सत्यमेव जयते

REPORT
OF THE
COMPTROLLER AND
AUDITOR GENERAL OF INDIA

FOR THE YEAR ENDED 31 MARCH 1999

GOVERNMENT OF TRIPURA

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Presented before
the State Legislature
on..........................
20 JUL 2000

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GOVERNMENT OF TRIPURA

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PREFACE

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

2. Chapters I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 1999.

3. The remaining chapters deal with the findings of performance audit and audit of transactions in the various departments including the Public Works and Irrigation Department, audit of Stores and Stock, audit of Autonomous Bodies and departmentally run commercial undertakings.

4. The Report also contains the observations arising out of audit of Statutory Corporations, Boards and Government Companies and the observations on Revenue Receipts.

5. The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 1998-99 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 1998-99 have also been included, wherever necessary.

OVERVIEW

OVERVIEW

This Report includes two chapters containing observations of Audit on the Finance and the Appropriation Accounts of the State Government for the year 1998-99 and six other chapters comprising 7 reviews on development and welfare programmes and other activities, apart from 29 audit paragraphs containing audit comments on various irregularities. A synopsis of the findings contained in the reviews and more important paragraphs is presented below.

1. An overview of the finances of the State Government

Assets and liabilities : Assets of the State Government increased by 18.75 *per cent* from Rs.1880.54 crore in 1997-98 to Rs.2233.15 crore in 1998-99, while the liabilities increased by 21.68 *per cent* from Rs.1198.89 crore to Rs.1458.77 crore during the year.

Revenue receipts : Revenue receipts of the State Government increased from Rs.1082.10 crore in 1997-98 to Rs.1268.35 crore in 1998-99 registering an increase of 17 *per cent*. The increase was mainly on account of increase in the grants-in-aid from the Central Government (Rs.136.55 crore) and the State's share of Union Taxes (Rs.27.25 crore) in relation to the year 1997-98. The total receipts from the Central Government (Rs.1139.39 crore) during the year represented 90 *per cent* of the total revenue receipts and 97 *per cent* of the revenue expenditure (Rs.1175.62 crore). Tax revenue raised by the State grew by 17 *per cent* from Rs.71.64 crore in 1997-98 to Rs.84.13 crore in 1998-99 and non-tax revenue by 29 *per cent* from Rs.34.87 crore to Rs.44.83 crore during the same period.

Revenue expenditure : Revenue expenditure of the State grew by 11 *per cent* from Rs.1060.39 crore in 1997-98 to Rs.1175.62 crore in 1998-99 and constituted 85 *per cent* of total expenditure in 1998-99. The rate of growth in non-plan component of revenue expenditure during the last 5 years was higher (75 *per cent*) than the plan expenditure (47 *per cent*).

During 1998-99, the State Government paid interest of Rs.140.58 crore on debt and other obligations. The interest burden had an increase of 17 *per cent* over that of previous year.

Investment and return : The State Government invested Rs.15.32 crore during 1998-99. Of this, Rs.6.20 crore was in Statutory Corporation, Rs.6.19 crore in Government Companies, and Rs.2.93 crore in Co-operative Societies and Banks. With these fresh investments, the total investment of the Government as of March 1999 stood at Rs.177.98 crore. No dividend/interest was received by the Government on such investments.

Fiscal deficit : Fiscal deficit is defined as the excess of revenue and capital expenditure, (including net loans given) over the revenue receipts (including grants-in-aid received). During 1998-99, fiscal deficit was Rs.118.36 crore, which had increased by 8 *per cent* over the level of 1994-95.

Public debt and other liabilities : During the five years ending 1998-99, there was 76 *per cent* growth in internal debt, 75 *per cent* growth in loans and advances from Central Government and 60 *per cent* growth in other liabilities. The net availability of funds from public debt and other liabilities for investment and other expenditure ranged between 6 *per cent* and 30 *per cent* after repayments during the 5 years ending March 1999.

Analysis of financial performance with indicators : Some of the major findings that emerged from analysis of financial performance of the State Government with various indicators were as follows : (i) the interest burden on the Government was substantial and was on a rising trend; (ii) there was much scope for augmentation of tax base; and (iii) the Government had not been earning any dividend/interest on the investments.

(Paragraph 1)

2. Appropriation Audit and Control over Expenditure

Excess expenditure over grants/appropriations not regularised for the past several years : Though it was mandatory for the Government to get the excess expenditure over grants/appropriations regularised, such excess expenditure of Rs.649.45 crore pertaining to the years from 1987-88 to 1998-99 was yet to be regularised.

Overall savings/excess : Against the total gross provision of Rs.1871.36 crore, the total gross expenditure during the year was Rs.1582.53 crore. The overall saving of Rs.288.83 crore was the net effect of savings of Rs.401.89 crore in 43 grants/appropriations, and excess of Rs.113.06 crore in 14 grants/appropriations.

Supplementary grants : Supplementary grants of Rs.29.50 crore obtained in 17 cases proved unnecessary in view of aggregate savings of Rs.131.00 crore. In other 3 cases, supplementary provision of Rs.2.65 crore proved insufficient, leaving an aggregate uncovered excess expenditure of Rs.108.37 crore.

Surrender of savings : There was total saving of Rs.155.68 crore under 33 grants/appropriations; no amount was surrendered, though, as per the financial rules, the spending departments were required to surrender the amount of a grant/appropriation or portion thereof to the Finance Department as and when the saving was anticipated.

Expenditure incurred without budget provision : Expenditure of Rs.111.81 crore was incurred in 15 cases under 8 grants/appropriations, although no budget provision for them was available during the year.

Reconciliation of departmental figures : The Controlling Officers were required to reconcile the departmental figures of expenditure with figures booked by the Accountant General (Accounts and Entitlement) before closure of the accounts for the year. But such reconciliation in respect of expenditure of Rs.22.33 crore had not been carried out by 6 Controlling Officers. 5 other Controlling Officers carried out partial reconciliation and did not reconcile expenditure of Rs.5.52 crore.

Rush of expenditure : The financial rules require that the Government expenditure should be evenly distributed throughout the year to avoid rush of expenditure at the fag end of the year. Contrary to this, under 12 grants/appropriations expenditure of Rs.95.83 crore was incurred in March 1999. This constituted 29 *per cent* of the total expenditure of these grants/appropriations during the year 1998-99.

Abstract contingent bills : 20 Drawing and Disbursing Officers of Home, Education and Agriculture Departments did not submit, as of August 1999, detailed countersigned contingent (DCC) bills for Rs.16.70 crore drawn in 1477 abstract contingent (AC) bills during the period from 1983-84 to 1998-99. As per the treasury rules, the DCC bills were required to be submitted to the Accountant General with countersignature of the Controlling Officer, within 2 months of the drawal of AC bills.

(Paragraph 2)

3. Audit Reviews on Development/Welfare Programmes, etc.

3.1 National Programme of Nutritional Support to Primary Education

The Central Plan Scheme of Nutritional Support to Primary Education (NSPE) was taken up in the State on 15 August 1995. Under the programme, for 10 academic months, free meals having calorific value of 100 grams of rice per day were to be provided to every school going child of primary classes with at least 80 per cent attendance in the preceding month. The objective of the scheme was to boost universilisation of primary education by improving enrolment, retention, attendance and nutritional status of the children of school going age group. Implementation of the scheme was reviewed in audit and the following points were noticed.

- The Department had not fixed any specific targets for increasing enrolment and attendance of students and bringing down drop out rate at primary stage. Out of 3.96 lakh to 4.67 lakh students targeted to be covered under the scheme, students ranging from 0.83 lakh to 2.59 lakh in 106 to 212 schools located in interior areas could not avail of the benefit of the scheme during 1995-96 to 1998-99. The drop out rate ranged between 50 to 55 *per cent* during 1995-96 to 1997-98 as compared to All India rate of 38 *per cent*.

- During 1995-96 to 1998-99, 11.21 lakh students were provided rice out of 16.91 lakh for whom rice was allocated by GOI. The poor coverage was due to short lifting of rice from FCI.

- During 1995-96 to 1998-99, 40,274.6 quintals of rice valued at Rs.3.64 crore had been lapsed because the release orders from FCI were issued at the fag end of the year. Further, 1,12,441.43 quintals of rice valued at Rs.10.17 crore remained undistributed in the DFCS godown. As a result, 5,09,082 students were deprived of the benefit of their annual quota.

- As no mechanism was introduced by the Department to test the quality of foodgrains supplied, complaints regarding supply of substandard rice by FPS dealers were made by 38 schools out of 54 schools test checked by Audit. The matter needs to be investigated by the Department and remedial measures initiated.

- There was excess delivery of NSPE rice (valued at Rs.55.00 lakh) to fair price shop dealers through which rice was being distributed, with the possibility of diversion of such rice to the open market; there were also cases of misappropriation of NSPE rice (valued at Rs.0.45 lakh) by the dealers by not distributing the rice to the eligible students. This could happen due to lack of monitoring at various levels in Education Department as well as in Food and Civil Supplies Department which was to arrange for lifting and distribution of rice on behalf of the former.

- By supplying only foodgrains and not serving cooked meals to the children as envisaged in the scheme, the implementing department diluted the impact of the scheme, as there was likelihood of the take-home rations being shared with the family members.

- The progress reports produced to Audit by the Deputy DSEs, North and South Districts, showed utilisation of 59,359.51 quintals of rice during April 1996 to March 1998 whereas the utilisation reported to GOI was 82,615.64 quintals during the same period and was inflated by 23,256.31 quintals (value : Rs.2.10 crore).

(Paragraph 3.1)

3.2 Public Distribution System

Public Distribution System (PDS), a Centrally Sponsored Scheme, introduced in 1956 and restructured twice as Revamped Public Distribution System (June 1992) and Targeted Public Distribution System (May 1997) had the main objective of ensuring regular supply of essential commodities at reasonable price, particularly to the weaker sections of the society. A review on the implementation of the scheme in the State during 1992-93 to 1998-99 revealed the following points.

- There was a wide gap between the number of BPL families estimated by the State Government (74 *per cent*) and the Planning Commission (45 *per cent*). Details of the BPL families were also not available with the concerned blocks.

- Failure of the Food and Civil Supplies Department to follow the prescribed procedure facilitated proliferation of bogus ration cards and siphoning off of essential commodities valued at Rs.54.22 crore from the PDS.

- In violation of PDS guidelines, 0.28 lakh tonnes of wheat valued at Rs.12.65 crore was issued to Tripura Bakery Association for production of bread and biscuits.

- The Department procured 1.42 lakh tonnes of rice valued at Rs.107.92 crore in excess of requirements and issued to FPS dealers during the period from 1992-93 to 1998-99.

- Against the norms of 425 grams of sugar per head per month, the Department had been distributing at the rate of 1 kg per head per month in the Agartala Municipal area and only 375 grams per head per month in the rural areas. Thus, the consumers in rural areas were deprived of getting sugar at subsidised rate.

- Against the prescribed handling cost of Rs.25 per quintal under RPDS, the Department allowed Rs.38 to Rs.53 per quintal. This resulted in extra burden of Rs.5.52 crore shifted over to the consumers.

- Five godowns constructed at a cost of Rs.38.87 lakh remained unutilised for 1 to 7 years.

- Out of loan and subsidy amount of Rs.71.02 lakh deposited with the PWD in April 1998 after receipt from GOI between 1992-93 and 1997-98 for construction of 4 godowns, only Rs.3.37 lakh was spent for the purpose and the balance amount of Rs.67.65 lakh remained unutilised as of February 1999.

- Essential commodities valued at Rs.1.65 crore were found short in physical verification conducted during 1992-93 to 1998-99, resulting in the essential commodities valued at that amount having failed to reach the PDS consumers.

- Although village committees were formed in respect of 1304 out of 1406 FP shops in the State, no report of the committees on the performance of the FP shops was available with the Department.

(Paragraph 3.2)

3.3 Functioning of North Eastern Council

North Eastern Council (NEC), Shillong, was set up by the Ministry of Home Affairs, Government of India, in August 1972 with the main objective of developing infrastructure, like power and communication system, in the seven constituent States of North Eastern Region, including Tripura. The funds for the purposes are allocated by the Planning Commission. It also acts as an advisory body for discussing common problems of the region in the fields of economic and social planning. Implementation of several schemes sponsored by the NEC in the State of Tripura was reviewed in audit. The following main points were noticed.

- Differences of Rs.54.61 crore and Rs.4.46 crore between amount released by NEC and amount as per Finance Accounts and expenditure reported by Government and expenditure as per Finance Accounts respectively were not reconciled by the Government. Difference of Rs.12.19 crore between amount of loan as per sanction issued by NEC and as per Finance Accounts also remained unreconciled.

- Against the release of Rs.124.07 crore by the NEC during 1992-93 to 1998-99, Rs.130.39 crore was spent for 10 schemes by 9 departments as reported by State Planning and Co-ordination Department.

- Against the estimated cost of Rs.85.45 crore, the Power Department spent Rs.97.06 crore for the Rokhia Project. The circumstances under which the excess expenditure of Rs.11.61 crore was incurred were not clarified by the Department.

- There was a time overrun in completion of Rokhia Gas Thermal Project due to delayed release of funds by the NEC resulting in cost overrun, which in turn made the project economically unviable.

- Delay in commissioning of the project and forced outage after commissioning led to a combined generation loss of 135.25 MKWH valued at Rs.24.35 crore.

- For not making payment for supplies in time, the project authorities were saddled with interest liabilities of Rs.6.54 crore.

- Sixteen quarters constructed at a cost of Rs.48.93 lakh remained unutilised as the officials were not willing to stay in them.

- Power and Public Works Departments diverted Rs.11.36 crore out of NEC funds to other projects not coming under the purview of NEC schemes.

- Rs.1.33 crore was locked up in incomplete works for 3 RCC bridges, as these were sought to be replaced by Bailey bridges by changing the scope of works.

- There were cost overrun of Rs.22.41 crore and time overrun of 3 to 17 years in respect of 5 road works.

- Despite expenditure of Rs.57.94 lakh was reported to have been spent on 5 bridges, construction was found not to have been taken up.

(Paragraph 3.3)

3.4 Rural Employment Generation Programme

Rural Employment Generation Programme (REGP) consisting of two components, Jawahar Rozgar Yojana (JRY) and Employment Assurance Scheme (EAS) was launched in April 1989 and October 1993 respectively. The expenditure having been shared by the Central and State Governments on 80:20 basis, the programme aimed at providing wage employment in order to alleviate rural poverty, and to create simultaneously economic infrastructure and community assets for sustained employment and development. The following points were noticed in a review of the programme covering the period from 1992-93 to 1998-99.

- Retention of REGP funds of Rs. 9.84 crore by 13 BDOs and one DM in their personal ledger accounts, instead of savings accounts as prescribed in the programme guidelines, resulted in potential interest loss of Rs.1.83 crore.

- Seventeen BDOs, after paying advances of Rs.9.03 crore to Implementing Officers during 1992-93 to 1998-99, booked the amount as final expenditure without obtaining any adjustment vouchers and ascertaining genuineness of expenditure.

- The Department placed funds of Rs.62.74 lakh with 4 District Rural Development Agencies in March 1998 for conducting survey on BPL families, but the survey had not been completed. As a result the number of BPL families in the State was not available with the Department.

- Rs.41.90 crore was irregularly spent for providing wage employment under EAS during the non-lean season (August and January), in contravention of the programme guidelines.

- Actual per capita employment generated under EAS ranged from 5 to 21 mandays during 1993-94 to 1998-99. This was far below the programme objective for providing assured per capita employment for 100 days per year during the lean agricultural season.

- Basic records like field books, measurement books, completion reports relating to REGP works were not maintained. There was no supervisory check exercised on muster rolls. Asset Registers were also not properly maintained. All these factors were conducive to frauds and pilferage in execution of REGP works.

- Wage-material ratio should not be less than 60:40. In 13 blocks, the ratio was 51:49. Thus, there was excess expenditure of Rs.720.96 lakh on material which led to short creation of potential employment worth 26.93 lakh mandays.

- In 13 blocks, Rs.21.96 crore was spent on construction of 1675.08 kilometres of kutcha roads during 1992-93 to 1998-99, negating the thematic tenet of REGP for creating durable assets.

- The BDO, Bishalgarh spent Rs.1.22 crore for raising tea, rubber and gamair plantations on the land belonging to 2649 individual beneficiaries of non-SC/ST families, although not permissible under the scheme.

(Paragraph 3.4)

3.5 Integrated Child Development Services

The Centrally Sponsored Scheme for Integrated Child Development Services was taken up for implementation in 1975-76 to provide support to economically and socially vulnerable children by way of improving their nutritional status and bringing down their school dropout rate. Enhancing the capability of mothers through nutrition and health education was also included in the objective. Implementation of the scheme was reviewed in audit and the following deficiencies were noticed :

- Against the 3537 Anganwadis sanctioned, 3250 were in operation at the end of 1998-99, 287 Anganwadis were not being operated due to delay in recruitment of ICDS personnel.

- Setting up of Anganwadis without assessing their viability resulted in payment of idle honorarium of Rs.51.04 lakh to the workers and helpers during 1992-93 to 1998-99, as their services remained unutilised.

- Supplementary nutrition was provided only to a small fraction of the eligible beneficiaries in the 9 projects test checked, due to short supply, delayed supply and non-supply of food grains. Therapeutic nutrition to be given to the malnourished children as envisaged in the scheme guidelines, was not provided.

- In 9 projects, benefit of non-formal pre-school education through Anganwadis was not provided to 65 to 77 *per cent* of eligible beneficiaries.

- 83 to 90 *per cent* of the eligible beneficiaries did not get the benefit of health check up due to infrequent visits by the health functionaries.

- The percentage of the number of beneficiaries immunised as per prescribed schedule was poor in the 0-1 age group. The rate had further declined drastically in the higher age groups. 27 to 52 *per cent* of expectant mothers were also not covered with the prescribed doses of immunisation.

- While 60 *per cent* of the Anganwadis under the 9 projects test checked had no drinking water facilities, sanitation facilities were missing in all the Anganwadis, records of which were test checked.

- In 5 projects, the BDOs purchased 1277 tonnes of musur dal at a cost of Rs.2.58 crore against Rs.2.38 crore as per the prevailing wholesale market rate. This resulted in extra expenditure of Rs.0.20 crore.

- In 3 projects, idle expenditure of Rs.2.60 lakh was incurred towards salaries of 3 Drivers as their vehicles remained unrepaired for years together.

(Paragraph 3.5)

3.6 Registration of Motor Vehicles and Collection of Taxes

A review on Registration of Motar Vehicles and Collection of Taxes covering the period from 1993-94 to 1998-99 disclosed the following :

- Arrears in respect of Motor Vehicles Tax for the years 1987-88 to 1998-99 worked out to Rs.1.44 crore.

- Delayed remittance, in contravention of agreement, made by the banker to the State Bank of India resulted in loss of Rs.13.00 lakh as interest.

- No fine was imposed on vehicles being driven with weight in excess of permissible limit, causing a revenue loss of Rs.11.29 lakh.

- Arrears of Rs.7.63 lakh were not realised at the time of renewal of fitness certificates for 169 vehicles.

- Rs.5.45 lakh was not realised towards penalty for belated payment of composite tax on vehicles plying under National Permit Scheme.

(Paragraph 6.3)

3.7 Loan recovery performance of Tripura Industrial Development Corporation

Tripura Industrial Development Corporation (TIDC) was incorporated as Government Company in March 1974. One of the major objectives of the company was to aid, assist and finance industrial undertakings, projects and enterprises run by Government or private agencies with capital, credit means or resources for conducting their business. The efficiency of the company in effecting prompt recovery of loans advanced by it and adequacy of the control mechanism instituted by it for the purpose were reviewed in audit, covering the period from 1994-95 to 1998-99, and the following points were noticed :

- During the five years ending 1998-99, the loan amount due for recovery gradually increased from Rs.9.69 crore to Rs.24.31 crore, while the amount recovered annually ranged from Rs.0.79 crore to Rs.1.20 crore only, the percentage of recovery being as low as 4.93 to 11.11.

(Paragraph 8.2.7.1)

- Despite failure of 6 units in repayment of original loan and interest thereon amounting to Rs.73.21 lakh, they were allowed additional loan of Rs.23.55 lakh. Repayment was rescheduled in respect of 8 defaulting units, including the above 6. The amount outstanding against these 8 units was Rs.2.15 crore as on 31 March 1999.

(Paragraph 8.2.11)

- Due to 'one time settlement' in respect of 9 defaulting units, by which the units were allowed to pay a lump sum amount in full settlement of their outstanding dues, the Company had incurred loss of Rs.67.05 lakh.

(Paragraph 8.2.13)

4. Other important points

(a) Civil

- Expenditure of Rs.9.93 lakh on purchase of 65 Kg of chilli and water melon seeds by Agriculture Department without any quality test proved wasteful as the seeds had a very low germination rate.

(Paragraph 3.6)

- Animal Resource Development Department had been maintaining two livestock farms without any livestock, which resulted in infructuous expenditure of Rs.30.10 lakh during 1994-95 to 1998-99.

(Paragraph 3.8)

- Animal Resource Development Department spent Rs.32.50 lakh on Sheep and Wool Development Programme during 1991-92 to 1998-99 without any records to substantiate that the expenditure had served the intended purpose.

(Paragraph 3.9)

- 34 Kokbarak teachers having the lower qualification of Class VIII were deployed in 17 schools where Kokbarak language was not introduced. They were also not qualified to teach any other subject, in the absence of having the requisite qualification of Madhyamik or equivalent. This led to wasteful expenditure of Rs.61.71 lakh incurred by Education Department on their pay and allowances.

(Paragraph 3.10)

- Finance Department caused irregular diversion of money from the Tripura State Illness Assistance Fund constituted in March 1997, and premature encashment of money from Term Deposit Account. This resulted in loss of interest amounting to Rs.19.84 lakh.

(Paragraph 3.11)

- Rs.6.76 lakh spent by Health and Family Welfare Department on construction of two quarters and one hostel remained blocked for 39 to 55 months. Moreover, this resulted in avoidable loss of Rs.0.74 lakh, due to payment of house rent allowance and non-receipt of licence fee and rent.

(Paragraph 3.12)

- There was a loss of Rs.9.10 lakh incurred by Rural Development Department due to purchase of pineapple suckers at higher rates and also due to keeping JRY and EAS funds, against the provisions of scheme guidelines, in current deposit and personal ledger accounts, not yielding any interest.

(Paragraph 3.13)

- The public exchequer was deprived of forest royalty of Rs.8.77 lakh as the Executive Engineer, Amarpur Public Works Division, did not insist on production of forest clearance certificates by the contractors who used forest products in the works.

(Paragraph 4.2)

- Chips of burnt bricks valued at Rs.5.20 lakh procured by Public Works Division No.IV for improvement of two roads remained unutilised for 80 months leading to blockage of funds of Rs.5.20 lakh.

(Paragraph 4.4)

- Loss of Rs.16.38 crore was incurred by Power Department for consumption of natural gas in power generation beyond standard norms and for payment towards natural gas supplied in excess of contracted quantity, but not utilised in power generation.

(Paragraph 4.5)

- Power Department incurred avoidable interest liability of Rs.2.21 crore for failure to provide adequate funds for payment of gas bills on due date in terms of agreement with ONGC and GAIL.

(Paragraph 4.6)

- Power Department incurred idle expenditure of Rs.33.32 lakh during December 1992 to March 1999 on maintenance of establishment for the Linemen Training Institute, which did not impart any training, the purpose for which it was set up.

(Paragraph 4.7)

- Excess payment of Rs.11.57 lakh was made by Electrical Division V and VI towards sales tax to the suppliers of prestressed cement concrete poles, the tax having been computed at a rate higher than that prescribed in the act.

(Paragraph 4.9)

- Wasteful expenditure of Rs.9.17 lakh was incurred by Agriculture Department on purchase of a pesticide nearing expiry date. The pesticide could not be put to use during its potency period.

(Paragraph 5.1)

- Tripura Scheduled Tribes Co-operative Development Corporation and Tripura Scheduled Castes Co-operative Development Corporation reported expenditure of Rs.21.84 crore during 1979-80 to 1998-99 under two loan programmes but had no documentary evidence to prove that the money had gone to the eligible beneficiaries and had actually been utilised by them for the intended purposes.

(Paragraph 7.2)

(b) Revenue

- Interest amounting to Rs.14.87 lakh was short-levied on 18 dealers for delayed payment of balance sales tax.

(Paragraph 6.4)

- In 12 cases, forest products were illegally utilised by contractors in execution of works of Government departments and organisations. They did not obtain forest clearance certificates as required by the standard terms and conditions in the works contract. This had resulted in loss of forest royalty of Rs.14.99 lakh realisable from these contractors.

(Paragraph 6.7)

(c) Commercial

The State had nine Government Companies including one under liquidation and one Statutory Corporation as on 31 March 1999. The aggregate investment of these PSUs was Rs.164.92 crore (equity : Rs.146.02 crore; and long term loans : Rs.18.90 crore).

(Paragraph 8.1.2)

- Accounts of all the eight working companies were in arrears for 3 to 15 years and of Statutory Corporation for nine years.

(Paragraph 8.1.4.1)

- According to latest finalised accounts, five companies had incurred an aggregate loss of Rs.3.36 crore and the remaining three companies earned an aggregate profit of Rs.0.20 crore. The Statutory Corporation incurred accumulated loss of Rs.23.18 crore. Inspite of poor performance leading to complete erosion of paid up capital, the State Government provided financial support of Rs.3.81 crore to Tripura Jute Mills Limited in the form of contribution towards equity and Rs.6.20 crore by way of equity to Tripura Road Transport Corporation during 1998-99.

(Paragraphs 8.1.5 and 8.1.6)

- Tripura Road Transport Corporation locked up Rs.12.41 lakh due to its failure to take timely action for disposal of accumulated obsolete stores.

(Paragraph 8.3)

- Erroneous computation of energy charges resulted in short realisation of Rs.17.41 lakh.

(Paragraph 8.4)

- Inadmissible allowance of rebate to 240 consumers in 363 bills and non-imposition of penalty for delayed payments of energy charges by 305 consumers in 525 bills resulted in loss of Government revenue of Rs.23.74 lakh.

(Paragraph 8.5 and 8.6)

CHAPTER I : AN OVERVIEW OF THE FINANCES OF THE STATE GOVERNMENT

1.1 Introduction

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

1.2 Financial position of the State

In the Government accounting system, comprehensive accounting of the fixed assets like land and buildings etc., owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred by the Government. Abstract of such liabilities and the assets of the Government of Tripura as on 31 March 1999, compared with the corresponding position on 31 March 1998 is given below:

(Rupees in crore)

Liabilities			
As on 31 March 1998			As on 31 March 1999
311.28	Internal Debt -		395.19
210.08	Market Loans bearing interest	270.06	
0.24	Market Loans not bearing interest	0.37	
49.23	Loans from LIC of India	67.73	
51.73	Loans from other Institutions	57.03	
448.86	Loans and Advances from Central Government		548.18
11.77	Pre- 1984-85 Loans	10.39	
213.83	Non-Plan Loans	274.63	
198.41	Loans for State Plan Schemes	237.60	
0.43	Loans for Central Plan Schemes	0.43	
9.11	Loans for Centrally Sponsored Plan Schemes	9.75	
1.42	Ways and Means Advances	1.42	
13.89	Loans for Special Schemes	13.96	
372.61	Small Savings, Provident Funds, etc.		452.85
0.50	Reserve Fund		0.43
55.64	Deposits not bearing interest		50.63
10.00	Contingency Fund		10.00
...	Remittance balances		1.49
681.65	Accumulated surplus on Government Account		774.38
1880.54			2233.15

(Rupees in crore)

Assets			
As on 31 March 1998			As on 31 March 1999
1843.16	Gross capital outlay on Fixed Assets		2052.10
162.66	Investment in Government Companies and Statutory Corporations, etc.	177.98	
1680.50	Other Capital Outlay on General, Social and Economic Services	1874.12	
46.52	Loans and Advances by the State Government		48.69
34.99	Other Development Loans	35.10	
11.53	Loans to Government Servants and Miscellaneous	13.59	
1.25	Other Advances		1.26
7.36	Suspense and Miscellaneous Balances		10.17
0.49	Remittance Balances		...
(-) 18.24	Cash Balance		120.93
Nil*	Cash in Treasuries	Nil*	
2.09	Departmental Cash Balance including permanent advances	3.31	
44.98	Cash balance investment	155.42	
(-) 65.31**	Deposits with Reserve Bank of India	(-) 37.80**	
1880.54			2233.15

*** Rs.1353 only**

**** Minus balance was the net difference between receipts and disbursement of the State Government for the year 1998-99 after incorporating all adjustments made by RBI for the year 1998-99 upto 25 April 1999.**

It would be seen from the above table that while the liabilities consist mainly of internal borrowings, loans and advances from the Government of India, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay, loans and advances given by the State Government and the cash balances. It would also be seen that while the liabilities grew by 21.68 *per cent*, the assets grew by only 18.75 *per cent* during 1998-99. The liabilities had increased mainly due to raising of more loans from the open market (Rs.83.91 crore), obtaining more loans and advances from the Central Government (Rs.99.32 crore), and net increase in deposits under Small Savings and Provident Funds etc., in Public Account (Rs.76.65 crore).

1.3 Sources and applications of funds

The position of sources and applications of funds of the State Government during the current and the preceding year is shown below:

1997-98				1998-99 Amount (Rupees in crore)
		Sources		
1082.10		1.Revenue Receipts		1268.35
1.06		2.Recoveries of Loans and Advances		1.20
101.19		3.Increase in Public Debt		183.23
51.53		4.Net Receipts from Public Account		74.30
	55.86	Increase in Small Savings and Provident Funds	(+)80.24	
	(-)0.01	Decrease in Reserve Funds	(-)0.07	
	1.27	Decrease in Deposits and Advances	(-)5.03	
	(-)7.23	Decrease is Suspense Balances	(-)2.82	
	1.64	Increase in Remittance Balances	(+)1.98	
1235.88		**Total**		**1527.08**

1997-98				1998-99
		Applications		
1060.39		Revenue Expenditure		1175.62
215.26		Capital Expenditure		208.93
3.28		Lending for development and other purposes		3.36
(-)43.05		Increase in cash balance including permanent advances, departmental cash balance and cash balance investment		139.17
1235.88		**Total**		**1527.08**

1.3.1 The main sources of funds include the revenue receipts of the Government, recoveries of the loans and advances, public debt and the receipts in the Public Account. These are applied mainly on revenue and capital expenditure and the lending for developmental purposes. It would be seen that the revenue receipts (Rs.1268.35 crore) constitute the most significant source of fund for the State Government. While their relative share went down significantly from 88 *per cent* in 1997-98 to 83 *per cent* during 1998-99, the share of recoveries of loans and advances slightly went down from 0.09 *per cent* to 0.08 *per cent*. The net receipts from the Public Account, however, increased marginally as their share went up from 4.17 *per cent* in 1997-98 to 4.87 *per cent* in 1998-99. This was mainly due to increase of Rs.24.72 crore in Small Savings, Provident Funds and Remittance Balances offset by decrease of Rs.1.95 crore under Deposit and Advances and Suspense balances. The receipts from the public debt went up significantly from 8 *per cent* to 12 *per cent*.

1.3.2 The funds were mainly applied for revenue expenditure, whose share went down from 86 *per cent* to 77 *per cent* which remained significantly lower than the share of the revenue receipts (83 *per cent*) in the total receipts of the State Government. A notable change during the year was that while the percentage of capital expenditure went down from 17 to 14, lending for development purposes came down from 0.27 *per cent* to 0.22 *per cent*.

1.4 Financial operations of the State Government

1.4.1 Annexure-II gives the details of the receipts and disbursements made by the State Government. The Revenue expenditure (Rs.1175.62 crore) was less than the revenue receipts (Rs.1268.35 crore) during the year, resulting in a revenue surplus of Rs.92.73 crore. The Revenue receipts comprised tax revenue (Rs.84.13 crore), non-tax revenue (Rs.44.83 crore), State's share of Union taxes and duties (Rs.457.02 crore) and grants-in-aid from the Central Government (Rs.682.37 crore). The main sources of tax revenue were sales tax (57 *per cent*), State excise (20 *per cent*) and stamps and registration fees (6 *per cent*). Non-tax revenue came mainly from economic services (67 *per cent*), general services (19 *per cent*), social services (6 *per cent*) and interest receipts (8 *per cent*).

1.4.2 The capital receipts comprised Rs.1.20 crore from recoveries of loans and advances and Rs.326.05 crore from public debt. Against this, the expenditure was Rs.208.93 crore on capital outlay, Rs.3.36 crore on disbursement of loans and advances and Rs.142.82 crore on repayment of public debt. The receipts in the Public Account amounted to Rs.668.21 crore, against which the disbursements of Rs.593.91 crore were made. The net effect of the transactions in the Consolidated Fund, Contingency Fund and Public Account was an increase of Rs.139.17 crore in the cash balance from Rs.(-)18.24 crore at the beginning of the year to Rs.120.93 crore at the end of the year.

1.4.3 The financial operations of the State Government pertaining to its receipts and expenditure are discussed in the following paragraphs, with reference to the information contained in **Annexure-II** and the time series data on State Government finances for the five year's period from 1994-95 to 1998-99, as presented below.

(Rupees in crore)

	1994-95	1995-96	1996-97	1997-98	1998-99
Part A. Receipts					
I. Revenue Receipt	741.33	937.32	1028.92	1082.10	1268.35
(a) Tax Revenue	43.47 (6)	47.99 (5)	60.50 (6)	71.64 (7)	84.13 (7)
Agricultural Income Tax	0.23 (#)	0.07 (#)	0.20 (#)	0.17 (#)	0.64 (1)
Sales Tax	23.23 (53)	27.37 (57)	35.69 (59)	42.39 (60)	47.70 (57)
State Excise	8.26 (19)	9.16 (19)	12.41 (21)	14.96 (21)	17.00 (20)
Taxes on Vehicles	1.56 (4)	1.36 (3)	1.40 (2)	1.83 (3)	3.51 (4)
Stamps and Registrations Fees	2.91 (7)	3.21 (6)	3.62 (6)	3.93 (5)	4.82 (6)
Land Revenue	1.76 (4)	0.74 (2)	0.58 (1)	1.67 (2)	3.37 (4)
Other Taxes	5.52 (13)	6.08 (13)	6.60 (11)	6.69 (9)	7.10 (8)
(b) Non-Tax revenue	25.96 (4)	38.52 (4)	40.66 (4)	34.87 (3)	44.83 (3)
(c) State share of Union taxes	246.03 (33)	228.29 (24)	318.78 (31)	429.77 (40)	457.02 (36)
(d) Grants-in-aid from Government of India	425.87 (57)	622.42 (67)	608.98 (59)	545.82 (50)	682.37 (54)
II. Capital Receipts	120.73	102.68	116.70	188.28	293.19
Market Borrowings	28.24 (24)	34.11 (33)	34.72 (30)	41.32 (22)	97.09 (33)
Loans and Advances from GOI	37.73 (31)	32.98 (32)	60.08 (51)	89.82 (48)	120.95 (41)
Other Capital Receipts[Ψ] (Public Accounts)	54.76 (45)	35.59 (35)	21.90 (19)	57.14 (30)	75.15 (26)
Part B. Expenditure	**848.04**	**969.85**	**1148.84**	**1272.65**	**1384.55**
I. Revenue Expenditure	705.78 (83)	786.46 (81)	907.16 (79)	1060.39 (83)	1175.62 (85)
Plan	220.26 (31)	238.50 (30)	270.29 (30)	306.52 (29)	323.70 (28)
Non-plan	485.52 (69)	547.96 (70)	636.87 (70)	753.87 (71)	851.92 (72)
General Services	209.87 (30)	247.58 (31)	291.03 (32)	349.39 (33)	408.92 (35)

(#) Negligible.

