

C & AG's AR

Govt. of Tripura
1977-78

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PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151 (2) of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for the year 1977-78 together with other points arising from audit of financial transactions of the Government of Tripura. It also includes certain points of interest arising from the Finance Accounts for the year 1977-78.

2. The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the year 1977-78 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 1977-78 have also been included, wherever considered necessary.

3. The points brought out in this Report are not intended to convey or to be understood as conveying any general reflection on the financial administration by the departments/bodies/authorities concerned.

CHAPTER I

GENERAL

1.1 *Summary of transactions*

The receipts and expenditure of the Government of Tripura for 1977-78 are given below with the corresponding figures of the previous year :

| | 1976-77 | 1977-78 |
|---|-----------------------------|-----------------|
| | <i>(in lakhs of rupees)</i> | |
| (1) Revenue— | | |
| Revenue Receipts— | | |
| (i) Revenue collected by the State Government | 4,71.71 | 5,59.20 |
| (ii) Receipts from the Government of India | 52,30.80 | 46,09.28 (a) |
| Total—Revenue Receipts | <u>57,02.51</u> | <u>51,68.48</u> |
| Revenue Expenditure— | | |
| Non-Plan | 30,06.92 | 37,09.71 |
| Plan | 6,65.27 | 8,27.34 |
| Total—Revenue Expenditure | <u>36,72.19</u> | <u>45,37.05</u> |
| Revenue Surplus (+) | (+) 20,30.32 | (+) 6,31.43 |

(a) More receipts in 1976-77 were due mainly to change in the pattern of Central assistance under 'Block grants for State Plan Schemes' (grant : 90 per cent ; loan : 10 per cent) for the State with retrospective effect (from 1st April 1974) in place of the general pattern of assistance (grant : 30 per cent ; loan : 70 per cent).

| | 1976-77 | 1977-78 |
|--|----------------------|-------------|
| | (in lakhs of rupees) | |
| (2) Public Debt— | | |
| (i) Internal Debt of the State Government— | | |
| Receipts | 22,03.72 | 9,46.36 |
| Repayments | 19,48.43 | 7,02.28 |
| Increase (+) | (+) 2,55.29 | (+) 2,44.08 |
| (ii) Loans and Advances from the Central Government— | | |
| Receipts | (-) 7,15.51* | 1,18.75 |
| Repayments | 55.43 | 2,07.18 |
| Decrease (-) | (-) 7,70.94 | (-) 88.43 |
| Total—Public Debt (net) | | |
| Increase (+) | (-) 5,15.65 | (+) 1,55.65 |
| Decrease (-) | | |
| (3) Loans and Advances by the State Government— | | |
| Recoveries | 77.97 | 66.47 |
| Disbursements | 1,49.41 | 1,47.28 |
| Increase (-) | (-) 71.44 | (-) 80.81 |

* Minus receipt was due to conversion of Block loans of Rs. 8,90.40 lakhs into 'Block grants for State Plan Schemes' by the Government of India with retrospective effect from 1st April 1974.

| | 1976-77 | 1977-78 |
|--------------------------------|----------------------|-----------------|
| | (in lakhs of rupees) | |
| (4) Capital Expenditure (net)— | | |
| Non-Plan | (-) 1,90.06 | 11.05 |
| Plan | 10,23.78 | 10,35.27 |
| Increase (-) | (-) 8,33.72 | (-) 10,46.32 |
| (5) Public Account— | | |
| Receipts | 2,25,67.37 | 2,38,61.57 |
| Disbursements | 2,30,01.12 | 2,35,03.83 |
| Increase (+) | (-) 4,33.75 | (+) 3,57.74 |
| Decrease (-) | | |
| Net Surplus (+) | (+) 1,75.76 | (+) 17.69 |
| Opening Cash Balance | (-) 5,13.14 | (-) 3,37.38 |
| Net Surplus (+) | (+) 1,75.76 | (+) 17.69 |
| Closing Cash Balance | (-) 3,37.38 | (-) 3,19.69 (a) |

(a) There was a net difference (Rs. 48.62 lakhs) between the figure reflected in the accounts (Rs. - 3,19.92 lakhs) and that intimated by the Reserve Bank of India (Rs. - 3,68.54 lakhs) regarding "Deposits with Reserve Bank" included in the cash balance. The net difference to be reconciled (February 1979) with reference to the figures intimated/adjustments carried out by the State Bank of India, the Agartala Treasury and the Reserve Bank of India is Rs. 47.92 lakhs.

1.2 Revenue surplus/deficit

(a) *Revenue receipts*—The actuals of revenue receipts for 1977-78 as compared with (i) the budget estimates and (ii) the budget estimates *plus* additional taxation during the year along with the corresponding figures for 1975-76 and 1976-77 are shown below :

| Year | Budget | Budget <i>plus</i> additional taxation | Actuals | Variation between columns (4) and (3) | |
|-----------------------------|----------|--|----------|---------------------------------------|-------------|
| | | | | Amount | Percentage |
| (1) | (2) | (3) | (4) | (5) | (6) |
| <i>(in lakhs of rupees)</i> | | | | | |
| 1975-76 | 32,07.48 | 32,22.75 | 35,63.42 | (+) | 3,40.67 11 |
| 1976-77 | 37,78.94 | 37,78.94 | 57,02.51 | (+) | 19,23.57 51 |
| 1977-78 | 46,39.54 | 46,39.54 | 51,68.48 | (+) | 5,28.94 11 |

(b) *Expenditure on revenue account*—The expenditure on revenue account during 1977-78 as compared with (i) the budget estimates and (ii) the budget estimates *plus* supplementary provision along with the corresponding figures for 1975-76 and 1976-77 is given below :

| Year | Budget | Budget <i>plus</i> supplementary | Actuals | Variation between columns (4) and (3) | |
|-----------------------------|----------|----------------------------------|----------|---------------------------------------|------------|
| | | | | Amount | Percentage |
| (1) | (2) | (3) | (4) | (5) | (6) |
| <i>(in lakhs of rupees)</i> | | | | | |
| 1975-76 | 35,17.50 | 40,61.35 | 33,03.17 | (-) | 7,58.18 19 |
| 1976-77 | 42,41.20 | 42,41.20 | 36,72.19 | (-) | 5,69.01 13 |
| 1977-78 | 47,13.22 | 51,83.95 | 45,37.05 | (-) | 6,46.90 12 |

(c) The year ended with a revenue surplus of Rs. 6.31 crores as against the deficit of Rs. 5.44 crores anticipated in the budget.

1.3 Revenue receipts

In 1977-78 the revenue receipts (Rs. 51,68.48 lakhs) decreased by Rs. 5,34.03 lakhs from those of the previous year (Rs. 57,02.51 lakhs). The receipts during 1976-77 included Rs. 8,90.40 lakhs being conversion of block loans given by Government of India from 1st April 1974 onwards

into block grants for State Plan Schemes consequent upon change in the pattern of Central assistance as mentioned in foot-note (a) at page 1. The decrease in 1977-78 compared to 1976-77 is analysed below :

| | Receipts | | Increase (+) Decrease (-) |
|--|----------|----------|------------------------------|
| | 1976-77 | 1977-78 | |
| <i>(in lakhs of rupees)</i> | | | |
| (i) Revenue raised by the State Government— | | | |
| (a) Tax Revenue | 1,99.73 | 2,23.73 | (+) 24.00 |
| (b) Non-Tax Revenue | 2,71.98 | 3,35.47 | (+) 63.49 |
| Total | 4,71.71 | 5,59.20 | (+) |
| (ii) Receipts from the Government of India— | | | |
| (a) Taxes on Income other than Corporation Tax | 1,76.10 | 1,82.00 | (+) 5.90 |
| (b) Estate Duty | 2.60 | 2.84 | (+) 0.24 |
| (c) Grants— | | | |
| Non-Plan grants | 23,94.53 | 24,43.28 | (+) 48.75 |
| Grants for State Plan Schemes | 21,48.43 | 13,12.30 | (-) 8,36.13 |
| Grants for Central Plan Schemes | 1,26.50 | 2,78.39 | (+) 1,51.89 |
| Grants for Centrally Sponsored Plan Schemes | 87.12 | 71.48 | (-) 15.64 |
| (d) State's share of Union Excise Duties | 2,95.52 | 3,18.99 | (+) 23.47 |
| Total | 52,30.80 | 46,09.28 | (-) 6,21.52 |
| GRAND TOTAL | 57,02.51 | 51,68.48 | (-) 5,34.03 |

Receipts from the Government of India during 1977-78 were Rs. 46,09.28 lakhs (89 per cent of the total revenue

receipts) as against Rs. 52,30.80 lakhs (92 per cent of the total revenue receipts) in 1976-77.

The grants received from the Government of India in 1977-78 constituted 79.4 per cent of the total revenue receipts; the corresponding percentages for 1975-76 and 1976-77 were 74.4 and 83.4 respectively.

The tax revenue raised by the Government in 1977-78 (Rs. 2,23.73 lakhs) constituted 4.3 per cent of the total revenue receipts; the corresponding percentages for 1975-76 and 1976-77 were 4.9 and 3.5 respectively.

The revenue raised by the Government during 1977-78 (Rs. 5,59.20 lakhs) rose by Rs. 87.49 lakhs as compared to that in the previous year (Rs. 4,71.71 lakhs).

The increase occurred mainly under :

| Head of account | 1976-77 | 1977-78 | Increase | |
|-----------------------------|---------|---------|----------|------------|
| | | | Amount | Percentage |
| <i>(in lakhs of rupees)</i> | | | | |
| (i) 040—Sales Tax | 41.84 | 98.80 | 56.96 | 136 |

The increase was due to introduction of Sales Tax with effect from 1st July 1976. The accounts for 1977-78 reflect the full yield from this measure.

| | | | | |
|--|------|-------|-------|-----|
| (ii) 065—Other Administrative Services | 6.26 | 37.71 | 31.45 | 502 |
|--|------|-------|-------|-----|

The increase was due mainly to more receipts on account of "Services and Service Fees" and recovery of election expenses from the Government of India.

1.4 Expenditure on revenue account

The expenditure on revenue account in 1977-78 (Rs. 45,37.05 lakhs) increased by Rs. 8,64.86 lakhs (24 per cent) over that in 1976-77 (Rs. 36,72.19 lakhs).

The increase occurred mainly under :

| Head of account | 1976-77 | 1977-78 | Increase | |
|-----------------------------|---------|---------|----------|------------|
| | | | Amount | Percentage |
| <i>(in lakhs of rupees)</i> | | | | |

| | | | | |
|------------------------------|---------|---------|---------|----|
| (i) 249—Interest Payments | 2,76.10 | 3,80.81 | 1,04.71 | 38 |
|------------------------------|---------|---------|---------|----|

The increase was due mainly to payment of more interest on loans received from the Government of India, internal debt and provident fund balances.

| | | | | |
|-----------------|---------|---------|-------|----|
| (ii) 255—Police | 2,75.68 | 3,60.87 | 85.19 | 31 |
|-----------------|---------|---------|-------|----|

The increase was due mainly to more expenditure on State Headquarters Police on account of creation of 'Tripura Armed Police Battalion Force' and reorganisation of Police Force in the State.

| | | | | |
|---------------------------|-------|---------|---------|-----|
| (iii) 259—Public Works | 69.68 | 2,83.24 | 2,13.56 | 306 |
|---------------------------|-------|---------|---------|-----|

The increase was due mainly to purchase of more materials and machinery and equipment for construction works.

| | | | | |
|--|-------|-------|-------|----|
| (iv) 265—Other Administrative Services | 41.22 | 61.23 | 20.01 | 49 |
|--|-------|-------|-------|----|

The increase was due mainly to more expenditure on 'Home Guards Border Wing Battalion' and 'Tripura State Lotteries'.

| | | | | |
|-------------------|---------|----------|---------|----|
| (v) 277—Education | 9,31.80 | 10,89.92 | 1,58.12 | 17 |
|-------------------|---------|----------|---------|----|

The increase was due mainly to payment of additional dearness allowance and arrears of salaries and more assistance given to non-Government institutions.

| Head of account | 1976-77 | 1977-78 | Increase | |
|-----------------|---------|---------|----------|------------|
| | | | Amount | Percentage |

(in lakhs of rupees)

| | | | | |
|----------------------------|-------|-------|-------|-----|
| (vi) 284—Urban Development | 12.38 | 52.54 | 40.16 | 324 |
|----------------------------|-------|-------|-------|-----|

The increase was due mainly to more grants given to the Agartala Municipality.

| | | | | |
|-----------------------|---------|---------|-------|----|
| (vii) 305—Agriculture | 1,36.71 | 1,64.82 | 28.11 | 21 |
|-----------------------|---------|---------|-------|----|

The increase was due mainly to more expenditure on 'Direction and Administration', 'Extension and Farmers' training' and 'Horticulture' for Plan schemes in general, reasons for which have not been intimated (April 1979).

| | | | | |
|-----------------------------|-------|-------|-------|----|
| (viii) 310—Animal Husbandry | 57.82 | 74.14 | 16.32 | 28 |
|-----------------------------|-------|-------|-------|----|

The increase was due mainly to more expenditure on 'Veterinary services and Animal health', 'Cattle development' and 'Poultry development' owing to filling up of vacant posts and purchase of more machinery and equipment, medicines, chemicals, etc., for Plan schemes and payment of additional dearness allowance.

| | | | | |
|--------------------------------|---------|---------|-------|----|
| (ix) 314—Community Development | 1,31.49 | 1,62.59 | 31.10 | 24 |
|--------------------------------|---------|---------|-------|----|

The increase was due mainly to more expenditure on 'Assistance to Panchayati Raj Institutions' for accelerated implementation of the scheme 'Improvement of Markets' and sinking of certain additional number of tube-wells under 'Water Supply and Sanitation'.

| | | | | |
|--------------------------------------|-------|-------|-------|----|
| (x) 321—Village and Small Industries | 70.25 | 98.68 | 28.43 | 40 |
|--------------------------------------|-------|-------|-------|----|

The increase was due mainly to increased expenditure on 'Small Scale Industries', 'Handloom Industries' and 'Other Village industries', reasons for which have not been intimated (April 1979).

1.5 Capital expenditure

(a) The capital expenditure during the three years ending 1977-78 as compared with (i) the budget estimates

and (ii) the budget estimates *plus* supplementary provision is shown below :

| Year | Budget | Budget <i>plus</i> supplementary | Actuals | Variation between columns (4) and (3) | |
|---------|----------|----------------------------------|----------|---------------------------------------|------------|
| | | | | Amount | Percentage |
| (1) | (2) | (3) | (4) | (5) | (6) |
| | | | | (in lakhs of rupees) | |
| 1975-76 | 17,05.44 | 20,65.09 | 9,52.10 | (—) 11,12.99 | 54 |
| 1976-77 | 20,01.53 | 20,01.53 | 8,33.72 | (—) 11,67.81 | 58 |
| 1977-78 | 20,62.14 | 21,67.36 | 10,46.32 | (—) 11,21.04 | 52 |

(b) An analysis of the capital expenditure during and to end of 1977-78 is given below :

| | During 1977-78 | Progressive total to end of 1977-78 |
|---------------------------------|----------------------|-------------------------------------|
| | (in lakhs of rupees) | |
| Capital expenditure on— | | |
| General Services | 61.52 | 9,04.42 |
| Social and Community Services | 1,90.27 | 8,05.19 |
| General Economic Services | 1,10.62 | 5,30.16 |
| Agriculture and Allied Services | 13.29 | 6,11.70 |
| Industry and Minerals | 11.34 | 2,61.73 |
| Water and Power Development | 3,57.61 | 25,43.10 |
| Transport and Communications | 3,01.67 | 26,16.06 |
| Total | 10,46.32 | 82,72.36 |

Further details are given in Statement No. 12 of Finance Accounts 1977-78.

(c) The sources from which the capital expenditure (Rs. 10,46.32 lakhs) and the net outgo under 'Loans and Advances by the State Government' (Rs. 80.81 lakhs) were met during 1977-78 are given below :

| | <i>(in lakhs of rupees)</i> |
|---|-----------------------------|
| I. Revenue surplus (+) | 6,31.43 |
| II. Cash balance Increase (-) | (-) 17.69 |
| III. Net addition to— | |
| (i) Market loans | 1,65.13 |
| (ii) Loans from autonomous bodies | 1,29.19 |
| (iii) Ways and means advances from the Reserve Bank of India | (-) 50.24 |
| (iv) Loans from the Government of India | (-) 88.43 |
| (v) Small Savings, Provident Funds, etc. | 1,53.17 |
| (vi) Net effect of transactions under Deposits and Advances, Suspense and Miscellaneous and Remittances | 2,04.57 |
| Total | <u>11,27.13</u> |

1.6 Loans and advances by the Government

(a) The actual disbursements of loans and advances by the Government during 1977-78 compared to (i) the budget estimates and (ii) the budget estimates plus supplementary provision along with the corresponding figures for 1975-76 and 1976-77 are shown below :

| Year | Budget | Budget plus supplementary | Actuals | Variation between columns (4) and (3) | |
|---------|-----------------------------|------------------------------|---------|--|------------|
| | | | | Amount | Percentage |
| (1) | (2) | (3) | (4) | (5) | (6) |
| | <i>(in lakhs of rupees)</i> | | | | |
| 1975-76 | 1,06.63 | 1,18.83 | 98.72 | (-) 20.11 | 17 |
| 1976-77 | 91.86 | 91.86 | 1,49.41 | (+) 57.55 | 63 |
| 1977-78 | 1,09.85 | 1,60.68 | 1,47.28 | (-) 13.40 | 8 |

(b) The budget estimates and the actuals of recoveries of loans and advances for the three years ending 1977-78 are given below :

| Year | Budget | Actuals | Variation between columns (3) and (2) | |
|---------|-----------------------------|---------|--|------------|
| | | | Amount | Percentage |
| (1) | (2) | (3) | (4) | (5) |
| | <i>(in lakhs of rupees)</i> | | | |
| 1975-76 | 1,41.00 | 85.39 | (-) 55.61 | 39 |
| 1976-77 | 1,25.00 | 77.97 | (-) 47.03 | 38 |
| 1977-78 | 1,45.00 | 66.47 | (-) 78.53 | 54 |

(c) The balance of loans and advances given by the Government and outstanding on 31st March 1978 was Rs. 15,10.23 lakhs. The details of the outstanding balance at the end of March 1977 and 1978 are shown below :

| Category of loans and advances | Balance | |
|--|-----------------------------|-----------------------|
| | On 31st March 1977 | On 31st March 1978 |
| | <i>(in lakhs of rupees)</i> | |
| Loans for Social and Community Services | 10,91.09 | 10,92.23 |
| Loans for General Economic Services | 96.29 | 1,15.38 |
| Loans for Agriculture and Allied Services | 94.09(a) | 1,11.11 |
| Loans for Industry and Minerals | 46.41 | 59.40 |
| Loans to Government servants, etc. | 69.47 | 1,00.00 |
| Loans for miscellaneous purposes | 32.07(b) | 32.06 |
| Total | <u>14,29.42</u> | <u>15,10.23</u> |

- (a) Differs from the figure in the Report for 1976-77 by Rs. (+) 0.01 lakh due to rounding.
- (b) Differs from the figure in the Report for 1976-77 by Rs. (-) 0.01 lakh due to rounding.

In 1977-78, Rs. 2.86 lakhs were received by the Government as interest on loans and advances, against Rs. 25.07 lakhs during 1976-77.

Further details of outstanding loans and advances are given in Statement No. 17 of Finance Accounts 1977-78.

(d) *Recoveries in arrears*—Detailed accounts of certain classes of loans and advances are maintained by the Audit Office while those of others are maintained by officers of the State Government.

(i) *Loans of which detailed accounts are kept in the Audit Office*—Out of the loans given to the Agartala Municipality, of which the detailed accounts are kept by the Audit Office, Rs. 0.03 lakh were recovered as principal during 1977-78. The amount outstanding on 31st March 1978 was Rs. 30.22 lakhs. The recovery of Rs. 29.61 lakhs (principal : Rs. 8.49 lakhs ; interest : Rs. 21.12 lakhs) was overdue on that date.

(ii) *Loans of which the detailed accounts are maintained by the departmental officers*—Administrative departments are required to intimate to Audit every year the arrears (as on 31st March) in recovery of principal and interest thereon. Information about the arrears in respect of the outstanding balance of loans and advances (Rs. 14.80 crores) as on 31st March 1978 was not received from most of the departments (April 1979). The information received is given below :

| Department | Principal | Interest | Total |
|---------------|----------------------|----------|-------|
| | (in lakhs of rupees) | | |
| Co-operative— | | | |
| Loans for | | | |
| Co-operation | 40.88 | 25.90 | 66.78 |

(e) *Acceptance of balances*—In order to verify whether the balances outstanding in the books of the Audit Office under loans and advances represent the correct position, the balances pertaining to various loan heads are communicated at the end of each year to the departmental officers concerned for verification and acceptance. In a number of cases, acceptance of balances by the departments concerned

is awaited. The cases involving substantial amounts where acceptances have been delayed for several years are shown below :

| Nature of loans | Number of acceptances awaited | Year from which acceptances awaited | Amount outstanding on 31st March 1978 |
|---|-------------------------------|-------------------------------------|---------------------------------------|
| (1) | (2) | (3) | (4) |
| | (in lakhs of rupees) | | |
| Loans for Housing | 18 | 1970-71 | 26.74 |
| Loans for Urban Development | 16 | 1968-69 | 28.15 |
| Loans for Social Security and Welfare | 72 | 1969-70 | 8.45 |
| Loans for Other Social and Community Services | 25 | 1977-78 | 2.52 |
| Loans for Co-operation | 82 | 1970-71 | 63.61 |
| Loans for Agriculture | 11 | 1969-70 | 26.29 |
| Loans for Fisheries | 10 | 1969-70 | 13.17 |
| Loans for Community Development | 86 | 1970-71 | 64.37 |
| Loans for Village and Small Industries | 59 | 1970-71 | 53.14 |
| Loans to Government servants, etc. | 1,069 | 1971-72 | 53.95 |

In the absence of acceptance and verification, it cannot be stated that all the transactions relating to these loans and advances have been correctly reflected in the accounts.

The matter was referred to the Government in November 1978 and February 1979 ; reply is awaited (April 1979).

1.7 Debt position

(a) *Public debt*—The public debt of the Government outstanding at the end of 1977-78 was Rs. 49.23 crores. An

analysis of the debt under various heads compared with the corresponding figures at the end of the two preceding years is given below :

| | Public debt outstanding as on 31st March | | |
|--|---|-------|-------|
| | 1976 | 1977 | 1978 |
| | (in crores of rupees) | | |
| (i) Loans and advances from the Central Government | 48.37 | 40.67 | 39.78 |
| (ii) Market loans | 3.04 | 4.72 | 6.37 |
| (iii) Ways and means advances from the Reserve Bank of India | 0.65 | 1.04 | 0.54 |
| (iv) Other loans | 0.78 | 1.25 | 2.54 |
| Total | 52.84 | 47.68 | 49.23 |

The increase of Rs. 1.55 crores in the debt liability of the Government during 1977-78 is analysed below :

| | Loan received | Loan discharged | Net increase |
|--|-----------------------|-----------------|--------------|
| | (in crores of rupees) | | |
| (i) Loans and advances from the Central Government | 1.18 | 2.07 | (-) 0.89 |
| (ii) Market loans | 1.65 | ... | 1.65 |
| (iii) Ways and means advances from the Reserve Bank of India | 6.51 | 7.01 | (-) 0.50 |
| (iv) Other loans | 1.31 | 0.02 | 1.29 |
| Total | 10.65 | 9.10 | 1.55 |

(b) *Loans from the Government of India*—The borrowings from the Government of India at the end of 31st March 1978 (Rs. 39.78 crores) formed 81 per cent of the total public debt (Rs. 49.23 crores) of the State.

(c) *Market loans*—During 1977-78, the Government raised at a discount of 1 per cent a loan of Rs. 1,65.13 lakhs in the open market repayable at par in 1987. The loan carries interest at 6 per cent per annum.

The total market loan outstanding at the end of 1977-78 was Rs. 6.37.42 lakhs.

(d) *Loans from autonomous bodies*—These comprise loans obtained by the Government from various autonomous bodies, such as the Life Insurance Corporation of India, the National Agricultural Credit Fund of the Reserve Bank of India, the Rural Electrification Corporation, and other institutions. During the year, the Government received Rs. 1,30.85 lakhs as loans from various bodies and made repayment of Rs. 1.66 lakhs. The balance outstanding at the end of the year was Rs. 2.54.25 lakhs.

(e) *Other debt and obligations*—In addition to the public debt, the balances under the head 'Small Savings, Provident Funds, etc., (comprising mainly the balances in General Provident Fund accounts of the Government servants) and the credit balances of certain deposits constitute a liability of the Government. The amount of such liability at the end of 1977-78 was Rs. 10.66 crores against Rs. 8.85 crores at the beginning of the year. Taking the public debt and these liabilities together, the overall debt position of the Government at the end of 1977-78 and each of the two preceding years was as follows :

| | Total debt on 31st March | | |
|---|--------------------------|-------|-------|
| | 1976 | 1977 | 1978 |
| | (in crores of rupees) | | |
| Public Debt | 52.84 | 47.68 | 49.23 |
| Small Savings, Provident Funds, etc. | 5.84 | 6.78 | 8.31 |
| Other obligations such as Deposits of Local Funds, Civil Deposits, etc. | 2.00 | 2.07 | 2.35 |
| Total | 60.68 | 56.53 | 59.89 |

The Government has not made any arrangement for amortisation of the public debt. The repayment of debt, whenever due, is made from the general cash balance of the

State in periodical instalments after making necessary provision for it in the budget.

No law under Article 293 of the Constitution has been passed by the State Legislature laying down the limit within which the State Government may borrow on the security of the Consolidated Fund of the State.

(f) *Service of debt and other obligations*—The net burden on revenue of the interest charges on public debt and other interest bearing obligations during 1977-78 as compared with that in 1976-77 was as follows :

| | 1976-77 | 1977-78 |
|--|----------------------|---------|
| | (in lakhs of rupees) | |
| 1. Interest paid on Public Debt, Small Savings, Provident Funds, etc., and other obligations | 2,76.10 | 3,80.81 |
| 2. <i>Deduct</i> | | |
| (i) Interest received on loans and advances by the Government | 25.07 | 2.86 |
| (ii) Interest received from commercial departments | 31.96 | 36.07 |
| (iii) Interest received on investment of cash balances | 3.21 | 10.34 |
| Total | 60.24 | 49.27 |
| 3. Net burden of interest charges on revenue | 2,15.86 | 3,31.54 |
| 4. Percentage of gross interest to total revenue receipts | 4.84 | 7.37 |
| 5. Percentage of net interest to total revenue receipts | 3.79 | 6.41 |

The Government also received Rs. 0.30 lakh as dividend from the Assam Financial Corporation during the year.

