, CWC – 1)

\*\* Source :- From the Departments

\*\*\* Source :- From the Departments



CHAPTER-IV – WORKS EXPENDITURE  
SECTION – A - REVIEW

PUBLIC HEALTH ENGINEERING DEPARTMENT

4.1 Drinking Water Supply

*Highlights*

Due to failure of the Chief Engineer, PHE to utilise the fund, an amount of Rs.19.05 lakh under ARWSP and Rs.1.13 crore under MNP, remained unutilised at the end of March 2001 and delay in release of central assistance to implementing agencies by the State Government ranged from 1 to 15 months.

(Paragraph: 4.1.10 to 4.1.14)

The expenditure on O&M under MNP varied from 18 to 28 *per cent* during 1997-2001 resulting in excess expenditure of Rs.8.48 crore over the norm and consequential shortfall of Rs.10.02 crore on schemes under MNP.

(Paragraph: 4.1.19 to 4.1.21)

Failure to prioritise activities led to expenditure of Rs. 1.28 crore spent on non-priority areas at the cost of non-provision of drinking water to populations residing in habitations with no provision of drinking water.

(Paragraph 4.1.39)

There were shortfall in coverage of villages/habitations during 1997-98 to 2000-01 under ARWSP (29 *per cent*) and MNP (19 *per cent*).

(Paragraph 4.1.41 & 4.1.42)

Delay in completion of water supply schemes led to consequential cost overrun of Rs. 1.72 crore on 67 water supply schemes.

(Paragraph 4.1.47)

An expenditure of Rs.0.35 crore was incurred out of the central assistance of Rs.0.76 crore for establishment of district level water testing laboratories but in rural areas water testing laboratories were not established.

(Paragraph 4.1.49)

Funds of Rs.0.51 crore remained unutilised for the period ranging from 15 months to 60 months due to non-installation of IT system.

(Paragraph 4.1.78 to 4.1.81)

Between November 1992 and January 1997, the Chief Engineer, PHE incurred wasteful expenditure of Rs.5.87 crore on “Augmentation of Water Supply Scheme of Naharlagun/Nirjuli”.

(Paragraph 4.1.85 to 4.1.86)

Itanagar Water Supply Scheme was not eligible for inclusion under AUWSP and the expenditure of Rs.10.42 crore incurred on it was irregular and unauthorised.

(Paragraph 4.1.88)

Extra expenditure of Rs.1.23 crore was incurred on excess utilisation of 200 mm ERW MS pipe on Itanagar Water Supply Scheme due to defective estimate of the work.

(Paragraph 4.1.92 to 4.1.94)

### Introduction

4.1.1. The programme of drinking water supply scheme comprises of two schemes viz: (i) Accelerated Rural Water Supply Programme (ARWSP) and (ii) Accelerated Urban Water Supply Scheme (AUWSP). The objective of these schemes are tabulated below:-

Table – 4.1

Accelerated Rural Water Supply Scheme	Accelerated Urban Water Supply Scheme
(i) To ensure access to safe drinking water of all rural habitations especially the partially covered/ uncovered habitations with water supply of less than 10 litres per capita per day (LPCD) and 10-40 LPCD in case of fully covered habitations;	(i) To provide safe and adequate water supply facilities to the entire population of two towns (Itanagar and Naharlagun) by the end of VIII Five year Plan.
(ii) To ensure sustainability of the system and sources;	(ii) To improve the environment and quality of life.
(iii) To preserve quality of water by institutionalising water quality, monitoring and surveillance through a catchment area approach.	(iii) Better socio-economic condition and more productivity to sustain the economy of the country.

4.1.2 Providing potable drinking water supply in rural areas is the responsibility of state governments. The Government of India (GOI) introduced the Accelerated Rural Water Supply Programme (ARWSP) in 1972-73 to assist States and Union Territories with 100 *per cent* grants-in-aid to tackle water supply problem of identified Problem Villages (PV). With the introduction of the Minimum Needs Programme (MNP) under state sector from 1974-75, ARWSP was withdrawn but reintroduced in 1977-78 to accelerate the pace of coverage of PVs. The programme has been continuing since then parallel to MNP. Besides, to ensure maximum inflow of scientific and technical inputs into the rural water supply sector and to deal with the quality problem of drinking water, National Drinking Water Mission (NDWM) was introduced in 1986, which was renamed as Rajiv Gandhi National Drinking Water Mission (RGNDWM) in 1991. ARWSP continued to be implemented till 1998-99. However, the objective of the programme could not be attained as envisaged due to lack of sufficient funds and re-emergence of not covered habitations etc. and the programme continues to be implemented during the 9<sup>th</sup> Plan. The Mission included ARWSP, Sector Reform Programme, Sub-Missions, Human Resource Development (HRD), Research and Development (R&D), Information, Education and Communication (IEC) and Management Information System (MIS), Provision of water supply in rural schools and monitoring and Investigation Units, Purchase of Rigs, Water Quality Monitoring and evaluation Activity etc. w.e.f. April 1, 1999.

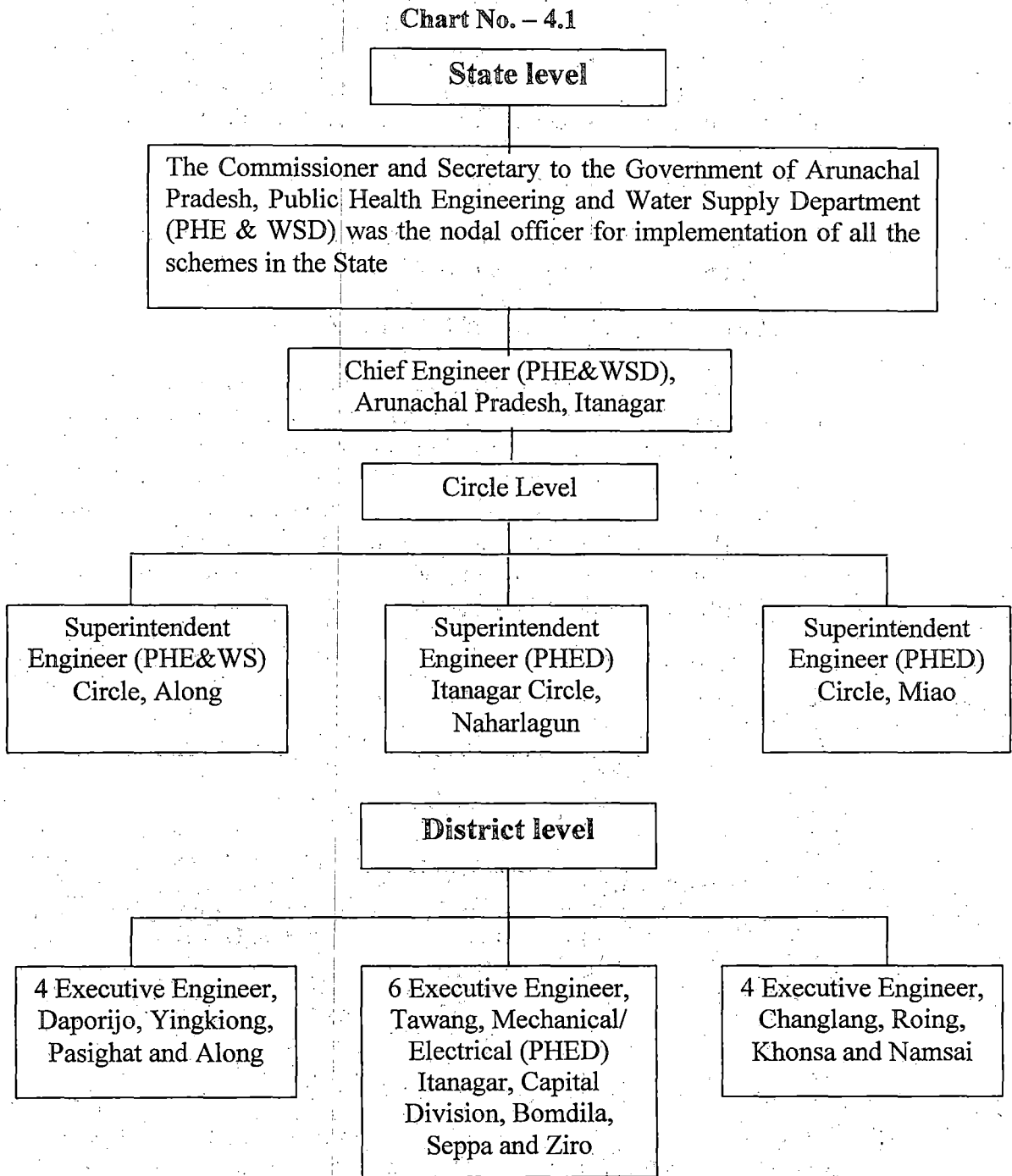
4.1.3 The state had 3649 main habitations and 529 other habitations with a rural population of 7.62 lakh (SC: Nil, ST: 7.62 lakh) as per 1991 census. The ARWSP was implemented upto 1993-94 as per this census report. As per 1994 Survey, the state had 4298 main habitations and other habitations with a total population of 7.76 lakh out of which 120 new habitations were identified during the post 1991 survey.

4.1.4 The state had fully covered 2918 habitations with supply of drinking water upto 2000-01.

4.1.5 During 1993-94, the Government of India launched the Accelerated Urban Water Supply Programme (AUWSP) for providing water supply facilities to the towns having population of less than 20,000 as per 1991 census. The Government of India approved (March 1997) two schemes (Itanagar and Naharlagun water supply schemes) for implementation. However, only Itanagar water supply scheme-Phase-I was under execution from 1996-97 as Naharlagun water supply scheme approved under, AUWSP was subsequently kept in abeyance (February 1999) till completion of ongoing water supply scheme at Naharlagun under state plan as directed (February 1999) by Government of India. The expenditure under the scheme was to be shared equally by the Central and State Government including 5 *per cent* contribution from the beneficiary.

**Organisational set up :**

4.1.6 The organisational structure for implementation of the programmes is detailed below :-





**Audit coverage**

4.1.7 The records of the Chief Engineer, PHED, Itanagar and Executive Engineers of Itanagar, Ziro, Daporijo and Bomdila PHEDs (located in the districts of Papumpare, Lower Subansiri, Upper Subansiri and West Kameng) for the period from 1997-98 to 2000-01 were test checked (31 per cent) and expenditure of Rs.44.07 crore (50 per cent) of the total expenditure of Rs.88.59 crore was covered during the period January-April 2001. Important points noticed in test check are brought out in succeeding paragraphs.

**Financial outlay and expenditure**

4.1.8 The year wise budget provision, funds released by the GOI and actual expenditure incurred under the two schemes during 1996-2001 were as under:-

**Accelerated Rural Water Supply Programme**

4.1.9 Central assistance is allocated to the state under the ARWSP on the basis of matching provision/expenditure by the state under the State sector Minimum Needs Programme (MNP). Upto 20 per cent of ARWSP funds released to the state can be used for Sub-mission Projects. The Central Government also provides 100 per cent assistance for activities under National Human Resource Development Programme (NHRD), Information, Education and Communication (IEC); Management Information System(MIS), Water quality testing and pilot projects under sector reforms.

4.1.10 Details of funds released and utilised by the state during 1997-98 to 2000-01 under ARWSP and MNP as per records of the Department were as under:

**Table – 4.2**

**ARWSP**

Year	Opening Balance	Fund released by G.O.I	Total fund available	Fund released by state Govt.	Expenditure	Closing balance Excess(+) Savings(-)
<i>(Rupees in Lakh)</i>						
1997-98	75.36	2476.00	2551.36	2551.36	2308.40	(-) 242.96
1998-99	242.96	1189.60	1432.56	1432.56	1408.12	(-) 24.44
1999-2000	24.44	2955.02	2979.46	2979.46	2979.46	-
2000-01	-	2182.50	2182.50	2182.50	2163.45	(-) 19.05
<b>Total</b>	<b>342.76</b>	<b>8803.12</b>	<b>9145.88</b>	<b>9145.88</b>	<b>8859.43</b>	<b>(-) 286.45</b>

Source : From the Department

Table – 4.3

## MNP

Year	Budget Provision	Expenditure	Excess(+)/Savings (-)
	<i>(Rupees in Lakh)</i>		
1997-98	2401	2437.18	(+) 36.18
1998-99	2624	2498.00	(-) 126.00
1999-2000	2211	2091.21	(-) 119.79
2000-01	2152	2039.00	(-) 113.00
<b>Total</b>	<b>9388</b>	<b>9065.39</b>	<b>(-) 322.61</b>

*Source: From the Department*

4.1.11 The total unutilised fund at the end of March 2001 under ARWSP and MNP were Rs.19.05 lakh and Rs.1.13 crore respectively.

4.1.12 In reply, the Chief Engineer, PHE stated (October 2001) that unutilised fund under ARWSP and MNP was released in August 2001 and would be utilised during '2001-2002'. This showed weak financial management in the Government.

4.1.13 Following further points were also noticed in audit:

***Delay in release of central fund due to abnormal delays in releasing the fund by the State Finance Department***

4.1.14 Under ARWSP, the state government was required to release the entire amount of the Central assistance received to the implementing agencies without any delay and in any case not later than 15 days of its receipt. Audit scrutiny, however, revealed that the funds received from the Central Government during 1997-98 to 2000-01 were released to the implementing agencies after delays ranging from 1 to 15 months.

4.1.15 While accepting the audit observation, the Chief Engineer stated (October 2001) that there were abnormal delays in releasing the Central assistance by the State Finance Department to the implementing agencies. He further stated that delay occurred due to delay in crediting the Central release of fund in state exchequer and late receipt of revalidation approval from GOI for the unspent amount against ongoing schemes. Reply, however, remained silent regarding the steps taken by him to overcome the problem.

4.1.16 It was seen that an expenditure of Rs.2437.18 lakh was incurred during 1997-98 under MNP as per expenditure figures furnished by the department whereas an expenditure of Rs.2402.78 lakh for the year 1997-98 was reported to the Government of India in August 1998 as per revised progress report for March 1998. The discrepancy has not yet been reconciled.

Table – 4.4

*Accelerated Urban Water Supply Programme*

Year	Opening Balance	Central Share released	State Share released	Total fund available	Expenditure	Excess(+) Savings(-)
<i>(Rupees in lakh)</i>						
1996-97	-	83.29	-	83.29	-	(-) 83.29
1997-98	83.29	21.16	130.00	234.45	131.59	(-) 102.86
1998-99	102.86	500.00	170.00	772.86	86.42	(-) 686.44
1999-00	686.44	249.08	100.00	1035.52	500.00	(-) 535.52
2000-01	535.52	250.00	-	785.52	573.62	(-) 211.90
<b>Total</b>	<b>1408.11</b>	<b>1103.53</b>	<b>400.00</b>	<b>2911.64</b>	<b>1291.63</b>	<b>(-)1620.01</b>

*Source : From the Department*

**Unutilised fund**

4.1.17 The reasons for funds of Rs.2.12 crore remaining unutilised at the end of March 2001 were not on record nor stated (May 2001) by the Department.

4.1.18 In reply the Chief Engineer, PHE stated (October 2001) that unspent balance at the end of 2000-2001 for Itanagar Water Supply scheme at Itanagar under AUWSP was Rs.173.42 lakh. Reply furnished by the Chief Engineer is not correct as the Surveyor of works, PHED in April 2001 stated that the unspent balance at the end of 2000-2001 under AUWSP was Rs.2.12 crore as during the period of 1996-2001, the State share released was Rs.400.00 lakh (1996-97- Nil, 1997-98 – Rs.130.00 lakh, 1998-99 – Rs.170.00 lakh and 1999-2000 – Rs.100.00 lakh) against which expenditure incurred was Rs.188.10 lakh (1996-97 – Rs.51.48 lakh, 1997-98 – Nil, 1998-99 – Rs.86.42 lakh and 2000-2001 – Rs.50.20 lakh). The Chief Engineer, however, provided no reasons for the non-utilisation of fund of Rs.2.12 crore.

**Excess expenditure incurred under MNP over the prescribed norm against Operation and Maintenance (ARWSP & MNP)**

4.1.19 As per guidelines upto 15 per cent of ARWSP funds were to be earmarked for Operation and Maintenance (O & M) of water supply schemes.

4.1.20 The year-wise provision and expenditure under operation and maintenance of ARWSP schemes were as under:

Table – 4.5

## ARWSP

Year	Total Expenditure on ARWSP	Expenditure on O&M	Permissible expenditure on O&M (15% of total ARWSP)	Excess (+) Savings (-) over the norms	Percentage of expenditure on O&M
1997-98	2308.40	230.84	346.26	(-) 115.42	10
1998-99	1408.12	140.80	211.22	(-) 70.42	10
1999-2000	2979.46	297.94	446.92	(-) 148.98	10
2000-2001	2160.52	327.30	324.08	(+) 3.22	15
<b>Total</b>	<b>8856.50</b>	<b>996.88</b>	<b>1328.48</b>	<b>(-) 331.60</b>	
<b>MNP</b>					
1997-98	2437.18	446.04	365.58	(+) 80.46	18
1998-99	2498.00	660.99	374.70	(+) 286.29	26
1999-2000	2091.21	520.60	313.68	(+) 206.92	25
2000-2001	2039.00	580.00	305.85	(+) 274.15	28
<b>Total</b>	<b>9065.39</b>	<b>2207.63</b>	<b>1359.81</b>	<b>(+) 847.82</b>	

*Source : From the Department*

4.1.21 The excess expenditure of Rs.847.82 lakh incurred over the prescribed norms under MNP which ranged from 18 to 28 *per cent* and till date no action was initiated to regularise the excess expenditure. Further, there was a short fall in expenditure on execution of schemes to the extent of Rs.10.02 crore (Rs.78.60 crore – Rs.68.58 crore).

4.1.22 The Chief Engineer, PHE stated (October 2001) that due to fund constraint for maintenance of existing O&M water supply schemes under Non-plan, the Department had no other alternative but to replenish such expenditure from the MNP plan allocation for continuity of the uninterrupted supply of water to the people and there was no possibility to reduce O&M expenditure within norms of 10 – 15% in view of the overall interest of the people. Reply furnished by the Chief Engineer is not tenable on the ground that during the period from 1997-98 to 2000-01 provision for maintenance of Rural Water Supply scheme was made under plan fund (1997-98-Revenue - Rs.4 crore, Capital :- Nil, 1998-99 – Revenue – Rs.4.99 crore, Capital – Nil, 1999-2000-Revenue- Rs.7.50 crore, Capital-Rs.3.77 crore and 2000-01-Revenue-Rs.5.21 crore, Capital-Rs.3.30 crore). Thus, the entire expenditure of Rs.22.08 crore was made from plan funds for maintenance.



## ***Accelerated Rural Water Supply Programme***

### ***Identification of Problem villages***

4.1.23 The Programme envisaged identification of habitations for ensuring supply of safe drinking water. According to the criteria laid down, Problem villages were those which had no assured source of water within a distance of 1.6 Km of the habitations in plain area or 100 metres elevation in the hilly areas or where the available water had excessive saline, iron, fluoride or other toxic elements or where diseases like Cholera, Guinea worm etc. were endemic.

4.1.24 Out of 3649 main habitations and 529 hamlets identified in 1994 survey, 385 habitations were in 'Not covered' (NC) category, 995 habitations were partially covered and 2798 were fully covered (FC) as on 1.4.2001. Besides, 120 new habitations having a population of 0.14 lakh were identified during post 1991 Survey, the status of which was yet to be accepted by the Mission. However, these habitations were fully covered under State Fund during 1998-99.

### ***Non-utilisation of Satellite images due to non-receipt of the same from RW Department under Scientific Source finding and ground water surveys***

4.1.25 The state government received (November 1990) Satellite images from National Remote Sensing Agency (NRSA), Hyderabad for preparation of Hydro Geo-Morphological maps. So far, no ground water survey map was prepared in the state. The newly created (1995) PHE department could not use the satellite images as the same were still lying with the erstwhile Rural Works Department (RWD).

4.1.26 The Chief Engineer, PHE stated (October 2001) that the Satellite images are still lying with RWD and not yet handed over to his department despite repeated requests. He also stated that the Department is taking help from Central Ground Water Board (CGWB), Guwahati for preparation of Hydro Geo-Morphological Maps as and when required. The reply was silent as to why the satellite images received since 1990 were not put to use and also expenditure incurred for taking assistance of CGWB.

### ***Non preparation of shelf of schemes***

4.1.27 As per guidelines for implementation of the Programme, the state government was to prepare 'shelf' of schemes for works to be taken up under the programme conforming to prescribed norms and design criteria. But no such prescribed 'shelf' of schemes was prepared by the Government (Public Health Engineering Department) till April 2001.

4.1.28 The Chief Engineer, PHE, stated (October 2001) that as per the new norms of RGNDWM, all the schemes under ARWSP are to be approved by State Level Technical Clearance Committee before commencement and then all such schemes are included in Action Plan duly approved by the State Planning Board. In support of the above contention the Department did not furnish any records regarding the dates when the new norms were introduced by the RGNDWM and when and what were the schemes approved by the Committee.

***Sanction of schemes against non-existent villages and institutions***

4.1.29 The Government sanctioned three water supply schemes under ARWSP viz, Higging village near Orak camp, Ojuju village and ABC Township school at Ligu village under Daporijo PHE Division during March 1997 to March 1999 at a total cost of Rs. 13.27 lakh (Orak: Rs. 4.32 lakh; Ojuju: Rs.4.25 lakh; ABC township school Rs. 4.70 lakh) against which the division incurred an expenditure of Rs. 8.86 lakh (Orak: Rs.3.34 lakh; Ojuju: Rs.1.86 lakh; ABC: Rs.3.66 lakh) during January 1999 to January 2001 for procurement of materials like G.I.Pipe, G.I. fittings etc. It was, however, seen in audit that none of these three schemes could be implemented till March 2001 due to shifting of habitations of two villages to other places and non-existence of the school at Ligu village.

4.1.30 Similarly, between March 1997 and March 1999, two ARWSP schemes viz, water supply at Dahung Government College and Dony Mission school at Mandrik under Bomdila PHE Division were sanctioned at a total cost of Rs. 33.56 lakh (Dahung: Rs. 15.10 lakh; Dony Mission: Rs. 18.46 lakh) against which the division incurred an expenditure of Rs. 8.06 lakh (Dahung: Rs.5.58 lakh; Dony Mission: Rs.2.48 lakh) for procurement of materials like G.I.Pipe, G.I. fittings etc. during November 1997 to February 2001. However, the schemes could not be implemented as of March 2001 for non-existence of the Dony Mission School and non-finalisation of site for the Dahung Government College.

4.1.31 Thus, sanction of schemes and incurring of expenditure without ascertaining the existence of the institution and non-finalisation of the site for the other institution and shifting of habitations resulted in unnecessary locking up of Government fund to the tune of Rs.16.92 lakh.

4.1.32 The Chief Engineer reply against the above observations were as follows:-

In respect of water supply at Orak camp, the Chief Engineer stated (October 2001) that the scheme was completed during the financial year 2000-2001. The reply furnished by the Chief Engineer is not correct as the Asstt. Engineer, PHE sub-division, Nache in his letter dated 11.02.2000 informed the EE, PHE Division, Daporijo that Orak camp had already been provided with drinking water supply. It was also not clear how the scheme was sanctioned in March 1999 by the Government without proper survey and investigation.

***Ojuju village***

4.1.33 In reply, the Chief Engineer stated (October 2001) that all the materials procured against the scheme were kept in the safe custody of the Department and the same would be utilised in other sanctioned water supply schemes. The Chief Engineer stated that the suspension of work on this project was decided as the habitants of Ojuju village had migrated.

4.1.34 It was clear that the scheme was sanctioned by the Government in March 1998 without proper survey and investigation and the matter needs investigation.

***ABC Township***

4.1.35 In reply the Chief Engineer stated (October 2001) that the schemes, ABC township was completed in March 2001.

4.1.36 However, from the letter dated 22.11.1999 of Asstt. Engineer, PHE sub-division, Nache to the EE, PHE Division, Daporijo it was noticed that ABC school did not exist at Ligu village although there was a proposal for shifting it from Daporijo to Ligu village. In the event of non-existence of ABC school near Ligu village upto 22.11.1999, it was not clear how the Government sanctioned the scheme in anticipation at a cost of Rs.4.70 lakh in March 1999 and procured materials. It was evident that the scheme was sanctioned without proper survey and investigation.

4.1.37 Similarly, in respect of the execution of W/S Schemes at Dahung Government College and Dony Mission School, the Chief Engineer stated (October 2001) that the schemes could not start except for procurement of GI pipe and fittings due to non-finalisation of site.

4.1.38 It was clear that these 2 schemes were sanctioned between March 1997 and March 1999 without finalisation of sites. The contention of audit that materials were bought causing blocking up of funds has been supported by the replies of the Chief Engineer (upto 2001).

***Failure to priorities activities***

4.1.39 Under ARWSP, funds are provided by the Government of India for coverage of NC and PC villages/habitations. However, records revealed that between 1997-98 and 1998-99, 9 divisions took up 23 rural water supply schemes (estimated cost: Rs.138.95 lakh) in fully covered habitations, of which 15 schemes were completed during 1998-99 to 1999-2000 at a cost of Rs. 97.61 lakh and Rs. 30.83 lakh was incurred on remaining 8 ongoing schemes as of March 2001. The details of 23 Water Supply Schemes originally started and completed were not available on records. Thus, the entire expenditure of Rs.128.44 lakh was spent on non-priority areas at the cost of population residing in habitations with no provision of drinking water.

4.1.40 The Chief Engineer stated (October 2001) that details of the schemes of non-functioning water supply system in those 23 villages are untraceable. He stated that the said water supply systems ceased to function and that these habitations were reeling under acute water scarcity problems. To remove the hardship of the people, schemes for these FC (Fully covered) category villages were taken up as re-emerged NC/PC habitations by the State Planning Board. The reply furnished by the Chief Engineer clearly showed that the Department had no records or statistical information of FC habitations. The state had 4298 habitations as per 1994 survey (FC – 2798, PC – 995, NC – 385) and already these 23 villages were classified under FC category. Thus, the change of status of these 23 villages as NC/PC habitations from FC category showed that either the 1991 census was faulty or the sanction of scheme for these earlier FC 23 villages was doubtful.

#### ***Shortfall in Target and achievement***

4.1.41 The year-wise physical target and achievement under the programme during 1997-98 to 2000-01 as furnished by the department are shown in **Appendix – XXXIII**.

4.1.42 There were shortfall in coverage of villages/habitations in all the years during the above period except during 1997-98 under ARWSP and 2000-01 under MNP. Shortfall under ARWSP was 29 *per cent* and under MNP was 19 *per cent*.

4.1.43 Further according to the scheme all the habitations were targetted to be covered by 2004 AD with the objective to provide safe drinking water to all the rural habitations. According to the information furnished by the department, of 4298 habitations targetted to be covered, only 2918 habitations were fully covered at the end of March 2001 leaving 1380 habitations (PC:995; NC:385) to be fully covered by 2004 AD. At the rate of achievements from 1997-98 to 2000-01 it would be difficult to achieve the objective by 2004 AD on the basis of achievement made during 1997-98 to 2000-01 which ranged from 37 to 157 (NC to FC) and 31 to 176 (PC to FC).

4.1.44 The Chief Engineer (October 2001) confirmed the shortfall in the physical target and attributed it to withdrawal of State MNP funding and non-release of 2<sup>nd</sup> instalment of Central assistance by RGNDWM, GOI. The Chief Engineer's reply is not correct as there was no withdrawal of funding either under ARWSP or MNP during 1997-2001 and further each year (1997-2001) there were savings under MNP.

#### ***Non-maintenance of records of assets created/status of completed schemes***

4.1.45 The guidelines laid down that the Department has to maintain a complete inventory of drinking water sources created under different programmes like ARWSP, MNP etc., giving date of start and completion of the project, cost of completion, depth in case of spot sources, agency



responsible for O&M and other relevant details. No such records were maintained in any of the divisions test checked.

4.1.46 The Chief Engineer stated (October 2001) that steps are being initiated to maintain the inventory register division-wise. Further development is awaited (December 2001).