[Ψ] Other Capital Receipts include small savings etc., Reserve funds and deposits.

(Rupees in crore)

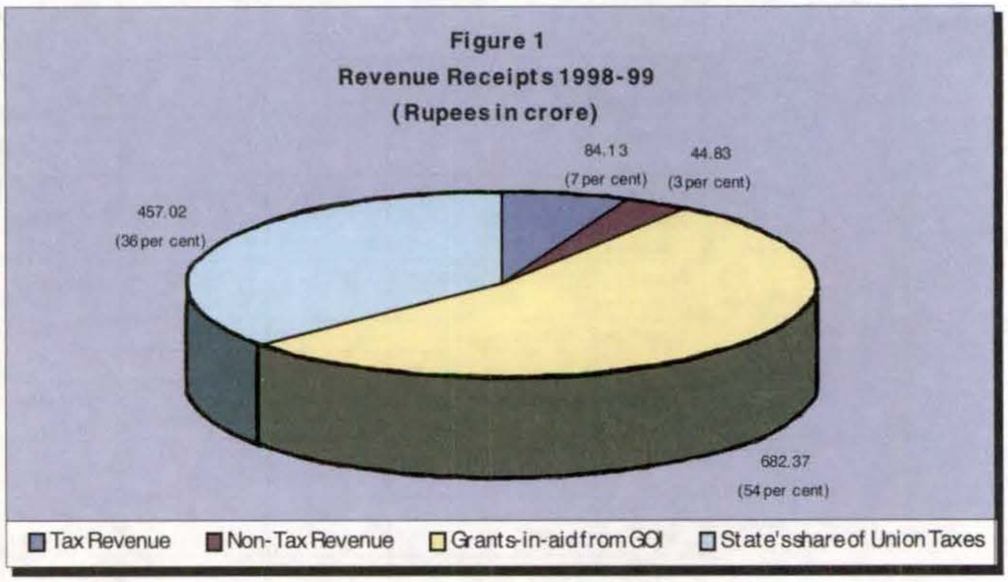
	1994-95	1995-96	1996-97	1997-98	1998-99
Economic Services	201.90 (28)	219.88 (28)	237.40 (26)	296.05 (28)	300.98 (26)
Social Services	288.99 (41)	313.98 (40)	373.71 (41)	397.75 (37)	448.76 (38)
Grants-in-aid and contributions	5.02	5.02 (1)	5.02 (1)	17.20 (2)	16.96 (1)
Interest payments	75.76 (11)	88.66 (11)	110.21 (12)	119.96 (11)	140.58 (12)
Arrears of Revenue (% Tax and Non-Tax revenue receipts)	6.41 (8)	6.28 (7)	8.53 (8)	9.61 (9)	9.91 (8)
Financial Assistance to local bodies etc.	49.25	112.98	89.60	128.16	71.07
Loans and Advances given	4.06	2.25	6.28	3.28	3.36
II. Capital Expenditure	142.26 (17)	183.39 (19)	241.68 (21)	215.26 (17)	208.93 (15)
Plan	138.11 (97)	183.06 (100)	253.31 (105)	207.79 (97)	197.10 (94)
Non-Plan	4.15 (3)	0.33 (*)	(-)11.63 (-5)**	7.47 (3)	11.83 (6)
General Services	12.86 (9)	21.26 (12)	21.16 (9)	3.66 (2)	4.19 (2)
Economic Services	96.07 (68)	116.36 (63)	141.50 (58)	131.94 (61)	104.99 (50)
Social Services	33.33 (23)	45.77 (25)	79.02 (33)	79.66 (37)	99.75 (48)
Part C. Deficits					
Revenue Surplus	35.55	150.86	121.76	21.71	92.73
Fiscal Deficit	110.04	33.91	121.74	195.77	118.36
Budgetary Deficit(-)/ Surplus(+)	(+)10.59	(+)38.37	(-)46.48	(-)34.42	(+)27.52
Part D. Other data					
Ways and Means Advances (days)	13	3	Nil	12	73
Interest on Ways and Means Advances	0.01	Nil	Nil	0.02	0.33
GSDP	1500.15	1764.64	1933.10	2117.64	2319.80
Outstanding Debt (Year end)	538.18	587.82	658.95	760.14	943.37
Outstanding guarantees (Year end)	59.05	42.12	68.32	76.55	44.02
Guarantees given during the year	63.81	84.86	67.01	87.69	63.82
Number of incomplete projects	***	***	83	104	78
Capital blocked in incomplete projects	***	***	67.14	120.41	96.23

*** Negligible (0.17 *per cent* only).**
**** Minus figure was due to more receipts and recoveries than expenditure.**
***** Information called for from the State Government but not furnished (February 2000).**

Note :
1. GSDP shown at current prices as per information received from Statistical Department, Government of Tripura, Agartala.
2. Figures in breakets represent percentages (rounded) to total of each sub-heading.

1.5 Revenue receipts

1.5.1 The revenue receipts consist mainly of tax and non-tax revenue, and receipts from Government of India (GOI). Their relative shares are shown in Figure 1. The yearly growth rate of revenue receipts widely ranged between 5 *per cent* (1997-98) and 26 *per cent* (1995-96) during 1994-95 to 1998-99.



1.5.2 Tax revenue

This constitute 7 *per cent* of the revenue receipts. Time series data (paragraph 1.4.3 above) show that the contribution of Sales Tax (major constituent) has come down from 60 *per cent* in 1997-98 to 57 *per cent* in 1998-99 after a healthy growth rate from 1995-96 (57 *per cent*) to 1997-98 (60 *per cent*). The other major constituent of tax revenue *viz.*, the State Excise have declined from 21 *per cent* in 1997-98 to 20 *per cent* in 1998-99 though stagnant (21 *per cent*) in 1996-97 and 1997-98 while the stamps and registration fees has gone up from 5 *per cent* in 1997-98 to 6 *per cent* in 1998-99 after remaining stagnant (6 *per cent*) in 1995-96 and 1996-97 respectively.

1.5.3 Non-tax revenue

The non-tax revenue constituted 4 *per cent* of the revenue receipts of the State Government in 1998-99, and had increased by Rs.9.96 crore (i.e. Rs.34.87 crore in 1997-98 and Rs.44.83 crore in 1998-99). The percentage (4 *per cent*) of non-tax revenue to total revenue receipts was stagnant during 1994-95 to 1996-97, and was 3 *per cent* in 1997-98.

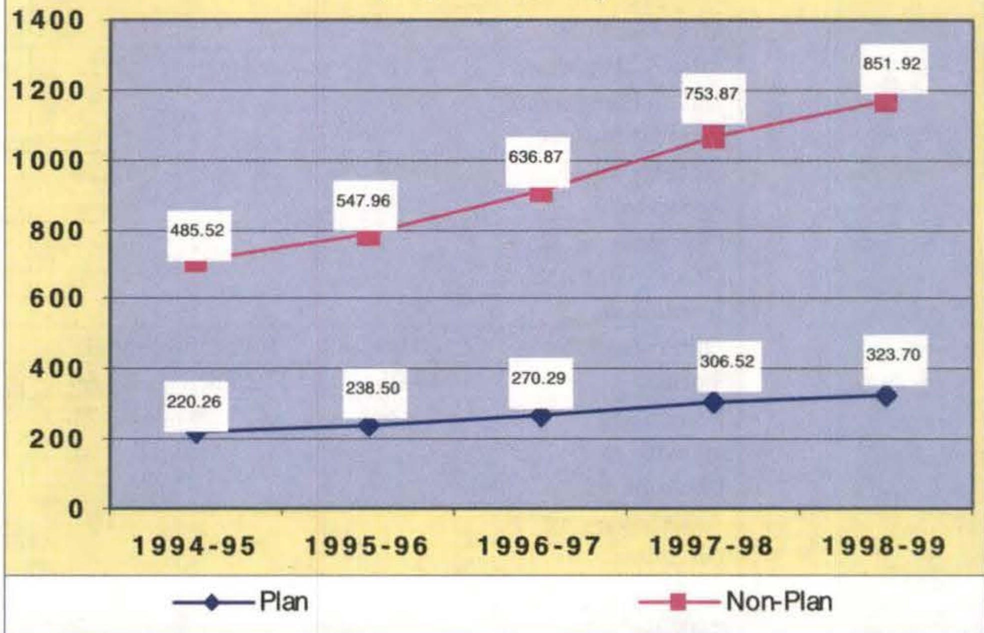
1.5.4 State's share of Union taxes and duties and grants-in-aid from the Central Government

The State's share of Union taxes (excise duties and income taxes) increased by 6 *per cent* over the previous year, while the grants-in-aid from the Central Government increased by 25 *per cent*. However, as a percentage of revenue receipts these (both taken together) remained stagnant at 90 *per cent* during the last 5 years, which was mainly due to corresponding increase/decrease *inter se*.

1.6 Revenue expenditure

1.6.1 The revenue expenditure accounted for most (85 *per cent*) of the expenditure (i.e. Revenue and Capital taken together) of the State Government and increased by 11 *per cent* over the previous year (i.e. 1997-98). The increase was, however, mainly on the Non-Plan side (13 *per cent*). A comparison of the data for the last 5 years shows that the rate of growth in Non-Plan component (75 *per cent*) of revenue expenditure far surpassed that in Plan expenditure (47 *per cent*), as can be seen in Figure 2. A major constituent (56 *per cent*) of the Non-Plan revenue expenditure was the salaries, which amounted to Rs.475.32 crore♣ during 1998-99.

Figure 2
Growth of Plan and Non-Plan revenue expenditure
(Rupees in crore)



1.6.2 Sector-wise analysis in time series data (paragraph 1.4.3 above) shows that while the expenditure on General Services increased by 95 *per cent*, from Rs.209.87 crore in 1994-95 to Rs.408.92 crore in 1998-99, the corresponding increases in expenditure on Social Services and Economic Services were only 55 and 49 *per cent* respectively. As a proportion of total revenue expenditure, the share of General Services increased from 30 *per cent* in 1994-95 to 35 *per cent* in 1998-99, and the share of Social Services and Economic Services decreased from 41 *per cent* to 38 *per cent,* and 28 *per cent* to 26 *per cent* respectively.

♣ This amount has been worked out on the basis of salary bills of the Government departments for the month of April 1998 and March 1999.

1.6.3 Interest payments

Interest payments increased steadily by 86 *per cent* from Rs.75.76 crore in 1994-95 to Rs.140.58 crore in 1998-99. This is further discussed in the section on financial indicators.

1.6.4 Financial assistance to local bodies and other institutions

The quantum of assistance in the form of grants provided to different local bodies etc., during the period of five years ending 1998-99 was as follows :

	1994-95	1995-96	1996-97	1997-98	1998-99
	(Rupees in crore)				
Universities and Educational Institutions	11.65	55.15	14.89	16.13	15.99
Municipal Corporations and Municipalities	2.05	0.14	1.51	0.72	4.41
Zilla Parishads and Panchayati Raj Institutions	4.78	0.16	5.02	51.83	39.13
Development agencies	10.68	10.96	11.20	12.23	2.90
Hospitals and Other Charitable Institutions	-	-	-	2.85	1.41
Other institutions	20.09	46.57	56.98	44.40	7.23
Total	**49.25**	**112.98**	**89.60**	**128.16**	**71.07**
Percentage of growth over previous year	(-) 6	129	(-) 21	43	(-) 45
Assistance as a percentage of revenue expenditure	7	14	10	12	6

No loans were provided to the bodies during the above period.

The assistance to the local bodies and others declined sharply during 1998-99. During 5 years ending 1998-99, the financial assistance to Zilla Parishads and Panchayat Raj Institutions witnessed a pronounced increase of 719 *per cent*, and decrease of 67 *per cent* in respect of Development Agencies and other Institutions.

1.6.5 Loans and Advances by the State Government

The Government gives loans and advances to Government Companies, Corporations, Local Bodies, autonomous bodies, Co-operatives, Non-Government institutions, etc., for developmental and non-developmental activities. The position for the last five years given below shows that the outstanding amounts have increased by Rs.7.57 crore (18 *per cent*) from

Rs.41.11 crore in 1994-95 to Rs.48.68 crore in 1998-99, though there was substantial improvement in repayment of loans and advances during the year 1996-97 which again declined by 76 *per cent* during 1997-98. As a result of which, the closing balance increased by 5 *per cent* during the year 1997-98.

In respect of loans, the detailed accounts of which are maintained by the departmental officers, all such departmental officers are required to furnish to the Accountant General (Accounts and Entitlement) each year the detailed accounts thereof and the details of arrears (as on 31 March) in recovery of loans and interest thereon. Information about arrears as on 31 March 1999 had not been received (November 1999) from any of these officers.

	1994-95	1995-96	1996-97	1997-98	1998-99
	(Rupees in crore)				
Opening balance	37.77	41.11	42.49	44.30	46.52
Amount advanced during the year	4.06	2.25	6.28	3.28	3.36
Amount repaid during the year	0.73	0.87	4.47	1.06	1.20
Closing balance	41.11	42.49	44.30	46.52	48.68
Net addition	3.33	1.38	1.81	2.22	2.16
Interest received	0.18	0.04	3.96	0.38	0.19

1.7 Capital expenditure

1.7.1 Capital expenditure leads to asset creation. In addition, financial assets arise from moneys invested in institutions or undertakings outside Government *i.e.,* public sector undertakings (PSUs), Corporations, etc and loans and advances. During the last five years the capital expenditure has grown by 47 *per cent.* During 1995-96 and ending March 1999, 1996-97 it has recorded yearly growth of 29 *per cent* and 32 *per cent* respectively but again declined by 11 *per cent* and 3 *per cent* in the two succeeding years. As a result, its share in total expenditure has grown from 17 *per cent* in 1994-95 to 21 *per cent* in 1996-97 but came down to 17 *per cent* and 15 *per cent* in 1997-98 and in 1998-99 respectively. Time series data (paragraph 1.4.3 above) show that most of the capital expenditure has been on Economic and Social Services and mainly on the Plan side.

1.8 Quality of expenditure

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

Revenue expenditure are identified with expenditure on establishment, maintenance and services. By definition, therefore, in general, the Plan and Capital expenditure can be viewed as contributing to the quality of expenditure.

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

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

(Rupees in crore)

	1994-95	1995-96	1996-97	1997-98	1998-99
1. Plan expenditure as a percentage of : - Revenue expenditure - Capital expenditure	 31 97	 30 100	 30 105	 29 97	 28 94
2. Capital expenditure to total expenditure (*per cent*)	17	19	21	17	15
3. Expenditure on General services (*per cent*) - Revenue - Capital	 30 9	 31 12	 32 9	 33 2	 35 2
4. Amount of wastages and diversion of funds detected during test audit (Rupees in crore)	3.13	4.77	7.08	24.52	31.68
5. Non-remunerative expenditure on incomplete projects (Rupees in crore)	*	*	67.14	120.41	96.23
6. Unspent balances under deposit heads (PL Accounts), booked as expenditure at the time of their transfer to the deposit head (Rupees in crore)	40.12	42.03	24.43	17.45	11.25

*** Information called for from the State Government, but not furnished (February 2000).**

It would be seen that the share of Plan expenditure on the Revenue side has been marginally declining since 1994-95. Whereas on the Capital side the share of Plan expenditure increased up to 1996-97, before going down in next two years to a level lower than what it was in 1994-95. The expenditure on General Services, during the five years period, has been on increase on the

Revenue side, though on the Capital side it had declined considerably during 1997-98 and 1998-99, except for the increase in the year 1995-96.

It would also be seen from the above table that the unspent balances under deposit heads (in PL Accounts) booked as expenditure had increased from Rs.40.12 crore in 1994-95 to Rs.42.03 crore in 1995-96 and gradually decreased from Rs.42.03 crore to Rs.11.25 crore during the period from 1995-96 to 1998-99.

1.9 Financial Management

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

1.9.1 Investments and returns

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

Sector	Number of concerns	Amount invested	
		As on 31-03-1999	During 1998-99
		(Rupees in crore)	
(1) Statutory Corporation	2	51.56	6.20
(2) Government Companies	9	89.85	6.19
(3) Co-operative Institutions (including Bank)	677	36.57	2.93
Total	**688**	**177.98**	**15.32**

No dividend/interest has been received by the Government on the above investments.

* These differ with No. of concerns and amounts invested as mentioned in Chapter-VIII, which was based on information furnished by the managements. Number of statutory corporations includes here Assam Financial Corporation, a joint venture with other State, which has been excluded from Chapter-VIII. The State Government has been asked to reconcile the differences in amounts invested in corporation (Rs.0.53 crore)/companies (Rs.0.83 crore) (November 1999).

(Rupees in crore)

Year	Investment at the beginning of the year	Rate of interest on Government borrowings (in percentage)	Total interest liability	Return of investment to Government
1994-95	96.05	12.50	12.00	NIL
1995-96	105.73	13.85	14.64	NIL
1996-97	121.98	13.85	16.89	NIL
1997-98	145.85	13.05	10.03	NIL
1998-99	162.66	12.15	19.76	NIL
Total			82.32	

Thus, while the Government was raising high cost borrowings from the market, it had been increasing the investment in the above institutions year after year without getting any return therefrom. During the last 5 years, interest liability on the investments made out of borrowed funds at the prevailing market borrowing rates works out to Rs.82.32 crore which represents 46 *per cent* of the total investment as of March 1999.

As of 31 March 1999, Government had invested Rs.89.85 crore in 9 Government Companies. Of them, 8 were running under loss and the accumulated loss for all the 9 Companies taken together was Rs.18.77 crore.

1.9.2 Incomplete Projects

As of 31 March 1999, there were 78 incomplete projects in which investment of Rs.96.23 crore was locked up. The position had improved as compared to the year 1997-98 as 76 projects involving investment of Rs.24.18 crore have been completed during the year 1998-99.

1.9.3 Arrears of revenue

The arrears of revenue pending collection increased by 3 *per cent* during the year. The outstanding arrears remained in the range of 7 to 9 *per cent* of the revenue raised during the years 1994-95 to 1998-99. Of the arrears of Rs.9.91 crore as of March 1999, Rs.1.42 crore (14 *per cent*) was pending for more than five years, and pertained mainly to Sales Tax (Rs.1.35 crore) and Agricultural Income Tax (Rs.0.07 crore). The overall position of arrears of revenue, compared to the previous year, showed a slightly slackening of the revenue efforts of the State Government.

1.9.4 Ways and means advances and overdraft

Under an agreement with the Reserve Bank of India, the State Government had to maintain with the Bank a minimum daily cash balance of Rs.10 lakh. If the balance fell below the agreed minimum on any day, the deficiency had to be made good by taking ways and means advances (WMA)/overdraft (OD) from the Bank. In addition, special ways and means advances are also made by the Bank whenever necessary. Recourse to WMA/OD means a mismatch between the receipts and expenditure of the Government, and hence reflects poorly on the financial management in Government. During the year 1998-99, the Government had taken Rs.108.01 crore as ordinary Ways and Means Advances and repaid the same, leaving no outstanding at the end of the year. Interest of Rs.33.15 lakh was paid on Ways and Means Advances during the year at the rate of 9 *per cent*.

1.9.5 Deficit

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

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

(Rupees in crore)

CONSOLIDATED FUND				
Receipt	**Amount**		**Disbursement**	**Amount**
Revenue	1268.35	Revenue surplus 92.73	Revenue	1175.62
Misc. capital receipts	-		Capital	208.93
Recovery of loans & advances	1.20		Loans & advances disbursed	3.36
Sub Total	1269.55	Gross fiscal deficit : 118.36	Sub Total	1387.91
Public debt	326.05		Public debt repayment	142.82
Total	1595.60	A: Surplus in Consolidated Fund : 64.87		1530.73
PUBLIC ACCOUNT				
Small savings, PF etc.	180.32		Small savings, PF etc	100.08
Deposits and advances	148.35		Deposits and advances	153.38
Reserve funds	..		Reserve funds	0.07
Suspense & misc.	33.35		Suspense & misc.	36.17
Remittances	306.19		Remittances	304.21
Total Public Account	668.21	B: Surplus in Public Account : 74.30		593.91
Increase in cash balance (A+B) : 139.17				

The Fiscal Deficit of Rs.118.36 crore was offset by net proceeds of the public debt of Rs.183.23 crore and led to a net surplus of Rs.64.87 crore in the Consolidated Fund. This, combined with surplus of the Public Account (Rs.74.30 crore), resulted in an overall increase of the Cash Balance by Rs.139.17 crore which turned out to be a positive balance of Rs.120.93 crore at the end of March 1999 against the negative balance of Rs.18.24 crore on 31 March 1998. Time series data (paragraph 1.4.3 above) show that the fiscal deficits during 1996-97 to 1998-99 was higher than the level of 1994-95, and was the lowest (Rs.33.91 crore) in the year 1995-96.

1.9.5.3 Application of the borrowed funds (Fiscal Deficit)

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

Ratio	1994-95	1995-96	1996-97	1997-98	1998-99
RD/FD♣	(-) 0.32	(-)4.45	(-)1.00	(-)0.11	(-)0.78
CE/FD	1.29	5.41	1.99	1.10	1.76
Net loans/FD	0.03	0.04	0.01	0.01	0.02
Total	1.00	1.00	1.00	1.00	1.00

It would be seen that all along during the five years ending 1998-99, the State had revenue surplus, which together with the funds borrowed to finance fiscal deficit, went mainly to meet capital expenditure. The continuous revenue surplus was, however, possible mainly due to receipt of a substantial share of grants-in-aid from Central Government ranging between 50 and 67 *per cent* of the total revenue receipts of the State.

1.9.6 Guarantees given by the State Government

Guarantees are given by the State Government for due discharge of certain liabilities like repayment of loans, share capital, etc., raised by the Statutory corporations, Government companies and co-operative institutions etc., and payment of interest and dividend by them. They constitute contingent liability of the State. No law under Article 293 of the Constitution had been passed by the State Legislature laying down the limits within which Government may give guarantees on the security of the Consolidated Fund of the State. Time series data (paragraph 1.4.3 above) list the amounts of guarantees given by the Government and the amounts outstanding at the end of each year during 1995-

♣ As the State had revenue surplus during all the years, the ratio has been prefixed by a *minus* sign.

99. Out of Rs.63.82 crore guaranteed by the Government, Rs.44.02 crore was outstanding as on 31 March 1999.

The Government had not levied any fee or charge in lieu of the amount guaranteed nor had it set up any fund for meeting the liabilities which may arise on invocation of guarantees.

The amount guaranteed and sub-guaranteed remaining outstanding relate to 2 Statutory Corporations, 5 Government Companies, 7 Co-operative Institutions and Banks and one other Institution. Complete information relating to one Co-operative Institution, Institutions falling under the category of Municipality and Notified Area and one other Institution was not furnished by the Government.

1.10 Public debt

1.10.1 The Constitution of India provides that a State may borrow within the territory of India, upon the security of Consolidated Fund of the State within such limits, if any, as may from time to time, be fixed by an Act of Legislature of the State. No law had been passed by the State Legislature laying down any such limit. The details of the total liabilities of the State Government as at the end of the last five years, representing the closing balance for each, are given in the following table. During the five-years' period, the total liabilities of the Government had grown by 70 *per cent*. This was on account of 76 *per cent* growth in internal debt, 75 *per cent* growth in loans and advances from Government of India and 60 *per cent* growth in other liabilities. During 1998-99, Government borrowed Rs.67.43 crore in the open market at interest rates of 12.15 and 12.50 *per cent* per annum.

(Rupees in crore)

Year	Internal debt	Loans and advances from Central Government	Total public debt	Other liabilities*	Total liabilities	Ratio of debt to GSDP
1994-95	224.69	313.49	538.18	314.15	852.33	0.36
1995-96	254.60	333.22	587.82	349.72	937.54	0.33
1996-97	281.33	377.62	658.95	371.61	1030.56	0.34
1997-98	311.28	448.86	760.14	428.75	1188.89	0.36
1998-99	395 .19	548.18	943.37	503.91	1447.28	0.41

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

* Other liabilities include small savings etc., reserve funds and deposits.

(Rupees in crore)

	1994-95	1995-96	1996-97	1997-98	1998-99
Internal debt[∞]					
Receipt	28.24	34.11	34.72	41.32	97.09
Repayment (principal + interest)	30.85	33.89	41.24	47.24	53.81
Net funds available(*per cent)*	(-)2.61 (-9)	0.22 (1)	(-)6.52 (-19)	(-)5.92 (-14)	43.28 (45)
Loans and advances from GOI					
Receipt during the year	37.73	32.98	60.08	89.82	120.95
Repayment (principal + interest)	55.53	49.88	55.19	64.25	77.117
Net funds available (*per cent)*	(-)17.80 (-47)	(-)16.90 (-51)	4.89 (8)	25.57 (28)	43.84 (36)
Other liabilities					
Receipt during the year	194.54	224.03	243.59	260.18	314.44
Repayment	139.78	188.44	221.70	203.04	239.29
Net funds available (*per cent)*	54.76 (28)	35.59 (16)	21.89 (9)	57.14 (22)	75.15 (24)

It would be seen that during each of the years less than one third of the borrowings etc. (Internal Debt, Loans and Advances from GOI and other liabilities taken together) were available for investment and other expenditure after meeting the repayment obligations. Considering that the outstanding debt has been increasing year after year, the net availability of funds through public borrowings is going to be reduced further.

1.11 Indicators of the financial performance

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

(i) Sustainability

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

[∞] Internal debt as depicted in the table excludes Ways and Means Advances.

(ii) Flexibility

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

(iii) Vulnerability

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

(iv) Transparency

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

1.11.2 Information available in Finance Accounts can be used to flesh out Sustainability, Flexibility and Vulnerability that can be expressed in concrete terms of certain indices/ratios worked out from Finance Accounts. The list of such indices/ratios is given in the **Annexure-I. Annexure-III** indicates the behavior of these indices/ratios over the period from 1994-95 to 1998-99. The implications of these indices/ratios for the State on the financial health of the State Government are discussed in the following paragraphs.

1.11.3 The behavior of the indices/ratios is discussed below :

(i) Balance from current revenues (BCR)

BCR is defined as revenue receipts *minus* plan assistance grants *minus* non-plan revenue expenditure. A positive BCR shows that the State Government has surplus from its revenues for meeting plan expenditure .The **Annexure-III** shows that the State Government has had negative BCRs in the last five years, which indicated that the Government had to depend only on borrowings for meeting its plan expenditure.

(ii) Interest ratio

Interest ratio is defined as

$$\frac{\text{Interest payment} - \text{Interest receipts}}{\text{Total revenue} - \text{Interest receipts}}$$

The higher the ratio, the lesser the ability of the Government to service any fresh debt and meet its revenue expenditure from its revenue receipts. In the case of Tripura, the ratio has moved in the range of 0.09 to 0.11. It has gone up to 0.11 only during 1997-98 and 1998-99. A rising interest ratio has adverse implications on the sustainability since it points out to the rising interest burden.

(iii) Capital outlay/capital receipts

This ratio would indicate to what extent the capital receipts are applied for capital formation. A ratio of less than one would not be sustainable in the long run in as much as it indicates that a part of the capital receipt is being diverted to unproductive revenue expenditure. On the contrary, a ratio of more than one would indicate that capital investments are being made from revenue surplus as well. The trend analysis of this ratio would throw light on the fiscal performance of the State Government. A rising trend would mean an improvement in the performance. In the case of Tripura, the ratio was more than one from 1994-95 to 1997-98, with the ratio reaching a high of 2.07 in 1996-97. But the trend was reversed thereafter and the ratio declined from 1.14 in 1997-98 to 0.71 in 1998-99, which could become a matter for concern, unless the downward slide is arrested in the coming years.

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

Tax receipts consist of State taxes and State's share of Central taxes. The latter can also be viewed as Central taxes paid by people living in the State. Tax receipts suggested sustainability. But the ratio of tax receipts to GSDP would have implications for the flexibility as well. While a low ratio would imply that the Government can tax more, and hence its flexibility, a high ratio may not only point to the limits of this source of finance but also its inflexibility. Time series analysis shows that in the case of Tripura, this ratio had ranged between 0.16 and 0.24 during the five years' period ending 1998-99. Similarly, the ratio of State tax receipts compared to GSDP has also been constant at 0.03 (except for 1998-99 when it was 0.04). The ratio suggests that the State Government had the easier option to raise more resources through taxation.

(v) Return on Investment (ROI)

The ROI is the ratio of the earnings to the capital employed. A high ROI suggests sustainability. The **Annexure-III** purports to present the return of Government investments in statutory corporations, Government companies, and co-operative institutions. It shows that no dividend/interest has been received by the Government on the investment made during the years.

(vi) Capital repayments vs Capital borrowings

This ratio would indicate the extent to which the capital borrowings are available for investment, after repayment of capital. The lower the ratio, the higher would be the availability of capital for investment. In the case of Tripura, this ratio has shown declining trend from 0.43 in 1994-95 to 0.16 in 1998-99.

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

The GSDP is the total internal resource base of the State Government, which can be used to service debt. An increasing ratio of Debt/GSDP would signify a reduction in the Government's ability to meet its debt obligations and therefore increasing the risk for the lender. In the case of Tripura, this ratio has moved in the range of 0.33 and 0.41 and increased from 0.36 in 1994-95 to 0.41 in 1998-99.

(viii) Revenue deficit/Fiscal deficit

During the period of last five years, the State had revenue surplus. Thus, revenue expenditure was not financed by borrowing etc.

(ix) Primary deficit vs Fiscal deficit

Primary deficit is the fiscal deficit *minus* interest payments. This means that the less the value of the ratio the less the availability of funds for capital investment. In the case of Tripura, this ratio had been in the range of (-) 1.61 to 0.39 during the five years ending 1998-99. This suggests that not only the ratio was rather small and less than 0.5, in 1995-96 (-1.61) and 1998-99 (-0.19) the interest payments were more than the fiscal deficit.

(x) Guarantees vs revenue receipts

Outstanding guarantee, including the letters of comfort issued by the Government, indicate the risk exposure of a State Government and should therefore be compared with the ability of the Government to pay *viz.,* its revenue receipts. Thus, the ratio of the total outstanding guarantees to total revenue receipts of the Government would indicate the degree of vulnerability of the State Government. In the case of Tripura, this ratio had been on the decline. It decreased to 0.03 in 1998-99 from 0.08 in 1994-95, indicating an improvement in the position.

(xi) Assets vs Liabilities

This ratio indicates the solvency of the Government. A ratio of more than 1 would indicate that the State Government is solvent (assets are more than the liabilities) while a ratio of less than 1 would be a contra indicator. This ratio had all along been more than 1 and had moved in the range of 1.45 to 1.63.

(xii) Budget

There was no delay in submission of the budget and their approval. The details are given in the following table :

Preparation	Month of submission	Month of approval
Vote on account	March 1998	March 1998
Budget	March 1998	March 1998
Supplementary	March 1999	March 1999

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

1.11.4 Conclusion

The ratio of primary deficit to fiscal deficit shows that interest payments had been substantial and even more than the net market borrowings (i.e. internal debt). This had adverse implications for sustainability. The ratio of State tax receipts to GSDP was meagre (0.03 to 0.04), showing that there was much scope for augmentation of tax base. The return on investment was nil all along, which has adverse implications on the sustainability of the State's finances.

ANNEXURE-I

(Reference : Paragraph 1.1)

Part A. Government Accounts

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

Part I : Consolidated Fund

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

Part II : Contingency Fund

The Contingency Fund created under Article 267(2) of the Constitution of India is in the nature of an imprest placed at the disposal of the Governor of the State to meet urgent unforeseen expenditure pending authorisation from the State Legislature. Approval of the State Legislature is subsequently obtained for such expenditure and for transfer of equivalent amount from the Consolidated Fund to Contingency Fund. The corpus of this Fund authorized by the Legislature during the year was Rs.10 crore.

Part III : Public Account

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

II. Form of Annual Accounts

The accounts of the State Government are prepared in two volumes *viz.*, the Finance Accounts and the Appropriation Accounts. The Finance Accounts present the details of all transactions pertaining to both receipts and expenditure under appropriate classification in the Government accounts. The Appropriation Accounts, present the details of expenditure by the State Government vis-a-vis the amounts authorized by the State Legislature in the budget grants. Any expenditure in excess of the grants requires regularization by the Legislature.