(g) *Ways and means position*—Under an agreement with the Reserve Bank of India, the State Government has to maintain a minimum cash balance of Rs. 10.00 lakhs with

the Bank on all days. The Bank makes ways and means advances when the cash balance falls short of this minimum.

The limit of ordinary ways and means advances has been fixed at Rs. 1,00.00 lakhs. The Bank has also agreed to give special ways and means advance upto Rs. 1,00.00 lakhs against pledge of marketable securities issued by the Government of India. If even after the maximum advance is given, there is a shortfall in the minimum cash balance, the shortfall is left uncovered. Overdrafts are allowed by the Bank if the State has a *minus* balance after availing of the maximum advance.

The extent to which the Government maintained the minimum balance with the Bank during 1977-78 is given below :

| | | |
|---|-----|----------------------|
| (i) Number of days on which the minimum balance was maintained without obtaining any advance | 270 | 270 54 1 40 |
| (ii) Number of days on which the minimum balance was maintained by obtaining ways and means advances (no special ways and means advance obtained) | 54 | 365 |
| (iii) Number of days on which there was shortfall in the minimum balance after taking the above advances but there was no <i>minus</i> balance | 1 | |
| (iv) Number of days on which overdrafts were taken | 40 | |

The advances carry interest at one per cent below the Bank Rate for the first 90 days, one per cent above the Bank Rate beyond 90 days and upto 180 days and two per cent above the Bank Rate beyond 180 days. The Bank charges interest on the shortfalls in the minimum balance at one per cent below the Bank Rate and on overdrafts at the Bank Rate upto and including the seventh day and at three per cent above the Bank Rate thereafter.

At the end of 1976-77, Rs. 1,00.00 lakhs were outstanding as ways and means advances. During 1977-78, the Government obtained Rs. 3,49.00 lakhs as ordinary ways and means advances. Out of the total advances of

Rs. 4.49.00 lakhs, repayments to the extent of Rs. 3.95.00 lakhs were made before the close of the year leaving Rs. 54.00 lakhs outstanding at the end of the year. Interest of Rs. 2.03 lakhs was paid on these advances.

On 1st April 1977, Rs. 4.24 lakhs were outstanding as overdrafts. During the year 1977-78, the Government obtained overdrafts amounting to Rs. 3.01.38 lakhs. The total overdrafts of Rs. 3.05.62 lakhs were repaid during the year. Interest of Rs. 0.85 lakh was paid to the Bank on these overdrafts (including on shortfalls in minimum balance).

To make up the deficiency in the minimum cash balance, the holdings of the Government of India Treasury bills were rediscounted on 115 days during the year.

1.8 Investments

During 1977-78, the Government invested Rs. 69.45 lakhs in one statutory corporation (Rs. 30.00 lakhs), four Government Companies (Rs. 24.00 lakhs) and various co-operative institutions (Rs. 15.45 lakhs). The total investments of the Government in the share capital of different concerns at the end of 1976-77 and 1977-78 were Rs. 5.85.59 lakhs and Rs. 6.55.04 lakhs respectively as shown below :

| | 1976-77 | | 1977-78 | |
|----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| | Number of concerns | Amount (in lakhs of rupees) | Number of concerns | Amount (in lakhs of rupees) |
| (i) Statutory Corporations | 2 | 2,54.23 | 2 | 2,84.23 |
| (ii) Government Companies | 6 | 2,52.80 | 6 | 2,76.80 |
| (iii) Bank | 1 | 3.75 | 1 | 3.75 |
| (iv) Co-operatives | 207 | 74.81 | 213 | 90.26 |
| Total | 216 | 5,85.59 | 222 | 6,55.04 |

The dividend received therefrom during 1976-77 and 1977-78 was Rs. 0.31 lakh (0.05 per cent) and Rs. 0.30 lakh (0.05 per cent) respectively. Sixteen concerns in which

Government held investments of Rs. 0.89 lakh were under liquidation at the end of 1976-77. The position remained unaltered during 1977-78. Further details are given in Statement No. 13 of Finance Accounts 1977-78.

1.9 Guarantees given by the Government

(i) Guarantees are given by the Government for due discharge of certain liabilities like loans raised, credit facilities obtained by statutory corporations, Government companies, co-operative institutions and banks, local bodies, etc. These guarantees constitute a contingent liability on the State revenues.

To ascertain the extent of such liabilities, the Finance Department of the Government was requested to furnish the relevant data indicating, *inter alia*, the amount of the liabilities both for principal and interest of the guarantees given during the year and outstanding at the end of the year, the cases in which the terms of the guarantees were invoked, the financial implications thereof, etc.

Complete information has not been received (April 1979) from the Finance Department for the year 1977-78 notwithstanding repeated reminders in this regard.

The maximum amount guaranteed on 31st March 1978 was Rs. 4,15.11 lakhs against which the amount outstanding on that date, according to the information received, was Rs. 3,25.16 lakhs.

(ii) the maximum amount guaranteed and the sum outstanding to end of March 1978 indicated in (i) above include the share of Tripura in the guarantee given to the Assam Financial Corporation jointly by the Government of Indian on behalf of the erstwhile Union Territories of Manipur and Tripura (which devolved on these States from 21st January 1972) and by the Government of the composite State of Assam. The contingent liability was to be shared in the ratio of 3 : 4 : 8 by the Governments of Manipur,

Tripura and Assam respectively. The sums guaranteed* and outstanding* to end of March 1978 were as under :

| | Sum guaranteed (in lakhs of rupees) | Guarantee outstanding (in lakhs of rupees) |
|----------------------------|---|--|
| Share capital and dividend | 29.33 (plus dividend) | 29.33 (plus dividend) |
| Bonds and debentures | 102.67 (plus interest) | 102.67 (plus interest) |

(iii) The other guarantees related to repayment of loans/debentures and payment of interest thereon on behalf of one Government company, one co-operative society, two co-operative banks and the Agartala Municipality. The maximum amount guaranteed on their behalf to end of 1977-78 was Rs. 2.83.11 lakhs against which Rs. 1.93.16 lakhs were outstanding on 31st March 1978.

(iv) No law under Article 293 of the Constitution has been passed by the State Legislature laying down limits within which the Government may give guarantees on the security of the Consolidated Fund of the State.

(v) No guarantee was invoked during 1977-78.

Further details of the guarantees are given in Statement No. 5 of the Finance Accounts 1977-78.

* There is a discrepancy of Rs. 6.67 lakhs between the figures as on 31st March 1977 and as on 31st March 1978. This was pointed out to the Government in January 1979; the discrepancy has not been reconciled (April 1979).

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 Summary

(a) The following table compares the total expenditure during the year 1977-78 with the total of grants and charged appropriations :

| | Grants/charged appropriations | Expenditure | Excess(+) Saving(-) | Per- centage |
|-----------------------|----------------------------------|--------------|------------------------|-----------------|
| (in crores of rupees) | | | | |
| Voted— | | | | |
| Original | 65.78 | 71.78 | (—) 6.54 | 9 |
| Supple- mentary | 6.00 | | | |
| Charged— | | | | |
| Original | 11.14 | 11.41 | (+) 1.70 | 15 |
| Supple- mentary | 0.27 | | | |
| Total | 83.19 | 78.35 | (—) 4.84 | 6 |

The overall saving of Rs. 4.84 crores was the result of saving of Rs. 9.67 crores in 120 grants/sub-grants (Rs. 9.65 crores) and 5 charged appropriations (Rs. 0.02 crore) and excess of Rs. 4.83 crores in 20 grants/sub-grants (Rs. 3.11 crores) and 6 charged appropriations (Rs. 1.72 crores).

(b) Further details are given below :

| | Revenue | Capital | Loans and Public Advances | Debt | Total |
|--|------------------------------|----------|---------------------------|----------|----------|
| | <i>(in crores of rupees)</i> | | | | |
| Authorised to be spent (grants and charged appropriations) | | | | | |
| Original | 47.13 | 20.62 | 1.10 | 8.07 | 76.92 |
| Supplementary | 4.71 | 1.05 | 0.51 | ... | 6.27 |
| Total | 51.84 | 21.67 | 1.61 | 8.07 | 83.19 |
| Actual expenditure (grants and charged appropriations) | 50.38 | 17.40 | 1.47 | 9.10 | 78.35 |
| Excess (+) | (-)-1.46 | (-)-4.27 | (-)-0.14 | (+)-1.03 | (-)-4.84 |
| Shortfall (-) | | | | | |

2.2 Excess over grants/charged appropriations requiring regularisation

(a) Grants—Excess of Rs. 3,10,59,322 in the following 20 grants/sub-grants requires regularisation under Article 205 of the Constitution :

| Serial number | Number and name of grant/sub-grant | Total grant Rs. | Expenditure Rs. | Excess Rs. |
|---------------|------------------------------------|--------------------|--------------------|---------------|
| 1. | 2(b)—Council of Ministers | 4,00,000 | 4,32,239 | 32,239 |

Reasons for the excess have not been intimated (April 1979).

Excess occurred under this sub-grant in 1974-75 (Rs. 0.23 lakh), 1975-76 (Rs. 0.64 lakh) and 1976-77 (Rs. 0.32 lakh) also.

| | | | | |
|----|-------------------|-----------|-----------|----------|
| 2. | 4(b)—Land Revenue | 71,74,000 | 73,32,778 | 1,58,778 |
|----|-------------------|-----------|-----------|----------|

Excess was stated to be due mainly to inadequate budget provision.

Excess occurred under this sub-grant in 1975-76 (Rs. 9.67 lakhs) and 1976-77 (Rs. 1.51 lakhs) also.

| Serial number | Number and name of grant/sub-grant | Total grant Rs. | Expenditure Rs. | Excess Rs. |
|---------------|------------------------------------|--------------------|--------------------|---------------|
| 3. | 4(c)—Stamps and Registration | 4,84,000 | 5,06,475 | 22,475 |

Reasons for the excess have not been intimated (April 1979).

Excess occurred under this sub-grant in 1974-75 (Rs. 0.98 lakh), 1975-76 (Rs. 1.50 lakhs) and 1976-77 (Rs. 0.24 lakh) also.

| | | | | |
|----|-------------------|----------|----------|--------|
| 4. | 5(a)—State Excise | 2,11,000 | 2,25,401 | 14,401 |
|----|-------------------|----------|----------|--------|

Reasons for the excess have not been intimated (April 1979).

| | | | | |
|----|--|--------|--------|-------|
| 5. | 13(a)—Other Fiscal Services (Promotion of Small Savings) | 80,000 | 87,749 | 7,749 |
|----|--|--------|--------|-------|

Excess was stated to be due mainly to appointment of new staff during the closing part of the year and payment of salaries for 13 days of an earlier strike period.

Excess occurred under this sub-grant in 1974-75 (Rs. 0.26 lakh) and 1975-76 (Rs. 0.05 lakh) also.

| | | | | |
|----|---|-----------|-----------|----------|
| 6. | 13(e)—Pension and Other Retirement benefits | 42,55,000 | 49,40,994 | 6,85,994 |
|----|---|-----------|-----------|----------|

Excess was due mainly to adjustment of arrear contribution to provident fund in respect of teachers in aided educational institutions and finalisation of a larger number of pension cases than anticipated.

Excess occurred under this sub-grant in 1974-75 (Rs. 1.57 lakhs), 1975-76 (Rs. 3.37 lakhs) and 1976-77 (Rs. 9.50 lakhs) also.

| Serial number | Number and name of grant/sub-grant | Total grant Rs. | Expenditure Rs. | Excess Rs. |
|---------------|------------------------------------|--------------------|--------------------|---------------|
|---------------|------------------------------------|--------------------|--------------------|---------------|

7. 14(a)—Public Works 6,11,01,000 7,81,12,698 1,70,11,698

Excess was stated to be due to procurement of more materials for various constructional works.

Excess occurred under this sub-grant in 1974-75 (Rs. 65.97 lakhs), 1975-76 (Rs. 92.90 lakhs) and 1976-77 (Rs. 95.23 lakhs) also.

8. 14(e)—Public Health, Sanitation and Water Supply 1,05,000 1,41,167 36,167

Reasons for the excess have not been intimated (April 1979).

9. 15(c)—Urban Development (Assistance to Municipality, Corporation etc.) 28,70,000 48,70,000 20,00,000

Reasons for the excess have not been intimated (April 1979).

10. 16(b)—Education 10,01,28,000 10,11,53,035 10,25,035

Excess was stated to be due to meeting expenditure on arrears of additional dearness allowance and on salaries for 13 days of an earlier strike period.

11. 24(b)—Food and Nutrition (Food Section) 33,95,000 34,77,402 82,402

Reasons for the excess have not been intimated (April 1979).

Excess occurred under this sub-grant in 1974-75 (Rs. 2.63 lakhs) and 1975-76 (Rs. 2.32 lakhs) also.

12. 26(b)—Other social and Community Services (Upkeep of Shrines, Temples etc.) 1,60,000 1,74,403 14,403

Reasons for the excess have not been intimated (April 1979).

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Excess occurred under this sub-grant in 1974-75 (Rs. 0.14 lakh), 1975-76 (Rs. 0.13 lakh) and 1976-77 (Rs. 0.23 lakh) also.

| Serial number | Number and name of grant/sub-grant | Total grant Rs. | Expenditure Rs. | Excess Rs. |
|---------------|------------------------------------|--------------------|--------------------|---------------|
|---------------|------------------------------------|--------------------|--------------------|---------------|

13. 28(c)—Community Development (State Planning Machinery) 1,78,000 2,12,676 34,676

Reasons for the excess have not been intimated (April 1979).

Excess occurred under this sub-grant in 1974-75 (Rs. 0.09 lakh) also.

14. 33—Community Development (Water Supply and Sanitation) 49,93,000 52,73,021 2,80,021

Reasons for the excess have not been intimated (April 1979).

Excess occurred under this grant in 1975-76 (Rs. 15.79 lakhs) and 1976-77 (Rs. 1.75 lakhs) also.

15. 35(d)—Power Projects 1,00,00,000 1,32,28,048 32,28,048

Reasons for the excess have not been intimated (April 1979).

Excess occurred under this sub-grant in 1975-76 (Rs. 22.46 lakhs) and 1976-77 (Rs. 22.25 lakhs) also.

16. 36(a)—Capital Outlay on Public Works 46,30,000 61,52,582 15,22,582

Excess was stated to be due to execution of certain emergent works.

Excess occurred under this sub-grant in 1974-75 (Rs. 22.08 lakhs) and 1975-76 (Rs. 16.13 lakhs) also.

| Serial number | Number and name of grant/sub-grant | Total grant Rs. | Expenditure Rs. | Excess Rs. |
|--|--|-----------------|-----------------|------------|
| 17. | 36(d)—Capital Outlay on Public Health, Sanitation and Water Supply | 89,00,000 | 99,79,451 | 10,79,451 |
| Reasons for the excess have not been intimated (April 1979). | | | | |
| Excess occurred under this sub-grant in 1974-75 (Rs. 17.36 lakhs) and 1975-76 (Rs. 2.19 lakhs) also. | | | | |
| 18. | 39(a)—Capital Outlay on Housing | 22,91,000 | 25,54,867 | 2,63,867 |
| Reasons for the excess have not been intimated (April 1979). | | | | |
| Excess occurred under this sub-grant in 1974-75 (Rs. 3.58 lakhs), 1975-76 (Rs. 2.12 lakhs) and 1976-77 (Rs. 0.88 lakh) also. | | | | |
| 19. | 43(d)—Capital Outlay on Power Project | 4,30,64,000 | 4,66,21,391 | 35,57,391 |
| Reasons for the excess have not been intimated (April 1979). | | | | |
| Excess occurred under this sub-grant in 1975-76 (Rs. 1,10.66 lakhs) and 1976-77 (Rs. 87.07 lakhs) also. | | | | |
| 20. | 45—Loans for Community Development | 15,40,000 | 15,41,945 | 1,945 |
| Reasons for the excess have not been intimated (April 1979). | | | | |

(b) Charged appropriations—Excess of Rs. 1,72,69,683 on the following 6 charged appropriations also requires regularisation :

| Serial number | Number and name of charged appropriation | Total appropriation Rs. | Expenditure Rs. | Excess Rs. |
|--|--|-------------------------|-----------------|-------------|
| 1. | 7(a)—Interest payment | 3,11,80,000 | 3,80,80,517 | 69,00,517 |
| Excess was due mainly to adjustment of interest relating to previous year on loans and advances from the Central Government. | | | | |
| Excess occurred under this appropriation in 1976-77 (Rs. 10.10 lakhs) also. | | | | |
| 2. | 10—District Administration | 3,00,000 | 3,63,796 | 63,796 |
| Reasons for the excess have not been intimated (April 1979). | | | | |
| 3. | 36(b)—Capital Outlay on Education, Art and Culture | ... | 129 | 129 |
| Reasons for incurring expenditure without any appropriation have not been intimated (April 1979). | | | | |
| Excess occurred under this appropriation in 1975-76 (Rs. 0.05 lakh) and 1976-77* also. | | | | |
| 4. | 43(d)—Capital Outlay on Power Project | ... | 58,740 | 58,740 |
| Reasons for incurring expenditure on "Gumti Hydroelectric Project" without any appropriation have not been intimated (April 1979). | | | | |
| Excess occurred under this appropriation in 1975-76 (Rs. 0.23 lakh) and 1976-77 (Rs. 0.34 lakh) also. | | | | |
| 5. | 48(a)—Internal Debt of the State Govt. | 6,02,00,000 | 7,02,23,529 | 1,00,23,529 |
| Excess was attributed to repayment of more ways and means advances obtained from the Reserve Bank of India. | | | | |
| Excess occurred under this appropriation in 1975-76 (Rs. 4,33.08 lakhs) and 1976-77 (Rs. 19,47.65 lakhs) also. | | | | |

* Rs. 67 only.

| Serial number | Number and name of charged appropriation | Total appropriation Rs. | Expenditure Rs. | Excess Rs. |
|---------------|--|----------------------------|--------------------|---------------|
| 6. | 48(b)—Loans and Advances from Central Government | 2,05,00,000 | 2,07,17,972 | 2,17,972 |

Reasons for the excess have not been intimated (April 1979).

2.3 Supplementary grants/charged appropriations

The supplementary provision of Rs. 6.27 crores (8 per cent of the original provision) was obtained under 66 grant sub-grants (Rs. 6.00 crores) and 3 charged appropriations (Rs. 0.27 crore).

The details of significant cases of unnecessary, excessive and inadequate supplementary grants/charged appropriations are given below :

(i) *Unnecessary supplementary grants*—In the following cases, the supplementary grants of Rs. 18.68 lakh remained wholly unutilised as the expenditure did not come up even to the original provision :

| Serial number | Number and name of sub-grant | Original grant | Supplementary grant | Expenditure | Saving |
|---------------|---|----------------|---------------------|-------------|--------|
| 1. | 23(b)—Social Security and Welfare (Welfare for Scheduled Castes, Scheduled Tribes and other Backward Classes) | 1,84.41 | 10.15 | 1,80.83 | 13.82 |

(in lakhs of rupees)

Saving was due mainly to (i) non-execution of construction works of Socio-Cultural Centres, (ii) slow progress of work of 'construction of leprosy colony at Sabroom' and (iii) less requirement of funds for post-Matric scholarship owing to dearth of eligible students.

| Serial number | Number and name of grant/sub-grant | Original grant | Supplementary grant | Expenditure | Saving |
|---------------|------------------------------------|----------------|---------------------|-------------|--------|
| 2. | 30(b)—Animal Husbandry | 83.20 | 2.10 | 73.69 | 11.61 |

(in lakhs of rupees)

Saving was stated to be due mainly to posts remaining vacant, adoption of economy measures and non-receipt of materials ordered for.

| | | | | | |
|----|--------------------------------------|-------|------|-------|------|
| 3. | 40(a)—Capital Outlay on Co-operation | 15.98 | 6.43 | 15.95 | 6.46 |
|----|--------------------------------------|-------|------|-------|------|

Reason for the saving was stated to be non-receipt of sanctions from the Reserve Bank of India.

(ii) *Supplementary grants which proved excessive*—In the following cases among others, the supplementary grants proved excessive ; out of the supplementary provision of Rs. 88.41 lakhs, Rs. 35.82 lakhs were actually utilised :

| Serial number | Number and name of grant/sub-grant | Original grant | Supplementary grant | Expenditure | Saving |
|---------------|------------------------------------|----------------|---------------------|-------------|--------|
| 1. | 20(d)—Roads and Bridges | 1,49.90 | 12.21 | 1,53.98 | 8.13 |

(in lakhs of rupees)

Reasons for the saving have not been intimated (April 1979).

| | | | | | |
|----|---|-------|-------|-------|------|
| 2. | 27(b)—Community Development (Panchayat) | 41.43 | 11.40 | 44.00 | 8.83 |
|----|---|-------|-------|-------|------|

Reasons for the saving have not been intimated (April 1979).

| | | | | | |
|----|--|------|------|------|------|
| 3. | 34(a)—Special and Backward Areas (North Eastern Council Scheme for Village and Small Industries) | 6.35 | 7.95 | 6.40 | 7.90 |
|----|--|------|------|------|------|

Saving was due mainly to posts kept vacant and non-utilisation of funds for construction works ; reasons for non-execution of works have not been intimated (April 1979).

| Serial number | Number and name of sub-grant | Original grant | Supplementary grant | Expenditure | Saving |
|--|--|----------------|---------------------|-------------|--------|
| (in lakhs of rupees) | | | | | |
| 4. | 34(c)—Village and Small Industries | 90.11 | 17.57 | 98.27 | 9.41 |
| Saving was due mainly to less requirement of raw materials for Industrial Units, non-payment of subsidy to industrial units owing to non-receipt of claims in time and posts remaining vacant. | | | | | |
| 5. | 37(a)—Capital Outlay on Public Health, Sanitation and Water Supply | 18.50 | 10.38 | 18.53 | 10.35 |

Reasons for the saving have not been intimated (April 1979).

| | | | | | |
|----|------------------------------------|-------|-------|-------|------|
| 6. | 48(c)—Loans to Government Servants | 68.10 | 28.90 | 89.03 | 7.97 |
|----|------------------------------------|-------|-------|-------|------|

Reasons for the saving have not been intimated (April 1979).

(iii) *Inadequate supplementary grants/charged appropriations*—In the following cases, the supplementary provision of Rs. 3.81.71 lakhs proved inadequate; the final uncovered excess was Rs. 2.82.81 lakhs. Reasons for the excess have been mentioned in paragraph 2.2 (a).

| Serial number | Number and name of sub-grant/charged appropriation | Original provision | Supplementary provision | Expenditure | Excess |
|----------------------|--|--------------------|-------------------------|-------------|---------|
| (in lakhs of rupees) | | | | | |
| 1. | 7(a)—Interest payment | 2,87.00 | 24.80 | 3,80.81 | 69.01 |
| 2. | 14(a)—Public Works | 4,06.61 | 2,04.40 | 7,81.13 | 1,70.12 |
| 3. | 15(c)—Urban Development (Assistance to Municipality, Corporation etc.) | 23.70 | 5.00 | 48.70 | 20.00 |

| Serial number | Number and name of sub-grant/charged appropriation | Original provision | Supplementary provision | Expenditure | Excess |
|----------------------|--|--------------------|-------------------------|-------------|--------|
| (in lakhs of rupees) | | | | | |
| 4. | 16(b)—Education | 9,35.18 | 66.10 | 10,11.53 | 10.25 |
| 5. | 36(d)—Capital Outlay on Public Health, Sanitation and Water Supply | 14.00 | 75.00 | 99.79 | 10.79 |
| 6. | 39(a)—Capital Outlay on Housing | 16.50 | 6.41 | 25.55 | 2.64 |

2.4 Unutilised provision

(i) Rupees 9.67 crores remained unutilised in 120 grants/sub-grants (Rs. 9.65 crores) and 5 charged appropriations (Rs. 0.02 crore).

(ii) In 28 grants/sub-grants, the savings (more than Rs. 5.00 lakhs in each case) were more than 10 per cent of the total provision. The details of these grants/sub-grants are given in Appendix I.

2.5 Surrender of savings

The rules require that all anticipated savings should be surrendered as soon as they are foreseen. During 1977-78, Rs. 6.93 crores were surrendered on 31st March 1978.

In 6* grants/sub-grants, the amount surrendered (Rs. 59.34 lakhs) was more than the amount available for surrender (Rs. 46.86 lakhs) while in 6** grants/sub-grants the surrenders totalling Rs. 3.96 lakhs proved unjustified in view of the actual excess (Rs. 58.88 lakhs) thereunder.

* Sub-grant Nos. 18(b), 24(a), 28(b), 35(a), 36(h) and 43(b).

** Sub-grant Nos. 2(b), 4(b), 16(b), 28(c), 36(d) and 43(d).

2.6 Reappropriation orders

Mention was made in paragraph 2.7 of the Audit Report for the year 1975-76 and paragraph 2.5 of the Audit Report for the year 1976-77 about the cases of reappropriation between one service and purpose constituting one sub-grant and another service and purpose constituting another sub-grant. During 1977-78 also similar reappropriation was authorised, the details of which are given in Appendix II.

Reappropriation between voted and charged provisions was authorised by the Government during 1977-78 also as in 1975-76 and 1976-77. The details of such reappropriation are mentioned in Appendix III.

Such irregular reappropriations during 1974-75, 1975-76 and 1976-77 had been pointed out to the Government in March 1976, February 1977 and December 1977 respectively. The Government had stated in October 1978 that the system so far followed had been discontinued during 1977-78. Such reappropriation was, however, authorised during 1977-78 also. This was again pointed out to the Government in January 1979. The Government stated (March 1979) that reappropriation between voted and charged provisions was authorised through mistake and reappropriation between two sub-grants was made to meet expenditure on construction of urgent works for which there was no way out. Reappropriation from one service and purpose specified in the Appropriation Act to another such service and purpose was, however, irregular.

2.7 Reconciliation of departmental figures

With a view to ensuring effective control over expenditure, the departmental officers are required to reconcile periodically as also before the close of the accounts for the year, the departmental figures of expenditure with those booked in the Audit Office. Such reconciliation continues to be in arrears in some departments. For 1977-78, out of 155 Controlling Officers, no reconciliation was done by 2

Controlling Officers (December 1978) involving an amount of Rs. 1,86.86 lakhs although the matter was taken up with the Government from time to time.

2.8 Non-receipt of explanations for savings/excesses

After close of the financial year, detailed Appropriation Accounts showing the final grant/appropriation, the actual expenditure and the resultant variation under each unit of appropriation are sent to the Controlling Officers for acceptance of the figures and furnishing reasons for the variations. It is, however, seen that every year the reasons for variations in regard to many units of appropriations are not furnished in time, or not furnished at all, to Audit by the Controlling Officers.