***Delay in completion of water supply schemes with consequential cost overrun***

4.1.47 As per guidelines of Mission, the schemes were to be completed within two to three years of their commencement. The guidelines also laid down that excess expenditure was to be met from state funds. Test check, however revealed that 11 divisions took up 67 rural water supply schemes at an estimated cost of Rs.275.75 lakh during 1993-94 to 1998-99 and completed the same at a cost of Rs. 447.35 lakh during March 1997 to January 2001 resulting in cost overrun of Rs. 171.60 lakh with delay ranging from 10 months to 37 months in 32 cases as detailed in **Appendix - XXXIV**. The cost overrun of Rs. 171.60 lakh was met from ARWSP funds instead of state funds in isolation of the scheme guidelines. The reasons for cost overrun and delay in completion of schemes (32 cases) were neither on record nor stated (April 2001)

4.1.48 The Chief Engineer stated (October 2001) that delay in execution of schemes occurred mainly due to non-availability of adequate funds in time and meager allocation under MNP. This is not borne by facts as allocation and expenditure under MNP matched GOI releases.

***Quality of Water***

***Unproductive expenditure due to non-establishment of water testing laboratories***

4.1.49 Between March 1997 and March 1999, the state government sanctioned Rs.76.22 lakh for establishment of 12 district level water testing laboratories. The department incurred an expenditure of Rs.34.79 lakh during 2000-01 for procurement of water testing equipment (Rs.32.73 lakh) and construction of 2 laboratory buildings at Daporijo and Bomdila at a cost of Rs.2.06 lakh (Daporijo-Rs.1.01 lakh and Bomdila-Rs.1.05 lakh). No water testing laboratory was established (April 2001) due to non-availability of required buildings, non-completion of the construction of the buildings and employment of technical staff resulting in idle investment of Rs.34.79 lakh. The balance sanctioned amount of Rs.41.43 lakh also remained unutilised. The reasons for non construction of 10 Laboratory Buildings and non recruitment of technical staff were not on record nor stated (April 2001). The entire expenditure of Rs.34.79 lakh remained unproductive as yet.

4.1.50 The Chief Engineer stated (October 2001) that Rs.34.79 lakh (Central assistance Rs.24.00 lakh, State share – Rs.10.79 lakh) has been utilised fully and the construction of 12 nos. district laboratory buildings have already been constructed. For procurement of glassware, laboratory equipment, chemical etc. the Chief Engineer stated that it was under process. The posts of laboratory staff, however, have not been sanctioned by the Government and thus the laboratories were not functioning (December 2001).

4.1.51 Test check of records further revealed the followings:-

i) Mention was made in paragraph 4.3.10 of the Audit Report of 1996-97 of the Comptroller and Auditor General of India wherein it was pointed out that water testing laboratory at Pasighat established at a cost of Rs.2.00 lakh remained non-functional from the date of establishment (1990-91) for want of technical staff i.e. water analyst and laboratory assistant. It was, however, seen that the building for the same was not yet handed over to PHED by RWD although some laboratory equipment (glass-wire = Rs..0.34 lakh; chemical = Rs.0.18 lakh, furniture Rs.0.35 lakh and instrument and equipment Rs.0.95 lakh) had been handed over. Thus, the purpose for which the laboratory was established remained unfulfilled for a period of over 11 years and the expenditure of Rs.2.00 lakh remained unproductive.

ii) Between 1997 and 1998-99, Daporijo PHE Division sent 23 water samples from different water sources of 4 habitations for test at Naharlagun Rural Works water testing laboratory, out of which only 5 samples were tested till March 2001. The result indicated turbidity of water in all 5 samples (30 to 100 JTU\* in place of 25 JTU) and excess iron content (3.37 mg. in place of 1.00 mg) in one sample. However, no remedial action had been taken.

(iii) Ziro and Bomdila PHE Divisions conducted test of 195 water samples only during 1997-98 to 2000-01 with the help of water testing kits. The result of tests although did not indicate any excess properties, the genuineness of the water quality remained doubtful in the absence of necessary laboratory tests as the division had no water testing laboratory.

4.1.52 Thus, the objective of supplying safe drinking water to the beneficiaries was not fully achieved due to non-construction of water testing laboratories in different districts.

***Non-replacement/repairing and Non-installation of Iron Removal Plants due to fund constraint and Non-sanction of the revised estimate of the work***

4.1.53 Mention was made in paragraph 4.3.11 of the Audit Report 1996-97 of the Comptroller and Auditor General of India wherein it was pointed out that 65 Iron Removal Plants (IRP) were installed during 1989-90, out of which 21 IRPS in Namsai sub-division were not working since 1993-94 and 14 villages

\* JTU = mg/l

with a 630 population were consuming untreated water due to non-replacement/ repairing of IRPs.

4.1.54 It was however seen that the department had not taken any action to make the plants functional till March 2001. The Chief Engineer stated (April 2001) that the replacement/repairing of non-functional IRPs could not be carried out due to paucity of fund. The reply furnished by the department is not tenable since huge expenditure under ARWSP and MNP was being incurred every year (1997-98 to 2000-01) on maintenance of existing water supply schemes.

4.1.55 In addition, the Government of Arunachal Pradesh accorded administrative approval and expenditure sanction for Rs.10.60 lakh in January 1995 under ARWSP for installation of 5 IRPs in Mahadevpur and Namsai under Namsai PHE Division. The division incurred an expenditure of Rs.12.82 lakh as of March 2001 but the work of installation of 5 IRPs remained incomplete even after a lapse of 6 years.

4.1.56 The Chief Engineer stated (October 2001) that the delay in installation of Iron Removal Plants at Mahadevpur and Namsai was due to non-sanction of the revised estimate of the work by the Government which was necessitated due to change of scope of work and that the same would be installed after the receipt of revised sanction. It was clear that the scope of the work was not scientifically assessed leading to delays, blocking up of funds amounting to Rs.12.82 lakh and depriving 4 villages with a population of 3133 persons, access to safe drinking water.

***Non-execution of treatment of water due to non-allocation of sufficient fund***

4.1.57 The department had covered 3793 FC/PC habitations under the scheme so far (March 2001). As per record 465 filtration plants were installed for a population of 77359 in 13 districts as of March 2001. No filtration and treatment plants in the 3328 remaining villages/habitations (3793-465) were provided and the villages in these areas were provided with untreated water.

4.1.58 The Chief Engineer stated (October 2001) that the programme could not be implemented due to non-allocation of sufficient funds by the state government. This is not borne by facts as there were no records to show that this issue had been pursued with the Government.

***Shortfall in performance of rigs against the prescribed norms***

4.1.59 The Rural Works Department received (1988) one UNICEF Rotomac 50-DTH rig from Government of West Bengal free of cost (value Rs.95.00 lakh) to tackle the problem of water supply in rural areas of the state. Consequent upon creation of the separate PHE Department, the rig was transferred (1995) to Mechanical Division, PHED, Itanagar.

4.1.60 The Government of India fixed the norms of 12 wells (drilling of 720 metres) for each rig in a month. Test check of record revealed that the rig had bored only 26 wells (23 successful and 3 unsuccessful) involving 1097 meters of boring in East Siang district during 1996-97 to 2000-01. Thus, there was shortfall of 694 wells (96 per cent) against the norms. It was stated (February 2001) by the Executive Engineer of the division that the large span of the useful life of the rig was over. The reply, however, was silent about the life of the rig. Further, according to guideline, a monthly rig performance report is required to be submitted to the Government of India. No progress report was, however, submitted by the department from April 1998.

4.1.61 The Chief Engineer stated (October 2001) that the Department had approached GOI as well as state government for providing necessary fund to procure 1 (one) new water well boring rig for the replacement of existing rig. This proposal had not materialised and the department was compelled to utilise the present rig for urgent work.

***Avoidable extra expenditure due to uneconomic utilisation of the old rig***

4.1.62 Between April 1997 and January 2001 Mechanical Division, Itanagar, incurred an expenditure of Rs.73.50 lakh for boring of 16 wells (maintenance and upkeep of the rig Rs.47.16 lakh and procurement of materials for boring and installation of hand pumps (Rs.26.34 lakh). The work of installation of the hand pumps was in progress as of March 2001. During the same period the division incurred an expenditure of Rs.6.17 lakh for ground water exploration and installation of 2 hand pumps at Naharlagun through a Guwahati based firm in March 1998.

4.1.63 Had the work of boring of 16 wells been done through the said Firm instead of uneconomic utilisation of the old rig, the division could have got the work done at a cost of Rs.49.36 lakh (16X3.085 lakh) and could have avoided an extra expenditure of Rs.24.14 lakh (Rs.73.50 lakh - Rs.49.36 lakh).

4.1.64 The Chief Engineer stated (October 2001) that the cost of boring through the private firm varied from place to place. He informed that the cost of a boring at Naharlagun and Pasighat were Rs.3.08 lakh and Rs.6.00 lakh respectively but however, did not furnish cost details of the 16 borings made during the period from April 1997 to January 2001.

***Excess expenditure due to non-installation of hand pumps as per norms***

4.1.65 As per norms under ARWSP, there should be one hand pump for every 250 persons. It was noticed that during 1997-98 and 1998-99, 741 hand pumps (India Mark II-7 Nos, India Mark III-5 Nos and ordinary hand pumps 729 Nos) covering a population of only 0.19 lakh were installed at a cost of Rs.65.71 lakh. The coverage of population per hand pump was merely 26 due to failure on the part of the department to follow the prescribed norm for providing hand pump to the villagers and thereby depriving 1.66 lakh (741 X



250 = 1.85 lakh – 0.19 lakh) population of the benefit of drinking water for non-coverage of population as per norms. Further, as per norms, to cover the 19,000 population the requirement of hand pump was only 76 ( $19000 \div 250$ ) but the department installed 741 hand pumps which resulted in excess installation of 665 hand pumps (741-76). Thus leading to an avoidable excess expenditure of Rs.59.85 lakh ( $665 \times \text{Rs.}0.09$  lakh) due to non-installation of hand pumps as per norms.

4.1.66 The Chief Engineer stated (October 2001) that the norms under ARWSP for installation of one hand pump for every 250 persons is for all India Level and applicable to the plain areas only. He stated that this norm is not suitable for Arunachal Pradesh covering hilly terrain with steep gradient and habitations that are thinly populated with scattered houses. However, no records could be produced to show if relaxation of this norm based on the Chief Engineer's reasons cited, had ever been taken up with the GOI.

#### ***Material Management***

4.1.67 Rules provides that purchase of stores should be made in most economical manner and after assessing definite requirement of the public service. Purchasing or indenting in excess of requirement is to be avoided.

4.1.68 Test check of records of selected divisions, however, revealed the following irregularities:-

#### ***Materials procured at a cost of Rs.16.99 lakh lying unutilised***

4.1.69 Test check of MAS Accounts of the four water supply schemes, at Deed Village, Kicho Village, Yangti IV School and Sate M.E. School, under Ziro PHE Division disclosed that G.I. pipes, G.I. fittings; bleaching powder etc. worth Rs.9.20 lakh procured during February 2000 to February 2001 were lying unutilised without any issue even after the completion of the work in January 2001. Similarly, between August and September 2000, the division procured 529 Nos. of pipe wrench of different specification valued Rs.7.79 lakh against 29 ARWSP schemes without any provision in the sanctioned estimate of the work. The materials so procured were lying unutilised in the MAS Account of the work. Thus, the procurement of materials in excess of requirement resulted in idle investment of Rs.16.99 lakh (Rs.9.20 lakh + Rs.7.79 lakh) and unnecessary locking up of funds. The Chief Engineer (October 2001) replied that these 4 schemes were completed during March 2001 but remained silent on the blocking up of funds of Rs.16.99 lakh.

#### ***Extra expenditure of Rs.24.62 lakh on procurement of GI fittings***

4.1.70 Further, the three divisions viz, Ziro, Daporijo and Bomdila PHE Divisions incurred an expenditure of Rs.28.25 lakh during December 1996 to September 2000 towards procurement of G.I. fittings against the sanctioned

estimate of Rs.3.63 lakh (being 5 per cent of the cost of G.I. pipes) for 10 rural water supply schemes resulting in extra expenditure of Rs.24.62 lakh. The Chief Engineer (October 2001) stated that the procurement were as per requirement as sometime pipes were not sufficient for some particulars schemes. No revised estimates were prepared to show the additional requirement and it was clear that the estimates originally prepared by the Engineer for the water supply schemes were flawed leading to extra expenditure of Rs.24.62 lakh. Further, Chief Engineer in his reply remained silent as to why the matter was not taken up with the appropriate authority for relaxation of norms.

#### ***Non-utilisation of fund under Sector Reform Programme (SRP)***

4.1.71 In Arunachal Pradesh, West Siang and Lohit districts were selected as Pilot districts for implementation of Sector Reform Programme(SRP) to institutionalise community participation in Rural Water Supply Programme. Records of the Department (PHED) revealed that state and district level water and sanitation Missions were constituted in January 1999 and the grants-in-aid of Rs.448.80 lakh for both the pilot districts (Rs.196.35 lakh for West Siang and Rs.252.45 lakh for Lohit district) released (March 2000) by the Government of India were credited to the Saving Bank accounts opened in the State Bank of India (September 2000) in the respective district Headquarters.

4.1.72 Since there was no progress in implementation of SRP the total fund of Rs.448.80 lakh was unnecessarily lying blocked in the banks for a period of over 6 months.

4.1.73 The Chief Engineer stated (October 2001) that “the concept of Sector Reform Programme to institutionalise community participation in RWS is quite new and is taken up in West Siang and Lohit districts on Pilot basis”. He has however, not stated the outcome of these two pilot studies.

#### ***Unproductive expenditure due to non-utilisation of trained personnel under Human Resource Development (HRD) Programme***

4.1.74 The primary focus of the National Human Resource Development Programme (NHRDP) was building up of capacity and capability of rural beneficiaries for more active community participation and for elevating the performance and productivity levels of the sector.

4.1.75 For creation of HRD cell in the state, the Government of India released Rs.16.49 lakh in January 1996. The state government however, released the amount to the implementing department (PHED) in March 1998, i.e. after a delay of 26 months for reasons not on record nor stated (April 2001). The state HRD cell under PHED was accordingly set up in March 1998. After creation of the HRD cell, the Government of India released further fund of Rs.22.89 lakh between March 2000 and November 2000. Out of the total fund of Rs.39.38 lakh (Rs.16.49 lakh + Rs.22.89 lakh) released by the Government of

India, Rs.10.50 lakh released for establishment expenditure in the form of staff salaries of staff of HRD Cell. As per sanction, staff salaries was to be borne by the Central and state government on 50:50 basis. In 2000-01, the state government released fund of Rs.4.98 lakh against Rs.10.50 lakh released by the GOI. The balance state share of Rs.5.52 lakh has not yet been released by the state government and the reasons thereof were not on record nor stated. Further, out of the total available fund of Rs.44.36 lakh (Rs.39.38 lakh + Rs.4.98 lakh), the state HRD cell had incurred an expenditure of Rs.41.58 lakh during 1998-99 to 2000-01 for procurement of office equipment (Rs.22.74 lakh), grass root level training (Rs.5.17 lakh), sector professional training (Rs.0.79 lakh), staff salaries/office establishment etc. (Rs.12.88 lakh) leaving an unspent balance Rs.2.78 lakh as of March 2001.

4.1.76 During the period from 1997-98 to 2000-01, 34 training programmes for training of 680 trainees (34 X 20) were sanctioned by the Govt. of India. Against this, the cell had imparted training to 663 trainees (1997-98:69; 1998-99:258; 1999-2000:93; 2000-01:243). Out of 663 trainees, 489 were grassroots level trainees for field functionaries and local beneficiaries such as plumbers, fitter, electricians and pump operators etc. and 174 were sector professional trainees. However, the services of the trained personnel were not utilised for taking up operation and maintenance of the already created under rural water supply schemes and people's participation was nil. Thus, the very objective of creation of HRD Cell was not achieved.

4.1.77 The Chief Engineer realising the importance of Human Resource Development stated (October 2001) that it was a supporting activity, a part of sector reform programme and a continuous and time taking process. However, he was silent as to why it took more than 26 months to set up the HRD Cell in his Department.

***Non-utilisation of fund due to non-installation of the computer system under Management Information System***

4.1.78 The Government of India released Rs.68.15 lakh during 1995-96 to 1999-2000 for installation of a computer system in Arunachal Pradesh under a centralised umbrella arrangement through a Delhi based agency finalised by NDW Mission for rural water supply and sanitation sector. The Mission, however, selected (May 1998) a Delhi based firm for Arunachal Pradesh for supply of hardware and a Bangalore based firm for supply of UPS/CTV at agreed rates. Accordingly, the PHE Department placed supply order on both the firms for supply of Hardware costing Rs.23.84 lakh and Uninterrupted Power Supply System (UPS) costing Rs.17.02 lakh in March 1999 and April 1999. The year-wise release of funds and expenditure incurred there against were as under:



Table – 4.6

Year	Fund released by GOI	GOI fund released by State Govt.	Expenditure	Unspent balance
<i>(Rupees in lakh)</i>				
1995-96	25.77 (March 1996)	-	-	-
1996-97	-	-	-	-
1997-98	8.88 (March 1998)	-	-	-
1998-99	33.50 (December 1999)	25.35 (March 1999)	-	-
1999-2000	-	-	9.17	-
2000-2001	-	42.80 (December 2000)	8.11	-
<b>Total</b>	<b>68.15</b>	<b>68.15</b>	<b>17.28</b>	<b>50.87</b>

4.1.79 Thus, there was delay in release of central fund by the state government for a period ranging from one year to three years for reasons not on record nor stated (April 2001).

4.1.80 Hardware materials worth Rs.23.84 lakh ordered for in March 1999 had not been received from the approved firm as of March 2001. The delay in receipt of Hardware was attributed by the Chief Engineer (April 2001) to clarification of configuration and bench marking sought from the GOI which was awaited. The reply, however, remained silent about the reason for placing supply order without obtaining clarifications from the Government of India.

4.1.81 The reply of the Chief Engineer is not acceptable as it had at no point taken up the issue of change of configuration and bench marking of the computer hardware with the GOI. After May and June 1998 the GOI had made no changes to the configuration or bench marks of the computer hardware. Had the configuration changed, then the Department should not have placed the order on the approved firm. Further the inaction of the Department in not taking up with the approved firm the non-supply of the computer hardware ordered for in March 1999 clearly showed lack of initiative. The fund of Rs.50.87 lakh received from the GOI was still lying unutilised with government. Further, the 13 UPS which have been received, costing Rs.17.28 lakh are lying idle. The MIS has then not been implemented till date by the department.

4.1.82 The Chief Engineer stated (October 2001) that the computers and other accessories have now been received and installation is in progress.

### *Accelerated Urban Water Supply Scheme*

#### *Selection of Schemes*

4.1.83 The selection of towns shall be done only through State Level Committee constituted for this purpose after considering the Detailed Project Reports (DPRs) prepared in respect of individual towns as per the guidelines of the scheme. Special attention should be given to ensure that the population



of the town should be less than 20,000 as per 1991 census, 95 per cent dependability and reliability of the water source is established, provision for sustainable operation and maintenance mechanism is evolved, a sustainable tariff system evolved and approved by the state government, provision is made for 5 per cent contribution from the urban local bodies towards the project cost. If any of these stipulation are not fulfilled and incorporated in the DPRs, the scheme will not be eligible for inclusion in the Programme.

4.1.84 Accordingly, 2 schemes selected by the SLC i.e. (i) Naharlagun water supply scheme and (ii) Itanagar water supply scheme (Ph.1) were approved by the Government of India in March 1997.

Test check of records revealed the following:

***Defective works led to an avoidable wasteful expenditure***

4.1.85 The augmentation of water supply scheme of Naharlagun/Nirjuli was approved by the Government of India in March 1997 at a cost of Rs.10.17 crore. The implementation of the scheme was kept in abeyance (February 1999) on the orders of the Government of India as it was found after a verification by the Deputy Advisor (DA)(PHE), GOI, Ministry of Urban Affairs and Employment that the Government of Arunachal Pradesh had kept the GOI in the dark about the problem faced by the department from 1994 while implementing the ongoing WSS of Naharlagun, approved in July 1989 which is not complete till date (March 2001).

4.1.86 In his report the DA, PHE, GOI had clearly stated that the M/s Subash Project and Marketing Ltd. Calcutta (SPML), the firm to whom the work was awarded on turn-key basis had changed scope of the scheme without the Department's authority and that the terms and conditions of the tender agreed to by the Department for this firm was against the interest of the Department. The DA PHE, GOI also observed that the design and drawing of vital components of the scheme were not approved by C.E., P.W.D. who was the competent authority leading to defective works. The total expenditure of Rs.5.87 crore on this original work incurred between November 1992 and January 1997 has become wasteful.

4.1.87 In reply, the Chief Engineer stated (October 2001) that the on going WSS of Naharlagun was not completed and handed over to the department by the contractor due to its defective construction. His reply was silent as to why the Department did not inform the GOI of difficulties faced since 1994. This inaction on the part of the Department and Government had led to an avoidable wasteful expenditure of Rs.5.87 crore and more important the implementation of water supply to Naharlagun/Nirjuli has not fructified.

***Irregular execution of the scheme which was not eligible for inclusion under AUWSP***

4.1.88 According to norms, the population of a town should be less than 20,000 as per 1991 census for selection and approval of water supply scheme under AUWSP. Scrutiny of records, however, revealed that the population of Itanagar township was 53,000 as per 1991 census. Hence, the selection and approval of Itanagar water supply scheme Phase-1 under AUWSP at a cost of Rs.14.50 crore for the scheme was irregular and not covered under guideline. The reason for such irregular selection of the scheme was neither available on records nor stated (March 2001). The irregular expenditure of Rs.10.42 crore has not been regularised (March 2001).

4.1.89 The Chief Engineer stated (October 2001) that as per 1991 census the population of Itanagar township was 16454 which was less than 20000 and therefore the project was considered eligible for taking up under AUWSP. The reply furnished by the Chief Engineer is not correct as the Surveyor of Works, Public Health Engineering Department, Itanagar in April 2001 to an audit query informed that the population of Itanagar township as per 1991 census was 53,000. Thus it was clear that the Department had taken up the scheme under AUWSP which was not permissible.

***Implementation***

4.1.90 Itanagar water supply scheme was sanctioned by the Government of India at a cost of Rs.14.50 crore in March 1997 with a time frame of three years for completion. The implementation of the scheme was entrusted to Itanagar PHE Division. The department awarded the works of the scheme involving 22 components like, intake chamber, sedimentation tank, filter house, clear water reservoir booster pump house, laying of pipe etc. to a Likabali based firm in March 1999 at a negotiated amount of Rs.7.48 crore with the stipulation to complete the work in 24 months. Besides, the supply, installation, testing and commissioning of 500 KVA Diesel Generating set was awarded to a Itanagar based Firm at Rs.25.65 lakh in October 1997 and the construction of 11 KV feeder line for booster pump house was entrusted to Power Department at Rs.15.41 lakh in December 2000. There was delay of 24 months in finalisation of tender and awarding of Civil works to the contractor and the reasons thereof were not on record nor could be stated (May 2001).

4.1.91 Test-check of records revealed that the Likabali based firm was paid (January 2001) Rs.558.22 lakh upto 18<sup>th</sup> RA Bill for execution of 13 components out of 22 components of the scheme (value Rs.646.66 lakh) with physical progress ranging from 70 per cent to 80 per cent. However, the work of remaining 9 components (value Rs.100.86 lakh) were not taken up as of March 2001 for reasons not on record nor stated (May 2001). The work of installation and commissioning of 500 KVA Diesel Generating set and

construction of 11 KV feeder line for booster pump house were completed at the agreed cost in March 1998 and March 2001 respectively.

4.1.92 As per abstract cost of the estimate of this work, the requirement of ERW MS pipe (200 mm dia) was 2400 mtr but the Executive Engineer, PHE Division, Itanagar entered into an agreement with the firm in March 1999 for survey, design and laying of 200 mm ERW MS pipe for 7000 mtr. at a total cost of Rs.1.55 crore (@ Rs.2211.00 per mtr.). Till the 18<sup>th</sup> RA bill of January 2001 the firm had laid 7942 mtr. of 200 mm ERW MS pipe and had been paid Rs.1.76 crore (March 2001).

4.1.93 Thus, till March 2001 an excess of 5542 mtr. (231 *per cent*) of 200 mm ERW MS pipe had been laid in contravention of actual requirement as per sanction estimate leading to an excess expenditure of Rs.1.23 crore.

4.1.94 It was clear that the Department had taken up the work based on a defective estimate.

4.1.95 The Chief Engineer stated (October 2001) that delay was due to late receipt of approval for the acceptance of tender from the state government. There is cause for concern if the Government cause delay in such big works and the same should be avoided in future. Delay lead to time and cost overrun.

#### *Unauthorised expenditure*

4.1.96 The division entered into an agreement (January 1999) with a Mumbai based firm for supply, fabrication, welding and installation of 2700 metres of 160 mm dia PHED/PEMD pipe at a cost of Rs.30.76 lakh (cost of pipe: Rs.24.71 lakh + cost of fabrication: Rs.6.05 lakh) in connection with "Augmentation of water supply for Naharlagun Township" although this scheme was not approved by the GOI. The materials were supplied in November 2000 and a payment of Rs.22.24 lakh was made to the firm in January 2001 by charging the expenditure to Itanagar Water Supply Scheme Phase-I which was unauthorised.

4.1.97 Further scrutiny revealed that these pipes which were not suitable for the Naharlagun water supply scheme were transferred to Itanagar water supply scheme although there was no provision for utilisation of such pipes in the sanctioned estimate of Itanagar water supply scheme. The pipes had not been utilised in the work of Itanagar water supply scheme as of April 2001.

4.1.98 Thus, procurement and issue of PHED/PEMD pipes to work of Itanagar water supply scheme resulted in an unauthorised expenditure of Rs.22.24 lakh.

4.1.99 The Chief Engineer (October 2001) stated that 2700 mtr. of 160 mm dia pipe procured for augmentation of water supply to Naharlagun township was utilised in the work of "Augmentation of water supply at Itanagar township (Phase-I - 7 MLD)" in distribution network as per provision in the approved estimate of the work.

4.1.100 The reply furnished by the Chief Engineer was not correct as in the approved estimate of the work there was no scope for utilisation of 160 mm dia pipes.

4.1.101 Further no documents regarding the utilisation of the 160 mm dia pipes valued Rs.30.76 lakh and claimed to have been diverted from the Naharlagun project (which though started was kept in abeyance) could be produced.

#### *Irregular expenditure*

4.1.102 Test check of records revealed that the division incurred an irregular expenditure of Rs.5.04 lakh during March 1998 and March 1999 for purchase of a Xerox Photocopier machine (Rs.1.99 lakh) and a Maruti Gypsy (Rs.3.05 lakh) though no provision existed in the sanctioned estimate of the scheme (Itanagar Urban Water Scheme-Phase-I) for procurement of these items.

4.1.103 The Chief Engineer stated that the photocopier was used in the Division to make copies of drawings and other important documents while the Maruti Gypsy procured against the project was used by the Asstt. Engineer for field duties at different locations of the project. He however, remained silent as to who authorised this irregular expenditure of Rs.5.04 lakh.

#### *Evaluation*

4.1.104 The impact of implementation of the programmes and functioning of the schemes were to be evaluated for taking corrective action, but no such evaluation had been conducted by the department since its inception.

#### *Recommendations*

4.1.105 Funds may be released to the implementing authorities without delay.

- Operational and maintenance expenditure may be incurred prudently as per norm.
- Efforts may be made to cover the shortfall in coverage of village/ habitations during 1997-2001 by 2004 AD.
- Completion of the schemes may be made as per guidelines.



- 12 districts level water testing laboratories should be made functional.
- Trained personnel under HRD may be utilised for implementation of rural water supply schemes.
- Under AUWSP, the unauthorised expenditure of Rs.10.42 crore on Itanagar Urban Water Supply Scheme requires regularisation.

4.1.106 The matter was reported to the Government (June 2001), reply has not been received (December 2001).

## SECTION – B - PARAGRAPHS

### PUBLIC WORKS DEPARTMENT

#### 4.2 Unauthorised utilisation of fund

**Due to unplanned and unauthorised utilisation of fund of Rs.57.23 lakh by the Executive Engineer, Capital 'B' Division, Itanagar the work of "construction of office building for Directorate of Horticulture" remained incomplete even after expiry of more than 2 years from the target date of completion of the work**

4.2.1 The work "construction of office building of the Directorate of Horticulture at Gohpur Road, Itanagar" was administratively approved by the Horticulture Department of the Government of Arunachal Pradesh in February, 1996 at an estimated cost of Rs.1.03 crore and was targetted for completion by February 1999. Accordingly, Rs.1.00 crore was placed with Public Works Department (PWD) between March 1996 and June 1999 for execution of the work as "Deposit Work". The Capital 'B' Division, (PWD), Itanagar took up the work (March 1996) and after completion of 75 per cent of the work costing Rs.1.01 crore upto June 1999, discontinued the same due to non release of further funds by the Horticulture Department.