Part B. List of Indices/ratios and basis for their calculation

(Referred to in paragraph 1.11)

Indices/ratios		Basis for calculation
Sustainability		
Balance from current revenue	B C R	Revenue Receipts *minus* all Plan grants (under Major Head 1601-02,03,04,05) and Non-Plan revenue expenditure
Primary Deficit		
Interest Ratio		
Capital Outlay Vs Capital receipts	Capital outlay	Capital expenditure as per Statement No 12 of the Finance Accounts
	Capital receipts	Internal Loans (net of ways and means advances) + Loans and advances from Government of India + Net receipts from small savings, PF etc. + Repayments received of loans advanced by the State Government - Loans advanced by the State Government
Total tax receipts Vs GSDP		
State tax receipts Vs GSDP		
Flexibility		
- Balance from current revenue		As above
- Capital repayments Vs Capital borrowings	Capital Repayments	Disbursements under Major heads 6003 and 6004 minus repayments on account of Ways and Means Advances/ Overdraft under both the major heads
	Capital Borrowings	Addition under Major Heads 6003 & 6004 minus addition on accounts of Ways & Means advances/overdraft under both the major heads
	State Tax Receipts	Statement 10 of Finance Accounts
Incomplete Projects		
- Total Tax Receipts Vs GSDP	Total Tax Receipts	State Tax receipts *plus* State's share of Union Taxes
- Debt Vs GSDP		

Vulnerability		
- Revenue Deficit		Paragraph1.9.5 of the Audit Report
-Fiscal Deficit		- do -
-Primary Deficit Vs Fiscal Deficit	Primary Deficit	Fiscal Deficit *minus* interest payments
Total outstanding guarantees including letters of comfort Vs Total revenue receipts of the Government	Outstanding guarantees	Paragraph 1.4.3 of the Audit Report
	Revenue Receipts	Paragraph 1.3 of the Audit Report
Assets Vs Liabilities	Assets and Liabilities	Paragraph 1.2 of the Audit Report
	Debt	Borrowings and other obligations at the end of the year (Statement No 3 of the Finance Accounts)

ANNEXURE-II
(Reference : Paragraph 1.4.1)

ABSTRACT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR 1998-99

(Rupees in crore)

Receipts				Disbursements					
1997-98		1998-99		1997-98					1998-99
						Non-Plan	Plan	Total	
	Section-A : Revenue								
1082.10	**I. Revenue Receipts**		**1268.35**	**1060.39**	**I. Revenue Expenditure**				**1175.62**
71.64	-Tax Revenue	84.13		**349.39**	**General Services**	**406.68**	**2.24**	**408.92**	
34.87	-Non-Tax Revenue	44.83		**397.75**	**Social Services**	**272.45**	**176.31**	**448.76**	
429.77	-State's Share of Union Taxes	457.02		232.18	-Education, Sports, Arts and Culture	190.51	71.37	261.88	
99.94	-Non-Plan Grants	79.83		57.97	-Health and Family Welfare	34.54	25.07	59.61	
344.85	-Grants for State/Union Territory Plan Schemes	470.21		11.61	-Water Supply, Sanitation, Housing and Urban Development	8.85	5.71	14.56	
18.38	-Grants for Central Plan Schemes	17.51		4.23	-Information and Broadcasting	2.28	2.46	4.74	
61.74	-Grants for Centrally sponsored Plan Schemes	106.23		55.70	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	6.29	55.03	61.32	
20.91	-Grants for Special Plan Schemes (NEC)	8.59		3.30	-Labour and Labour Welfare	2.53	0.89	3.42	
				32.20	-Social Welfare and Nutrition	26.86	15.78	42.64	
				0.56	-Others	0.59	---	0.59	
				313.25	**Economic Services**	**155.83**	**145.15**	**300.98**	
				84.53	-Agriculture and Allied Activities	54.22	36.48	90.70	
				102.98	-Rural Development	16.80	88.61	105.41	
				0.24	-Special Areas Programme(NEC)	---	0.66	0.66	
				17.97	-Irrigation and Flood Control	8.69	9.45	18.14	
				58.14	-Energy	54.05	0.26	54.31	
				11.91	-Industry and Minerals	5.34	7.09	12.43	
				10.60	-Transport	8.09	0.38	8.47	
				4.09	-Communication	4.82	---	4.82	
				0.47	-Science, Technology and Environment	---	0.34	0.34	
				5.12	-General Economic Services	3.82	1.88	5.70	
				17.20	**Grants-in-aid and contributions**	**16.96**	---	**16.96**	
				21.71	II. Revenue surplus carried over to Section B				**92.73**
1082.10	**Total : Section A :**		**1268.35**	**1082.10**					**1268.35**

(Rupees in crore)

Receipts				Disbursements					
1997-98		1998-99		1997-98					1998-99
						Non-Plan	Plan	Total	
	Section-B : Others								
24.81	III. Opening Cash Balance including permanent advance and cash balance investment		(-)18.24		III. Opening overdraft from Reserve Bank of India				...
				215.26	**IV. Capital Outlay-**				**208.93**
				3.66	**General Services**	---	**4.19**	**4.19**	
				79.66	**Social Services**	---	**99.75**	**99.75**	
1.06	**IV. Recoveries of Loans and Advances-**		1.20	1.98	-Education, Sports, Arts and Culture	---	1.88	1.88	
0.88	-From Government Servants	1.05		3.11	-Health and Family Welfare	---	5.82	5.82	
0.18	-From others	0.15		34.87	-Water Supply and Sanitation	---	45.90	45.90	
21.71	**V. Revenue surplus brought down**		92.73	39.64	-Housing and Urban Development	---	46.15	46.15	
164.95	**VI. Public debt Receipts**		326.05	...	-Information and Broadcasting	---	---	...	
41.32	-Internal Debt other than Ways and Means Advances	97.09		...	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	---	---	...	
89.82	-Loans and Advances from Central Government	120.95		0.06	-Social Welfare and Nutrition	---	---	...	
33.81	-Ways and Means Advances from the Reserve Bank of India	108.01		...	-Others	---	---	...	
600.97	**VII. Public Accounts Receipts**		668.21	**131.94**	**Economic Services**	**11.83**	**93.16**	**104.99**	
136.68	-Small Savings and Provident Funds	180.32		1.55	-Agriculture and Allied Activities	4.70	1.82	6.52	
...	-Reserve Fund	...		7.78	-Rural Development	---	7.92	7.92	
136.62	-Deposits and Advances	148.35		23.55	-Special Areas Programme	---	6.74	6.74	
22.75	-Suspense and Miscellaneous	33.35		10.85	-Irrigation and Flood Control	---	11.32	11.32	
304.92	-Remittances	306.19		27.27	-Energy	---	26.63	26.63	
...	**VIII. Closing overdraft from Reserve Bank of India**		...	5.91	-Industry and Minerals	---	3.94	3.94	
				51.00	-Transport	5.33	32.49	37.82	
				0.16	-Science, Technology and Environment	---	0.05	0.05	
				3.87	-General Economic Services	1.80	2.25	4.05	

(Rupees in crore)

Receipts			Disbursements				
1997-98		1998-99	1997-98				1998-99
	Section-B : Others						
			3.28	V	**Loans and Advances Disbursed**		**3.36**
			3.02		-To Government Servants	3.10	
			0.26		-To others	0.26	
			63.75	VI	**Repayment of Public Debt**		**142.82**
			11.36		-Internal Debt other than Ways and Means Advances	13.18	
			33.81		-Ways and Means Advances	108.01	
			18.58		-Repayment of Loans and Advances to Central Government	21.63	
			549.45	VII	**Public Accounts Disbursements**		**593.91**
			80.82		-Small Savings and Provident Funds	100.08	
			0.01		-Reserve Fund	0.07	
			135.36		-Deposits and Advances	153.38	
			29.98		-Suspense	36.17	
			303.28		-Remittances	304.21	
			(-)18.24	VIII	**Cash Balance at end**		**120.93**
			*		-Cash in Treasuries	*	
			2.09		-Departmental Cash Balance including permanent advance	3.31	
			44.98		-Cash Balance investment	155.42	
			(-)65.31		-Deposit with Reserve Bank of India	(-)37.80	
813.50	**Total : Section B :**	**1069.95**	**813.50**		**Total : Section B :**		**1069.95**

* Rs.1353 only.

Explanatory Notes for tables at paragraphs 1.2 and 1.3 as well as Annexure-II :

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

2.Government accounts being mainly on cash basis, the surplus on Government account, as shown in paragraph 1.2 indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures etc., do not figure in the accounts.

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

4. There was a difference of Rs.7.64 crore (net debit) between the figures reflected in the accounts and that intimated by the RBI under "Deposit with Reserve Bank". A net difference of Rs.7.64 crore (net debit) is under reconciliation (October 1999).

ANNEXURE – III

(Reference : Paragraph 1.11.2)

FINANCIAL INDICATORS FOR GOVERNMENT OF TRIPURA

	1994-95	1995-96	1996-97	1997-98	1998-99
Sustainability					
BCR(Rs. in crore)	(-)78.70	(-)0.25	(-)15.26	(-)117.66	(-)186.11
Primary Deficit (PD) (Rs. in crore)	34.28	(-)54.75	11.53	75.81	(-)22.22
Interest ratio	0.10	0.09	0.10	0.11	0.11
Capital outlay/ Capital receipts	1.18	1.79	2.07	1.14	0.71
Total Tax receipts/GSDP	0.19	0.16	0.20	0.24	0.23
State Tax Receipts/GSDP	0.03	0.03	0.03	0.03	0.04
Return on Investment ratio	NIL	NIL	NIL	NIL	NIL
Flexibility					
BCR (Rs. in crore)	(-)78.70	(-)0.25	(-)15.26	(-)117.66	(-)186.11
Capital repayment Capital borrowings	0.43	0.26	0.25	0.23	0.16
State tax receipts/GSDP	0.03	0.03	0.03	0.03	0.04
Debt/GSDP	0.36	0.33	0.34	0.36	0.41
Vulnerability					
Revenue Surplus (RS) (Rs. in crore)	35.55	150.86	121.76	21.71	92.73
Fiscal Deficit (FD) (Rs. in crore)	110.04	33.91	121.74	195.77	118.36
Primary Deficit (PD) (Rs. in crore)	34.28	(-)54.75	11.65	75.81	(-)22.22
PD/FD	0.31	(-)1.61	0.10	0.39	(-)0.19
RS/FD	(-)0.32	(-)4.45	(-)1.00	(-)0.11	(-)0.78
Outstanding Guarantees/revenue receipts	0.08	0.04	0.07	0.07	0.03
Assets/Liabilities	1.45	1.57	1.63	1.57	1.53

Note:

1. The interest payment in 1995-96 and 1998-99 was more than the fiscal deficit, hence the negative figure for primary deficit.
2. Fiscal deficit has been calculated as : Revenue expenditure + Capital expenditure + Net loans and advances - Revenue receipts - Non-loan capital receipts.
3. In the ratio capital outlay vs Capital receipts, the denominator has been taken as Internal loans + Loans and Advances from Government of India + net receipts from small savings, PF etc. + (Repayments received from loans advanced by the State Government - Loans advanced by State Government).

CHAPTER II : APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2. *Introduction*

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

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

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

2.1 The summarised position of actual expenditure during 1998-99 against 43 grants/appropriations is as follows:

Summary of Appropriation Accounts - 1998-99

APPROPRIATION ACCOUNTS : **Appropriation Accounts for the year 1998-99**

Total No. of grants : **43 Grants/Appropriations**

Total provision and actual expenditure

Provision	Amount (Rs. in crore)	Expenditure	Amount (Rs. in crore)
Original Supplementary	1772.87 98.49		1582.53
Total gross provision	1871.36	Total gross expenditure	1582.53
Deduct-Estimated recoveries in reduction of expenditure	130.00	***Deduct***-Actual recoveries in reduction of expenditure	51.79
Total net provision	**1741.36**	**Total net expenditure**	**1530.74**

Voted and Charged provision and expenditure

	Provision (Rupees in crore)		Expenditure (Rupees in crore)	
	Voted	Charged	Voted	Charged
Revenue	1383.88	148.25	1059.11	143.54
Capital	302.39	36.84	237.05	142.83
Total Gross	1686.27	185.09	1296.16	286.37
Deduct-recoveries in reduction of expenditure	130.00	-	51.79	-
Total : Net	**1556.27**	**185.09**	**1244.37**	**286.37**

The summarised position of the actual expenditure during 1998-99 against 43 grants/appropriations was as follows :

	Nature of expenditure	Original grant/ Appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving(-) Excess(+)
Voted	I.Revenue II.Capital III.Loans and Advances	1301.50 287.04 8.82	82.38 6.53 -	1383.88 29 3.57 8.82	1059.11* 233.69* 3.36	(-)324.77 (-)59.88 (-)5.46
Total Voted		**1597.36**	**88.91**	**1686.27**	**1296.16**	**(-)390.11**
Charged	IV.Revenue V Capital VI.Public Debt	140.02 - 35.49	8.23 - 1.35	148.25 - 36.84	143.55 - 142.82	(-)4.70 - (+)105.98
Total Charged		**175.51**	**9.58**	**185.09**	**286.37**	**(+)101.28**
Appropriation to Contingent/ fund (if any)		-	-	-	-	-
Grand Total		**1772.87**	**98.49**	**1871.36**	**1582.53****	**(-)288.83**

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

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. However, the excess expenditure amounting to Rs.244.16 crore for the years from 1994-95 to 1998-99 was yet to be regularised.

Year	Number of grants	Number of Appropriation	Amount of excess (Rs. in crore)	Amount for which explanations not furnished to PAC
1994-95	11	8	38.21	38.21
1995-96	6	3	22.65	22.65
1996-97	14	4	26.17	26.17
1997-98	8	7	44.07	44.07
1998-99	11	3	113.06	113.06

In addition to the above, the excess expenditure amounting to Rs.405.29 crore for the period from 1987-88 to 1993-94 was also not regularised. Explanations

* These were gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure (under revenue expenditure : Rs.4.87 crore and capital expenditure : Rs.46.92 crore).

** 1. The expenditure has been overstated by Rs.9.33 crore due to drawals made by 17 DDOs on 523 Abstract Contingent Bills for which no Detailed Contingent Bills were sent as of March 1999.
2. The expenditure was understated at least to the extent of Rs.25.67 crore for want of supporting vouchers/requisite details from the Treasury Officers/Divisional Officers of PWD.

were not furnished by the Government, though called for by Audit (February 1999).

2.3 *Results of Appropriation Audit*

2.3.1 The overall saving of Rs.288.83 crore was the result of saving of Rs.401.89 crore in 43 grants and appropriations, offset by excess of Rs.113.06 crore in 14 cases of grants and appropriations.

2.3.2 Supplementary provision made during the year constituted 6 per cent of the original provision as against 4 per cent in the previous year.

2.3.3 Supplementary provision of Rs.29.50 crore made in 17 cases during the year proved unnecessary in view of aggregate saving of Rs.131 crore in these cases as detailed in **Appendix - I.**

2.3.4 In 20 cases against additional requirement of Rs.30.73 crore, supplementary grants and appropriations of Rs.64.70 crore were obtained resulting in savings in each case exceeding Rs.10 lakh, aggregating Rs.33.97 crore. Details of these cases are given in **Appendix - II.**

2.3.5 The excess of Rs.4.32 crore under 11 grants and Rs.108.74 crore under 3 appropriations require regularisation under Article 205 of the Constitution. Details of these are given in **Appendix – III.**.

2.3.6 In 3 cases, supplementary provision of Rs.2.65 crore proved insufficient by more than Rs.10 lakh each, leaving an aggregate uncovered excess expenditure of Rs.108.37 crore as per details given in **Appendix - IV.**

2.3.7 In 31 cases, expenditure fell short by more than Rs.10 lakh in each case and also by more than 10 per cent of the total provision as indicated in **Appendix – V.** In one of the above cases (Sl.No.26), the provision totaling Rs.1.05 crore was not utilised.

2.3.8 In 2 cases, there were persistent savings in excess of Rs.10 lakh in each case and 10 per cent or more of the provisions. Details are given in **Appendix – VI.**

2.3.9 In 3 cases, expenditure exceeded the approved provisions by more than 25 lakh and also by more than 10 per cent of the total provision. Details are given in **Appendix - VII.**

2.3.10 Excessive/Unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation where savings are anticipated to another unit where additional funds are needed. Significant cases where injudicious re-appropriation of funds proved excessive or resulted in savings by over Rs.50 lakh in each case are as given in **Appendix–VIII.**

2.3.11 Expenditure without provision

As envisaged in the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds therefor. It was, however, noticed that expenditure of Rs.111.81 crore was incurred in 15 cases under 8 grants/appropriations as detailed in **Appendix - IX**, although no budget provisions were made in the original estimates/supplementary demands, and no re-appropriation orders were issued.

2.3.12 Anticipated savings not surrendered

According to Financial Rules, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. However, at the close of the year 1998-99 there were 43 grants/appropriations in which savings amounting to Rs.155.68 crore had not been surrendered. In 31 cases, the amount of available savings of Rs.50 lakh and above in each case was not surrendered, which aggregated Rs.151.49 crore. Details are given in **Appendices – X** and **X(A)** respectively.

2.3.13 Surrender in excess of actual savings

The amount surrendered was in excess of actual savings, indicating inadequate budgetary control. As against the total amount of actual savings of Rs.6.24 crore in 3 cases, the amount surrendered was Rs.17.57 crore, resulting in excess surrender of Rs.11.32 crore. Details are given in **Appendix – XI**.

2.3.14 Trend of recoveries and credits

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

In 6 grants/appropriations, the actual recoveries adjusted in reduction of expenditure (Rs.51.79 crore) against the estimated recoveries (Rs.130.00 crore) was less by Rs.78.21 crore. More details are given in the Appendix to the Appropriation Accounts.

2.3.15 Non-receipt of explanations for savings/excesses

For the year 1998-99, explanations for savings/excesses were either not received or, where received, were incomplete in respect of 148 out of 266 heads of Accounts, which form 56 *per cent* of the heads of accounts maintained by the State Government.

2.3.16 Unreconciled expenditure

Financial rules require that the Departmental controlling officers should reconcile periodically the departmental figures of expenditure with those booked by the Accountant General(A&E). Out of 78 Controlling Officers, 6 officers did not reconcile expenditure of Rs.22.33 crore pertaining to the year 1998-99 while 5 officers carried out partial reconciliation and did not reconcile expenditure of Rs.5.52 crore (September 1999). Details are given in **Appendix - XII.**

2.3.17 Rush of expenditure

The Financial Rules require that Government expenditure be evenly phased out throughout the year as far as practicable. Rush of expenditure at the close of the year can lead to infructuous, nugatory or ill-planned expenditure. Notwithstanding this, expenditure was found to be substantial in the month of March. The details are given in **Appendix - XIII.**

MISCELLANEOUS DEPARTMENTS

2.4 Abstract Contingent Bill

According to the Treasury Rules, the Detailed Countersigned Contingent (DCC) Bills in respect of any amount drawn on Abstract Contingent (AC) Bills are required to be submitted to the Controlling Authority within one month of the drawal of the bills, who shall submit the same with his countersignature to the Accountant General within another month. Every drawing and disbursing officer will furnish a certificate to every fresh abstract contingent bill to the effect that detailed countersigned contingent (DCC) bills have been submitted to the controlling officer in respect of abstract contingent bills drawn more than a month before the date of that bill.

Information collected (August-September 1999) from 20 DDOs of 3 Departments (Home 4; Education 8; Agriculture 8) in West Tripura District revealed that Rs.1670.02 lakh drawn on account of purchase of vehicles, arms and ammunition under modernisation of State Police Force, construction and repairing of schools under State Rural Employment Programme and fertilizers etc. in 1477 AC bills during the period from prior to1995-96 to 1998-99 were lying outstanding as on 31 August 1999. Details are shown in the **Appendix-XIV**. Non-submission of DCC bills by the Drawing and Disbursing Officers to Controlling Officers was attributed to (a) delay in receipt of vouchers from the implementing officers (b) works remaining incomplete and (c) non-receipt of stores from the firms/companies etc. While drawing fresh AC bills, the DDOs did not furnish the requisite certificates to the effect that DCC bills in respect of the AC bills drawn by them more than a month ago had been submitted to the Controlling Officers.

Thus, non-observance of the provision of rules by the DDOs resulted in non-regularisation of Rs.1670.02 lakh drawn in AC bills by submission of DCC bills.

The matter was reported to the Government in September 1999; reply had not been received (November 1999).

CHAPTER III : CIVIL DEPARTMENTS

SECTION - A

EDUCATION DEPARTMENT

3.1 National Programme of Nutritional Support to Primary Education

Nutritional Support to Primary Education (NSPE), a Central plan scheme, was launched in the State on 15 August 1995 to provide free meals having calorific value of 100 grams of rice per day to every school going child of primary classes for 10 academic months. The students with 80 per cent attendance were eligible as beneficiaries. The object of the scheme was to boost universalisation of primary education by improving enrolment, retention and attendance and nutritional status of the students side by side.

The State Government did not develop proper institutional mechanism to ensure that the rice collected from the FCI godowns would directly reach the local bodies/schools for eventual distribution among the targeted beneficiaries. Lack of effective monitoring and supervision impeded the progress of the scheme. The programme did not avail of the benefits of the popular participation and community support, essential for achieving the broad objective of the scheme. There was no institutional mechanism or infrastructure to evaluate periodically the nutritional status with reference to the foodgrains consumed by the beneficiaries over a period of time.

3.1.1 Highlights

The Department did not prepare any action plan for smooth implementation of the scheme. Nor were any milestones set for proper implementation of the programme.

(Paragraph 3.1.5)

Short lifting of rice from FCI godowns led to poor coverage of student as only 11.21 lakh students were provided rice out of a total of 16.91 lakh students out of rice allocated by GOI during 1995-96 to 1998-99.

(Paragraph 3.1.8.1)

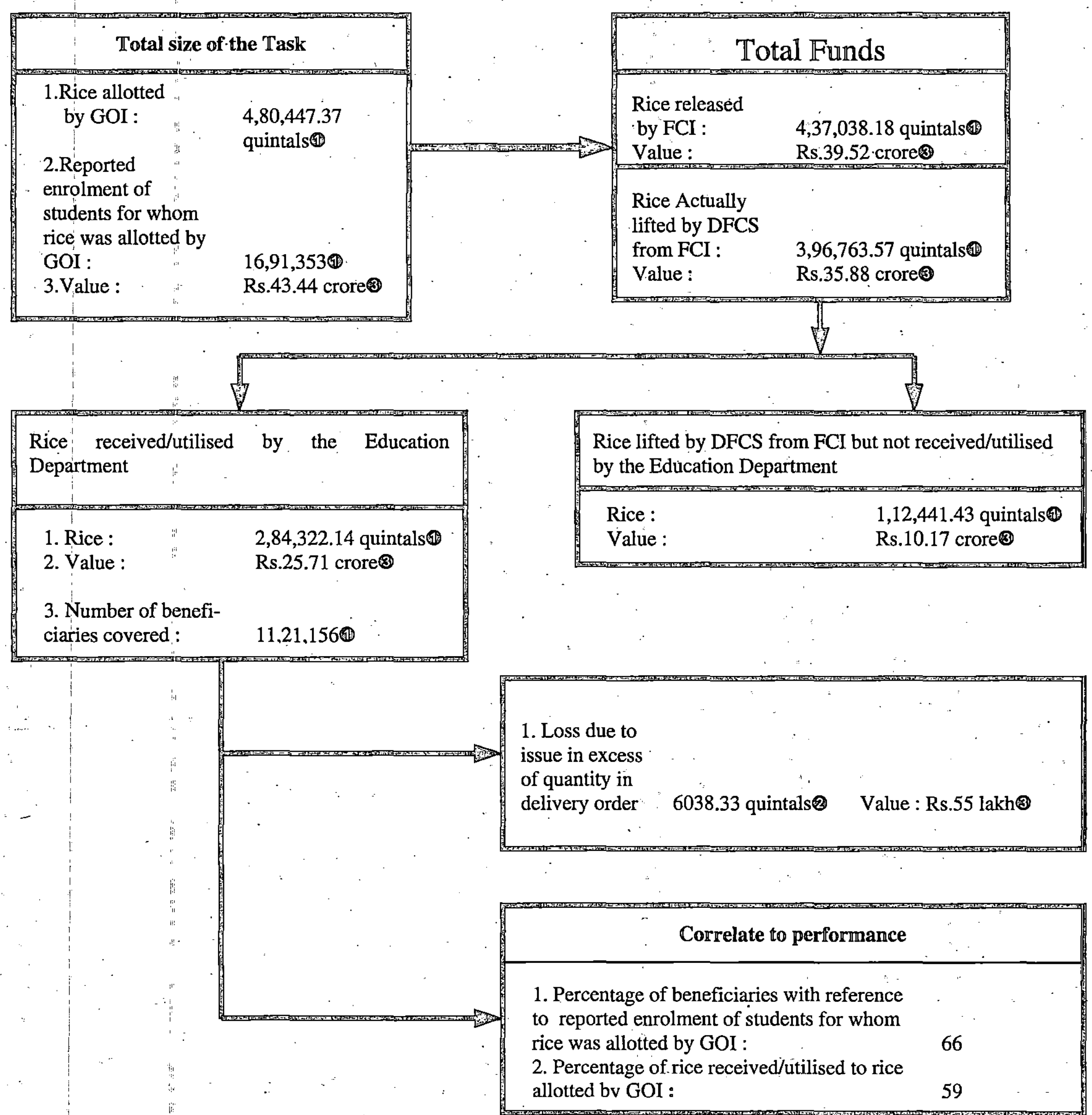
By supplying only foodgrains (rice) and not serving cooked meals, the impact of the scheme on improving nutritional status of the students was diluted, as the likelihood of the take-home rations being shared among the other family members could not be ruled out.

(Paragraph 3.1.8.3)

Although the Department claimed in May 1999 that it was handicapped for not having been provided with requisite manpower in running the scheme properly, it did not assess the manpower requirement to create the additional posts to fill up the gap.

(Paragraph 3.1.11)

FINANCE TREE



① Paragraph 3.1.8.1 and Appendix-XV, ② Paragraph 3.1.8.4, ③ At the rate of Rs.904.25 per quintal.

3.1.2 Introduction

Nutritional Support to Primary Education (NSPE), a Central plan scheme, popularly known as Mid-Day Meal (MDM) scheme was launched on 15 August 1995 by the Government of India (GOI). The scheme was to provide free meals having calorific value equivalent to 100 grams of wheat/rice per day to every school going child of primary classes (I to V) in the age group of six and eleven years for ten academic months during a year, subject to 80 *per cent* attendance in the previous schooling month. Its object was to boost universalisation of primary education by increasing enrolment, retention and attendance and simultaneously improving nutritional status of students. The scheme aimed to cover all government/government aided primary schools in a phased manner from 1995-96; the scheme was to cover all primary schools in the country by 1997-98.

3.1.3 Organisational set up

The scheme was implemented by the Director of School Education (DSE) who was responsible for overall control, administration and implementation of the scheme, and he was assisted by a School Meal Officer. Off-take from FCI and delivery to the FPS dealers for distribution of foodgrains among the eligible students were being arranged through the Directorate of Food and Civil Supplies (DFCS) under the Food and Civil Supplies Department.

At the district level, Deputy Director of School Education (Dy. DSE) was responsible for implementation of the programme with the assistance of Inspector of Schools (IS), Assistant Inspector of Schools(AIS) at the block level and Headmasters/Teachers-in-charge of primary schools designated as Implementing Officers (IO).

The State Government involved the Fair Price Shops (FPSs) as focal point of delivery, because the schools were not having any infrastructural facilities for storage, lifting and distribution of foodgrains.

3.1.4 Audit coverage

The review is based on a test-check of records in 3 out of 4 districts, relating to the period from 15 August 1995 to March 1999 maintained by the DSE, 3 out of 4 Dy. DSEs, 6 out of 19 School Inspectorates under the control of the DSE, 103 out of 629 primary schools under 6 Inspectorates, 9 out of 26 Delivery Order (DO) issuing authorities (i.e. Sub-Divisional Officers(Food)/Sub Divisional Controllers(Food), Directorate of Food and Civil Supplies(DFCS) and District Manager, Food Corporation of India (DM, FCI), Agartala, during the period from November 1998 to March 1999.

3.1.5 Planning

Annual action plan not prepared.

Proper planning is a pre-requisite for efficient and effective implementation of any scheme/programme. The Department did not prepare annual action plan indicating targets for enrolment, rate of attendance and retention etc., with milestones to be achieved within a specific time frame for proper implementation of the programme. Thus, the programme failed to effectively address the crucial issues of nutritional improvement and universalisation of primary education of children.

3.1.6 Funding pattern

For implementation of the programme, the Central assistance to the State Government was given in the form of providing rice from the nearest FCI godowns, at the rate of 100 grams per student per day i.e. 3 Kg per month for ten months in a year free-of-cost. While expenditure on transportation cost from FCI godowns to DFCS godowns was to be reimbursed by GOI direct to DFCS, that from DFCS godowns to Fair Price Shops was to be reimbursed by GOI to Education Department, which initially bears the expenditure through the agency of DFCS.

No separate and specific budget provision for transportation cost to be borne by the Education Department was made in any of the financial years from 1995-96 to 1998-99 under the 'NSPE' programme. However, funds for advances given towards transportation cost of foodgrains were provided out of the provision of general budget of School Education as well as unspent funds of old MDM programme. The total amount of advances given by the Education Department to DFCS during 1995-96 to 1998-99 was to the tune of Rs.168.55 lakh. Neither the Education Department nor the DFCS had ever attempted to adjust the advances against the actual expenditure incurred on account of transportation. In the absence of relevant records at either end, the actual expenditure incurred towards transportation could not be ascertained in audit.

3.1.7 Scheme Implementation

Rice was required to be distributed to eligible students through a local FPS on the basis of Coupon/Nutrition Cards issued by the IO to eligible students from the first working day of the following month. The Coupon/Nutrition Card would be issued on FPS, from where parents/guardian of the students would normally lift their family ration. The dealer of the FPS would sign the Nutrition Card every month as a token of distribution of rice and also would obtain the signature of the parent/guardian in the prescribed register. He would also maintain a separate register as instructed by DFCS for distribution of rice under the programme.

3.1.7.1 Physical target and achievement

The Department decided to cover all the Government/Government aided primary schools (classes I to V) located in rural areas of the State in the first phase (1995-96) and all the primary schools located in urban areas from 1997-98 as per the guidelines of GOI. However, no annual targets for coverage of primary schools as well as students of primary classes were fixed by the Department. Similarly no specific targets were laid down for increasing enrolment and attendance of students and for bringing down the drop out rate at the primary stage. The position of total number of schools and students proposed to be covered under the programmes, and those actually covered during 1995-96 to 1998-99 is given in the following table :

Year	Target*		Achievement		Shortfall	
	No. of schools	No. of students	No. of schools	No. of students	No. of schools (percentage)	No. of students (percentage)
1995-96	2790	3,95,703	2684	2,89,828	106(4%)	1,05,875(27%)
1996-97	2799	4,00,193	2622	3,16,815	177(6%)	83,378(71%)
1997-98	2983	4,59,254	2771	3,05,642	212(7%)	1,53,612(33%)
1998-99	3087	4,67,397	2960	2,08,871	127(4%)	2,58,526(55%)

Targets not laid down for increasing enrolment and attendance of students.

It would be seen from the above that the shortfall in coverage of schools/students ranged from 4 *per cent* to 7 *per cent* and from 21 *per cent* to 55 *per cent* respectively and a large number of primary students ranging from 83,378 to 2,58,526 in 106 to 212 schools located in interior areas could not avail of the benefits accruing out of the programme during 1995-96 to 1998-99, primarily due to poor attendance of the students and the schools not functioning in these areas because of insurgency problems. Besides, it was also seen that the rate of drop outs at the primary stage was also very high ranging from 50 to 55 *per cent* during the year 1995-96 to 1997-98 when compared to the All India drop out rate of 38 *per cent* during 1996-97, despite the programme having been in existence for about four years. The Department attributed (November 1999) the high rate of dropouts to poverty and illiteracy.

3.1.8 Allocation/delivery/lifting/utilisation distribution of rice

3.1.8.1 Since inception of the scheme, no steps were taken to cross-check the position of delivery of rice with that of rice lifted from the FCI godowns, either by the DFCS or by the DSE to ascertain the correct position. This was due to lack of co-ordination and linkage between the DSE and the DFCS.

Out of a reported enrolment of 16.91 lakh students, 11.21 lakh were covered.

The cross-check of records of FCI, and DSE revealed that the receipt and utilisation of rice by the Education Department was much less than the quantity delivered by the FCI. The percentage of rice delivered by the FCI to the quantity received and utilised by Education Department varied from 43 to 80, during 1995-96 to 1998-99. The details of actual position of delivery, lifting and utilisation of rice during the period are given at **Appendix – XV.**

It would be seen from the Appendix that, during the period under review, out of a reported enrolment of 16.91 lakh students only 11.21 lakh students were provided rice under the scheme.

During 1995-96 to 1998-99, out of 4,37,038.18 quintals of rice released by the FCI, 40,274.61 quintals (valued at Rs. 3.64 crore♣) remained un-delivered and the release orders lapsed with the expiry of the validity periods. The rice could not be lifted by the DFCS due to issue of release order by FCI at the fag end of the last month of a quarter and for want of stock in the FCI godown. Thus, 20,313 students in 1996-97, 39,800 students in 1997-98 and 74,165 students in

* The total number of primary schools and students in the State was taken as targets to be achieved. Both the target and achievement for 1995-96 and 1996-97 are for schools in the rural areas. Thereafter, schools in the urban were also added.

♣ Rs. 904.25 per quintal.

1998-99 were deprived of the benefit of their annual quota of rice, due to short lifting of rice from the FCI during the respective years.

The cross-check further revealed that as per Sale Day Book of the FCI, during 1995-96 to 1998-99, 3,96,763.57 quintals of rice was delivered, but as per DFCS records the quantity lifted was 4,04,965.52 quintals. This showed that the quantity of rice delivered by FCI and the quantity lifted by DFCS did not tally, and there was an absence of co-ordination between the two agencies in so far as reconciliation of delivery and receipt of rice was concerned. Out of 3,96,763.57 quintals of rice delivered by FCI, 2,84,322.14 quintals was reported to have been received and utilised by the Education Department up to March 1999 and the balance of 1,12,441.43 quintals valued at Rs. 10.17 crore remained as undistributed stock in the DFCS godown as at the end of March 1999. As a result, 3,74,804 children were deprived of the benefit of their annual quota of rice. The stock remaining undistributed was attributable to delay in reallotment of rice by the DFCS and issue of delivery orders and delayed receipts of utilisation certificates and requisition from the Inspectors of Schools.

Further analysis showed that out of a total of 2,84,322.14 quintals rice issued to a total of 11.21 lakh students, the rice distributed per student worked out to 22.26 kg during 1995-96 (August 1995 to March 1996) and 26.81 kg and 23.63 kg during the period 1996-97 and 1997-98 respectively per annum against the prescribed scale of 30 kg per students. Thus, the possibility of improvement in the health status of the children with less intake was very remote. More so, because of the fact that raw rice was distributed as against cooked food, the possibility of sharing the foodgrains by other family members could not be ruled out.

The Government stated that shortfall was due to non-fulfilment of the condition of 80 *per cent* attendance by all the students as reported (September 1999) by the department. The reply is just not tenable as the basic eligibility criteria of 80 *per cent* attendance should have been followed for distribution of rice to the students and if distribution of rice was made without following the basic criteria of attendance the entire distribution was irregular. And the fact that students did not attain the 80 *per cent* attendance rate was itself a proof that the programme objective was not fulfilled.

Test check of records further revealed that rice was not distributed regularly and the delay in this respect ranged from 2 to 6 months. The State Government also did not fix any date within which rice allotted for a specific month was to be distributed, which created backlog and affected the regularity in delivering benefits. The delay in distribution resulted in non-delivery of the incentive to the students in time in the form of free rice, thereby diluting its impact on their attendance in schools.

3.1.8.2 Quality of foodgrains

Despite the scheme being in existence for about 4 years, no such system/mechanism was adopted in the State for want of manpower and technical expertise, as stated by the Education Department (November 1999).

As a result, the Education Department was not able to ensure the quality of rice distributed.

Distribution of sub-standard quality of rice.

During audit of relevant records of 54 schools under the Inspectorates of Sadar 'A', Bishalgarh and Udaipur, complaints regarding distribution of sub-standard quality of rice among the students by the Fair Price Shop dealers, were made before Audit in writing in 38 schools by Headmasters/Teachers-in-charge of primary schools. No response to Audit enquiry, about the complaints regarding the supply of sub-standard rice had so far (October 1999) been received from the Inspectors of Schools; nor had any action been initiated against the concerned FPS dealers. This indicated that as the State Government had not developed any mechanism to test the quality of foodgrains supplied, the possibilities of distribution of sub-standard rice by the FPS dealers could not be ruled out.

The matter needs to be investigated by the DFCS and Education Department and immediate remedial measures initiated.

3.1.8.3 No steps taken to serve cooked/processed food

The implementing agencies were to develop institutional mechanism/ infrastructure for providing cooked/pre-cooked/ processed food within a period of two years from the date of commencement of the programme. It was noticed that the State Government did not make any arrangements to prepare and serve cooked food to the students due to the following reasons :

– constraints of funds with the State Government♠;

– lack of storing facilities and safe drinking water in many schools.

The fact remained that by supplying only foodgrains, it could not be ensured whether the take-home ration was consumed by the students or shared among family members, thereby diluting the impact on the intended beneficiaries. The basic idea of attracting children to come to school for the hot cooked meal was never carried out.

3.1.8.4 Loss due to excess delivery of foodgrains

Records of three DO issuing authorities (Bishalgarh, Khowai and Sadar Sub-division) revealed that 6038.33 quintals of SF rice valued at Rs. 55 lakh was delivered from food godowns to FPS dealers in excess of the quantity mentioned in the delivery orders issued by the SDOs during the period from August 1995 to April 1998. No adjustment or recovery of the value of rice was made in the subsequent months against this excess issue. In its absence, the possibility of the excess quantity of rice being diverted from the FPS channel to the market unauthorisedly by the FPS dealers, and consequent loss of Rs. 55 lakh (i.e., value of the rice) could not be ruled out. The excess delivery was made due to non-arrangement of separate stock-yard, lack of a separate stock

♠ According to the Department (July 1996), the requirement of funds per year for serving cooked food was Rs.15.00 crore.

register and lack of scrutiny and cross-checking of relevant records/returns and proper supervision. This deprived 20,127 students from the benefits of the scheme.

3.1.9 Submission of incorrect progress reports to GOI

Scrutiny of quarterly reports for the period from April 1996 to March 1998 revealed that while furnishing the Progress Reports to GOI, the DSE showed 82,615.64 quintals of rice to have been utilised by North Tripura and South Tripura, which did not tally with the quantity of 59,359.51 quintals shown by the Deputy DSEs of North Tripura and South Tripura in their progress reports furnished to Audit. Thus, there was a difference of 23,256.13 quintals of rice valued at Rs.2.10 crore between the two sets of figures.