In 1977-78 also, despite issue of instructions by the Finance Department from time to time for furnishing explanations for variations to the Accountant General within the stipulated period (ending on 15th November 1978 in all cases), the required acceptance of figures and explanations for variations relating to 140 grants/sub-grants (out of 149) were not received from the Controlling Officers. These constituted 94 per cent of the number of grants/sub-grants in respect of which acceptance of figures and explanations for variations were required to be furnished. Even by the end of April 1979, the required information in respect of 68 grants/sub-grants out of 140 grants/sub-grants was not received. Such delay in submission of material for the Appropriation Accounts results in the Audit Report remaining incomplete in certain essential aspects.

2.9 Shortfall/excess in recoveries

Under the system of gross budgeting followed by the Government, the demands for grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries which are adjusted in the accounts in reduction of expenditure; the anticipated recoveries and credits are shown separately in the budget estimates. Such recoveries are estimated to be Rs. 12.27 crores against which the actual recoveries amounted to Rs. 11.95 crores.

The main variations occurred under :

| Serial number (1) | Number and name of sub-grant (2) | Estimated recoveries (3) | Actual recoveries (4) | Variations (5) |
|-----------------------|--|-----------------------------|--------------------------|------------------------|
| (in crores of rupees) | | | | |
| | | | | Excess (+) Less (-) |
| 1. | 14(a)—Public Works | 2.79 | 4.99 | (+) 2.20 |
| 2. | 42(a)—Capital Outlay on Food and Nutrition | 6.30 | 4.75 | (-) 1.55 |

Reasons for variations have not been intimated (April 1979).

2.10 Drawal of funds in advance of requirement

According to the rules, drawal of money from the treasury is not permissible until it is required for immediate disbursement. Also any unspent balance is required to be deposited into the treasury promptly. It was, however, noticed during audit that the Drawing and Disbursing Officers had drawn money from the treasury on abstract contingent bills in advance of actual requirements. A few such cases involving drawal of Rs. 20.49 lakhs are detailed in Appendix IV.

CHAPTER III CIVIL DEPARTMENTS ANIMAL HUSBANDRY DEPARTMENT

3.1 Poultry Development Programme

The poultry development programme envisaged popularising of poultry breeding by distributing quality breeds of birds, chicks and eggs. It was started in the State (then Union Territories) in 1959 with the establishment of a poultry farm at Gandhigram. During the Third Five Year Plan (1961-66), 4 extension centres were set up at Udaipur, Kailashahar, Panisagar and Belonia, of which two were wound up and the other two upgraded to district poultry farms in 1974-75. The programme consisted, *inter alia*, of the following activities :

- (a) Expansion of the State poultry farm.
- (b) implementation of applied nutrition programme, and
- (c) strengthening of intensive poultry production-cum-marketing centre.

3.1.1 Poultry farms

As *pro forma* accounts in respect of the transactions of the farms had not been prescribed/prepared by the department, the actual financial results of the working of the farms could not be ascertained. It was, however, noticed during audit (September-November 1978) of the records relating to the five years ending 1977-78 that in all the farms the cumulative expenditure exceeded the cumulative receipts, the excess of expenditure over receipts having increased from Rs. 2.17 lakhs in 1973-74 to Rs. 9.20 lakhs in 1977-78.

A scrutiny of the records indicated that under-utilisation of the layer capacity, low production of eggs (in the district farms), under-utilisation of the incubation capacity and high percentage of mortality of birds were the principal factors responsible for the deficits.

(a) *Utilisation of layer capacity*—The overall utilisation during 1973-74 to 1977-78 was 67 per cent, as under :

| Name of farm | Layer capacity | Layers maintained |
|----------------------------------|----------------|-------------------|
| State Poultry Farm, Gandhigram | 13,000 | 8,976 |
| District Poultry Farm, Udaipur | 1,000 | 463 |
| District Poultry Farm, Panisagar | 610 | 415 |
| Total : | 14,610 | 9,854 |

The reasons for under-utilisation of the layer capacity were not on record. The Government, however, stated (January 1979) that layers had been maintained as per local demand and requirements of other Government schemes and as such fullest utilisation of the layer capacity could not be made.

(b) *Production of eggs*

According to the department, the expected production of eggs by exotic birds, which were maintained in all farms, was 140 eggs per layer per year. The average annual production of eggs per bird in the farms during the last five years is indicated below :

| Year | Name of the farm | | |
|---------|--------------------------------|--------------------------------|----------------------------------|
| | State Poultry Farm, Gandhigram | District Poultry Farm, Udaipur | District Poultry Farm, Panisagar |
| 1973-74 | 208 | 96 | 37 |
| 1974-75 | 154 | 68 | 50 |
| 1975-76 | 63 | 60 | 17 |
| 1976-77 | 140 | 107 | 29 |
| 1977-78 | 151 | 138 | 61 |

The Government stated (January 1979) that the low production of eggs was due to shortage of trained personnel leading to improper management, lack of proper culling, etc.

(c) *Utilisation of incubation capacity*—While the utilisation of 'layer capacity' was 67 per cent, the utilisation of 'incubation capacity' was even lower, viz., 25 per cent.

The position for 1973-74 to 1977-78 was as under :

(i) *State Poultry Farm, Gandhigram*

| | |
|---|----------|
| Maximum incubation capacity | 6,75,000 |
| Total number of eggs set for hatching | 1,59,652 |
| Percentage utilisation of incubation capacity | 24 |

(ii) *District Poultry Farm, Udaipur*

| | |
|---|--------|
| Maximum incubation capacity | 25,300 |
| Total number of eggs set for hatching | 5,687 |
| Percentage utilisation of incubation capacity | 22 |

(iii) *District Poultry Farm, Panisagar* No eggs were set for hatching during 1973-74 to 1977-78 as the 2 incubators of 200 numbers capacity each (kerosene oil operated) were lying out of order.

The Government stated (January 1979) that "The public/poultry growers decline to rear poultry birds due to increase in the cost of poultry feeds in the State.....Hence the incubation capacity could not be fully utilised."

(d) *Mortality*

According to the department, the mortality of chicks due to normal causes should not exceed 8 to 10 per cent.

The actual position at two farms test-checked (out of three) was as under :

| | Year | Number of chicks maintained | Mortality | Percentage |
|--|---------|-----------------------------|-----------|------------|
| <i>(i) State Poultry Farm, Gandhigram</i> | | | | |
| | 1973-74 | 6,919 | 2,475 | 36 |
| | 1974-75 | 24,280 | 10,201 | 42 |
| | 1975-76 | 27,374 | 9,296 | 34 |
| | 1976-77 | 32,422 | 16,024 | 49 |
| | 1977-78 | 24,357 | 9,585 | 39 |
| <i>(ii) District Poultry Farm, Udaipur</i> | | | | |
| | 1973-74 | 1,347 | 406 | 30 |
| | 1974-75 | N.A. | N.A. | N.A. |
| | 1975-76 | 924 | 460 | 50 |
| | 1976-77 | 1,363 | 255 | 19 |
| | 1977-78 | 2,409 | 464 | 19 |

(N.A. means not available)

The Government stated (January 1979) that the high mortality was due to lack of optimum facilities, inadequate management and technical know-how. Action taken to train staff was, however, not stated.

3.1.2 Applied Nutrition programme

The programme envisaged selection of farmers with aptitude in poultry and supplying to each, from Government farms, 50 female and 5 male birds (50 to 56 days old) of exotic breed at 80 per cent subsidy. Prior to supply, a deep litter house was required to be constructed by the farmer as approved by the department, for which purpose Rs. 300 were to be paid to the farmer—Rs. 150 in advance for purchasing materials and the balance after seeing the progress of construction. The farmers were also to be supplied balanced poultry feeds free of cost for a period of 4 months. In return the selected farmers were to supply 2,500 eggs,

free of cost in suitable instalments, in the course of one year commencing from the date of starting of laying of eggs.

During 1973-74 to 1977-78, 6 blocks with a total of 95 farmers were brought under the programme and Rs. 0.59 lakh were spent. It was seen during audit of five blocks that the farmers did not supply the required number of eggs as envisaged in the scheme as indicated in the table below :

| | Number of farmers to whom birds were supplied | Period during which supplied | Envisaged number of eggs to be supplied | Period by which to be supplied | Number of farmers who supplied eggs | Number of eggs supplied |
|---------------|---|------------------------------|---|--------------------------------|---|--------------------------------|
| Block A | 10 | March/April 1973 | 25,000 | 1974-75 | 7 | 1,088 |
| Block B | 10 | 1973-74 | 25,000 | 1974-75 | 3 | 917 (Supplied upto 1975-76) |
| Block C and D | 17 | 1974-75 | 42,500 | 1975-76 | There was no record to indicate that eggs had been supplied | |
| Block E | 10 | 1975-76 | 25,000 | 1976-77 | 10* | 414 |

The Government admitted (January 1979) that no clear instructions had been issued regarding collection of eggs from the selected poultry growers but that Project Executive Officers/Block Development Officers were collecting eggs according to the local conditions and supplying them to Balwari centres, school children, expectant mothers, etc.

3.1.3 Intensive poultry production-cum-marketing centre

During 1973-74 and 1974-75, the scheme envisaged supply of 100 adult poultry birds at 50 per cent subsidy to each selected farmer, construction of poultry houses by the department for the farmers and supply of poultry feeds for 6 months at 50 per cent subsidy. From 1975-76 onwards, the scheme was modified to envisage supply of 24 birds (7-8 weeks old) at 50 per cent subsidy to each selected farmer,

* In respect of birds supplied during 1976-77, there was no record to indicate the position of supply of eggs by those 10 farmers.

grant of Rs. 50 each for construction of a poultry house and supply of fodder seed at 50 per cent subsidy for cultivation. The target and achievement of the scheme during 1973-74 to 1977-78 were as shown below :

| Year | Physical target | Physical achievement (number of farmers) |
|---------|-----------------|---|
| 1973-74 | 15 | 6 |
| 1974-75 | 5 | ... |
| 1975-76 | 15 | 10 |
| 1976-77 | 108 | 66 |
| 1977-78 | 600 | 73 |

Reasons for shortfall in achievement with reference to the target were not on record. No records were also available to indicate the number of beneficiaries who had continued poultry farming on a commercial basis to earn their livelihood in terms of the objectives of the scheme.

Summing up

The working results of the poultry farms showed excess of expenditure over receipts due to under-utilisation of layer and incubation capacity, low production of eggs and high mortality of birds. The farmers who had received birds under 'applied nutrition programme' supplied free of cost less than 5 per cent of the envisaged number of eggs. In respect of 'intensive poultry production-cum-marketing centre' scheme, information regarding the number of beneficiaries who had continued poultry farming on a commercial basis was not available.

EDUCATION DEPARTMENT

3.2 National Loan Scholarship Scheme

A Centrally sponsored National Loan Scholarship Scheme was introduced by the Government of India in 1963-64 in order to provide loan assistance on easy terms to needy students for their post-matriculation academic studies. Under the scheme, interest free recoverable advances (loan scholarships) ranging from Rs. 720 to Rs. 1,750 *per annum* were to be paid to selected, meritorious and needy students. The scholarships were to be sanctioned on an annual basis and remitted periodically to the heads of the institutions, to which the students had been admitted, for disbursement

to the students in monthly instalments. The repayment was to start one year after the loanee had begun to earn income (which term did not include paid practical training) or three years after termination of scholarship, whichever was earlier, in monthly instalments. In case of default, interest at 6 per cent *per annum* was to be charged in respect of the period of default. To induce the loanees to take up teaching, the scheme also provided for incentive in the form of waiver of recovery of one tenth of the original loan for every year of service put in by the loanee as a teacher in a recognised institution. All amounts recovered from the loanees towards principal were to be paid to the Government of India against the advances received; recoveries of interest in cases of default were also to be paid to that Government.

3.2.2 Disbursement of loan scholarships

According to the departmental figures, during 1963-64 to 1977-78 Rs. 7.10 lakhs (Rs. 4.69 lakhs upto 20th January 1972 and Rs. 2.41 lakhs thereafter) were sanctioned by the Government of India for payment to the Union Territory/State Government. The latter, in turn, sanctioned scholarships in favour of 355 scholars and remitted amounts totalling Rs. 6.71 lakhs to the heads of the concerned institutions for disbursement to scholars.

Utilisation certificates for the amounts drawn, required to be furnished to the Accountant General within 18 months from the expiry of the financial year in which the loans were disbursed, had not been furnished for any of the years from 1963-64 to 1971-72. While utilisation certificates for the years 1972-73 to 1975-76 for Rs. 1.54 lakhs were received, test-check (October 1977) of the records of the directorate showed that the certificates were based on remittances made to the heads of institutions for disbursement to scholars and not on the basis of actual disbursements to the loanees, information in regard to which was not available with the directorate.

The Directorate had not maintained any records to indicate whether the loanees were entitled to continued assistance under the scheme with reference to their performance in promotion examinations. It was, however, seen from the register of loans maintained by the department that 218

scholars had completed their course of studies from 1963-64 to July 1977. While the loan recoverable from them worked out to Rs. 4.52 lakhs, Rs. 0.02 lakh only had been recovered from three scholars and Rs. 0.61 lakh had been adjusted as 35 scholars had joined the teaching profession.

The test-check (October 1977) also showed that in a few cases the bonds executed by the loanees for repayment of the loans were for lesser amounts than the amounts sanctioned and paid to the loanees. The aggregate of such excess over the bond amounts worked out to Rs. 0.22 lakh.

The Government stated (March 1979) that the department had been taking all possible steps to recover the overdue instalments of scholarships. The Government also admitted that the department had not insisted on the loanees executing bonds for the additional amounts of scholarships (over and above the amounts of the bonds).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.3 *Double drawal of pay and allowances and shortage of cash*

(i) *Double drawal of pay and allowances*

During central audit (May 1977) of the establishment vouchers of the office of the Director of Health Services, it was noticed that the pay and allowances of certain employees had been drawn twice over—once in September 1976 and again in January 1977. On this being reported (May 1977) to Government, a special test-audit was desired to be carried out by Government. The special test-audit (June-September 1977) confirmed that pay and allowances of certain employees had been drawn twice by presenting two sets of bills, the amount (Rs. 0.46 lakh) so drawn fraudulently (November 1975 : 25 numbers ; April 1976 : 20 numbers ; September 1976 : 20 numbers ; January 1977 : 24 numbers and April 1977 : 21 numbers) being embezzled.

Instructions on the subject require a check register showing the names of employees whose pay and allowances are drawn to be maintained. The pay bills are to be entered in the bill entry register, which along with the pay bills is

then to be put up to the Drawing and Disbursing Officer for approval, after which they are sent to the Cashier for encashment. During scrutiny of the records it was noticed that while one set of bills had been entered in the bill entry register, the other set, where second drawal had been made, had not been entered in the bill entry register, but had nevertheless been approved by the Drawing and Disbursing Officer.

While the proceeds (Rs. 0.54 lakh) of the bills for September 1976, January 1977 and April 1977 were shown in the cash book as received and disbursed, the acquittances in token of payments to the concerned employees were not produced during audit as the same were reportedly lying with the Cashier who had absconded.

(ii) *Shortage of cash*

In the course of the special test-audit (June-September 1977) it was also noticed that a new cash book with a 'nil' opening balance had been opened on 27th May 1977. The closing cash balance in the old cash book, which had been written upto 16th May 1977 only, was Rs. 0.71 lakh. According to the treasury records, Rs. 0.10 lakh were drawn on 19th May 1977 and, as per records made available during audit, Rs. 0.03 lakh had been disbursed on the same day. The cash book balance on 19th May 1977 should, therefore, have been Rs. 0.78 lakh against which only Rs. 0.72 lakh were stated to have been found in the chest according to the report on physical verification of cash conducted by the Drawing and Disbursing Officer on that date. No action, however, appeared to have been taken on the shortage of cash. Subsequently, when it was broken open on 31st May 1977, only Rs. 308 were found in it, resulting in a shortage of cash of Rs. 0.78 lakh, there being no transactions between 20th May and 31st May 1977. The Cashier was stated to have absconded from 21st May 1977 with both the sets of keys of the cash chest. In the absence of any relaxation of rules it was irregular to have allowed the Cashier to retain both the keys with him. Had prompt and adequate action been taken on the shortage of cash noticed on 19th May 1977, the further shortage of Rs. 0.72 lakh noticed on 31st May 1977 could have been avoided.

The Cashier was placed under suspension with effect from 21st May 1977. The case was reported to the police on 25th May 1977; results of police investigation are awaited (August 1978).

The cases mentioned above were referred to the Government in October 1977; reply is awaited (April 1979).

HOME (POLICE) DEPARTMENT

3.4 Purchase of cloth

In the course of test-check (February 1978) of the accounts of the Commandant, 1st Tripura Armed Police Battalion it was noticed that khaki woollen cloth (cost: Rs. 4.02 lakhs) purchased for making great coats for police personnel had been lying unused in the stores for a considerable period as follows:

| Year | Opening balance | Receipts | Consumption | Closing balance |
|---------|-----------------|-------------|-------------|-----------------|
| | | (in metres) | | |
| 1972-73 | 3,876 | 7,000 | 3,369 | 7,007 |
| 1973-74 | 7,007 | ... | ... | 7,007 |
| 1974-75 | 7,007 | 10,000 | 2,037 | 14,970 |
| 1975-76 | 14,970 | 26 | 1,819 | 13,177 |
| 1976-77 | 13,177 | ... | 160 | 13,017 |
| 1977-78 | 13,017 | ... | 2,935 | 10,082 |

In August 1977, the commandant reported to the Inspector General of Police that the cloth was deteriorating due to long storage and its maintenance had become difficult.

The Government stated (February 1979) that as the Police Adviser had recommended issue of great coats to all the police personnel of and below the rank of Assistant Sub-Inspector of Police (both Armed and Unarmed), the purchase was made to meet the enhanced requirement. It was, however, not stated why the material purchased had not been utilised or if not required why it had not been disposed of.

LABOUR AND EMPLOYMENT DEPARTMENT

3.5 Non-allotment/delay in allotment of shops

With a view to providing employment to the educated unemployed, a scheme for development of shopping centres for allotment to them on rental basis for starting retail shops was finalised during 1971-72. According to the phased programme drawn up, 63 shops were to be constructed during 1971-72 to 1973-74 (1971-72: 24, 1972-73: 20, 1973-74: 19) at an estimated cost of Rs. 2.52 lakhs. These were to be allotted by the District Magistrate and Collectors who were also to collect rent from the allottees. The rent was to be 10 per cent of the capital cost *per annum*, payable by the 10th of the following month. In case of default, interest at 6 per cent *per annum* was to be charged on the unpaid amount and if rent was not paid for 3 months at a stretch the allottee was liable for eviction.

In course of audit of the accounts of the Directorate of Employment Services and Manpower, Agartala it was noticed (August 1977) that 53 shops had been constructed at a total cost of Rs. 2.80 lakhs between April 1972 and September 1975. Of these, 19 shops had not been allotted (June 1978) while there was a delay ranging from 3 to 50 months in allotment of the other 34 shops, the resulting loss of revenue being Rs. 0.48 lakh (Rs. 0.21 lakh due to non-allotment and Rs. 0.27 lakh due to delay in allotment).

Besides, an amount of Rs. 0.27 lakh was in arrears (December 1978), being the rent due from the allottees in respect of 32 shops. Non-allotment/delay in allotment of shops was attributed by the department to lack of demand due to improper selection of sites.

The Government stated (December 1978) that attempts were being made for realisation of the outstanding rent in respect of the shops which had been allotted.

CHAPTER IV
WORKS EXPENDITURE
PUBLIC WORKS DEPARTMENT

4.1 Rural Electrification Scheme

With a view to developing agriculture extensively, the Government formulated a scheme to electrify a selected number of villages in the State to be financed from loans received from the Rural Electrification Corporation. According to the scheme, the repayment of loan was to commence from the sixth year of release of each instalment. The loan was to bear interest at the rate of 6 per cent *per annum* to be paid half-yearly with a rebate of 0.25 per cent *per annum* for payment of interest on the due dates.

The following table shows the amount of loan released by the Corporation, the expenditure incurred and interest paid on the loan by the department during the three years ending 1977-78 :

| Year | Loan released by the Corporation | Expenditure incurred by the department | Percentage of progressive expenditure to total loan received | Interest paid on loan |
|---------|----------------------------------|--|--|-----------------------|
| | (in lakhs of rupees) | | | (in lakhs of rupees) |
| 1975-76 | 41.19 | 1.65 | 4 | 0.31 |
| 1976-77 | 71.20 | 20.31 | 20 | 2.83 |
| 1977-78 | 79.82 | 1.01.55 | 64 | 7.27 |
| | 1,92.21 | 1,23.51 | 64 | 10.41 |

The department is yet to receive Rs. 0.15 lakh as rebate on interest from the Corporation (August 1978).

The slow progress in implementation of the scheme during 1975-76 was attributed (October 1977) by the department to inadequate time available as the first instalment of the loan (Rs. 31.49 lakhs) was received from the Corporation in January 1976. The slow progress during 1976-77 was attributed to non-creation of sufficient posts to execute the scheme.

The number of villages electrified and pumps energised by the department during the three years ending 1977-78 were stated by the department to be as under :

| Year | Electrification of villages | | Energisation of pumps | |
|---------|-----------------------------|-------------|-----------------------|-------------|
| | Target | Achievement | Target | Achievement |
| 1975-76 | N.A. | 15 | N.A. | 3 |
| 1976-77 | 120 | 112 | N.A. | 2 |
| 1977-78 | 120 | 120 | 160 | 3 |

The department could not indicate whether there were any applications for connection which had not been sanctioned.

It may be seen from the above table that while 247 villages had been electrified only eight pumps had been energised during the three years ending 1977-78. Thus, the main objective of the scheme, *viz.*, to develop agriculture extensively, had not made much progress.

The matter was referred to the Government in June 1977 ; reply is awaited (April 1979).

4.2 Minor Irrigation Schemes

The Minor Irrigation Division is entrusted with the execution of irrigation schemes in the entire State. The position of number of schemes completed, expenditure incurred, potential reported to be created and utilised, etc., during 1962-63 to 1977-78 was reported to be as under :

| Type of scheme | Number of schemes completed | Estimated cost | Actual expenditure | Potential created | Potential utilised | Short-fall | Percentage of short-fall |
|----------------|-----------------------------|----------------------|--------------------|-------------------|--------------------|------------|--------------------------|
| | | (in lakhs of rupees) | | (in acres) | | | |
| 1. Lift | | | | | | | |
| Irrigation | 70 | 70.47 | 72.03 | 7,190 | 3,865 | 3,325 | 46 |
| 2. Diversion | 23 | 10.23 | 10.17 | 2,865 | 1,400 | 1,465 | 51 |
| 3. Tubewell | 15 | 22.48 | 16.27 | 900 | 335 | 565 | 63 |
| Total : | 108 | 103.18 | 98.47 | 10,955 | 5,600 | 5,355 | 49 |

The Superintending Engineer, Second Circle stated (May 1976) that the shortfall was due to the fact that the problem of water management could not be handled by the Public Works Department alone and that the extension

agencies (in the Agriculture Department) had also to play their part and see that the potential created was properly utilised. The comments of the Agriculture Department are awaited (April 1979).

The matter was referred to the Government in June 1975 and September 1978; reply is awaited (April 1979).

4.3 Excess utilisation of bricks

According to the Tripura Schedule of Rates, 1972, the requirement of bricks per square metre of single flat brick soling is 31 bricks and that for double flat brick soling is 62 bricks.

It was noticed during audit (December 1977) of the accounts of the Teliamura Division that for the work 'Construction of Chebri Tea Garden Road/preparation of sub-grade and providing brick soling', paid for finally in December 1976, 13,99,677 bricks had been shown as utilised for double flat brick soling of 21,785 square metres. Of these, 13,82,090 bricks were shown to have been provided by the contractor for which he had been paid at Rs. 234 per thousand bricks, the balance of 17,587 bricks being supplied by the department. Though, according to the scale mentioned, only 13,50,670 bricks were required for the work, the contractor had been paid for 13,82,090 bricks, i.e. for 49,007 bricks more, the cost of which would work out to Rs. 0.11 lakh.

In another work, 'Soling of Khowai-Udna Road via Asharambari', under the same division, paid for finally in June 1976, 23,37,460 bricks issued to the contractor by the department had been shown as utilised for single flat brick soling of 72,628 square metres. As only 22,51,468 bricks were required for the work, Rs. 0.26 lakh (at twice the issue rate of Rs. 149.25 per thousand) were recoverable from the contractor for non-return of 85,992 bricks.

The matter was referred to the Government in April 1978; reply is awaited (April 1979).

4.4 Construction of a bridge

(a) The construction of a R.C.C. bridge over the river Gumti near Udaipur on the Agartala-Udaipur-Sabroom Road

was entrusted to a firm in 1962 (when Tripura was a Union Territory) on lump sum basis for Rs. 16.70 lakhs against the estimated cost of Rs. 13.24 lakhs.

The agreement, *inter alia*, provided for sinking of four wells to be sunk "vertically truly". If there was any tendency to tilt, it was to be corrected immediately by the firm and for any tilt or shift in the wells, if finally considered acceptable by the Engineer-in-Charge, a recovery was to be effected from the firm's bill as per rates stipulated in the agreement.

When the contractor had sunk all the four wells it was found by the department that the wells had undergone considerable tilts and shifts. As these were considered more than permissible, the Principal Engineer calculated (November 1966) that a sum of Rs. 0.81 lakh be recovered in respect of three wells from the firm's account. The then Principal Engineer, while referring the case to the Ministry of Shipping and Transport (Roads Wing) for approval of the recoveries calculated by him, also suggested that less recovery in respect of one of these wells be considered, keeping in view that the firm had accepted without extra cost additional liability for sinking it below design level, re-designing the super structure and executing the work.

The Ministry of Shipping and Transport (Roads Wing), however, informed the Principal Engineer (April 1966) that, instead of the formula for recoveries proposed by him, these might be calculated on the basis of 'stress line' formula. While the Superintending Engineer, Planning Circle opined that there appeared practically no difference between the 'straight line' formula and the 'stress line' formula, the Chief Engineer (as the Principal Engineer was redesignated) decided (May 1975) that the recovery for tilts and shifts be restricted to the maximum limits stipulated in the agreement with the firm. The amount recoverable according to this decision worked out to Rs. 0.17 lakh for all the four wells while the recovery calculated earlier for three wells amounted to Rs. 0.81 lakh. No recovery had, however, been effected from the firm (September 1978).

(b) The work, though awarded in 1962 for completion in two full working seasons, was completed only in August

1978. While the agreement had provided for levy of compensation for delay in completion of the work, no compensation had been levied (December 1978). Reasons for not levying compensation were not also on record.

The matter was referred to the Government in September 1977; reply is awaited (April 1979).

4.5 Outstanding licence fees

Mention was made in paragraph 20 of the Audit Report for the year 1972-73 about licence fees, etc., amounting to Rs. 1.85 lakhs remaining unrecovered from the occupants of Government quarters at the end of November 1972.