4.2.2 Test-check of the records of the Division (May 2000) revealed the following irregularities :-

- (i) The Division between March 1996 and March 1997 procured building materials worth Rs.59.40 lakh\* against the actual requirement of Rs.47.90 lakh and materials valued at Rs.44.47 lakh were utilised in the work. This resulted in procurement of excess materials worth Rs.14.93 lakh (Rs.59.40 lakh-Rs.44.47 lakh) and the same were lying unutilised for last 4-5 years as per site account.
- (ii) Under the approved estimate, Rs.11.32 lakh was provided for execution of 8 items of superior works\*\* which was found to be

\* Tiles, shuttering Ply, paints, G.I. specials, Plasticfelt sheet, Torsteel, Mild steel, Cement, Bricks, CGI Sheet, Flyproof Wiremesh, A.C. Sheet, Tubular Trusses etc.

\*\* Aluminum Doors and Windows; Flush doors shutters and P.V.C. sintex doors in bathrooms and toilets; Terrazo tiles flooring, Kotastone flooring and chequered terrazo tiles, spartek/ceramic tiles flooring in toilets; white glazed tiles in dado's of all toilets and canteen; Decorative ceiling tiles in ceiling; Providing of transparent sheet roofing and ridging; Aluminium railing in balcony and stair cases; Wall finishing with water proofing cement paint (exterior) with plastic emulsion paint (interior).

inadequate by an assessment made by the PWD after the Hon'ble Dy. Minister for Horticulture during his visit (March 1997) expressed his desire for further superior specifications. In anticipation of the approval of Government to a supplementary estimate for Rs.29.55 lakh submitted (February 1998) by the PWD to the Horticulture Department, the Division spent Rs.38.05 lakh \*\*\* upto December 1997 for the aforesaid items of work. The Government (Department of Horticulture) however, rejected (April 2000) the proposal for release of additional funds of Rs.29.55 lakh sought for under supplementary estimate. Thus, the modification of the work without the approval of the Horticulture Department was irregular and unauthorised. No action was taken by the PWD to regularise the unauthorised excess expenditure of Rs.26.73 lakh (Rs.38.05 lakh-Rs.11.32 lakh).

- (iii) The division between March 1996 and March 1997 irregularly diverted funds of Rs.22.25 lakh from this work for meeting the expenditure on 17 different works under State Plan fund, of which Rs.6.68 lakh was adjusted between December 1997 and July 1999 leaving a balance of Rs.15.57 lakh unadjusted as of January 2001 owing to non availability of funds under State Plan.

4.2.3 Thus, due to unplanned and unauthorised utilisation of fund of Rs.57.23 lakh (Rs.14.93 lakh + Rs.26.73 lakh + Rs.15.57 lakh) against this "Deposit Work", the office building remained incomplete even after expiry of more than 2 years from its target date of completion.

4.2.4 The matter was referred to Government in September 2000; reply has not been received (December 2001)

## PUBLIC HEALTH ENGINEERING DEPARTMENT

### 4.3 Unfruitful expenditure

**Unfruitful expenditure of Rs.9.50 lakh as the Chief Engineer, PHED could not finalise the alternative source of water even after eight years of sanction of the work**

4.3.1 The scheme aimed at providing water supply facilities to Nangtawshyam village in Lohit district from a source located at Mannabhum Hill. The Government (Department of Rural Works) accorded (January 1992) administrative approval for construction of water supply scheme at an estimated cost of Rs.6.16 lakh with a time schedule for completion by 1993-94. The records do not indicate whether any survey was conducted before the

\*\*\* including committed liability of Rs.25.97 lakh

estimated cost of Rs.6.16 lakh with a time schedule for completion by 1993-94. The records do not indicate whether any survey was conducted before the scheme was sanctioned. The work was taken up (February 1992) for execution by the composite Rural Works Division (RWD) Tezu. The estimate of the work in progress was revised (March 1994) to Rs.18.36 lakh on the ground of providing bigger dia G.I. pipe (150 mm dia) and inclusion of some additional items of work\*. The R.W. division after completion of the work partially at a cost of Rs.7.16 lakh transferred (October 1995) the work to newly created Public Health Engineering Division (PHED), Namsai for execution of the balance work.

4.3.2 Test-check (December 2000) of the records of PHED, Namsai revealed that this division incurred an expenditure of Rs.2.34 lakh between October 1995 and March 2000 towards procurement of materials (G.I. pipes & Specials). No further work was executed as the source had dried up. No survey was conducted till December 2000 to locate an alternate source of work. Hence the scheme remained incomplete since February 1992.

4.3.3 Thus, taking up of the work without proper survey and investigation led to an unfruitful expenditure of Rs.9.50 lakh (RWD Tezu: Rs.7.16 lakh; PHED, Namsai: Rs.2.34 lakh). The objective of providing water supply to the villagers of Nāngtawshyam had not been achieved even after eight years of taking up the work and the chances of it being completed are remote as the original source of water has dried out. Responsibility for undertaking the defective work had not been fixed by the Government (December 2000).

4.3.4 The matter was referred to Government in March 2001; reply has not been received (December 2001).

## IRRIGATION AND FLOOD CONTROL DEPARTMENT

### 4.4 Locking up of fund on a Marboat

#### Locking up of fund of Rs.7.60 lakh due to idle investment on procurement of a marboat

4.4.1 The Tezu Irrigation and Flood Control Division is totally cut off by floods during monsoons. In order to provide uninterrupted transport facility to department's staff, Government accorded Administrative Approval and Expenditure Sanction (March 1999) for Rs.7.00 lakh to the Executive

\* (i) Construction of CC stream collection structure, Earthwork in excavation channel cutting for laying 150 mm and 65 mm dia GI pipe, providing automatic back wash filtration plant for school building and 1 No. of mandir etc.



Engineer of I.F.C.D. (Tezu) for procurement of a double engine Marboat\* 12 MT capacity at a cost of Rs. 5.50 lakh and wages of the operator, helpers, cost of other accessories and HSD Rs. 1.50 lakh.

4.4.2 Test-check of record of IFCD, Tezu (December 2000) revealed that the Marboat was procured (September 1999) through a local contractor at the estimated cost of Rs. 5.50 lakh without invitation of tenders and no reasons were on record for this action. Further, the division incurred an expenditure of Rs. 2.10 lakh (Rs. 1.50 lakh on wages of labourers, small T&P, HSD oil for trial run of the boat etc., and Rs. 0.60 lakh on wages of Chowkidar at the rate of Rs.4000 p.m. for watching the boat at Digarughat) between September, 1999 and November 2000. The boat remained idle at Digarughat on the river Lohit till the date of audit (December 2000).

4.4.3 It was clear that there was no justification in procurement of the boat and the entire expenditure of Rs.7.60 lakh incurred till November 2000, proved idle and resulted in locking up of funds.

4.4.4 In reply, the Chief Engineer, Irrigation and Flood Control Department (IFC) stated (July 2001) that the boat could not be put to use due to fund constraints, for lack of experienced/skilled manpower for its running, upkeep and proper maintenance. It was then decided to utilise the service of the boat for carrying of boulders and other materials used in Flood Control works against the Central Sector Scheme under Tezu Division. It was clear that the purpose of procurement of the boat was totally frustrated.

4.4.5 The matter was referred to the Government in February 2001; reply has not been received (December 2001).

## RURAL WORKS DEPARTMENT

### 4.5 Wasteful expenditure on an incomplete road work

**The Executive Engineer RWD, Roing incurred wasteful expenditure of Rs.7.11 lakh on execution of the work without proper planning**

4.5.1 The Government of Arunachal Pradesh, Rural Works Department, with a view to improve the socio-economic condition of the villagers of Matoli, Angolin and Kedali villages in Dibang Valley district, sanctioned (March 1991) construction of a rural link road from BRTF road to Matoli village (Length: 2.095 Km, Width: 4.00 metre) at an estimated cost of Rs.6.43 lakh. The work was to be completed in four years. The scope of the work provided

\* Marboat is an engine driven boat for carrying passengers/vehicle across the river

for earth work in formation cutting with side drain all along the hill side of the proposed alignment.

4.5.2 The Rural Works Division (RWD), Roing took up work during 1991-92 through contractors and could complete formation cutting of 1.249 Kms only upto March 1998 at a total cost of Rs.7.11 lakh without undertaking the work of the side drain for easy passage of water. Thereafter, no further work was executed till the date of audit (November 2000) for reasons not on record nor stated. As a result, the road condition deteriorated with the passage of time owing to vagaries of nature and the road upto 1.249 Kms remained unutilised. In October 1999, the division submitted a revised estimate for Rs.24.42 lakh for formation cutting including widening and side drain work for the entire stretch of the road (0-2.095 Kms). The width of the road was to be maintained at 5.20 metre. Government did not sanction the revised estimate till March 2001.

4.5.3 Thus, execution of the work without proper planning resulted in wasteful expenditure of Rs.7.11 lakh and the villagers even after 10 years of sanction of the work do not have a rural link road.

4.5.4 The Chief Engineer, RWD, Itanagar stated (November 2001) that due to heavy soil erosion and rainfall acted as a deterrent to the progress of work and soil at different stretches were washed away by the heavy rainfall. However, revised estimate of Rs.24.42 lakh for the work has been sanctioned by the Government in July 2001 and the progress of the work would depend on the provision of funds in the AOP. Further development is awaited (November 2001).

4.5.5 The matter was referred to Government in February 2001; reply has not been received (December 2001).

#### **4.6 Nugatory expenditure on the construction of a rural link road**

**The Executive Engineer, Popumpoma Rural Works Division incurred nugatory expenditure of Rs.35.82 lakh due to taking up of a work without survey and investigation and clearance from the civil administration**

4.6.1 Construction of a rural link road from Kachubari to Taraso village (length 11.10 Km.) bordering Assam was sanctioned by Government in February 1991 to allow communication facilities to 7\* adjoining villages at a cost of Rs. 40.11 lakh. The work was to be completed within 2 years from the date of commencement. The work was taken up for construction by Popumpoma Rural Works Division, Itanagar through contractors in March 1991. The earthwork in formation cutting of the road in stretches (0 – 11.10 Km) was completed in March 1992 after incurring an expenditure of Rs.35.82

\* Kachubari, Dariyabil, Pompla, Ranghat, Lower Borha, Upper Taraso and Lower Taraso.

lakh. Payments were released between March 1991 and September 2000. However, in April 1992, the site engineer of the work reported to the Divisional Officer that about 2.5 Km of road length constructed through Singlijan Reserve Forest near Balijan area of Assam was damaged by the Forest Department of Assam with the help of Assam Police Personnel owing to dispute over land. The site engineer also reported that the construction of the road on the existing alignment was done at the instance of the local MLA. On receipt of this report, the Divisional Officer (August 1992) instructed the Sub-Divisional Officer to stop the work till further order. Work has not resumed from that date till now (March 2001). Details of estimates on reconstruction work or compensation claim lodged with the Assam Government were neither available on records nor stated.

4.6.2 Thus, execution of the work without proper survey and investigation and without obtaining clearance from the Revenue Department leading to stoppage of work, resulted in a nugatory expenditure of Rs.35.82 lakh which included wasteful expenditure of Rs.8.07\*\* lakh owing to damage of 2.5 Km of the road. Further, the villagers were also deprived of the benefits of the road (March 2001).

4.6.3 The matter was reported to the Government in February 2001; reply has not been received (December 2001).

---

\*\* Rs. 35.82 lakh/11.10 km x 2.5 Km = Rs. 8.07 lakh

**CHAPTER – V : STORES AND STOCK**  
**SECTION – B - PARAGRAPH**

**PUBLIC WORKS DEPARTMENT**

**5.1 Injudicious procurement of materials resulted in loss and idle outlay of materials**

**Loss of Rs.13.16 lakh due to injudicious procurement of material beside idle outlay of materials of Rs.15.18 lakh for the period ranging from 4 to 12 years**

5.1.1 Under the Rules all purchases are to be made in a most economical manner and in accordance with definite requirement of public service. At the same time, care is to be taken not to purchase stores far in advance of actual requirement, if such purchase are likely to prove unprofitable to Government.

5.1.2 Test-check (May 2000) of records of Capital 'B' Division revealed that the Division between April 1988 and March 1996, procured 82 items of various materials like paints, water proofing compound, G.I. Specials, carpets, white glazed tiles, glass pane, garden umbrella etc. valued at Rs.23.54 lakh against 'stock' as well as 'works' without assessment of actual requirement. These items were lying idle for periods ranging from 4 to 12 years (May 2000). The physical verification of stores in November 1999 revealed that materials worth Rs.13.16 lakh were unserviceable owing to prolonged storage.

5.1.3 Similarly, Seppa Public Works Division during March 1989, purchased some parts of Road Roller and Jeep valued at Rs.4.80 lakh without any assessment of requirement. The materials so procured were lying in stock till May 2000 for more than 11 years. The Division has not taken any action either to dispose of the materials by auction or by transfer to other needy divisions (March 2001).

5.1.4 Thus, the injudicious procurement of materials and the inability of the divisions to dispose of the same before the materials became unserviceable, resulted in loss to the Government to the tune of Rs.13.16 lakh. The materials valued at Rs.15.18 lakh were still lying idle without any issue for the period ranging from 4 to 12 years.

5.1.5 On these being pointed out (September 2000), Capital 'B' division while accepting the fact stated (January 2001) that necessary Survey report for



the unserviceable materials was under preparation. The Seppa Public Works Division has, however, not furnished any reply.

5.1.6 The matter was referred to Government in September 2000; reply has not been received (December 2001).

## CHAPTER - VI : REVENUE RECEIPTS

### GENERAL

#### 6.1 Trend of revenue receipts

6.1.1 The total receipts of Government of Arunachal Pradesh for the year 2000-2001 were Rs.961.41 crore against the budget estimates of Rs.997.98 crore. The position of revenue raised by the State Government and State's share of divisible Union taxes and grants-in-aid received from Government of India during the year 2000-01 and preceding two years is given below :

Table 6.1

Sl. No.	Head of revenue	1998-1999	1999-2000	2000-2001
		(Rupees in crore)		
<b>I.</b>	<b>Revenue raised by State Government</b>			
	(a) Tax Revenue	11.29	13.88	20.63
	(b) Non-tax revenue	64.54	67.01	63.65
	<b>Total</b>	<b>75.83</b>	<b>80.89</b>	<b>84.28</b>
<b>II.</b>	<b>Receipts from Government of India</b>			
	(a) State's share of divisible union taxes	268.84	340.77	115.67
	(b) Grants-in-aid	578.90	587.26	761.46
	<b>Total</b>	<b>847.74</b>	<b>928.03</b>	<b>877.13</b>
<b>III.</b>	<b>Total receipts of State (I + II)</b>	<b>923.57</b>	<b>1008.92</b>	<b>961.41</b>
<b>IV.</b>	<b>Percentage of (I to III)</b>	<b>8</b>	<b>8</b>	<b>9</b>

## 6.2 Tax revenue raised by the State

6.2.1 Receipts from tax revenue constituted 24 per cent of State's own revenue receipts during the year 2000-2001. Details of tax revenue for the year 2000-2001 and those of the preceding two years are given below :

**Table 6.2**

Sl. No.	Head of revenue	1998-1999	1999-2000	2000-2001		Percentage of increase (+) / Decrease (-) over	
				Budget estimate	Actual receipts	Receipts of 1999-2000	Budget estimate of 2000-01
				(Rupees in lakh)			
1.	State Excise	757.59	1007.90	934.00	901.83	(-) 11	(-) 3
2.	Taxes on Vehicles	101.49	111.73	124.00	112.12	(+) 0.35	(-) 10
3.	Land Revenue	132.73	135.67	165.00	144.85	(+) 7	(-) 12
4.	Other Taxes and Duties on commodities and Services	58.93	52.52	72.00	60.19	(+) 15	(-) 16
5.	Sales Tax	28.07	35.03	1034.00	818.83	(+) 2238	(-) 21
6.	Stamps and Registration fees	49.88	44.79	62.00	25.32	(-) 43	(-) 59
7.	Taxes and Duties on Electricity	0.02	0.004	...	0.006	(+) 50	...
	<b>Total</b>	<b>1128.71</b>	<b>1387.644</b>	<b>2391.00</b>	<b>2063.146</b>	<b>(+) 49</b>	<b>(-) 14</b>

6.2.2 The reasons for shortfall in collection of Tax revenue of all the items (Sl. No. 1 to 6) with reference to Budget estimate of the year have not been furnished (December 2001).

## 6.3 Non-Tax revenue of the State

**Table 6.3**

Sl. No.	Head of revenue	1998-1999	1999-2000	2000-2001		Percentage of increase (+) / Decrease (-) over	
				Budget estimate	Actual receipts	Receipts of 1999-2000	Budget estimate of 2000-01
				(Rupees in lakh)			
1.	Forestry and Wild Life	1288.89	1623.28	3000.00	1299.72	(-) 20	(-) 57
2.	Power	1240.20	707.83	1446.00	1207.50	(+) 71	(-) 16
3.	Miscellaneous General Services	659.91	402.05	770.00	326.86	(-) 19	(-) 58
4.	Interest Receipts	609.64	422.75	665.00	898.55	(+) 113	(+) 35
5.	Road Transport	545.34	607.00	633.00	639.63	(+) 5	(+) 1
6.	Public Works	124.89	176.41	146.00	158.35	(-) 10	(+) 8
7.	Others	1128.28	1320.82	1605.00	937.84	(-) 29	(-) 42
8.	Other Administrative Services	169.27	661.59	199.00	78.01	(-) 88	(-) 61
9.	Non-Ferrous Mining and Metallurgical Industries	320.07	432.17	374.00	518.36	(+) 20	(+) 39
10.	Animal Husbandry	94.33	92.94	110.00	73.55	(-) 21	(-) 33
11.	Crop Husbandry	140.98	162.12	164.00	111.05	(-) 32	(-) 32
12.	Village and Small Industries	55.53	36.50	65.00	42.85	(+) 17	(-) 34
13.	Education, Sports, Art and Culture	76.61	55.80	90.00	72.22	(+) 29	(-) 20
	<b>Total</b>	<b>6453.94</b>	<b>6701.26</b>	<b>9267.00</b>	<b>6364.49</b>	<b>(-) 5</b>	<b>(-) 31</b>

6.3.1 Reason for increase/decrease in collection of receipts has not been furnished by the State Government though called for in November 2001.

## 6.4 Analysis of Actual Revenue receipts of the State

6.4.1 The trend of revenue receipts of the Government during the period 1996-97 to 2000-2001 are indicated in the following tables :

### (a) Receipts of the State

Table 6.4

Year	Budget Estimate	Revised Estimate	Actual Revenue Receipts	Increase (+)/ Decrease (-) over the Budget estimate	Increase (+)/ Decrease (-) over the Revised estimate	Percentage Increase (+)/ Decrease (-) over	
						Budget estimate	Revised estimate
(In crore of rupees)							
1996-97	896.37	845.84	809.04	(-) 87.33	(-) 36.80	(-) 9.74	(-) 4.35
1997-98	924.94	881.49	835.45	(-) 89.49	(-) 46.04	(-) 9.68	(-) 5.22
1998-99	871.54	927.34	923.57	(+) 52.03	(-) 3.77	(+) 5.97	(-) 0.41
1999-2000	963.25	1023.94	1008.92	(+) 45.67	(-) 15.02	(+) 4.74	(-) 1.47
2000-2001	997.98	NA	961.41	(-) 36.57	NA	(-) 3.66	NA

### (b) Trend of analysis

Table 6.5

Head of Revenue	1996-97	1997-98	1998-99	1999-2000	2000-2001
	(In crore of rupees)				
<b>I. Revenue raised by the State Government</b>					
Tax revenue	8.53	9.83	11.29	13.88	20.63
Non-Tax revenue	66.08	57.26	64.54	67.01	63.65
Total	74.61	67.09	75.83	80.89	84.28
<b>II. Receipts from the Government of India</b>					
State's share of divisible Union Taxes	179.03	243.83	268.84	340.77	115.67
Grants-in-aid	555.40	524.53	578.90	587.26	761.46
<b>III. Total Receipts (I&amp;II)</b>	<b>809.04</b>	<b>835.45</b>	<b>923.57</b>	<b>1008.92</b>	<b>961.41</b>
<b>IV. Percentage of I to III</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>9</b>



6.4.2 The actual Revenue Receipts increased from Rs.809.04 crore in 1996-97 to Rs.1008.92 crore in 1999-2000 but declined to Rs.961.41 crore in 2000-2001. The Receipts from the GOI rose from Rs.734.43 crore in 1996-97 to Rs.928.03 crore in 1999-2000. During 2000-01, receipts from GOI was Rs.877.13 crore (91.23%) of the total revenue receipts (Rs.961.41 crore).

6.4.3 The Tax revenue of the State has shown an increase from Rs.8.53 crore in 1996-97 to Rs.20.63 crore in 2000-2001. The non-Tax Revenue collections by the State have however, declined from Rs.66.08 crore in 1996-97 to Rs.63.65 crore in 2000-01 except for the year 1999-2000 (Rs.67.01 crore).

6.4.4 Except in the years 1998-99 and 1999-2000, the actual Revenue receipts in the years 1996-97, 1997-98 and 2000-01 were less than the Budget Estimates. It is seen that the Budget Estimates increased year after year except for the year 1998-99. The reason for declining trend in collection of Non-tax revenue has not been furnished (December 2001).

#### **6.5 Follow up on Audit Report – Summarised position**

6.5.1 With a view to ensuring accountability of the executive in respect of all the issues dealt with in various Audit Reports, the Shakder Committee, appointed to review the response of the State Government to Audit Reports, had recommended (March 1993), inter alia that the concerned departments of the State Government should (i) without waiting for the receipt of any notice or call from the Public Accounts Committee (PAC), submit suo-motu replies on all paragraphs and reviews featuring in the Audit Reports within 3 months and (ii) submit Action Taken Notes (ATN) in respect of recommendations of the PAC within the dates as stipulated by the PAC or within a period of six months whichever is earlier.

6.5.2 While accepting the recommendations (1996), the Government specified the time frame of 3 months for submission of suo-motu replies by the concerned departments. But the time limit for submission of ATN is yet to be fixed.

6.5.3 Review of outstanding ATNs as of 31 August 2001 on paragraphs included in the Reports of the Comptroller and Auditor General of India revealed that :-

i) The departments of the State Government had not submitted suo-motu replies on 44 paragraph of Audit Reports for the years 1987-88 to 1999-2000 in respect of revenue receipts, the details are given below :-

Table 6.6

Year of Audit Report	Date of presentation of the Audit Report to the Legislature	Number of Paragraphs/reviews included in the Audit Report (excluding standard paragraph)		Number of Paragraphs/reviews on which suo-motu replies are awaited		Total (5+6)
		Para-graphs	Reviews	Para-graphs	Reviews	
1	2	3	4	5	6	7
1987-88	18.03.1992	6	-	3	-	3
1988-89	02.12.1992	4	-	4	-	4
1989-90	18.03.1993	3	-	1	-	1
1992-93	27.03.1995	3	-	3	-	3
1993-94	27.06.1995	1	-	1	-	1
1994-95	27.03.1996	2	-	2	-	2
1995-96	05.02.1998	7	-	1	-	1
1996-97	09.11.1998	6	1	5	1	6
1997-98	23.07.1999	5	-	5	-	5
1998-99	24.07.2000	8	1	8	1	9
1999-2000	21.09.2001	8	1	8	1	9
<b>Total</b>		<b>53</b>	<b>3</b>	<b>41</b>	<b>3</b>	<b>44</b>

ii) The departments failed to submit any ATN out of a total number of 20 paragraphs pertaining to Revenue Receipts for the years from 1983-84 to 1985-86 on which the recommendations were made by PAC in its Reports (23<sup>rd</sup>, 25<sup>th</sup>, 32<sup>nd</sup> and 33<sup>rd</sup>) presented before the State Legislature between September 1993 and June 1995. The details are given below :-

Table 6.7

Year of Audit Report	Number of paragraphs on which recommendations were made by PAC but ATNs are awaited	Particulars of Paragraphs	Number of PAC Report in which recommendations were made
1983-84	8	6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.10, 6.11	1
1984-85	7	6.4, 6.5, 6.6, 6.7, 6.8, 6.10, 6.11	1
1985-86	5	6.4, 6.5, 6.6, 6.7, 6.8	1
Total	20		3

## **6.6 Response of the departments to Draft Paragraphs**

6.6.1 The draft paragraphs are forwarded to the Secretaries of the concerned departments through Demi-official letters drawing their attention to the audit findings and requesting them to send their reply within six weeks. The fact of non-receipt of replies from the departments are invariably indicated at the end of each such paragraph included in the Audit Report.

6.6.2 9 Draft paragraphs pertaining to Revenue Receipts, proposed for inclusion in this Report were forwarded demi-officially to the Secretaries of the respective departments during May-July 2001.

6.6.3 The Secretaries of the departments did not send replies to 7 draft paragraphs and these paragraphs have been included in this Report without the response of the Departments.

## SECTION – B - PARAGRAPHS

## ENVIRONMENT AND FOREST DEPARTMENT

## 6.7 Loss of revenue

**Erroneous determination/less demand of upset price of departmentally processed veneer led to loss of revenue of Rs.887.40 lakh**

6.7.1 The Government of Arunachal Pradesh, Environment and Forest Department instructed (June 1989) that the upset price of seized log should be fixed by taking into account the schedule rate of royalty, additional royalty (@ 30% of royalty) prevalent rate of monopoly fee (on royalty plus additional royalty), departmental charges and actual or notional extraction cost upto the point of disposal. The departmental charges should be Rs.30 per cft in the case of log of Hollong species.

6.7.2 In Namsai Forest Division 10818 logs of Hollong species measuring 13154.076 cum involving upset price of Rs.1019.01 lakh were seized (between April 1994 and March 1996) at Stump site and extracted upto forest depot. These logs were departmentally processed into veneer after incurring a total expenditure of Rs.331.43 lakh towards costs of transportation (Rs.59.57 lakh) and peeling (Rs.271.86 lakh) during November 1998 and January 1999. Hence, the actual cost of departmentally processed veneer, including the upset price of seized logs was Rs.1350.44 lakh which was however sold (between December 1998 and January 2000) at Rs.463.04 lakh. This resulted in loss of revenue of Rs.887.40 lakh.

6.7.3 On this being pointed out (April 2000) in audit, the department stated (August 2000) that the loss of revenue would be Rs.226.80 lakh after taking into account only 50 per cent of royalty, additional royalty and monopoly fee as upset price thereby excluding other elements like departmental charges and actual cost of extraction upto forest depot. The reply is not tenable as the determination of upset price of seized timber at 50 per cent without any basis was not only in contravention of the Government instruction (June 1989) but also detrimental to the interest of the State's revenue.

6.7.4 The case was reported to the Government (April, October 2000 and January 2001); their reply has not been received (December 2001).



## 6.8 Loss of revenue

### Erroneous fixation of sale price on reduced volume of seized timber led to loss of revenue of Rs.10.54 lakh

6.8.1 A District Level Committee (DLC) after conducting physical verification submitted (August 1997) an inventorised report of all seized timber lying in forest floor under Pasighat Forest Division. Subsequently, the Principal Chief Conservator of Forests (PCCF) instructed (April 1998) to fix floor price\* for sale of the DLC's inventorised seized timber and to allow reduction for deterioration of timber at the rates varying from 10 to 60 per cent depending on the degree of deterioration.

6.8.2 A test check of records of the Divisional Forest Officer (DFO), Pasighat revealed (February 2000) that as per the DLC's physical verification report (28 August 1997), inventorised seized timber of mixed species (1994.9006 cum) involving floor price of Rs. 56.81 lakh were available for sale in reserve forest floors of Ruksin, Mebo and Pasighat Ranges under the said Division. The aforesaid quantity of seized timber was sold through auction for Rs.46.27 lakh between April and November 1998 based on a floor price fixed at Rs.46.27 lakh against the actual floor price of Rs.56.81 lakh. Further scrutiny revealed (February 2000) that the purchasers were allowed to remove the full quantity of timber (1994.9006 cum) on the strength of 383 Transit passes issued by the Range Officers of the aforesaid three Ranges between April 1998 and February 1999. Thus, sale of timber at Rs.46.27 lakh against the floor price of Rs.56.81 lakh resulted in loss of revenue of Rs.10.54 lakh.