It was seen from the progress reports sent to GOI for the period from January 1997 to June 1998 in respect of West Tripura and Dhalai Districts that 743.29 quintals of rice was shown as utilised in excess of requirement (as calculated @ 3 Kg per month per beneficiary) and 11,042.53 quintals of rice was shown as utilised in excess of the quantity of rice received. These instances show that inflated figures of utilisation of rice were furnished to the Government of India. This indicated that there was no system of monitoring.

3.1.10 Other irregularities

(i) Though a separate stock register for rice under the scheme of 'NSPE' was to be maintained by the DO issuing authorities at the Sub-divisional level, no such registers were found to have been maintained by them.

No physical verification of stock of rice conducted.

No annual physical verification of stock of rice under 'NSPE' was conducted separately by the authorised officers (i.e., the officers under the control of the DFCS) during the period from 1995-96 to 1998-99 (June 1998). As a result, it could not be verified in audit whether the book balance tallied with the actual stock of rice/ground balance. The reason for not conducting any physical verification was not on record.

(ii) Each FPS dealer should keep/maintain (i) stock register (ii) separate distribution register and (iii) copies of sub-allotment order and monthly returns sent to DO issuing authorities. He was also required to obtain signature/ thumb impression of the students/parents/guardians in token of having received the foodgrains. But no such records were found to have been kept/maintained by FPS dealers as revealed from test-check of records of the dealers under the control of SDOs (Food), Khowai, Udaipur and Kailashahar.

(iii) Scrutiny of the records for the period from August 1995 to March 1999 revealed that 3,96,763 gunny bags were utilised for delivery of 3,96,763 quintals of rice free of cost under the scheme. As the scheme guide lines/allotment orders did not contain any clause to provide gunny bags free of cost (along with free-of-cost rice), it warranted realisation of revenue out of disposal of the gunny bags as per Government approved rate/prevailing market rate; the revenue so realised was to be deposited to the proper head of account. However, neither the DSE nor the DFCS took any steps to recover the value of the gunny bags from the FPS dealers under whose custody the gunny bags were lying, which caused a loss of Rs. 39.68 lakh to the Government, calculated at the prevailing market price of Rs. 10 per gunny bag.

(iv) Out of 43* schools under Bishalgarh and Udaipur inspectorate test-checked, 20** schools were not inspected since implementation of the scheme by the concerned Assistant Inspectors of Schools (AIS), while every AIS was required to inspect the schools at least once annually. Since the Inspecting Officers did not inspect these schools, neither could they verify/cross-check the attendance figures nor get a first hand knowledge of nutritional impact on the intended beneficiaries.

3.1.11 Manpower planning

Manpower requirement not assessed for implementation of the scheme.

From the discussion with the DSE in May 1999 and verification of records of the Mid-Day Meal section (which was entrusted with the work of NSPE) in the Directorate of School Education, it was revealed that the Department suffered from shortage of manpower, which was badly affecting the implementation of the scheme. But, the Department neither assessed its manpower requirement for implementation of the NSPE nor did it create any additional posts to fill up the gap after the scheme was introduced in 1995-96.

3.1.12 Monitoring and evaluation

Implementation of the scheme suffered due to lack of supervision and monitoring at various levels. Local bodies/authorities, Panchayati Raj Institutions, and other grass root level organisations were to be involved to create awareness and community support to the programme and also to facilitate the monitoring and supervision of the programme. During the period covered by audit, none of the Committees, envisaged to be set up at the village, district and the State levels, met regularly. Nodal officers at the State level and the district officers did not carry out monthly supervision. Enrolment figures were never cross checked with basic data/records. No survey was conducted and no such report was furnished to Government of India for inclusion of additional schools for release and allotment of rice. The health status of the school children provided with food was never assessed at any stage.

Quarterly Progress reports in the prescribed formats were required to be sent to GOI (Ministry of Human Resource Development, Department of Education) immediately after completion of each quarter to facilitate allocation of food grains for the next quarter in time. No quarterly progress reports were found to have been submitted in time to the GOI. The delay ranged between 2 to 14 months. The delay in submission of progress reports resulted in delay in issue of next quarterly allotment and, ultimately, resulted in the rice not being distributed among the beneficiaries in time.

The matter was reported to the Government in August 1999; reply had not been received (October 1999).

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* Bishalgarh: 25; Udaipur: 18

** Bishalgarh: 3; Udaipur: 17

3.1.13 Recommendations

(1) The State Government should formulate a specific plan of action indicating targets for enrolment, attendance, retention etc., with milestones to be achieved in a specific/given time frame.

(2) There should be more active involvement ~~of village~~ and school level committees/ panchayati raj institutions for broadbasing the scheme and making it more grass-root oriented.

(3) The Government should focus its attention on starting to serve cooked meals to the students.

(4) Adequate mechanism should be devised by the Government to evaluate the impact of the programme on health status of the school children provided with nutritional support, as well as on the dropout rate.

FOOD AND CIVIL SUPPLIES DEPARTMENT

3.2 Public Distribution System

The Public Distribution System (PDS) originally introduced in the State in 1956 had been subsequently restructured as Revamped Public Distribution System(RPDS) in June 1992 and as Targeted Public Distribution System(TPDS) in May 1997. The main objective of the scheme was to ensure regular supply of essential commodities at reasonable prices, particularly to the weaker section of the society.

The Public Distribution System faltered in its objective of serving the poor, mainly because of its urban bias as noticed in the case of sugar, proliferation of large number of bogus ration cards, large scale diversion of PDS commodities, leakages and malpractices, compounded with ineffective functioning of the Mobile Enforcement Wing and Vigilance Committees. Non-compilation of Proforma Accounts and Balance Sheets for the past 21 years had made the control system ineffective. It was felt that sufficient level of awareness about the functioning of FPSs was not generated among members of public at large, which could have prevented the malpractices prevalent in the system.

3.2.1 Highlights

The failure of the departmental officers to issue ration cards after verifying the genuineness and bonafides of the applicants had resulted in proliferation of bogus ration cards, and siphoning off of essential commodities valued at Rs. 54.22 crore through these bogus ration cards during the years 1992-93 to 1998-99.

(Paragraph 3.2.6.2)

The failure of the Department to assess its requirement on a realistic basis, taking into account the local production of foodgrains and their linkage with actual number of ration card holders after eliminating the bogus cards, had resulted in excess procurement of rice valued at Rs. 107.92 crore.

(Paragraph 3.2.7.2)

The Department diverted 0.28 lakh tonnes of wheat valued at Rs. 12.65 crore and issued them to the Tripura Bakery Association for production of bread and biscuits, in violation of the PDS guidelines.

(Paragraph 3.2.7.3)

Extra burden of Rs. 5.52 crore had to be borne by the consumers on account of enhanced fixation of end-retail price of subsidised rice.

(Paragraph 3.2.8.1)

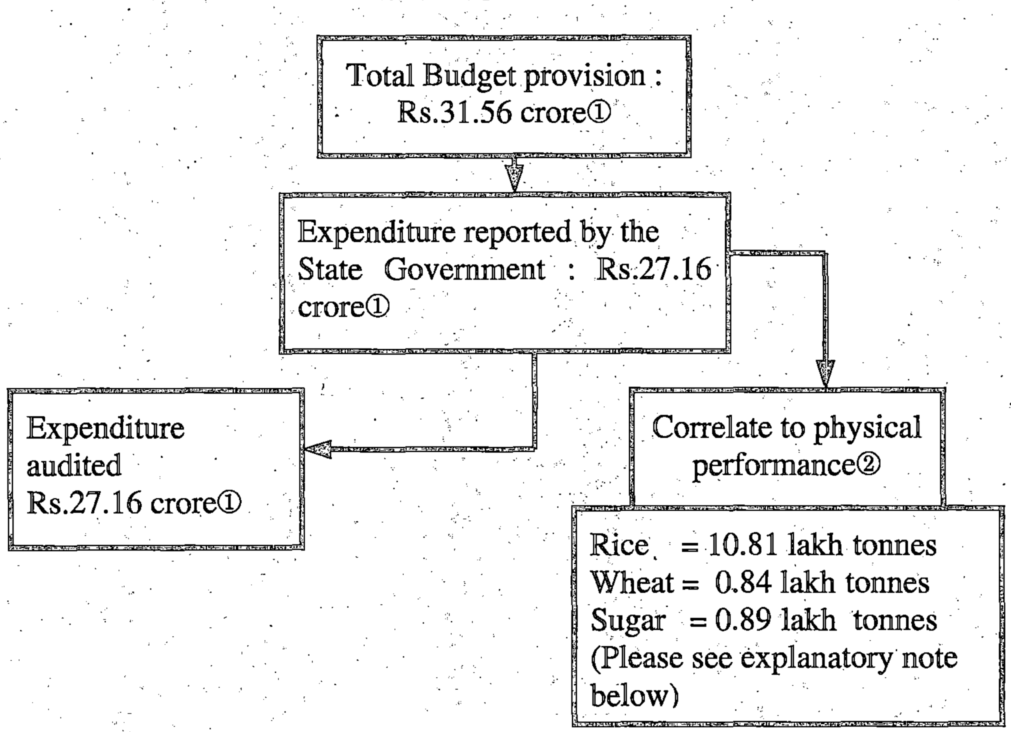
The failure of the Department to request the Government of India to issue 500 tonnes of rice per month in place of 500 tonnes of wheat, which had a very low demand in the state, had resulted in an avoidable expenditure of Rs. 1.05 crore.

(Paragraph 3.2.8.2)

Due to non-observance of codal requirements in issuing cash memos, by 654 dealers of Fair Price Shops, veracity of sale of 84,551 tonnes of Sugar valued at Rs. 96.39 crore during 1992-93 to 1998-99 could not be verified in Audit.

(Paragraph 3.2.10)

FINANCE TREE



① Paragraph 3.2.5.1

② Paragraph 3.2.7.1

Explanatory note : Cost of procurement and distribution of the major portions of the essential commodities (i.e. the foodgrains) was met out of loan (Rs.557.91 crore) on cash credit basis on the facilities afforded by RBI and not out of budget provision (paragraph 3.2.5). Of these, wheat valued at Rs.12.65 crore was diverted for other purposes (paragraph 3.2.7.3). Also, essential commodities valued at Rs.54.22 crore were siphoned off from the PDS through bogus ration cards (paragraph 3.2.6.2).

3.2.2 Introduction

The Public Distribution System (PDS), originally introduced in the State in 1956, was to ensure regular supply of essential commodities like Rice, Wheat, Salt, Sugar etc., at reasonable price to the people. The Revamped PDS (RPDS) was started in June 1992 for tribal, arid, hilly and remote areas. Food grains at

5 kg per head subject to a maximum of 20 kg per family was to be issued. The issue price of foodgrains under RPDS was kept lower by Rs.50 per quintal than the price fixed for normal PDS.

The Government introduced (May 1997) the scheme of Targeted Public Distribution System (TPDS), under which the State was to identify BPL[♠] families and issue special ration cards to them. Under TPDS, 10 kg of foodgrains was to be issued per month per family for all BPL families at specially subsidised prices. Population above poverty line would continue to get the foodgrains at normal issue prices.

3.2.3 Organisational set up

The PDS in the State[*] was implemented under the overall supervision of the Director, Food and Civil Supplies (DFCS), who was assisted by an Additional Director and a Controller of Supplies and Distributions at the State level and by the District Magistrate and Collectors in each of the 4 districts. In addition, for North Tripura District, one Deputy Director (Food) was posted at Dharmanagar. There was an Officer-in-Charge, Agartala Rationing Authority, who was in the rank of Assistant Director.

Based on the projected requirement submitted by the State Government, the Government of India (GOI) allocated foodgrains to the States; Food and Civil Supplies Department re-allocated the foodgrains to the District Magistrates and Collectors (DMs)/Sub-Divisional Officers (SDOs), for releasing them to the Fair Price Shops (FPS). On the basis of sub-allocation, the actual operation of lifting of commodities from the Godowns of FCI and distribution to the consumers was carried out by the Department.

3.2.4 Audit coverage

To assess the performance of the PDS, implementation of the programme during the period from 1992-93 to 1998-99 was reviewed during November 1998 to February 1999 by test check of records of Directorate of Food and Civil Supplies, Agartala; Officer-in-charge, Agartala Rationing Authority; Deputy Director (Food), Dharmanagar; all the 4 districts and 7 Sub-divisions (Ambassa, Bishalgarh, Dharmanagar, Kailashahar, Sadar, Sonamura and Udaipur) out of 15, including records of 36 go-downs located in these areas.

The important points noticed are discussed in the succeeding paragraphs.

The services of ORG-MARG were commissioned by the Comptroller and Auditor General of India with a view to obtaining the beneficiary perception of the programme and related matters. The ORG-MARG carried out survey in 3 towns and 15 villages. Findings of the survey on matters discussed in the Report have also been included in this review.

♠ Families with annual family income not exceeding Rs. 11,000 upto March 1996, and Rs. 16,851 from April 1996 were considered as living below poverty line.

* (Area : 10491.69 Sq.Kms; Population as per 1991 census: 27.57 lakh of which 4.51 lakh belonged to SCs, 8.52 lakh belonged to STs and remaining 14.53 lakh were of General Categories; number of districts : 4; number of blocks : 38; number of Gram Panchayats : 962).

3.2.5 *Financial arrangement*

The entire expenditure on procurement and distribution of PDS items was borne by the State Government from its own budget till March 1994, and from April 1994 the Department had been handling the foodgrains by mobilising loan on cash credit basis on the facilities afforded by the Reserve Bank of India. The expenditure on procurement and distribution of other PDS items like Salt and Sugar was, however, borne by the State Government as usual. Expenditure on procurement of PDS items at CIP was initially borne by the State Government, which recovers the cost from consumers through FPSs. Subsequently, the elements of Transport Subsidy, wholesaler's commission, retailer's margin are claimed from the Government of India, through FCI.

3.2.5.1 *Budget provision and expenditure*

Year-wise budget provision and expenditure incurred during 1992-93 to 1998-99 were as under:

Year	Budget provision	Expenditure	Excess (+) Savings (-)
	(Rupees in lakh)		
1992-93	290.15	275.36	(-) 14.79
1993-94	338.01	307.71	(-) 30.30
1994-95	295.38	303.51	(+) 8.13
1995-96	364.96	387.32	(+) 22.36
1996-97	633.32	404.78	(-) 228.54
1997-98	670.66	457.10	(-) 213.56
1998-99	563.29	579.98	(+) 16.69
Total	**3155.77**	**2715.76**	**(-)440.01**

While excess expenditure was due to grant of double the normal quota of ration in tribal areas, savings were due to less procurement of foodgrains and other commodities from Central pool than estimated.

3.2.5.2 *Non-compilation of proforma accounts and balance sheet*

Proforma accounts and Balance Sheet not compiled for past 21 years.

The Department did not prepare its proforma accounts and balance sheet (as provided for in the Departmental Food Manual, 1962) for the past 21 years, despite having sufficient manpower on its payroll to prepare them (26 officials of various categories to whom Rs.79.10 lakh were paid as salaries during 1992-93 to 1998-99). As a result, the consolidated financial position of the Department as well as loss incurred by it on different components escaped legislative scrutiny. The Government stated (September 1999) that manpower provided for preparation of proforma accounts was being utilised in other wings of the Directorate.

3.2.5.3 *Non-maintenance of Cash Books*

None of the SDOs, whose records were test-checked, maintained the cash books and as a result, the veracity of the transactions made against the cash-credit account could not be verified in audit. The Government admitted (September 1999) that the SDOs had not been maintaining the cash books, as they did not have adequately trained personnel, and that the Government had proposed to impart requisite training to this personnel.

3.2.5.4 Loss due to non-reimbursement of transportation cost by FCI

Loss of Rs.0.33 crore for non-reimbursement of transportation cost.

It was noticed in Audit that against the total expenditure of Rs. 1.23 crore incurred by the Department during 1992-93 to 1998-99 as transportation charges on FCI's behalf, the FCI had reimbursed Rs. 0.90 crore only, resulting in a loss of Rs.0.33 crore to the Government.

The loss was due to reimbursement of transportation cost by the FCI at 13 paise per quintal per kilometre, which was much less than the lump sum rates approved by the Government for different locations under different contracts from time to time.

3.2.6 Implementation

3.2.6.1 Identification of beneficiaries/target group

As per survey conducted by the Government in November 1993, 74 *per cent* of the total rural population in the State was living BPL against 45 *per cent* estimated by the Planning Commission in 1993-94. But lists containing the names and addresses of these BPL families were not available in the blocks, and in absence of these basic information/records, probabilities of benefits of RPDS/TPDS being derived by the ineligible/non-existent persons could not be ruled out. Moreover, proliferation of huge number of bogus ration cards (discussed below) in all these years also corroborated the above observations.

3.2.6.2 Issue of ration cards

The projected number of house-holds and population in the State *vis-à-vis* number of ration cards issued during the years 1992-93 to 1998-99 with total rationing population, as furnished by the Directorate of Statistics and the Department, were as under:

Year	Total projected No. of households	Total No. of ration cards issued	No. of households that had not been given ration cards	No. of ration cards issued in excess of the total No. of households	Total projected population	Total rationing population	Population by which the rationing population exceeded the projected population
				(Rs. In lakh)			
1992-93	5.47	5.46	0.01	-	28.26	28.49	0.23
1993-94	5.68	5.47	0.21	-	28.97	28.25*	-
1994-95	5.70	5.50	0.20	-	29.69	28.34	-
1995-96	5.92	5.52	0.40	-	30.43	28.38	-
1996-97	6.14	6.34	-	0.20	31.30	31.56	0.26
1997-98	6.38	6.68	-	0.30	31.98	33.20	1.22
1998-99	6.63	6.83	-	0.20	32.88	33.58	0.70

*** The decrease in rationing population in 1993-94 was due to elimination of some fictitious names from Ration Cards.**

The very fact that for the years 1996-97 to 1998-99, the number of ration cards issued and the rationing population exceeded the total number of projected households and the total projected population of the State, was an indication that a large number of bogus ration cards were issued by the Department. Proliferation of bogus ration cards was also corroborated by the DFCS in February 1992, December 1996 and December 1998.

Siphoning off of PDS commodities valued Rs.54.22 crore through bogus ration cards.

Test-check of records of the SDO (Sadar, including Bishalgarh), Officer-in-charge (Agartala Rationing Authority) and the SDCs of Food (Jirania and Mahanpur Blocks) revealed that failure on the part of the departmental officers to issue ration cards only after proper verification annually, and also failure to stop issue of rationed commodities against these bogus ration cards immediately after their detection resulted in proliferation of such bogus ration cards and siphoning off of PDS commodities valued at Rs. 54.22 crore (Bishalgarh, Jirania and Mohanpur Blocks : Rs. 45.08 crore; Agartala Rationing Area : Rs. 9.14 crore) during April 1992 to January 1999.

While admitting the proliferation of bogus ration cards, the Government stated (September 1999) that it was impossible to eliminate bogus ration cards altogether and continuous efforts were being made to reduce number of bogus ration cards. The possibility of more bogus cards in the remaining cases can not be ruled out. The ORG-MARG survey also brought out that only 88 *per cent* of the total households had been issued Ration Cards.

3.2.7 Procurement, storage and distribution of essential commodities

3.2.7.1 Allocation and procurement

The allocation of rice, wheat and sugar made by the Government of India *vis-à-vis* quantity lifted and issued to the FPS dealers during the years 1992-93 to 1997-98 was as under :

Year	Quantity allotted by the Government of India			Quantity lifted by the Department			Quantity issued to the FPS dealers/others		
	Rice	Wheat	Sugar	Rice	Wheat	Sugar	Rice	Wheat	Sugar
	(Tonnes in lakh)								
1992-93	1.97	0.24	0.12	1.48	0.24	0.12	1.52	0.12	0.12
1993-94	1.94	0.22	0.13	1.31	0.13	0.12	1.43	0.14	0.10
1994-95	1.94	0.22	0.13	1.21	0.08	0.13	1.31	0.07	0.11
1995-96	1.94	0.22	0.13	1.44	0.10	0.13	1.54	0.08	0.12
1996-97	1.94	0.22	0.15	1.36	0.15	0.15	1.54	0.14	0.13
1997-98	1.67	0.18	0.15	1.59	0.15	0.15	1.62	0.13	0.17
1998-99	2.00	0.22	0.14	1.85	0.17	0.14	1.85	0.16	0.14
	13.40	**1.52**	**0.95**	**10.24**	**1.02**	**0.94**	**10.81**	**0.84**	**0.89**

The quantity of rice issued to retail dealers during the aforesaid years (except 1998-99) happened to be more than the quantity lifted due to carryover of closing stock of previous years. Short lifting of the above commodities was attributable mainly to the failure of FCI to release the entire quantity allotted by the Government of India.

As in the case of wheat, the quantity lifted by the department was much in excess of the actual requirements of the State (population of the State being mainly rice eaters), the excess quantity lifted by the department facilitated its diversion to the open market. The details are discussed in paragraph 3.2.7.3.

As regards allocation of sugar the details are discussed in paragraph 3.2.7.4.

3.2.7.2 *Excess procurement of rice*

As per norms prescribed by the Government of India, the annual average per capita requirement of foodgrains was 167.9 Kg. Calculated at this rate, the total requirement of rice for full coverage of population *vis-à-vis* the net quantity of rice available from local production in the State and the total quantity lifted by the Department from FCI during the years 1992-93 to 1998-99 were as under:

Year	Total projected population	Total requirement of rice	Net quantity of rice available from local production	Total deficit of rice	Quantity of rice lifted by the Department
	(In lakh)	*(Tonnes in lakh)*			
1992-93	28.26	4.74	3.35	1.39	1.48
1993-94	28.97	4.86	3.76	1.10	1.31
1994-95	29.69	4.99	3.14	1.85	1.21
1995-96	30.43	5.11	3.57	1.54	1.44
1996-97	31.30	5.25	4.19	1.06	1.36
1997-98	31.98	5.37	4.11	1.26	1.59
1998-99	32.88	5.52	4.90	0.62	1.85
		35.84	**27.02**	**8.82**	**10.24**

Procurement of rice valued Rs.107.92 crore in excess of requirement.

The above table shows that against the total deficit of 8.82 lakh tonnes, the Department procured 10.24 lakh tonnes of rice resulting in excess procurement of 1.42 lakh tonnes of rice valued at Rs. 107.92 crore which was also issued to FPS dealers. Wide gap between the requirement and offtake and lifting of foodgrains in excess of requirement had also been critically commented upon (November 1996) by the Government of India (GOI). The State Government was directed (April 1997) by the GOI to take appropriate measures to ensure that the macro availability was translated into micro level household availability.

The excess procurement was mainly due to failure of the Department to assess the requirements on a more realistic basis, taking into consideration the local production of foodgrains and their linkage with actual number of ration card holders, after eliminating the bogus cards. The possibility of the excess quantity of rice procured being diverted to the open market through these bogus cards and otherwise cannot be ruled out.

The Department stated (December 1998) that these were statistical figures only and might not be taken as actuals. On being asked by Audit as to what should be taken as actuals, the Department could not furnish (February 1999) any information. The Department's contention is therefore self-contradictory as the above information was furnished by the Food and Civil Supplies Department and the Agriculture Department of the same Government.

3.2.7.3 Diversion of wheat to private bakeries

Wheat valued Rs.12.65 crore diverted out of the PDS.

The PDS guidelines did not allow issue of foodgrains to anyone other than the ration card holders. It was, however, noticed that out of 0.68 lakh tonnes of wheat stated to have been issued to FPS dealers at subsided rates during 1992-93 to 1997-98, 0.28 lakh tonnes of wheat (representing 41 *per cent*) valued at Rs. 12.65 crore were issued to Tripura Bakery Association (TBA) for distribution among its affiliated bakeries for production of bread and biscuits. The quantum of subsidy involved in this deal could not be ascertained for want of details.

The Government stated (September 1999) that Government of India had been kept informed on distribution of wheat to Tripura Bakery Association and other such associations. The contention of the Government is not acceptable because no such entitlement was permissible under the Scheme.

3.2.7.4 Fixation of irrational scale for issue of sugar

Although, as per norms, each ration card holder was to get 425 grams of sugar per head each month, the Department had been distributing since November 1985 sugar to the card holders at the rate of 1 Kg per head per month in Agartala Municipal area and 375 grams per head per month in all other parts of the State. The Department stated (January 1999) that non-allotment of sufficient quantity of sugar by the Government of India was the main reason for fixation of such irrational scale. It could not be explained as to why the allotted quantity of sugar had not been distributed equally among the ration card holders in the State as envisaged in the scheme.

Denial of PDS benefits to 31.16 lakh rural consumers.

As a result of fixation of such irrational scale with urban bias, the Department extended undue benefit to 2.42 lakh card holders of Agartala Municipal area by allotting them sugar in excess of their entitlement and deprived 31.16 lakh rural consumers (who constituted 93 *per cent* of the total rationing population of the State) by giving them less quantity of sugar than their monthly allotted quota.

The Government admitted (January 1999) that the present scale of distribution of sugar was unrealistic, un-sustainable and against the policy of the Government of India. As a sequel to this, a proposal for rationalisation of scale had been submitted by the Department to the State Government for consideration. Results were awaited (October 1999).

3.2.8 Fixation of issue price

3.2.8.1 Fixation of end-retail price of rice in violation of the prescribed norms

To maintain country wide uniformity in end-retail price of subsidised rice under RPDS, the Government of India decided (May 1992) that the State Government should pass on to the consumers only Rs. 25 per quintal as handling cost. Expenses over and above this ceiling were to be borne by the State Government.

The RPDS was introduced in the State in June 1992, and continued up to May 1997. During the said period, the Department procured 24.33 lakh quintals of subsidised rice and fixed the end-retail price by adjusting Rs. 38 to Rs. 53 per quintal towards handling cost, instead of Rs. 25 per quintal over the CIP.

Extra burden of Rs.5.52 crore devolved on the consumers against the scheme objective.

Due to fixation of end-retail price on higher side, the targeted population had to bear an extra burden of Rs. 5.52 crore during the period from June 1992 to May 1997, against the intended objective of the scheme. The Government stated (September 1999) that it was not in a position to provide additional subsidy due to resource constraints.

3.2.8.2 Loss in procurement of wheat and rice

Consequent upon the introduction of the targeted Public Distribution System in May 1997, the allocation of wheat for the State was reduced by the Government of India from 1,800 tonnes to 1,280 tonnes per month. But, since the monthly requirement of wheat in the State was 250 tonnes only and even the reduced quantity was also much in excess (412 *per cent*) of the actual requirement, the Department proposed (October 1997) to request the Government of India to issue 500 tonnes of coarse rice at economic cost (Rs. 0.07 lakh per tonne) in lieu of wheat, as the allotment of rice for the people living above poverty line (APL) in the State was inadequate, and such interchange would not disturb the total allocation of foodgrains in the State. Thus, the State Government would be able to save Rs. 0.15 crore per month, being the difference in cost of fine rice at APL rate (Rs. 0.10 lakh per tonne) and economic cost (Rs. 0.07 lakh per tonne). The proposal was, however, not acceded to by the State Government as the allocation of coarse rice for APL was increased by the Government of India from December 1997.

Had the Department reconsidered its actual requirement of wheat/rice at the time of introduction of TPDS in May 1997 itself, it could have avoided the expenditure of Rs.1.05 crore* and utilised the funds for other gainful purpose. The DFCS, while accepting the fact of loss, stated (February 1999) that the proposal for such interchange could not be sent to the Government of India as it was not approved by the State Government. The reasons attributed by the DFCS were also corroborated by the Government in September 1999.

* (1) (500 tonnes X Rs.0.10 lakh) – (500 tonnes X Rs.0.07 lakh) = Rs.50 lakh – Rs.35 lakh = Rs.15 lakh.
(2) Rs.15 lakh X 7 months = Rs.1.05 crore.

3.2.9 *Storage*

3.2.9.1 *Unutilised godowns*

Idle outlay of Rs.38.87 lakh on godowns.

It was noticed in Audit that out of the 87 godowns, 5 godowns with a storage capacity of 1,250 tonnes, constructed at Dalugaon, Kalyanpur, Mandai, Pabiacherra and Vangmun at a cost of Rs. 38.87 lakh during 1992-93 to 1997-98 were lying unutilised (February 1999) from the dates these were constructed due to shortage of storekeepers and other conservancy staff, resulting in idle outlay of Rs. 38.87 lakh for period ranging from 1 to 7 years.

3.2.9.2 *Creation of additional storage facilities*

Retention of unutilised funds of Rs.67.65 lakh.

As per the scheme for construction of godowns to create adequate storage facilities, introduced by the Government of India in 1992-93, funds were released by the Central Government on 50 *per cent* loan and 50 *per cent* subsidy basis. The loan carried 13 *per cent* annual interest and was repayable in 5 equal instalments annually commencing from the first anniversary of the sanction. Accordingly, the Department received Rs. 1.13 crore (Rs. 56.50 lakh as loan and Rs. 56.50 lakh as subsidy) from the Government of India during 1992-93 (Rs. 30 lakh) and 1997-98 (Rs. 83.02 lakh) for construction of 11 godowns with 5,000 tonnes of storage capacity, against which the Department constructed 7 godowns between May 1996 and November 1997 at a cost of Rs. 42 lakh. The balance amount of Rs. 71.02 lakh was deposited (April 1998) by the Department with the Public Works Department (PWD) for construction of 4 godowns at Bishalgarh, Jirania, Kakraban and Mohanpur. Till February 1999, the PWD incurred an expenditure of Rs. 3.37 lakh and retained the balance unutilised amount of Rs. 67.65 lakh.

Interest liability of Rs.25.63 lakh on unutilised funds not surrendered.

As per the terms and conditions of the sanction, funds remaining unutilised within the financial year should be surrendered to the Government of India, failing which the Department would be liable to pay penal interest at 15.75 *per cent* per annum on the unutilised funds, including subsidy. Thus, by not surrendering the unutilised funds (Rs. 67.65 lakh) to the Government of India, the Department incurred an interest liability of Rs. 10.65 lakh up to February 1999. The interest due (Rs. 14.98 lakh) on the loan amount of Rs. 21 lakh being 50 *per cent* of Rs. 42 lakh received in April 1992 (Rs. 30 lakh) and April 1997 (Rs. 12 lakh) had also not been paid by the Department (February 1999).

The Government stated (September 1999) that the godown at Jirania had already been constructed and the remaining 3 would be completed within the current financial year.

3.2.9.3 *Maintenance of stores*

(i) As per rules, physical verification of Stores was to be conducted once in a year. It was noticed that physical verification of 37 out of 87 godowns had not been done (February 1999) for the period ranging from 2 to 4 years. While admitting the lapses, the Government stated (September 1999) that all the Sub-

Divisional Officers and the District Magistrates were requested to complete physical verification of godowns.

(ii) None of the storekeepers of 36 godowns test checked by Audit, maintained Bin Cards as per the prescribed procedure. Stock adjustment vouchers were submitted for adjustment of godown shortages in a routine manner without assigning reasons for shortages. The Government fixed no specific norms for godown losses depending upon different durations of godown storage for various essential commodities covered under the PDS (October 1999), even after a lapse of 43 years from the date of introduction of the PDS in the State. In February 1997, the DFCS admitted that conducting annual physical verification did not yield any fruitful result, unless specific decision in respect of permissible limit of godown loss was taken by the Government. In the absence of such norms, the Department could not bring any storekeeper to book for abnormal shortage, as the term "abnormal shortage" remained undefined. It was noticed that essential commodities valued at Rs. 1.65 crore were detected short in physical verification conducted during 1992-93 to 1998-99, resulting in the essential commodities valued at that amount having failed to reach the PDS consumers with consequent extra expenditure to be incurred by the Government to recoup the deficiency.

PDS commodities valued at Rs.1.65 crore found short on physical verification of stores.

The Government stated (September 1999) that action had been taken against the storekeepers who were not maintaining Bin Cards and departmental proceedings had been started against 19 storekeepers responsible for shortage of essential commodities.

(iii) The storekeeper of Kashipur godown did not account for the receipt of 495.85 quintals of rice valued at Rs. 2.73 lakh despatched from the Central Stores, Arundhutinagar in March 1994 in 5 invoices and misappropriated this quantity. This was facilitated due to not-conducting regular physical verifications. The last physical verification of the godown was done in June 1993.

(iv) Due to delay in taking decision and failure to release consignments of salt (booked at Gujarat for Dharmangar Railhead) within the specified period upto 15 September 1994, the Department had to incur an avoidable expenditure of Rs. 8.13 lakh on account of demurrage and wharfage charges paid to the Railways. No responsibility for the lapse had been fixed by the Department.

3.2.10 Functioning of Fair Price Shops

During the years 1992-93 to 1998-99, the average population covered per FPS varied between 1818 and 5919 in rural areas and between 1750 and 4000 in Urban areas as against the norm of 2000 per shop prescribed (1979) by the Government of India.

The Department had not evolved (August 1999) any norm for opening FPS in hilly, remote and arid areas nor did it fix any yearly target for opening of additional FPS or operating mobile FP Shops.

As per the Tripura Sugar Dealers Licensing Order 1971 and the Tripura Foodgrains (Distribution) Control Order 1972, all FPS dealers were to issue cash memos for each items of rationed commodities after giving proper entries in the Sales Registers and Ration cards and obtain signature or thumb impressions of the card-holders in the Sales Registers as a token of sale against every sales entries and preserve them for verification.

It was noticed in audit that none of the dealers of 654 FP Shops of Agartala Municipal Area issued any cash memo for sale of sugar nor obtained the signature or thumb impression of the card holders concerned in the Sales Registers. As a result, the veracity of the sale of 84,551 tonnes of sugar valued at Rs. 96.39 crore during the period from April 1992 to November 1998 could not be verified in audit, and therefore, the possibility of PDS sugar having been diverted to open market cannot be ruled out.

3.2.11 Intelligence Enforcement

3.2.11.1 Functioning of Mobile Enforcement Wing

In order to streamline the Public Distribution System in the State, a Mobile Enforcement Wing with 3 officials was formed in September 1992. The team was to visit as many ration shops as possible within one or two days of lifting of commodities by the FPS dealers from godowns to keep vigil on the movement of commodities. The Department could not furnish any information regarding performance of the Wing during 1992-93 to 1998-99, although expenditure of Rs.4.53 lakh was incurred on the wing during this period.

3.2.11.2 Formation of Vigilance Committees

Ineffective Vigilance Committees.

As a sequel to the national policy on PDS, the Government constituted (June 1994) a Vigilance Committee for each FP Shop to check records on procurement of essential commodities by the dealers, their proper distribution to the card holders, and detection of bogus ration cards and to submit reports thereon to the respective SDOs. Till February 1999, Vigilance Committees were formed in 1,304 out of the total 1,406 FP Shops in the State, but no report of these committees on the performance of FPS was available with the SDOs/Department.

Ineffective functioning of the Vigilance Committees was discussed critically in the departmental meetings held in October 1995, March 1997 and December 1997. This was further corroborated by 18 block level offices in February 1999, when it was stated that these committees had not been functioning properly due to low level of literacy among the members of the Vigilance Committee who were not well conversant with the rules and regulations of the PDS and had no knowledge about the availability of commodities in FP Shops.

The survey conducted by ORG-MARG also revealed a low level of awareness of the beneficiaries. Almost 99 *per cent* were unaware of the quantities of wheat and edible oil that they were entitled to. For rice, more than one third of the consumers were unaware of their entitlements.

The Government stated (September 1999) that the Sub-divisional Officers had been requested to gear up the functioning of the vigilance committees.

3.2.12 Monitoring and evaluation

In order to monitor proper functioning of the Public Distribution System and ensure availability of the essential commodities at fair prices in urban and rural areas, the Government constituted Supply Advisory Committees in all the Sub-divisions and 3 districts (North Tripura, South Tripura and West Tripura), in September 1990 and October 1996 respectively.