For better management of allotments and recovery of licence fees, water charges, etc., in respect of Government buildings at Agartala, an Estate Office was set up which started functioning from October 1973. At the end of March 1978, licence fees, water charges and furniture rent totalling Rs. 5.96 lakhs remained to be recovered from the occupants as detailed below:

| | <i>(Rupees in lakhs)</i> |
|----------------|--------------------------|
| Licence fees | 5.68 |
| Water charges | 0.23 |
| Furniture rent | 0.05 |
| Total: | 5.96 |

According to the records of the Estate Office, as at the end of August 1978, 28 quarters had been allotted rent-free, and 779 quarters had been allotted, on payment of normal rent, to the employees of the State Government (683) and of the Central Government, Oil and Natural Gas Commission and other bodies (96).

Of the outstandings, Rs. 2.31 lakhs pertained to the Oil and Natural Gas Commission and Rs. 0.03 lakh to a private institution.

The recovery registers maintained in the Estate Office were closed upto the March of each year and did not indicate the amount recoverable, amount realised and the balance outstanding at the end of each month. Rent rolls had also not been issued regularly every month.

The Government stated (March 1977) that the question of recovery of the outstanding in respect of the Oil and Natural Gas Commission was under correspondence with the latter; reply to the other points and the latest position about recovery from the Oil and Natural Gas Commission are awaited (April 1979).

4.6 Extra expenditure due to payment to contractor for defective works

The work "Expansion of Water Supply/Providing Water Supply arrangement at Town Pratappgarh" was entrusted to a contractor by the Public Health Engineering Division in December 1974 and was completed in July 1976 at a cost of Rs. 1.65 lakhs. Final payment for the work including payment of excavation of earth, refilling, consolidation, etc., was made to the contractor by the Public Health Engineering Division in September 1976.

Trenches for laying water pipe lines were dug adjacent to the Howrah embankment which was maintained by the Minor Irrigation Division, Agartala. The latter division pointed out to the Public Health Engineering Division in April 1976 that the filling up of the trenches was not being done properly and Rs. 0.40 lakh would be required to make good the damages caused to the Howrah embankment as a result. During audit (October 1977) of the records of the Superintending Engineer, Second Circle, Agartala it was noticed that the Public Health Engineering Division had spent Rs. 0.27 lakh in September 1976 (the month in which the main contractor was paid finally) on refilling of these trenches through other contractors to set right the damages to the embankment in order to save the latter (Agartala town protection Howrah embankment) from floods. No recovery for the damages had, however, been made from the main contractor's final bill (paid in September 1976) even though it was lying with the Division at the time of the repair works.

The matter was referred to the Government in March 1978; reply is awaited (April 1979).

4.7 Nugatory expenditure

The work "Nakful cherra irrigation scheme (diversion) near Radhamohanbari (Halalahali Bazar)" provided for cons-

truction of a brick masonry pick-up weir (estimated cost : Rs. 0.43 lakh) and main canal (estimated cost : Rs. 0.08 lakh). While construction of the pick-up weir was completed in January 1964 (cost : Rs. 0.40 lakh), that of the main canal had not been taken up (January 1978) as the command area (40 acres) was reportedly separated from the diversion weir by high land.

The Minor Irrigation Division thereupon suggested (September 1970) to the Superintending Engineer, Additional Circle, Agartala construction of a pump house and a R.C.C. hume pipe canal at a cost of Rs. 0.57 lakh. A team of officials visited the site and recommended in May 1974 conversion of the scheme into a lift irrigation scheme so as to utilise the structure over the Nāḱful *cherra* to some extent as it had been lying unutilised since its construction. No action had, however, been taken by the department on this recommendation and as a result the expenditure of Rs. 0.40 lakh incurred on the pick-up weir continued to remain unfruitful (April 1979).

The matter was referred to the Government in May 1978 ; reply is awaited (April 1979).

4.8 *Non-reconciliation of payments made by cheques and remittances into treasuries by the Public Works Divisions*

Mention was made in paragraph 4.2 of the Audit Report for the year 1973-74 about non-reconciliation of payments made by cheques and remittances into treasuries by the Public Works Divisions. The Public Accounts Committee in their twenty-second Report had observed (December 1976) that in the absence of reconciliation it was not clear how the department could satisfy itself that no misappropriation or other irregularities had taken place in regard to the amounts drawn by cheques from the treasury or the amounts remitted into the treasury and recommended that reconciliation should be taken up and Audit furnished with certificates of Consolidated Treasury Issues and Consolidated Treasury Receipts up-to-date. In respect of the period upto March 1978, 1,957 certificates of Consolidated Treasury Issues and 1,399 Consolidated Treasury Receipts

had not, however, been received by the Accountant General (January 1979) ; the year-wise details being as below :

| Year | Number of certificates outstanding | |
|---------|------------------------------------|--------------------------------|
| | Consolidated Treasury Issues | Consolidated Treasury Receipts |
| 1959-60 | | |
| to | | |
| 1969-70 | 203 | 192 |
| 1970-71 | 111 | 69 |
| 1971-72 | 124 | 104 |
| 1972-73 | 141 | 121 |
| 1973-74 | 165 | 141 |
| 1974-75 | 194 | 137 |
| 1975-76 | 270 | 186 |
| 1976-77 | 375 | 237 |
| 1977-78 | 374 | 212 |
| Total | 1,957 | 1,399 |

On the matter being referred to the Government, the Public Works Department stated (April 1979) that it was being pursued with the treasuries for reconciliation. The Finance Department stated (April 1979) that a programme was being chalked out to clear the outstanding.

CHAPTER V
STORES AND STOCK

5.1 *Synopsis of stores accounts*

A synopsis of important stores accounts for 1977-78, which had been received by Audit upto April 1979, is given below :

| Department | Nature of stores | Opening balance on 1st April 1977 | Receipts | Issues | Closing balance on 31st March 1978 |
|------------------------------|--|-----------------------------------|----------|--------|------------------------------------|
| <i>(in lakhs of rupees)</i> | | | | | |
| 1. Civil Defence | Stirrup pumps, buckets, binoculars, helmets, fire extinguishers and other miscellaneous stores | 0.30 | ... | ... | 0.30 |
| 2. Education | Furniture, equipment and machineries, sports goods, books, utensils, stationery and miscellaneous articles | 1,30.78 | 18.30 | 37.55 | 1,11.53 |
| 3. Forest | Furniture, barbed wire, G.C.I. sheets, seeds, manures and uniforms | 1.35(a) | 4.22 | 4.31 | 1.26 |
| 4. Health and Family Welfare | Medicines and surgical instruments, etc. | 60.47 | 57.02 | 56.91 | 60.58(b) |
| 5. Industries | Furniture, tools and implements, finished goods on carpentry, basketry and motor parts | 8.51 | 6.25 | 5.58 | 9.18 |
| 6. Jail | Ration, clothing, bedding, utensils, books and other miscellaneous stores | 4.64 | 6.60 | 6.83 | 4.41 |

(a) Increased on account of inclusion of furniture as intimated by the Department.

(b) Report on physical verification has not been received (April 1979)

| Department | Nature of stores | Opening balance on 1st April 1977 | Receipts | Issues | Closing balance on 31st March 1978 |
|--|--|-----------------------------------|----------|---------|------------------------------------|
| <i>(in lakhs of rupees)</i> | | | | | |
| 7. Police | Furniture, clothing, departmental stores, kits and uniforms and miscellaneous stores | 25.71(a) | 20.13 | 19.03 | 26.81 |
| 8. Public Works (Power Projects Wing) | A. C. S. R. conductors, transformers, copper wire and other consumable stores | 45.56 | 67.36 | 88.54 | 24.38 |
| 9. Public Works (Roads and Buildings Wing) | Small stores, building materials, metals, fuels, painters' stores, etc. | (-)30.69(b) | 2,39.49 | 2,51.65 | (-)42.85(c) |
| 10. Stationery and Printing (Government Press) | Press materials | 14.11 | 12.79 | 12.40 | 14.50 |

The stores accounts of Agriculture, Animal Husbandry, Finance, Food and Civil Supplies and Public Relations and Tourism Departments had not been received (April 1979).

PUBLIC WORKS DEPARTMENT

5.2 *Stock registers*

The register of stock in a Public Works division is required to be closed at the end of each year and reviewed by the Divisional Officer to ensure that the stock consists only of serviceable and necessary articles and that the stores are priced keeping in view the prevailing market rates.

(a) Increased on account of inclusion of cost of furniture as intimated by the Department.

(b) Increased by Rs. 0.01 lakh on rectification of balance.

(c) *Minus* balance was due to non-adjustment of debits for store received from various sources.

Out of twenty-four divisions in the State during 1977-78, eight divisions (Irrigation Investigation Division, Investigation Division, Special Investigation and Design Division, Public Health Engineering Division, Electrical Division Nos. I, III and IV and Southern Division No. III) had no stock during the year 1977-78.

Of the remaining sixteen divisions, fourteen divisions had not closed (February 1979) their stock registers for periods varying from one to thirteen years.

The divisions mainly in default are Southern Division No. II (13 years), Electrical Division No. II (6 years), Amarpur Division (5 years), Stores Sub-division (Electrical) and Teliamura Division (4 years each).

5.3 Excess over reserve stock limit

According to the rules, materials required by the Public Works divisions for works should not be purchased in advance or in excess of requirements. Where, however, a reserve of stock is necessary due to remoteness of the division or of the works from the sources of supply of materials or for use in an emergency, the maximum limit of such reserve is required to be fixed by the competent authority for each year.

In ten out of sixteen divisions where a reserve stock limit had been fixed, there was excess over the limit.

Excess was mainly in Gumti Electrical Division (Rs. 10.17 lakhs), Southern Division No. I (Rs. 8.49 lakhs), Amarpur Division (Rs. 7.03 lakhs), Mechanical Division (Rs. 5.07 lakhs) and Electrical Division No. II (Rs. 1.55 lakhs).

The above cases of excess were reported to the Department in February 1979; reply indicating action taken/proposed to be taken in the matter is awaited (April 1979).

5.4 Idle stores

In the course of audit of the Stores Sub-division (Electrical), Agartala in January 1977, it was noticed that 31,441 kilograms of bare copper wire (cost price not known, market price according to survey report : Rs. 7.86 lakhs) and 53,727 metres of tough rubber sheathed copper wire (book

value : Rs. 0.99 lakh), purchased between 1960 and 1963, were lying unsued with it. A proposal to dispose of these materials at a reserve price of Rs. 6.64 lakhs (75 per cent of the total value) was submitted by the Assistant Engineer, Stores Sub-division (Electrical) to the Chief Engineer through the Superintending Engineer (Electrical) for the first time in November 1976. The circumstances in which these were lying unused/had not been disposed of were not on record.

The Government stated (November 1978) that there was nothing on records as to why action was not taken to dispose of the copper wire as soon as aluminium conductors, etc., were available but that the matter was under consideration for write off of the materials. Regarding tough rubber sheathed copper wire, the Government stated that a further communication would follow.

The matter was referred to the Government in April 1978; reply is awaited (April 1979).

5.5 Tools and plant accounts

The Public Works divisions are required to close and balance the registers of tools and plant each year. Twenty divisions had not closed (February 1979) the registers for periods varying from one to fourteen years.

Arrears in closing of the registers existed mainly in Electrical Division No. I (14 years), Gumti Electrical Division (12 years), Electrical Division No. III (7 years), Electrical Division No. II (6 years) and Public Health Engineering Division (*) (4 years).

5.6 Physical verification of stores

The rules require that the stores held in stock should be verified physically at least once in a year by a responsible officer not below the rank of a Sub-divisional Officer and the results of verification placed on record. Since the stock registers had not been closed as mentioned in paragraph 5.2, physical verification of stock with reference to the balance as per the accounts had also not been carried out in respect of those divisions.

(*) Ground Water Division was merged with this division in February 1976. Tools and plant accounts from September 1974 to the date of merger have not been closed.

FINANCE DEPARTMENT

ounts of stamps

ention was made in paragraph 5.6 of the Audit Report for the year 1976-77 about non-receipt of monthly returns showing receipts, issues and balances of stamps (entertainment tax, judicial and non-judicial) for the years 1968-69 to 1972-73 and for 1976-77 from the treasuries and also about non-reconciliation of the discrepancy of Rs. 10.11 lakhs in the year-wise consolidated returns for the period from 1973-74 to 1975-76 received from the Agartala Treasury.

Though returns for the period from 1968-69 to 1972-73 in respect of the Agartala Treasury had since been received in the Accountant General's office, these did not include the accounts of judicial stamps for the years 1968-69 and 1969-70 in a Sub-treasury (Udaipur) and those of entertainment tax from April 1968 to December 1968 in Agartala Treasury.

The discrepancy of Rs. 10.11 lakhs in respect of the Agartala Treasury for the period from 1973-74 to 1975-76 also continues to remain unreconciled.

The returns for 1976-77 in respect of the three treasuries in the State do not include transactions of all sub-treasuries thereunder and the returns for 1977-78 received from Agartala and Kailashahar treasuries (no return for 1977-78 received from Udaipur treasury, created as a full fledged treasury from 1976-77) do not include complete information.

The matter was last referred to the Government in October 1978 ; reply is awaited (April 1979).

CHAPTER VI
REVENUE RECEIPTS
REVENUE DEPARTMENT

A—Sales Tax

6.1 Sales Tax

6.1.1 General

Tax on the sale of goods within the State is levied and collected under the Tripura Sales Tax Act, 1976 which came into force with effect from 1st July 1976. The tax is levied at single point at the first stage of sale by manufacturer, producer or importer in respect of 84 items of goods as specified in the schedule to the Act. The tax on inter-State sales is, however, levied under the Central Sales Tax Act, 1956.

The total number of registered dealers under the Act was 1,655 (310 at Dharmanagar as on 24th June 1978 and 1,345 at Agartala Circle as on 24th July 1978). The tax collected in the State during the years 1976-77 and 1977-78 was Rs. 41.84 lakhs and Rs. 98.80 lakhs respectively.

6.1.2 Non-levy of penalty

Under the Tripura Sales Tax Act, 1976, if the Commissioner is satisfied that any dealer has, without reasonable cause, failed to furnish the returns or failed to furnish it within the time allowed, he may direct that such dealer shall pay by way of penalty in addition to the tax payable by him a sum not exceeding 1½ times of that amount.

In the course of audit of Agartala Circle, it was noticed that there was delay in furnishing the return in respect of 4,295 cases. In all these cases only interest was charged under Rule 27 of the Tripura Sale Tax Rules, 1976. But no penalty as contemplated in Section 13 of the Act was levied without recording any reason. In the absence of any such record it could not be ensured in audit whether the penalty aspect was at all considered at the time of assessment.

It was also noticed that in 43 cases assessments were made *ex parte* during the years 1976-77 and 1977-78 and tax

demand of Rs. 1.01 lakhs raised. No appeal was preferred on such *ex parte* assessments. In all these cases also penalty had not been levied for non-submission of returns without recording any reasons.

Other topics of interest

A scrutiny of the Act and the Rules reveals the following :

(a) There is no provision to levy penalty in respect of an unregistered dealer dealing in taxable goods who may be brought under the tax net at any time on the basis of survey, search and seizure.

(b) Prompt completion of assessment of dealers, specifically dealers having seasonal business, is of vital importance in the collection of Sales tax as delay in completing the assessment adversely affects the collection of additional tax that may be found payable on completion of the assessment. The Tripura Sales Tax Act, 1976, does not contain any provision prescribing a time limit within which assessments should be completed.

The points referred to in the foregoing paragraphs were reported to Government in September 1976; reply is awaited (April 1979).

B—Agricultural Income Tax

6.2 *Failure to take timely action for realisation of the tax*

Under the Bengal Agricultural Income Tax Act, 1944, as extended to Tripura, agricultural income tax shall be levied for each financial year beginning with the financial year from 1st April 1951 in respect of the total agricultural income of the previous year of every individual, company, firm, Hindu undivided family and Association of persons as provided under the Act. Except as provided thereunder a tax becomes payable in terms of section 44 *ibid* on or before the first day of the second month following the date of the service of notice or order and an assessee in default owing to failure to pay the tax by the stipulated date is liable to be dealt with under section 45 *ibid* which, *inter alia* provides for institution of certificate cases.

Test audit of the records of the Agricultural Income Tax Officer, Agartala, revealed (July 1977) that agricultural income tax in respect of an assessee pertaining to the years 1955-56, 1958-59 and 1959-60 amounting to Rs. 0.25 lakh was allowed to remain outstanding. Different certificate cases for recovery of the dues were instituted on 16th April 1963, 27th June 1963, 2nd June 1965 and 31st March 1969. On 19th March 1976, it was reported by the Sub-Divisional Officer, Sadar, to the Agricultural Income Tax Officer that demand notice and distrained warrant had been returned as the addressee was not available at the given address. No further action was also taken by the department to recover the amount. Absence of provisions for advance payment of tax by the assessee as obtaining in the Income Tax Acts, 1922 and 1961, and for provisional assessment might be also responsible for non-collection of the demand.

The matter was reported to Government in October 1977; reply is awaited (April 1979).

6.3 *A topic of interest*

Under the Bengal Agricultural Income Tax Act, 1944, as applicable to Tripura, in the case of tea gardens, the agricultural income tax will be assessed in the manner laid down therein on the amount of agricultural income "on which income tax is not payable under that Act", and for that purpose certified copy of assessment by the Income Tax Officer under the Income Tax Act, 1961, is required to be furnished. Records of the Agricultural Income Tax Officer, Agartala, revealed that in as many as 204 cases certified copies of assessment under the Income Tax Act, 1961, in respect of the years from 1959-60 to 1976-77 had not been received for which assessment of agricultural income tax remained pending (July 1977). Efforts made, if any, to get the copies of assessment were, however, not stated (April 1979).

Under the Bengal Agricultural Income Tax Act, 1944, no order of assessment shall be made in respect of mixed income after the expiry of six years from the end of the year in which the agricultural income was first assessable. Thus out of 204 cases, 200 cases had become timebarred on 31st March 1978. No protective assessment was also made

by the department to safeguard the interest of revenue, resulting in loss of revenue.

The matter was reported to Government in October 1977; reply is awaited (April 1979).

C—Amusement Tax

6.4 *Running of cinema houses without valid licences*

Under the Cinematograph Act, 1952, the owner or a person in charge of a cinematograph exhibiting cinemas without a valid licence shall be punishable with fine which may extend upto Rs. 1,000 and in the case of continuing offence with a further fine which may extend upto Rs. 100 for each day during which the offence continues.

In the course of audit it was noticed (June 1977) that one cinema house at Manubazar under Tripura South district continued to exhibit cinema shows without any valid licence/permit for 146 days in 3 spells from June 1977 to January 1978. The licence/permit was, however, issued subsequently without imposition of any fine. Another cinema house at Belonia under the same district had licence valid upto 31st December 1963, but even thereafter shows were continued to be exhibited upto 31st May 1977 (i.e. 4900 days) without valid licence/permit. The fines that could be imposed under the said Act in respect of the aforesaid cases, amounted to Rs. 5.08 lakhs (Rs. 0.17 lakh and Rs. 4.91 lakhs respectively) but no action was taken in this regard. No reason was also recorded for non-levy of fines. Even though a similar irregularity was pointed out in paragraph 6.7 (a) of the Report of the Comptroller and Auditor Central of India for the year 1976-77 no action was taken by the department/Government.

The matter was reported to Government in September 1977 and August 1978; reply is awaited (April 1979).

6.5 *Unauthorised exemption from payment of entertainment tax*

In the course of audit it was noticed that the Sub-Divisional Officer, Belonia, reported (May 1977) to the District Magistrate and Collector, Tripura South district, that 95

persons had been granted exemption from payment of entertainment tax during 1976-77. According to the report (July 1977) of the District Magistrate and Collector, exemptions in two cases only were sanctioned by Government during 1976-77.

Under the Tripura Amusement Tax Act, 1973, only the State Government is empowered to grant exemption from payment of entertainment tax. As such exemptions in 93 cases were unauthorised and resulted in loss of revenue. The Sub-Divisional Officer could not also cite any authority, rules or order which empowered him to grant exemption from payment of entertainment tax. The amount of loss could not be ascertained owing to non-submission of accounts by any party.

The matter was reported to Government in August 1978; reply is awaited (April 1979).

6.6 *Non-realisation of donation/entertainment tax*

(i) The Director of Education, appealed to all cinema house owners through the District Magistrates and Collectors to donate the entire sale proceeds of the evening show of 5th September 1977 to the National Foundation for Teachers' Welfare. With that end in view the State Government also declared the said evening show as tax-free. Out of 6 cinema houses in Tripura South district, only 2 had donated the sale proceeds. The remaining 4 houses neither made any donation nor any tax was realised from them.

The matter was reported to Government in August 1978; reply is awaited (April 1979).

(ii) It was noticed (May-June 1978) in audit that during 1975-76 exemption from payment of entertainment tax was sanctioned in favour of 4 parties in South district. One of these parties was to donate the net proceeds of the shows to Chief Minister's Relief Fund and the other parties were to make donations of net proceeds to public institutions. Accounts submitted by the latter 3 parties revealed that there was net profit of Rs. 0.30 lakh but no documentary evidence was produced regarding donations to public institutions; and the other party neither donated the net profit to Chief

Minister's Relief Fund nor produced the accounts (August 1978).

The matter was reported to Government in January 1978 and August 1978 ; reply is awaited (April 1979).

6.7 *Non-submission of accounts and non-payment of tax*

In the course of audit it was noticed (May—June 1978) that sanctions were accorded for staging 41 *Jatra* shows, 2 Drama shows and 1 Magic show by the District Magistrates and Collectors of Tripura South and North districts during February 1976 to April 1978. Out of 44 cases, only 5 parties deposited the tax amounting to Rs. 6,000 and the remaining 39 parties neither submitted any account nor deposited any tax (August 1978). No action was also taken by the department to collect the tax. Moreover, Government has not framed any rules to regulate the tax in cases where the accounts are not submitted. In the absence of requisite particulars, the quantum of tax due could not also be worked out in audit.

The matter was reported to Government in September 1977 and August 1978 ; reply is awaited (April 1979).

D—State Excise

6.8 *Non-realisation of arrears of licence fees on country spirit*

Under Rule 155 of the Tripura Excise Rules, 1962, the fees for licences for the retail vendors shall be paid as follows :

Fees for two months shall be paid in advance and one month's fee on the date on which the currency of licence begins and one month's fee on the first of every succeeding month until the total fee due for the licence has been realised. There is, however, no provision in the Act or Rules for obtaining any security deposit.

In the course of audit (February 1978) of the accounts of the Collectors of Excise, West and North Tripura districts, it was noticed that licence fees to the extent of Rs. 0.97 lakh in respect of 29 shops for different period between 1965-66 and 1977-78 had not been realised. No steps had also been

taken by the Department to realise the amount by certificate proceedings. The arrears have thus accumulated owing to non-observance of the prescribed provisions of the Rules.

The matter was reported to Government between March and April 1978 ; reply is awaited (April 1979).

E—Land Revenue

6.9 *Non-imposition of penalty*

Under the Tripura Land Revenue and Land Reforms Act, 1960, any person acquiring by succession, purchase or otherwise any right in land shall report his acquisition of such right to the Tehsiidar within three months from the date of such acquisition. The Collector may, if he is of the opinion that any person has wilfully neglected to make the report within the prescribed period, impose on such person a penalty not exceeding twenty-five rupees.

In the course of audit (between December 1977 and July 1978) of the accounts of 9 Tehsils, it was noticed that 6,280 reports had been received long after the expiry of the prescribed period of three months (1,039 reports after one year but within 2 years ; 894 reports after 2 years but within 3 years and 4,347 reports after 3 years). No penalty had, however, been imposed on any of the persons without recording any reason. Evidently, the penalty aspect was not at all considered by the departmental officers. The maximum penalty that could have been imposed worked out to Rs. 1.57 lakhs.

The matter was reported to Government between February 1978 and September 1978 ; reply is awaited (April 1979).

6.10 *Non-realisation of land revenue*

Under the Tripura Land Revenue and Land Reforms Act, 1960, the owners of tea gardens are entitled to retain so much of the land comprised in a tea garden as in the opinion of Government is required for such tea garden. The owner is liable to pay therefor land revenue at full rate applicable to similar lands in the locality.

In the course of audit (June 1976) of accounts of one Tehsil, it was noticed that in respect of Simnacherra tea garden an area of 795.66 acres had been determined by Government through notification (July 1975) as required for that tea garden. Annual land revenue and cess (land revenue : Rs. 2,589 ; cess : Rs. 162) had been assessed by the Director of Survey and Land Records and incorporated in the *Jamabandi* Schedule which was sent in November 1975 to the Tehsildar for realisation of revenue from 1st *Baisakh* 1370 B.S. (1963-64). But no action to collect the amount from the owners of the tea garden was taken by the department. The amount due for realisation to the end of 1384 B.S. (1977-78) worked out to Rs. 28,320 upto 1384 B.S. (1977-78) after excluding 5 years (1372 B.S. to 1976 B.S.), in respect of which remission of land revenue was granted by Government. In the absence of any internal audit, the omission remained undetected.

On this being pointed out in audit (August 1976), the department stated (September 1978) that recovery would be made by instituting certificate case against the management of the tea garden. Further developments are awaited (April 1979).

The matter was reported to Government in August 1976 ; reply is awaited (April 1979).

CHAPTER VII

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

7.1 *General*

This chapter deals with :

- (i) results of audit of bodies and authorities substantially financed by grants and/or loans.
- (ii) scrutiny of procedure for watching fulfilment of conditions governing grants or loans paid for specific purpose, and
- (iii) investments in and financial assistance to Co-operative societies.

7.2 *Grants*

During 1977-78, Rs. 3,11.70 lakhs (7 per cent of the revenue expenditure during the year) were paid as grants to local bodies, private institutions, etc., as shown below :

| | Amount (in lakhs of rupees) |
|---|--------------------------------|
| Agartala Municipality | 67.23 |
| Co-operative societies | 3.80 |
| Educational institutions (including universities) | 1,32.51 |
| Individuals (persons belonging to Scheduled Castes/Scheduled Tribes, <i>Jhumias</i> and new migrants) | 57.69 |
| Medical and family welfare institutions | 2.66 |
| Panchayat Samitis | 5.69 |
| Transport Organisation | 10.00 |
| Village and small industrial units | 27.88 |
| Others | 4.24 |
| Total | 3,11.70 |

7.3 *Utilisation certificates*

Under the financial rules, in all cases in which conditions are attached to grants, utilisation certificates to the effect that the grants had been utilised for the purpose for

which they were paid are required to be furnished by the departmental officers to the Accountant General within a period of 18 months from the date of payment of the grants.

At the end of September 1978, 1,099 certificates for Rs. 1,60.65 lakhs out of grants paid upto 31st March 1977 were awaited. Of these, 163 certificates (Rs. 35.73 lakhs) relate to grants paid upto 31st March 1975. The remaining 936 certificates (Rs. 1,24.92 lakhs) relate to grants paid during the period from 1st April 1975 to 31st March 1977. The department-wise and year-wise details of the certificates outstanding are given in Appendix V.