6.8.3 On this being pointed out in audit (April 2000), the DFO stated in reply (December 2000) that the timber in question was sold through auction after reducing the original volume by allowing deterioration percentage as per instruction (April 1998) of the PCCF and the transit passes were issued after full realisation of bid value. The reply was not tenable, as 1994.9006 cum of timber was actually removed based on Transit Passes issued by the Range Officers, which royalty was charged for 1573.1617 cum only. This resulted in a loss of revenue of Rs.10.54 lakh.

6.8.4 The case was reported (April 2000 and January 2001) to the Government; their reply has not been received (December 2001).

\* A : Royalty (at the rate varying from Rs 48 to Rs 2911 per cum), Additional Royalty (30 per cent of royalty), Monopoly fee (32 per cent on Royalty and Additional Royalty) B: Notional cost of Cross cutting and transportation (Rs 5 per cft of timber seized from stump site and Rs. 15 per cft of timber seized away from stump site, C: Actual cost of dragging and transportation charges (Rs. 15.45 per cft) D: Departmental charges (20 per cent on A,B and C for Hollock-A-IV timber only E: Compensatory plantation charge (Rs. 1 per cft)

## 6.9 Loss of revenue

### Failure of the department to bring 261 seized logs to a safer place led to loss of revenue of Rs.9.25 lakh in the shape of upset price

6.9.1 The Assam Forest Regulation 1891 (as applicable in Arunachal Pradesh) provides that when there is reason to believe that a forest offence has been committed in respect of any forest produce, such produce shall be seized and brought to the safe forest station under intimation to the higher authority and to the Court for speedy trial and disposal. Test check of records of two Forest Divisions disclosed the following cases of loss of revenue owing to non-compliance of the said provisions.

6.9.2 In Khonsa Forest Division, it was noticed in audit (May 1999) that 101 logs measuring 137.5512 cum of mixed wood species were seized (between April -May 1997) from flood-prone areas of Kuth Nallah, Tello Nallah and Tissa river bed within the reserve forests of Longding and Khonsa Ranges of the Division. No action was initiated to bring these seized logs to a safe place and during the monsoon of 1998 it was claimed by the Department that all the logs had been washed out by flood. This resulted in a loss of revenue of Rs.8.17 lakh\* being upset price.

6.9.3 Similarly, in Hapoli Forest Division it was noticed in audit (June 2000) that 160 logs of soft wood species measuring 41.8215 cum whose upset price was Rs.1.08 lakh\*\* were seized (between April 1995 and March 1996) from Siro planation areas under the Division. Thereafter, these logs were neither brought from the seizure spot to a safer place nor was any attempt made for disposal of these logs. Due to the vagaries of nature the logs were rendered useless resulting in a loss of Rs.1.08 lakh to the Government.

6.9.4 In both the cases, the Divisional Forest Officers proposed (January 1999) to the Government for according write-off sanction to the aforesaid losses stating that the same occurred due to the reasons beyond the control of the department. The Government accorded sanction to these proposals in April 1999.

6.9.5 The inaction on the part of the Divisions to bring these seized logs to safer places from flood prone area and the seizure spots in above cases, which were very much within the control of the Division, had led to a loss of Rs.9.25 lakh.

\* Khonsa Forest Division : Royalty (Rs.3.67 lakh) + Addl royalty (Rs.0.92 lakh) + Monopoly fee (Rs.2.02 lakh)+Departmental charge (Rs.1.46 lakh) + Notional extraction cost (Rs.0.10 lakh)

\*\* Hapoli Forest Division : Royalty (Rs.0.52 lakh) + Addl. Royalty (Rs.0.13 lakh) + Monopoly fee (Rs.0.18 lakh) +Departmental charge (Rs.0.22 lakh) + Notional extraction charge (Rs.0.03 lakh)



## 6.10 Loss of revenue

### Disposal of 1471.9035 cum of timber below the upset price led to loss of revenue of Rs.7.90 lakh

6.10.1 In June 1989, the Government of Arunachal Pradesh (Environment and Forest Department) instructed that the upset price for allotment/disposal of seized timber to any person outside the committed Government quota, should be fixed taking into account the usual royalty, additional royalty at 25 per cent of royalty, monopoly fee, departmental charges at Rs.15 per cft for all classes of timber except Hollong, Titasopa, etc. and minimum actual/notional extraction cost at Rs.2 per cft if the seized timber is supplied from stump site and at the rate of Rs.5 per cft if the same is supplied from forest depot.

6.10.2 Test check of records of Bomdila Forest Division (December 1997) disclosed that the seized timbers were disposed of far below the upset price leading to loss of revenue as under :-

6.10.3 In 20 cases, 1004.106 cum (35460 cft) of timber of mixed species seized illegally felled between June 1995 and October 1996 was allotted to the offenders through compounding and by realising Rs.8.38 lakh against the upset price of Rs.13.20 lakh chargeable. This resulted in loss of revenue of Rs.4.82 lakh.

6.10.4 In another 7 offence cases, 467.7975 cum (16518.18 cft) of timber of mixed species was seized between April 1994 and March 1996 from forest areas of the Division. As the offenders in these cases were not known, the aforesaid timber was sold on auction between July 1994 and March 1996 to three bidders at Rs.3.13 lakh against the upset price of Rs.6.21 lakh. This resulted in loss of revenue of Rs.3.08 lakh.

6.10.5 On these being pointed out (February 1998) in audit the Divisional Forest Officer stated (January 2001) that due to paucity of funds the seized timber could not be brought to safe custody and the same was disposed of through compounding and auction by realising royalty value and fine which was above the Government's usual royalty. The reply is not tenable as the sale of timber below the upset price defeats the very purpose of fixation of the upset price.

6.10.6 These cases were reported to the Government in (February 1998); their reply has not been received (December 2001) despite reminders.

### 6.11 Short realisation of revenue

**Realisation of annual lease rent and premium fee of Rs.0.37 lakh against Rs.3.43 lakh for allotment of 52600 sqm of Government forest land led to short realisation of revenue of Rs.3.06 lakh**

6.11.1 The Government of Arunachal Pradesh instructed (April 1984) that annual lease rent and premium fee at Re.1 and Rs.4 per Square metre (Sqm) respectively was to be realised for use of Government land allotted for industrial purpose.

6.11.2 A test check of records of the Divisional Forest Officer, Khellong revealed (August 1999) that 52600 Sqm. of Government Land was allotted (between August 1988 and October 1993) to 21 owners of cane and wood based industries for establishing depots of cane/timber for which lease rent and premium fee of Rs.3.43 lakh was to be realised from these allottees. The Divisional Officer however, realised (between August 1988 and March 1994) Rs.0.37 lakh only against Rs.3.43 lakh. This led to short realisation of revenue of Rs.3.06 lakh.

6.11.3 On this being pointed out (November 1999 and January 2001) in audit, the Principal Chief Conservator of Forests stated (April 2000) that the matter was under examination and result thereof would be intimated soon. But the report on progress of recovery has not been received (December 2001).

6.11.4 The case was reported (November 1999, December 2000 and January 2001) to the Government; their reply has not been received (December 2001).

### 6.12 Short realisation of royalty

**Realisation of royalty of Rs.0.95 lakh against Rs.2.58 lakh led to short realisation of royalty of Rs.1.63 lakh**

6.12.1 Under the Arunachal Pradesh Forest Manual 1980, no forest produce shall be removed from forest area without payment of full royalty in advance.

6.12.2 A test check of records of the Divisional Forest Officer (DFO), Hapoli, revealed (June 2000) that an owner of a local Saw Mill was allowed to remove (March 1996) 774.9652 cum of marked and passed timber from Talla Valley Reserve Forest to the mill premises on realisation of only Rs.0.95 lakh against full royalty payment of Rs.2.58 lakh. This resulted in short realisation of royalty of Rs.1.63 lakh.

6.12.3 On this being pointed out (July 2000 and January 2001) by audit, the DFO stated (April 2001) that the balance quantity of 105.4239 cum of timber



involving royalty value of Rs.1.63 lakh was lying in the mill premises and the mill owner on principle agreed to pay the balance amount (Rs.1.63 lakh) on removal of the said quantity of timber as and when the mill starts functioning. The reply was not tenable since the full royalty charges were recoverable in advance before removal of timber from forest area, and not after removal from the mill premises as contended. Thus, the balance amount of Rs.1.63 lakh stands recoverable from the mill owner (April 2001).

6.12.4 The case was reported (July 2000 and January 2001) to the Government; their reply has not been received (December 2001).

### **6.13 Short realisation of royalty and monopoly fee**

#### **Incorrect application of rate resulted in short realisation of royalty and monopoly fee of Rs.1.03 lakh**

6.13.1 The Government of Arunachal Pradesh in their notification of January 1997 revised the rates of royalty and monopoly fee on all forest produces with effect from 2 November 1996.

6.13.2 A test check of records of the Divisional Forest Officer (DFO), Pasighat revealed (March 1998) that 127.9114 cum of timber of mixed species was sold (December 1996) to nine local permit holders on realisation (December 1996) of royalty and monopoly fee of Rs.1.45 lakh at pre-revised rate against Rs.2.48 lakh due to be collected at the revised rates. This incorrect application of rates resulted in short realisation of royalty and monopoly fee to the tune of Rs. 1.03 lakh.

6.13.3 On this being pointed out (June 1998) by audit the DFO stated (May 2000) that demand was raised (December 1999) against these permit holders for recovery of the balance amount as per revised rate. The report on recovery has however, not been received (May 2001) despite reminders.

6.13.4 The case was reported (June 1998 and July 2000) to the Government; their reply has not been received (December 2001).

**TRANSPORT DEPARTMENT**

**6.14 Unauthorised use of motor vehicles without payment of tax**

**Non-realisation of motor vehicles tax of Rs.8.14 lakh from the owners of 149 commercial vehicles led to unauthorised use of vehicles without payment of tax besides non-levy of maximum penalty of Rs.2.19 lakh**

6.14.1 The Arunachal Pradesh Motor Vehicles Taxation Act, 1984 provides that a tax at the prescribed rate shall be levied and collected annually/quarterly/monthly, as the case may be, on all Motor Vehicles used or kept for use in the State unless an owner of such vehicle is exempted from tax based on his application to the effect that the vehicle would not be used in any public place and the registration certificate is surrendered. The Act, further provides that in event of failure to pay the tax due by an owner of motor vehicle, the Taxation Officer shall, in addition to the tax due, levy and collect penalty not exceeding one fourth of the annual tax.

6.14.2 Test check of records of the Deputy Commissioners (Motor Vehicle Tax) Changlang, Bomdila, Khonsa and Seppa revealed (March, July, December 2000 and February 2001) that 158 owners of commercial vehicles neither paid the road tax of Rs.8.76 lakh for different periods falling between October 1984 and December 2000 nor obtained any exemption by surrendering their registration certificates. For default in payment of the said tax, maximum penalty of Rs.2.19 lakh was leviable in these cases. No action was initiated at the level of the Deputy Commissioner (DC) to issue demand notices for collection of the tax and penalty from the defaulting vehicle owners. Thus, failure on the part of the authority to initiate appropriate and timely action had resulted in unauthorised use of these vehicles without payment of tax of Rs.8.76 lakh and penalty of Rs.2.19 lakh.

6.14.3 On this being pointed out (May, September 2000, January and April 2001) by audit the DCs, Khonsa and Bomdila stated (September and November 2001) that road tax of Rs.4316 (i.e. Rs.0.04 lakh) and Rs.0.58 lakh was recovered (between November 2000 and October 2001) from four and five owners of vehicles respectively. But the report on recovery of balance road tax of Rs.8.14 lakh and penalty of Rs.2.19 lakh from the remaining 149 owners of vehicles has not been received (December 2001) despite reminders.

6.14.4 These cases were reported to the Government in September 2000, January and April 2001; their reply has not been received (December 2001).

## CHAPTER - VII

### FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

#### 7.1 General

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

7.1.2 During 2000-2001, financial assistance of Rs.8.17 crore was paid to various autonomous bodies and others broadly grouped as under :

**Table 7.1**

Name of Institutions	Amount of assistance paid (Rupees in crore)
1. Universities and Educational Institution	3.79
2. Art and Culture	0.46
3. Rural Activities	2.22
4. Social Welfare	0.42
5. Other institutions	<u>1.28</u>
	<b>Total :- 8.17</b>

7.1.3 Financial assistance paid to these bodies during the year 2000-2001 constituted 0.83 **per cent** of the total revenue expenditure (Rs. 979.62 crore) of the Government for the year.

#### 7.2 Utilisation Certificates

7.2.1 The financial rules of Government require that where grants are given for specific purposes, certificates of utilisation should be obtained by the departmental officers from grantees and after verification, these should be

forwarded to Accountant General within one year from the date of sanction, unless specified otherwise.

7.2.2 Although the Finance Department, Government of Arunachal Pradesh was requested (July 2001) to furnish department wise position of utilisation certificates due and submitted during the last 3 years, the required information was not furnished (December 2001).

### 7.3 Audit of financial assistance to local Bodies and others

#### *Audit under Sections 14 and 15*

7.3.1 According to the provisions of Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (as amended from time to time), receipts and expenditure of bodies and authorities substantially financed by grants/or loans from the Consolidated Fund of the State are audited by the Comptroller and Auditor General of India (CAG). A body or authority is deemed to have been substantially financed in a year if the aggregate of grants and loans received by it during the year (including unutilised balance of grants and loans of previous years) is not less than (a) Rs. 25 lakh representing 75 per cent of the total expenditure of that body or authority and (b) Rs.1.00 crore.

7.3.2 Section 15 of the Act *ibid* requires that where any grants/loans are given to any body or authority for specific purposes from the consolidated fund, the CAG shall scrutinise the procedure by which the sanctioning authority has satisfied itself as to the fulfillment of the conditions subject to which such grants and loans are given.

7.3.3 In order to identify the institutions which attract audit under section 14/15 of the Act, *ibid*, Governments/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.

7.3.4 Despite requests (July 2001), the Finance Department could not furnish complete information about financial assistance given to various bodies/authorities during 1998-2001 by different administrative departments. As a result, neither a complete list of bodies/authorities to be audited under section 14 of the Act *ibid*, could be drawn up nor could the amount of assistance given to various bodies during these years be ascertained (December 2001).

7.3.5 However, as per information collected by audit in earlier years, out of 13 bodies/authorities, whose accounts for 1999-2000 were received, these bodies/authorities attracted audit under section 14 of the Act, *ibid*. The status of submission of accounts by these bodies and completion of their audit as of September 2001 are given in Appendix – XXXV



7.3.6 According to provision in the manual for Integrated Rural Development Programme (IRDP), the District Rural Development Agencies (DRDA) are required to submit their certified accounts to audit by 30 September each year. One DRDA did not submit its accounts for 7 years (1994-95 to 2000-2001) while three other DRDA's did not submit accounts for 6 years and 5 years respectively (one DRDA from 1995-96 to 2000-2001, and two DRDA's from 1996-97 to 2000-2001). Similarly, 2 other DRDA's did not submit accounts for 4 years and 3 years respectively (one DRDA from 1997-98 to 2000-2001 and other DRDA from 1998-99 to 2000-2001), 1 DRDA did not submit accounts for 2 years (1999-2000 to 2000-2001) and 4 DRDA's did not submit accounts for 1 year (2000-2001). As such, the amount of financial assistance received by 11 DRDA's out of 13 DRDA's (2 DRDA's being new) from the State/Central Government during the period from 1994-95 to 2000-2001 and utilisation there of could not be ascertained (December 2001).

#### 7.4 Audit under Section 20(i)

7.4.1 The status of submission of accounts by autonomous bodies covered under Section 20 (i) of the CAG's (DPC) Act, 1971 (as amended from time to time) and submission of Audit Reports to the Parliament as of September 2001 is given below :-

Table 7.2

Name of Body	Year upto which accounts due	Year upto which accounts submitted	Year upto which Audit report issued	Year upto which Audit report placed before parliament
(1)	(2)	(3)	(4)	(5)
North Eastern Regional Institute of Science and Technology (NERIST), Nirjuli	2000-2001	2000-2001	1999-2000	upto 1995-96 (Information regarding placement of Report for the years 1996-97 to 1999-2000 is awaited from the Ministry)

#### 7.5 Audit arrangement by Government

7.5.1 In order to ensure correct accounting and proper utilisation of financial assistance, the State Government was to arrange Primary audit of the accounts of local bodies and authorities.

\* Audit of Institution has been entrusted to Comptroller and Auditor General of India from 1997-98 to 2001-2002.

7.5.2 Although the Finance Department was requested (July 2001), the required information about arrangements made for primary audit of these local bodies and authorities was not furnished (December 2001).

7.5.3 The above matters were reported to Government (December 2001), their reply had not been received.

## CHAPTER VIII : GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

### 8.1 General

8.1.1 This chapter deals with the results of audit of Government Companies and Departmentally managed commercial undertakings.

8.1.2 Paragraphs 8.1.3 to 8.1.48 gives an overview of Government Companies and Departmentally managed Commercial undertakings and Paragraphs 8.2 to 8.7 deal with miscellaneous topics of interest.

#### *Overview of Government Companies and Departmentally managed Commercial undertakings*

##### *Introduction*

8.1.3 As on 31 March 2001 there were five Government Companies (three Working Companies and two non-working companies) and two Departmentally managed Commercial undertakings viz., State Transport Services and State Trading Scheme as against same number of Government companies and Departmentally managed Commercial undertakings as on 31 March 2000 under the control of the State Government. The accounts of the Government Companies (as defined in Section 617 of Companies Act, 1956) are audited by Statutory Auditors appointed by the Comptroller and Auditor General of India (CAG) as per provisions of Section 619(2) of Companies Act, 1956. These accounts are also subject to supplementary audit conducted by the CAG as per provisions of Section 619 of Companies Act, 1956. The accounts of Departmentally managed Commercial undertakings are audited solely by the CAG under Section 13 of CAG's (Duties, Powers and Conditions of Service) Act, 1971.

##### *Working Government companies*

##### *Investment in working Government Companies*

8.1.4 Total investment in three working Government Companies as on 31 March 2001 was Rs.11.63 crore (equity : Rs.8.42 crore; long term loans : Rs.3.01 crore and share application money : Rs.0.20 crore) as against total investment of Rs.11.62 crore (equity : Rs.8.25 crore and long term loan : Rs.3.37 crore) as on 31 March 2000 in three working Government companies.

8.1.5 The summarised statement of Government investment in the working Government Companies in the form of equity and loan is given in **Appendix-XXXVI**.

8.1.6 Although there was further investment totaling Rs.0.37 crore in equity (in two Companies) during 2000-01, the overall increase in total investment during the year was Rs.0.01 crore due to repayment of loan amounting to Rs.0.36 crore by one Company. As a result the debt equity ratio has decreased from 0.41:1 in 1999-2000 to 0.35:1 in 2000-01.

8.1.7 As on 31 March 2001, the total investment in working Government Companies, comprised 74.11 per cent of equity and 25.89 per cent of loan compared to 71 per cent and 29 per cent, respectively as on 31 March 2000.

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

8.1.8 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 are given in **Appendices – XXXVI and XXXVIII**.

8.1.9 The budgetary outgo (in the form of equity capital and loans) and grants/subsidies from State Government to 3 working Government companies for the three years upto 2000-01 are given below :

**Table – 8.1**

*(Amount : Rupees in crore)*

Sl. No.	Particulars	1998-99		1999-2000		2000-2001	
		No. of Companies	Amount	No. of Companies	Amount	No. of Companies	Amount
1.	Equity capital outgo from budget	1	0.22	1	0.18	2	0.37
2.	Loans given from budget	-	-	-	-	-	-
3.	Grants/subsidy towards project/ programmes/ schemes	-	-	-	-	-	-
<b>Total outgo :-</b>		<b>1</b>	<b>0.22</b>	<b>1</b>	<b>0.18</b>	<b>2</b>	<b>0.37</b>

8.1.10 During the year 2000-01, the Government had not given fresh guarantee for raising loans by working Government Companies. At the end of the year guarantees amounting to Rs.1.88 crore against one Government Company was outstanding. There was one case of default in repayment of



guaranteed loans during the year. No guarantee commission was payable to the Government by the Government Companies.

**Finalisation of accounts by working Government Companies**

8.1.11 The accounts of the companies for every financial year are required to be finalised within six months from the end of relevant financial year under Section 166, 210, 230, 619 and 619-B of the Companies Act, 1956 read with Section 19 of Comptroller and Auditor General's (Duties, Power and Conditions of Service) Act, 1971. They are also to be laid before the Legislature within nine months from the end of financial year.

8.1.12 However, as could be noticed from **Appendix- XXXVII**, none of the three working Government Companies had finalised their accounts for the year 2000-01 within the stipulated period. During the period from October 2000 to September 2001, three working Government Companies finalised their accounts for earlier years.

8.1.13 The accounts of all the three working Companies were in arrears for periods ranging from 4 years to 7 years as on 30 September 2001 as detailed below :-

**Table – 8.2**

Sl. No	Year from which accounts are in arrear	Number of years for which accounts are in arrears	Number of working Government Companies	Reference to Sl. No. of Appendix-XXXVII
1.	1997-98	4	1	1
2.	1996-97	5	1	3
3.	1994-95	7	1	2

8.1.14 The administrative departments have to oversee and ensure that the accounts are finalised and adopted by the Companies within prescribed period. Though the concerned administrative departments and officials of Government were appraised quarterly by the Audit regarding arrears in finalisation of accounts, no effective measures have been taken by the Government and as a result, the investments made in these Government Companies could not be assessed in audit.

**Financial position and working results of working Companies**

8.1.15 The summarised financial results of working Government Companies as per latest finalised accounts are given in **Appendix-XXXVII**.

8.1.16 According to latest finalised accounts of 3 working Government Companies, two Companies had incurred an aggregate loss of Rs.0.47 crore and one Company earned profit of Rs.4.91 crore.

*Profit earning working Government Company and Dividend*

8.1.17 The lone working Government Company which finalised its accounts for 1995-96 (Sl. No.3 of Appendix-XXXVII) had earned profit for two or more successive years. However, no dividend has been declared during the year. The State Government has not formulated any dividend policy.

*Loss incurring working Government Companies*

8.1.18 Of the two loss - incurring working Government Companies, one Company (Sl. No.1 of Appendix-XXXVII) had accumulated losses amounting to Rs.3.48 crore which has far exceeded its paid-up capital of Rs.1.43 crore.

8.1.19 Despite poor performance and complete erosion of paid up capital, the State Government continued to provide financial support to this Company. According to available information, the financial support so provided by the State Government to this Company by way of share capital contribution amounted to Rs.17.00 lakh during 2000-01.

*Return on capital employed*

8.1.20 As per the latest finalised accounts (upto September 2001) the capital employed\* worked out to Rs.35.98 crore and total return thereon amounted to Rs.5.61 crore which is 15.60 per cent as compared to total return of Rs.8.64 crore (39.04 per cent) in the previous year/ (accounts finalised upto September 2000). The details of capital employed and total return on capital employed in case of working Government Companies are given in Appendix-XXXVII.

*Non-working Government Companies*

*Investment in non-working Government companies*

8.1.21 As on 31 March 2001, the total investment in two non-working Government Companies was Rs.2.01 crore (equity: Rs.0.42 crore and long term loan: Rs.1.59 crore) as against the same amount of investment in equity and loan in two non-working Government Companies as on 31 March 2000.

---

\* Capital employed represents net fixed assets (including capital work-in-progress) plus working capital except in case of Arunachal Pradesh Industrial Development and Financial Corporation Limited, where it represents a mean of aggregate of opening and closing balances of paid-up-capital, free reserves and borrowings (including refinance).

\* For calculating total return on capital employed, interest on borrowed fund is added to net profit/ subtracted from the loss as disclosed in profit and loss account.



8.1.22 The plants of both the non-working Government Companies remained in-operative from December 1986 and July 1987 and all the employees had been retrenched. Although no budgetary support was extended during 2000-01 to the non-working Companies for disbursement of salaries and wages, the proposals of disposal of the Companies (including plant and machinery) were long pending with the Government.

8.1.23 As both the non-working Companies were under liquidation/closure under Section 560 of the Companies Act, 1956 for 6 to 7 years and substantial amount of investment of Rs.2.01 crore was involved in these Companies, effective steps need to be taken for their expeditious liquidation.

**Finalisation of accounts of non-working Government companies**

8.1.24 The accounts of two non-working Companies were in arrears from period ranging from 16 to 19 years as on 30 September 2001 as could be noticed from **Appendix-XXXVII**.

**Financial position and working results of non-working Government companies**

8.1.25 One non-working Government Company has not finalised its accounts since inception. The other non-working Company has so far finalised its accounts for one year, summarised financial results of which are as per finalised accounts given in **Appendix - XXXVII**.

8.1.26 The details of paid-up-capital, net worth, cash loss/cash profits and accumulated loss of one non-working PSU as per its only (latest) finalised accounts are given below :-

**Table – 8.3**

Year	Paid-up capital	Net worth	Cash loss (-)/ Cash profit (+)	Accumulated loss (-)/Profit (+)
			<i>(Rupees in lakh)</i>	
1984-85	13.50	11.95	(-) 0.73	(-) 1.55

**Results of audit by Comptroller and Auditor General of India**

8.1.27 During the period from October 2000 to September 2001, the audit of accounts of five Government Companies (working three and non-working two) were selected for review. The net impact of the audit observations as a result of review of the Government Companies were as follows :-

Table – 8.4

(Rupees in lakh)

Details	No. of accounts of Government Companies		Amount	
	Working	Non-working	Working	Non-working
i) Decrease in profit	1	-	47.00	-
ii) Increase in profit	-	-	-	-
iii) Increase in loss	1	-	18.52	-
iv) Decrease in loss	-	-	-	-
v) Non-disclosure of material facts	1	-	122.77	-
vi) Errors of classification	-	-	-	-

8.1.28 Some of the major errors and omissions noticed in the course of review of annual accounts of some of the above Companies are mentioned below:-

**A. Arunachal Pradesh Industrial Development and Financial Corporation Limited (Accounts for 1996-1997)**

8.1.29 The net loss for the year has been understated by Rs.18.52 lakh due to non-provision of penal interest on Government loan.

**B. Arunachal Pradesh Forest Corporation Limited (Accounts for 1995-1996)**

- (i) The net profit for the year has been overstated by Rs.47.00 lakh due to exhibition of earlier year's lease rent as current year's income.
- (ii) Sales included value of stocks and stores valuing Rs.86.96 lakh transferred to the lessee. The fact has not been disclosed.

**Recommendations for improving performance or closure of Government Companies**

8.1.30 Even after completion of five years of its existence, the turnover of one working Government Company, viz., Arunachal Pradesh Industrial Development and Financial Corporation Limited, had been less than Rs.5 crore in each of the preceding five years of latest finalised accounts. The Company also had been incurring losses for five consecutive years (as per latest finalised accounts) leading to negative net worth of Rs. 1.70 crore. In



view of poor turnover and continuous losses, the Government may either improve performance of above Government Company or consider its closure.

***Response to Inspection Reports, Draft paras and reviews***

8.1.31 Observations noticed during audit and not settled on the spot are communicated to the head of the Companies and concerned departments of State Government through Inspection Reports. The heads of the offices/companies are required to furnish replies to the Inspection Reports through respective heads of departments within a period of six weeks. Inspection Reports issued upto March 2001 pertaining to 8 Government Companies/Departmental Commercial Undertakings disclosed that 580 paragraphs relating to 112 Inspection Reports remained outstanding at the end of September 2001. Of these, 21 Inspection Reports containing 91 paragraphs had not been replied to for more than 4 (four) years. Department-wise break-up of Inspection Reports and Audit observations outstanding as on 30 September 2001 is given in Appendix - XL.

8.1.32 Similarly, draft paragraphs and reviews on the working of the Government Companies and Departmentally managed Commercial Undertakings are forwarded to the Principal Secretary/Secretary of the administrative department concerned demi-officially seeking confirmation of facts and figures and their comments thereon within a period of six weeks. It was however observed that seven draft paragraphs (2 paragraphs clubbed under Para 8.2 infra) forwarded to the various departments during March to May, 2001 as detailed in Appendix - XLI, had not been replied to so far.

8.1.33 It is recommended that (a) the Government should ensure that procedure exists for action against officials, who failed to send replies to Inspection Reports/Draft paragraphs/reviews as per the prescribed time schedule, (b) action to recover loss/ outstanding advances/ overpayment in time bound schedule and (c) revamping the system of responding to the audit observations.