As per Government instructions of the State Government, these committees were to meet not less than twice a month. Information furnished by 6 out of 15 SDOs showed that against 1,008 meetings required to be held during 1992-93 to 1998-99, only 35 meetings were actually held in these Sub-Divisions. Information on the setting up and performance of such committees in the three districts though called for (December 1998) by Audit, has not been furnished (October 1999).

As a sequel to the recommendations of the Standing Committee of the Government of India on Food, Civil Supplies and Public Distribution (1996-97, 11th Lok Sabha), the Government constituted (November 1997) a State level advisory council on PDS with 10 members under the Chairmanship of Secretary, Food and Civil Supplies to monitor the functioning of PDS in the State. The DFCS could not furnish (October 1999) any information about the number of meetings held by the Committee.

Thus, the monitoring on the performance of the PDS remained totally ineffective in the Department. The performance of the Scheme had also not been evaluated by the Department, even within a period of 43 years of existence of the PDS in the State since 1956.

3.2.13 Recommendations

- Proper identification of beneficiaries/targeted population should be ensured.
- Bogus ration cards should be identified and cancelled immediately and stringent action taken against the delinquent officials. A regular mechanism for periodical check of bogus cards be developed;
- Diversion of essential commodities should be stopped by streamlining and activating the vigilance committees and delicensing the defaulter FPS dealers;
- Requirements of foodgrains should be assessed properly with reference to actual requirements taking into consideration the local production of foodgrains to arrest diversion and pilferage of essential commodities in the local market.

MISCELLANEOUS DEPARTMENTS

3.3 Functioning of the North Eastern Council

The primary objective of the North Eastern Council (NEC) was to finance development of infrastructure by construction of roads and bridges, power plants etc., in the State. Release of the requisite funds for the gas thermal project having been delayed by the NEC, there was a huge cost escalation as well as time overrun which rendered the project economically unviable. The consequential loss of generation worked out to 60 MU valued at Rs.10.80 crore. Works for roads and bridges were not taken up with due urgency to improve the communication system of the State. Huge resources were diverted by the scheme implementing departments to supplies and works not coming under the purview of the NEC schemes, thereby impeding achievement of their objectives.

3.3.1 Highlights

During 1992–93 to 1998–99, the NEC released Rs. 124.07 crore for implementation of 13 schemes by 10 departments. Against this, Rs. 130.39 crore was reported by the State Planning and Co-ordination Department to have been spent by 9 departments for implementation of 10 schemes.

(Paragraphs 3.3.5.1)

The release and utilisation of funds for the Rokhia Gas Thermal Power Project Phase II were spread over 5 years in place of 2 years originally envisaged.

(Paragraphs 3.3.6.1.1 and 3.3.6.1.2)

There was time overrun of 50 *per cent* in completion and commissioning of the project (3 years taken in place of 2 years), due to delayed release of funds by the NEC and delayed supply of equipment. This resulted in cost overrun of 98 *per cent* (Rs. 48.95 crore increased to Rs. 97.06 crore), of which Rs. 16.89 crore was attributable to escalation of prices.

(Paragraph 3.3.6.1.3)

Delay in commissioning of the two units of the project and forced outage after commissioning led to loss of generation of 60 MKWH (value : Rs.10.80 crore) and 75.25 MKWH (value : Rs.13.55 crore) respectively.

(Paragraphs 3.3.6.1.5 and 3.3.6.1.6)

The Power Department incurred preventable liabilities of Rs. 6.54 crore towards interest because of payment not having been made in time for the supplies received from the Bharat Heavy Electricals Limited (BHEL).

(Paragraph 3.3.6.1.7)

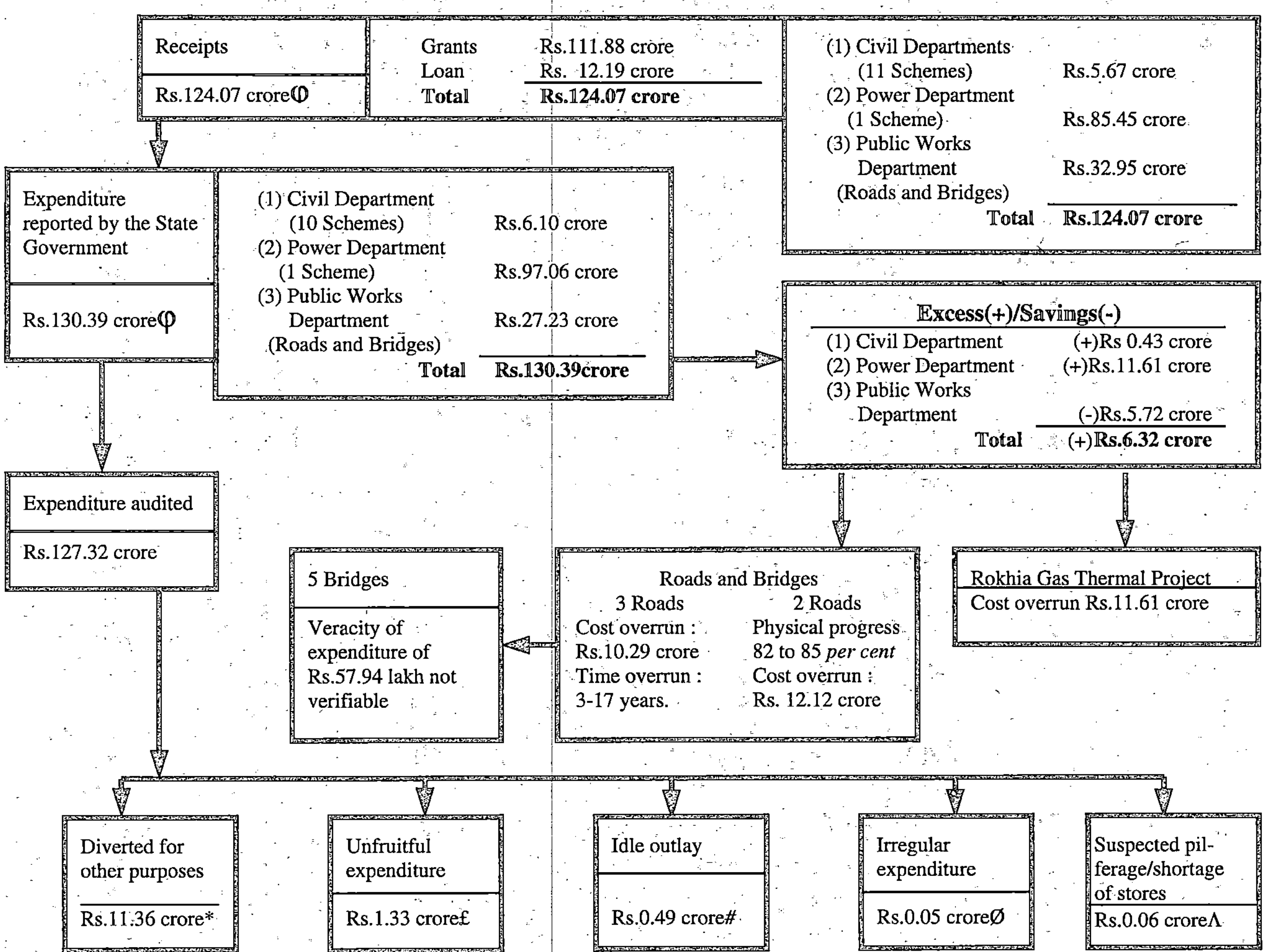
Rs. 9.10 crore, Rs. 0.69 crore, and Rs.1.57 crore were diverted by Gas Thermal Electrical Division, Gas Thermal Civil Division, and two PWD Divisions respectively towards supplies and works not coming under the purview of the NEC–funded project.

(Paragraphs 3.3.6.1.8 & 3.3.6.2.4)

After incurring expenditure of Rs. 1.33 crore on 3 RCC bridges, the works were suspended between March 1993 and January 1994 by the Kumarghat PWD Division, reportedly due to insurgency conditions prevailing in the region. After a lapse of 5–6 years, the department decided to replace the RCC bridges with Bailey bridges. This resulted in failure of Rs.1.33 crore spent on these incomplete works to deliver the intended benefit.

(Paragraph 3.3.6.2.3)

FINANCE TREE



φ Paragraph 3.3.5.1

*** Rs. 9.10 crore (Paragraph 3.3.6.1.8.1)**
Rs. 1.57 crore (Paragraph 3.3.6.2.4)
Rs.0.69 crore (Paragraph 3.3.6.1.8.2)

Total : Rs.11.36 crore

£ Paragraph 3.3.6.2.3, # Paragraph 3.3.6.1.10, Ø Paragraph 3.3.6.1.9, Λ Paragraph 3.3.6.2.5

3.3.2 Introduction

The North Eastern Council (NEC), Shillong, was set up under NEC Act, 1971 by the Government of India (GOI). It came into existence on 1 August 1972 and is functioning under the administrative control of the Ministry of Home Affairs (MHA), Government of India. The constituents of the NEC are the seven States of the North Eastern (NE) Region, viz., Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura. The objectives of the council include, *inter-alia*, development of infrastructure like power and communication system, and improvement of agriculture and industries in the region. The funds for the purposes are allocated by the Planning Commission. The Council also acts as an advisory body for discussion of the common problems of the NE region in the fields of economic and social planning, power, and flood control.

3.3.3 Organisational structure

Schemes as prepared by the Government of Tripura, intending for execution are sent through the Planning and Co-ordination Department (P&CD) to the NEC for approval. After the schemes are approved, funds (90 *per cent* grant and 10 *per cent* loan) are released to the Finance Department for allocation to the implementing departments of the State Government.

The Director of Planning and Co-ordination Department is the nodal officer for the NEC. He is responsible for monitoring and implementation of the schemes of the NEC.

3.3.4 Audit coverage

Implementation of 4$^{\pi}$ schemes (out of 13, details of which are at **Appendix-XVI**, and which accounted for 98 *per cent* of the total expenditure on the NEC schemes) during the period from 1992-93 to 1998-99 was reviewed in audit (June to August 1999) by test check of records maintained by Finance, Planning and Co-ordination, Power, Public Works, Agriculture and Forest Departments of the State Government.

The results of the review are incorporated in the succeeding paragraphs.

3.3.5 Financial management

3.3.5.1 Budget outlay

Funds are released by the NEC to the State Government for implementation of various schemes. Once released to the State Government, the funds form part of their budget. The details of budget provisions, funds released by the NEC as per its own records, funds released by the State Government to the implementing departments and State autonomous bodies and expenditure incurred during the period from 1992-93 to 1998-99 (as reported by the P&CD) are given in **Appendix-XVII**. Expenditure incurred, as reported by the

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$^{\pi}$ (1) Rokhia Gas Thermal Project; (2) Roads and Bridges scheme; (3) True Potato Seed Farm; and (4) Raising of Dioscorea Floribunda and Processing for Manufacture of Diosgenin.

Government to the NEC, was Rs.130.39 crore by 9 departments on 10 schemes against the funds of Rs.124.07 crore released by the NEC for 10 departments against 13 schemes during the period as detailed in Appendix-XVI.

There was a discrepancy of Rs. 54.61 crore between the amount released by the NEC and the amount as per Finance Accounts and a discrepancy of Rs. 4.46 crore between the expenditure reported by the P&CD and the expenditure as per Finance Accounts relating to the period from 1992-93 to 1998-99. These discrepancies were mainly due to non-reconciliation of expenditure figures by the departments with the Accountant General (A&E), despite issue of directives from AG (A&E) to that effect.

As per Finance Accounts, the amount of loan advanced by the NEC during 1992-93 to 1998-99 was Rs.14.11 crore, but as per sanctions issued by the NEC it was Rs.12.19 crore. The discrepancy also had not yet been reconciled by the Government (November 1999).

3.3.5.2 Release of funds by the NEC during the last quarters of the financial years

Year-wise details of funds released by the NEC *vis-à-vis* the funds released during the last quarters of the financial years (i.e., January to March) during the period from 1993-94 to 1998-99 were as follows:

Year	Total funds released by the NEC		Percentage of release during the last quarters to total release
	during the year	during the last quarters	
	(Rupees in crore)		
1993-94	7.74	4.35	56
1994-95	29.51	18.88	64
1995-96	41.06	32.89	80
1996-97	10.91	10.91	100
1997-98	21.80	14.12	65
1998-99	8.42	3.94	47
Total	119.44	85.09	71

Most of funds released in the last quarters.

Releasing 71 *per cent* of funds during the last quarters of the financial years is indicative of rush of expenditure/no expenditure by the implementing agencies during the financial years.

3.3.6 Implementation of the schemes

Results of test check of 4 schemes out of a total of 13 schemes are given in the succeeding paragraphs.

3.3.6.1 Power Department–Rokhia Gas Thermal Project

3.3.6.1.1 The second phase of the three phase Rokhia Gas Thermal Power Project* was conceived in November 1990, on the advice of the NEC at an initial project cost of Rs. 34.70 crore, with a view to mitigating power shortage in the NE region, particularly in Tripura and Mizoram, who would share the energy generated equally. The project, techno-economically cleared by the Central Electricity Authority (CEA) in March 1991, was sanctioned by the Government of India in September 1994 with an estimated cost of Rs. 48.95 crore, to be funded by the NEC. The Project was scheduled to be completed by September 1996 and start generating 96 million units (MU) of energy per year.

3.3.6.1.2 Financing

The project originally estimated to cost Rs.48.95 crore, was implemented by the Power Department through its two executing divisions located at Rokhia, i.e., Gas Thermal Electrical Division (GTED) and Gas Thermal Civil Division (GTCD), at a total cost of Rs. 97.06 crore during 1994-95 to 1998-99 against release of Rs. 85.45 crore by the NEC. Thus, the expenditure incurred on the project exceeded the revised approved cost estimate of Rs.85.45 crore by Rs.11.61 crore. The reasons for the huge excess were not clarified by Department; still further, no approval for the excess expenditure had been obtained from the NEC as of November 1999.

3.3.6.1.3 Time and cost overrun

The Project was scheduled to be completed and commissioned in September 1996, i.e., within 2 years from the date of sanction, but was actually completed and commissioned in September 1997, i.e., after a lapse of 3 years with a time overrun of 50 *per cent*. The expenditure of Rs.97.06 crore reported upto 1998-99 exceeded the original cost estimate of Rs. 48.95 crore by Rs. 48.11 crore, i.e., 98 *per cent*.

Cost overrun of Rs.36.50 crore was due to escalation of price (Rs.16.89 crore), variation in exchange rate (Rs.10.40 crore), change in scope and design including addition (Rs.3.45 crore), under-estimation and inadequate provision (Rs.1.70 crore), and statutory levies (Rs.4.06 crore). The Department could not specify the reasons for the remaining amount of cost overrun of Rs.11.61 crore.

Time and cost overrun affecting the viability of the project.

Time overrun was due to delayed release of funds by NEC / State Government, compounded by delayed supply of equipment by the suppliers i.e., Bharat Heavy Electricals Limited (BHEL). Details are given in paragraph 3.3.6.1.5.

Per unit cost of energy generated went up to Rs.1.80 per unit against the projected cost of Rs.1.07 per unit due to time overrun.

The steep escalation in the project cost mainly due to time overrun made the project economically unviable, as the per unit cost of energy generated had gone up to Rs.1.80 per unit (against Rs.1.07 as per the original project for Rs.48.95 crore) while the average per unit sale price prevalent at the time of commissioning the project was Rs.1.21 (against Rs.1.28 as per the original project estimate), leading to a per unit loss of Re.0.59.

* Each phase having two units of 8 MW each, totalling 48 MW for all the three phases taken together.

3.3.6.1.4 Expenditure reporting

The expenditure on the Project during 1994-95 to 1998-99 was variously reported as follows: Rs. 97.06 crore (reported to NEC by the Department through quarterly progress report), Rs. 86.46 crore (reported to Audit by the Department), Rs. 88.69 crore (reported to Audit by the two implementing divisions) and Rs. 89.52 crore (as per Finance Accounts, the figures not having been reconciled by the Department). This was due to lack of control over expenditure and defective financial reporting system.

3.3.6.1.5 Contract management

In the process of awarding the works for supply of generating sets and their erection, testing and commissioning, the department dispensed with the procedure of inviting global tenders required to be followed as per the extant rules, thereby depriving itself of the benefit of the best possible quality of supply and services at a most competitive price. Moreover, although there were delays in supply of the sets (6 months) and their commissioning (9 months), the department did not work out and levy any liquidated damages, despite having a clause to that effect in the contract.

Loss of generation due to delay in commissioning.

Because of delay of 9 months in commissioning the units, there was estimated loss of generation of 60 MKWH valued at Rs. 10.80 crore reckoned at the generation cost of Rs.1.80 per unit.

3.3.6.1.6 Operational performance of the plant

The following table gives various performance indices as per records of Gas Thermal Electrical Division for the generation plant set up under the project during March 1997 to March 1999.

Sl. No.	Performance indices	First Unit	Second Unit	Total
1.	Date of commissioning	2 March 1997	24 September 1997	–
2.	Installed capacity	8,000 KW	8,000 KW	16,000 KW
3.	Available hours	18,240	13,296	31,536
4.	Number of hours run	14,816	12,017	26,833
5.	Hours lost due to outages (3-4)	3,424	1,279	4,703
6.	Plant Availability Factor (PAF) (percentage of 4 to 3)	81.23	90.38	85.09
7.	Possible generation during available hours (2 X 3) (MKWH)	145.92	106.37	252.29 (145.92 *plus* 106.37)
8.	Actual generation (gross) (MKWH)	93.01	76.27	169.28
9.	Consumption of power in auxiliaries (1%) (MKWH)	0.93	0.76	1.69
10.	Actual generation (net) (MKWH) (8-9)	92.08	75.51	167.59

Loss of generation due to forced outages.

It would be seen that 4,703 hours (14.91 *per cent*) out of 31,536 were lost due to forced outages during the period as the plant had developed serious problems and technical bottlenecks because of a good number of commissioning points remaining incomplete, leakage of oil and defects in gas control system and several other parts. This resulted in generation loss of 75.25 MKWH power (value: Rs. 13.55 crore*).

* At the rate of cost of generation of Rs. 1.80 per KWH. KWH=Unit

3.3.6.1.7 Avoidable extra liabilities of Rs. 6.54 crore towards interest

Delayed payment for supplies resulting in avoidable interest liabilities.

In terms of the agreement (Clause 5) between the Power Department and the BHEL, the payment of supply bills shall be made by the Department within 15 days from the submission of invoice by the supplier, failing which interest at the rate of 1 *per cent* higher than the prevailing bank cash credit interest rate was to be paid by the Department on the delayed amount for the delayed period, if the reasons for delay were not attributable to the supplier. Audit enquiries revealed that delayed payments for supply of gas turbine, spares and other accessories amounting to Rs. 36.95 crore had been made by the Department to the BHEL against 96 invoices, the delay ranging from 19 to 1,104 days. This led to an avoidable extra interest liabilities of Rs. 6.54 crore on Rs. 36.95 crore. The payment of interest had not yet been made (November 1999).

The Department, while admitting the lapses, stated that due to resource crunch leading to non receipt of letter of credit (LOC), timely payment could not be made. The contention of the Department is not tenable in view of the fact that in a number of instances, the Department had diverted funds for incurring expenditure on other phases of the project, which were not being funded by NEC, at the same time when the claims from the BHEL were not being entertained for payment.

3.3.6.1.8 Diversion of funds

(i) Test check of records of the Gas Thermal Electrical Division, Rokhia, revealed that the Division diverted the NEC funds amounting to Rs. 9.10 crore* out of the funds released for Phase II of the Project to other phases of the Project (not coming under NEC scheme), without approval of the NEC. The details of such expenditure unauthorisedly diverted out of NEC funds has been shown in the **Appendix–XVIII**.

Diversion of NEC funds for other purpose.

(ii) Test check of records of Gas Thermal Civil Division, Rokhia, revealed that the division, under the orders of the Divisional Officer, diverted NEC funds amounting to Rs. 0.69 crore out of funds released for Phase-II to other phases of the Project, not funded by NEC, as shown in **Appendix-XIX**. Reasons for diversion have not been intimated by the Department (November 1999).

3.3.6.1.9 Expenditure of Rs. 5.16 lakh on payment of telephone expenses irregularly charged to NEC Fund

Telephone expenses irregularly charged to NEC funds.

Records revealed that no telephone was installed in the Office of the Executive Engineer, Gas Thermal Civil Division since shifting from Agartala to Rokhia in July 1996. But the division had incurred Rs. 5.16 lakh on telephones used by the officers of the Power Department between April 1994 and May 1999 in

* Rs. 0.68 crore in 1994-95; Rs. 6.89 crore in 1995-96; Rs. 0.09 crore in 1996-97; and Rs. 1.44 crore in 1997-98.

the Circle Office at Agartala and the cost was irregularly charged to NEC funds.

3.3.6.1.10 Idle outlay of Rs. 48.93 lakh on quarters

Under Phase-II of the Project (funded by NEC), out of 26 quarters taken up for construction in November 1995 without assessing any demand for them, construction of 16 quarters was completed at a cost of Rs. 1.04 crore between January 1997 and March 1999. Of the 16 quarters constructed under Phase-II, 10 quarters* continued to remain vacant (August 1999), as reported by the Divisional Engineer, due to non-availability of willing officials, resulting in an idle outlay of Rs. 48.93 lakh.

3.3.6.2 Public Works Department - Roads and Bridges

3.3.6.2.1 The NEC approved construction of 6 roads (including bridges)[Ψ] with inter-State connectivity in Tripura between 1975-76 and 1997-98.

3 works completed at cost overrun of Rs.10.29 crore and time overrun of 3-17 years. 2 works having (physical progress 82-85 *per cent*) cost overrun of Rs. 12.12 crore.

During 1992-93 to 1998-99, the NEC had released Rs. 32.95 crore, of which Rs. 27.23 crore was reported to have been spent by the Public Works Department (PWD) on roads and bridges though the actual expenditure, incurred as noticed in audit, since inception of the NEC Schemes (i.e., 1974-75) amounted to Rs.51.30 crore. Of the 6 works, 3 works (estimated cost : Rs.10.70 crore for total length of 184 km) had been completed by March 1999 at a total cost of Rs.20.99 crore and time overrun of 3-17 years. In the case of two works under construction (estimated cost : Rs.18.19 crore; length : 153 kms) physical progress of 82 to 85 *per cent* had been made at a cost overrun of Rs.12.12 crore and time overrun of 5-7 years. Delay in completion of these works was attributed by the Department to sites falling in insurgency affected areas. Another road sanctioned between 1997-98 and 1998-99 (estimated cost: Rs.21.06 crore, length : 66 km), to be completed by 2002-03, was under construction.

Against the overall target for completion of 5 road works for 337 kms, actual completion was only 184 kms indicating 55 *per cent* achievement of the targets. The objective of improving the communication system in the State, had not been fully achieved, despite expenditure Rs.51.30 crore.

3.3.6.2.2 Construction of RCC bridges under NEC Scheme

NEC sanctioned the construction of 19 (nineteen) reinforced cement concrete (RCC) bridges between January 1984 and November 1992 at an estimated cost of Rs. 5.44 crore[θ]. The works were to be executed through the Kumarghat, Ambassa and Northern PWD Divisions and scheduled to be completed by

*Type-III: 8 nos. from January 1997, Type-IV: 1 no. from March 1999, Type-V: 1 no. from February 1997.

[Ψ] The works were : (1) Tilthai - Damcherra - Tupaibari Road; (2) Agartala - Mohanpur - Chebri Road; (3) Damcherra - Khedacherra Road; (4) Aizawl - Mumit- Vangmun - Kumarghat Road; (5) Pecharthal - Fatikroy - Halahali - Chebri Road; (6) Fatikroy - Kailashahar - Dharmanagar - Kukital - Chandkhira Road. The first three were completed.

[θ] 18 bridges were to be constructed on Pecharthal–Fatikroy–Halahali–Chebri road and 1 bridge on Damcherra–Khedacherra road.

1994-95. Out of 19 bridges, the construction of 8 was completed between March 1995 and March 1999 at a total cost of Rs. 7.41 crore against estimated cost of Rs. 2.82 crore. Thus, time overrun of 4 years resulted in cost overrun of Rs. 4.59 crore. Frequent changes in scope of work, and non–availability of materials in time were found by Audit to be the major reasons for delay.

Of the remaining 11 bridges, the construction of 3 bridges was suspended between March 1993 and January 1994, after incurring an expenditure of Rs. 1.33 crore reportedly due to insurgency conditions prevailing in the region (details in the subsequent sub-paragraph). One work was rescinded (February 1999) due to slow progress, and 2 works were in progress (March 1999). Construction of the balance 5 bridges was not taken up at all by the department, though an expenditure of Rs. 57.94 lakh was shown to have been incurred on these bridges by March 1999. Out of the five, in one case of an RCC bridge, 90 *per cent* sub-structure was recorded to have been constructed at a cost of Rs. 14.58 lakh, but the fact was not supported by any document of execution of the work.

Thus, veracity of the expenditure of Rs. 57.94 lakh reported against 5 bridges could not be checked in audit.

3.3.6.2.3 Unfruitful and avoidable expenditure of Rs. 1.33 crore

The NEC sanctioned construction of 3 double lane RCC bridges (December 1988 to September 1990) at an estimated cost of Rs. 66.12 lakh[x] on Pecharthal–Chebri road. The works were to be executed through the Kumarghat PWD Division. The Executive Engineer, allotted these works to 3 contractors between December 1989 and May 1992 at a tender value of Rs. 72.89 lakh and the works were to be completed between February 1992 and December 1993. As per terms and conditions of the agreement, the department was to supply cement, steel and stone aggregates for the works.

Rupees 1.33 crore locked up in incomplete works.

Scrutiny of records of the Executive Engineer revealed that after completing 50 to 75 *per cent* of the work, and after an expenditure of Rs. 1.33 crore had been incurred, the works were suspended (between March 1993 and January 1994) by the department, reportedly due to insurgency conditions prevailing in these areas. It was also seen that the unused materials (cement, tor steel, stone aggregate, bats, etc.,) valued Rs. 10.62 lakh remained with the contractors during the last 6 to 8 years (July 1999). The department ultimately proposed (June 1999) to construct Bailey bridges instead of RCC bridges. The approval of the NEC had not been received (July 1999).

Thus, the amount of Rs. 1.33 crore spent on these incomplete works had failed to deliver the intended benefits.

x

	Name/location of bridges	Estimated cost (Rs. in lakh)	Tender value (Rs. in lakh)	Expenditure incurred (Rs. in lakh)
1.	RCC bridge over Ratacherra	29.09	32.39	76.59
2.	RCC bridge over Juri Cherra	18.27	19.29	36.28
3.	RCC bridge No. 7	18.76	21.21	20.49
	Total	**66.12**	**72.89**	**133.36**

3.3.6.2.4 Diversion of funds amounting to Rs. 1.57 crore

As detailed in Appendix-XX, records of Kumarghat and Ambassa PWD Division revealed that during June 1995 and July 1999 materials worth Rs.1.57 crore purchased out of NEC funds to be used for construction of RCC bridges under NEC schemes were diverted to other works not related to NEC schemes.

3.3.6.2.5 Suspected pilferage/shortage

Scrutiny of records (site account of "NEC works-construction of RCC bridges of Ambassa Division") revealed that 2,850 bags of cement worth Rs. 4.73 lakh and 2.05 tonnes and 9.955 tonnes of 8 mm and 16 mm tor steel respectively worth Rs. 1.76 lakh were shown to have been issued, but the detailed records such as indents against which materials were issued, persons to whom issued, proper receipt of the recipients etc., in support of issue of these materials were neither recorded in the material at site accounts nor the same could be shown to audit.

Thus, entries regarding issue of materials valued Rs. 6.49 lakh made in the MAS account without supporting records for such issue could be taken as fictitious, leading to suspected pilferage/shortage of stores.

3.3.6.3 Agriculture Department - Production of True Potato Seed(TPS)

The scheme of Regional Project for Production of True Potato Seed (TPS)* was sanctioned at an estimated cost of Rs.1.74 crore against which Rs.1.49 crore was spent during 1990-91 to 1994-95. The scheme was being implemented by the Director of Horticulture and Soil Conservation (DHSC).

The Department developed only 6.28 hectares (ha) of land at a cost of Rs.2.81 lakh against the approved cost of Rs.1.09 lakh for the targeted area of 10 ha for production of TPS in the Horticulture Research Complex, Nagicherra. The production of the TPS stood at 342.7 kg only, against the proportionate target of 675 kg for the land actually developed during the period from 1990-91 to 1994-95. This resulted in potential loss of revenue of Rs. 33.20 lakh during the period.

Absence of stock accounts and sale returns for high valued item of true potato seed.

The stock accounts and the sale returns in respect of production and sale of TPS, a high valued item sold at Rs.10,000 per kg, during period from 1995-96 to 1997-98 were not maintained properly. The figures furnished to audit were not backed up by any preliminary records. No records were maintained for watching sale returns from various parties/Government agencies for the quantities sold. The DHSC had also not assessed how much revenues had actually been realised on sale of TPS so far, except for the last year i.e. 1998-

* A kind of tiny botanical hybrid of potato seed capable of 50 *per cent* higher yield of potato than the traditional kind of potato seed tuber, at 55 *per cent* lower cost.

99. In view of the improper maintenance of the basic stock and sales records, the authenticity and sanctity of the figures as appearing in the records leave scope for doubt about the actual quantity produced and sold, and even the stock in hand exhibited.

3.3.6.4 Forest Department - the Scheme of Dioscorea Floribunda

The Scheme for cultivation of Dioscorea Floribunda and extraction of Diosgenin of Dioscorea was originally sanctioned by NEC in December 1986 to be implemented by the Tripura Forest Development and Plantation Corporation (TFDPC) at an estimated cost of Rs.1.42 crore with target date for completion as March 1990. Against the release of Rs.3.07 crore upto 1996-97, the TFDC spent Rs.3.86 crore during 1986-87 to 1996-97.

A break-up of the various components of the project indicating estimates and actual is given at **Appendix-XXI**. The commercial production started in July 1997. Thus, the project has sustained time overrun of 87 months reckoned from the date of completion set for originally i.e., March 1990. This, apart from resulting in a cost overrun of Rs. 1.12 crore exclusively for the Extraction Plant, caused loss of revenue of Rs. 1.07 crore calculated on the basis of average production of 76.78 kg per month achieved during first two years and at the rate of Rs. 1,600 per kg being the sale price earned for them.

3.3.7 Monitoring system

Planning and Co-ordination Department of the State Government was to monitor the NEC schemes under implementation in the State, both in terms of financial and physical aspects. But the financial reporting system and control over expenditure were found to be grossly inadequate in view of the fact that a huge excess over sanctioned expenditure (Rs.11.61 crore) incurred by the Power Department remained undetected by the Co-ordinating agency. The State Government may find it difficult to claim the reimbursement of the excess expenditure, when the Central Government had already given the ex-post facto approval for the final revised cost estimates of Rs.85.45 crore for the Gas Thermal Project.

The matter was reported to the Government in October 1999; reply had not been received (November 1999).

3.3.8 Recommendations

(i) The Planning and Co-ordination Department should have better linkages with the Executive Departments to have stricter expenditure control and more effective financial reporting system.

(ii) Timely release of funds for projects in future would help avoiding delay in completion of projects and cost and time overrun. Speedy implementation of the roads and bridges project would accelerate the further development of communication system, vital for the overall economic development in the State.

RURAL DEVELOPMENT DEPARTMENT

3.4 Rural Employment Generation Programme

Jawahar Rozgar Yojana (JRY) and Employment Assurance Scheme (EAS), the two components of Rural Employment Generation Programme (REGP), were launched in April 1989 and October 1993 respectively. The programme aimed at providing wage employment as a strategy for alleviation of rural poverty and creating economic infrastructure and community assets for sustained employment and development.

Audit review revealed that the programme lacked people's participation and transparency. It ignored the felt needs of the poor people. There was no evidence that benefits under the programme percolated down to the eligible beneficiaries. There was no survey of BPL families to indicate progress of performance made under the programme as of March 1999. Non-inventorisation of assets cast doubt about the genuineness of the creation and continued existence of assets.

3.4.1 Highlights

The scheme guidelines stipulated that funds under JRY and EAS were to be retained in savings account, and interest accrued thereon would be treated as additional resources. In contravention of the above stipulation, funds ranging between Rs. 0.80 crore and Rs. 9.04 crore were retained by 13 BDOs and 1 DM in their Personal Ledger Accounts, resulting in a potential interest loss of Rs. 1.83 crore.

(Paragraph 3.4.5.2.2)

Advances of Rs. 7.40 crore paid to the different Implementing Officers during the years 1992-93 to 1998-99 by 13 BDOs were booked as final expenditure without ascertaining the genuineness of the expenditure. The State Government, by reporting such inflated expenditure figures not only distorted the accounts but also obtained funds from the Government of India in excess of actual requirements.

(Paragraph 3.4.5.2.3)

Against the objectives of providing assured employment for 100 days in a year to the rural needy people, the actual employment generated under EAS ranged between 5 and 21 mandays during the years 1993-94 to 1998-99.

(Paragraph 3.4.7)

Basic records like field books, measurement books and completion reports had not been maintained by 13 blocks test checked. Muster rolls

were never checked by the Supervisory Officers of the Department. Maintenance of asset registers was partial, incomplete and unauthenticated, and was in heavy arrears.

(Paragraphs 3.4.7.1 and 3.4.7.2)

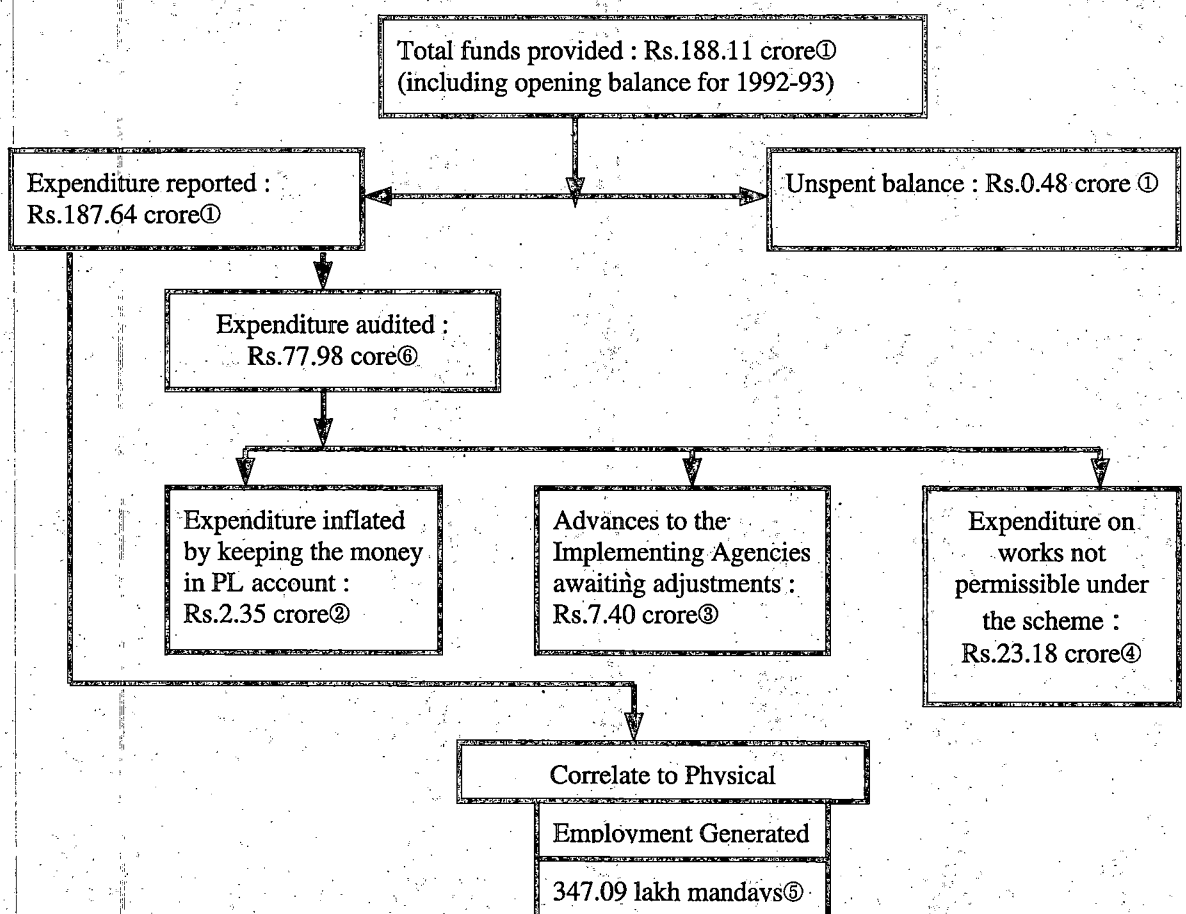
As per the scheme, 30 *per cent* of the employment opportunities was to be reserved for women. There was no information about the number of women beneficiaries covered under the scheme.