The utilisation certificates have not been received, although considerable time has elapsed after the grants were paid. In the absence of such certificates, it is not practicable for Audit to know, even in a broad way, whether and to what extent, the recipients had spent the grants for the purpose or purposes for which these were given and that no misappropriation, fraud, etc., had taken place.

SECTION I

7.4 Bodies and authorities substantially financed by government grants and loans

According to the provisions of Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971, the receipts and expenditure of bodies/authorities substantially financed by grants or loans from the Consolidated Fund are to be audited by the Comptroller and Auditor General.

Complete information in respect of bodies/authorities which received grants/loans of Rs. 5 lakhs or more in a financial year during 1976-77 and 1977-78 is awaited (April 1979).

According to available information, the year-wise number of bodies/authorities which received grants/loans of not less than Rs. 5 lakhs in a year from 1974-75, the number of cases in which accounts were received by the Accountant General and the number of bodies/authorities the

accounts of which are liable to be audited under Section 14 of the Act are indicated below :

| Year | Number of bodies/authorities which received grants/loans of not less than Rs. 5 lakhs in the year | Number of accounts received by the Accountant General | Number of bodies/authorities the accounts of which are liable to be audited under Section 14 |
|---------|---|---|--|
| 1974-75 | 3 | 3 | 2 |
| 1975-76 | 2 | 2 | 1 |
| 1976-77 | 1 | 1 | 1 |
| 1977-78 | Information not furnished by the departments. | ... | ... |

Important points noticed during audit are given in the succeeding paragraphs.

LOCAL SELF-GOVERNMENT DEPARTMENT

7.5 Agartala Municipality

The Agartala Municipality, constituted in 1912, is the only local body in the State. Mention was made in paragraph 7.1 of the Audit Report for the year 1973-74 about the results of audit of the Agartala Municipality for the three years ending 1973-74. Important points noticed during subsequent audit of the accounts for the three years ending 1976-77 are mentioned in the succeeding paragraphs.

7.5.1 Financial position

(a) According to the accounts maintained by it, the total receipts and expenditure and the net surplus/deficit of the Municipality in respect of the three years 1974-75 to 1976-77, were as shown below :

| | 1974-75 | 1975-76 | 1976-77 |
|---|----------------------|---------|---------|
| | (in lakhs of rupees) | | |
| Receipts— | | | |
| Revenue receipts | 8.57 | 14.95 | 15.36 |
| Grants from the Government | 16.50 | 34.63 | 20.25 |
| Loans from the Life Insurance Corporation | ... | 10.00 | ... |
| Total—Receipts | 25.07 | 59.58 | 35.61 |

| | 1974-75 | 1975-76 (in lakhs of rupees) | 1976-77 |
|----------------------------------|---------|---------------------------------|---------|
| Expenditure— | | | |
| Revenue expenditure | 42.80 | 31.33 | 32.89 |
| Capital expenditure | 11.68 | 13.70 | 24.55 |
| Total—Expenditure | 54.48 | 45.08 | 57.44 |
| Net annual surplus(+)/deficit(—) | -29.41 | + 14.50 | - 21.83 |
| Opening balance | 45.74 | 16.51 | 31.01 |
| Closing balance | 16.33 | 31.01 | 9.18 |

(b) The following discrepancies have not been reconciled/adjusted (April 1979).

(i) Difference of Rs. 28.40 lakhs between the closing balance as on 31st March 1974 (Rs. 45.20 lakhs) as per the account maintained by the Municipality and the balance actually held by the Municipality in different accounts (Rs. 16.80 lakhs), pointed out in paragraph 7.1. II of the Audit Report for 1973-74.

(ii) Difference of Rs. 0.54 lakh between the closing balance of 1973-74 (Rs. 45.20 lakhs) and the opening balance of 1974-75 (Rs. 45.74 lakhs).

(iii) Difference of Rs. 1.70 lakhs as on 31st March 1975 between the closing balance under 'Personal Ledger Accounts in the Treasury' (included in the total closing balance of the Municipality as on 31st March 1975) as shown in the accounts maintained by the Municipality (Rs. 11.96 lakhs) and that appearing in the treasury accounts (Rs. 10.26 lakhs). There were similar discrepancies of Rs. 1.58 lakhs and Rs. 4.58 lakhs in respect of the years 1975-76 and 1976-77 respectively also.

(iv) Difference of Rs. 0.18 lakh between the closing balance of 1974-75 (Rs. 16.33 lakhs) and the opening balance of 1975-76 (Rs. 16.51 lakhs). The municipal authorities had stated that this was due to two cheques issued during the year 1974-75 not having been presented by the party during that year. As, however, the cheques had been adjusted in the accounts for 1974-75 and the closing balance had been arrived at accordingly, there should have

been no discrepancy between the closing and opening balances.

(v) Rupees 0.30 lakh shown less against grant from the Government during 1975-76 in the accounts maintained by the Municipality than what had been accounted for in the Accountant General's books.

7.5.2 Demand and collection of revenue of holding tax and arrears of revenue

The position of demand and collection of holding tax during the three years ending 1976-77 was as under :

| | 1974-75 | 1975-76 (in lakhs of rupees) | 1976-77 |
|-------------|---------|---------------------------------|---------|
| Demand— | | | |
| Current | 7.76 | 7.10 | 7.53 |
| Arrear | 6.37 | 10.00* | 8.85 |
| Total : | 14.13 | 17.10 | 16.38 |
| Collection— | | | |
| Current | 2.31 | 1.32 | 2.96 |
| Arrear | 1.16 | 6.93 | 5.48 |
| Total : | 3.47 | 8.25 | 8.44 |

The year-wise analysis of the outstanding on account of holding tax as on 31st March 1977 is shown below :

| | Amount (in lakhs of rupees) |
|---------|--------------------------------|
| Upto | |
| 1975-76 | 3.37 |
| 1976-77 | 4.57 |
| Total : | 7.94 |

* The Municipal Authority stated (September 1978) that the demand of Rs. 7.76 lakhs raised during 1974-75 came down to Rs. 7.10 lakhs due to review of assessments based on objections raised by the tax payers and hence there was a difference of Rs. 0.66 lakh between the closing balance of 1974-75 and opening balance of 1975-76.

7.5.3. Arrears in revenue in Touzi collections and licence fees

The arrears in *Touzi* collections and licence fees as at the end of 31st March 1977 were Rs. 0.59 lakh and Rs. 0.43 lakh respectively.

7.5.4 Rent unrealised

Two hundred and thirtyfour stalls located in 4 shopping centres, *viz.*, Maharajganj Bazar, Hawkers' Corner, Dhaleshwar Bazar and Durgachowmuhan, were let out by the Municipality on rental basis. Rupees 2.13 lakhs being the amount of rent accrued from buildings, etc., were awaiting realisation (February 1978). Of this, Rs. 1.53 lakhs related to the year 1977-78 (upto February 1978) and Rs. 0.60 lakh to earlier years.

7.5.5 Loss of stores

Stores worth Rs. 0.10 lakh were reported to have been stolen on 15th October 1975 from the Municipal godown located in its office compound and the matter was reported to the police. The police, however, found that the case of theft was false. The then store-keeper was asked (December 1976) by the Administrator to deposit the value of the stores lost. The amount had not been realised (March 1978).

7.5.6 Delay in adjustment of advances

Rupees 0.83 lakh advanced to the municipal staff upto 31st March 1976, Rs. 0.64 lakh advanced in 1976-77 and Rs. 0.07 lakh advanced in 1977-78 (upto May 1977) for executing various departmental works were awaiting adjustment (March 1978).

7.5.7 Non-utilisation of grants

Rupees 3.39 lakhs out of the grant of Rs. 5.00 lakhs sanctioned by the Government in 1971-72 for construction of shopping centres at Maharajganj Bazar, Rs. 0.80 lakh out of the grant of Rs. 1.00 lakh sanctioned in 1973-74 for reconstruction of the existing municipal building and Rs. 0.30 lakh out of Rs. 2.00 lakhs sanctioned in 1973-74 for improvement of the children's park remained unutilised (March 1978).

7.5.8 Discrepancy between grants-in-aid register and cash book

Grants-in-aid of Rs. 2.00 lakhs for construction and improvement of roads and Rs. 0.50 lakh for construction of passage for sweepers sanctioned by the Local Self-Government Department in March 1972 had not been credited to the Personal Ledger Account of the Municipality at the Agartala Treasury. The Municipality had stated (October 1977) that the matter was under correspondence with the Government. Even without reportedly receiving the grant, the Municipality had furnished utilisation certificates for these amounts to the Government (Local Self-Government Department) in July 1973 and July 1974 respectively.

The matter was referred to the Government in January 1977 and August 1978; reply is awaited (April 1979).

SECTION II

EDUCATION DEPARTMENT

7.6 Grants to educational institutions

Section 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971 provides that where a grant or loan is given from the Consolidated Fund for any specific purpose, the Comptroller and Auditor General shall scrutinise the procedure by which the sanctioning authority satisfies itself as to the fulfilment of the conditions subject to which such grants or loans were given. Important points noticed as a result of scrutiny conducted in the Education Directorate under Section 15 of the Act in respect of grants given to educational institutions are given below :

Recurring grants are paid to privately managed educational institutions at primary and junior basic, secondary and college levels to cover 90 per cent of the approved deficit (i.e. the difference between the approved annual expenditure and annual income). The approved expenditure is arrived at by totalling the teachers' salaries (including dearness allowance, contribution to the teachers' provident fund and other approved allowances) and adding one-third (in case of Secondary institutions) or one-fifth (in case of other institutions) thereof to cover expen-

diture on other charges, *viz.*, pay and allowances of non-teaching staff like clerks and class IV staff, petty repairs, audit fees and other contingent expenditure. The grants are paid in advance in four quarterly instalments a year on the basis of the accounts of the previous year, subject to final adjustment on receipt of the annual audited accounts for the year.

In addition to the above grants, non-recurring grants of a capital nature, *viz.*, for construction of buildings, purchase of books and equipment, etc., are paid to deserving institutions on the recommendation of the Inspector of Schools.

A test-check (September-October 1978) of the grants released to various privately managed colleges/ secondary schools/junior basic and primary schools brought out the following points.

(i) *Utilisation Certificates*—During the three years ending 1977-78, the amounts of grants released were under :

| Year | Number of institutions | Amount (in lakhs of rupees) |
|---------|------------------------|--------------------------------|
| 1975-76 | 58 | 88.76 |
| 1976-77 | 58 | 81.81 |
| 1977-78 | 57 | 1,22.28 |

No time limit within which utilisation certificates were to be furnished by the grantee institutions had been prescribed by the directorate, though the latter was required to furnish to Audit within eighteen months from the date of payment of the grant certificates to the effect that the grants had been utilised for the purposes for which they had been sanctioned.

The position of utilisation certificates outstanding against these institutions in respect of grants given up to 1976-77 was as follows :

| Year | Number of institutions | Amount (in lakhs of rupees) |
|---------|------------------------|--------------------------------|
| 1975-76 | 16 | 2.73 |
| 1976-77 | 34 | 10.61 |

(ii) *Excess payment of grants, etc.*

Mention was made in paragraph 23 of the Audit Report for the year 1969-70 about excess payment of grants, etc., to seventeen non-Government schools due to their net deficits having been calculated, under rule 15 of the rules for grants-in-aid (recurring), on the basis of a computed level of expenditure on contingencies ($\frac{3}{4}$ rd for secondary schools/ $\frac{1}{3}$ th for primary schools of expenditure on pay and allowances) though their actual expenditure on contingencies was lower. The Public Accounts Committee in their Eighth Report had observed (August 1972) : "As a difference of opinion had arisen between the department and Accountant General, Assam on the matter of interpretation of grants-in-aid rules the Committee would recommend that clarification of the point might be obtained from the Government of India and after obtaining the clarification, grants-in-aid rules might be amended suitably in order to safeguard the interest of the private schools". Action taken by the department on the recommendation made by the Public Accounts Committee was enquired from the Government in August 1978 ; reply is awaited (April 1979).

Meanwhile, similar cases of excess payment of grants to four secondary schools (together with their primary units) amounting to Rs. 4.28 lakhs during the three years ended 1977-78 (as indicated in Appendix VI), due to the deficit being calculated on the computed level of contingent expenditure, though the actual expenditure was less, came to notice.

The matter was referred to the Government in December 1978 ; reply is awaited (April 1979).

SECTION III

CO-OPERATIVE DEPARTMENT

7.7 *Financial assistance to co-operative societies*

7.7.1 *Investment in share capital*

Government has been rendering financial assistance to the co-operative societies in the form of share capital,

loans, grants and subsidies. The investment by the Government in their share capital at the close of each of the three years ending 31st March 1978 was as under :

| Year | Number of societies | Amount (in lakhs of rupees) | Dividend received |
|---------|---------------------|--------------------------------|-------------------|
| 1975-76 | 189 | 63.22 | ... |
| 1976-77 | 207 | 74.81 | 0.01 |
| 1977-78 | 213 | 90.26 | ... |

The total number of societies in the State as on 30th June 1978 was 928 (909 as on 30th June 1977).

7.7.2 Loans and grants

The loans, grants and subsidies paid by the Government to the co-operative societies during the three years ending 31st March 1978 were as under :

| Year | Loans | | | | Grants and subsidies paid during the year |
|---------|-------------------------------------|--------------------------|------------------------|----------------------------|---|
| | Balance at end of the previous year | Advanced during the year | Repaid during the year | Balance at end of the year | |
| | (in lakhs of rupees) | | | | |
| 1975-76 | 75.79 | 11.00 | 10.43 | 76.36 | 6.14 |
| 1976-77 | 76.36 | 26.01 | 6.15 | 96.22 | 9.15 |
| 1977-78 | 96.22 | 22.86 | 3.81 | 1.15.27(a) | 3.80 |

7.7.3 Default in repayment of principal and payment of interest on loans and unutilised grants and subsidies

According to the Registrar, Co-operative Societies, the position of (i) overdue amount of principal and interest on loans and (ii) unutilised amounts of grants and subsidies paid to co-operative societies at the close of each of

(a) As furnished by the department; differs by Rs. (—) 0.07 lakh from the figures in the Finance Accounts 1977-78. The difference is under reconciliation by the department (April 1979).

the three years ending 31st March 1978 was as indicated below :

| Year | Overdue principal | Overdue interest | Unutilised grants and subsidies |
|----------------------|-------------------|------------------|---------------------------------|
| (in lakhs of rupees) | | | |
| 1975-76 | 14.91 | 12.65 | 6.14 |
| 1976-77 | 23.58 | 16.75 | 7.88 |
| 1977-78 | 40.88 | 25.90 | 3.11 |

7.7.4 Dividend from co-operative societies

The total amount of dividend received during the ten years ending 1977-78 was Rs. 0.24 lakh only against the total investment of Rs. 74.81 lakhs in 207 co-operative societies as on 31st March 1977, it having been nil during 1967-68 to 1970-71, 1972-73, 1975-76 and 1977-78.

7.7.5 Guarantees

The Government had guaranteed the repayment of principal and payment of interest on loans obtained by 3 co-operative societies. The total guarantees in force during 1977-78 were Rs. 1,26.61 lakhs against which the sums guaranteed and outstanding as on 31st March 1978 were Rs. 36.66 lakhs.

No guarantee was invoked during 1977-78.

7.7.6 Delay in completion of audit

In pursuance of the provisions contained in Section 79 of the Tripura Co-operative Societies Act, 1974, the accounts of co-operative institutions are required to be audited by auditors appointed by the Registrar, Co-operative Societies once in every year. Audit of 212 societies, in the share capital of which the Government had invested, was in arrears at the end of June 1978, as indicated below :

| Number of societies | Period for which accounts had not been audited |
|---------------------|--|
| 116 | Three years and above |
| 61 | Two years |
| 35 | One year |
| Total : | 212 |

Delay in completion of audit was attributed (November 1978) by the department to shortage of staff and defective maintenance of records by the societies.

7.7.7 Audit fees

As per the provisions of Rule 76 of the Tripura Co-operative Societies Rules, 1976, every co-operative society is required to pay to the Government a fee for audit of its accounts for each co-operative year (July to June). For the period July 1960 to June 1978, audit fees totalling Rs. 0.63 lakh were outstanding. The department could not furnish information regarding outstanding audit fees due from societies under liquidation (sixteen co-operative societies).

7.7.8 Working results

The table below indicates the working results for the last three years of three co-operative institutions in which Government held sizable investments and in respect of which audited accounts were available (October 1978) :

| Name | Year of account | Government investment in share capital | Loan from Government | Profit (+) Loss (-) |
|---|-----------------|--|----------------------|------------------------|
| (in lakhs of rupees) | | | | |
| Tripura State Co-operative Bank Limited | 1974-75 | 8.00 | 44.92 | (+) 0.88 |
| | 1975-76 | 13.00 | 47.92 | (+) 0.31 |
| | 1976-77 | 15.00 | 55.92 | (-) 5.37 |
| Tripura Co-operative Land Development Bank Limited | 1973-74 | 6.50 | 6.71 | (-) 0.27 |
| | 1974-75 | 6.50 | 5.71 | (-) 0.23 |
| | 1975-76 | 7.60 | 6.71 | (-) 0.29 |
| Tripura Apex Marketing Co-operative Society Limited | 1974-75 | 5.80 | 5.96 | (-) 3.75 |
| | 1975-76 | 14.11 | 5.96 | (-) 0.31 |
| | 1976-77 | 14.26 | 7.54 | (+) 1.15 |

7.7.9 Review of audited accounts

A review of the audited accounts of the Tripura State Co-operative Bank Limited, in which Government had invested Rs. 15.00 lakhs (53.38 per cent of the total paid-

up capital of Rs. 28.10 lakhs) and lent Rs. 55.92 lakhs upto 30th June 1977 disclosed that :

(i) an amount of Rs. 7.03 lakhs on account of interest in respect of the above loan was overdue at the end of June 1977 ;

(ii) the bank had sustained a loss of Rs. 5.37 lakhs during 1976-77, which was attributed by the Management mainly to poor response to recovery of loans ; and

(iii) rupees 0.74 lakh out of Rs. 28.85 lakhs outstanding under 'Agricultural Credit', and Rs. 0.98 lakh out of Rs. 30.07 lakhs outstanding under 'Cash credit - Marketing of crops and essential commodities' were reported to be bad and doubtful.

CHAPTER VIII
GOVERNMENT COMMERCIAL AND TRADING
ACTIVITIES

SECTION A—GENERAL

8.1 This chapter deals with the results of audit of :

- (i) The Tripura Road Transport Corporation,
- (ii) Government Companies, and
- (iii) Departmentally managed Government commercial and quasi-commercial undertakings.

SECTION B—STATUTORY CORPORATION

8.2.1 As on 31st March 1978, there was one Statutory Corporation in the State, *viz.*, Tripura Road Transport Corporation.

8.2.2 The Corporation was established on 23rd October 1969 under the Road Transport Corporations Act, 1951 with a view to providing a co-ordinated system of economic and efficient road transport services and started functioning from 14th July 1970. The capital of the Corporation was to be contributed by the State Government and the Government of India (Railways) in the ratio of 2 : 1, under Section 23(1) of the Act *ibid.* On 31st March 1978, the capital of the Corporation was Rs. 2.70 crores wholly contributed by the State Government. The Government of India (Railways) contributed Rs. 5.00 lakhs in March 1979.

Mention was made in paragraph 8.2.2 of the Report of the Comptroller and Auditor General of India for the year 1976-77 about non-finalisation of accounts from the inception, non-approval of the forms of accounts by Government and consequent delay in laying the certified accounts and audit report thereon before the State Legislature in terms of Section 33(4) of the Road Transport Corporations Act. The forms of accounts of the Corporation have been submitted to Government in November 1978 and are yet to be approved by Government (April 1979). Accounts for 1970-71 to 1977-78 have since been prepared in un-approved forms.

The accounts for 1977-78 disclosed a net loss of Rs. 58.20 lakhs as against a net loss of Rs. 25.87 lakhs in 1976-77. The cumulative loss of the Corporation up to 31st March 1978 was Rs. 196.61 lakhs.

8.2.3 *Out-agency agreement with Northeast Frontier Railway*

In December 1973, the Corporation was awarded out-agency work by Northeast Frontier Railway on submitting an item-wise quotation in October 1973 for carriage of goods and parcels between Dharmanagar railway station and Agartala, both ways (distance : 200 kilometres each way), for a period of three years from January 1974.

The rates as per the agreement were, however, not found to be workable and the Corporation demanded (March 1974) from the Railway authorities enhanced rates. The Railways thereafter admitted the enhanced rates partly (February 1976) and the Corporation agreed to carry on the out-agency work. The contract was renewed up to 28th February 1978 and was further extended up to 28th March 1979 on the same terms and conditions with a slight upward revision in rates.

The Corporation incurred a total loss of Rs. 40.86 lakhs between January 1974 and March 1977 on the out-agency services.

In this connection, the following points have been noticed :

(i) The quotation (October 1973) of the Corporation was based on the cost structure of 1971-72. Though the contract entered into by the Corporation was for a period of three years, no price escalation clause had been incorporated therein.

(ii) At the time of quoting the rates, goods and parcel traffic of 3,63,868 quintals *per annum* was expected by the Corporation. The actual traffic was, however, 85,466 quintals, 2,08,485 quintals and 93,468 quintals during 1974-75, 1975-76 and 1976-77 respectively.

(iii) Payment of labour and handling charges to the labour contractor was made at rates higher than those prescribed and reimbursed by the Railways.

Government stated (December 1978) that 'operation of Tripura Town out-agency is in the interest of public service. Being a State Transport Corporation having good transport facilities the Corporation could not shirk its responsibility for this public carriage which are mostly utilised by Government departments, etc. The truck services are being run at a loss due to high cost of operations and non-utilisation of full capacity as well as keen competition with private operators in the matter of fixing carriage rates. In this context, the Corporation could not ask for high rates from the Railways and at the same time could not discontinue this carriage'.

8.2.4 Resoling of tyres

Mention was made in paragraph 8.2.3 of the Report of the Comptroller and Auditor General of India for the year 1976-77 that during 1975-76 the resoled tyres were guaranteed to give a performance of 70 to 75 per cent of that of new tyres. This was revised (May 1976) at the time of renewal of contracts for the year 1976-77 with three existing firms. According to the revised terms of the contract, the compensation for failure of tyres after covering 3,000 kilometres of the guaranteed performance would be four times of the proportionate cost of resoling, which would be recovered from their pending bills, and in case the tyre failed before covering 3,000 kilometres, the contractor would be liable for resoling of such tyres anew free of cost. The firms guaranteed 7,000 to 10,000 kilometres performance of resoled tyres.

A scrutiny of the records, however, showed (June 1978) that the average performance of the resoled bus tyres (1,225 numbers) excluding 12 tyres whose performance was below 3,000 kilometres, was 5,637 kilometres only. The proportionate cost recoverable from the firms for the low performance of the resoled tyres amounted to Rs. 1.69 lakh. No action was, however, taken by the Corporation to recover the compensation from the firms (December 1978). The Management invoked the provisions of the agreement in case of failure of resoled tyres below 3,000 kilometres by getting the same resoled again free of cost.

Government stated (December 1978) that "the provision of the agreement of claiming compensation for

times the proportionate cost of resoling in case the resoled tyres failed to achieve the target kilometrage of 70 to 75 per cent performance of a new tyre appeared to be harsh and not tenable. Besides, the parties remained to be notified about the achievement of tyres resoled by them. A security deposit of 10 per cent of the cost of resoling has been withheld from them pending finalisation of their cases. The matter is still under consideration".

8.2.5 City bus depot workshop

Four buses remained off the road for undergoing repairs for 111 to 256 days after being sent to the workshop during 1976-77. The available records did not indicate why these remained off the road for such a long period.

Besides the above four, a few more buses had been sent between June 1976 and May 1978 to private workshops for repairs. Instead of sending them promptly for this purpose, one had been held up in the Corporation's workshop for thirteen months, three for five months, one for three months and two for two months (computed from the dates of allotment of work) before they were actually sent to private workshops. The private workshops repaired these within three months of receipts. After such repairs nine buses were put to road between September 1976 and October 1977 after a delay ranging up to five months. The delay in sending the buses for repairs combined with delay in putting them on the road thereafter resulted in loss of revenue to the Corporation.

The following points were also noticed (May 1978) in course of scrutiny of the workshop records :

- (i) No records were kept for the old parts removed from the vehicles.
- (ii) Register for incoming and outgoing vehicles was not maintained by the depot management.
- (iii) Inspection reports even for major repairs of vehicles were not maintained.
- (iv) Job cost card for each job was not maintained.
- (v) Detailed estimates for repair works were not prepared in most of the cases.

The Management attributed (July 1978) this state of affairs to shortage of working space, skilled technicians and supervisory staff.

SECTION C—GOVERNMENT COMPANIES

8.3 As on 31st March 1978, there were six Government Companies in the State. The total investments of Government in the share capital of these Companies at the end of the year 1977-78 was Rs. 276.80 lakhs.

Accounts of all the Companies for the years from 1976-77 (except the accounts of Tripura Forest Development and Plantation Corporation Limited and the Tripura Jute Mills Limited for the year 1976-77) are in arrears (April 1979).

TRIPURA SMALL INDUSTRIES CORPORATION LIMITED

8.3.1 Introduction

The Tripura Small Industries Corporation Limited was incorporated on 30th April 1965 to promote and help development of small industries in the State. The main objects of the Company are to aid, advise, assist, finance, protect and promote the interests of small scale industries in the State.

8.3.2 Organisational set-up

The Company is managed by a Board of Directors consisting of seven members, all of whom are official members appointed by the Governor. The overall control and supervision of its working vests in the Board of Directors. The Managing Director of the Company works as Chief Executive Officer.

The Company had four manufacturing units as on 31st March 1978, *viz.*, (i) Fruit Canning factory, (ii) Timber treatment and seasoning plant, (iii) Sugar factory and (iv) Pharmaceutical unit.

8.3.3 Capital structure

(i) Share capital

The initial authorised capital of the Company was Rs. 10 lakhs; it was increased to Rs. 20 lakhs in July 1973,

Rs. 30 lakhs in September 1974 and Rs. 35 lakhs in December 1976, divided into 35,000 equity shares of Rs. 100 each. The paid-up capital, as on 31st March 1978, was Rs. 30.99 lakhs wholly subscribed by the State Government.

(ii) Borrowings

(a) Government loan

The Company received Rs. 5 lakhs (Rs. 2 lakhs in March 1973 and Rs. 3 lakhs in July 1973) as loans from the State Government carrying interest at 6 *per cent per annum*. The loans were repayable in ten equal annual instalments commencing from the first anniversary date of disbursement. Against Rs. 3.38 lakhs (principal: Rs. 2.20 lakhs and interest: Rs. 1.18 lakhs) due for repayment up to 31st March 1978, only Rs. 1.11 lakhs (principal: Rs. 0.70 lakh and interest: Rs. 0.41 lakh) had been paid between February 1974 and September 1975. Due to non-payment of instalments of loans including interest on due dates, the Company was liable to pay penal interest of Rs. 0.18 lakh at 8.5 *per cent per annum* (compound interest) as claimed (March 1977) by the State Government under the terms and conditions governing the loans.