***Position of discussion of Commercial Chapter of Audit Report by the Committee on Public Undertakings/Public Accounts Committee***

8.1.34 The reviews/paragraphs of Commercial Chapter of Audit Reports pending discussion as on 31 March 2001 by the Committee on Public Undertakings (COPU) are shown below :-

Table – 8.5

Period of Audit Reports	Total number of Reviews/ Paragraphs appeared in Audit Report		Number of reviews/paragraphs pending discussion	
	Reviews	Paragraphs	Reviews	Paragraphs
1987-88	2	2	-	1
1988-89	-	3	-	1
1989-90	-	1	-	1
1990-91	1	1	-	-
1991-92	-	4	-	1
1992-93	1	1	-	-
1993-94	1	3	-	-
1994-95	-	5	-	2
1995-96	-	2	-	1
1996-97	-	5	-	2
1997-98	-	4	-	1
1998-99	1	4	1	4
1999-2000	1	4	1	4

8.1.35 During the year only one recommendation of PAC (37<sup>th</sup> Report) pertaining to Industries Department relating to the Audit Report 1986-87 has been received.

*Departmentally managed Government Commercial and quasi-Commercial undertakings*

8.1.36 Though the State Transport Services and the State Trading Scheme (Central Purchase Organisation) of Transport and Supply Directorates are commercial in nature and are functioning as such, they have not been declared as commercial organisations by the Government (September 2001).

8.1.37 Preparation of proforma accounts of the State Transport Services for 2000-01 and of State Trading Scheme for 1999-2000 and 2000-01 was in arrear. The arrear in finalisation of accounts was last brought to the notice of the Government in October 2001.

8.1.38 The financial position, working results and operational performance of the State Transport Services for the three years upto 1999-2000 as per finalised accounts are given in Appendix-XXXIX.

8.1.39 During last 3 years upto 1999-2000, the State Transport Services had incurred operating losses varying from Rs.0.74 crore to Rs.2.04 crore and net losses varying from Rs. 10.58 crore to Rs.12.19 crore. As on 31 March 2000, the accumulated loss stood at Rs.81.38 crore which was 97.63 per cent of Government Capital of Rs.83.36 crore. As analysed in Audit, the reasons for incurring losses were attributable to high incidence of salaries and wages, poor operation of buses per day (average 89.96 to 99.07 Kilometers) and low occupancy ratio (45.68 to 58.75 per cent).

8.1.40 The working results of State Trading scheme for the three years upto 1998-99 as per finalised accounts are summarised below:

Table – 8.6

		1996-97	1997-98	1998-99
		<i>(Rupees in lakh)</i>		
A.	Income			
(a)	Sales	383.30	337.18	294.52
(b)	Increase(+)/decrease(-) of stock	(-)38.96	(+) 30.47	(+) 0.22
	Total 'A'	344.34	367.65	294.74
B.	Trading Expenses:			
(a)	Purchases	304.96	262.90	314.32
(b)	Packing materials	14.89	14.64	54.62
(c)	Establishment and contingent charges	157.47	195.79	195.84
(d)	Air dropping and godown losses	13.75	11.70	20.76
	Total – B	526.07	485.03	585.54
C.	Trading Profit (+)/ Loss (-) (A-B)	(-) 181.73	(-) 117.38	(-) 290.80
D.	Non-trading expenses – interest on Capital and audit fee (Provisions)	27.87	34.21	24.70
E.	Net profit (+)/Loss (-)	(-) 209.60	(-)151.59	(-) 315.50

8.1.41 With effect from September 1975, the selling price of each commodity was fixed by adding 30 per cent to cost price to cover the overhead charges.

8.1.42 During the three years upto 1998-99, the actual overhead charges, however, worked out to a higher percentage as shown below:

Table – 8.7

		1996-97	1997-98	1998-99
		<i>( Rupees in lakh )</i>		
1.	Overhead charges (items (b) and (c) of trading expenses)	207.36	210.43	250.46
2.	Cost of Procurement (opening stock plus purchases less closing stock)	343.92	232.43	314.10
3.	Percentage of overhead cost to cost of procurement (Percentage of 1 to 2)	60.29	90.54	79.74

8.1.43 The reasons for higher percentage of overhead charges to cost of procurement was attributable to high incidence of establishment and contingent charges which alone constituted 45.79 per cent, 84.24 per cent and 62.35 per cent of cost of procurement during the three years respectively.

#### *Power (Electricity) Department*

8.1.44 The Department has not prepared proforma accounts pending constitution of State Electricity Board. The matter was last taken up with the Chief Secretary in August 2001. Reply of the Government was awaited (October 2001).

8.1.45 The operational performance of the Department for the last three years upto 2000-2001 is given in **Appendix-XLII**.

8.1.46 The Auxiliary Consumption was excessively high ranging from 8.46 to 11.67 percentage to total power generated.

8.1.47 The transmission and distribution (T&D) losses were excessive ranging from 29.07 to 56.12 *per cent* to total power available for sale as against the norms of 15.5 per cent fixed by the Central Electricity Authority (CEA). During three years upto 2000-01, the excess T&D loss beyond norm was 139.98 MU or Rs.26.59 crore in financial terms.

8.1.48 During the three years upto 2000-01, the losses per unit sold was Rs.2.47, Rs.4.48 and Rs.6.27 respectively. The total expenditure during the period was Rs. 39.59 crore, Rs.52.49 crore and Rs. 57.82 crore respectively as against revenue of Rs. 14.95 crore, Rs.16.19 crore and Rs. 13.60 crore in respective years. The Department incurred losses amounting to Rs.24.64 crore, Rs.36.30 crore and Rs.44.22 crore during the three years upto 2001 respectively.



**SECTION - B PARAGRAPHS  
MISCELLANEOUS TOPICS OF INTEREST**

**TRANSPORT DEPARTMENT**

**Arunachal Pradesh State Transport Services**

**8.2 Misappropriation**

**Laxity in exercising prescribed check and control by the Station Superintendents in maintenance of cash book/subsidiary cash book facilitated misappropriation of Rs.5.73 lakh**

8.2.1 All monetary transactions are to be entered in the Cash book as soon as they occur and attested by the Head of Office as token of check. The Cash book should be closed regularly and completely checked by Head of Office who should also verify the totalling of the Cash book or have this done by some responsible subordinate other than the writer of the Cash book and initial it as correct. As per GFR, CGA (Receipt & Payment) Rules and Central Treasury Rules, employment of contingent employees for handling of Cash should not be resorted to. At the end of day's transaction, denomination of Cash Chest should be recorded in the Cash book. Further, at the end of each month, the Head of Office should verify the Cash balance in the Cash Book and record a signed and dated certificate to that effect with proper analysis of Cash balance.

8.2.2 Test check (December 2000) of records of Station Superintendents of Namsai and Roing Stations under Arunachal Pradesh State Transport Services (APSTS) revealed that the Rules were not adhered to and there was laxity on the part of Station Superintendents in exercising these minimum checks. This resulted in misappropriation of Government money as indicated below:-

8.2.3 The responsibility for collection and remittance of traffic revenue as well as maintenance of subsidiary cash book of the station was entrusted by the Station Superintendent to a contingent employee. Audit scrutiny of traffic earning records relating to counter sale and way side collection records (i.e., challans) revealed that the contingent employee collected/received sale proceeds of Rs.95,126 from counter/way side ticket sales on 42 occasions

between 25 April 1996 and 05 September 1998, but did not account for the same in the subsidiary cash book maintained by him.

8.2.4 Scrutiny of Cash book of Namsai Station also disclosed that prior to the date of handing over charge on 10 October 1998, the closing balance of cash as on 09 October 1998 was Rs.3,62,073. However, during transfer of charge the outgoing cashier physically handed over only Rs.8,663 to the new cashier who accepted the same. There were no reasons on record for the action of the relieving cashier but Rs.3,53,410 had been misappropriated.

8.2.5 The Station Superintendent, Roing temporarily appointed (June, 1998) a conductor to officiate as booking clerk from 16 June 1998 who did not account for revenues amounting to Rs.1,24,976 collected during the period from 16 June 1998 to 12 March 1999 from sale of tickets. In July 1999, Assistant Station Superintendent lodged an FIR with Roing Police Station for misappropriation of Government money by the officiating booking clerk who was placed under suspension in September, 1999.

8.2.6 The Station Superintendent, 'Namsai' in reply (February 2001) stated that the cases were resting with Government for enquiry whereas, in the case of 'Roing' no further development has been intimated.

8.2.7 The matters were referred to the Government in January 2001, replies of Government in both the cases are still awaited (December 2001).

## SUPPLY DEPARTMENT

### 8.3 Loss due to unauthorised free distribution of rice

**The Government sustained a loss of Rs.7.54 lakh for unauthorised distribution of rice (966.64 quintals) free of cost in excess over approved ceiling of Mengio CPO Centre**

8.3.1 The Central Purchase Organisation (CPO) Scheme of the Department operates supply and distribution of essential commodities in interior places of the State on 'no profit no loss basis'. The functioning of CPO Centre is controlled by the Deputy Commissioner (DC). The Director of Supply and Transport (DST), Naharlagun exercises checks and control over supply and distribution of commodities through accounts and other returns submitted by the respective Centres to the DST.



8.3.2 In August 1995, the State Government approved free distribution of 15 kilogram of rice per family per month for two months a year commencing from 1995-96 to 713 identified poor families under CPO Mengio Centre. Test check (July 2000) of monthly accounts of the Mengio Centre, however, revealed that as against authorised free distribution of rice totalling 427.80 quintals during 1995-96 and 1996-97, the centre allowed total free distribution of 1394.44 quintals during the said period. Thus, rice to the extent of 966.64 quintals valuing Rs.7.54 lakh (at issue rate of Rs.780 per quintal) had been unauthorisedly distributed free of cost in the Centre in excess over the approved ceiling.

8.3.3 On this being pointed out in audit, the DST while admitting the audit observation, stated (May 2001) that the DC, Ziro had been requested to intimate the actual position for fixing responsibility. Further development was awaited (May 2001).

8.3.4 The matter was also brought to the notice of the Government in September 2000; reply had not been received (December 2001).

#### **8.4 Shortage of stock/Misappropriation**

##### **Lack of prescribed checks and control rendered misappropriation of 8875 SDM straps costing Rs.13.25 lakh possible in Rowriah Base Depot**

8.4.1 Director of Supply and Transport (DST), Government of Arunachal Pradesh issued (January 1979) general guidelines for inspection of centers of Central Purchase Organisation (CPO). As per these guidelines the quarterly physical verification of all stores including ration items, Supply Dropping Equipments (SDEs)<sup>⊗</sup> and Packing Materials (PMs) are to be carried out meticulously by the Board of officials.

8.4.2 Test check (September 2000) of stock account of Rowriah Base Depot revealed that physical verification of stores for the quarter ended 30 September 1998 due on 01 October 1998 was not carried out, reasons for which were not on records. During physical verification of stock conducted belatedly in December 1998, shortage of 8875 new cotton SDM straps with buckles costing Rs.13.25 lakh at the rate of Rs.149.25 each was noticed and the same was subsequently confirmed by the Board in its proceeding (July 1999).

8.4.3 On this irregularity being pointed out in audit, the DST in reply (November 2000) intimated that the store keeper would be directed to deposit the misappropriated amount (Rs.13.25 lakh) to the Treasury within a period of 45 days failing which criminal case against the store keeper would be

<sup>⊗</sup> SDE means parachutes and other allied components such as VD Containers, Percussion head, SDM Set, SDM Spare, Container canvas, Manila Rope, Static Line, LCC Board, Shackle Chain, MK-VII Straps with or without buckles, Skid Board, etc.

registered stating inter alia that the development in the matter would also be reported in due course. In May 2001 the Department stated that the suspended store keeper did not deposit the amount and the criminal case was under registration by Government. No further progress in this regard has, however, been reported (September 2001).

8.4.4 Thus, the lackadaisical attitude on the part of the authority in exercising timely checks/control rendered it possible for the store keeper to misappropriate materials worth Rs.13.25 lakh.

8.4.5 The matter was also reported to Government in September 2000; reply has not been received (December 2001).

## POWER DEPARTMENT

### 8.5 Idle outlay

**Injudicious procurement of surplus stores without assessment of actual requirement resulted in idle outlay of Rs.44.52 lakh with consequent locking up of Government fund for over seventeen years**

8.5.1 Scrutiny of stock accounts of Seppa Electrical Division in audit (September 2000) revealed that store materials valuing Rs.44.52 lakh procured (April 1984) by the erstwhile composite Bomdila Electrical Division was transferred to Seppa Electrical Division on its creation in March 1997. These materials had been lying idle in store (since inception) without any issue/use. No action was initiated by the Division/Department to transfer the materials to any needy Division. The Division has declared these items as unserviceable and surplus (August 2000). Thus, the procurement of materials without assessing the actual requirement resulted in idle stock with consequent locking up of funds to the extent of Rs.44.52 lakh for over 17 years since April 1984. No investigation was made by the Government to ascertain the reasons for placement of orders for surplus materials.

8.5.2 The matter was reported to the Government in December 2000; further development of the case had not been intimated (December 2001).

### 8.6 Unfruitful investment and locking up of funds

**Locking up of Rs.74.46 lakh on two incomplete works with consequential loss of interest amounting to Rs.29.23 lakh**

8.6.1 Public Works Manual provides that before execution of works Technical Sanctions (TS), Administrative Approval (AA) and Expenditure Sanction (ES) are required to be obtained from competent authority. In



November 1997, the Executive Engineer (EE), Electrical Transmission Division, Miao (renamed in August 2000 as Miao Electrical Division) submitted to Government through Superintending Engineer, Miao Electrical Circle, two proposals for construction of (a) 33 KV Express line from Miao to Namsai (42 Kms) at an estimated cost of Rs.144.49 lakh, and (b) 11 KV Distribution line from Namchik Check Post to Miao (25 Kms) at an estimated cost of Rs.66.02 lakh. While the proposal at (a) was returned (March 1998) by the Government as it lacked adequate details of cost and cost assessment, the proposal at (b) was rejected because a 33 KV line was already installed in the vicinity.

8.6.2 It was observed in Audit (October 2000) that without obtaining the required AA, TS and ES, the Division had incurred a total expenditure of Rs.59.77 lakh\* between April 1997 and February 1999 on express line works towards procurement of ACSR conductor, steel tubular poles, 11/33 KV connectors, etc. and construction of temporary buildings besides payment of wages. Similarly, a total expenditure of Rs.14.69 lakh+ was also incurred by the Division between April 1997 and June 1998 for the work of construction of 11 KV line. As regards physical progress of works, only erection of poles in five Kms (out of projected 42 Kms) was completed during February–March 1998 in respect of express line and in respect of 11KV line only 147 poles were erected (as against 300 poles and stringing of conductor as per scope of work) upto March 1998 though the Division continued to resort to incurring of expenditures even thereafter. Therefore, the very purpose of construction of both the lines was defeated rendering the entire expenditure unfruitful. Besides this, the Government had incurred a minimum loss of interest amounting to Rs.29.23 lakh@ worked out at Government average borrowing (ways and means advances/overdraft) rate of 11.30 to 13 per cent per annum on blocked fund.

8.6.3 In his reply (February 2001), the EE stated that the Division took up execution of works based on “Annual Operating Plan” of the Department in order to prevent lapse of fund.

8.6.4 Thus, execution of work unauthorisedly taken up in order to avoid lapses of fund resulted in locking up of an amount of Rs.74.46 lakh in incomplete works.

8.6.5 The matter was reported to Government in November 2000; their replies had not been received (December 2001).

* April 1997 – October 1997	Rs.12.70 lakh	+ April 1997 – October 1997	Rs.3.35 lakh
Nov 1997 – March 1998	Rs.35.42 lakh	Nov 1997 – March 1998	Rs.6.65 lakh
April 1998 – February 1999	Rs.11.65 lakh	April 1998 – February 1999	Rs.4.69 lakh
	<b>Rs. 59.77 lakh</b>		<b>Rs.14.69 lakh</b>
@ Loss of interest:	Rs.23.63 lakh	@ Loss of interest:	Rs.5.60 lakh

**8.7 Unauthorised and unfruitful investment**

**Unauthorised investment made by the Naharlagun Electricity Division in absence of approval of the Government for computerisation of billing of electricity charges etc., rendered the expenditure of Rs.46.00 lakh unfruitful**

8.7.1 In order to update the data base relating to electricity billing and revenue realisation at Sub-divisional and Divisional Offices, the Superintending Engineer (SE) AP Electrical Circle No. 1(E), Naharlagun submitted (December 1995) a scheme at an estimated cost of Rs.159.53 lakh for “computerisation of billing system in all sub-divisions and Divisions in AP by acquiring 386 and 486 Personal Computers”(PCs) to the Chief Engineer (Power), Itanagar for obtaining Administrative Approval (AA) and Expenditure Sanction (ES) from the Government.

8.7.2 Test check (August 1999) of records of the Executive Engineer (EE), Naharlagun Electrical Division, Nirjuli revealed that, the EE even before the proposal was submitted for approval of the Government, entered into two agreements in October 1995 and November 1995 with two firms. An agreement was executed with M/s HCL-Hewlett – Packard Limited, Calcutta for study, development and implementation of customised software for computerised billing system with delivery including installation and training programme for Power Department in AP. Another agreement was made with M/s Trade and Technology Private Limited, Dibrugarh, Assam for supply of 15 HC/PCL make computers - 9 for executive works station at 9 Divisional Offices and 6 for counter work station at 6 Sub-divisional offices based on acceptance of tenders at negotiated rates of Rs.7.50 lakh and Rs.31.37 lakh respectively. The EE paid Rs.24.31 lakh to these firms (Rs:7.50 lakh to the first firm in full during February-September 1996 and Rs16.81 lakh to the Second Firm in October 1996 for 14 PCs received in January 1996) besides incurring of further expenditure of Rs.21.69 lakh on various accounts\* under the scheme even though not approved as yet (September 2001).

8.7.3 The division, however, instead of using the computers for the purpose of billing system, issued all the 14 computers worth Rs.16.81 lakh to 14 officers<sup>o</sup> of the Power Department between January 1996 and May 1999. Interestingly, there was also nothing on records of the Division as evidence in

- \* (i) Food for 29 trainees : Rs.0.23 lakh in January 1997
- (ii) Cost of Fans : Rs.11.92 lakh in March 1997
- (iii) Repair/ Maintenance of DG sets : Rs.9.54 lakh in March 1998

<sup>o</sup> Distribution of 14 Computers: 1 each to EE(E) Pasighat Electrical Circle-II; AE(E) S.L.D.C. Sub-division; Itanagar; AE Naharlagun Electrical Sub-Division, Sagalee; EE(E), Ziro; AE(E), Nirjuli Sub-Division; J.E.A.P. Bhawan, Delhi; EE(E) Naharlagun Division.; 2 each to the SE(E), APEC-I, Naharlagun and the Secretary, Power Department and 3 to the CE, Power Department

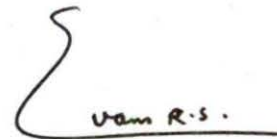
support of any activity having been carried out with the firm 'A' for which payment of Rs.7.50 lakh was made.

8.7.4 On this being pointed out, the EE in reply (August 1999) while admitting the facts stated that the work appeared in the Annual Operating Plan was taken up in anticipation of AA/ES to avoid lapse of funds adding further that the energy consumption bills of consumers were still being prepared manually. Thus, the entire investment of Rs.46.00 lakh incurred by the EE arbitrarily proved to be unauthorised and unfruitful.

8.7.5 The matter was referred to the Government in October 1999; reply has not been received (December 2001).

Shillong:  
The

9 MAR 2002



**(E. R. SOLOMON)**  
Accountant General (Audit)  
Meghalaya, Arunachal Pradesh  
and Mizoram

Countersigned

New Delhi:  
The

13 MAR 2002



**(V.K.SHUNGLU)**  
Comptroller and Auditor General of India

---

*A P P E N D I C E S*

---



1 2 3 4 5 6 7 8 9 10 11 12

## APPENDIX – I (A)

### Part A. Government Accounts

(Reference: Paragraph 1.1 at page 1)

#### 1. Structure

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

##### Part – I Consolidated Fund

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

##### Part – II Contingency Fund

The Contingency Fund created under Article 267(2) of the Constitution of India is in the nature of imprest placed at the disposal of the Governor of the State to meet urgent unforeseen expenditure pending authorisation from the State Legislature. Approval of the State Legislature is subsequently obtained for such expenditure and for transfer of equivalent amount from the Consolidated Fund to Contingency Fund. The corpus of this Fund authorised by the Legislature during the year was Rs.150 crore.

##### Part – III Public Account

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

#### II. Form of annual Accounts

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

APPENDIX – I (B)

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

(Referred to in paragraph 1.11.2 at page 15)

Indices/ratios		Basis for calculation
<b>Sustainability</b>		
Balance from the current revenue	BCR	Revenue Receipts minus all Plan grants (under Major Head 1601-02.03.04) and Non-Plan revenue expenditure
Primary Deficit		Fiscal Deficit minus Interest payments
Interest Ratio		<u>Interest Payment – Interest receipts</u> Total revenue receipts – Interest receipts
Capital Outlay Vs Capital receipts	Capital Outlay	Capital expenditure as per Statement No – 12 of the Finance accounts
	Capital receipts	Internal Loans + Loans and advances from Government of India + Net receipts from small savings PF etc., + Repayment received of loans advanced by the State Government – Loans advanced by the State Government
Total tax receipts Vs GSDP		Statement 10 of Finance Accounts
State tax receipts Vs GSDP		State Tax receipts plus State's share of Union Taxes
<b>Flexibility</b>		
-Balance from current revenues		As above
-Capital repayments Vs Capital borrowings	Capital Repayments	Disbursements under Major heads 6003 and 6004 minus repayments on account of Ways and Means Advances/Overdraft under both the major heads
	Capital borrowings	Addition under Major Heads 6003 & 6004 minus addition on accounts of Ways & Means advances/overdraft under both the major heads
-Total Tax Receipts Vs GSDP	State Tax Receipts	Statement No. 10 of Finance Accounts
	Total Tax Receipts	State Tax receipts plus State's share of Union Taxes
-Debt Vs GSDP	Debt	Borrowings and other obligations at the end of the year (Statement No.4 of the Finance Accounts)
<b>Vulnerability</b>		
-Revenue Surplus/Deficit		Paragraph No. 1.9.10 of the Audit Report
-Fiscal Deficit		----- do -----
-Primary Deficit Vs Fiscal Deficit	Primary Deficit	Fiscal Deficit minus interest payments
Total outstanding guarantees including letters of comfort Vs Total revenue receipts of the Government	Outstanding guarantees	Table in Paragraph 1.4.3
	Revenue Receipts	Table in Paragraph 1.5.1
Assets Vs Liabilities		Paragraph 1.11.3 of the Audit Report
	Assets and Liabilities	Table in Paragraph 1.2

**APPENDIX - I(C)**  
**Statement showing the Plan and Non-Plan expenditure under Revenue**  
**and Capital during 2000-2001**

(Reference : Exhibit-I at page 19)

(Rupees in crore)

**I. Revenue expenditure**

	Non-Plan	Plan	C.S.S.	Total
<b>A. General services (Total)</b>	330.86	1.18		332.04
<b>B. Social Services</b>				
- Education, Sports, Arts and Culture	62.86	75.10	4.92	142.88
- Health and family Welfare	36.93	14.52	5.63	57.08
- Water supply, Sanitation, Housing and Urban Development	2.68	19.54	32.00	54.22
- Information and Broadcasting	1.74	1.13		2.87
- Welfare of scheduled castes, scheduled tribes and other backward classes				
- Labour and Labour Welfare	0.56	1.50	1.75	3.81
- Social Welfare and Nutrition	15.63	10.86	9.62	36.11
- Others	1.63			1.63
<b>Total</b>	<b>122.03</b>	<b>122.65</b>	<b>53.92</b>	<b>298.60</b>
<b>C. Economic Services</b>				
- Agriculture and Allied Activities	88.34	38.52	14.90	141.76
- Rural Development	7.09	5.33	12.04	24.46
- Special Areas Programme	0.02	7.01		7.03
- Irrigation and Flood Control	4.75	23.89	17.70	46.34
- Energy	18.42	1.74		20.16
- Industry and Minerals	4.01	5.47	5.65	15.13
- Transport	14.18	32.65		46.83
- Communication	9.53			9.53
- Science, Technology and Environment		2.31		2.31
- General Economic Services	8.95	25.73	0.75	35.43
<b>Total</b>	<b>155.29</b>	<b>142.65</b>	<b>51.04</b>	<b>348.98</b>
<b>Grand Total (A+B+C)</b>	<b>608.18</b>	<b>266.48</b>	<b>104.96</b>	<b>979.62</b>
<b>II Capital Expenditure</b>				
<b>A. General Services (Total)</b>		15.62	0.26	15.88
<b>B. Social Services</b>				
- Education, Sports, Art and Culture		10.46		10.46
- Health and Family Welfare		6.27		6.27
- Water supply and sanitation		22.97	2.45	25.42
- Social Welfare and Nutrition		0.60		0.60
- Others		0.14		0.14
<b>Total</b>		<b>40.44</b>	<b>2.45</b>	<b>42.89</b>
<b>C. Economic Services</b>				
- Agriculture and Allied Activities	0.19	2.68	0.28	3.15
- Rural Development		0.70		0.70
- Special Areas Programme		12.23		12.23
- Irrigation and Flood Control		6.28		6.28
- Energy		86.92		86.92
- Industry and Minerals		0.52		0.52
- Transport		94.03		94.03
- Other General Economic Services		0.67	0.98	1.65
<b>Total</b>	<b>0.19</b>	<b>204.03</b>	<b>1.26</b>	<b>205.48</b>
<b>Grand Total (A+B+C)</b>	<b>0.19</b>	<b>260.09</b>	<b>3.97</b>	<b>264.25</b>



APPENDIX – II

Statement showing unnecessary supplementary provision

(Reference : Paragraph 2.4.2 at page 25)

Sl. No.	Number and name of grant/appropriation	Original provision	Supplementary provision	Total provision	Total expenditure	Final saving
(Rupees in lakh)						
<b>Revenue Section (Voted)</b>						
1.	9-Motor Garages	399.79	10.50	410.29	383.82	26.47
2.	18-Research	183.70	0.97	184.67	171.41	13.26
3.	22-Civil Supplies	1040.68	4.84	1045.52	660.03	385.49
4.	23-Forest	3610.13	112.38	3722.51	3382.20	340.31
5.	27-Panchayat	238.02	448.85	686.87	119.72	567.15
6.	33-North Eastern Areas	34.00	31.95	65.95	20.97	44.98
7.	42-Rural Development	2011.29	114.48	2125.77	1959.90	165.87
8.	45-Civil Aviation	1018.87	13.83	1032.70	1012.50	20.20
9.	47-Administration of Justice	55.00	42.48	97.48	43.45	54.03
10.	57-Urban Development	174.61	10.67	185.28	170.45	14.83
11.	62-Directorate of Transport	40.79	3.00	43.79	37.64	6.15
<b>Capital Section (Voted)</b>						
12.	8-Police	429.60	13.40	443.00	293.03	149.97
13.	18-Research	3.00	33.03	36.03	2.36	33.67
14.	23-Forest	45.61	3.85	49.46	42.08	7.38
15.	28-Animal Husbandry and Veterinary	15.00	1.24	16.24	14.96	1.28
16.	29-Co-operation	90.25	20.40	110.65	47.50	63.15
17.	36-Statistics	23.00	2.00	25.00	19.56	5.44
18.	40-Housing	1370.50	26.50	1397.00	1346.99	50.01
19.	51-Directorate of Library	9.70	94.47	104.17	5.42	98.75
				<b>988.84</b>		<b>2048.39</b>

**APPENDIX - III**  
**Statement showing excessive supplementary grants in cases where**  
**ultimate savings in each case exceeded Rs.10 lakh**  
**(Reference : Paragraph 2.4.2(a) at page 25)**  
**(Rupees in lakh)**