(Paragraph 3.4.7.3)

Regardless of lean agricultural season, Rs. 41.90 crore was spent on wage component in the non-lean season (August and January) diluting the primary objective of the scheme.

(Paragraph 3.4.7.4)

FINANCE TREE



① Paragraph 3.4.5.2, ② Paragraph 3.4.5.2.2, ③ Paragraph 3.4.5.2.3, ④ Paragraphs 3.4.8.2 and 3.4.8.3, ⑤ Paragraph 3.4.7, ⑥ Relates to 13 BDOs, records of whom were test checked.

3.4.2 Introduction

To alleviate rural poverty by generation of adequate and sustained wage employment, the JRY was launched in April 1989 by merging the ongoing National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP). Two sub-schemes viz., Indira Awas Yojana (IAY) and Million Wells Scheme (MWS), which aimed at providing dwelling houses and open irrigation well respectively free of cost to the beneficiaries, were parts of JRY till December 1996, and from January 1996, these sub-schemes were implemented separately as independent schemes.

In October 1993, another scheme viz., EAS was launched to provide assured wage employment in lean agricultural season for at least 100 days to all needy and able bodied adults between the age group of 18 to 60 years in rural areas. The secondary objective of both JRY and EAS was to create economic infrastructure and community assets for sustained employment and development.

3.4.3 Organisational set up

Secretary, Rural Development Department was the nodal officer responsible for proper planning, co-ordination and monitoring of the programme. While the District Magistrates (DMs) were responsible for implementation of the programme at the district level, the Block Development Officers (BDOs) were responsible for execution of works under JRY and EAS at the block level. The works were to be executed by the Panchayat Secretaries, representative of the Panchayat Department, in association with the Panchayati Raj Institutions at the village level. The central assistance was received from the Government of India, through the District Rural Development Agencies (DRDAs).

3.4.4 Audit coverage

The implementation of the programme during the years 1992-93 to 1998-99 was reviewed in audit between April and July 1999 through test-check of records of the Rural Development Department, all the 4 District Magistrates (DMs) and 13[*] out of 29 BDOs. Important points noticed during audit are indicated in the succeeding paragraphs.

The services of ORG-MARG were commissioned by the Comptroller and Auditor General of India with a view to gauge *inter-alia,* beneficiary perception of the programme and related matters. The ORG-MARG carried out survey over a sample of 1 district and 5 blocks. Significant findings of the survey on matters discussed in the Report have also been included in this review at appropriate places.

[*] 9 in West district, 3 in North district, and 1 in Dhalai district.

3.4.5 Financial Management

3.4.5.1 Funding arrangement

The expenditure under the programmes was shared by the Central and the State Governments on 80:20 basis. The Central assistance was provided according to the proportion of rural poor in the State to the total rural poor in the country. The allocation from the State to the districts was made on the basis of total rural population *vis-à-vis* the SC/ST population and the BPL population.

The Central assistance under EAS was directly released block-wise to District Rural Development Agencies (DRDAs). The matching share of the State was to be released within a fortnight of the release of Central share.

3.4.5.2 Budget provision and expenditure

The budget provision *vis-à-vis* funds released by the Central and State Governments and expenditure incurred thereagainst under JRY and EAS during the years 1992-93 to 1998-99 was as follows –

Year	(Rupees in lakh)								
	JAWAHAR ROZGAR YOJANA(JRY)								
	Budget provision	Opening balance	Funds released by the			Total funds available during the year	Expenditure incurred	Closing balance
			Central Govt.	State Govt.	Total			
1992-93	528.04	82.31	414.24	113.80	528.04	610.35	485.40	124.95
1993-94	768.14	124.95	637.32	130.82	768.14	893.09	838.86	54.23
1994-95	1150.00	54.23	920.00	230.00	1150.00	1204.23	1156.82	47.41
1995-96	1126.00	47.41	709.00	417.00	1126.00	1173.41	852.55	320.86
1996-97	311.83	320.86	237.46	74.37	311.83	632.69	579.91	52.78
1997-98	386.77	52.78	275.27	81.00	356.27	409.05	351.51	57.54
1998-99	2280.88	57.54	1824.38	462.50	2286.88	2344.42	2296.83	47.59
TOTAL	**6551.66**		**5017.67**	**1509.49**	**6527.16**		**6561.98**	

Year	(Rupees in lakh)							
	EMPLOYMENT ASSURANCE SCHEME (EAS)							
	Budget provision	Opening balance	Funds released by the			Total funds available during the year	Expenditure incurred	Closing balance
			Central Govt.	State Govt.	Total			
1993-94	762.50	--	610.00	152.50	762.50	762.50	659.35	103.15
1994-95	2272.50	103.15	1818.00	454.50	2272.50	2375.65	2375.65	--
1995-96	2049.00	--	1560.00	525.78	2085.78	2085.78	2085.78	--
1996-97	2700.00	--	2160.00	540.00	2700.00	2700.00	1995.08	704.92
1997-98	2401.08	704.92	1641.08	760.00	2401.08	3106.00	2904.92	199.08
1998-99	1980.00	199.08	1440.00	540.00	1980.00	2179.08	2181.08	--
TOTAL	**12165.08**		**9229.08**	**2972.78**	**12201.86**		**12201.86**	

It would be seen that the unspent balance ran into more than one crore in 1992-93 and 1995-96 in respect of JRY and in 1993-94, 1996-97 and 1997-98 in respect of EAS.

3.4.5.2.1 Correlation between resource utilisation and physical achievement of objectives

The percentage of achievement both in terms of financial and physical aspects under REGP during the years 1992-93 to 1998-99 was as under:

Year	Jawahar Rozgar Yojana Percentage of achievement		Employment Assurance Scheme Percentage of achievement	
	Financial achievement with reference to budget provision	Physical achievement with reference to target	Financial achievement with reference to budget provision	Physical achievement with reference to target
1992-93	92	70	--	--
1993-94	109	91	86	80
1994-95	100	103	105	100
1995-96	76	79	100	100
1996-97	186	100	74	63
1997-98	99	98	121	93
1998-99	100	33	110	85
TOTAL	**100**	**75**	**100**	**88**

Note : The nature of works executed under these two schemes has been indicated at Appendix - XXII and Appendix - XXIII.

Complete mis-match between the financial and physical achievements.

It would be evident from the above table that there was complete mis-match between the financial and physical achievements. While the percentage of financial achievement varied from 76 to 186 under JRY, the physical achievement varied from 33 to 103. Similar disproportionate pace of achievement except in the year 1993-94 was also noticed under EAS. In the year 1998-99, the physical achievement was poor especially under JRY even after spending the entire funds.

3.4.5.2.2 Parking of funds in Personal Ledger Account

As per the guidelines, the JRY and EAS funds (both Central and State shares) were to be kept in a separate saving account with banks or post offices and interest earned was to be treated as additional resources.

It was, however, noticed in audit that REGP funds ranging between Rs.0.80 crore and Rs.9.04 crore were retained by 13 Block Development Officers in their Personal Ledger Accounts (PLAs) during the years 1992-93 to 1998-99 in contravention of the scheme guidelines for which no reasons were placed on record nor intimated. As the deposits in PLAs did not earn any interest, the department sustained a potential interest loss of Rs.1.53 crore (calculated at 4 *per cent* annual interest on savings accounts), which could have generated 6.11 lakh additional mandays, at the prevailing wage rates.

Potential loss of Rs.1.83 crore in the form of interest, due to keeping funds in PL account against the scheme guidelines.

Similarly out of Rs.22.83 crore received by the District Magistrate, Dhalai district for implementation of the programme (Rs.8.54 crore for JRY and Rs.14.29 crore for EAS) during the years 1995-96 to 1998-99, Rs.20.47 crore were actually spent for the purpose and the balance amount of Rs.2.35 crore was lying in the PLA as on 31 March 1999. As these funds were not retained in any savings account, as envisaged in the scheme, the Department sustained a further potential loss of interest amounting to Rs.0.30 crore.

3.4.5.2.3 Amount of advances treated as final expenditure and unadjusted advances

In 13 test checked blocks, Rs.45.78 crore were paid as advances to the different Implementing Officers (IOs) during the years 1992-93 to 1998-99 against which adjustment vouchers were received (August 1999) for Rs.38.38 crore only, but the entire amount of advances (Rs.45.78 crore) had been booked as final expenditure without obtaining the adjustment vouchers for the balance Rs.7.40 crore and without ensuring the genuineness of the expenditure. As a result, the expenditure figure was inflated and the accounts for the years got distorted.

Moreover, by reporting the inflated expenditure figure, the State Government also obtained funds from the Central Government in excess of actual requirements as the funds were released by the Central Government on the basis of utilisation certificates furnished by the State Government.

Expenditure inflated by Rs.9.03 crore by treating advances paid to the Implementing Officers as final expenditure.

It was noticed in audit that, in addition to the above 13 blocks, in 4 blocks (Chamanu, Dumburnagar, Manu and Salema) of Dhalai district, Rs.1.63 crore was paid as advances to the IOs during the years 1994-95 to 1998-99 for execution of works under REGP, but no adjustment in support of expenditure incurred was received (August 1999) by the BDOs. In absence of any supporting adjustment vouchers, there was no evidence in the block that these works, for which advances were given, were at all taken up for execution and that the funds were utilised.

3.4.6 Planning

3.4.6.1 Identification of beneficiaries

According to 1991 Census, there were 4.41 lakh rural families comprising 23.35 lakh persons, of which 3.80 lakh persons were Scheduled Castes, 8.39 lakh Scheduled Tribes, and the remaining 11.16 lakh were of general categories. As per survey conducted by the Department in November 1993, percentage of BPL families in the State was 74 against 45 *per cent* estimated by the Planning Commission in 1993-94. Although the Department placed Rs.62.74 lakh with 4 DRDAs in the State in March 1998 to conduct a BPL survey, no lists of BPL families had been finalised by the Department (October 1999).

As per the programme, beneficiaries were to be selected from rural BPL families. No list of BPL families was maintained in 13 blocks test-checked. The BDOs stated (April-July 1999) that beneficiaries were selected by the village Panchayats and the departmental authorities had no scope to verify the annual income and caste status of the selected beneficiaries.

The contention of the BDOs is not acceptable because according to the programme, BDOs were primarily responsible for proper maintenance of BPL lists for implementation of the Schemes in blocks and they were to ensure that benefits of the Schemes were derived by the genuine beneficiaries.

As a result, percolation of benefits to genuine BPL beneficiaries remained questionable and the process adopted for identification of beneficiaries negated the primary objective of REGP.

3.4.6.2 Non-preparation of shelf of projects

As per the scheme, each DM was to prepare by December each year block-wise shelf of projects taking into consideration suggestions obtained from the village Panchayats and people's representative about local needs and economic feasibility of the works.

The entire planning process lacking people's participation and transparency.

It was noticed in audit that none of the 4 DMs prepared any shelf of projects or perspective plans during the years 1992-93 to 1998-99 and works were executed by the BDOs as per recommendation of the departmental authorities (DMs, Joint Secretary and Additional Secretary). Thus, the entire planning process lacked people's participation and transparency.

The ORG-MARG survey also found that the Village Panchayats did not approach the beneficiaries for holding any meeting to identify projects to be undertaken. This reflects the lack of transparency in the selection of projects as per the requirement of the community.

3.4.6.3 Registration of employment seekers

All adults in the age group of 18 to 60 years, who apply for works under EAS were to register themselves either at the Panchayat or at the worksite. The BDOs were to issue Family Cards (FC) to all registered workers after recording their name and other details (address, sex, age, caste etc.) in a prescribed register and send a report to the concerned DMs.

List of registered workers not maintained.

Although as per reports furnished (April 1999) by the State Government to the Central Government, there were 3.40 lakh registered workers in 29 blocks in the State as on 31 March, 1999, 13 BDOs test checked reported that they had no registered workers in their blocks. Even the BDOs had not maintained the list of beneficiaries who were given wage employment under JRY and EAS during the years 1992-93 to 1998-99.

3.4.7 Generation of employment

The year-wise targets fixed for generation of wage employment under JRY and EAS during the years 1992-93 to 1998-99 *vis-à-vis* achievements as reported by the Department, were as under :

Year	Jawahar Rozgar Yojana(JRY)		
	Target fixed for generation of mandays (In lakh)	Achievement (In lakh mandays)	(-) Shortfall (+) Excess (In lakh mandays)
1992-93	20.00	13.94	(-) 6.06
1993-94	25.60	23.41	(-) 2.19
1994-95	28.84	29.71	(+) 0.87
1995-96	24.00	19.08	(-) 4.92
1996-97	11.15	11.15	-
1997-98	8.03	7.84	(-) 0.19
1998-99	39.10	13.05	(-) 26.05
	156.72	**118.18**	**(-) 38.54**

The average number of days for which a person of rural BPL family got employment under JRY in a year ranged between 2 and 8 days, which was at a miserably low level.

	Employment Assurance Scheme (EAS)				
Year	Target fixed for generation of mandays (In lakh)	Achievement (In lakh mandays)	(-) Shortfall (+) Excess (In lakh mandays)	Number of persons provided employment under the scheme during the year (in lakh)	Average number of days for which a person in each family got employment
1992-93	-	-	-	-	-
1993-94	20.09	16.14	(-) 3.95	3.03	5
1994-95	60.27	60.35	(+) 0.08	2.91	21
1995-96	43.21	43.21	-	3.35	13
1996-97	50.61	31.74	(-) 18.87	3.35	9
1997-98	52.46	48.69	(-) 3.77	3.40	14
1998-99	33.94	28.78	(-) 5.16	3.40	8
	260.58	**228.91**	**(-) 31.67**		

Note – The Department did not maintain records showing targets and achievements made in respect of generation of mandays for IAY and MWS separately and these are included in the figures containing generation of mandays under JRY and EAS.

The average number of days for which a registered worker under EAS got employment in a year ranged between 5 and 21 days against the prescribed assured employment for 100 days during the years 1992-93 to 1998-99.

According to the sample survey conducted by the ORG-MARG, despite the fact that lean period is of 3 months, the average days of employment under EAS/JRY was only 16 days.

Failure of the Government to provide adequate employment opportunities to the target group, despite having sizeable unspent balance.

The Government admitted (May 1997) that it had not been able to provide more than 20 mandays of work to a cardholder due to budgetary constraints. The reasons attributed by the Government are not acceptable in view of retention of sizeable unspent balances both under JRY and EAS, with amounts ranging from Rs.47.41 lakh to Rs.320.86 lakh under JRY, and from Rs.103.15

lakh to Rs.704.92 lakh under EAS. Persistent retention of unspent balance indicated the incapacity of the Government to absorb and utilise the funds.

3.4.7.1 Incorrect reporting and improper maintenance of records

Muster Rolls containing misleading and incorrect figures of payments.

Scrutiny of records showed that while figures of employment generation were worked out on the basis of work orders issued without ascertaining whether these works were completed within the period covered by the report, the expenditure figure was reported on the basis of muster rolls, although the reporting of both physical and financial performance should have been made on the basis of facts recorded in the muster rolls. All the 13 BDOs, whose records were test-checked, admitted (April-July 1999) that muster rolls, through which the payments were made to the labourers, contained misleading and incorrect figures and, thus, were not reliable.

This indicated that muster rolls were never checked by the supervisory officers of the Department at any level.

As per the State Government orders (October 1980 and July 1996) all the Panchayat Secretaries and Implementing Officers were to maintain Field Books and Measurement Books and record measurement of all works done including the details of materials and labour used. These officials were also required to submit reports on completion of each work. Moreover, as per the EAS, the BDOs were to issue Family Cards to all registered workers and record therein the details of their family members, and employment provided to them under different schemes. In none of the 13 blocks records were maintained and in most of the blocks Family Cards were not issued. As a result, the veracity of expenditure incurred by these 13 BDOs could not be verified in audit.

3.4.7.2 Maintenance of assets

Genuineness of the assets created unascertainable due to non-maintenance/ improper maintenance of Asset Registers.

Scrutiny of records in 13 blocks showed that none of the assets (excepting school buildings and Anganwadi Centres) created under REGP was handed over to the respective department and Panchayats and funds were also not provided for maintenance of the same. Moreover, as block-level implementing officer, all the BDOs were required to maintain asset registers under each scheme with details like date of commencement and completion, total cost and employment generated. Audit scrutiny revealed that maintenance of asset registers also was partial, incomplete, and un-authenticated and was in heavy arrears in all these blocks. Absence/incompleteness of register of Assets thus, provided reasonable doubt about the creation and existence of the assets, and accrual of the benefits to the community.

3.4.7.3 Employment of women

Information on number of women beneficiaries not available.

As per the REGP, 30 *per cent* of the employment opportunities were to be reserved for women. None of the 13 BDOs maintained the list of beneficiaries to whom employment was provided under the programme during the years 1992-93 to 1998-99, and as a result the number of women beneficiaries benefited under the programme remained unascertainable.

The survey conducted by the ORG-MARG revealed just 10 *per cent* representation of women beneficiaries in both JRY and EAS, which was a significant deviation from the programme guidelines.

3.4.7.4 Fixation of agricultural lean season

The works under EAS were to be taken up during lean agricultural season only when rural unskilled farm labour, who would be in need for sustenance, would be available for wage employment. The State Government declared (October 1993) the lean agricultural season in the State from mid September to mid December and from mid February to mid July every year.

Rs.41.90 crore spent by the Department irregularly in non-lean season.

It would be seen from the table below that regardless of lean season, employment was provided throughout the year and Rs.41.90 crore (34 *per cent*) were spent in the non-lean season (August and January) during the years 1993-94 to 1998-99. This resulted in irregular payment of Rs.41.90 crore during the above period as shown below. This could have generated 76.74 lakh mandays during the lean season.

Year	Total expenditure under EAS (Rs. in lakh)	Expenditure during	
		Lean season (Rs. in lakh)	Non-lean season (Rs. in lakh)
1993-94	659.35	448.36	210.99
1994-95	2375.65	1686.71	688.94
1995-96	2085.78	1439.19	646.59
1996-97	1995.08	1197.05	798.03
1997-98	2904.92	1888.20	1016.72
1998-99	2181.08	1352.27	828.81
Total	**12,201.86**	**8011.78**	**4190.08**

3.4.8 Works executed/undertaken

3.4.8.1 Wage-material component

Wide variation between wage-material ratio resulting in short creation of potential employment of 26.94 lakh mandays.

All works under JRY and EAS were to be labour intensive works only having a ratio of wages to materials of less 60:40. The concurrent evaluation conducted in 1992, June 1993-May 1994 by the Government of India identified non-observance of wage-non-wage ratio as one of the major deficiencies in successful implementation of JRY.

The information furnished by 13 BDOs showed that overall material cost was higher than 40 *per cent* during the years 1992-93 to 1998-99 as shown below:

Year	Cost of works (in lakh of rupees)			Ratio		Excess material cost over 40 *per cent* of the total cost (Rupees in lakh)
	Wage	Material	Total	Wage	Material	
1992-93	69.11	92.48	161.59	43	57	27.84
1993-94	332.25	323.01	655.26	51	49	60.91
1994-95	752.85	706.86	1459.71	52	48	122.98
1995-96	678.49	664.58	1343.07	51	49	127.35
1996-97	452.26	446.05	898.31	50	50	86.73
1997-98	806.89	737.05	1543.94	52	48	119.47
1998-99	866.14	870.23	1736.37	50	50	175.68
Total	**3957.99**	**3840.26**	**7798.25**	**51**	**49**	**720.96**

The excess expenditure of Rs. 720.96 lakh on materials had led to short creation of potential employment worth 26.93 lakh* mandays. This was mainly due to taking up of works without assessing the scope of generating employment opportunities and works taken up under REGP, thus, became a one-time employment generation rather than wage employment being made available on a sustainable basis.

3.4.8.2 Construction of kutcha roads

Construction of kutcha roads negating the thematic tenet of REGP.

Under the REGP, only durable assets were to be created. During review it was seen that 1675.08 kilometres of kutcha roads in 13 blocks were constructed with an expenditure of Rs.21.96 crore during 1992-93 to 1998-99.

These kutcha roads were constructed mostly with cent per cent labour against the wage and material norms of 60:40 and were thus of non-durable nature.

The roads were apparently getting damaged or washed out by the floods and rains frequenting every year. But there was no indication on record that these roads were maintained every year and any funds were being provided for the purpose. Therefore, the expenditure of Rs.21.96 crore incurred on the kutcha roads did not meet the desired objective of creating durable assets.

3.4.8.3 Irregular/idle investment

Irregular expenditure of Rs.1.22 crore and idle investment of Rs.24.87 lakh.

In terms of the guidelines, only durable community assets were to be created under the programme. It was noticed in audit that the BDO, Bishalgarh had incurred a total expenditure of Rs. 1.22 crore in raising tea, rubber and gamair plantation on 816.12 hectares of land belonging to 2649 individual beneficiaries of non-SC/ST families, during the years 1993-94 to 1998-99, which were not permissible under REGP, as these would not create any community assets.

According to the beneficiary survey conducted by the ORG-MARG, 90 *per cent* of the sample plantations had been raised on private lands belonging to either individual landlords or a group of them.

* Excess material cost over 40 *per cent* of the total cost divided by the prescribed wage rate every year.

During the period from 1994-95 to 1997-98, the BDO, Bishalgarh constructed 42 market sheds and 115 sales stalls at a total cost of Rs. 24.87 lakh under EAS in different gaon sabhas. These were not handed over to Panchayats/village-level bodies (August 1999), resulting in idle investment to that extent. The present condition of these assets was not known to the Department as no inspection of the assets created was ever conducted by it.

3.4.9 Monitoring and evaluation

According to the schedule of inspection drawn up (December 1994 and October 1995) by the Department, all the BDOs were to visit at least 20 works (10 for JRY and 10 for EAS) each month and submit monthly inspection reports to the Rural Development Department.

Information furnished by 13 BDOs showed that they inspected 9837 works during the years 1992-93 to 1998-99 against the required 21840, and in none of the cases inspection notes were submitted to the Department. With a little more emphasis on quality inspection, supervision and monitoring, the programme would not have suffered from tardy implementation, as indicated in the above paragraphs. Further, in the absence of inspection notes, the authenticity of satisfactory implementation of the programme and execution of works as per specification could not be verified in audit.

Internal control mechanism in the Department remaining grossly ineffective.

To monitor the effective implementation of the programme, the Government constituted (June and October 1995) the Block and District Level Advisory Committees and a State Level Co-ordination Committee, which were to meet once a quarter. Minutes of the meetings held by these committees during the reported years were not available at the Block, District and State level offices. No field inspection reports to check the quality of works executed and extent of employment provided to each registered/BPL worker were available in the Department. Progress, completion and quality of individual works were seldom reported by the BDOs and DMs to the Government.

The programme was not evaluated by the State Government, and as a result, the impact of the programme remained obscure to the Department. No concerted effort was made by the Department to overcome the above deficiencies.

The matter was reported to the Government in September 1999; reply had not been received (October 1999).

3.4.10 Recommendations

i) Information on BPL population and job seekers in the State and their need for wage employment be assessed and updated by undertaking household survey and registration drive at regular intervals.

ii) The shelf of projects and annual action plans, be prepared block-wise and district-wise with specific correlation of demand forecast and felt needs of the rural poor with greater participation of Panchayati Raj Institution in the planning process.

SOCIAL WELFARE AND SOCIAL EDUCATION DEPARTMENT

3.5 Integrated Child Development Services

The scheme for Integrated Child Development Services was taken up in 1975-76 as a Centrally sponsored scheme with a view to providing support to economically and socially vulnerable children.

The aim of the scheme to improve nutritional status of the children, to reduce incidence of malnutrition and school dropout, and to enhance the capability of mothers through nutrition and health education remained grossly unfulfilled due to unfavourable environment in project areas, short supply and delayed supply of ration and poor performance of the ICDS functionaries in bringing the rural women and children into the ICDS fold. Lack of proper linkage and coordination between the departments implementing the programme, slackness in inspection of programmes executed, resulted in poor achievement.

3.5.1 Highlights

There was cumulative unspent balance of Rs. 1.44 crore, at the close of the year 1998-99, mainly due to release of funds by Government of India at the fag end of almost each of the years under review.

(Paragraph 3.5.5)

As against the admissibility of 723 Anganwadis (AWs) in 1992-93 and 750 AWs in 1998-99 to be set up as per norms, the State Government had set up 1,147 and 1,262 AWs respectively in 9 test checked projects, without considering the total population of the project areas. This resulted in excess expenditure of Rs. 3.05 crore on payment of honoraria to workers and helpers during the period.

(Paragraph 3.5.7)

Setting up of the AWs without assessing the viability of implementation resulted in payment of idle honoraria of Rs. 51.04 lakh to the AWWs and Helpers during 1992-93 to 1998-99.

(Paragraph 3.5.8)

Against 1,25,149 to 1,38,385 eligible beneficiaries during 1992-93 to 1998-99, supplementary nutrition was provided only to 39,013 to 50,535 beneficiaries per year in 9 selected projects. This was due to short supply, delayed supply and non-supply of food grains.

(Paragraph 3.5.9.2)

During 1992-93 to 1998-99, the percentage of coverage of the identified children with immunisation in the age group of 0-1 year was poor. Even this had also drastically declined in the higher age group of 1-3 years and

3-6 years. 27 to 52 *per cent* of the expectant mothers per year were left without immunisation during the same period.

(Paragraph 3.5.12)

Against 1,262 functional AWs in 1998-99 in 9 projects, facilities for drinking water were provided only in 514 AWs (40 *per cent*).

(Paragraph 3.5.13)

The BDOs in 5 projects purchased 1,277 tonnes of musur dal from the Co-operative Societies between 1992-93 and 1998-99 at the rates varying from Rs. 1390 to Rs. 2750 per quintal as against the whole sale market rates of Rs. 1270 to Rs. 2550 prevailing during the period. 1277 tonnes of dal was purchased at a total cost of Rs. 2.58 crore as against Rs. 2.38 crore admissible as per whole sale rate, which resulted in excess expenditure of Rs. 0.20 crore.

(Paragraph 3.5.16.1)

FINANCE TREE

TOTAL FUNDS

Central funds provided	Rs.23.42 crore
State Budget Provision	Rs.24.14 crore
Total	**Rs.47.56 crore**

AMOUNT REPORTED AS SPENT IN 28 PROJECTS OPERATED IN THE STATE

Central	Rs.21.98 crore (94 *per cent*)
State	Rs.21.99 crore (91 *per cent*)
Total	**Rs.43.97 crore✠**

AMOUNT PROVIDED BUT NOT SPENT

Central	Rs.1.44 crore
State	Rs.2.15 crore
Total	**Rs.3.59 crore✲**

AMOUNT AUDITED
(for 9 projects)
Rs.21.00 crore - percentage of amount audited to total amount spent : 48▽

Actual expenditure out of the audited amount Rs.21.00 crore (100 *per cent* of audited amount)

Physical achievement	
Average yearly beneficiaries covered in 9 projects test checked (Children and expectant/nursing mothers)	44,774†
Average yearly beneficiaries targeted to be covered in 9 projects	80,147†
Percentage of actual beneficiaries covered to total beneficiaries targeted in 9 projects	56

✠ Paragraph 3.5.5, ✲ Paragraph 3.5.5, ▽ Paragraph 3.5.4, † Appendix-XXIV.

3.5.2 Introduction

Integrated Child Development Services (ICDS), a Centrally sponsored scheme, was launched in the State in 1975-76. The scheme aimed at providing a package of services in an integrated manner to pre-school children, expectant and nursing mothers and women with a view to improving the nutritional and health status of children in the age group of 0-6 years and enhancing the capability of the mother for looking after the normal health and nutritional needs of the child through proper nutrition as well as health education. The package of services provided in the scheme *inter-alia* comprised of (i) Supplementary Nutrition Programme (SNP) (ii) Immunisation, (iii) Health Check-up and Referral Services, (iv) Non-formal Pre-school Education (PSE) and(v) Nutrition and Health Education (NHED).

The services at serial nos. iv and v were being implemented by Social Welfare and Social Education Department direct, but while implementing other services, the department had to establish suitable linkages with Tribal Welfare Department (for service at serial no.(i)) and Health and Family Welfare Department (for services at serial nos. (ii) and (iii).

3.5.3 Organisational set up

The Social Welfare and Social Education Department acted as the nodal agency for implementation of the programme. At the State level, the Director of Social Welfare and Social Education was responsible for co-ordinating and implementing the scheme, through Child Development Project Officers (CDPOs), who were in exclusive charge of the project areas. The Director of Tribal Welfare exercised supervisory control over implementation of SNP, through District Magistrates and Collectors. The Director of Health Services acted as State Co-ordinator and exercised control in implementing health components of the scheme, through Chief Medical Officers (CMOs).

3.5.4 Audit coverage

Implementation of the scheme during the years 1984-85 to 1987-88 was last reviewed in audit in June – July 1988 and the results thereof had been incorporated in paragraph 3.7.3.3 of the Report of the Comptroller and Auditor General of India, for the year 1987-88 - Government of Tripura.

The present review of the scheme has been conducted (December 1998 to March 1999) with reference to test check of the records of 9[♠] selected ICDS Projects out of 28, Directorate of Social Welfare and Social Education, Directorate of Tribal Welfare, 8 Block Development Officers out of 27 and 3 CMOs in 3 Districts, covering 48 *per cent* of the total expenditure incurred on the scheme during the period from 1992-93 to 1998-99. The points noticed during test-check are discussed in succeeding paragraphs.

[♠] 5 in West Tripura District (Agartala Urban, Jirania, Teliamura, Bishalgarh, and Melaghar); 2 in South Tripura District (Rajnagar and Matabari); and 2 in North Tripura District (Kumarghat, and Panisagar).

3.5.5 Outlay and expenditure

Expenditure on the ICDS was met by Central Government except for Supplementary Nutrition Programme, which was financed from State funds. The following table shows the budget provision/inflow and expenditure thereagainst year-wise from 1992-93 to 1998-99 under both CSS Plan and State Plan.

A. CSS Plan						
Year	**Budget provision**	**Opening balance**	**Funds received from GOI**	**Total funds available**	**Expenditure during the year**	**Closing balance**
(Rupees in crore)						
1992-93	1.80	0.04	2.79	2.83	1.69	1.14
1993-94	3.35	1.14	2.39	3.53	2.86	0.67
1994-95	3.00	0.67	2.11	2.78	2.77	0.01
1995-96	3.50	0.01	3.47	3.48	2.29	1.19
1996-97	3.55	1.19	3.74	4.93	3.13	1.80
1997-98	3.71	1.80	4.38	6.18	4.18	2.00
1998-99	4.37	2.00	4.50	6.50	5.06	1.44
Total	**23.28**		**23.38**		**21.98**	

B. State Plan (SNP)			
Year	**Budget provision**	***Expenditure***	**Saving (–) Excess (+)**
(Rupees in crore)			
1992-93	2.52	2.24	(–) 0.28
1993-94	2.37	2.25	(–) 0.12
1994-95	3.00	2.31	(–) 0.69
1995-96	2.50	2.50	NIL
1996-97	4.50	4.34	(–) 0.16
1997-98	5.00	4.23	(–) 0.77
1998-99	4.25	4.12	(–) 0.13
Total	**24.14**	**21.99**	

The savings under CSS Plan during 1992-93, 1995-96 and 1996-97 occurred mainly due to release of funds by the Government of India at the fag end of the years. The reasons for savings in other years were not on record.

3.5.6 Implementation

At the end of 1997-98 and 1998-99, 23 and 28 projects respectively were in operation. As focal point of all services, Anganwadi Workers (AWWs) were directly responsible for implementation of SNP, PSE and NHED. Against the 3,537 Anganwadis (AWs) sanctioned, 3,250 AWs were in operation at the end of 1998-99. Non-operation of 287 AWs was attributed by Director of Social Welfare and Social Education to delay in recruitment of ICDS personnel.

3.5.7 Excess expenditure due to setting up of Anganwadis beyond the limit of admissibility

Excess expenditure of Rs.3.05 crore incurred on establishment of AWs beyond norm.

As against the total projected population of 7.23 lakh in 1992-93 and 7.50 lakh in 1998-99 in 9 selected projects (1 urban and 8 rural) test checked, 1,147 Anganwadis (AWs) in 1992-93 and 1,262 AWs in 1998-99 were found to be in operation against 723 and 750 AWs respectively admissible as per the schematic pattern (minimum population of 1,000 required for opening an AW in a rural or urban project). No justification for setting up of AWs beyond the limit of admissibility was made available. This excess establishment of AWs resulted in incurring of excess expenditure of Rs. 3.05 crore between 1992-93 and 1998-99 towards payment of honoraria to Anganwadi Workers (AWWs) and Helpers.

3.5.8 Idle Anganwadi Workers and Helpers

Honoraria of Rs.51.04 lakh paid to idle AWWs and Helpers.

In Urban ICDS Project, Agartala, though 98 AWs were functioning since 1990-91, SNP was in operation only from January 1995. Reasons for delay in operation of SNP were not stated. Again, out of 98 operational AWs, only 38 AWs implemented SNP throughout the whole period from January 1995 to March 1999. The CDPO stated that non-operation of SNP in 60 AWs was due to non-attendance of the beneficiaries.

Besides SNP, other components like PSE, NHED, Immunisation etc., were also not implemented due to non-attendance of the beneficiaries and, due to this, 98 AWs and 98 Helpers from April 1992 to December 1994 and 60 AWWs and 60 Helpers from January 1995 to March 1999 and also thereafter, as of November 1999, remained idle without any work put in by them. The Department paid honoraria of Rs. 51.04 lakh to the idle AWWs and Helpers during the period. Thus, setting up of AWs without assessing their viability resulted in payment of idle honoraria of Rs. 51.04 lakh.

Regarding utilisation of services of idle AWs and helpers as pointed out, the CDPO stated that their services were utilised in other SNP operating centres as extra hands, which was also not justified as each Anganwadi was to be manned by one AW and one Helper.

3.5.9 Supplementary Nutrition Programme (SNP)

3.5.9.1 The aim of Supplementary Nutritional Programme was to supplement nutritional intake by 300 calories and 8-10 grams of protein to the children in the age group 6 months to 6 years, 500 calories and 15-20 grams of protein to the expectant and nursing mothers, and 600 calories and 20 grams of protein to the severely malnourished children, for 300 days in a year. In addition, the expectant mothers were to be given iron and folic acid tablets daily and multivitamin tablets on alternate days.

Therapeutic nutrition not provided for severely malnourished children.