(b) Bank loan

(i) Term loans

The Company obtained Rs. 2.44 lakhs as loan from a nationalised bank during the three years ending 31st March 1978 against mortgage of fixed assets (plant, machinery and building) of its *Khandsari* sugar factory at Bagafa. The principal was repayable in instalments, Rs. 0.48 lakh in the first year (1975-76) and at Rs. 0.96 lakh *per annum* thereafter and the interest (varying from 9.5 to 15 *per cent per annum*) was payable half-yearly in June and December each year. Against Rs. 3.54 lakhs (principal: Rs. 2.40 lakhs and interest: Rs. 1.14 lakhs) due for repayment up to 31st March 1978, only Rs. 1.01 lakhs (principal: Rs. 0.48 lakh and interest: Rs. 0.53 lakh) had been paid. Due to non-payment of principal of Rs. 1.92 lakhs and interest of Rs. 0.61 lakh on due dates, the bank had claimed from time to time Rs. 0.11 lakh as interest on overdue interest relating to the period from July 1975 to March 1978.

(ii) *Cash credit facilities*—The Company also availed itself of cash credit facilities from the same bank for payment of the purchase price of sugar cane and other raw materials by pledging the stock. The maximum extent to which cash credits were availed of and the interest paid thereon between 1975-76 and 1977-78 are indicated below :

| | 1975-76 | 1976-77 | 1977-78 |
|---|-----------------------------|---------|---------|
| | <i>(in lakhs of rupees)</i> | | |
| (i) Maximum limit of cash credit availed of | 6.46 | 3.06 | 3.86 |
| (ii) Interest paid | 0.72 | 0.16 | 0.29 |

8.3.4 Annual accounts

The annual accounts of the Company for 1976-77 and 1977-78 have not been finalised (April 1979).

8.3.5 Financial position

(a) The table below summarises the financial position of the Company for the three years upto 1975-76.

| | 1973-74 | 1974-75 | 1975-76 |
|------------------------------------|-----------------------------|--------------|--------------|
| | <i>(in lakhs of rupees)</i> | | |
| <i>Liabilities</i> | | | |
| Paid-up capital | 19.99 | 21.99 | 26.99 |
| Reserve and surplus | 1.21 | 0.28 | 0.28 |
| Borrowings | 4.80 | 10.09 | 7.22 |
| Trade dues and current liabilities | 2.63 | 9.87 | 8.81 |
| Total : | 28.63 | 42.23 | 43.30 |
| <i>Assets</i> | | | |
| Gross block | 3.92 | 13.47 | 14.89 |
| Less : depreciation | 0.56 | 1.46 | 2.37 |
| Net fixed assets | 3.36 | 12.01 | 12.52 |
| Current assets, loans and advances | 25.27 | 27.69 | 22.43 |
| Miscellaneous expenditure | ... | ... | 0.08 |
| Accumulated loss | ... | 2.53 | 8.27 |
| Total : | 28.63 | 42.23 | 43.30 |

| | 1973-74 | 1974-75 | 1975-76 |
|------------------|-----------------------------|---------|---------|
| | <i>(in lakhs of rupees)</i> | | |
| Capital employed | 26.00 | 29.83 | 26.14 |
| Net worth | 21.20 | 19.74 | 18.92 |

Note : (i) Capital employed represents net fixed assets plus working capital.
(ii) Net worth represents paid-up capital plus reserves and surplus less intangible assets.

(b) Working results

The working results of the Company during the years 1973-74 to 1975-76 are shown below :

| | 1973-74 | 1974-75 | 1975-76 |
|--|-----------------------------|--------------|--------------|
| | <i>(in lakhs of rupees)</i> | | |
| <i>Income</i> | | | |
| Sales | 48.10 | 35.28 | 32.79 |
| Other income | ... | ... | 0.01 |
| Total income : | 48.10 | 35.28 | 32.80 |
| <i>Expenditure</i> | | | |
| Opening stock | 4.51 | 7.78 | 14.91 |
| Purchases | 44.33 | 38.96 | 26.87 |
| Less : closing stock | 7.78 | 14.91 | 9.86 |
| Cost of materials traded | 41.06 | 31.83 | 31.92 |
| Expenses (including interest and depreciation) | 5.47 | 6.95 | 6.62 |
| Total expenditure : | 46.80 | 38.78 | 38.54 |
| Net profit (+)/ loss (-) | (+) 1.30 | (-) 3.50 | (-) 5.74 |

The losses were attributed by the Board (27th December 1977) to the following :

(i) Heavy loss in sugar factory during 1974-75 (Rs. 1.55 lakhs) and 1975-76 (Rs. 3.55 lakhs) ;

(ii) other units *viz.*, timber treatment and seasoning plant and fruit canning factory were also running in losses; and

(iii) fall in volume of trade.

8.3.6 Activities

The Company took up the following activities from time to time:

- (i) procurement and distribution of raw materials;
- (ii) setting up of brick kiln unit;
- (iii) construction of water tank at College Tilla;
- (iv) setting up of sugar factory;
- (v) taking over of fruit canning factory;
- (vi) installation of timber treatment and seasoning plant; and
- (vii) setting up of pharmaceutical unit.

Some of the activities are dealt with in the succeeding sub-paragraphs.

(I) Raw materials depot

(a) Profitability

The Board of Directors decided in November 1968 to deal in industrial raw materials. It was estimated by the Board in November 1968 that with an annual turnover of Rs. 10.80 lakhs this would bring in a profit of Rs. 0.17 lakh *per annum*. Accordingly, the Company started procurement and distribution of raw materials in May 1969. Separate profit and loss account for the unit was not prepared till 1974-75. The working results of the unit for the year 1975-76 disclosed a net loss of Rs. 1.87 lakhs.

(b) Non-moving stores

Due to failure to sell the raw materials procured for eventual use by small scale units, materials worth Rs. 1.14

lakhs had been lying in stock (November 1978) for a long time, ranging from 2 to 4½ years, as indicated below:

| Items | Value (in lakhs of rupees) | Month of procurement |
|------------------|-------------------------------|----------------------------|
| M.S. plates | 0.12 | March 1974 |
| M.S. angles | 0.02 | April 1974 |
| R.S. joist | 0.25 | April 1974 to June 1974 |
| Newsprint | 0.03 | February 1974 |
| Galvanised tubes | 0.72 | December 1976 |
| Total: | 1.14 | |

(II) Brick kiln unit

Mention was made in paragraph 33(c) of the Report of the Comptroller and Auditor General of India for the year 1972-73 about setting up of a small brick kiln unit around Agartala and supply of bricks and brick-bats to Public Works Department. It was also mentioned that in order to execute an order for supply of bricks and brick-bats, received from the Public Works Department, the Company awarded (November 1972) the work to a contractor instead of setting up the kiln as a unit under the management of the Company. The matter was also discussed by the Public Accounts Committee in their twenty-first report.

The contractor supplied 20.64 lakh bricks between 1972-73 and 1974-75. The earth available in the land of the Public Works Department being unsuitable, the contractor obtained the same from the adjoining fields of private parties for the manufacture of bricks. The entire brick kiln area was inundated in May 1973 and the stocks of coal, raw bricks, tools and plant were damaged/washed away. The claims (Rs. 1.94 lakhs) of the contractor on account of collection of earth from outside and loss sustained due to floods were referred to arbitration in June 1975 by a Court of law. The arbitrator awarded (July 1977) Rs. 0.73 lakh in favour of the contractor. The Court (Subordinate Judge, Agartala) ordered (December 1977) payment of the award money together with interest thereon

at 6 per cent per annum from the date of the award. The Company paid Rs. 0.60 lakh (including interest Rs. 0.02 lakh) in two instalments in March and June 1978 to the contractor in part settlement of the decreed dues. The balance amount (principal : Rs. 15,000 and interest : Rs. 1,192) was paid in December 1978.

There was no particular advantage to the Company in entering into a contract with the Public Works Department for supplying bricks when it had no kiln of its own and had to employ a contractor for such supplies. The available records did not indicate why the Company had to do like this.

(III) Construction of water tank

In September 1972, the Public Health Engineering Division of the State Government invited tenders for construction of a water tank for Agartala at an estimated cost of Rs. 1.13 lakhs. Of the tenders received, the lowest rate quoted by a tenderer was Rs. 1.59 lakhs.

The lowest offer being much higher than the estimated cost, the Public Health Engineering Division negotiated with the Company (October 1972) for construction of the said tank. Accordingly, the Company expressed its willingness (October 1972) to undertake the job and quoted a lump sum rate of Rs. 1.57 lakhs. The offer was accepted in January 1973. The Company had made the offer without preparing detailed estimates and considering its financial implications. The detailed estimate for the work was prepared in January/February 1973, which showed that the work would cost Rs. 1.73 lakhs. The Company took up the work in February 1973 and employed two contractors who completed the work by May 1974 at Rs. 2.50 lakhs. The Company received Rs. 1.60 lakhs from the Public Health Engineering Division against the work. This resulted in a loss of Rs. 0.90 lakh to the Company, as a result of faulty tendering. There was no particular advantage to the Company in tendering for the work when it had no facilities for execution of the work and had to employ contractors to do the work. The available records did not indicate why the Company had to do like this.

(IV) Fruit canning unit

(a) *Profitability*—Mention was made in paragraph 33(i)(b) of the Report of the Comptroller and Auditor General of India for the year 1972-73 about taking over (23rd May 1970) of the management of the unit by the Company. The Public Accounts Committee in its twenty-first report recommended (1976-77) that in Tripura, fruit canning industry was very prospective and the Company should nourish the industry suitably for improvement in the near future.

Profit and loss account was not prepared separately for the unit till 1972-73. The reasons for not preparing the profit and loss account separately were not stated (April 1979). The working results of the unit for the three years upto 1975-76 disclosed that the unit had earned net profit of Rs. 0.31 lakh and Rs. 0.38 lakh during 1973-74 and 1974-75 respectively and sustained net loss of Rs. 0.08 lakh during 1975-76. The accounts were prepared without charging depreciation on the assets taken over from Government. Had depreciation been charged on the assets transferred from Government (value : Rs. 1.16 lakhs), the profit during 1973-74 and 1974-75 would have gone down and the loss during 1975-76 would have gone up.

(b) Capacity utilisation

The unit was established for manufacturing and canning the products from pineapples available locally. The plant installed had the capacity to manufacture one tonne finished products per shift per day. By working in two shifts (16 hours), it could manufacture two tonnes a day. The capacity installed, utilised and percentage of utilisation during the three years up to 1977-78 were, however, as shown below :

| Year | Operation days | Installed capacity (in tonnes) | Pineapple products made (in tonnes) | Percentage of utilisation |
|---------|----------------|-----------------------------------|--|---------------------------|
| 1975-76 | 64 | 128 | 45.81 | 36 |
| 1976-77 | 106 | 212 | 119.62 | 57 |
| 1977-78 | 115 | 230 | 186.27 | 81 |

The reasons for low utilisation were not on record

(c) *Consumption of materials*

While fixing the price in April 1977, the Company assessed the requirements of pineapples and sugar for its products. It was seen in Audit that actual consumption of pineapples and sugar was in excess of the assessed requirements. The value of pineapples and sugar consumed in excess during the three years ending March 1978 was Rs. 0.81 lakh and Rs. 0.20 lakh respectively as detailed below :

| (i) <i>Pineapple</i> | | | |
|--|----------|-----------|-----------|
| Particulars | 1975-76 | 1976-77 | 1977-78 |
| (a) Actual production (in tonnes) | | | - |
| (i) Pineapple juice including juice for squash | 18.11 | 6.30 | 36.88 |
| (ii) Pineapple slice and tit-bits | 27.70 | 113.32 | 149.39 |
| (b) Requirement of pineapple | | | |
| (i) For juice (at 1.8 tonnes of pineapple per tonne of juice) (in tonnes) | 32.70 | 11.34 | 66.38 |
| (ii) For slice and tit-bits (at 2.4 tonnes of pineapple per tonne of slice and tit-bits) | 66.48 | 271.96 | 357.74 |
| (iii) Total requirement of pineapple | 99.18 | 283.30 | 424.12 |
| (c) Actual consumption (in tonnes) | 107.83 | 409.84 | 559.33 |
| (d) Excess consumption (in tonnes) | 8.65 | 126.54 | 135.21 |
| (e) Average price of pineapple per tonne (in rupees) | 296.94 | 264.31 | 334.48 |
| (f) Value of pineapple consumed in excess (in rupees) | 2,568.53 | 33,445.79 | 45,225.04 |
| (ii) <i>Sugar</i> | | | |
| (a) Production (in tonnes) | | | |
| (i) Pineapple juice | 18.04 | 6.15 | 36.77 |
| (ii) Pineapple slice and tit-bits | 27.70 | 113.32 | 149.39 |

| Particulars | 1975-76 | 1976-77 | 1977-78 |
|---|---------|-----------|----------|
| (iii) Pineapple jam | 1.21 | ... | 3.51 |
| (iv) Pineapple squash | 0.20 | 0.33 | 2.05 |
| (v) Orange and lemon squash (in kilolitre) | 0.49 | 3.45 | 0.38 |
| (b) Requirement of sugar as per standard | | | |
| (i) For juice (75 kilogram per tonne) | 1.35 | 0.46 | 2.75 |
| (ii) For slice and tit-bits (150 kilogram per tonne) | 4.16 | 16.99 | 22.41 |
| (iii), (iv) and (v) Jam and squash (700 kilogram per tonne/kilolitre) | 1.20 | 2.65 | 3.76 |
| (c) Total requirement of sugar (in tonne) | 6.71 | 20.10 | 28.92 |
| (d) Actual consumption of sugar (in tonne) | 6.74 | 25.06 | 30.50 |
| (e) Excess consumption of sugar (in tonne) | 0.03 | 4.96 | 1.58 |
| (f) Average price per tonne of sugar (in rupees) | ... | 3,142.55 | 2,605.03 |
| (g) Value of sugar consumed in excess (in rupees) (nominal) | | 15,587.05 | 4,115.95 |

The reasons for excess consumption were not on record.

(d) *Use of containers*

Bottles are used as containers for squash and tin cans are used for other products, viz., pineapple juice, pineapple slices and tit-bits, pineapple jam, etc. Cost of containers constitutes a major element of the cost of production. Wastage of bottles during each of these three years ranged from 4 to 100 per cent and that of tin cans ranged from 2 to 10 per cent. The cost of waste bottles and in cans during the three years ending March 1978 worked out to Rs. 0.34 lakh taking 5 per cent as normal wastage.

8.3.7 Payment of wharfage charges

The Company, with a view to procuring and distributing raw materials, purchased steel materials from Hindusthan Steel Limited during November 1974 to September 1975. The delivery of the goods was taken over at Agartala from the Railway Out Agency (Tripura Road Transport Corporation). The wharfage charges on goods are levied by the Railway Out Agency at the rates varying from 15 to 30 paise for each 50 kilogram or part thereof from the date following the first twenty-four hours of the availability of the goods for delivery at destination. The Company had to pay Rs. 0.57 lakh as wharfage charges during 1975-76 in respect of three consignments of steel materials as detailed below :

| Date of Railway Receipt | Particular of materials | Date of availability for delivery | Date of taking delivery | Number of days delayed | Amount of wharfage charge |
|-------------------------|-----------------------------|-----------------------------------|-------------------------|------------------------|---------------------------|
| 9th November 1974 | 52.209 tonnes of G.I. Sheet | 7th December 1974 | 28th May 1975 | 170 | 0.43 |
| 30th September 1975 | 4 Bundles of B.P. Sheets | 20th October 1975 | 24th December 1975 | 63 | 0.07 |
| 30th September 1975 | 4 Bundles of B.P. Sheets | 24th October 1975 | 24th December 1975 | 59 | 0.07 |
| | | | Total : | | 0.57 |

The reasons for payment of wharfage charges were attributed (November 1978) by the Management to the paucity of funds due to which the Company could not get the documents released from the bank in time.

8.3.8 Credit sales

The Company has not framed any policy for credit sale of its products (November 1978). The amount of book debts at the end of March 1976 was, however, Rs. 6.91 lakhs including Rs. 4.01 lakhs in respect of private parties.

8.3.9 Inventory control, internal audit, costing system, etc.

(a) The basis of valuation of closing stock was not readily available.

(b) Internal audit and costing system have not been introduced by the Company for any of its manufacturing units (January 1979).

(c) Accounting manual laying down accounting procedure to be followed and records to be maintained has not been prepared (January 1979).

8.3.10 Summing up

As against the paid-up capital of Rs. 26.99 lakhs (wholly contributed by the State Government) at the end of March 1976, the accumulated loss was Rs. 8.27 lakhs. The book debts at the close of the year have increased from 9 per cent of the sales during 1973-74 to 21 per cent in 1975-76. More than Rs. 4.00 lakhs was outstanding from private parties.

Stores valued at Rs. 1.14 lakhs procured for sales had been lying in stock for two to four and a half years (November 1978).

The paragraphs 8.3.1 to 8.3.9 were referred to the Company/Government in December 1978; replies are awaited (April 1979).

SECTION D—DEPARTMENTALLY MANAGED GOVERNMENT COMMERCIAL AND QUASI-COMMERCIAL UNDERTAKINGS

8.4.1 Electric Supply undertakings

(1) Introductory

Mention was made in paragraph 8.4.1 to 8.4.7 of the Report of the Comptroller and Auditor General of India for the year 1976-77 about generation and distribution of electricity in the State by seven electric supply undertakings under the control and management of the Public Works Department.

(2) Pro forma accounts

Mention was also made in the Report *ibid* about non-compilation of the *pro forma* accounts of the Electric Supply undertakings. The *pro forma* accounts of these undertakings for 1977-78 have not been finalised (April 1979). The above position was brought to the notice of Government in October 1978.

Audit of the consolidated *pro forma* accounts of the undertakings for the years 1974-75 and 1975-76 revealed the following :

(i) Six diesel engines, three generating sets, two trucks, an exhaust fan, a trailer, a pick-up van and a station wagon belonging to these undertakings, the total written down value of which was Rs. 21.85 lakhs as on 31st March 1974, were not appearing in the statement of physical verification conducted by the department in September 1975 and September 1976.

(ii) The items detailed below (value for these items not available) did not appear in the assets register and as such no depreciation was charged on these assets in the *pro forma* accounts though these items were available as per physical verification done in September 1975 and September 1976 :

- (a) 100 KW Cummins generating sets—4,90,000 litres capacity storage tanks—4,
- (b) 141 KW Cummins diesel generating sets—4,
- (c) Truck—1, and
- (d) 630 KW diesel generating sets—2.

(iii) As per the site accounts maintained in Agartala Power House, 46,374 litres of lubricating oil were issued for consumption in Power House during 1974-75. But as per the statement of consumption submitted (July 1977) by the Power House to the Accounts Officer, Office of the Chief Electrical Engineer, for preparation of the *pro forma* accounts for 1974-75, the consumption of lubricating oil was 30,286 litres. The disposal of 16,088 litres (constituting the difference) of lubricating oil valuing Rs. 0.51 lakh has not been explained.

(3) Power generation, earnings and expenditure

The installed capacity during 1971-72 was 46.04 Mkwh. The generation of energy in the State rose from 9.16 Mkwh (all diesel) in 1971-72 to 22.48 Mkwh in 1977-78 (hydel power—21.04 Mkwh and diesel power—1.44 Mkwh). In addition, the State purchased 1.67 Mkwh of power from Assam State Electricity Board to meet the demand in the State during 1977-78.

The table below indicates the installed capacity of the diesel power houses, power generated, power available for sale, power sold, loss in transmission and distribution, etc., for the three years up to 1975-76 (figures for the subsequent years could not be furnished by the department) :

| | 1973-74 | 1974-75 | 1975-76 |
|--|---------|---------|---------|
| (a) Installed capacity (in Mkwh) | 46.04 | 43.20 | 46.38 |
| (b) Power generated (in Mkwh) | 5.49 | 5.76 | 4.82 |
| (c) Percentage of power generated to installed capacity | 11.92 | 13.33 | 10.39 |
| (d) Power purchased from Assam State Electricity Board (in Mkwh) | 9.15 | 9.28 | 14.07 |
| (e) Power consumed by station auxiliary | 0.37 | 0.17 | 0.21 |
| (f) Power available for sale within the State (in Mkwh) | 14.27 | 14.87 | 18.68 |
| (g) Power sold within the State (in Mkwh) | 3.76 | 12.58 | 12.19 |
| (h) Loss in transmission and distribution (in Mkwh) | 5.51 | 2.29 | 6.49 |
| (i) Percentage of transmission and distribution losses to power available for sale | 38.61 | 15.40 | 34.74 |
| (j) Total cost of power generated and purchased (in lakhs of rupees) | 108.02 | 108.49 | 134.43 |
| (k) Average cost per unit of power sold (Rupees) | 1.23 | 0.87 | 1.10 |
| (l) Revenue earned from sale of electricity (in lakhs of rupees) | 35.40 | 55.82 | 59.50 |
| (m) Average revenue per unit of power sold (Rupees) | 0.40 | 0.44 | 0.49 |

The reasons for variation in the installed capacity during the three years could not be stated by the department (April 1979).

The transmission and distribution losses during the years 1974-75 and 1975-76, as per the *pro forma* accounts of the undertakings, were 2.29 Mkw and 6.49 Mkw, respectively, while the Annual Return submitted by the department to Central Electricity Authority showed that the 'loss of energy in transmission and distribution' during the years 1974-75 and 1975-76 was 4,696 Mkw each. The discrepancies have not been reconciled by the department (January 1979).

The table below indicates the power generated, auxiliary consumption, percentage of auxiliary consumption to power generated in three of the seven diesel power houses for the two years ending 1975-76 :

| Power house | Installed capacity | | Power generated | | Auxiliary consumption | | Percentage of station load to power generated | |
|-------------|--------------------|---------|-----------------|----------|-----------------------|----------|---|---------|
| | 1974-75 | 1975-76 | 1974-75 | 1975-76 | 1974-75 | 1975-76 | 1974-75 | 1975-76 |
| | (in KW) | (in KW) | (in Kwh) | (in Kwh) | (in Kwh) | (in Kwh) | | |
| Ambassa | 81 | 81 | 50,813 | 15,691 | 724 | 4,000 | 1.4 | 25.5 |
| Bagafa | 272 | 412 | 3,24,874 | 4,74,040 | 1,776 | 29,785 | 0.6 | 6.3 |
| Kailashahar | 150 | 150 | 97,097 | 75,228 | 2,020 | 18,000 | 2.1 | 23.9 |

The above table shows that auxiliary consumption in the three power houses was very high in 1975-76 compared to that in 1974-75. The reasons for such abnormal increase in auxiliary consumption during 1975-76 could not be explained by the department (April 1979).

Further, auxiliary consumption in the following power houses, for the periods indicated thereagainst, was shown as constant although generation in the power houses varied :

| Name of the power house | Period | Installed capacity (KW) | Power generated (in Kwh) | Auxiliary consumption |
|-------------------------|---------|-------------------------|--------------------------|-----------------------|
| Khowai | 1974-75 | 81 | 3,151 | 7,200 |
| | 1975-76 | 81 | 2,569 | 7,200 |
| Kailashahar | 1973-74 | 150 | 65,310 | 2,020 |
| | 1974-75 | 150 | 97,097 | 2,020 |
| Dharmanagar | 1973-74 | 131 | 38,292 | 1,084 |
| | 1974-75 | 131 | 51,614 | 1,084 |
| | 1975-76 | 131 | 18,665 | 1,084 |

The following table shows the revenue earned from sale of power along with the revenue expenditure incurred on generation and supply of power during the two years 1976-77 and 1977-78 :

| Year | Revenue from sale of power | Expenditure on power generation and supply (direct charges) (in lakhs of rupees) | Deficit |
|---------|----------------------------|---|---------|
| 1976-77 | 59.21 | 1,19.43 | 60.22 |
| 1977-78 | 65.74 | 1,32.02 | 66.28 |

Note: Figures are as per Finance Accounts.

(4) Consumption of high speed diesel oil

(a) In the course of test-check (September 1978) of the accounts of the Tripura Electrical Circle, it was noticed that there were discrepancies on consumption of high speed diesel oil (HSD) as recorded in the log sheets of two Russian make generating sets in Agartala power house. The discrepancy had arisen as the quantity of HSD oil actually consumed had been inflated in the closing column of the log sheets. The total oil consumed in all the three shifts in a day did not agree with the total worked out in the closing column of the log sheet. It was seen that during April 1974 to February 1975 (excluding May and June 1974 for which log books were not available) 2,90,062 litres of HSD oil valued at Rs. 2.27 lakhs had been shown in excess over actual consumption of 7,15,945 litres of HSD oil.

In this connection, the following observations are made :

(i) The reasons for such discrepancies could not be clarified by the department (April 1979).

(ii) The entries in the log sheet had not been attested by a competent authority in token of check.

(iii) As a result of excess consumption of HSD oil the cost of generation was overstated by Rs. 2.27 lakhs during 1974-75.

(b) Up to February 1975, the power house had been recording shift-wise actual consumption of HSD oil in the

log sheets. However, from March 1975, in the case of two Russian generating sets the consumption of HSD oil had been worked out by the department adopting a uniform rate of 0.3 litre per unit of power generated by them. The accounts disclosed that during March 1975 to March 1976, 9.43,376 litres of HSD oil had been consumed to generate 30,99,390 units of electricity. The basis of adoption of the uniform rate of 0.3 litre per unit as against the actual consumption of 0.23 litre per unit in the preceding years could not be clarified by the Management (April 1979). At the rate of 0.23 litre per unit the excess consumption of HSD oil during March 1975 to March 1976 worked out to 2,30,516 litres valued at Rs. 1.81 lakhs.

The matter was referred to Government in October 1978 ; reply is awaited (April 1979).

(5) *Storage of high speed diesel oil*

A scrutiny of the site accounts disclosed that the monthly closing balance of HSD oil exceeded the storage capacity of the oil tanks (2,63,860 litres) under Agartala Power House in 17 months (June 1974 and November 1975 to February 1977). The maximum closing balance was 3,66,519 litres in December 1976. As no accounts for stock of oil other than in tanks could be produced to Audit, it was not understood how HSD oil far in excess of the storage capacity had been stored in the Power House.

No physical verification of HSD oil was conducted during 1975, 1976 and 1977.

The matter was referred to Government in October 1978 ; reply is awaited (April 1979).

(6) *Outstanding dues*

Mention was made in paragraph 8.4.5 of the Report of the Comptroller and Auditor General of India for the year 1976-77 about the outstanding dues up to 1973-74.