Sl. No.	Number & name of Grant/appropriation	Original	Actual expenditure	Additional grant required	Supplementary grant obtained	Net Savings
<b>Revenue (Charged)</b>						
1.	2-Governor	98.61	99.09	0.48	19.15	18.67
2.	Public Debt	10167.20	12326.39	2159.19	2489.55	330.36
<b>Revenue (Voted)</b>						
3.	5-Secretariat Administration	1486.59	1559.92	73.33	84.94	11.61
4.	6 - District Administration	3910.75	4325.65	414.90	551.76	136.86
5.	9 - Motor Garages	399.79	383.82	(-)15.97	10.50	26.47
6.	11-Social Welfare	623.89	2168.71	1544.82	1608.80	63.98
7.	14-Education	13158.33	13717.98	559.65	625.38	65.73
8.	15-Health & Family Welfare	5416.34	5708.14	291.80	553.09	261.29
9.	22-Civil Supplies	1040.68	660.03	(-)380.65	4.84	385.49
10.	23-Forest	3610.13	3382.20	(-)227.93	112.38	340.31
11.	24-Agriculture	1951.66	2437.00	485.34	747.42	262.08
12.	27-Panchayat	238.02	119.72	(-)118.30	448.85	567.15
13.	30-State Transport	1572.60	1597.51	24.91	36.00	11.09
14.	33-North Eastern Areas	34.00	20.97	(-)13.03	31.95	44.98
15.	38-Irrigation and Flood Control Project	2394.26	4633.48	2239.22	4315.37	2076.15
16.	41-Land Management	170.48	379.19	208.71	230.82	22.11
17.	42-Rural Development	2011.29	1959.90	(-)51.39	114.48	165.87
18.	43-Fishery	326.54	330.35	3.81	65.08	61.27
19.	45-Civil Supplies	1018.87	1012.50	(-) 6.37	13.83	20.20
20.	47-Administration of Justice	55.00	43.45	(-) 11.55	42.48	54.03
21.	48-Horticulture	995.56	1107.87	112.31	228.46	116.15
22.	51-Directorate of Library	98.26	105.06	6.80	57.30	50.50
23.	57-Urban Development	174.61	170.45	(-) 4.16	10.67	14.83
24.	59-Public Health Engineering	4470.85	5208.21	737.36	1168.26	430.90
25.	60-Handloom and Handicraft	621.09	775.17	154.08	181.51	27.43
26.	61-Geology and Mining	18.00	25.45	7.45	18.00	10.55
<b>Capital Section (Voted)</b>						
27.	8-Police	429.60	293.03	(-)136.57	13.40	149.97
28.	14-Education	236.48	946.64	710.16	3152.01	2441.85
29.	18-Research	3.00	2.36	(-) 0.64	33.03	33.67
30.	29-Co-operation	90.25	47.50	(-) 42.75	20.40	63.15
31.	31-Public Works	1104.01	1163.53	59.52	1276.23	1216.71
32.	32-Road and Bridges	7138.23	7700.36	562.13	826.54	264.41
33.	34-Power	7841.03	8715.36	874.33	2617.27	1742.94
34.	40-Housing	1370.50	1346.99	(-) 23.51	26.50	50.01

(Rupees in lakh)

Sl. No.	Number & name of Grant/appropriation	Original	Actual expenditure	Additional grant required	Supplementary grant obtained	Net Savings
35.	48-Horticulture	33.00	47.69	14.69	25.47	10.78
36.	51-Directorate of Library	9.70	5.42	(-) 4.28	94.47	98.75
37.	53-Fire Protection and Control	50.00	109.42	59.42	151.07	91.65
38.	56-Tourism	44.20	145.21	101.01	128.08	27.07
39.	57-Urban Development	234.61	244.59	9.98	251.06	241.08
		<b>74648.01</b>	<b>85026.31</b>	<b>10378.30</b>	<b>22386.40</b>	<b>12008.10</b>

## APPENDIX – IV

Statement showing the excess expenditure under the grants

(Reference : Paragraph 2.4.3 at page 25)

Sl. No.	Number and name of Grant/Appropriation	Total Grant/ Appropriation	Expenditure	Excess
		(Rupees)	(Rupees)	(Rupees)
<b>REVENUE SECTION (VOTED)</b>				
1.	3 – Councils of Ministers	4,06,38,000	4,06,97,772	59,772
2.	8 – Police	65,23,52,000	67,10,13,487	1,86,61,487
3.	13 – Directorate of Accounts	44,23,76,000	49,40,00,242	5,16,24,242
4.	19 – Industries	4,57,90,000	7,95,41,660	3,37,51,660
5.	28 – Animal Husbandry and Veterinary	15,89,39,000	16,49,52,619	60,13,619
6.	32 – Roads and Bridges	22,18,13,000	24,18,12,414	1,99,99,414
7.	34 – Power	20,92,98,000	20,95,14,166	2,16,166
8.	36 – Statistics	5,72,76,000	5,83,65,520	10,89,520
9.	52 – Sports and Youth Services	1,29,02,000	1,32,54,272	3,52,272
<b>Total : Revenue Section (Voted)</b>		<b>184,13,84,000</b>	<b>197,31,52,152</b>	<b>13,17,68,152</b>
<b>REVENUE SECTION (CHARGED)</b>				
10.	1 – Legislative Assembly	25,93,000	28,94,083	3,01,083
<b>Total : Revenue Section (Charged)</b>		<b>25,93,000</b>	<b>28,94,083</b>	<b>3,01,083</b>
<b>CAPITAL SECTION (VOTED)</b>				
11.	50 – Secretariat Economic Services	18,00,000	18,12,972	12,972
12.	62 – Directorate of Transport	6,74,000	12,57,563	5,83,563
<b>Total : Capital Section (Voted)</b>		<b>24,74,000</b>	<b>30,70,535</b>	<b>5,96,535</b>
<b>Grand Total</b>		<b>184,64,51,000</b>	<b>197,91,16,770</b>	<b>13,26,65,770</b>



APPENDIX – V

Statement showing supplementary provision which proved insufficient by more than Rs.10 lakh leaving an uncovered excess

(Reference : Paragraph 2.4.3(a) at page 25)

(Rupees in crore)

Sl. No.	Number and name of Grant	Provision	Total grant	Actual expenditure	Excess
1.	8-Police (Revenue)	O. 63.78 S. 1.46	65.24	67.10	1.86
2.	13-Directorate of Accounts (Revenue)	O. 36.18 S. 8.06	44.24	49.40	5.16
3.	19-Industries (Revenue)	O. 4.05 S. 0.53	4.58	7.95	3.37
4.	28-Animal Husbandry and Veterinary (Revenue)	O. 14.49 S. 1.40	15.89	16.49	0.60
5.	32-Roads and Bridges (Revenue)	O. 16.94 S. 5.24	22.18	24.18	2.00
6.	36-Statistics (Revenue)	O. 4.76 S. 0.97	5.73	5.84	0.11
				<b>Total :</b>	<b>13.10</b>

## APPENDIX – VI

Statement showing expenditure which fell short by more than Rs.1 crore  
and also by more than 10 per cent of the total provision

(Reference : Paragraph 2.4.3(b) at page 25)

Sl. No.	Number and name of grant/appropriation	Total provision	Actual expenditure	Saving and percentage with total provision
(Rupees in crore)				
<b>Revenue Section (Voted)</b>				
1.	21-Food Storage and Ware housing	44.71	39.41	<u>5.30</u> (12)
2.	22-Civil Supplies	10.46	6.60	<u>3.86</u> (37)
3.	27-Panchayat	6.87	1.20	<u>5.67</u> (83)
4.	38-Irrigation and Flood Control Projects	67.10	46.34	<u>20.76</u> (31)
5.	64-Trade and Commerce	13.00	6.80	<u>6.20</u> (48)
<b>Capital Section (Voted)</b>				
6.	8-Police	4.43	2.93	<u>1.50</u> (34)
7.	14-Education	33.89	9.47	<u>24.42</u> (72)
8.	15-Health and Family Welfare	14.51	6.27	<u>8.24</u> (57)
9.	21-Food, Storage and Warehousing	4.84	3.71	<u>1.13</u> (23)
10.	24-Agriculture	3.63	1.11	<u>2.52</u> (69)
11.	26-Rural Works	17.48	12.96	<u>4.52</u> (26)
12.	31-Public Works	23.80	11.64	<u>12.17</u> (51)
13.	33-North Eastern Areas	17.50	12.23	<u>5.27</u> (30)
14.	34-Power	104.58	87.15	<u>17.43</u> (17)
15.	57-Urban Development	4.86	2.45	<u>2.41</u> (50)
<b>Capital Section (Charged)</b>				
16.	Public Debt	56.78	34.26	<u>22.52</u> (40)

APPENDIX – VII

Statement showing the number of cases in which expenditure exceeded the approved provisions by Rs. 25 lakh or more and also by more than 10 per cent of the total provision

(Reference : Paragraph 2.4.3(c) at page 25)

(Rupees in crore)

Sl. No.	Grant No.	Total Grant/ Appropriation		Actual Expenditure		Excess		Percentage of excess	
		Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital
1.	13-Director of Accounts	44.24	-	49.40	-	5.16	-	12	-
2.	19-Industries	4.58	-	7.95	-	3.37	-	74	-

## APPENDIX – VIII

Statement showing persistent savings in excess of Rs.10 lakh in each case and 10 per cent or more of the provision

(Reference : Paragraph 2.4.4 at page 25)

(Percentage of Savings to total provision)

Sl. No.	Number and name of grant/appropriation	1998-99	1999-2000	2000-2001
1.	2-Governor	22	15	16
<b>Revenue Section (Voted)</b>				
2.	22-Civil Supplies	33	25	37
3.	27-Panchayat	70	78	83
4.	33-North Eastern Areas	27	65	68
5.	37-Legal Metrology	37	37	11
6.	38-Irrigation and Flood Control Projects	39	15	31
<b>Capital Section (Voted)</b>				
7.	8-Police	21	89	34
8.	15-Health and Family Welfare	93	83	57
9.	29-Co-operation	17	39	57
10.	30-State Transport	33	34	18
11.	33-North Eastern Areas	23	15	30
12.	53-Fire Protection and Control	49	100	46
13.	56-Tourism	74	74	16
14.	58-Stationery and Printing	66	64	73



APPENDIX – VIIIA

Statement showing persistent excess

(Reference : Paragraph 2.4.4(a) at page 26)

Amount of excess (Rs. in crore) and (percentage in bracket)

Sl. No.	Number and name of grant/appropriation	Percentage of excess to total provision		
		1998-99	1999-2000	2000-2001

Revenue Section (voted)

1.	13-Directorate of Accounts	<u>8.75</u> (36)	<u>6.85</u> (20)	<u>5.16</u> (12)
----	----------------------------	---------------------	---------------------	---------------------

## APPENDIX - IX

Statement Showing excessive/unnecessary re-appropriation of funds

(Reference : Paragraph 2.4.5 at page 26)

(Rupees in lakh)

Sl. No.	Number and name of grant	Head of Account	Total grant	Total expenditure	Excess
1	2	3	4	5	6
1.	19-Industries	Central/Centrally sponsored scheme 2885-Other Outlay on Industries and Minerals C(f)(02) 101 (1) - Subsidies to Industrial Unit (CS) O. 0.01 R. (-) 0.01	...	353.09	353.09
2.	28-Animal Husbandry and Veterinary	2403-Animal Husbandry C (a) 001 Direction and Administration O. 236.41 S. 5.67 R. (-) 7.80	234.28	269.83	35.55
3.	42-Rural Development	Central/Centrally sponsored scheme 2501-Special Programme Development C (b) 101 (2) - Swarnjayanti Gram Swarozgar Yojana (SGSY) O. 119.00 R. (-) 119.00	...	24.73	24.73

(Rupees in lakh)					
Sl. No.	Number and name of grant	Head of Account	Total grant	Total Exp- enditure	Savings
1	2	3	4	5	6
1.	6-District Administration	3451-Secretariat Economics Services C(j) 102 District Planning Machinery C(1) District Decentralisation Planning MLALADS Fund (i) Other charges (k) Deputy Commissioner, Changlang O. 40.00 R. 60.00	100.00	58.43	41.57
2.	8-Police	2055-Police A(d) 109-District Police O. 3156.78 S. 121.82 R. 109.04	3387.64	3253.02	134.62
3.	-do-	4056-Capital Outlay on Police A-800 Other Expenditure (2)-Police Building other than Housing O. 7.60 S. 4.86 R. 134.54	147.00	...	147.00
4.	14-Education	4202-Capital Outlay on Education, Art and Culture B(a) 01-Office Building 800-Other Expenditure (3) Grants-in-aid to A.U. O. ... S. 1260.52 R. 236.48	1497.00	...	1497.00
5.	23-Forest	2406-Forestry and Wildlife C(a) 01-001 Direction and Administration O. 1697.51 R. 57.46	1754.97	1679.08	75.89

(Rupees in lakh)					
Sl. No.	Number and name of grant	Head of Account	Total grant	Total Expenditure	Savings
1	2	3	4	5	6
6.	-do-	Central/Centrally sponsored scheme 2406-Forestry and Wildlife C(a) 01-110(20) Project Elephant O. 0.01 R. 105.54	105.55	35.15	70.40
7.	24-Agriculture	2401-Crop Husbandry C(a) 113-Agriculture Engineering O. 56.72 R. 6.39	63.11	0.21	62.90
8.	33-North Eastern Areas	2552- Capital Outlay on North Eastern Areas C(c) 800-Other Expenditure (2) Transport and Communication (6) Support to State (1) Roads and Bridges (PWD) O. 1300.00 R. 100.00	1400.00	1222.61	177.39
9.	34-Power	4801-Capital Outlay on Power Project C(e) 05-Transmission and Distribution 800-Other Expenditure (3) Roanganadi Transmission O. 0.01 R. 499.99	500.00	5.00	495.00
10.	38-Irrigation and Flood Control	Central/Centrally sponsored scheme 2702-Minor Irrigation C(d) 80-800-Other Expenditure (8) Accelerated Irrigation Benefit Programme (1) Central Loan Assistance O. 750.00 S. 2200.36 R. 49.64	3000.00	1125.00	1875.00
11.	47-Administration of Justice	2014-Administration of Justice A(a) 001-Direction and Administration O. 2.64 S. 40.68 R. 1.66	44.98	6.08	38.90



(Rupees in lakh)

Sl. No.	Number and name of grant	Head of Account	Total grant	Total Exp- enditure	Savings
1	2	3	4	5	6
12.	52-Sports and Youth Services	4202-Capital Outlay on Sports and Youth Services B(a) 03 Sports and Youth Services Sports Stadia 53(a)(b) Play Fields R. 33.58	33.58	...	33.58
13.	59-Public Health Engineering	2215-Water Supply and Sanitation B© 1\01-102(27) (b) E.F.C. O. 191.00 R. 34.00	225.00	...	225.00
14.	Public Debt	6003-Internal Debt of the State Government E-110-Ways and Means Advances from Reserve Bank of India O. 3247.00 R. 34.00	3281.00	1336.00	1945.00

## APPENDIX – X

## Statement showing New Service/New Instrument of Service

(Reference : Paragraph 2.4.7 at page 26)

## (a) Expenditure met by re-appropriation

(Rupees in lakh)

Sl. No.	Number and name of Grant	Head	Total app-ropriation	Actual expenditure	Excess(+) Savings(-)
1	23-Forest	Central/Centrally Sponsored Schemes 2406-Forestry and Wildlife C(a)02-110(46) Dehang Dibang Biosphere Reserve O. ... R. 35.32	35.32	12.81	(-) 22.51
2	29-Co-operation	6425-Loans for Co-operation E 111-Loans to Dairy/Poultry/ Fishery Co-operation O. ... R. 4.00	4.00	3.70	(-) 0.30
3	42-Rural Development	2515-Other Rural Development Programme C(b) 102(27) Minor Works O. ... R. 13.00	13.00	13.00	...
4	52-Sports and Youth Services	4202-Capital Outlay on Sports and Youth Services B(a) 03-Sports and Youth Services Sports Stadia 53(b) Play Fields O. ... R. 33.58	33.58	...	(-) 33.58
			<b>Total:</b>	<b>29.51</b>	

APPENDIX – XI

Statement showing Expenditure met without provision of fund

(Reference : Paragraph 2.4.8 at page 26)

(Rupees in lakh)

Sl. No.	Number and name of Grant	Head	Total appropriation	Actual expenditure	Excess(+) Savings(-)
1.	31-Public Works	2059-Public Works A(d) 80 - General 799 - Suspense O. ...	...	67.95	(+) 67.95
2.	33-North Eastern Areas	2552-North Eastern Areas Agriculture and Allied Programme C© 800-Other Expenditure (2)(6) Support to State Forest Research Institute to make it Regional Institution O. ...	...	1.02	(+) 1.02
3.	34-Power	799-Suspense (MPWA) O. ...	...	4.40	(+) 4.40
4.	64-Trade and Commerce	2575-Other Special Area Programme C(f) 60-Other Foreign Investment O. ...	...	5.00	(+) 5.00
			<b>Total :</b>	<b>78.37</b>	

## APPENDIX - XII

## Non-surrender of savings

(Reference : Paragraph 2.4.9 at page 26)

Sl. No.	Number and name of the grant / appropriation	Total grant / appropriation	Savings	Unsurrendered savings its percentage (in bracket) to total saving
(Rupees in crore)				
<b>Revenue (Charged)</b>				
1.	Public Debt	126.57	3.30	3.30 (100)
<b>Revenue (Voted)</b>				
2.	9-Motor Garages	4.10	0.26	0.26 (100)
3.	14-Education	137.84	0.66	0.66 (100)
4.	33-North Eastern Areas	0.66	0.45	0.45 (100)
5.	38-Irrigation & Flood Control Project	67.10	20.76	20.76 (100)
6.	45-Civil Aviation	10.33	0.20	0.20 (100)
7.	60-Handloom and Handicraft	8.03	0.27	0.27 (100)
8.	64-Trade and Commerce	13.01	6.20	6.20 (100)
<b>Capital (Voted)</b>				
9.	8-Police	4.43	1.50	1.50 (100)
10.	14-Education	33.88	24.42	24.42 (100)
11.	18-Research	0.36	0.34	0.34 (100)
12.	31-Public Works	23.80	12.17	12.17 (100)
13.	32-Roads and Bridges	79.65	2.64	2.64 (100)
14.	34-Power	104.58	17.43	17.43 (100)
15.	40-Housing	13.97	0.50	0.50 (100)
16.	51-Directorate of Library	1.04	0.99	0.99 (100)
17.	53-Fire Protection and Control	2.01	0.92	0.92 (100)
18.	56-Tourism	1.72	0.27	0.27 (100)
19.	57-Urban Development	4.86	<u>2.41</u>	2.41 (100)
			<b>95.69</b>	<b>95.69</b>



APPENDIX - XIII

Statement showing the number of cases in which the amount surrendered in excess of actual savings/excess

(Reference : Paragraph 2.4.10 at page 27)

Sl. No.	Grant Number	Saving(-) Excess(+)	Amount Surrendered	Excess amount surrendered
(Rupees in crore)				
1.	21 – Food, Storage and Warehousing (Revenue)	(-) 5.30	5.43	0.13
2.	29 – Co-operation (Revenue)	(-) 0.03	0.13	0.10
3.	31 – Public Works (Revenue)	(-) 0.41	1.13	0.72
	<b>Total</b>	<b>(-) 5.74</b>	<b>6.69</b>	<b>0.95</b>
4.	Directorate of Accounts (Revenue)	(+) 5.16	0.09	0.09
	<b>Total</b>	<b>(+) 5.16</b>	<b>0.09</b>	<b>0.09</b>

**Appendix – XIV**

**Statement showing the drawal of amount by AC bills in AP**

(Reference : Paragraph 2.5.2; Page 28)

Total No. of A.C. Bills awaiting adjustment	Amount involved	Age wise break up of outstanding Advances			Name of the D.D.O/Controlling Officers for whom D.C.Bills are awaited	Year	Total No. of items	Amount involved (Rupees)	
		Year	No. of items	Amount (Rupees)					
117	3,15,27,596/-	1998-99	19	41,24,404	1. Dte. of Horti Naharlagun	3/99	1	338041/-	
		1999-2000	18	1,19,34,680	2. Dr. N. Yadav, DDM Naharlagun	..do..	..do.	81437/-	
					3. A.K. Dubey, SDHO, Tezzu	..do..	..do.	719500/-	
		2000-2001	80	1,54,68,512	4. G. Hocha, EO(Horti) Khonsa	..do..	..do.	..do.	331812/-
					5. M.ETTT, EO(Agri) Njapin, Ziro	..do..	..do.	200000/-	
					6. Dist.T.O,FTC Lower Subansiri, Ziro	..do..	do.	467603/-	
					7. ...do...	..do..	..do.	50000/-	
					8. EO(H)Lumla, Tawang	..do..	..do.	241700/-	
					9. V.K.Verma,P.T.O(FTC)Kharam Tezu	..do..	..do.	40000/-	
					10. B. Biswas EO(Agri) "	..do..	do.	312698/-	
					11. Dist. T.O (FTC) Pasighat	..do..	..do.	511338/-	
					12. D. Lida, PTO (FTC) Pasighat	..do..	..do.	45000/-	
					13. D.Darang DTO(FTC) Pasighat	..do..	..do.	20000/-	
					14. EO(Agri)Koyu, Pasighat	..do..	do.	160000/-	
					15. Dist. Horti Officer Pasighat	..do..	..do.	300000/-	
					16. EO, P.P, Koyu ,Pasighat	..do..	..do.	87775/-	
					17. EO (Agri) Daparijo	..do..	..do.	162500/-	
					18. EO(Agri)Mugli, Daparijo	..do	..do.	20000/-	
					19. UKK menon PS to Hon.Min. Textile and Handicraft.	10/99	..do.	30000/-	
					20. EO (Agri) Daparijo	10/99	..do.	80000/-	
					21. C.M Longphang, DDIPR&P, Nlg	3/99	..do.	5000/-	
					22. T. Charu, Publication Manager, IPR,Nlg	1/2000	do.	6000/-	
					23. C.M Longphang, DDIPR&R, Nlg.	1/2000	..do.	15000/-	
		24. LeikiPhuntso, DDIPR, Nlg.	1/2000	..do.	5000/-				
		25. C.M.Longphang DDIPR, Nlg.	1/2000	..do.	5000/-				
		26. KUK Menon PS to Hon. Min. of Industries, Itanagar	1/2000	..do.	15000/-				
		27. Dr. M. Honkar Vety Officer ,Dapo	3/2000	..do.	21000/-				
		28. P. Chakroborty, Fisheries Officer ,Seppa	3/2000	..do.	7880/-				
<b>Total :</b>							<b>Rs. 42,79,284</b>		

Total No. of A.C. Bills awaiting adjustment	Amount involved	Age wise break up of outstanding Advances			Name of the D.D.O/Controlling Officers for whom D.C.Bills are awaited	Year	Total No. of items	Amount involved (Rupees)
		Year	No. of items	Amount (Rupees)				
					29. Dr. N.B. Sangma, DVO, Tawang	3/2000	1	21000/-
					30. S.B.Gupta PTO, FTC, Bomdila	..do..	.do.	200000/-
					31. D.Lida, PTO,FTC, Padighat	..do..	.do.	80000/-
					32. Dist. T.O. FTC, Pasighat	..do..	.do.	289936/-
					33. Taker Riba, DD(MU), Nlg.	..do..	.do.	4000/-
					34. C. M. Longphang, DDIPR&P, Nlg.	2/2000	do.	7000/-
					35. A.Takar,A.O Diary&Reasearch, Itanagar	..do..	.do.	4000/-
					36. Bin. Phukan, Prin. Govt. College			
					37. Fin. and A/c Officer, Changlang	1/2000	.do.	7000/-
					38. Asstt. Research Officer , Bomdila	..do..	.do.	4000/-
					39. ....do....	3/2000	do.	3000/-
					40. Asstt. Reasearch Officer, Tawang	..do..	.do.	1000/-
					41. ....do....	..do..	.do.	1000/-
					42. AO Dte. of Research Itanagar	..do..	.do.	3000/-
					43. ....do....	..do..	do.	1500/-
					44. ....do....	..do..	.do.	6505/-
					45. ....do....	..do..	.do.	8000/-
					46. ....do....	..do..	.do.	5000/-
					47. ....do....	..do..	.do.	10000/-
					48. ....do....	..do..	.do.	2000/-
					49. Dir. Sports & Youth Affairs, Itanagar	..do..	.do.	10000/-
					50. Dist. Horti Officer, Pasighat	..do..	.do.	1464000/-
					51. Dir. of Geology and Marine ; S.K. Singh PS to Hon. C.M. Govt. of A.P, Itanagar	..do..	do.	300000/-
					52. Shri Monoharan Nair PS to the Hon. MOS	3/99	.do.	10000/-
					53. Sri KUK Menon, PS to HMF for Dir. of Industries, Itanagar	6/2000	.do.	10000/-
					54. Shri C.M.Longhang, DDIPR, Nlg.	6/2000	.do.	15000/-
					55. ....do....			.
					56. Shri Leki Phuntso, Dy Dir, IPR&P,Nlg.	6/2000	.do.	15000/-
						7/2000	.do.	7000/-
						7/2000	.do..	4000/-

**Total :**

**Rs. 24,92,941**

Total No. of A.C. Bills awaiting adjustment	Amount involved	Age wise break up of Advances outstanding			Name of the D.D.O/Controlling Officers for whom D.C.Bills are awaited	Year	Total No. of items	Amount involved (Rupees)
		Year	No. of items	Amount (Rupees)				
					57. Dr. S.P. Bhattacharjee, Asstt.Labour Commissioner,Nlg.	7/2000	1	2000/-
					58. Sai Morge etc., Lab. Comm. Nlg.	9/2000	.do.	10000/-
					59. Dir. Sports & Youth Affairs, Itanagar	..do..	.do.	5000/-
					60. Pr. Govt. H.S. School, Itanagar, A.P.	7/2000	.do.	17800/-
					61. Dir. of Research, Govt. of A.P.	8/2000	.do.	3000/-
					62. KUK Menon, PS to Minister Textile & Handicraft Industries, Itanagar.	8/2000	do.	15000/-
					63. ....do.....	7/2000	.do.	15000/-
					64. V.P. Pathana, A.O. T.N	..do..	.do.	15000/-
					65. K.U.K Menon, PS to Honbl. Minister Textile & Handicraft, Itanagar.	9/2000	03	40000/-
					66. Shri Monoharan Nair, PS to the Hon. Minister of State for Industries and Textile Handicraft.	9/2000	03	45000/-
					67. A. Tayang, Dir. of Reaearch, Govt. of A.P. Itanagar.	3/2001	01	3000/-
					68. ..do..	..do..	..do..	4000/-
					69. ..do..	..do..	..do..	3000/-
					70. ..do..	..do..	..do..	3000/-
					71. ..do..	..do..	..do..	3000/-
					72. ..do..	..do..	..do..	3000/-
					73. ..do..	..do..	..do..	5000/-
					74. ..do..	..do..	..do..	1500/-
					75. ..do..	..do..	..do..	3000/-
					76. ..do..	..do..	..do..	5000/-
					77. ..do..	..do..	02	8000/-
					78. ..do..	..do..	..do..	5000/-
					79. Principal, Govt. College, Bomdila	..do..	..do..	15000/-
					80. ..do..	..do..	..do..	12000/-
					81. Dir. of School Education, Bomdila	..do..	..do..	699987/-
					82. ..do..	..do..	..do..	200000/-
					83. A. Tayang, Dir. of Reaearch, Govt. of A.P. Itanagar.	..do..	..do..	288000/-
					..do..	..do..	..do..	2000/-

Total :

Rs. 14,26,287



Total No. of A.C. Bills awaiting adjustment	Amount involved	Age wise break up of Advances outstanding			Name of the D.D.O/Controlling Officers for whom D.C.Bills are awaited	Year	Total No. of items	Amount involved (Rupees)
		Year	No. of items	Amount (Rupees)				
					84. Asstt. Dir. Sports & Youth Affairs Govt. of A.P. Itanagar.	3/2001	01	2000000/-
					85. S.K. Chakrobirty, Dir. of Trade & Commerce, Govt. of A.P. Itanagar	..do..	..do..	150000/-
					86. Shri Monmohan Nair, PS to Hon'ble minister of state education.	..do..	..do..	15000/-
					87. ..do..	..do..	..do..	15000/-
					88. ..do..	..do..	..do..	15000/-
					89. Shri G. Angi, Asstt. Dir. of Industries Upper Siang dist.	..do..	..do..	25000/-
					90. K.U.K Menon, PS to Minister of Industries, Textile & Handicraft	..do..	..do..	15000/-
					91. ..do..	..do..	..do..	15000/-
					92. ..do..	..do..	..do..	15000/-
					93. Dir. of Industries, Govt. of A.P. Itanagar	..do..	..do..	5000000/-
					94. Shri S.K.Singh, PS to HCM, Govt. of A.P. Itanagar,	..do..	..do..	5000/-
					95. I.G.P. Itanagar	more 1yr	1	2294727/-
					96. I.G.P. Itanagar	..do..	..do..	8268401/-
					97. I.G.P. Itanagar	..do..	..do..	4876956/-
					98. Medl. & P.H., D.M.O. Bomdila	..do..	..do..	50000/-
					99. ..do..	..do..	..do..	7500/-
					100...do..	..do..	..do..	7000/-
					101...do..	..do..	..do..	6000/-
					102. ..do..	..do..	..do..	7500/-