It was noticed that the children and the expectant and nursing mothers were provided 'Khichri' containing 293 calories and 440 calories respectively (the calculation had been shown in the booklet titled 'SNP status' brought out by the Tribal Welfare Department). This indicated that the prescribed calorific value was being provided to neither the children nor the mothers. The prescribed therapeutic nutrition of 600 calories was also not provided to the severely malnourished children although they were being identified and their number recorded.

3.5.9.2 During 1992-93 to 1998-99, in 9 projects test checked the number of beneficiaries covered under SNP ranged from 39,013 to 50,535 against the number of beneficiaries identified ranging from 1,25,149 to 1,38,385 per year (details at **Appendix-XXIV**). Although the reasons for poor coverage was not on record, the possibility of the failure of the ICDS functionaries to educate the local people about the benefits of the scheme to be one of the main reasons behind this may not be ruled out.

Scrutiny of records of 15-20 Anganwadis of each project indicated providing of supplementary nutrition for 200 to 250 days in a year against 300 days prescribed in the scheme. The shortfall was due to short supply, non-supply and delayed supply of foodgrains by the concerned Block Development Officer.

3.5.10 Non-formal Pre-School Education

Under this scheme, children between 3 and 6 years of age are to be provided with the benefit of non-formal pre-school education through Anganwadis for developing in the child desirable attitudes, values and behaviour patterns.

In 9 projects test checked, during 1992-93 to 1998-99, 23 *per cent* (1998-99) to 35 *per cent* (1997-98) of the eligible beneficiaries remained outside the purview of the scheme as shown in **Appendix-XXV**.

The Government stated (August 1999) that inspite of their best efforts, 100 *per cent* coverage could not be made as it was not possible for one Helper to bring all the children to the centre within a radius of 1 km or more. Further, some guardians did not like to send their children to the centre, while others being agriculturists had no time to take their children to the centre.

3.5.11 Health Check-up and Referral Services

Health services included check-up of general health status of expectant and nursing mothers, care for newborn babies and all children up to the age of 6 years. Expectant mothers were to be examined physically at least 4 times.

Expectant mothers and children with problems requiring specialised treatment were to be referred to the upgraded Health Centres/Sub-Divisional or District Hospitals and such cases were to be followed up to ensure that required treatment was received by the beneficiaries.

The shortfall in Health check up of the eligible beneficiaries ranged from 83 to 90 *per cent.*

No health cards were made available by the Department. However, from the MPRs it was noticed that against the number of eligible beneficiaries ranging from 1,25,149 to 1,38,340 per year in 9 projects, the actual number of beneficiaries covered by health check-up ranged from 12,342 to 21,268. Year-wise details of beneficiaries are given in **Appendix-XXVI**. The shortfall in the coverage ranged between 83 and 90 *per cent*, which might be correlated to the fact of infrequent visits of Anganwadis by health functionaries.

The Government stated (August 1999) that the reason for inadequate health check-up was lack of sufficient numbers of vehicles for carrying out regular health check-ups. Due to this, the Medical Officers (MOs) were provided vehicles for carrying out health check-up of the beneficiaries in AWCs only when ICDS vehicles were available.

The reply is not tenable because out of 9 projects test checked, vehicles were available on a regular basis for 7 years in 6 projects and 5 years in 2 projects.

It could, therefore, be concluded that vehicles could have been provided to MOs in these projects had the Department paid serious attention to the health component of the scheme.

In none of the 9 projects test checked, necessary referral cards and follow-up records as provided in the scheme were maintained. The CDPOs stated that the health functionaries did never pay proper attention to the referred cases. Hence, they discontinued referring the cases to the PHC, CHC etc. Thus, the objective of referral service as provided in the scheme was totally defeated.

3.5.12 Immunisation

Poor coverage of immunisation among targeted beneficiaries

Under this component, all children in the age group of 0-1 year were to be immunised with BCG, Measles, DPT (3 doses) and Polio (3 doses), those in the age group 1-3 years with DPT and Polio boosters and those in the age group 3-6 years with DT booster (2 doses).

Yearwise details of beneficiaries identified and covered by various doses of vaccines in 9 selected projects during 1992-93 to 1998-99 are shown in **Appendix-XXVIII**.

During 1992-93 to 1998-99, against the children identified in the age group of 0-1 year, percentage of coverage ranged from 32 to 46 for BCG, 28 to 40 for measles, 20 to 27 for DPT and 18 to 24 for Polio. Similarly, for the identified children in the age group of 1-3 years, percentage of coverage ranged from 9 to 16 for DPT booster and 8 to 14 for polio booster. Further, against identified children in the age group of 3-6 years, percentage of coverage ranged from 4 to 6 for DT booster doses. It would be seen from the above that the percentage of coverage drastically declined from the age group of 0-1 year to 3-6 years. Compared to this, the position, however, was better in case of expectant mothers, identified during the same period, as the percentage of coverage of immunisation of them with TT ranged from 48 to 73, leaving still 27 to 52 *per cent* of the expectant mothers without any coverage.

Reasons for such poor coverage were not stated.

3.5.13 Safe drinking water

Test check of records of the 9 projects indicated that against 1,262 Anganwadis, drinking water facility was provided by sinking shallow tubewells only in 514 Anganwadis. In none of the projects, sanitary latrines were provided. It was seen that there was no proper linkage and co-ordination between Social Welfare and Social Education Department and the Rural Development Department, which was supposed to provide drinking water and sanitation in each project area at a cost of Rs. 35,000 to Rs: 45,000 out of the State Plan budget.

In reply, the Department stated (August 1999) that due to financial constraints, all the project areas could not be covered with safe drinking water and sanitation facilities.

3.5.14 Nutrition and Health Education

The aim of Nutrition and Health Education (NHED) was to make all women (in the age group of 15-45 years) aware of the role of nutrition in preventing diseases and promoting good health. The ICDS functionaries were to spread this message through communication strategies like home visits, mothers' meetings, cooking demonstration programmes, slide or film shows and involvement with Mahila Mandals.

In 9 projects, it was noticed that the number of women beneficiaries in the age group of 15-45 was neither identified nor any records maintained to show the number of women beneficiaries covered by home visits. In the urban project of Agartala (97 AWCs), implementation of the programme was limited to home visits by AWWs and Supervisors. In other 8 rural projects, besides home visits, mothers' meetings were organised once in a month in 156 Anganwadis (13 *per cent*) and Mahila Mandals were established in 257 Anganwadis (22 *per cent*) out of 1,165 AWCs functioning at the end of 1998-99.

No specific reason for the shortfall was stated.

3.5.15 Training of ICDS personnel

Since the achievement of programme goals depends upon the effectiveness of front line workers in improved delivery of packages, the scheme envisaged various courses of training of the programme functionaries. In the State, there are two training institutes at Agartala and Kakraban each having capacity of imparting job course training to 135 AWWs and 90 Helpers per year. The year-wise details of AWWs and Helpers trained in the two institutes during 1992-93 to 1998-99 were not furnished by the Department (May 1999). At the end of 1998-99, 625 AWWs, 908 Helpers and 12 CDPOs remained untrained in the State. The shortfall in training of ICDS personnel, particularly Anganwadi Workers and Helpers was attributed to delay in recruitment process. The reasons for not imparting training to these 12 CDPOs were not indicated.

3.5.16 Other points

3.5.16.1 Extra expenditure on purchase of musur dal

Test check of the records of 5 projects[φ] revealed that the BDOs purchased 1,277 tonnes of musur dal for implementation of SNP from the Co-operative Societies between April 1992 and January 1999 without calling for any tenders, at the instance of the Government at a cost of Rs.2.58 crore (excluding service charge) as against the cost of Rs.2.38 crore as per the prevailing whole sale market rates and payment was released from time to time without verifying the reasonableness of the rate. This resulted in extra expenditure of Rs.0.20 crore in the purchase of musur dal under Nutrition Programme.

3.5.16.2 Wasteful expenditure

In 9 projects, the BDOs had spent Rs.5.42 lakh on mixing rice and dal in ratio of 2:1 between 1992-93 and 1998-99 before the SNP stock was issued to the feeding centres. Since mixing of rice and dal was a part of the cooking process which could have been done by Anganwadi Helpers engaged for cooking, the entire expenditure proved wasteful and avoidable.

3.5.16.3 Excess payment of service charges

Test check in 4 projects showed that the BDOs purchased 547 tonnes of musur dal at a total cost of Rs.111.33 lakh, which included Rs.10.12 lakh as 10 *per cent* service charges as against prescribed rate of 5 *per cent* and cleared the payments as claimed by the societies within 30-45 days of supplies.

The BDOs stated that the payment of 10 *per cent* service charges was against the prescribed rate of 5 *per cent* due to door delivery of goods. The reason is not tenable as in other projects only 5 *per cent* service charge was paid for door delivery of the supplies made. Failure to ascertain the prescribed rate of service charge to be paid by the BDOs resulted in excess payment of service charge working out to Rs.5.06 lakh.

3.5.16.4 Idle salaries paid to Drivers

ICDS vehicles remained off-road in Rajnagar Project (from November 1992 to March 1999), Matabari Project (from January 1995 to March 1997)and Jirania Project (from October 1997 to March 1999) as the vehicles were not repaired. The Drivers of these projects were paid idle salaries of Rs.2.60 lakh during the period upto March 1999 without their services being utilised.

3.5.17 Monitoring

The ICDS programme was characterised by a built-in monitoring system for promoting assessment, analysis and action at different levels at which data were generated. The Anganwadi Workers were to submit monthly progress reports (MPRs) through Supervisors to the CDPO who was to consolidate all

[φ] Matabari, Rajnagar, Jirania, Teliamura and Panisagar.

the information regarding ICDS project and was responsible for forwarding the MPRs to the State Government and Central ICDS Cells in the Department of Women and Child Development of Government of India.

Test check of the records of 9 projects revealed that out of 1,147 to 1,262 Anganwadis functioning between 1992-93 and 1998-99, 23 AWs in 1992-93, 90 AWs in 1993-94, 46 AWs in 1996-97, 100 AWs in 1997-98 and 88 AWs in 1998-99 did not submit these reports at all, nor were these called for by any of the monitoring authorities.

One State level ICDS Cell and 2 District level ICDS Cell, though sanctioned in May and October 1997 to ensure proper implementation, supervision and monitoring of the programme, remained non-functional, due to posts not being filled up.

3.5.18 Recommendations

- The Social Welfare and Social Education Department should strengthen the linkage and co-ordination between the various departments, ensure timely supplement of nutritional intake and creation of hygienic environment in all the project areas.

- In order to make the programme genuinely participative and a grass root oriented, greater awareness should be spread among the rural population about the various benefits and services available under the ICDS scheme, to make them fully involved in its implementation.

- To ensure proper implementation of the programme monitoring mechanism should be strengthened.

SECTION - B

AGRICULTURE DEPARTMENT

3.6 Wasteful expenditure of Rs.9.93 lakh on purchase of sub-standard seeds

The Department incurred expenditure of Rs.9.93 lakh in purchase of 65 kgs of chilli and water melon seeds without testing their quality resulting in very low germination rates making the entire expenditure wasteful.

The Department purchased, between September and November 1997, 65 kgs[1] of certified seeds of Chilli and Water Melon from a private firm at a cost of Rs.9.93 lakh. Although certificates of good condition, were found recorded on the body of the challans neither the quality of seeds was verified through sample test before making the stock-entries and releasing payment to the firm, nor any performance report from the actual beneficiaries obtained thereafter. The terms and conditions of the Tender/Work Order did not provide any safeguard against any deficiency found in the quality of seeds after use.

During test check (April 1999) of the records of the Horticulturist, West Tripura, it was noticed that the Director had received reports from the field units that the entire lot of the seeds supplied by the firm had shown bad performance. Consequently, the Director asked (August and September 1998) the firm to refund the entire cost of the seeds (i.e. Rs.9.93 lakh) by 15 October 1998. There was no response from the firm as of October 1999.

Thus, the expenditure of Rs.9.93 lakh incurred on purchase of seeds proved wasteful, which could have been avoided, had the Department drawn samples and put the seeds to laboratory tests before making payments to the firm or provided necessary safeguards regarding unsatisfactory performance of the seeds on use in the terms and conditions of supply order.

The matter was reported to the Government in July 1999; reply had not been received (October 1999).

1

Chilli (Agnidev)	20 Kg
Chilli (Agnipath)	20 Kg
Water Melon Hybrids	25 Kg
Total	**65 Kg**

ANIMAL RESOURCE DEVELOPMENT DEPARTMENT

3.7 Loss due to low production of eggs and low hatchability

Animal Resource Development Department had to suffer a loss of revenue of Rs.12.41 lakh on account of low production of eggs during 1994-95 to 1998-99. The loss due to low hatchability worked out to Rs.3.15 lakh.

Under the Exotic Duck Breeding Programme sponsored by the North Eastern Council (NEC), a duck farm at Radha Kishore Nagar was set up in 1973-74 and after incurring an expenditure of Rs. 32.12 lakh on it, the programme was brought to State Non-Plan Sector since 1979-80. The objective of the programme was to maintain high-yielding variety of ducks for breeding, and to distribute ducklings in the North Eastern (NE) and other States.

(i) Loss due to low production of eggs

With 6,139 layer-years (837: 1994-95; 1,039: 1995-96; 1,313: 1996-97; 1,622: 1997-98; and 1,328: 1998-99) of the bird strength, the farm was expected to produce 17.19 lakh eggs during 1994-95 to 1998-99 according to the norm of 280 eggs per layer-year. But the actual production was as low as 8.92 lakh eggs with a shortfall of 8.27 lakh eggs (48 *per cent* of the norm) valued at Rs. 12.41 lakh (calculated at the rate of Rs.1.50 per egg).

The low production was attributed by the department to insufficient space, part damage of run space and drinking water channels, irregular supply of balanced feed, and inadequate supply of water for drinking, washing and cleaning etc.

The department, did not take any remedial measures to improve the position and bring the egg production per bird per layer year as per norms.

(ii) Hatchability loss

As per norms, 2.83 lakh ducklings (60 *per cent* of eggs set for hatching) were to be hatched out of 4.72 lakh eggs set for hatching during 1994-95 to 1998-99 but the farm had produced 1.78 lakh ducklings registering a shortfall of 1.05 lakh birds (22 *per cent*). Thus, the Department sustained hatchability loss of Rs. 3.15 lakh calculated at Rs. 3 as fixed per hatchable egg. The hatchability loss was due to failure of the Department to repair internal electrical wiring needed for maintaining proper temperature, and could have been avoided. Action taken to fix responsibility for the failure was not intimated. The Government, however, stated (September 1999) that the machinery was not well suited for hatching of duck eggs. Besides, the power generator was not effectively utilised during regular power failure prevailing in the region, as it went out of order and could not be repaired due to fund constraints.

The reply is not tenable in view of the facts that these difficulties were avoidable had timely and effective action been initiated to provide adequate funds.

3.8 Unfruitful expenditure on livestock farms

Two livestock farms were maintained without any livestock during 1994-95 to 1998-99, leading to infructuous expenditure of Rs.30.10 lakh.

Test check of the records revealed that the Promodenagar Composite Livestock farm (PCLF) and Daluma Buffalo Breeding Farm (DBBF) set up in 1979-80 had been maintained without any livestock during last 5 years ending 1998-99 on an average annual expenditure of Rs. 2.30 lakh and Rs. 3.72 lakh against 21 daily rated workers in Promodenagar Composite Livestock farm and 34 daily rated workers in Daluma Buffalo Breeding Farm.

The DBBF had been closed (September 1998) and 34 daily rated workers were being maintained against the programme even after closure of the Farm. The PCLF had not been closed (March 1999) although a land area of 30 hectares out of 80 hectares was transferred to the Tripura Rehabilitation Plantation Corporation in 1984-85. The expenditure of Rs. 30.10 lakh (Rs. 2.30 lakh + Rs. 3.72 lakh X 5) incurred by the Department during 1994-95 to 1998-99 on maintenance of the two farms was thus unfruitful.

The Department stated (September 1999) that the matter had been taken up with the authority and the Government corroborated the reply.

3.9 Unfruitful expenditure on Sheep and Wool Development Programme

Rupees 32.50 lakh spent on sheep and wool development programme without maintaining any records to substantiate that the expenditure had served the intended purpose.

In order to achieve self sufficiency in the production of meat and wool and to provide facilities in methodical rearing of sheep to the neighbouring villagers, a plan expenditure of Rs. 32 lakh was incurred between 1991-92 and 1993-94 on the programme of 'Sheep and Wool Development' at the Regional Goat Breeding Farm, Debipur.

During the test check of the records of the farm it was found that 81 sheep including 42 lambs (i.e., young sheep) were in stock as of 31 March 1994. These were disposed of in February 1995 for reasons not available on record.

The sale proceeds received, if any, were also not ascertainable for want of records. The programme was abandoned in 1993-94. But the Department had incurred an expenditure of Rs. 0.50 lakh during 1995-96 to 1998-99 against the programme, details of which were not furnished to Audit (April 1999), though called for. The entire expenditure of Rs.32.50 lakh incurred on the programme up to 1998-99 proved unfruitful.

The Government stated (September 1999) that Rs.0.26 lakh was received during 1993-94 to 1994-95 from the sale proceeds of 81 sheep but remained silent on the failure of the scheme.

EDUCATION DEPARTMENT

3.10 Wasteful expenditure on pay and allowances of Kokbarak teachers

The services of 34 Kokbarak teachers having the qualification of Class-VIII, deployed in 17 schools under the IS, Kanchanpur where Kokbarak language was not introduced as subject were not found useful for taking classes other than Kokbarak as they were not having the requisite qualification. This led to wasteful expenditure of Rs.61.71 lakh on their pay and allowances from April 1995 to September 1999.

The Department started in 1979 recruitment of Kokbarak[✣] teachers having the qualification of Class-VIII[Ω] as against minimum qualification of Madhyamik[Ω] required for any person for appointment to the post of the lowest level teacher (i.e. the primary teacher) under normal course. The prescribed educational qualification as per Recruitment Rules that came into force from 24 January 1996 was, Madhyamik or equivalent for candidate other than Scheduled Tribe (ST) and appeared in the Madhyamik or equivalent examination for ST candidate.

During test-check (September 1996) of the records of the Inspector of Schools (IS), Kanchanpur, it was noticed that in none of the 17 schools under its jurisdiction where 34 Kokbarak teachers were posted from time to time, Kokbarak language was ever introduced as a subject. The IS confirmed (September 1996) that in none of these schools Kokbarak was being taught. The teachers so recruited were allowed to sit idle as they could not be utilised even for teaching any other subject for lack of requisite qualification. A total expenditure of Rs.61.71 lakh was incurred on their pay and allowances for the period from April 1995 to September 1999, which proved wasteful.

✣ One of the two official languages of Tripura, used primarily by the tribals of the State.

Ω Madhyamik or Class-X standard examination is conducted by the Tripura Board of Secondary Education whereas Class-VIII standard examination is conducted by the respective schools.

The Government to whom the matter was reported (July 1999) informed (September 1999) that the services of those teachers were utilised in teaching upto Class-V although Kokbarak language could not be introduced in those schools owing to non-availability of interested students in the language. But the contention is not tenable since the teachers had no requisite qualification to teach any subject other than the Kokbarak language.

FINANCE DEPARTMENT

3.11 Irregular diversion of scheme funds

Diversion of scheme funds and premature encashment of money from Term Deposit Account resulted in loss of interest amounting to Rs.19.84 lakh.

In order to provide financial assistance to patients below poverty line (BPL), the Government of Tripura constituted (March 1997) Tripura State Illness Assistance Fund (TSIAF) to be operated by a Society constituted for the purpose. Fifty *per cent* of the grants made by the State Government was to be provided by the Government of India (GOI) as grants subject to a maximum of Rs.2 crore. The GOI contribution of Rs.2 crore was released in March 1997 on the basis of the State Government's commitment to provide Rs.4 crore for the Fund. The State's share of Rs.4 crore was initially kept in the Personal Ledger Account (PLA) of the Director of Health Services (DHS) and then deposited in the Savings Bank (SB) Account of the TSIAF in July 1997, whereas GOI's share of Rs.2 crore was deposited in the said SB Account only in September 1997 since the Finance Department did not release the amount earlier.

In accordance with the provisions of TSIAF Rules, the Society transferred the deposits in their SB Account into two Five Year Term Deposit Accounts for Rs.5.50 crore and Rs.0.50 crore on 3 September 1997 and 4 October 1997 respectively with a view to increasing the scope of assistance, both financial and physical, to the BPL group of patients. But in April 1998, Finance Department instructed the DHS, who was the Member-Secretary of the Society, to withdraw an amount of Rs.2 crore from the Term Deposit Account and deposit the same in the PLA of the DHS to improve the financial reserve of the State Government. The DHS, reluctantly withdrew (July 1998) Rs.2 crore from the Term Deposit Account of Rs.5.50 crore prematurely, and deposited the same into his Personal Ledger Account immediately as directed by the Finance Department. This premature and irregular encashment besides being detrimental to the objectives of the Fund, resulted in loss of interest of Rs.19.84 lakh to the Society. Further, the transfer of Rs.2 crore to the PL Account of the DHS reduced the State's share from Rs.4 crore to Rs.2 crore against which Central share receivable would be Rs.1 crore only. Thus, GOI's contribution to the extent of Rs.1 crore was being retained irregularly by the State Government.

The matter was reported to the Government in July 1999; reply had not been received (October 1999).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.12 Unutilised residential accommodation resulting in blockage of funds and consequential loss

Two quarters and one hostel constructed at a cost of Rs.6.76 lakh for doctors and nurses remained vacant and unutilised since construction. This resulted not only in blockage of funds but also in avoidable loss of Rs.0.74 lakh due to payment of house rent allowance and non-receipt of licence fee and rent.

The Department constructed two Type-IV quarters for Doctors (date of completion 18 March 1995) and one three-bed Nurses' Hostel (date of completion 3 July 1996) at Homeopathic Hospital at Vivekanandanagar (Renters' Colony), Agartala through State Public Works Department at a total cost of Rs.6.76 lakh. The quarters and the hostel were handed over to the Hospital Authority on 27 March 1995 and 14 October 1996 respectively.

Test-check (January – February 1999) of the records of the State Homeopath, Agartala (having the administrative control of the said hospital) revealed that the quarters/hostel so constructed were never allotted to anyone since these were taken over and, therefore, remained vacant and unutilised (March 1999). The Hospital Authority stated (February 1999) that the Doctors/Nurses were not interested in residing in the quarters/hostel owing to remoteness of the locality, inadequacy of transport facility and also on the ground of security. No records could, however, be shown to Audit to indicate that while taking the decision to construct the quarters/hostel, all these aspects were taken into consideration and effective steps initiated in time to overcome the constraints. Thus, the expenditure of Rs.6.76 lakh incurred on the construction had remained locked up for 39 months (Rs.1.25 lakh for the hostel) to 55 months (Rs.5.51 lakh for the quarters) as of October 1999. Further, had the quarters/hostel been duly allotted from the date of taking over from the PWD, the Department could not only have earned licence fee/rent amounting to Rs.0.34 lakh but also could have avoided payment of House Rent Allowance (HRA) to 2 Doctors and 3 Nurses amounting to Rs.0.40 lakh upto October 1999. The non-allotment, therefore, resulted in loss of Rs.0.74 lakh to the Government in addition to blockage of Government funds worth Rs.6.76 lakh.

The matter was reported to the Government in July 1999; reply had not been received (October 1999).

RURAL DEVELOPMENT DEPARTMENT

3.13 Loss of Rs.9.10 lakh on purchase at higher rates and for keeping funds in accounts not earning interest

The Department incurred loss of Rs.9.10 lakh due to (i) purchase of pineapple suckers[Ω] at higher rates and (ii) keeping JRY and EAS funds in Current Deposit and Personal Ledger Accounts which did not earn any interest.

(a) The Block Development Officer (BDO), Kumarghat invited (July 1997) tenders for purchasing pineapple suckers against which the lowest rate of Rs.239 per thousand, offered by a Co-operative Society, was accepted (September 1997) by the District Magistrate (DM), Kailashahar.

Test-check of the records of BDO, Kumarghat during August-September 1998 revealed that only 2.40 lakh suckers were purchased from the lowest tenderer at the approved rate of Rs.239 per thousand and another 30.25 lakh suckers were purchased from open market at different rates higher than the approved rate at a total cost of Rs.11.56 lakh during the period from November 1997 to March 1998, the cost of which at the approved rate would have been Rs.7.23 lakh. The reasons for purchasing the suckers at higher rates were neither placed on record nor stated to Audit. This resulted in an excess expenditure of Rs.4.33 lakh which was avoidable.

(b) The guidelines of the scheme of Jawahar Rozgar Yojana (JRY)/Employment Assurance Scheme (EAS) provided that the funds received under these schemes should be kept in Bank or Post Office in an exclusive and separate Savings Bank Accounts (SB A/Cs) and the interest accruing from such deposits was to be treated as additional funds for implementation of the schemes.

Test-check of the records (relating to November 1995 and September 1998) of 5 Block Development Officers (BDOs[⇔]) revealed that instead of keeping the funds of Rs. 192.72 lakh received by them under JRY and EAS in Savings Bank Accounts (SB Accounts), the same were deposited in their Current Deposit Accounts (CD Accounts) with Tripura Gramin Bank and/or in Personal Ledger Accounts (PL Accounts) between December 1994 and July 1998, wherefrom the moneys were withdrawn from time to time. This resulted in loss of interest of Rs.4.77 lakh calculated at the rate of 4.5 *per cent* annum, which would have accrued had the money been deposited in SB Accounts. The additional funds thus generated might have benefited some more beneficiaries under these schemes.

The matter was reported to the Government in June 1999; reply had not been received (October 1999).

[Ω] Sucker is a part of a plant which grows from the root or lower stem of a plant to become a new plant.
[⇔] Kumarghat RD Block : Rs.1.86 lakh; Teliamura RD Block : Rs.0.49 lakh; Khowai Block : Rs.1.31 lakh; Panisagar RD Block : Rs.0.73 lakh; and Mohanpur Block : Rs.0.38 lakh.

CHAPTER IV : WORKS EXPENDITURE

SECTION - B

PUBLIC WORKS DEPARTMENT

4.1 Idle expenditure of Rs. 19.41 lakh on establishment

Public Works Department incurred an idle expenditure of Rs.19.41 lakh on pay and allowances of the Work Assistants and Drivers posted in Irrigation Investigation Division without utilising their services.

Mention was made in paragraph 4.2 of the Report of the Comptroller and Auditor General of India for the year 1993-94 regarding expenditure of Rs. 18.60 lakh incurred by the Irrigation Investigation Division on pay and allowances in respect of 8 Work Assistants and 4 Drivers, whose services were not utilised in the Division during the period from August 1980 to October 1993.

Further scrutiny of records in October-November 1996 revealed that the Executive Engineer, Irrigation Investigation Division continued to maintain idle establishment and incurred further idle expenditure of Rs. 19.41 lakh on pay and allowances of 3 to 6 Work Assistants for the period from November 1993 to August 1999 and 1 to 3 Drivers for November 1993 to August 1996 without utilising their services in the division. The matter was reported (July and September 1993) to Additional Chief Engineer, Planning and Design (P&D) and Engineer-in-Chief, Public Works Department (PWD) but their inaction either to abolish the posts of these idle staffers or transfer their services elsewhere resulted in persistent idle expenditure on that establishment.

The Chief Engineer, Public Works Department (Water Resource), however, stated (August 1999) that although the Drivers could not be transferred immediately after the vehicles became off-road, their services were subsequently utilised. As regards Work Assistants, it was stated that the services of Work Assistants were necessary to assist the Surveyor and also for collection of hydraulic data. The contention of the Department is not tenable since the Drivers had remained idle for a pretty long period and providing of Work Assistants to assist the surveyor was not covered by the sanction for creation of the Division.

The matter was reported to the Government in August 1999; reply had not been received (October 1999).

4.2 Non-recovery of forest royalty

The Executive Engineer, Amarpur Public Works Division did not insist on production of forest clearance certificates by the contractors who used forest products in the works, leading to evasion of forest royalty of Rs.8.77 lakh by them.

Mention was made in Para 4.4 of the Audit Report of the Comptroller and Auditor General of India, for the year 1996-97, on departmental failure in realising forest royalty of Rs. 14.99 lakh for illegally utilising forest products in works executed by different contractors in Amarpur Division of Public Works Department. But remedial measures were not taken by the Amarpur Division.

Further scrutiny (July-August 1997) of records of the Executive Engineer, Amarpur Public Works Division disclosed that in case of 7 works executed by the division between 1991-92 and 1996-97 for which payments were made between October 1996 and June 1997, the contractors used forest products (Koroi: 216.681 cum and Sal: 6.375 cum), though they did not produce requisite Forest Clearance Certificates from the concerned Divisional Forest Officer as provided in the terms and conditions of contracts. The Executive Engineer did not insist on production of such certificates, before releasing payments leading to evasion of forest royalty of Rs.8.77 lakh by the contractors on forest products used by them in execution of works.

The failure of the Department to enforce contractual provision resulted not only in a loss of Government revenue of Rs. 8.77 lakh but also in extension of undue financial aid to the contractors.

The matter was reported to the Government in June 1999; reply had not been received (October 1999).

4.3 Extra and unfruitful expenditure of Rs.5.63 lakh towards time and cost overrun and payment of compensation

Public Works Department incurred extra expenditure of Rs.3.04 lakh due to time and cost overrun caused by Departmental lapses and unfruitful expenditure of Rs.2.59 lakh on compensation paid to contractor due to its negligence to abide by the provisions of agreement.

(a) Based on administrative approval and expenditure sanction of Rs. 12.12 lakh accorded (July 1986) by Industries Department for construction of 2 'B' type Workshop Sheds and 1 Goods Store and Lavatory Block in the Industrial Estate at Udaipur, the construction of 2 'B' type Workshop Sheds only was awarded in August 1986 to contractor 'A' at his lowest tendered rate of Rs. 7.24 lakh (68.38 *per cent* above the estimated cost of Rs. 4.30 lakh based on Tripura Schedule of Rate (TSR) 1979) stipulating 12 months for completion of the work.

Test check (March-April 1997) of records of the Executive Engineer, PW Southern Division I, Udaipur revealed that the execution of the work started in August 1986, was delayed due to departmental lapses in providing clear site, drawing and design and the required materials, as provided in the agreement, for which the contractor 'A' claimed (February 1989) escalation within the provision of contract. The Executive Engineer, however, closed (March 1990) the contract with the approval of Superintending Engineer, 3rd circle, Udaipur and paid (February 1991) to contractor 'A' Rs. 3.33 lakh (agreement items: Rs. 3.02 lakh and extra items: Rs. 0.31 lakh) for works done. The balance work on modified estimated cost of Rs. 4.68 lakh based on TSR 1985 was awarded (January 1992) to contractor 'B' at negotiated rate of Rs. 7.68 lakh stipulating 6 months for completion of the work. The work commenced in May 1992 was completed in July 1993 and contractor 'B' was paid Rs. 11.06 lakh (agreement items: Rs. 7.26 lakh, extra quantity: Rs. 1.63 lakh and extra items: Rs. 2.17 lakh) in January 1997.

The work scheduled to be completed in July 1987 at a cost of Rs. 7.24 lakh was ultimately completed in July 1993 after about 6 years at a cost of Rs. 10.28 lakh (on 1st agreement: Rs. 3.02 lakh and subsequent agreement: Rs. 7.26 lakh) excluding Rs. 4.11 lakh (Rs. 0.31+1.63+2.17) executed by both the contractors beyond the provisions of the contracts. This resulted in extra expenditure of Rs. 3.04 lakh (Rs. 10.28-7.24) due to time and cost overrun on the said work caused by departmental lapses. The Executive Engineer, while admitting (February 1998) departmental lapses in providing clear site, drawing and design and materials, stated that there was no lapse on the part of the department to complete the work as early as possible after removing all obstacles. The reply is not tenable for contradictory views of the Executive Engineer.

The matter was reported to the Government in June 1999; reply had not been received (October 1999).

(b) Test check (July 1997) of records of the Executive Engineer, Public Works Division No. IV, Agartala, revealed that work order for construction of 4 single-storied (twin) type IV quarters in the campus of Tripura State Rifles Battalion, Gakulnagar was issued in September 1990 to the lowest tenderer at a tender value of Rs. 18.04 lakh. The work was scheduled to be completed within 12 months from 5 October 1990. After execution of some site development and excavation of foundation trenches in respect of the site partially provided by the Division, the contractor stopped the work due to failure of the Department to provide the entire site on which the work was to be executed, in addition to the drawing, design and materials, to him in time as per terms and conditions for the agreement. The contractor, claimed (September 1991) an enhanced rate at 45 *per cent* above the accepted tender value as the condition of continuation of the work, on the ground of increase in cost of materials, wages of labourers and other incidental expenses during the period of delay for which the Department was responsible. The claim was not accepted by the Department. Meantime, the contractor filed (February 1993) a compensation claim against the Department.

A sole Arbitrator was appointed in October 1994, who awarded (March 1996) compensation of Rs. 2.59 lakh (loss of profit: Rs. 1.71 lakh; site development and excavation work: Rs. 0.41 lakh, and interest: Rs. 0.47 lakh), besides release of earnest money of Rs. 0.20 lakh to the contractor. The sole Arbitrator had observed that the Department failed to reciprocate action as required under the agreement and the Department remained silent, though the contractor had made correspondence from time to time on different issues in respect of execution of the work. The payment under the award was made by the Department in July 1997.

Thus, the expenditure of Rs. 2.59 lakh incurred by the Department towards payment of compensation to the contractor due to its negligence was avoidable and proved unfruitful.

The Government stated (August 1999) that the possibility to avoid the above expenditure was beyond the control of the Department and there was no lapse in the process. The reply is not convincing as the findings of the Sole Arbitrator had not been rebutted by the Government.

4.4 Blockage of funds amounting to Rs. 5.20 lakh due to materials lying idle for 80 months

Public Works Division No.IV procured chips of burnt bricks valued at Rs.5.20 lakh for improving two roads; the material was lying unutilised for the last 80 months as of September 1999.

The works of metalling and black topping of two roads* were awarded by Agartala Division No. IV to a contractor in November 1992 under two separate contracts with the stipulation to complete the works by February and March 1993 respectively at the tendered value of Rs. 23.39 lakh (Rs. 8.34 lakh for 'A' and Rs. 15.05 lakh for 'B'). As per the contracts, the contractor was to supply a total quantity of 2953.13 cum jhama metal (chips of burnt bricks) of 40 mm size valued at Rs. 10.82 lakh for use in both the works.

Test check (November–December 1998) of records of the Division revealed that the contractor did not execute the works and supplied only 1511.168 cum jhama metal at the road side upto February 1993 against both the contracts for which Rs. 5.20 lakh was paid upto December 1993. As stated (September 1999) by the Executive Engineer, the contractor did not start the laying work initially owing to the fact that most of the metal was stacked in paddy fields due to narrowness of the road which was objected to by the land owners, as it would further damage their crops. Later on, the contractor delayed execution

* (A) Bishalgarh – Golaghati Road to Sepahijala Rest House etc; (B) Bishalgarh – Golaghati Road to Baidya Dighi etc.

of work by raising various points and claimed price escalation due to rise in prices of fuel etc., which was not agreed to (September 1994) by the Executive Engineer. Neither extension of time was granted to keep the contracts alive nor were these rescinded to get the works done by any other contractor at the risk and cost of the former. The Executive Engineer further stated (September 1999) that the metal was in the custody of the contractor without being subjected to at least one physical verification in a year as required under rules[Ψ]. It was not clarified by the Executive Engineer, why the metal was in contractor's custody when he had been paid for the same.

Thus, the procurement and dumping of the metal at the road side without being utilised for 80 months resulted not only in blockage of Government funds amounting to Rs.5.20 lakh, the public were also deprived of the intended benefits.

The matter was reported to the Government in August 1999; reply had not been received (October 1999).