The table below indicates the year-wise position of the book debts at the end of the year, sale of energy during the year and percentage of book debts to the total sales, for

the two years 1974-75 and 1975-76 (figures of book debts for the subsequent years were not available) :

| Year | Book debts at the end of the year | Revenue from sale of power during the year (in lakhs of rupees) | Percentage of book debts to sales |
|---------|-----------------------------------|--|-----------------------------------|
| 1974-75 | 23.23 | 55.82 | 41.62 |
| 1975-76 | 30.58 | 59.15 | 51.70 |

8.4.2 *Gumti Hydroelectric Project*

(1) *Introductory*

The investigation work of the project area of Gumti Hydroelectric Project, with a view to harnessing the power potential of the river Gumti, was undertaken by the Geological Survey of India from April 1956. Detailed investigation of the project was carried out by the Central Water and Power Commission which had prepared the Project Report in 1961. The project, with installed capacity of 10 MW and firm generating capacity of 8 MW at Tirthamukh with the stipulated date for completion of the work in October 1970, was included in the Third Five Year Plan and was taken up in February 1968 by the Public Works Department to supply power at the rate of 8 paise per unit as against 15 paise then charged by Assam State Electricity Board. The firm generating capacity was subsequently enhanced to 8.6 MW with the revision of the project estimate cleared by the Planning Commission in 1971.

In the meantime, the Chief Engineer, Public Works Department, Government of Tripura placed orders in December 1966 with Bharat Heavy Electricals Limited (BHEL), Bhopal for supply of two sets of hydro-turbines, generator, switchgear, transformer, etc., and associated equipment for the project. The prices of the two sets of turbines and generators were settled at Rs. 54.50 lakhs and schedule of prices showed the total cost including spares and other equipment as Rs. 72.75 lakhs. (including 3 per cent Central Sales Tax). As per delivery schedule, the supply was to be completed by June 1972. BHEL had been insisting on advance payment since July 1968. At the instance of the Central Water and Power Commission,

advance payment to the extent of Rs. 70.97 lakhs was made up to October 1974. No agreement had, however, been entered into till then. The delivery was completed in August 1974 and an agreement was entered into with BHEL in December 1974; the price was revised to Rs. 87.25 lakhs from Rs. 72.75 lakhs.

One unit (Unit II) was commissioned on 10th June 1976 and the other one (Unit I) started functioning from 18th January 1977. The delay in commissioning was attributed by the department to (i) communication/transportation bottle-neck, (ii) short working period, (iii) labour problem, (iv) scarcity of construction materials and (v) associated/unbecoming problems. Unit II was shut down on 7th November 1977 as the turbine guide bearing had been burnt. After being repaired by BHEL, the unit was recommissioned on 9th April 1978. Rupees 0.26 lakh and Rs. 0.12 lakh were paid (February 1978) as cost of repairs and transportation charges respectively. The turbine guide bearing of the unit had broken down again on 27th May 1978 and was sent to Bhopal for repairs in June 1978. It has not been received back (July 1978).

The annual energy generation had been estimated at 38 Mkw. On that basis the department estimated (February 1977) the cost of generation at 41 paise per unit against 8 paise as per the original scheme. The actual energy generated from 1st July 1977 to 30th June 1978 by both the units was, however, 22.68 Mkw. On this basis the cost per unit worked out to 68 paise as against the departmental estimate of 41 paise.

(2) Project estimates and expenditure

Mention was made in paragraph 8.4.2 of the Report of the Comptroller and Auditor General of India for the year 1976-77 about revision of the original project estimate of Rs. 3,09.61 lakhs to Rs. 6,33.31 lakhs in 1969, Rs. 14,43.70 lakhs in 1975 and Rs. 16,60.10 lakhs in 1976, and the expenditure of Rs. 14,71.48 lakhs incurred thereagainst up to March 1977. Against the final estimate of Rs. 16,60.10 lakhs in 1976, the expenditure booked up to June 1978 was Rs. 15,94.42 lakhs; besides, Rs. 88.19 lakhs under Suspense and Remittance heads were awaiting adjustment and bills

amounting to Rs. 6.78 lakhs were lying with the department awaiting payment (June 1978).

(3) Execution of works

(a) Mention was made in paragraph 47 of the Report of the Comptroller and Auditor General of India for the year 1969-70 about award of main items of work (e.g. dam, power channel, penstock, forebay, power house, etc.) to National Project Construction Corporation Limited (N.P.C.C.), undue benefit allowed as per contract by (i) allowing payment on cost plus 15 per cent basis, (ii) including in the 'actual cost' cost of all materials and stores used or procured by the Corporation for execution of the work instead of including cost of only materials and stores used in works, (iii) allowing 15 per cent on cost of materials issued by the department, (iv) not providing for payment of liquidated damages by the Corporation for delay in execution on its part, but on the other hand taking the liability to bear the cost of establishment of the Corporation at the works for the duration of the contract (in addition to the cost of establishment of the department itself) as well as the increase in the cost of labour and materials with 15 per cent increase thereto, (v) absence of anything to the contrary in the agreement for an imperfect work redone thereby allowing the Corporation to be paid full cost of such work plus 15 per cent and the cost of redone work with 10 per cent, (vi) allowing payment for field repairs, workshop charges and major overhauling of machines belonging to the Corporation, in addition to the depreciation of 150 per cent in case of earth moving machines and 100 per cent in case of other plus 15 per cent and (vii) in addition, allowing the Corporation to realise from Government interest at 10 per cent per annum on the cost of plant and machinery belonging to the former plus 15 per cent though the purchase of machinery was financed by Government by advancing Rs. 20 lakhs on which Corporation was to pay interest at such rates as were prescribed by the Government of India from time to time in respect of loans to Public Sector undertakings and slow progress in execution of work. The Public Accounts Committee in their Eighth Report observed (August 1972) that according to the existing terms and conditions, the National Project Construction Corporation

Limited should have inclination to extend the period of work thus making provision for their gaining more which ultimately would result in a heavy loss to the Government of Tripura. The Committee recommended that the question of revision of agreement should be taken up with the N.P.C.C. The agreement, however, could not be revised till completion of the project with the result that it took more than eight years to complete the work against the original time schedule of 2 years 8 months from February 1968. The Public Accounts Committee in July 1976, however, dropped this recommendation in view of Government's statement that "the matter was taken up with the N.P.C.C. in the year 1972..... The question was dropped, as it was considered that the change of rates/conditions at this stage would not solve the problem but would aggravate the situation and in addition and to the cost".

A test-check by Audit further revealed (July 1977) the following :

The agreement also provided that actual cost *plus* 15 per cent was to be paid to N.P.C.C. on losses of all kinds incurred by N.P.C.C. beyond its control. Thus, there was a premium on the losses incurred by N.P.C.C.

(b) *Interest bearing advance*

The department paid N.P.C.C. advance of Rs. 120 lakhs (Rs. 115 lakhs at 6.5 per cent and Rs. 5 lakhs at 9.5 per cent interest) between February 1968 and March 1976 for purchase of machinery and execution of the project. The register of cost bills disclosed that only Rs. 108.41 lakhs as principal and Rs. 7.86 lakhs as interest had been recovered up to March 1976. It was reported (June 1977) by the Accounts Wing, Gumti Hydroelectric Project that the amount had been fully recovered and the matter was under reconciliation. The reconciliation has not been done (August 1978).

(c) *Payments made on idle machinery*

According to the terms of agreement, depreciation charges per working hour/mile calculated on the basis of actual total cost of the machine at site divided by the life

of the machine and interest charges at 10 per cent of the plant and machinery per year would be included in the 'actual cost'.

(i) It was noticed during audit (July 1977) that the department had paid N.P.C.C. Rs. 0.17 lakh as interest (Rs. 0.10 lakh) and depreciation charges (Rs. 0.07 lakh) on plant and machinery relating to the periods in different spells, between 1968-69 and 1973-74 though the records disclosed that these plant and machinery had not been put to work. Rupees 1.41 lakhs (excluding Rs. 0.17 lakh as mentioned above) being the interest charges for various periods from 1968-69 to 1972-73 were, however, disallowed by the department as the machinery had not been put to use by N.P.C.C.

It was agreed to by the department in a meeting (June 1972) that a list of machinery not required at the project would be furnished to N.P.C.C. so that the machinery could be withdrawn for use in other N.P.C.C. units. However, no such list was furnished to N.P.C.C. (August 1978).

(ii) The department paid Rs. 1.55 lakhs to N.P.C.C. as interest on capital invested in the purchase of plant and machinery for 1975-76 and 1976-77 and disallowed a claim of Rs. 0.75 lakh as certain machinery had not worked for the whole year. A test-check by Audit revealed (July 1978) that the payment of Rs. 1.55 lakhs included Rs. 0.21 lakh for which no working records for the machinery were maintained by N.P.C.C. No record was made available to Audit to show that the machinery had actually been put to use by N.P.C.C.

(d) *Procurement of spare parts*

Spare parts valued at Rs. 2.76 lakhs procured by N.P.C.C. to repair departmental machinery, but found surplus, were handed over to the department in June 1977. For the spare parts, the department paid to N.P.C.C. Rs. 0.41 lakh being 15 per cent of the cost. It was certified by the department that these spare parts had been accounted for in the 'site account' for June 1977 but the site account could not be produced to Audit (August 1978). Physical verification of the stores has not also been conducted (August 1978).

(e) *Excess payment on earth work*

The cost bill for March 1971 paid in July 1971 disclosed that Rs. 2.59 lakhs were paid by the department to N.P.C.C. for 8,64,679 cubic feet of earth work under 'Excavation of power channel forebay to the cross drainage No. 5' against the recorded measurement of 7,10,004 cubic feet, resulting in excess payment of Rs. 0.46 lakh.

The department stated (March 1977) that there was a mistake in calculating the quantity of earth work measured and the payment was in order. However, further scrutiny of the measurement book (July 1977) by Audit disclosed that the measurements recorded at site had been changed by over-writings to arrive at the quantity paid for but such over-writing were unauthorised. The basis on which the initial measurements were subsequently changed could not be clarified to Audit (August 1978).

(f) *Material consumption statement*

A material consumption statement was prepared jointly by the department and N.P.C.C. In the course of audit (July 1977), the following points came to notice :

(i) According to the statement, N.P.C.C. had returned 25.04 lakh bricks and 4,614.81 cubic metres of brick-bats to the department, out of which the whereabouts of 1.81 lakh bricks costing Rs. 0.40 lakh and 80.71 cubic metres of brick-bats costing Rs. 0.06 lakh are not known to the department (August 1978).

(ii) The consumption statement did not show materials like G.C.I. sheets, G.I. pipes, M.S. plates, blasting materials, etc., which had been issued to N.P.C.C.

(4) *Erection and fabrication of penstock and gates*

Erection and fabrication of penstock, syphon pipes and gates were done by N.P.C.C. through a sub-contractor, viz., Triveni Structural Limited (T.S.L.), a Government of India undertaking. T.S.L. executed the work at a cost of Rs. 50.58 lakhs (excluding wage escalation) against which the firm has been paid Rs. 41.22 lakhs. In addition

Rs. 15.50 lakhs have been paid on lump sum basis as wage escalation. The final bill remains to be settled (August 1978).

In this connection, the following observations are made :

(a) Painting of penstock and syphone pipes was to be done by T.S.L. but this was got done departmentally through a Calcutta firm during November 1975 to May 1976 at a cost of Rs. 4.32 lakhs. The reasons for which the work was done departmentally were not on record. T.S.L. offered a rebate of Rs. 1.82 lakhs for non-execution of the work by them and the department accepted the offer. The tender of T.S.L. did not show the break-up and the basis on which the rebate was offered by T.S.L. and accepted by the department could not be shown to Audit. Though the painting work was one of the items of work to be done by T.S.L., the department had incurred an extra expenditure of Rs. 2.50 lakhs on this account.

(b) Another rebate of Rs. 0.11 lakh was offered (August 1974) by T.S.L. for non-execution of painting of chute spillway gate. The records relating to the agency through which the work was got done, payments made to the agency and recovery from T.S.L. were not produced to Audit.

(c) According to the agreement between N.P.C.C. and T.S.L. the provision for issue and consumption of steel was as follows :

"The contractor will account for the total tonnage of steel issued less 3 per cent wastage in terms of fabricated goods supplied, cut pieces and scrap. In case of any shortage, it will be recovered at double the issue rates indicated in schedule 3. Cut pieces and scraps have to be returned."

As the occasion for wastage arises only when the materials are used in the work, the provision for deduction of 3 per cent with reference to the quantity issued left scope to give undue benefit to the contractor by way of

issuing materials in excess of the quantity actually required in the work. Moreover, the contract did not provide for any maximum limit up to which cut pieces and scraps could be returned by the contractor. As a matter of fact, T.S.L. was issued 562,066 tonnes of M.S. plates (against the estimated requirement of 492.68 tonnes including wastage and scrap) by the department, out of which 492,003 tonnes were fabricated. Out of the balance of 70,063 tonnes, only 31,604 tonnes were returned to the department as scrap. The Superintending Engineer of the project directed (April 1977) that recovery for 38,459 tonnes be made, 16,862 tonnes (3 per cent of the issued quantity of 562,066 tonnes as wastage) at single rate and 21,597 tonnes at double the rate. Therefore, Rs. 7.45 lakhs stand recoverable from T.S.L. (for 508,865 tonnes at the rate of Rs. 1,350 per tonne and 21,597 tonnes at the rate of Rs. 2,700 per tonne). Out of Rs. 7.45 lakhs, Rs. 0.57 lakh being the cost of 21,201 tonnes at double the rate were recovered in March 1978.

According to the revised estimate prepared (1971) by the department, the quantity of plates including wastage and scrap required for the work was 492.68 tonnes. The reason why 562,066 tonnes against the estimated quantity of 492.68 tonnes had been procured and issued to T.S.L. could not be explained to Audit. The excess procurement and issue not only resulted in blocking up of capital, but also resulted in allowance of excess wastage calculated at 3 per cent of the quantity issued in terms of the contract. Moreover, in the absence of any provision in the contract regarding the maximum limit of the scraps and cut pieces which could be returned by the contractor as such, the department had to accept 31,604 tonnes scrap of M.S. plates representing 6.42 per cent of the quantity fabricated.

(d) The return of 31,604 tonnes of M.S. plate scraps by T.S.L. was not brought into account in the stock register (August 1978).

(e) It was seen that the department issued a diesel generating set, other tools and plant, petrol, etc., beyond the scope of the agreement. However, no recovery was made from T.S.L. on this account.

(5) *Purchase of electrical equipment etc.*

(a) *Excess payment*

As stated in the introductory paragraph, an agreement was made with the BHEL in December 1974 for supply of two sets of hydro-turbine, generator, switchgear, transformer and associated equipment for the project at a cost of Rs. 87.25 lakhs (Rs. 73.41 lakhs plus Rs. 2.20 lakhs as 3 per cent central sales tax plus Rs. 11.64 lakhs due to price variation). The department, however, paid Rs. 90.20 lakhs (including advance payment of Rs. 89.00 lakhs). Thus, Rs. 2.95 lakhs were paid in excess of the amount which was to be paid as per agreement. The amount paid in excess was to be recovered (August 1978). The records did not show the basis on which the payment of Rs. 90.20 lakhs was made. On enquiry also, the department/Government has not furnished any reply either indicating the position of recovery or explaining how this excess payment was justified.

(b) *Extra expenditure on erection of machinery*

As per agreement (January 1973), the technical staff of BHEL were to supervise the erection of machinery with a specific time-limit on their stay at the project site. However, the bills submitted by BHEL disclosed that their stay at the project site had exceeded by two to nine months for which the department had to incur an extra expenditure of Rs. 0.47 lakh. The circumstances causing extra payment were neither available on record nor could it be explained during audit/discussion (August 1978).

(c) *Purchase of transformer oil*

In March 1971, BHEL supplied 26 drums of transformer oil for the two transformers. The department purchased 15,600 litres of transformer oil costing Rs. 1.62 lakhs from BHEL and a Madras firm before commissioning of the generating units in June 1976 and January 1977. No stock register for the transformer oil was maintained in the division (August 1978). It was further seen that BHEL had also procured oil from the Madras firm and the department could have saved Rs. 0.37 lakh had

it purchased the entire quantity of oil direct from the Madras firm, as their rate was less than that of BHEL. There was nothing on record to indicate why the department could not procure the entire quantity of the oil direct from Madras firm.

(d) *Purchase of turbine oil*

In January 1976, Rs. 0.37 lakh being 100 per cent advance payment for 5,000 litres of turbine oil was made to Indian Oil Corporation Limited. There was nothing on record to show that the oil had been received and utilised. No entry regarding this was found in the stock-book maintained by the department.

(e) *Purchase of spares*

As per agreement, one set of spares each for turbines, generators and transformers valuing Rs. 5.43 lakhs were purchased from BHEL. In addition, the Executive Engineer (Electrical) made purchases of spare parts valuing Rs. 14.83 lakhs (between 1972-73 and 1977-78) from other agencies and Rs. 8.09 lakhs (between 1972-73 and 1975-76) from BHEL without the approval of the competent authority, viz., Chief Engineer. Justification for such huge purchases of spares was not on record. There was nothing on record to show that the spares had been received. No entry regarding this was found in the stock book maintained by the department.

(f) *Loss in transit*

Electrical equipment and accessories supplied by BHEL were covered by transit insurance. Between June 1972 and October 1975, claims for Rs. 2.52 lakhs were lodged with the insurance company, out of which Rs. 0.32 lakh has been reimbursed by the company. It was seen that a claim of Rs. 0.15 lakh (September 1972) had been rejected by the company on the ground that the department had failed to obtain the certificate for the shortage and lodge the claim with the Railways within the stipulated period of six months from the date of obtaining delivery. The available records did not indicate any reason for which the claim was not preferred within the time limit. In respect of another claim for Rs. 0.24 lakh

(March 1973), the department could not produce (August 1978) any correspondence beyond November 1975. The final outcome of the claim was thus not known.

(g) *Avoidable expenditure*

(i) *Purchase of bricks*

The department purchased (1969-70) 14.95 lakh bricks and 4,256 cubic metres brick-bats from N.P.C.C. for soling, metalling and carpetting of the road from Nutanbazar to Tirthamukh and paid Rs. 19.81 lakhs including Rs. 2.58 lakhs as 15 per cent overhead to N.P.C.C. As N.P.C.C. had no brick manufacturing unit of its own and obtained the bricks and brick-bats through sub-contractors, the department could have also obtained them directly and thus avoided payment of Rs. 2.58 lakhs as overhead to N.P.C.C.

The Superintending Engineer stated (June 1977) that the purchase of bricks and brick-bats from N.P.C.C. was economical compared to the rates of local contractors and the question of waiving of 15 per cent overhead had been taken up with N.P.C.C. However, no records could be shown to Audit indicating how N.P.C.C.'s rates were economical. The overhead charges has not been waived by N.P.C.C. (August 1978).

(ii) *Establishment charges*

In May 1977, N.P.C.C. submitted a completion report of all civil works of the project including clearance of all sites and asked for a completion certificate from the department. The certificate has not been issued (August 1978). As the department could not finalise all the claims of N.P.C.C. the establishment of the contractor has not been wound up. The delay in finalisation of claims resulted in the department paying Rs. 1.08 lakhs (including 15 per cent overhead) as establishment charges to N.P.C.C. for the period from May 1977 to September 1977. N.P.C.C.'s claim for a further sum of Rs. 0.83 lakh for the period October 1977 to July 1978 is pending with the department (August 1978). As the establishment of N.P.C.C. has not been wound up (August 1978), the delay in finalisation of their claims will result in further avoidable expenditure. Available records did not indicate any reason for delay in finalisation of claims.

The strength of the field office establishment of N.P.C.C. was required to be fixed, from time to time, with the consent of the Principal Engineer. However, this was not done (August 1978).

(6) *Water supply scheme*

The department incurred an expenditure of Rs. 1.69 lakhs during January 1969 to July 1970 on installation of a water supply plant at Nutanbazar colony (Jatanbari). Full details of the scheme, estimates and expenditure incurred were not made available to Audit (September 1970, July 1977 and August 1978). The matter was taken up with the Superintending Engineer during review and also reported to the Government through the review note.

From the records made available to Audit, the following observation is made :

The department procured a pressure filter from a Calcutta firm for Rs. 0.25 lakh in 1969 and installed it at Jatanbari. As the filter was not working since its installation, the firm was requested (December 1970) to inspect the filter at the site but it could not be ascertained whether the firm had inspected the filter or any repairs were carried out. The Executive Engineer, Gumti Project Division II reported (April 1974) to the Superintending Engineer that the filter was not functioning since its commissioning. Further information though called for was not made available to Audit (August 1978).

(7) *Non-adjustment of advances*

A scrutiny of project accounts disclosed that advances amounting to Rs. 13.20 lakhs made to various firms, undertakings, etc., during 1970-71 to 1973-74 for supply of materials remained un-adjusted (August 1978). They were outstanding either for the reason that the material had not been received or if received, adjustments had not been made.

(8) *Loss of stores*

On 29th June 1976, the hydel workshop at Tirthamukh was damaged by a landslide. In July 1976, the Chief Engineer was informed of the cost of damage to machinery

and equipment as Rs. 0.42 lakh, the value of salvaged materials as Rs. 0.05 lakh, the estimated cost of clearance of the slips from the power channel, hydel workshop and road as Rs. 0.70 lakh and the cost of repair to the soling of the leftbank road as Rs. 1.00 lakh. In November 1976, the Chief Engineer asked the Superintending Engineer, Gumti Project Circle to make full and final assessment of the loss and to submit a survey report with investigation report, etc. However, no such report was submitted (August 1978).

(9) *Other point of interest*

Receipt of ceiling fans

In September 1975, on a bill pertaining to cash settlement suspense account, it was recorded that 99 ceiling fans with regulators (cost : Rs. 0.26 lakh) were taken into the site account of Project Buildings for the month of February 1974. No reference to the measurement book was recorded therein. On verification (July 1977) of the site account for February 1974 by Audit, it was found that no such entry had been made therein.

(10) *Claims with the Railways*

The records maintained in Gumti Project Division No. I indicated that claims totalling Rs. 2.96 lakhs had been preferred against the Railways for short delivery/damage of goods, etc., during the period 1968-69 to 1972-73. During the course of audit the following points were noticed :

(i) The statement of claims against the Railways, made available to Audit, indicated claims totalling Rs. 1.96 lakhs. Out of these particulars of claims for Rs. 1.00 lakh were not available.

(ii) A claim for Rs. 0.33 lakh was rejected by the Railways as time-barred as the claim had been preferred by the department after seven months (December 1971) from the date of release of M.S. plates at Dharmanagar rail head. The reason for delay was not on record. The matter was also not investigated or pursued with the Railways at a higher level though this had been pointed out by Audit in July 1974.

(11) *Demurrage and wharfage charges*

The credit note books of Gumti Project Division No. 1 and Gumti Electrical Division were not maintained properly. In many cases, blank credit notes duly signed by the Sub-divisional Officer concerned were sent to the Section Officer posted at Dharmanagar for getting the goods released from the Railways and the particulars of payments, etc., were not noted in the counterfoils. The total amount of demurrage and wharfage charges paid to the Railways was not available as no record to that effect was maintained. However, from the counterfoils and some of the original credit notes received in the accounts wing of the project for adjustment it was seen that Rs. 0.54 lakh as demurrage and Rs. 0.45 lakh as wharfage charges had been adjusted in the accounts. The available records did not, however, indicate that the department had investigated the reasons for payment of demurrage and wharfage charges.

(12) *Licence fees*

The department incurred an expenditure of Rs. 91.17 lakhs up to June 1978 for construction of residential and non-residential buildings required in connection with the project. In this connection the following observations may be made (August 1978) :

(i) Register of buildings was not maintained by the department, with the result that the number of buildings available for occupation, capital cost thereof, basis of fixation of licence fee, etc., could not be ascertained.

(ii) The Register of license fee was not closed at the end of the month. As a result, the amount realised and the total amount outstanding cannot be ascertained.

(iii) In some cases, dates of occupation and vacation of residential buildings were not noted.

(iv) Three Assistant Engineers provided with quarters under the project did not pay licence fee from November 1971 to December 1976 (Rs. 0.07 lakh).

(v) Project buildings were allowed to be occupied by Medical and Police departments, B.S.F. and C.R.P. but no licence fee was realised from them. No orders from the

competent authority to provide them rent free accommodation could be shown to Audit.

(vi) Rupees 0.12 lakh being licence fee remained outstanding from the Postal department for occupying project buildings from February 1970 to July 1978.

(13) *Maintenance of accounts*(A) *Stock Accounts*

Stock accounts were not compiled periodically by the division though instructions had been issued by Government in November 1970 for maintenance of stock accounts. The stock returns for the years ending September 1969 and 1970 were attested by the Accounts Officer only in June, 1977. The stock returns for the years ending from September 1971 to September 1976 were attested only in October 1977.

The following points also came to notice :

(i) A Public Works division is required to prepare a Summary of Returns and in Part II of the Summary, monthwise difference between book value and current value with explanations for difference is required to be recorded. The value accounts in the Summary of Returns disclosed huge difference between book value (as per monthly accounts) and current value (closing balance at issue rate) as indicated below :

| Stock Return for the year ending | Differences (in lakhs of rupees) |
|-------------------------------------|-------------------------------------|
| September 1969 | 10.25 |
| September 1970 | 20.77 |
| September 1971 | 28.20 |
| September 1972 | 16.76 |
| September 1973 | 13.00 |
| September 1974 | 0.54 |
| September 1975 | 8.68 |
| September 1976 | 12.95 |

In part II of the summary, month-wise difference between book value and current value with explanations for difference and analysis were, however, not shown.

(ii) The value of explosives (Rs. 1.35 lakhs) received between July 1969 and February 1970 had been left out of accounts.

(B) *Fuel accounts*

The fuel accounts for the period from October 1967 to September 1976 were compiled in the Accounts Wing of the project on the basis of annual returns submitted by Mechanical and 'C' Sub-divisions in April 1977. During the course of audit the following defects came to notice :

The Sub-divisional Officer, 'C' Sub-division handed over charge to Sub-divisional Officer of Mechanical Sub-division on 28th February 1973. There were large discrepancies of fuel, oil, etc., between the handing over memorandum and the closing balance as on 28th February 1973 of annual accounts submitted by 'C' Sub-division to Accounts Wing, as shown below :

| Items | Balance as per annual accounts at the end of February 1973 | Balance shown in the handing over memo to Mecha- nical sub-division on 28th February 1973 | Difference |
|------------|---|--|-------------------------|
| | Quantity (in litres) | Quantity (in litres) | Quantity (in litres) |
| Petrol | 1557.0 | 796.0 | (-) 761.0 |
| Diesel oil | 1067.0 | 554.0 | (-) 513.0 |
| Mobil oil | 1305.5 | 3661.5 | (+) 2356.0 |
| Gear oil | 884.0 | 828.5 | (-) 55.5 |
| Brake oil | 70.0 | 101.0 | (+) 31.0 |

(C) *Stock Registers*

In respect of materials issued to N.P.C.C., unstamped dated acknowledgement was required to be obtained by the Sub-division issuing the materials and forwarded to the Accounts Wing along with a bill prepared in triplicate for all the issues to the N.P.C.C. It was, however, seen that the

unstamped acknowledgements of N.P.C.C. in support of materials issued from time to time by the department had never been sent to Accounts Wing by the Sub-division for preferring claims against N.P.C.C. and as such no claims had been preferred for the materials issued. Under the circumstances, the cost of materials issued by the department and adjusted by N.P.C.C. by deduction from their bills went without any proper check.