Total :

Rs. 2,27,88,084

Total No. of A.C. Bills awaiting adjustment	Amount involved	Age wise break up of outstanding Advances			Name of the D.D.O/Controlling Officers for whom D.C.Bills are awaited	Year	Total No. of items	Amount involved (Rupees)
		Year	No. of items	Amount (Rupees)				
					103.D.H.S. Naharlagun	..do..	1	10000/-
					104. ..do..	..do..	..do..	3500/-
					105. ..do..	..do..	..do..	5000/-
					106. ..do..	..do..	..do..	15000/-
					107. ..do..	..do..	..do..	15000/-
					108. ..do..	..do..	..do..	10000/-
					109. ..do..	..do..	..do..	7500/-
					110. ..do..	..do..	..do..	10000/-
					111. ..do..	..do..	..do..	15000/-
					112. ..do..	..do..	..do..	450000/-

**Total : Rs. 5,41,000**

**Grand Total :**

1 <sup>st</sup> Page	Rs. 42,79,284
2 <sup>nd</sup> Page	Rs. 24,92,941
3 <sup>rd</sup> Page	Rs. 14,26,287
4 <sup>th</sup> Page	Rs. 2,27,88,084
5 <sup>th</sup> Page	Rs. 5,41,000
	<u>Rs. 3,15,27,596</u>

**Appendix - XV**

**Statement showing the Rush of expenditure during the month of March**

**(Reference : Paragraph 2.6.1; Page 28)**

**(In rupees)**

Head of accounts & Grant Nos.	Total provision (O & S)	Expenditure				Total expenditure	Percentage of expenditure during 4 <sup>th</sup> quarter to total expenditure	Expenditure during March	Percentage of expenditure during March	
		1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter				Total provision	Total expenditure
2071 Grant No. - 13	42,00,00,000	5,22,08,112	11,79,50,629	11,33,45,706	19,15,22,017	47,50,26,464	40	10,64,49,433	25	22
2204 Grant No - 5 2	1,29,02,000	2,51,481	16,83,726	14,14,445	99,04,620	1,32,54,272	75	82,86,288	64	63
2070 Grant No. - 9, 17, 53, 63	3,83,81,000	23,64,70,355	(-)22,57,56,601	33,18,499	2,24,45,980	3,64,78,233	62	2,01,36,261	52	55
2851 Grant No. - 19, 60	11,11,63,000	1,34,99,837	1,95,04,341	1,83,89,932	5,61,63,951	10,75,58,061	52	3,41,11,208	31	32
2235 Grant No. - 11, 12, 25, 8	13,46,01,000	1,29,26,834	1,80,72,447	2,04,10,407	7,55,93,361	12,70,03,049	60	5,27,78,871	39	42
2501 Grant No. - 34, 42	5,96,49,000	73,13,233	82,60,153	77,82,029	3,11,10,881	5,44,66,296	57	2,50,84,733	42	46
2202 Grant No. - 14	1,37,83,71,000	29,68,69,895	29,62,03,137	30,81,22,655	47,06,02,260	1,37,17,97,947	34	25,08,96,462	18	18
2055 Grant No. - 8	63,80,02,000	10,32,11,535	15,70,45,668	13,70,10,707	27,31,12,454	67,03,80,364	41	16,08,10,866	25	24
2211 Grant No. - 15	2,60,67,000	46,94,275	45,50,056	41,17,700	82,14,915	2,15,76,946	38	47,28,246	18	22

**APPENDIX-XVI**

**Statement showing funding position under NTPC, RNTPC, NPCB, NLEP & NACP**

(Reference : Paragraph 3.1.4, 3.1.5, 3.1.9 & 3.1.10 at pages 32 & 33)

(Rupees in lakh)

Year	Opening balance	Budget allotment made by the State Government	Fund released by			Interest earned on bank deposit and other / misc. receipts	Total fund available in cash	Expenditure	Excess(+)/Saving(-)	Closing balance	Central assistance short released (its percentage)	Value of kind received (Anti Leprosy Drug) and percentage of unutilised balance
			Central (GOI)		State							
			In Cash	In kind								
1	2	3	4	5	6	7	8	9	10	11	12	13
<b>National Tuberculosis Control Programme</b>												
1996-97	-	-	-	9.25	13.00	-	13.00	13.00	-	-	-	-
1997-98	-	-	1.45	NA	11.00	-	12.45	12.45	-	-	-	-
1998-99	-	-	1.66	NA	11.00	-	12.66	12.66	-	-	-	-
1999-2000	-	-	2.38	NA	10.00	-	12.38	12.38	-	-	-	-
2000-2001	-	-	36.48	NA	10.00	-	46.48	46.48	-	-	-	-
<b>Revised National Tuberculosis Programme</b>												
1998-99	-	-	6.63	-	-	0.11	6.74	3.42	(-) 3.32	-	-	-
1999-2000	-	-	6.92	-	-	0.26	7.18	3.50	(-) 3.68	-	-	-
2000-2001	-	-	13.55	-	-	0.28	13.83	0.40	(-)13.43	-	-	-
<b>Total</b>	-	-	<b>27.10</b>	-	-	<b>0.65</b>	<b>27.75</b>	<b>7.32</b>	<b>(-)20.43</b>	-	-	-
<b>National Programme for Control of Blindness (I)</b>												
1996-97	-	11.15	15.31	-	-	-	-	11.18	-	-	4.13 (27)	-
1997-98	-	1.41	4.04	-	-	-	-	1.41	-	-	2.63 (65)	-
1998-99	-	2.50	4.50	-	-	-	-	2.50	-	-	2.00 (44)	-
1999-2000	-	2.66	6.00	-	-	-	-	2.66	-	-	3.34 (56)	-
2000-2001	-	NA	28.50	-	-	-	-	NA	-	-	NA	-
<b>Total</b>	-	-	<b>58.35</b>	-	-	-	-	<b>17.75</b>	-	-	<b>12.10 (21)</b>	-

\* Other/Miscellaneous receipts includes sale proceeds of condemned vehicle, sale proceeds of spare parts (obsolete), recovery of advances paid earlier year etc.

Source :- By the Department



(Rupees in lakh)

National Programme for Control of Blindness (II)												
1996-97	Nil	-	3.00	-	-	0.03	3.03	0.01	-	-	-	-
1997-98	3.02	-	-	-	-	0.10	3.12	2.90	-	-	-	-
1998-99	0.22	-	6.00	-	-	2.91	9.13	7.61	-	-	-	-
1999-2000	1.52	-	6.00	-	-	0.03	7.55	3.74	-	-	-	-
2000-2001	3.81	-	Nil	-	-	0.12	3.93	2.20	-	-	-	-
<b>Total</b>	-	-	<b>15.00</b>	-	-	<b>3.19</b>	-	<b>16.46</b>	-	-	-	-
National Leprosy Eradication Programme												
1996-97	39.60	-	89.93	-	-	1.80	131.33	89.86	41.47	-	-	21.00 (32)
1997-98	41.47	-	110.91	-	-	3.73	156.11	87.90	68.21	-	-	6.95 (44)
1998-99	68.21	-	142.28	-	-	3.86	214.35	115.84	98.51	-	-	7.00 (46)
1999-2000	98.51	-	33.00	-	-	4.14	135.65	116.86	18.79	-	-	4.50 (14)
2000-2001 (December 2000)	18.79	-	81.78	-	-	0.22	100.79	46.70	54.09	-	-	2.25 (54)
<b>Total</b>	-	-	<b>457.90</b>	-	-	<b>13.75</b>	-	<b>457.16</b>	-	-	-	<b>41.70</b>
National Aids Control Programme												
1996-97	-	NA	80.00	-	-	-	-	63.72	(-) 16.28	-	-	-
1997-98	-	65.51	65.51	-	-	-	-	52.37	(-) 13.14	-	-	-
1998-99	-	13.14	13.14	-	-	-	-	10.17	(-) 2.97	-	-	-
<b>Total</b>	-	<b>78.65</b>	<b>158.65</b>	-	-	-	-	<b>126.26</b>	<b>(-) 32.39</b>	-	-	-
1999-2000	-	381.23	189.00	-	-	-	-	101.40	(-) 87.60	-	-	-
2000-2001	-	103.00	70.00	-	-	-	-	106.04	(+) 36.04	-	-	-
<b>Total</b>	-	<b>484.23</b>	<b>259.00</b>	-	-	-	-	<b>207.44</b>	<b>(-) 51.56</b>	-	-	-
<b>Grand Total</b>	-	<b>562.88</b>	<b>417.65</b>	-	-	-	-	<b>333.70</b>	<b>(-) 83.95</b>	-	-	-

Source :- From the Department

## APPENDIX - XVII

Statement showing detection of new TB cases by sputum examination  
(Reference: Paragraph 3.1.23 at page 36)

Year	Estimated Population (in lakh)	Detection of New TB cases			New Sputum Examination			Sputum + ve		Prevalance rate per 100 population
		Target	Achievement	Rate %	Target	Achievement	Percentage	Target	Achievement	
(Case in Number)										
1996-97	8.00	1500	3885	0.49	9000	9481	1.18	450	460	4.85
1997-98	8.50	1800	4675	0.55	10,000	9125	1.07	450	532	5.83
1998-99	9.00	1397	3963	0.41	15,525	7575	0.84	515	414	5.46
1999-2000	10.00	arget not fixed	2820	0.28	5240	7836	0.78	520	414	5.28
2000-2001 (upto Dec'2000)	11.00	-do-	2210	0.20	5960	4352	0.40	600	315	7.24

Source:- From the Department

**APPENDIX- XVIII**

**Statement showing the number of TB cases brought under treatment and number of TB cases discharged**

**(Reference: Paragraph 3.1.25 at page 37)**

Year	Number of cases brought under treatment		Number of cases discharged	Percentage with reference to new case detected
	Old cases	New cases		
1996-97	Not available with SPO	3885	437	11.24
1997-98	--do--	4675	389	8.32
1998-99	--do--	3963	418	10.55
1999-2000	--do--	2820	570	20.21
2000-2001 (up to December 2000)	--do--	2210	318	14.38

Source:- From the Department

## APPENDIX – XIX

Statement showing cataract operations done at Permanent Hospitals  
(Reference: Paragraph 3.1.31, 3.1.32 & 3.1.33 at page 38)

Year	Target	Achievement	Shortfall and its Percentage
<b>(Patients in number)</b>			
1996-97	600	360	240(40)
1997-98	672	437	235(35)
1998-99	750	475	275(37)
1999-00	900	239	661(73)
2000-01	950	277	673(71)

## (ii) At Eye Camps

Year	Number of eye camps held	Number of patients checked	Number of patients operated upon
1996-97	5	3824	160
1997-98	2	1334	43
1998-99	1	1250	38
1999-2000	2	1195	41
2000-2001	2	2103	74
<b>Total</b>	<b>12</b>	<b>9706</b>	<b>356</b>

Source:- From the Department



APPENDIX - XX

Statement showing the activities carried out by the three DBCS during 1996-2001

(Reference: Paragraph 3.1.36 at page 39)

DBCS	Year	Total population of the district as per 1991 census	Total school children of the district in respective year	Screenings done on		Refractive errors confirmed to		Free spectacles provided to	
				People	School children (percentage to total children)	People	School children	People	School Children
(Figures in number)									
Pasighat	1997-98	71,864	21,288	43	35 (Negligible)	--	19	--	11
	1998-99	--do--	--	25	--	--	--	--	--
Along	2000-01	89,936	10,652	--	1238 (12)	--	59	--	--
Bomdila	2000-01	56,421	10,960	--	1468 (13)	--	141	--	67
		2,90,085		68	2741		219		78 (36%)

Source:- From the Department

## APPENDIX - XXI

Statement showing the target and achievement of case detection/survey, examination etc.

(Reference: Paragraph 3.1.41 at page 40)

Year	New Case detection		New cases brought under treatment		Cases discharged		Population enumerated/surveyed		Population examined	
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
1996-97	100	151	100	151	100	187	Not fixed	149966	Not fixed	99802
1997-98	100	151	100	151	100	355	--do--	80738	--do--	72532
1998-99	100	322	100	322	100	232	--do--	783103	--do--	656513
1999-2000	100	191	100	191	350	339	--do--	129771	--do--	117829
2000-01 upto December 2000	80	94	80	94	250	107	--do--	1143578 11.44 lakh	--do--	946676 9.47 lakh

Source:- From the Department

APPENDIX - XXII

Statement showing details of staff position of State AIDS Control Society  
(Reference: Paragraph 3.1.50 at page 42)

Sl. No.	Post	Post prescribed by GOI	Post filled up	Date of filling up of Post
1.	Project Director	1	1	March 1999
2.	Dy. Director (STD)	1	Nil	
3.	Dy. Director (Safety)	1	Nil	
4.	Dy. Director (Surveillance)	1	Nil	
5.	Asstt. Director (STD)	1	Nil	
6.	Statistical Officer	1	Nil	
7.	Drug Inspector	1	1	January 1994
8.	Admn. Officer	1	Nil	
9.	Store Officer	1	Nil	
10.	Admn. Assistant	1	Nil	
11.	Personal Officer	1	Nil	
12.	Tech. Asstt. (BS)(GH)	1	1	1998
13.	Office Assistant (LDC)	1	1	1996
14.	Driver	1	1	January 1999
15.	Messenger	1	Nil	
16.	Finance Officer	1	1	February 2000
17.	Accountant	1	Nil	
18.	NGO Adviser	1	1	April 1999

Source:- From the Department

## APPENDIX-XXIII

Statement showing details Blood tests could not be conducted by the  
General Hospital, Pasighat

(Reference: Paragraph 3.1.62 at page 44)

Year	Nature of test	Specific period during which test was not conducted
1996	HIV-Rapid	January to March and August to November (7 months)
	VDRL	February to April and October (4 months)
	HBSAG	January to December (12 months)
1997	HIV-Rapid	May to July (3 months)
	VDRL	March to December (10 months)
	HBSAG	January to December (12 months)
1998	VDRL	May to August and December (5 months)
	HBSAG	January to August (8 months)
1999	VDRL	January to June (6 months)
	HBSAG	March to July (5 months)

Source:- From the Department



**APPENDIX – XXIV**

**Statement showing the details of procurement of consumables, Reagents, Chemicals etc. by the AIDS Society, A.P. and materials issued and quantities actually received by the 3 Hospitals during 1999-2000 to 2000-2001.**

**(Reference: Paragraph 3.1.65 at page 45)**

Name of Consumables	Quantity procured	Rate (Rs.)	Value (Rs.)	Quantity shown as issued (Date of issue not shown in the stock book)						Total quantity issued	Total value (Rs.)	Quantity actually received as per Stock Book of the Hospital					
				GH-NLG		GH-PSG		Tezu				GH-NLG		GH-PSG		Tezu	
				Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)			Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Cotton Rolls	173 Rolls	70.20	12,145.00	61 Rolls	4282.00	61 Rolls	4282.00	1 Roll	70.20	123 Rolls	8635.00	10 Rolls	702.00	10 Rolls	702.00	1 Roll	70.20
Sodium Hydrochloride	50 litres	487/- pl	24350.00	22L	10714.00	18L	8766.00	10L	4870.00	50L	24350.00	Nil	Nil	Nil	Nil	Nil	4870.00
Leno Plast Adhesive Bandage	42 Nos	100/-	4200.00	10 Nos.	1000.00	10 Nos	1000.00	-	-	20	2000.00	10	1000.00	Nil	Nil	-	-
Normal Saline Bottle	150 Nos	17.15	2573.00	50 Nos	858.00	50 Nos	858.00	-	-	100	1715.00	50	858.00	Nil	Nil	-	-
Disposal Syringe 10 ml	31,000 Nos	5.75	178250.00	10,000	57500.00	10,000	57500.00	-	-	20,000	115000.00	Nil	Nil	Nil	Nil	-	-
VDRL Kits	59 kits	662.48	39086.00	36	23849.00	20	13250.00	3	1987.00	59	39086.00	15	9937.00	Nil	Nil	3	1987.00
Blood Grouping Arigen	50 kits	795.60	39780.00	30	23868.00	20	15912.00	Nil	Nil	50	39780.00	16	12730.00	10	7956.00	-	-
Blood Bags	1000 Nos	70.72	70720.00	500	35360.00	500	35360.00	-	-	1000	70720.00	600	42432.00	300	21216.00	-	-
Disposable Syringes 5 ml	101960 Nos	5/-	509800.00	23280	116400.00	23280	1,16,400	400	2000.00	46960	234800.00	3000	15000.00	2400	12000.00	400	2000.00
Disposable Syringes 2 ml	95000 Nos	4.30	408500.00	20000	86000.00	20000	86000.00	-	-	40000	172000.00	Not received	Nil	N receive	Nil	-	-
Disposable Gloves 6"	12020 pairs	9/-	108180.00	2510	22590.00	2510	22590.00	500	4500	5520	49680.00	30 pairs	270.00	Nil	Nil	500	4500.00
Disposable Gloves 6 1/2"	10520 pairs	9/-	94680.00	2010	18090.00	2010	18090.00	-	-	4020	36180.00	Nil	Nil	Nil	Nil	-	-
Disposable Gloves 7"	10520 pairs	9/-	94680.00	2010	18090.00	2010	18090.00	-	-	4020	36180.00	Nil	Nil	10	90.00	-	-
Test tubes	880 Nos	4.50	3960.00	344	1548.00	344	1548.00	200	900.00	888	3996.00	Nil	Nil	Nil	Nil	200	900.00
Test Tube Stand	14 Nos	450/- each	6300.00	6	2700.00	6	2700.00	2	900.00	14	6300.00	Nil	Nil	Nil	Nil	2	900.00
Spirit 450 ml	10 bottles	0 per bottle	800.00	5	400.00	2	160.00	-	-	7	560.00	5	400.00	Nil	Nil	-	-
-do-	153 bottles	60.45	9249.00	51 philes	3083.00	51 philes	3083.00	1	6045	163	6226.00	Nil	Nil	Nil	Nil	1	60.45
Anti Hepatitis-B Test Kits	10 kits	2917.20	29172.00	5	14586	5	14586	-	-	10	29172.00	1 kit	2917.20	10 kits	29172.00	-	-
Marking Pen	12 Nos	25/-	300.00	6	150.00	6	150.00	-	-	12	300.00	6	150.00	5	125.00	-	-
Steel bucket for solution dissolving	4 Nos	775/-	3100.00	2	1550.00	2	1550.00	-	-	4	3100.00	2	1550.00	2	1550.00	-	-
Pasteur Peffette	60 Nos	ot indicated	-	20	-	20	-	20	-	60	-	-	-	-	-	20	-
Filter paper	3 Pkt.	-do-	-	1	-	1	-	1	-	3	-	-	-	-	-	1	-
<b>Total</b>			1639825.00		442618.00		421875.00		15287.00		879780.00		87946.00		72811.00		15287.00

G.H = General Hospital  
 NLG = Naharlagun  
 PSG = Pasighat  
 Source:-From the Department

Audit Report for the year ended 31 March 2001

**APPENDIX -XXV**

**Statement showing fictitious procurement/issue of medicines to STD clinic and hospital-Naharlagun and Tawang (1999-2000)  
(Reference: Paragraph 3.1.68 & 3.1.69 at page 46)**

Name of Medicines	When supplied	Quantity procured and shown as issued but not received by		Rate paid per tablets/vials etc. (Rs.)	Value (Rs.)	Rate was to be* paid (Rs.)	Excess payment made (Rs.)
		GH-Naharlagun	GH-Tawang				
Ciprofloxacin 250 mg	STD	2000 tablets	2000 tablets	5.94	23,760	2.87	12,280
	Hospital	5000 tablets	5000 tablets	5.57	55,700		27,000
Norfloxacin 88 mg	STD	2000 tablets	2000 tablets	9.60	38,400	1.73	31,480
	Hospital	10,000 tablets	10,000 tablets	1.73	34,600		--
Doxycycline 100 mg	STD	1000 tablets	1000 tablets	5.20	10,400	2.19	6020
	Hospital	5000 tablets	5000 tablets	2.19	21,900		
Tetracycline 500 mg	STD	1198 tablets	1198 tablets	2.80	6,708	0.88	4600
	Hospital	10,000 tablets	10,000 tablets	0.88	17,600		
Metronidazole 400 mg	STD	2000 tablets	2000 tablets	0.96	3,840	0.67	1160
	Hospital	10,000 tablets	10,000 tablets	0.51	10,200		
Inj. Kanamycine 200 mg	STD	500 Vials	500 Vials	29.12	29,120	--	--
	Hospital	1250 Vials	1250 Vials	29.12	72,800		
Erythromycine 500 mg	STD	2000 Vials	2000 Vials	4.50	18,000	--	--
	Hospital	10,000 Vials	10,000 Vials	2.49	49,800		
Inj. Benzoyl Penicillin 24 lees.	STD	500 Vials	500 Vials	21.74	21,740	15.60	6140
	Hospital	2500 Vials	2500 Vials	17.41	87,050	17.10	
Trimethoprium tablets	STD	1000 tablets	1000 tablets	3.80	7,600	1.20	5200
	Hospital	10,000 tablets	10,000 tablets	1.20	24,000		
Cotrimazole vez tablets	STD	500 tablets	500 tablets	5.42	5,420	2.66	2760
	Hospital	2500 tablets	2500 tablets	2.66	13,300		
Cotrimazole skin oint.	STD	300 tablets	300 tablets	18.00	10,800	--	--
	Hospital	750 tablets	750 tablets	22.75	34,125		
Flucolozole 150 mg (Singcedose)	STD	300 tablets	300 tablets	32.00	19,200		
	Hospital	1000 tablets	1000 tablets	20.48	40,960		
Gamma Bwgethomochloride 1%	STD	100 Philes	100 Philes	13.28	2,656		
	Hospital	--	--	--	--	--	--
B.B. Lotion 25%	STD	188 Philes	168 Philes	7.00	2,492		
	Hospital	750 Philes	750 Philes	9.64	14,460		
Needle destroyer with Syring	STD	--	--	--	--		
	Hospital	6	4	6375	63,750		
				<b>Total</b>	<b>7,40,381</b>		<b>96,640</b>

Value of medicines and needle destroyer shown as supplied to STD/Hospital Naharlagun  
STD Clinic/hospital Tawang

Rs.3.76 lakh

Rs.3.64 lakh

Total Rs.7.40 lakh

\*As per approved rate of the Government of Arunachal Pradesh - H & F.W. Itanagar

Source:- From the Department



**APPENDIX – XXVI**

**Statement showing procurement of medicines shown as issued to District TB Officers (DTO) and non receipt of the drugs by DTOs under opportunistic Infections**

(Reference : Paragraph 3.1.74 at page 47)

Name of Medicine	Name of suppliers	Supply order no. and date	Rate paid Rs.	Quantity	Amount paid Rs.	Shown as issued in stock register shown Nil balance				
						DTO Along	DTO Bomdila	DTO Ziro	DTO Pasighat	DTO Tezu
Ethambutal 200 mg Tablets	M/s Yamini drugs Distributor	YDD/25/A 29-3-2000	0.59	10,000	5,900	2000	2000	2000	2000	2000
Ethambutal 400 mg Tablets	-do-	-do-	1.23	10,000	12,300	2000	2000	2000	2000	2000
Ethambutal 800 mg tablets	-do-	-do-	2.34	10,000	23,400	2000	2000	2000	2000	2000
I NH 100 mg Tablets	-do-	-do-	153.50 per 100 tab	50,000	76,750	10,000	10,000	10,000	10,000	10,000
I NH 200 mg	-do-	-do-	426.70 per 1000 tab	50,000	21,335	10,000	10,000	10,000	10,000	10,000
Pyrazonomide tab 300 mg	-do-	-do-	2.20	10,000	22,000	2000	2000	2000	2000	2000
Pyrazonomide 750 mg	-do-	-do-	3.55	10,000	35,500	2000	2000	2000	2000	2000
Rifampicin 300 mg Cap)	-do-	-do-	3.45	20,000	69,000	4000	4000	4000	4000	4000
Rifampicin 450 mg (Cap)	-do-	-do-	4.87	10,000	48,700	2000	2000	2000	2000	2000
Inj. Streptomycin 750 mg	-do-	-do-	4.73	10,000 Vials	47,300	2000	2000	2000	2000	2000
Nalidixic Acid IP 500 mg Tab.	-do-	-do-	3.06	4000	12,240	800	800	800	800	800
Nalidixic Acid 30 nul suspension	-do-	-do-	13.64	2,500 ph	34,100	500	500	500	500	500
Metronidazole 400 mg tab.	-do-	-do-	0.30	20,000	6,000	4000	4000	4000	4000	4000
Inj. Metronidazole 150 mg 100 ml	-do-	-do-	0.51	20,000	10,200	4000	4000	4000	4000	4000
Furazolidine 100 mg	-do-	-do-	12.15	2000	24,300	400	400	400	400	400
Suspension Furazolidine 60 ml	-do-	-do-	0.20	20,000	4,000	4000	4000	4000	4000	4000
Vitamin B <sub>1</sub> + B <sub>6</sub> + B <sub>12</sub> tab	-do-	-do-	5.64	10,000	56,400	2000	2000	2000	2000	2000
	-do-	-do-	0.18	20,000	3,600	4000	4000	4000	4000	4000

Total Rs.5,13,025.00

Source:- From the Department

**APPENDIX – XXVII**

**Statement showing Testing Certificate of NFE students and for their entry into formal system of education**

**(Reference Paragraph :3.2.8 at Page 51)**

Year	Name of centres in each districts	No. of children attending NFE centre in each district				No. of children appeared in examination				No. of children passed the examination for coming into the upper primary and mainstream of formal education after passing upper primary level of examination			
		Primary		Upper Primary		Primary		Upper Primary		Primary		Upper Primary	
		Boys	Girls	Boys	Girls	Boys	Girls	Boys	Girls	Boys	Girls	Boys	Girls
1998-99	Papumpare – 10 (10+0) (Co-education)	118	93	-	-	8	5	-	-	-	-	-	-
	Upper Subansiri – 19 (15+4) (Co-education)	80	47	9	13	29	14	-	6	-	-	-	-
	Lower Subansiri – 40 (27+13) (Co-education)	204	137	112	92	128	78	60	50	-	-	-	-
1999-2000	Papumpare (do)	118	93	-	-	8	5	-	-	8	5	-	-
	Upper Subansiri (do)	80	47	9	13	29	14	-	6	29	14	-	6
	Lower Subansiri (do)	204	137	112	92	128	78	60	50	128	78	60	50
<b>Total</b>		<b>402</b>	<b>277</b>	<b>121</b>	<b>105</b>	<b>165</b>	<b>97</b>	<b>60</b>	<b>56</b>	<b>165</b>	<b>97</b>	<b>60</b>	<b>56</b>

Source:-

From the Department



APPENDIX – XXVIII

Payment of honorarium to instructors at higher rate

(Reference Paragraph : 3.2.11 at Page 52)

(Amount in Rupees)

Name of the District	No. of instructors/no. of months and rate paid		Amount paid		Rate and admissible amount		Amount paid in excess		Total paid in excess
	Primary Rs.250/- per month	Upper primary Rs.350/- per month	Primary	Upper primary	Primary Rs.200/- per month	Upper primary Rs.250/- per month	Primary	Upper primary	
Papumpare	10 (10m)	NIL	25,000	NIL	20,000	NIL	5,000	Nil	5,000
Lower Subansiri	27 (6m)	26 (6m)	40,500	54,600	32,400	39,000	8,100	15,600	23,700
	13(4m)	14(4m)	13,000	19,600	10,400	14,000	2,600	5,600	8,200
	7(3m)	4(3m)	5,250	4,200	4,200	3,000	1,050	1,200	2,250
	7(2m)	8(2m)	3,500	5,600	2,800	4,000	700	1,600	2,300
Upper Subansiri	16(8m)	9(8m)	32,000	25,200	25,600	18,000	6,400	7200	13,600
	45(2m)	12(2m)	22,500	8,400	18,000	6,000	4,500	2,400	6,900
Total									61,950