(D) *Tools and Plant accounts*

The annual returns of Tools and Plant had not been prepared by the divisions under the project, since inception, though the project had been completed and the Civil Divisions No. I and II abolished from 30th April 1977. The stock was also not verified once a year as provided in the rules.

(E) *Remittance and Suspense heads of accounts*

(i) *Non-accountal of D.G.S. & D. purchases*

In respect of goods purchased through the D.G.S. & D, payment for the supply is initially made by the Pay and Accounts Officer and debit for the same is raised against the State Accountant General. These debits are adjusted by the department concerned on receipt of intimation from the Accountant General.

It was seen that the department had not adjusted 56 remittance memoranda for Rs. 59.62 lakhs pertaining to the period April 1972 to June 1978. In addition, 22 remittance memoranda containing vouchers of Rs. 18.44 lakhs for the period from 1969-70 to 1976-77 had been shown as missing in the division (July 1978). These amounts have not been brought to account (August 1978).

(ii) *Cash Settlement Suspense Accounts*

Rupees 9.85 lakhs representing expenditure on different works during the period from 1969-70 to June 1978 remained unadjusted against various Public Works Divisions for supplies made/work done. The continued retention of the expenditure under suspense accounts renders the accounts of works and stores incomplete and inaccurate.

(iii) *Miscellaneous Public Works Advances*

Rupees 0.28 lakh were found lying unadjusted under this suspense head from 1969-70 to 1977-78. Non-adjustment or non-recovery of these balances over long period has resulted in the works accounts remaining under-charged.

(14) *Concurrent audit*

As per centralised system of accounts, concurrent audit should be conducted *cent per cent* by the Accounts Wing of the project and for this purpose a number of registers were to be maintained, to keep an effective watch over correctness of the claims of N.P.C.C. and to keep sufficient details of payments made to them as the department shall not have possession of N.P.C.C. records. Reviews were also to be done *cent per cent* and all the entries made in these registers were to be attested.

It was noticed (July 1977) during audit that out of 32 required registers, one register had been maintained, twelve registers had been opened but maintained for two to seven months only and the remaining 19 registers had not been opened at all (August 1978).

Concurrent audit was done only for five months (March 1968 to July 1968). In July 1976, post audit was conducted *cent per cent* for the period up to October 1969. Thereafter, post audit was conducted only for two months in a year (March and April) so as to clear the arrears and to settle the irregularities immediately after the completion of the project. Government's approval for such deviation was not obtained (August 1978).

The Accounts Wing of the project had held Rs. 3,90.40 lakhs of N.P.C.C.'s claims under objection (June 1977) as a result of concurrent audit/post audit. The break-up is as follows :

| Nature of objection | Amount (in lakhs of rupees) |
|------------------------------|--------------------------------|
| (a) Overpayments to N.P.C.C. | 0.45 |
| (b) Payment inadmissible | 32.11 |
| (c) Other reasons | 3,57.84 |
| | <u>3,90.40</u> |

These objections were not settled (July 1978).

The matters covered under paragraphs 8.4.2(1) to 8.4.2(14) were referred to Government in November 1977; reply is awaited (April 1979).

(15) *Conclusion*

(a) It took more than eight years for the NPCC to complete the work against the original time schedule of 2 years 8 months from February 1968. Between 1968 and 1976, the original estimate was revised thrice thereby raising the estimated cost from Rs. 3,09.61 lakhs to Rs. 16,00.10 lakhs. Due to abnormal delay in construction of the project and consequent increase in cost, the revised estimated cost of electricity generated per unit worked out to 41 paise as against the intended rate of 8 paise. The actual cost was, however, 68 paise per unit during July 1977 to June 1978.

(b) The Department did not exercise adequate control over stores and stock, resulting in loss to Government.

(c) The Department had no adequate arrangement for maintenance of accounts and conducting concurrent audit, resulting in inadequate financial control.

CHAPTER IX

OUTSTANDING AUDIT OBSERVATIONS AND
INSPECTION REPORTS9.1 *Outstanding audit observations*

(a) Audit observation on financial transactions of the Government are reported to the departmental authorities concerned so that appropriate action is taken to rectify the defects and omissions. Half-yearly reports of such observations outstanding for more than six months are also forwarded to the Government to expedite their settlement.

The following table shows the number of audit observations issued upto the end of March 1978 and outstanding at the end of September 1978 as compared with the corresponding position indicated in the two preceding Reports :

| | As at the end of September 1976 | As at the end of September 1977 | At at the end of September 1978 |
|--|--|--|--|
| Number of observations | 7,220 | 6,520 | 5,695 |
| Amount involved (in crores of rupees) | 13.17 | 10.22 | 11.12 |

Year-wise break-up of the items is as follows :

| Year | Number of observations | Amount (in crores of rupees) |
|---------------------------|---------------------------|------------------------------------|
| 1974-75 and earlier years | 2,914 | 1.76 |
| 1975-76 | 576 | 1.90 |
| 1976-77 | 1,043 | 4.46 |
| 1977-78 | 1,162 | 3.00 |
| Total | <u>5,695</u> | <u>11.12</u> |

(b) The following departments have comparatively heavy outstanding observations at the end of September 1978 :

| Serial number | Department | Number | Amount involved (in lakhs of rupees) |
|------------------|----------------------------|--------|---|
| 1. | Food and Civil Supplies | 148 | 6,81.67 |
| 2. | Revenue | 931 | 1,11.21 |
| 3. | Agriculture | 434 | 81.23 |
| 4. | Animal Husbandry | 232 | 39.33 |
| 5. | Public Works | 857 | 36.38 |
| 6. | Industry | 317 | 26.43 |
| 7. | Relief and Rehabilitation | 12 | 24.97 |
| 8. | Community Development | 404 | 24.04 |
| 9. | Tribal Welfare | 227 | 14.50 |
| 10. | Labour and Employment | 107 | 10.70 |
| 11. | Statistics | 64 | 10.47 |
| 12. | Education | 578 | 10.32 |

(c) The following are some of the major reasons for which audit observations have remained outstanding :

| Serial number | Nature of observation | Number | Amount involved (in lakhs of rupees) |
|---------------|---|--------|---|
| 1. | Detailed contingent bills for lum-sum drawals not received | 1,508 | 9.07.60 |
| 2. | Payees' receipts not received | 353 | 56.54 |
| 3. | Vouchers not received | 762 | 47.51 |
| 4. | Sanctions for contingent and miscellaneous expenditure not received | 344 | 22.03 |
| 5. | Advances paid to Government servants not recovered | 1,816 | 15.37 |
| 6. | Sanction for establishment not received | 61 | 14.02 |

(d) The facility of drawing amounts as advances on abstract contingent bills by disbursing officers is intended to expedite payments in certain cases but they are to be followed by detailed contingent bills (containing full particulars of expenditure with supporting documents) which should be sent to the Audit Office by the second month succeeding that to which the abstract contingent bills relate.

In the absence of detailed contingent bills, it is not practicable for Audit to know whether the amounts have been spent wholly on the purpose or purposes for which the advances were drawn. As at the end of September 1978, detailed contingent bills in respect of Rs. 9.07.60 lakhs had not been received in the Audit Office. The departments with comparatively heavy outstanding are mentioned below :

| Serial number | Department | Number | Amount involved (in lakhs of rupees) |
|---------------|-------------------------|--------|---|
| 1. | Food and Civil Supplies | 107 | 6,81.39 |
| 2. | Revenue | 555 | 98.87 |
| 3. | Animal Husbandry | 16 | 35.36 |
| 4. | Agriculture | 170 | 28.21 |
| 5. | Community Development | 239 | 21.96 |
| 6. | Tribal Welfare | 149 | 12.89 |

9.2 Outstanding inspection reports

(a) Audit observations on financial irregularities and defects in initial accounts noticed during local audit and not settled on the spot are communicated to the Heads of Offices and to the next higher departmental authorities through audit inspection reports. The more important irregularities are reported to the Heads of Departments and the Government.

At the end of September 1978, 1,387 inspection reports issued upto March 1978 still contained unsettled paragraphs,

as shown below, with the corresponding figures for the earlier two years :

| | As at the end of September 1976 | As at the end of September 1977 | As at the end of September 1978 |
|--|---------------------------------|---------------------------------|---------------------------------|
| Number of inspection reports with paragraphs not settled | 1,229 | 1,262 | 1,387 |
| Number of paragraphs | 5,996 | 6,060 | 6,428 |

Year-wise break-up of the outstanding inspection reports is given below :

| Year | Number of inspection reports | Number of paragraphs |
|---------------------------|------------------------------|----------------------|
| 1974-75 and earlier years | 947 | 3,999 |
| 1975-76 | 116 | 589 |
| 1976-77 | 156 | 979 |
| 1977-78 | 168 | 861 |
| Total | <u>1,387</u> | <u>6,428</u> |

(b) The following departments had comparatively heavy outstanding inspection reports :

| Serial number | Department | Number of inspection reports | Number of paragraphs |
|---------------|-----------------------|------------------------------|----------------------|
| 1. | Revenue | 297 | 1,437 |
| 2. | Education | 376 | 1,197 |
| 3. | Community Development | 162 | 1,045 |
| 4. | Agriculture | 82 | 501 |
| 5. | Public Works | 82 | 432 |
| 6. | Industry | 117 | 428 |
| 7. | Medical | 44 | 241 |

(c) Of the reports outstanding at the end of September 1978, 1,201 reports related to civil departments, 171 to revenue receipts and 15 to commercial departments. These included 207 inspection reports (192 civil and 15 revenue receipts) for which even the first replies had not been received.

Agartala,
The

27 AUG 1979




(N. KRISHNAN KUTTY)
Accountant General, Tripura

Countersigned

New Delhi,
The

1- SEP 1979



(GIAN PRAKASH)
Comptroller and Auditor General of India

APPENDICES

APPENDIX—I

Unutilised provision

(Reference : Paragraph 2.4, page 31)

Cases in which savings (more than Rs. 5 lakhs in each case) exceeded 10 per cent of the total provision

| Serial number | Number and name of grant/sub-grant | Total provision | Expenditure | Saving | |
|-----------------------------|---|-----------------|-------------|---------|------------|
| | | | | Amount | Percentage |
| <i>(in lakhs of rupees)</i> | | | | | |
| 1. | 11(d) -Other Administrative Services (Home Guards) | 54.78 | 42.12 | 12.66 | 23 |
| 2. | 13(b) -Stationery and Printing | 34.64 | 23.24 | 11.40 | 33 |
| 3. | 13(c) -Other Administrative Services (Add. D.A. etc.) | 1,40.00 | ... | 1,40.00 | 100 |
| 4. | 18(b) -Aid Materials and Equipments | 8.71 | 0.05 | 8.66 | 99 |
| 5. | 20(b) -Housing (Govt. Residential Buildings) | 42.88 | 24.41 | 18.47 | 43 |
| 6. | 27(a) -Co-operation | 33.54 | 25.87 | 7.67 | 23 |
| 7. | 27(b) -Community Development (Panchayat) | 52.83 | 44.00 | 8.83 | 17 |
| 8. | 29(a) -Special and Backward Areas (North Eastern Council Scheme for Agri., Soil Conservation and Fisheries) | 21.18 | 13.39 | 7.79 | 37 |
| 9. | 29(c) -Minor Irrigation (Agri.) | 19.11 | 11.52 | 7.59 | 40 |
| 10. | 29(d) -Soil and Water conservation (Agri.) | 47.43 | 28.97 | 18.46 | 39 |
| 11. | 29(e) -Fisheries | 31.79 | 25.09 | 6.70 | 21 |
| 12. | 30(b) -Animal Husbandry | 85.30 | 73.69 | 11.61 | 14 |
| 13. | 30(c) -Dairy Development | 21.43 | 15.08 | 6.35 | 30 |
| 14. | 31(b) -Soil and Water Conservation (Forest) | 41.00 | 31.92 | 9.08 | 22 |
| 15. | 31(c) -Forest | 1,57.05 | 1,28.55 | 28.50 | 18 |

APPENDIX—I—Concl'd.

| Serial number | Number and name of grant/sub-grant | Total provision | Expenditure | Saving | |
|----------------------|---|-----------------|-------------|---------|------------|
| | | | | Amount | Percentage |
| (in lakhs of rupees) | | | | | |
| 16. | 34(a) -Special and Backward Areas (North Eastern Council Scheme for Village and Small Industries) | 14.30 | 6.40 | 7.90 | 55 |
| 17. | 36(c) -Capital Outlay on Medical | 42.85 | 19.05 | 23.80 | 56 |
| 18. | 36(e) -Capital Outlay on Food and Nutrition | 10.00 | 1.52 | 8.48 | 85 |
| 19. | 36(f) -Capital Outlay on Animal Husbandry | 12.60 | 0.54 | 12.06 | 96 |
| 20. | 37(a) -Capital Outlay on Public Health, Sanitation and Water Supply | 28.88 | 18.53 | 10.35 | 36 |
| 21. | 37(c) -Capital Outlay on Dairy Development | 11.40 | 4.97 | 6.43 | 56 |
| 22. | 39(b) -Capital Outlay on Special and Backward Areas (North Eastern Council Schemes for Roads and Bridges) | 1,10.60 | 71.28 | 39.32 | 36 |
| 23. | 39(c) -Capital Outlay on Roads and Bridges | 3,75.00 | 2,71.67 | 1,03.33 | 28 |
| 24. | 40(a) -Capital Outlay on Co-operation | 22.41 | 15.95 | 6.46 | 29 |
| 25. | 41(a) -Capital Outlay on Agriculture | 85.10 | 51.90 | 33.20 | 39 |
| 26. | 42(a) -Capital Outlay on Food and Nutrition | 6,30.00 | 4,41.40 | 1,88.60 | 30 |
| 27. | 43(b) -Capital Outlay on Minor Irrigation, Soil Conservation and Area Development | 85.00 | 49.99 | 35.01 | 41 |
| 28. | 43(c) -Capital Outlay on Irrigation, Navigation, Drainage and Flood Control Projects | 58.00 | 42.72 | 15.28 | 26 |

APPENDIX—II

Statement showing the particulars of reappropriation of funds from one sub-grant to another during the year 1977-78

(Reference : Paragraph 2.6, page 32)

| Serial number | Number and name of sub-grant | Amount | |
|---------------|---|-----------|-----------|
| | | From Rs. | To Rs. |
| 1. | 36(a) -Capital Outlay on Public Works | ... | 27,05,000 |
| 2. | 36(b) -Capital Outlay on Education, Art and Culture | 16,85,000 | ... |
| 3. | 36(e) -Capital Outlay on Food and Nutrition | 5,74,000 | ... |
| 4. | 36(f) -Capital Outlay on Animal Husbandry | 4,46,000 | ... |

APPENDIX—III

Statement showing the particulars of reappropriation of funds between voted and charged provisions during the year 1977-78

(Reference : Paragraph 2.6, page 32)

| Grant number | Number and name of the sub-grant/ appropriation | Amount reappropriated | |
|--------------|--|-----------------------|-----------|
| | | From Rs. | To Rs. |
| 10. | District Administration | | |
| | 2—District establishment (Voted) | ... | 32,000 |
| | 3—Other establishment (Voted) | ... | 48,000 |
| | 5—Other expenditure (Charged) | 80,000 | ... |

 APPENDIX IV

APPENDIX—

Cases of drawal of funds
(Reference : Paragraph

| Serial number | By whom drawn | Particulars of drawal | | Purpose for which drawn |
|---------------|--|----------------------------------|--|--|
| | | Amount (in lakhs of rupees) | Date of drawal | |
| (1) | (2) | (3) | (4) | |
| | | (a) | (b) | |
| 1. | Deputy Director, Agriculture (Head quarters) | 0.93 | 31.3.1978 | For purchase of sprayers |
| 2. | Superintendent of Agriculture, Sabroom | 0.54 | 14.4.1978 (received from the Superintendent of Agriculture—Head quarters) | For construction of 18 jute vatting tanks |
| 3. | Block Development Officer, Bishalgarh | 0.98 | 29.3.1978 | For construction and repairs of R.C.C. wells, sinking of tube wells, construction of culvert, etc. |
| | | 1.27 | 30.3.1978 | |
| 4. | Lecturer, Janata College, Panisagar | 1.09 | 29.3.1978 | For conducting 17 training camps |
| 5. | Headmistress, Sishu Bihar, Agartala | 1.00 | 30.3.1978 | For purchase of school bus |

IV

in advance of requirement
2.10 page 34)

| Form in which kept | Particulars of disbursement | | REMARKS |
|--------------------|--------------------------------|----------------------|--|
| | Amount (in lakhs of rupees) | Date of disbursement | |
| (5) | (6) | (7) | |
| | (a) | (b) | |
| In cash | ... | ... | The amount remained unspent upto August 1978. The matter was referred to the Government in July 1978 ; reply intimating latest position is awaited (April 1979). |
| In cash | ... | ... | The amount remained unspent upto June 1978. The matter was referred to the Government in September 1978 ; reply intimating the latest position is awaited (April 1979). |
| In cash | ... | ... | The amount was lying in cash upto April 1978. The matter was referred to the District Magistrate and Collector (West) in September 1978 and to the Government in February 1979 ; reply intimating the latest position is awaited (April 1979). |
| In cash | ... | ... | No training camp was conducted till August 1978. Further information is awaited (April 1979). |
| Bank draft | 1.00 | 15.6.1978 | Information whether bus has been received is awaited (April 1979). |

APPENDIX—

| Serial number | By whom drawn | Particulars of drawal | | Purpose for which drawn |
|---------------|---|--------------------------------|-----------------|---|
| | | Amount (in lakhs of rupees) | Date of drawal | |
| (1) | (2) | (3) | | (4) |
| | | (a) | (b) | |
| 6. | Director of Health Services, Agartala | 7.29 | 30.3.1978 31 | For purchase and installation of X-Ray machines and purchase of Ambulance |
| 7. | Deputy Director, Industries, Agartala | 6.84 | 28.3.1978 | For loans and grants to a Government Company for construction of houses for the workers |
| 8. | Sub-divisional Officer, Dharmanagar (Civil) | 0.55 | February 1978 | For implementation of the scheme of providing house-sites to the landless workers |

IV—oncl.

| Form in which kept | Particulars of disbursement | | REMARKS |
|--------------------|---|----------------------|---|
| | Amount (in lakhs of rupees) | Date of disbursement | |
| (5) | (6) | (7) | |
| | (a) | (b) | |
| In cash | 3.89 drawn against <i>pro forma</i> bills and advanced to the party | April 1978 | Rupees 3.40 lakhs remained unspent till July 1978. Further position is awaited (April 1979). |
| Bank draft | ... | ... | The Bank draft remained unutilised till August 1978. Latest position is awaited (April 1979). |
| In cash | 0.24 paid to the Block Development Officer, Panisagar for disbursement among the beneficiaries | 28.2.1978 | Payees' receipts in support of disbursement of Rs. 0.24 lakh could not be produced to Audit and the balance of Rs. 0.31 lakh remained unspent (May 1978). Further position is awaited (April 1979). |

APPENDIX—V

Details of utilisation certificates outstanding at the end of
September 1978

(Reference : Paragraph 7.3, page 68)

| Department | Year in which grants were paid | Utilisation certificates | | | | | |
|---------------------------|--------------------------------|---------------------------------|---------|-----------------------------------|--------|------------------------------------|--------|
| | | Outstanding on 1st October 1977 | | Received upto 30th September 1978 | | Outstanding on 30th September 1978 | |
| | | Number | Amount | Number | Amount | Number | Amount |
| | | <i>(in lakhs of rupees)</i> | | | | | |
| Administration of Justice | 1973-74 | 1 | 0.02 | 1 | 0.02 | ... | ... |
| Co-operative | upto 1972-73 | 20 | 3.70(a) | ... | ... | 20 | 3.70 |
| | 1973-74 | 6 | 1.66(a) | ... | ... | 6 | 1.66 |
| | 1974-75 | 3 | 2.59 | ... | ... | 3 | 2.59 |
| | 1975-76 | 19 | 18.08 | 8 | 12.32 | 11 | 5.76 |
| | 1976-77 | 24 | 9.15 | ... | ... | 24 | 9.15 |
| Development (b) | Upto 1972-73 | 6 | 0.36 | 6 | 0.36 | ... | ... |
| | 1973-74 | 10 | 1.27 | ... | ... | 10 | 1.27 |
| | 1974-75(a) | 4 | 4.31 | ... | ... | 4 | 4.31 |
| | 1975-76 | 9 | 1.68 | ... | ... | 9 | 1.68 |
| | 1976-77 | 9 | 1.70 | 1 | 0.02 | 8 | 1.68 |
| Education | 1972-73 | 9 | 1.80 | 1 | 0.25 | 8 | 1.55 |
| | 1973-74 | 4 | 2.32 | 2 | 0.30 | 2 | 2.02 |
| | 1974-75 | 10 | 3.83 | 5 | 0.55 | 5 | 3.28 |
| | 1975-76 | 185 | 28.20 | 164 | 24.58 | 21 | 3.62 |
| | 1976-77 | 549 | 87.44 | 372 | 67.61 | 168 | 19.83 |
| Home | 1976-77 | 20 | 0.17 | 17 | 0.15 | 3 | 0.02 |

(a) The figures shown against this guide mark differs from the figures shown in the Audit Report for the year 1976-77 as a result of reconciliation and rectification :

(i) Rs. 0.67 lakh have been decreased under Co-operation Department (Rs. 0.36 lakh) and Local Self-Government (Rs. 0.31 lakh).

(ii) Rs. 4.43 lakhs have been increased under Development Department (Rs. 3.51 lakhs) and Tribal Welfare Department (Rs. 0.92 lakh).

(b) Figures as shown in the Report for the year 1976-77 have since been separately indicated under the departments of Development and the Tribal Welfare Department.

APPENDIX—V—Concl'd.

| Department | Year in which grants were paid | Utilisation certificates | | | | | |
|----------------------------|--------------------------------|---------------------------------|---------|-----------------------------------|---------|------------------------------------|---------|
| | | Outstanding on 1st October 1977 | | Received upto 30th September 1978 | | Outstanding on 30th September 1978 | |
| | | Number | Amount | Number | Amount | Number | Amount |
| | | <i>(in lakhs of rupees)</i> | | | | | |
| Local Self-Government | 1973-74 | 1 | 0.03(a) | ... | ... | 1 | 0.03 |
| | 1975-76 | 19 | 23.06 | 9 | 10.94 | 10 | 12.12 |
| | 1976-77 | 5 | 14.25 | ... | ... | 5 | 14.25 |
| Medical and Family Welfare | 1975-76 | 1 | 0.03 | ... | ... | 1 | 0.03 |
| | 1976-77 | 19 | 0.63 | ... | ... | 19 | 0.63 |
| Panchayat | 1975-76 | 68 | 1.91 | 54 | 0.47 | 14 | 1.44 |
| | 1976-77 | 431 | 3.47 | ... | ... | 431 | 3.47 |
| Tribal Welfare (b) | 1973-74 | 9 | 1.16 | ... | ... | 9 | 1.16 |
| | 1974-75(a) | 94 | 13.81 | ... | ... | 94 | 13.81 |
| | 1975-76 | 109 | 18.94 | 2 | 0.10 | 107 | 18.84 |
| | 1976-77 | 111 | 32.94 | 6 | 0.54 | 105 | 32.40 |
| Transport | 1974-75 | 1 | 0.35 | ... | ... | 1 | 0.35 |
| Total : | | 1,747 | 2,78.86 | 648 | 1,18.21 | 1,099 | 1,60.65 |

(a) Please see foot note (a) at page 138.

(b) Please see foot note (b) at page 138.

APPENDIX—VI

Statement showing the particulars of excess grants paid

(Reference : Paragraph 7.6 (ii), page 75)

| Name of the institution | Year | Salary expenditure i.e., approved expenditure | Allowable contingent expenditure i.e., 90 per cent of $\frac{1}{3}$ rd/ $\frac{1}{3}$ th of salary expenditure | Expenditure actually incurred | Excess grant paid |
|-------------------------|---------|---|--|-------------------------------|-------------------|
| | | Rs. | Rs. | Rs. | Rs. |
| A | 1975-76 | 2,14,334 | 64,300 | 45,632 | 18,668 |
| | 1976-77 | 2,71,007 | 81,302 | 50,982 | 30,320 |
| | 1977-78 | 2,90,333 | 87,100 | 66,735 | 20,365 |
| B | 1975-76 | 3,04,803 | 91,441 | 61,735 | 29,706 |
| | 1976-77 | 2,98,630 | 89,589 | 69,279 | 20,310 |
| | 1977-78 | 3,50,348 | 1,05,104 | 71,474 | 33,630 |
| C | 1975-76 | 2,71,207 | 81,362 | 59,753 | 21,609 |
| | 1976-77 | 2,99,765 | 89,929 | 64,303 | 25,626 |
| | 1977-78 | 3,98,646 | 1,19,594 | 72,302 | 47,292 |
| D | 1975-76 | 2,80,953 | 84,286 | 65,462 | 18,824 |
| | 1976-77 | 2,81,034 | 84,310 | 49,028 | 35,282 |
| | 1977-78 | 3,52,543 | 1,05,763 | 70,954 | 34,809 |
| E | 1975-76 | 41,498 | 7,470 | 2,828 | 4,642 |
| | 1976-77 | 49,261 | 8,867 | 2,965 | 5,902 |
| | 1977-78 | 52,199 | 9,396 | 3,983 | 5,413 |
| F | 1975-76 | 78,725 | 14,171 | 3,390 | 10,781 |
| | 1976-77 | 79,173 | 14,251 | 3,574 | 10,677 |
| | 1977-78 | 93,703 | 16,866 | 4,539 | 12,327 |
| G | 1975-76 | 1,05,449 | 18,981 | 16,687 | 2,294 |
| | 1976-77 | 1,13,012 | 20,342 | 17,375 | 2,967 |
| | 1977-78 | 1,32,415 | 23,835 | 22,157 | 1,678 |
| H | 1975-76 | 81,843 | 14,732 | 4,314 | 10,418 |
| | 1976-77 | 82,181 | 14,792 | 5,117 | 9,675 |
| | 1977-78 | 1,13,059 | 20,351 | 5,622 | 14,729 |
| | | | 12,68,134 | 8,40,190 | 4,27,944 |

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