Source:- From the Department

## APPENDIX – XXIX

Statement showing discontinuation of the scheme resulted in  
non-availing of central assistance

(Reference Paragraph : 3.2.13 at Page 52)

For subsequent Years	Amount
1. Annual operational cost	
a) Cost of 77 primary centres-Rs.8925 x 77	Rs. 6,87,225
b) Cost of 23 upper primary centres Rs.14,050 x 23	Rs. 3,23,150
2. Project Management cost	Rs. 1,39,000
3. Administrative resource support	
a) District level	Rs.1,17,900
b) State Level	Rs.1,53,400
Grand Total	Rs.14,20,675 say Rs.14.21 lakh

Source:- Guideline of the Scheme

APPENDIX - XXX

Statement showing delay in completion of programmes

(Reference: Paragraph 3.4.10 at page 58)

(Rupees in lakh)

Sl. No.	Programmes	Year of programmes	Extent of delay in implementation of programmes and amount involved				Total
			1 month to 3 months	3 months to 1 year	1 year to 3 year	3 years to 6 years	
1	2	3	4	5	6	7	8
1.	Grants-in aid (GID)*	1992-93	0.72	-	-	-	0.72
2.	-do-	1995-96	0.10	-	-	-	0.10
3.	Vocational Training Course (V.T.C.)	1991-92	-	-	0.47	-	0.47
4.	-do-	1992-93	0.57	1.58	0.39	-	2.54
5.	-do-	1993-94	-	2.08	0.08	1.24	3.40
6.	-do-	1994-95	-	-	-	1.05	1.05
7.	-do-	1995-96	0.57	-	-	-	0.57
8.	-do-	1996-97	-	-	0.59	-	0.59
9.	-do-	1999-00	2.60	1.63	-	-	4.23
10.	Condensed Course of Education (CCE)	1995-96	0.83	-	-	-	0.83
11.	-do-	1999-00	1.00	2.18	-	-	3.18
12.	Creche	1992-93	-	1.01	0.99	-	2.00
13.	-do-	1993-94	-	1.92	-	-	1.92
14.	-do-	1995-96	1.20	-	-	-	1.20
15.	-do-	1996-97	-	2.90	-	-	2.90
16.	-do-	1997-98	-	0.30	-	-	0.30
17.	-do-	1998-99	-	0.09	-	-	0.09
18.	-do-	1999-00	-	4.59	-	-	4.59
19.	Supplementary Nutrition Programme (SNP)	1992-93	-	-	0.38	-	0.38
20.	-do-	1996-97	-	1.62	-	-	1.62
21.	Socio Eco. Programme (SEP)	1993-94	-	0.54	-	-	0.54
22.	-do-	1995-96	-	-	0.28	-	0.28
23.	Holiday Camp	1992-93	0.34	-	-	-	0.34
	<b>Total:</b>		<b>7.93</b>	<b>20.44</b>	<b>3.18</b>	<b>2.29</b>	<b>33.84</b>

\* Source :- From the Department

## APPENDIX - XXXI

## Statement showing inadmissible expenditure on administrative expenses

(Reference : Paragraph 3.7.2 at page 64)

Year	IRDP Allocation	Admissible expenditure on Administrative infrastructure 10% of total allocation	Amount of administrative expenditure actually sanctioned	Actual Administrative expenses	% of actual expenditure on IRDP allocation
(Rupees)					
1**	2	3	4	5	6
1996-97	7120000	712000	1121000	2367512	33.25
1997-98	10985500	1098550	1080000*	3354094	30.53
			1400000*		
1998-99	6755000	675500	900000	2425092	35.90
Total	24860500	2486050	4501000	8146698	

\*\* Source :- From the Department

\* Transferred from EAS



APPENDIX-XXXII

Statement showing department-wise break up of misappropriation, losses etc., cases as of 30 June 2001

(Reference : Paragraph : 3.11.2 at page 68)

Sl. No.	Department	Cases in which Department & Criminal action have not been started		Cases in which Department/ Police action had been started but not finalised		Cases where criminal proceeding had been finalised but execution certificates/cases for recovery pending		Cases in the court of law		Cases awaiting orders for recovery or write off		Total	
		No. of cases	Amount in lakh of Rs.	No. of cases	Amount in lakh of Rs.	No. of cases	Amount in lakh of Rs.	No. of cases	Amount in lakh of Rs.	No. of cases	Amount in lakh of Rs.	Total No. of cases	Amount in lakh of Rs.
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Education Department	-	-	2	1.80	-	-	1	1.28	1	0.29	4	3.37
2.	Forest Department	-	-	3 2	6.94 Not intimated	-	-	2	1.23	4	820.08	11	828.25
3.	General Administration	-	-	-	-	-	-	1	0.03	-	-	1	0.03
4.	Public Works Department	-	-	1	0.44	-	-	1	1.64	4	0.85	6	2.93
5.	Supply and Transport Deptt.	-	-	1	0.53	-	-	1	0.34	4	0.46	6	1.33
6.	Information and Public Relation	-	-	-	-	-	-	1	2.65	-	-	1	2.65
7.	CWC Department	-	-	-	-	-	-	1	Not intimated	-	-	1	Not intimated
8.	PHE Department	-	-	1	1.08	-	-	-	-	-	-	1	1.08
Total -		-	-	10	10.79	-	-	8	7.17	13	821.68	31	839.64

N.B.

	No. of Cases	Amount (Rupees in lakh)
As per last report	28	25.96
New Cases	3*	813.68
	31	839.64

\*\* Source:- From the Department  
\* Relates to Forest Department

## APPENDIX – XXXIII

**Statement showing Target and Achievement**  
**(Reference: Paragraph-4.1.41 at page 81)**  
**(A)ARWSP**

YEAR	Target			Achievement			Shortfall(-), Excess (+)		
	NC to PC	NC to FC	PC to FC	NC to PC	NC to FC	PC to FC	NC to PC	NC to FC	PC to FC
1997-98	158	-	54	160	-	64	(+) 2	-	(+) 10
1998-99	-	105	38	-	50	16	-	(-) 55	(-) 22
1999-2000	-	280	150	-	150	120	-	(-) 130	(-) 30
2000-01	-	49	102	-	33	74	-	(-) 16	(-) 28
<b>Total</b>	<b>158</b>	<b>434</b>	<b>344</b>	<b>160</b>	<b>233</b>	<b>274</b>	<b>(+) 2</b>	<b>(-) 201</b>	<b>(-) 70</b>

## (B) MNP

YEAR	Target			Achievement			Shortfall(-), Excess (+)		
	NC to PC	NC to FC	PC to FC	NC to PC	NC to FC	PC to FC	NC to PC	NC to FC	PC to FC
1997-98	41	-	81	37	-	56	(-) 4	-	(-) 25
1998-99	-	20	27	19	-	16	(-) 1	-	(-) 11
1999-2000	-	21	20	-	7	23	-	(-) 14	(+) 3
2000-01	-	2	7	-	4	15	-	(+) 2	(+) 8
<b>Total</b>	<b>41</b>	<b>43</b>	<b>135</b>	<b>56</b>	<b>11</b>	<b>110</b>	<b>(-) 5</b>	<b>(-) 12</b>	<b>(-) 25</b>

Note:- NC- Not covered; PC-Partially covered; FC-Fully covered

*Source : From the Department*

## APPENDIX-XXXIV

## Statement showing Time and Cost Overrun

(Reference: Paragraph 4.1.47 at Page 82)

(Rupees in lakh)

Sl. No.	Name of Division	No. of schemes	Year of sanction	Year of commencement	Target for completion	Date of completion	Sanctioned cost	Expenditure	Cost overrun	Time overrun	
										No. of schemes	Month
1.	Changlang PHE Division	3	1994-95 to 1995-96	1995-96	1997-98	3/98 to 3/2000	13.47	24.39	10.92	1	24
2.	Itanagar PHE Division	2	1994-95	1995-96	1997-98	3/98	4.65	8.26	3.61	-	-
3.	Ziro PHE Division	14	1995-96 to 1998-99	1994-95 to 1998-99	1996-97 to 2000-01	3/97 to 1/2001	70.22	109.52	39.30	3	12 to 34
4.	Pasighat PHE Division	1	1995-96	1996-97	1998-99	3/98	5.95	7.35	1.40	-	-
5.	Seppa PHE Division	5	1996-97 to 1997-98	1997-98	1999-2000	3/98 to 3/2000	16.97	31.75	14.78	-	-
6.	Khonsa PHE Division	3	1993-94 to 1996-97	1993-94 to 1996-97	1995-96 to 1998-99	3/98 to 3/99	19.74	29.68	9.94	1	24
7.	Along PHE Division	8	1993-94 to 1996-97	1994-95 to 1997-98	1996-97 to 1999-00	3/98 to 3/2000	25.87	42.20	16.33	2	24
8.	Bomdila PHE Division	5	1992-93 to 1995-96	1993-94 to 1995-96	1995-96 to 1997-98	3/98 to 3/99	23.38	47.12	23.74	3	13 to 37
9.	Daporijo PHE Division	23	1995-96 to 1996-97	1994-95 to 1996-97	1996-97 to 1998-99	3/99	71.26	115.03	43.77	19	12 to 24
10.	Roing PHE Division	1	1995-96	1996-97	1998-99	1/2000	7.37	10.47	3.10	1	10
11.	Namsai PHE Division	2	1995-96 to 1996-97	1996-97	1988-99	3/2000	16.97	21.58	4.61	2	12
	<b>Total</b>	<b>67</b>					<b>275.85</b>	<b>447.35</b>	<b>171.50</b>	<b>32</b>	

Source : From the Department

## APPENDIX - XXXV

## Statement showing status of submission of accounts by Autonomous bodies and completion of audit as of September 2001

(Reference Paragraph 7.3.5 at page 117)

Sl. No.	Name of Body	Assistance received from State/ Central Govt.*	Year upto which accounts due	Year upto which accounts submitted	Arrears in submission of accounts	Audit conducted up to
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	DRDA, Pasighat	-	2000-01	1999-2000	1	1999-2000
2.	DRDA, Along	-	2000-01	1995-96	5	1995-96
3.	DRDA, Seppa	-	2000-01	1994-95	6	1994-95
4.	DRDA, Bomdila	-	2000-01	1993-94	7	1993-94
5.	DRDA, Ziro	-	2000-01	1999-2000	1	1999-2000
6.	DRDA, Daporijo	-	2000-01	1997-98	3	1997-98
7.	DRDA, Teju	-	2000-01	1999-2000	1	1999-2000
8.	DRDA, Khonsa	-	2000-01	1995-96	5	1995-96
9.	DRDA, Changlang	-	2000-01	1996-97	4	1996-97
10.	DRDA, Papumpare (Itanagar)	-	2000-01	1999-2000	1	1999-2000
11.	DRDA, Yangkiong	-	2000-01	(New)	-	-
12.	DRDA, Towang	-	2000-01	(New)	-	-
13.	DRDA, Anini	-	2000-01	1998-99	2	1998-99

\* Due to non-receipt of information/accounts from the concerned departments/bodies, amount of assistance received during 1994-2000 by the above bodies could not be given.



**APPENDIX - XXXVI**

**Statement showing particulars of up-to-date paid-up-Capital, budgetary outgo, loans given out of budget and loans outstanding as on 31 March 2001 in respect of Government Companies.**

(Reference : Paragraphs 8.1.5, 8.1.8 at Pages 121)

(Figures in bracket indicate budgetary outgo during the year)

(Figures in Columns 3(a) to 4(f) are Rupees in lakh)

Sl. No.	Sector and Name of the Company	Paid up capital as at the end of 2000-2001 *					Equity/Loans received out of Budget during the year		Other loans received during the year	Loans outstanding at the close of 2000-2001 **			Debt equity ratio for 2000-2001 (figure in bracket indicates for previous year) 4(f)/3(e)
		State Government	Central Government	Holding Company	Others	Total	Equity	Loans		Government	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>Sector: Industrial Development and Financing</b>													
1.	Arunachal Pradesh Industrial Development and Financial Corporation Limited	179.50	-	-	-	179.50	17.00	-	-	-	188.24	188.24	1.05:1 (1.38:1)
<b>Total of the Sector</b>		<b>179.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>179.50</b>	<b>17.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>188.24</b>	<b>188.24</b>	<b>1.05:1 (1.38:1)</b>
<b>Sector: Mining</b>													
2.	Arunachal Pradesh Mineral Development and Trading Corporation Limited	233.22	-	-	-	233.22	20.00	-	-	-	-	-	-
<b>Total of the Sector</b>		<b>233.22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>233.22</b>	<b>20.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>- (-)</b>
<b>Sector: Forest</b>													
3.	Arunachal Pradesh Forest Corporation Limited	449.72	-	-	-	449.72	-	-	-	-	112.99	112.99	0.25:1 (0.25:1)
<b>Total of the Sector</b>		<b>449.72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>449.72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>112.99</b>	<b>112.99</b>	<b>0.25:1 (0.25:1)</b>
<b>Total of 'A'</b>		<b>862.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>862.44</b>	<b>37.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>301.23</b>	<b>301.23</b>	<b>0.35:1 (0.41:1)</b>

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. NON-WORKING GOVERNMENT COMPANIES</b>													
<b>Sector: Cement</b>													
1.	Parasuram Cements Limited	10	-	13.50	-	23.50	-	-	-	-	145.10	145.10	6.17:1 (6.17:1)
<b>Total of the Sector</b>		<b>10</b>	<b>-</b>	<b>13.50</b>	<b>-</b>	<b>23.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>145.10</b>	<b>145.10</b>	<b>6.17:1</b> <b>(6.17:1)</b>
<b>Sector; Fruit Processing</b>													
2.	Arunachal Horticulture Processing Industries Limited	-	-	18.81	-	18.81	-	-	-	-	14.00	14.00	0.74:1 (0.74:1)
<b>Total of the Sector</b>		<b>-</b>	<b>-</b>	<b>18.81</b>	<b>-</b>	<b>18.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14.00</b>	<b>14.00</b>	<b>0.74:1</b> <b>(0.74:1)</b>
<b>Total of 'B'</b>		<b>10</b>	<b>-</b>	<b>32.31</b>	<b>-</b>	<b>42.31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159.10</b>	<b>159.10</b>	<b>3.76:1</b> <b>(3.76:1)</b>
<b>Grand Total (A+B)</b>		<b>872.44</b>	<b>-</b>	<b>32.31</b>	<b>-</b>	<b>904.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>460.33</b>	<b>460.33</b>	<b>0.51:1</b> <b>(0.57:1)</b>

**Note:**

Figures are provisional as given by the Companies

\* Paid-up-capital includes Share application money also;

\*\* Loans outstanding at the close of 2000-01 represents long term loan only.

**APPENDIX- XXXVII**

**Summarised financial results of Government Companies for the latest year for which accounts were finalised**

**(Reference : Paragraphs 8.1.12, 8.1.15, 8.1.17, 8.1.18, 8.1.20, 8.1.24 and 8.1.25 at Pages 122, 123 & 124)**

(Figures in columns 7 to 12 are Rupees in lakh)

Sl. No.	Sector and Name of the Company	Name of Department	Date of incorporation	Period of accounts	Year in which accounts finalised	Net profit (+)/Loss (-)	Net impact of Audit comments	Paid-up Capital	Accumulated Profit (+)/Loss (-)	Capital employed *	Total return on capital employed	Percentage of return on capital employed	Arrears of accounts in terms of years
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<b>A. WORKING GOVERNMENT COMPANIES</b>													
<b>Sector: Industrial Development and Financing</b>													
1.	Arunachal Pradesh Industrial Development and Financial Corporation Limited	Industries	August, 1978	1996-97	2000-01	(-) 34.22	Net loss understated by Rs.18.52 lakh	142.50	(-) 348.31	1092.38	(+) 83.54	7.65	4
<b>Total of the Sector</b>						(-) 34.22		142.50	(-) 348.31	1092.38	(+) 83.54	7.65	
<b>Sector: Mining</b>													
2.	Arunachal Pradesh Mineral Development and Trading Corporation Limited	Geology and Mining	March, 1991	1993-94	2000-01	(-) 12.66		99.22	(-) 24.80	73.80	(-) 12.66	-	7
<b>Total of the Sector</b>						(-) 12.66		99.22	(-) 24.80	73.80	(-) 12.66	-	
<b>Sector: Forest</b>													
3.	Arunachal Pradesh Forest Corporation Limited	Forest	March, 1977	1995-96	2000-01	(+) 490.49	Profit understated by Rs.47.00 lakh	449.72	(+) 1810.08	2432.16	(+) 490.49	20.16	5
<b>Total of the Sector</b>						(+) 490.49		449.72	(+) 1810.08	2432.16	(+) 490.49	20.16	
<b>Total of 'A'</b>						(+) 443.61		691.44	(+) 1436.97	3598.34	(+) 561.37	15.60	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<b>B. Non-working Government Companies</b>													
<b>Sector: Cement</b>													
1.	Parasuram Cements Limited	Industries	January, 1985	1984-85	2000-01	(-) 1.55	-	13.50	(-) 1.55	130.37	(-) 1.55	-	16
<b>Total of the Sector</b>						(-) 1.55	-	13.50	(-) 1.55	130.37	(-) 1.55	-	
<b>Sector: Fruit Processing</b>													
2.	Arunachal Horticulture Processing Industries Limited	Industries	May, 1982	No accounts finalised since inception.									19
<b>Total of the Sector</b>						-	-	-	-	-	-	-	
<b>Total of 'B'</b>						(-) 1.55	-	13.50	(-) 1.55	130.37	(-) 1.55	-	
<b>Grand Total (A+B)</b>						(+)442.06	-	704.94	(+)1435.42	3728.71	559.82	15.01	

\* Capital employed represents net fixed assets (including capital work-in-progress) plus working capital except in case of Arunachal Pradesh Industrial Development and Financial Corporation Limited, where the capital employed is worked out as a mean of aggregate of opening and closing balances of paid-up-capital, free reserves and borrowings (including refinance)



**APPENDIX-XXXVIII**

**Statement showing grants/subsidy received, guarantees received and guarantees outstanding at the end of March 2001  
(Referred : Paragraph 8.1.8, at page 121)**

(Figures in Columns 3(a) to 7 are Rs. in lakh)

Sl. No.	Name of the Government Company	Subsidy and grants received during 2000-01				Guarantees received during the year and outstanding at the end of the year ***					Waiver of dues during the year				Loans on which moratorium allowed	Loans converted into equity during the year
		Central Govt.	State Govt.	Others	Total	Cash credit from banks	Loans from other sources	Letters of credit opened by banks in respect of imports	Payment obligation under agreement with foreign consultant or contracts	Total	Loan repayment 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)	(7)
<b>A- WORKING GOVERNMENT COMPANIES</b>																
1.	Arunachal Pradesh Industrial Development & Financial Corporation Limited	-	-	-	-	-	(188.24)	-	-	(188.24)	-	-	-	-	-	-
2.	Arunachal Pradesh Mineral Development and Trading Corporation Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.	Arunachal Pradesh Forest Corporation Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total of A :</b>	-	-	-	-	-	(188.24)	-	-	(188.24)	-	-	-	-	-	-

(1)	(2)	3(a)	3(b)	3(c)	3(d)	4(a)	4(b)	4(c)	4(d)	4(e)	5(a)	5(b)	5(c)	5(d)	(6)	(7)
<b>B- NON-WORKING GOVERNMENT COMPANIES</b>																
1.	Parasuram Cements Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.	Arunachal Horticulture Processing Industries Limited	-	-	-	-	-	(112.99)	-	-	(112.99)	-	-	-	-	-	-
	<b>Total of B :</b>	-	-	-	-	-	(112.99)	-	-	(112.99)	-	-	-	-	-	-
	<b>Grand Total (A + B) :</b>	-	-	-	-	-	(301.23)	-	-	(301.23)	-	-	-	-	-	-

\*\*\* Figures in bracket indicates guarantees outstanding at the end of the year.

**APPENDIX – XXXIX**

(Reference : Paragraph 8.1.38 at page 127)

**Statement showing financial position, working results and operational performance of the State Transport service for the year upto 1999-2000**

(Rupees in crore)

Sl. No.	Particulars	1997-98	1998-99	1999-2000
<b>A Financial Position</b>				
<b>1. Liabilities</b>				
	(a) Government Capital	62.25	72.20	83.36
	(b) Int. on Government Capital	13.91	13.91	13.91
	<b>Total</b>	<b>76.16</b>	<b>86.11</b>	<b>97.27</b>
<b>2. Assets</b>				
	(a) Gross Block	32.77	34.48	36.14
	(b) Less Depreciation	17.17	19.79	22.61
	(c) Net fixed Assets	15.60	14.69	13.53
	(d) Current Assets Loans & Advances	1.36	1.63	2.36
	(e) Accumulated Losses	59.20	69.79	81.38
	<b>Total</b>	<b>76.16</b>	<b>86.11</b>	<b>97.27</b>
<b>B. Working Results</b>				
1	(a) Operating			
	(i) Revenue	5.25	5.39	6.18
	(ii) Expenditure	5.99	6.92	8.22
	(iii) Surplus (+)/Deficit (-)	(-) 0.74	(-) 1.53	(-) 2.04
	(b) Non-operating			
	(i) Revenue	0.61	0.34	0.62
	(ii) Expenditure	6.06	6.74	7.36
	(iii) Surplus(+)/Deficit(-)	(-) 5.45	(-) 6.40	(-) 6.74
	(c) Total			
	(i) Revenue	5.86	5.73	6.80
	(ii) Expenditure	12.05	13.66	15.58
2.	Gross Deficit	6.19	7.93	8.78
	Add:- depreciation	3.05	2.65	2.82
3.	Working Loss	9.24	10.58	11.60
	Add:- int. rest on capital	2.95	-	-
4.	Net loss	12.19	10.58	11.60
<b>C. Operational Performance</b>				
1.	Average no. of vehicles held	215	231	232
2.	Average no. of vehicles on road	155	180	186
3.	Percentage of utilisation of vehicles (Percentage of 2 to 1)	72.09	77.92	80.17
4.	Numbers of routes operated at the end of the year	8	8	8
5.	Kilometres operated effective (in lakh)	66.33	65.09	67.13
6.	Average Kilometres covered per bus per day	89.96	99.07	98.88

(Rupees in Crore)

Sl. No.	Particulars	1997-98	1998-99	1999-2000
7.	Average operating revenue per kilometre (Rupees)	7.91	8.28	9.21
8.	Average operating expenditure per kilometre (Rupees)	9.03	10.63	12.24
9.	Operating loss per kilometre (Rupees)	1.12	2.35	3.03
10.	Number of operating depots	10	10	10
11.	Passenger kilometre operated (in crore)	0.66	0.65	0.67
12.	Occupancy ratio (Load factor) (per cent)	58.75	45.68	53.27
13.	Cost of fuel per effective Km (Rupees)	3.57	4.80	6.06
14.	Expenditure on tyres and tubes per effective Km (Rupees)	5.46	5.82	6.19



APPENDIX - XL

(Referred to in paragraph No. 8.1.31 at page 126)

Statement showing the Department-wise outstanding Inspection Reports (IRs)

Sl. No.	Name of Department	No. of Government companies/ Departmental undertakings	No. of outstanding I.R	No. of outstanding paragraphs	Years from which paragraphs outstanding
1.	Industries	3	8	49	1990-91 to 1997-98
2.	Geology & Mining	1	03	12	1995-96 to 2000-01
3.	Forest	1	10	73	1991-92 to 2000-01
4.	Transport	1	38	137	1987-88 to 1999-2000
5.	Supply	1	06	16	1979-80 to 2000-01
6.	Power	1	47	293	1984-85 to 2000-01
Total		8	112	580	

## APPENDIX - XLI

(Referred to in paragraph No. 8.1.32 at page 126)

Statement showing the Department-wise draft paragraphs/reviews reply to which are awaited

Sl. No.	Name of Department	No. of draft paragraphs	No. of reviews	Period of issue
1.	Power	4	-	July-August, 2001
2.	Transport	1	-	July, 2001
3.	Supply	2	-	July, 2001

APPENDIX - XLII

Statement showing operational performance of Electricity (Power) Department

(Reference : Paragraph 8.1.45 at page 129)

Sl. No.	Items	1998-99	1999-2000	2000-01
1.	Installed Capacity : ( M W)			
	(a) Thermal	-	-	-
	(b) Hydro	31.83	31.83	31.92
	(c) Gas	-	-	-
	(d) Others (Diesel)	35.00	35.00	35.00
	<b>Total</b>	<b>66.83</b>	<b>66.83</b>	<b>66.92</b>
2.	Normal maximum demand of the State (M Kwh)	68.00	75.00	80.00
3.	Power Generated : (M K Wh)			
	(a) Thermal	-	-	-
	(b) Hydro	52.10	60.00	47.07
	(c) Gas	-	-	-
	(d) Others (Diesel)	10.11	10.00	11.06
	<b>Total</b>	<b>62.21</b>	<b>70.00</b>	<b>58.13</b>
	<b>Less : Auxiliary Consumption (M K W H) (brackets indicated the percentage to Power Generated)</b>			
	(a) Thermal	7.26	7.25	4.92
	(b) Hydro	(11.67)	(10.36)	(8.46)
	(c) Gas			
	(d) Others (Diesel)			
			(separately for hydro and diesel not available)	
	<b>Total</b>	<b>7.26 (11.67)</b>	<b>7.25 (10.36)</b>	<b>4.92 (8.46)</b>
4.	Net Power Generated (M K W H)	<b>54.95</b>	62.75	<b>53.21</b>
5.	Power purchased (M K W H)			
	KHEP	40.27	39.74	-
	AGBPP	7.80	13.57	-
	AGTPP	4.82	28.27	107.46
	LOKTAK	32.63	17.31	-
	<b>Total</b>	<b>85.52</b>	<b>98.89</b>	<b>107.46</b>
6.	Free Power received (M K W H)	-	-	-
7.	Total Power available for Sale (M K W H) (4+5+6)	140.47	161.64	160.67
8.	Power Sold (MU)			
	(a) Within the State	99.63	80.95	70.50
	(b) Outside the State	-	-	-
	<b>Total</b>	<b>99.63</b>	<b>80.95</b>	<b>70.50</b>
9.	Transmission and distribution loss (MU) (7-8)	40.84	80.69	90.17
10.	Load factor (percentage)	33	33	33
11.	Percentage of transmission and distribution losses to total power available for sale (Percentage of 9 to 7)	29.07	49.92	56.12

Sl. No	Items	1998-99	1999-2000	2000-01
12.	Number of Villages/towns electrified			
	(a) Villages			
	(b) Towns	47.00	25.00	35.00
		-	-	-
13.	Number of Pump sets/wells energised	-	-	-
14.	Number of Sub-stations (in MVA)	185	199	220
15.	Transmission/distribution lines (in KMs)			
	(a) High voltage	6790	6885	6930
	(b) Medium voltage	-	-	-
	(c) Low voltage	6660	6780	6880
16.	Connected load (in MW)	68	75	80.00
17.	Number of consumers	98500	102375	1,05,615
18.	Number of employees	8554	8675	8870
19.	Consumer/employees ratio	11.52:1	11.80:1	11.91:1
20.	Total expenditure on staff during the year (Rs.in crore)	25.00	26.46	28.76
21.	Percentage of expenditure on staff to total revenue expenditure.	67	64	49
22.	Unit sold to different category of consumers : (MU) (Percentage of share to total units sold indicated in bracket):			
	(a) Agriculture	-	-	-
	(b) Industrial	10.41	4.86	7.98
		(10.45)	(6.00)	(11.32)
	(c) Commercial	7.72	8.45	10.27
		(7.75)	(10.44)	(14.57)
	(d) Domestic	69.22	56.46	40.09
		(69.48)	(69.75)	(56.86)
	(e) Irrigation	-	-	-
	(f) Bulk supply	-	-	-
	(g) Other categories (P/Lighting, P/Water Works, Non-Residential)	12.28	11.18	12.16
		(12.32)	(13.81)	(17.25)
	(h) Inter-State	-	-	-
	<b>Total</b>	<b>99.63</b>	<b>80.95</b>	<b>70.50</b>
23.	Revenue (in crore of Rs.)	14.95	16.19	13.60
24.	Expenditure (Rupees in crore)			
	(a) Salary & Wages	25.00	26.46	28.76
	(b) Fuel	6.10	8.35	8.60
	(c) Spares etc.	2.49	11.68	9.46
	(d) Power Purchase d	6.00	6.00	11.00
	<b>Total</b>	<b>39.59</b>	<b>52.49</b>	<b>57.82</b>