POWER DEPARTMENT

4.5 Loss of Rs.16.38 crore due to excess consumption of gas and payment made for gas beyond contractual provision

Power Department incurred loss of Rs.15.92 crore for excess consumption of natural gas beyond standard norms and Rs.0.46 crore for payment made for natural gas supplied in excess of contracted quantity.

(a) As per Project Report of September 1990 on 16 MW Gas Thermal Project at Rokhia, the estimated consumption of natural gas per Kilo-Watt Hour (KWH) of power is 0.41 standard cubic metres (Sm^3) of gas where calorific value of gas and average heat rate of machine are 9000 kilo-calories per Sm^3 and 3690 kilo-calories per KWH respectively.

Test check (June 1997) of records of the Executive Engineer, Gas Thermal Electrical Division, Rokhia, revealed that for generation of 5797.46 lakh KWH power by the Division during the period from April 1990 to May 1997, payment for 4651.83 lakh Sm^3 of natural gas was made against permissible consumption of 2376.96 lakh Sm^3 as per the norms specified in the project report. This excess payment for 2274.87 lakh Sm^3 was mainly due to the lacunae in the agreement concluded initially (March 1990 and February 1992) with the Oil and Natural Gas Commission (ONGC) and then (February 1992) with the Gas Authority of India Limited, according to which the level of supply per day was to be fixed with reference to the maximum requirement

[Ψ] Paragraph 10.3.14 of CPWA Code and Paragraph 154 of CPWD Code.

when the plant was run to its full capacity at the peak hours, the duration of which was 4 to 5 hours a day. But the interest of the Department would have been best served had there been the provision in the agreement for supply as per actual requirement per day, which varied from the peak hours to the off-peak hours. The agreement also provided that wastage due to excess supply beyond requirement and all other wastage including impurities in gas etc., were chargeable to consumer's account only. The excess consumption of gas far beyond the standard norms was pointed out by Audit in November 1990, March 1994 and February 1996, but no effective measures were taken to arrest such persistent losses. The Executive Engineer admitted the facts and stated (June 1997) that the loss on excess consumption was unavoidable as the supplier(s), on technical reason, did not supply gas at variable quantity as per actual requirement of gas for the project. But the records disclosed that the option allowed by the supplier (March 1990) (ONGC), for furnishing quarterly forecast of actual requirement of gas for supply in variable quantity based on that forecast, was not availed of by the Department.

Thus, the contract signed with the supplier, without safeguarding the Government interest and failure of the Department to regulate supply of gas conforming to actual requirement and norms in the Project Report, caused wastage of 2274.87 lakh Sm^3 of natural gas leading to loss of Rs.15.92 crore to the Department/Government worked out at an average cost of Rs.0.70 per Sm^3 of gas.

The Chief Engineer (Power Project), while admitting the facts stated (October 1999), that several attempts were made with the supplier to reduce the minimum guaranteed offtake of the contracted quantity and also to consider installation of device that can facilitate adjustment of gas supply keeping in view the load requirement, to which the supplier did not agree contending that any deviation from the agreement would not be accepted by the Ministry of Petroleum and Natural Gas.

However, no documentary evidence was produced to show that such an important issue was ever taken up by the State Government with due seriousness with the policy making authorities in the Ministry for active consideration.

(b) According to agreement entered into initially in March 1990 with Oil and Natural Gas Commission (ONGC) and subsequently in May 1992 with Gas Authority of India Limited (GAIL) for supply of natural gas, the buyer, Chief Engineer (Power Project), guaranteed to buy a minimum quantity of gas equivalent to 80 *per cent* of the maximum guaranteed quantity of 1.38 lakh Standard Cubic Metres (Sm^3) gas which worked out to 1,10,400 Sm^3 per day, failing which the buyer undertook to pay for the minimum guaranteed quantity of gas for each month. However, the agreement did not provide any condition for supply of gas by the supplier and payment to be made by the buyer beyond the maximum guaranteed quantity. This agreement was revalidated in March 1995 for the period ending December 1999. The maximum guaranteed quantity of gas was, however, reduced to 1.00 lakh Sm^3 per day with effect from June 1998.

Test check of records of the Executive Engineer, Gas Thermal Electrical Division, Baramura in May 1997 and subsequent scrutiny in June 1999 revealed that in all 60.05 lakh Sm^3 gas was supplied between April 1993 and September 1998 by the GAIL in excess of daily contracted quantity of 1.38 lakh Sm^3/1.00 lakh Sm^3 at the maximum and the Division had paid Rs.45.82 lakh between July 1993 and November 1998 for the excess supply of gas. The supply had simply been made in addition to the flared up quantity and according to the Electrical Division any payment on this account was tantamount to sheer wastage.

The matter was taken up by the Department with the GAIL in November 1996 and refund of the amount paid for excess supply was demanded in October 1997. But the GAIL repudiated the claim as arbitrary and erroneous, stating that there was no bar in excess supply/drawal and similar claims for excess supply at Rokhia Plant had been admitted by the Department.

The fact, however, remains that since the contract provided for a maximum guaranteed quantity of natural gas to be supplied, any excess supply beyond this was outside the contractual provision and any excess payment on that account was irregular. The matter had not been settled as of October 1999.

The Chief Engineer (Power Project) stated (October 1999) that actual consumption of gas was more than theoretical maximum quantity specified in the agreement. The reasons were (i) uneven flow of gas, (ii) wear and tear in the turbine components, and (iii) operation of units at a load more than the average peak.

However, the Chief Engineer (Power Project) did not explain the reason as to why the Department had demanded refund from the GAIL in October 1997 in respect of the amount paid for excess supply of Gas. Besides, terms and conditions of the agreement were not modified on consideration of the facts in question.

The matter was reported to the Government in July 1999; reply had not been received (October 1999).

4.6 Avoidable interest liability of Rs. 2.21 crore for belated payment of gas bills

Failure of the Power Department in providing adequate funds for payment of gas bills on due dates in terms of agreement with the ONGC and the GAIL resulted in avoidable liability of Rs.2.21 crore on accrued interest.

The Department entered into agreement initially with the Oil and Natural Gas Commission (ONGC) in March 1990 and thereafter with the Gas Authority of India Limited (GAIL) in May 1992 and March 1995 respectively for supply of natural gas to Gas Thermal Projects of Baramura and Rokhia for generation of power. The clause 12(2) of the said agreements provided for payment of interest by the buyer at the rate of 1 *per cent* higher than the rate of interest payable by the seller on its cash credit arrangement with the State Bank of India from time to time, for delay in payment of gas bills beyond one month from the date of raising of the gas bills.

Test check of records (February – March 1996) of the Executive Engineer, Gas Thermal Electrical Division at Baramura and Rokhia revealed that the payments of gas bills raised by the ONGC (between April 1990 and March 1992) and the GAIL (between February 1992 and June 1993) were paid after the stipulated dates (delay ranged between 7 to 349 days) for which ONGC and GAIL claimed Rs. 0.87 crore (for Baramura: Rs. 0.53 crore; for Rokhia: Rs. 0.34 crore) and Rs. 1.34 crore (for Baramura: Rs. 0.30 crore; for Rokhia: Rs. 1.04 crore) respectively on accrued interest but the amounts remained unpaid as of October 1997. On this being pointed out by Audit, the Executive Engineers of Gas Thermal Electrical Divisions, Rokhia and Baramura stated (in June 1994 and May 1997 respectively) that payments could not be made on due dates owing to non-availability of adequate funds in time due to restriction imposed on release of funds through Letter Of Credit (LOC).

Thus, the failure of the Department in providing adequate funds for payment of gas bills on due dates in terms of agreement with the ONGC and the GAIL resulted in avoidable liability of Rs. 2.21 crore being penal interest on delayed payment of gas bills.

The Chief Engineer (Power Project) stated (August 1999) that additional provision for purchase of gas could not be made due to resource constraints. The Government took up the matter of accrued penal interest with the Government of India and had sought exemption on the ground of Tripura being a special category State of the North Eastern Region. No further development in the matter had been reported (October 1999).

The matter was reported to the Government in June 1999; reply had not been received (October 1999).

4.7 Expenditure on idle establishment

Power Department incurred unfruitful expenditure of Rs.33.32 lakh on an idle establishment of Linemen Training Institute.

Consequent on establishment (1983) of Linemen Training Institute (LTI), under Electrical Division III with initial loan assistance of Rs. 6 lakh from Rural Electrification Corporation (REC) Ltd., a Sub-Division at 79 tilla, Agartala, headed by an Assistant Engineer (Electrical) was created for co-ordinating training programme for Linemen/Assistant Linemen of Power Department for a period of three years which was subsequently extended upto March 1993. On the proposal of Power Department, the said scheme was continued thereafter also for revamping the existing training centre with the loan assistance of Rs. 48 lakh sanctioned by REC in March 1995.

During test check (January and December 1997) of records of the Executive Engineer, Electrical Division III, Agartala, it was noticed that LTI imparted training to 444 staff in 31 batches during the period from September 1983 to November 1992 and thereafter the Department did not sponsor any trainee mainly for want of funds and unsatisfactory performance by the earlier trainees. Thus, the staff deputed in the Sub-Division for co-ordinating training programme remained idle though an expenditure of Rs. 33.32 lakh (pay and allowances of staff: Rs. 31.47 lakh, and other charges: Rs. 1.85 lakh) was incurred during December 1992 to March 1999 for the maintenance of that establishment. On this being pointed out by Audit (January 1997 and December 1997), the Executive Engineer stated (October 1998) that the abolition of the Sub-Division was under consideration of the Department. Further development in the matter was not communicated to Audit (October 1999).

Thus, the Department incurred an unfruitful expenditure of Rs. 33.32 lakh during the period from December 1992 to March 1999 on an idle establishment of the LTI.

The matter was reported to the Government in June 1999; reply had not been received (October 1999).

4.8 Avoidable expenditure of Rs.11.72 lakh for non-enforcement of contractual provisions

Failure of the Power Department in enforcing contractual provisions of the agreement resulted in avoidable expenditure of Rs.11.72 lakh on purchase of Intake Air Filters of gas thermal generator.

Clause 30.02 of the agreement for supply of 2 X 8 MW Gas Thermal Generator (GTG) sets in Gas Thermal Project (GTP) at Rokhia provided that the supplier shall be liable to repair/replace the defective parts of GTG sets if any defect develops for faulty design, manufacture or workmanship within the warranty period of 12 months from the date of commissioning or 18 months from the date of despatch of the consignment, whichever is earlier. The clause 30.03 of the said agreement further provided that the transportation cost for sending the defective parts to supplier and back to work-site shall be borne by the supplier.

Test check (June 1997) of records of the Executive Engineer, Gas Thermal Electrical Division, Rokhia revealed that the Intake Air Filters (IAF) of GTG set of Unit III commissioned in July 1995 and Unit No. IV commissioned in December 1995 were completely damaged after 300 hours and 1500 hours of operation respectively. The Division reported (January and April 1996) the matter to the firm, BHEL, Hyderabad. The firm while replacing the damaged IAF of Unit No. III free of cost (February 1997), did not, however, agree to replace the filter of Unit No. IV. The Divisional Engineer issued (March 1997) supply order to the firm for the IAF for Unit No. IV for which Rs. 11.44 lakh was paid as advance and the supply and commissioning of the filter were completed (December 1997). Besides, the Division incurred expenditure of Rs. 0.28 lakh for transporting the IAF of Unit No. III from work-site to the firm's factory in contravention to the provision of clause 30.03 of the agreement.

Thus, failure of the Department in enforcing contractual provisions of the agreement for free replacement of parts within the warranty period resulted in avoidable expenditure of Rs. 11.72 lakh, which may further increase on commissioning of IAF in Unit No. IV of GTP at Rokhia.

The Chief Engineer (Power Project) stated (August 1999) that the supplier attributed the cause of clogging and subsequent damage of both the filters to high level of dust/pollutant and moisture prevailing in operating ambient due to land development and concrete works. The Department also could not establish any deficiency in design/materials/workmanship of the filters.

The Chief Engineer could not clarify as to why no anti-pollutant measures were taken to save the costly machines from damage while development works were going on in the project.

The matter was reported to the Government in June 1999; reply had not been received (October 1999).

4.9 Excess payment of Rs. 11.57 lakh to suppliers towards Sales Tax in procurement of PCC Poles

The Electrical Divisions V and VI made excess payment of Rs.11.57 lakh to the suppliers towards Sales Tax in procurement of PCC Poles.

Under the Tripura Sales Tax (TST) Act, 1976 as modified up to March 1996, cement, articles made of cement and reinforced cement concrete were taxable at 12 *per cent* between July 1984 and October 1990 and thereafter at 7 *per cent* from November 1990. As the prestressed cement concrete (PCC) Pole is made of cement and reinforced cement concrete, it attracts sales tax at 7 *per cent* and the same was also confirmed by the Commissioner of Taxes in November 1997.

Scrutiny of records of Electrical Division VI, Udaipur in September 1994 and Electrical Division V, Kumarghat in September 1995 and subsequent correspondence made between November 1994 and April 1999 revealed that while Sales Tax at the prevailing rate of 7 *per cent* (Rs.16.21 lakh) was payable in addition to the accepted rates of PCC Poles (Rs.231.60 lakh) as per agreements, the suppliers were paid TST at the rate of 12 *per cent* (Rs.27.78

lakh) resulting in excess payment of TST of Rs.11.57 lakh during the period September 1992 to March 1996.

The Chief Engineer (Electrical), however, contended (July 1998) that the item-PCC Poles was not specified in the schedule and statement attached to the Act and since PCC Pole is used for electrical purpose only, it falls under nomenclature 'Electrical Goods' which attracts TST at the rate of 12 *per cent*. The contention is not tenable as the PCC Pole is made up of cement and reinforced cement concrete which attracts TST at the rate of 7 *per cent* under the provision of TST Act, 1976 and clarification thereunder given by the Commissioner of Taxes in November 1997.

The matter was reported to the Government in June 1999; reply had not been received (October 1999).

4.10 Outstanding Inspection Reports

First reply for 29 out of 301 Inspection Reports issued during 1996-97 to 1998-99 was not furnished by the Public Works and Power Departments, while the Government prescribed a time limit of one month from the date of receipt of the Inspection Reports to furnish the reply.

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

The outstanding reports in respect of Public Works Department and Power Department are discussed below :

(a) PUBLIC WORKS DEPARTMENT

A review of the position of the outstanding Inspection Reports relating to Public Works Department revealed that 905 paragraphs included in 216 Inspection Reports issued upto March 1999 were pending settlement as on June 1999. Of these, even first reply had not been received as of June 1999 in respect of 19 Reports, despite repeated reminders. Year-wise break-up of the outstanding Inspection Reports and paragraphs are given below :

Sl. No.	Year	Number of outstanding		Number of Inspection Reports for which even first reply has not been received
		Inspection Reports	Paragraphs	
1.	1989-90	1	2	-
2.	1990-91	11	50	-
3.	1991-92	22	105	-
4.	1992-93	28	147	-
5.	1993-94	19	68	-
6.	1994-95	26	130	-
7.	1995-96	22	112	-
8.	1996-97	29	100	1
9.	1997-98	36	90	3
10.	1998-99	22	101	15
	TOTAL	**216**	**905**	**19**

The important irregularities noticed during inspection of P.W. Divisions during 1998-99 are summarised below :

Sl. No.	Nature of irregularities	Number of cases	Amount involved *(Rupees in lakh)*
1.	Extra/avoidable/unfruitful/idle expenditure/payment, infructuous/ extra liability, excess payment etc.	33	303.69
2.	Non/short deduction of Tripura Sales Tax (TST)/Income Tax excess payment of TST	10	9.80
3.	Treasury drawal not reflected in the Cash Book	2	4.05
4.	Acceptance of tender at higher rate	6	28.29
5.	Delay in commencement of work and delay in issue of work order resulting extra expenditure	2	3.57
6.	Outstanding licence fee/temporary advance	3	6.53
7.	Advance payment awaiting adjustment beyond prescribed period	2	18.97
8.	Doubtful/unauthorised execution of work	3	131.90
9.	Loss of cement	1	5.13
10.	Blockage of funds/loss of interest/revenue	6	193.59
11.	Recoverable amount from contractors	15	24.84
12.	Non-remittance/non-depositing of deposit-at-call	3	7.77
13.	Forfeiture of earnest money not credited to Government Account	2	1.77
14.	Retention of excess staff on payroll	1	22.98
15.	Overpayment/expenditure without sanction	2	10.94
16.	Non-receipt of road subsidy from Government of India	1	26.56
17.	Undue financial aid to contractors	4	7.91
18.	Non-realisation of licence fee	3	16.83
19.	Non-delivery of material by contractor	1	6.77
	TOTAL	**100**	**831.89**

(b) POWER DEPARTMENT

At the end of June 1999, 85 Inspection Reports relating to Power Department issued upto March 1999 contained 223 unsettled paragraphs. Of these, for 10 Inspection Reports, even first reply had not been received despite repeated reminders (as of June 1999). Year-wise break-up of outstanding Inspection Reports and paragraphs are given below :

Sl. No.	Year	Number of outstanding		Number of Inspection Reports for which even first reply has not been received
		Inspection Reports	Paragraphs	
1.	1988-89	2	5	-
2.	1989-90	1	6	-
3.	1990-91	10	26	-
4.	1991-92	7	27	-
5.	1992-93	9	33	-
6.	1993-94	5	20	-
7.	1994-95	7	26	-
8.	1995-96	8	35	-
9.	1996-97	10	26	-
10.	1997-98	14	13	-
11.	1998-99	12	6	10
		85	**223**	**10**

The more important types of irregularities noticed in course of local audit of Power Department during the year 1998-99 are summarised below :

Sl. No.	Nature of irregularities	Number of cases	Amount involved *(Rupees in lakh)*
1.	Excess payment for liveries	1	0.33
2.	Undue benefit allowed to suppliers	1	7.06
3.	Excess/idle expenditure	3	58.28
4.	Retention of excess staff on payroll	1	37.71
	TOTAL	**6**	**103.38**

CHAPTER V : STORES AND STOCK

SECTION - B

AGRICULTURE DEPARTMENT

5.1 Wasteful expenditure of Rs. 9.17 lakh on purchase of pesticide nearing expiry date

Agriculture Department incurred wasteful expenditure of Rs.9.17 lakh on purchase of pesticide nearing expiry date. The pesticide remained un-utilised till the potency period lapsed.

The Department had purchased (July 1991) 4,980 Kgs of a pesticide* valued at Rs. 9.17 lakh exclusive of transport cost (manufactured in May-August 1990 with expiry date April-July 1992) from Tripura Horticulture Corporation, a Government of Tripura undertaking, for distribution among the farmers at subsidised rate in West and South Tripura Districts, without assessing the requirement. By the time the supply was completed (July 1991), the pesticide had became 12-14 months' old, leaving the remaining potency period for 10-12 months only. The quantity purchased was supplied to various Village Level Workers' stores between February and April 1992, just 3-4 months before the expiry date though no demand was placed by them. The entire quantity of the pesticide remained unutilised till the potency period lapsed. Thus, unnecessary purchase of the pesticide proved injudicious, leading to loss of Rs. 9.17 lakh to the Government.

The matter was reported to the Government in August 1999; reply had not been received (October 1999).

5.2 Advances of Rs. 8.65 lakh lying unadjusted for 14 years with the supplier

The Deputy Director of Agriculture (West and South Tripura) made advance payment of Rs.8.65 lakh to Rastriya Chemicals and Fertilisers Limited in September 1985 without receiving the supply or refund of the money, as of October 1999.

Test-check of records in audit (June-July 1999) revealed that Deputy Directors of West and South Tripura Districts had paid (September 1985) advances of

* Brand name: Sevin

Rs. 19.60 lakh[♠] to Rastriya Chemicals and Fertilisers Limited (RCF), Bombay (A Government of India Undertaking) in addition to the earlier credit balances of Rs.8.68 lakh available with the RCF for supplying 1,600 tonnes of Sufala[xx]. Against the total amount of Rs.28.28 lakh paid as advances, the supplier made delivery of 1,110.60 tonnes of fertilizer valued at Rs. 19.63 lakh in April 1986. But neither the remaining quantity of 489.40 tonnes of fertilizer was supplied subsequently nor was the balance amount of Rs. 8.65 lakh (Rs. 28.28 lakh *minus* Rs. 19.63 lakh) refunded by the supplier (October 1999). Thus, the amount of Rs. 8.65 lakh had been lying with supplier for the last 14 years.

The matter was not pursued with the required degree of seriousness, with the result that the amount of Rs. 8.65 lakh continued to remain with the RCF, with hardly any possibility of its recovery in the near future, keeping in view the inaction of the Department during the last 14 years.

The matter was reported to the Government in August 1999; reply had not been received (October 1999).

♠

	Officer making the advance	Advances made in September 1985	Credit balances with the supplier	Total
			(Rupees in lakh)	
1.	Deputy Director, West Tripura	10.77	3.36	14.13
2.	Deputy Director, South Tripura	8.83	5.32	14.15
	Total	**19.60**	**8.68**	**28.28**

[xx] A brand name of mixed fertiliser containing Nitrogen, Phosphorous and Potash.

CHAPTER VI : REVENUE RECEIPTS

6.1 General

6.1.1 *Trend of revenue receipts*

The total receipts of the State during the year 1998-99 amounted to Rs.1268.35 crore. These comprise tax revenue of Rs.84.13 crore and non-tax revenue of Rs.44.83 crore, State's share of divisible Union taxes of Rs.457.02 crore and grants-in-aid of Rs.682.37 crore received from the Government of India.

Analysis of receipts during the year 1998-99 and the preceding two years is given below :

		1996-97	1997-98	1998-99
		(Rupees in crore)		
I.	Revenue raised by the State Government			
	(a) Tax Revenue	60.50	71.64	84.13
	(b) Non-Tax Revenue	40.66	34.87	44.83
	Total	**101.16**	**106.51**	**128.96**
II.	Receipts from Government of India			
	(a) State's share of net proceeds of divisible Union taxes	318.78	429.77	457.02
	(b) Grants-in-aid	608.98	545.82	682.37
	Total	**927.76**	**975.59**	**1139.39**
III.	Total receipts of the State Government (I+II)	1028.92	1082.10	1268.35
IV.	Percentage of I to III	10	10	10

6.1.2 *Tax Revenue raised by the State*

Receipts from tax revenue during 1998-99 constituted about 66 *per cent* of the revenue raised by the State Government. An analysis of tax revenue for the year 1998-99 and the preceding two years is given below :

Sl. No.	Heads of Revenue	1996-97	1997-98	1998-99	Percentage of increase(+) or decrease(-) in 1998-99 over 1997-98
		(Rupees in lakh)			
1.	Sales Tax	3569.44	4238.80	4770.16	(+) 13
2.	State Excise	1241.06	1496.31	1699.79	(+) 14
3.	Other taxes on Income and Expenditure	516.37	550.65	586.57	(+) 7
4.	Stamps and Registration Fees	361.54	393.21	481.77	(+) 23
5.	Taxes on Vehicles	139.81	182.52	350.54	(+) 92
6.	Other Taxes and Duties on Commodities and Services	142.43	117.57	123.18	(+) 5
7.	Land Revenue	58.11	167.32	336.88	(+) 101
8.	Taxes on Agricultural Income	20.39	16.87	63.61	(+) 277
9.	Taxes and Duties on Electricity	0.31	0.34	1.03	(+) 203
	Total	6049.46	7163.59	8413.53	(+) 17

The increase of 277 *per cent* under Taxes on Agricultural Income was stated by the Department (October 1999) to be due to good price of tea in the auction market as well as collection of arrear taxes.

The reasons for variations in respect of other heads of revenue where variation was substantial had not been received from the concerned Departments (October 1999).

6.1.3 Non-Tax Revenue of the State

Non-tax revenue receipts of the State constituted over 34 *per cent* of the State's own revenue receipts. The details of major sources of non-tax revenue received during the year 1998-99 and the preceding two years are given below:

Sl. No.	Heads of Revenue	1996-97	1997-98	1998-99	Percentage of increase(+) or decrease(-) in 1998-99 over 1997-98
		(Rupees in lakh)			
1.	Power	1429.13	1504.25	1991.24	(+) 32
2.	Forestry and Wildlife	270.16	224.55	195.05	(-) 13
3.	Education, Sports, Art and Culture	59.49	23.42	34.26	(+) 46
4.	Crop Husbandry	158.63	154.03	157.37	(+) 2
5.	Other Administrative Services	469.64	246.57	122.90	(-) 50
6.	Other Rural Development Programmes	119.65	160.64	174.32	(+) 9
7.	Police	30.42	114.59	238.47	(+) 108
8.	Interest Receipts	760.33	212.86	359.92	(+) 69
9.	Stationery and Printing	147.34	94.31	139.41	(+) 48
10.	Animal Husbandry	41.92	36.00	48.52	(+) 35
11.	Industries	99.31	200.27	332.25	(+) 66
12.	Public Works	72.80	54.93	63.61	(+) 16
13.	Other Industries	12.95	--	--	--
14.	Village and Small Industries	63.60	132.94	38.86	(-) 71
15.	Fisheries	14.53	26.00	16.72	(-) 36
16.	Others	316.25	301.63	569.67	(+) 44
	Total	**4066.15**	**3486.99**	**4482.57**	**(+) 25**

The reasons for variations though called for had not been received (October 1999).

6.1.4 Variations between Budget Estimates and Actuals

The variations between Budget Estimates (Revised) and actuals in respect of some of the important heads of revenue for the year 1998-99 are indicated below :

TAX REVENUE					
Sl. No.	Head of revenue	Budget estimates (Revised)	Actuals	Variation Increase(+)/ Decrease(-)	Percentage of variation over Budget estimates
		(Rupees in lakh)			
1.	Sales Tax	4300.00	4770.16	(+) 470.16	(+) 11
2.	State Excise	1600.00	1699.79	(+) 99.79	(+) 6
3.	Other Taxes on Income and Expenditure	575.00	586.57	(+) 11.57	(+) 2
4.	Stamps and Registration Fees	375.00	481.77	(+) 106.77	(+) 28
5.	Taxes on Vehicles	220.00	350.54	(+) 130.54	(+) 59
6.	Other Taxes and Duties on Commodities and Services	133.00	123.18	(-) 9.82	(-) 7
7.	Land Revenue	275.00	336.88	(+) 61.88	(+) 23
8.	Taxes on Agricultural Income	18.00	63.61	(+) 45.61	(+) 253

Reasons for variations though called for had not been received from the concerned Departments of the Government (October 1999).

NON-TAX REVENUE					
Sl. No.	Head of revenue	Budget estimates (Revised)	Actuals	Variation Increase(+)/ Decrease(-)	Percentage of variation
		(Rupees in lakh)			
1.	Power	1600.00	1991.24	(+) 391.24	(+) 24
2.	Forestry and Wildlife	225.00	195.05	(-) 29.95	(-) 13
3.	Crop Husbandry	90.00	157.37	(+) 67.37	(+) 75
4.	Other Administrative Services	200.00	122.90	(-) 77.10	(-) 39
5.	Interest Receipts	160.00	359.92	(+) 199.92	(+) 125
6.	Stationery and Printing	88.75	139.41	(+) 50.66	(+) 57
7.	Public Works	60.00	63.61	(+) 3.61	(+) 6
8.	Animal Husbandry	35.00	48.52	(+) 13.52	(+) 39
9.	Fisheries	16.00	16.72	(+) 0.72	(+) 5
10.	Other Rural Development Programmes	--	174.32	(+) 174.32	
11.	Industries	280.00	332.25	(+) 52.25	(+) 19

The reasons for variations though called for had not been received from the concerned departments of the Government (October 1999).

6.1.5 Cost of collection

The gross collection in respect of major revenue receipts, expenditure incurred on their collection and the percentage of such expenditure to gross collection during the years 1996-97, 1997-98 and 1998-99 along with relevant all India average percentage of expenditure on collection to gross collection for 1997-98 are given below :

Head of revenue	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection	All India percentage of expenditure to gross collection
(Rupees in lakh)					
1. Sales Tax	1996-97	3569.44	71.73	2	
	1997-98	4238.80	76.86	2	1.28
	1998-99	4770.16	85.50	2	
2. State Excise	1996-97	1241.06	31.08	3	
	1997-98	1496.31	41.98	3	3.20
	1998-99	1699.79	47.03	3	
3. Stamps and Registration Fees	1996-97	361.54	52.80	15	
	1997-98	393.21	57.44	15	3.14
	1998-99	481.77	69.01	14	

6.1.6 *Arrears in assessment*

The details of Sales Tax assessment and Agricultural Income Tax assessment cases pending at the beginning of the year, cases becoming due for assessment during the year, cases disposed of during the year and the number of cases pending finalisation at the end of each year during the years 1994-95 to 1998-99 as furnished by the Departments along with percentage of cases finalised to total number of cases are given below :

Year	Opening balance	Cases due for assessment during the year	Total	Cases finalised during the year	Balance at the closing of the year	Percentage of cases finalised tc total number of cases
(a) Sales Tax						
1994-95	5398	3373	8771	4171	4600	48
1995-96	4600	3960	8560	3665	4895	43
1996-97	4895	4799	9694	2964	6730	31
1997-98	6730	4660	11390	2231	9159	20
1998-99	9159	5198	14357	1725	12632	12
(b) Agricultural Income Tax						
1994-95	207	53	260	2	258	1
1995-96	258	20	278	4	274	1
1996-97	274	109	383	18	365	5
1997-98	365	46	411	35	376	9
1998-99	376	46	422	27	395	6

It was observed that in most of the years the cases finalised during the year were less than the addition during the year. Thus there was a constant increase in the arrears.

6.1.7 *Uncollected revenue*

Analysis of arrears of revenue pending collection as on 31 March 1999 in respect of Sales Tax and Agricultural Income Tax as reported by the

Department and corresponding figures for the preceding year are indicated below :

Heads of Revenue	Arrears pending collection as on		Arrears of revenue outstanding for more than 5 years as on		Remarks
	31 March 1998	31 March 1999	31 March 1998	31 March 1999	
(Rupees in lakh)					
1. Sales Tax	952.80	979.86	544.39	135.25	Out of Rs.979.86 lakh, recoveries amounting to Rs.261.69 lakh had been stayed by courts, Rs.85.57 lakh by Government, demands for Rs.503.84 lakh had been covered by recovery certificates and Rs.128.76 lakh was in different stages of recovery.
2. Agricultural Income Tax	8.26	10.69	6.74	6.74	Out of Rs.10.69 lakh, recoveries amounting to Rs.3.35 lakh had been stayed by courts, Rs.1.61 lakh by Government, demands for Rs.3.63 lakh had been covered by recovery certificates and Rs.2.10 lakh was in different stages of recovery.

6.1.8 Outstanding Inspection Reports and audit observations

Important irregularities in assessment of revenue and defects in the accounting of revenue receipts noticed in audit and not settled on the spot are communicated to Heads of Offices and departmental authorities through local audit reports. The more important and serious irregularities are reported to the Government. Besides, statements indicating the number of observations outstanding for over six months/one year are also sent to Government for expediting their settlement.

(a) At the end of June 1999 in respect of inspection reports issued upto December 1998, 1862 audit observations were still to be settled as per details given below. The corresponding position in the earlier two years has also been indicated alongside.

	At the end of		
	June 1997	June 1998	June 1999
Number of outstanding local audit reports	442	474	461
Number of outstanding audit observations	1448	1475	1862
Amount of receipts involved (Rupees in lakh)	1583.48	1930.73	2200.16

(b) The head-wise break-up of outstanding inspection reports, audit observations and amount involved therein as on 30 June 1999 is indicated below :

Class of receipts	Number of outstanding		Amount of receipts involved	Year to which observation relates	Number of Inspection Reports for which even 1st reply had not been received
	Inspection Reports	Audit observations			
			(Rupees in lakh)		
1. Sales Tax	93	448	690.18	1985-86 to 1998-99	2
2. Forest	93	384	425.29	1984-85 to 1998-99	2
3. Electricity	193	834	716.05	-do-	3
4. Professional Tax	7	13	9.29	1992-93 to 1998-99	1
5. Motor Vehicles	13	55	214.94	1984-85 to 1998-99	Nil
6. Agri-Income Tax	7	17	3.49	1987-88 to 1998-99	1
7. Excise	15	51	117.63	1992-93 to 1998-99	Nil
8. Land Revenue	19	22	10.29	-do-	Nil
9. Stamps and Registration	17	28	7.94	-do-	Nil
10. Entertainment Tax	4	10	5.06	-do-	Nil
	461	**1862**	**2200.16**		**9**

6.2 Results of audit

6.2.1 Sales Tax

The test check of Sales Tax assessment and other records of 6 units conducted in audit during the year 1998-99 revealed under-assessment/escapement of turnover, blockage of Government revenue, non-levy of penalty etc., amounting to Rs.159.03 lakh in 25 cases which broadly fall under the following groups :

Sl. No.		Number of cases	Amount involved (Rupees in lakh)
1.	Blockage/loss of Government revenue	5	32.87
2.	Non/short levy of penalty	4	25.34
3.	Non-recording of demand notice	1	77.34
4.	Escapement/under-assessment of turnover	5	5.74
5.	Short levy of interest	6	15.95
6.	Under-assessment of tax/non-assessment of additional Sales Tax	4	1.79
		25	**159.03**

During 1998-99, the Department accepted audit objections of Rs.159.03 lakh in 25 cases of which Rs.122.46 lakh involved in 14 cases were pointed out in 1998-99 and the rest in the earlier years.

6.2.2 State Excise

The test check of records in 4 units of State Excise conducted in audit during the year 1998-99 revealed loss of excise duty and other irregularities amounting to Rs.39.31 lakh in 10 cases which broadly fell under the following categories :

Sl. No.		Number of cases	Amount involved (Rupees in lakh)
1.	Loss of excise duty	1	22.27
2.	Import fee not realised	1	3.70
3.	Non-execution certificate not furnished by the dealer (TSIC)	1	4.37
4.	Outstanding excise duty/loss of Government revenue etc.	7	8.97
		10	**39.31**

SECTION – A

TRANSPORT DEPARTMENT

6.3 Registration of Motor Vehicles and Collection of Taxes

6.3.1 *Introduction*

The Tripura Motor Vehicles Tax Act, 1972 and the rules made thereunder, which came into effect from July 1972 and August 1978 respectively, govern the levy of road tax on Motor Vehicles in Tripura. The Tripura Motor Vehicles Tax (Fifth Amendment) Act, 1994 also came into effect from November 1994.

Under the Act and the Rules *ibid* Motor Vehicles Tax at the prescribed rate is leviable on all motor vehicles used or kept for use in Tripura, except in case where any vehicle has been specifically exempted from payment of tax under the provision of the Act.

6.3.2 *Highlights*

The arrears of revenue pending collection as on 1st March 1999 was Rs.143.83 lakh.

(Paragraph 6.3.5.1(ii))

There was a loss of interest of Rs.13.00 lakh due to delayed remittance of Government money by Tripura State Co-operative Bank.

(Paragraph 6.3.5.3)

Non-imposition of fine for driving vehicles with excess load led to loss of Government revenue amounting to Rs.11.29 lakh.

(Paragraph 6.3.5.4)

Penalty amounting to Rs.5.45 lakh was not realised for belated payment of composite tax on vehicles plying under the National Permit Scheme.

(Paragraph 6.3.5.5)

Fitness certificates were renewed in respect of 169 vehicles without realisation of arrears amounting to Rs.7.63 lakh in contravention of the provision of the Act/Rules.

(Paragraph 6.3.5.7)

6.3.3 Organisational set up

Registration of Motor Vehicles and collection of fees and taxes on the motor vehicles are administered by the Secretary to the Government of Tripura, Transport Department. The Deputy Transport Commissioner (DTC), who is acting as Secretary, State Transport Authority, is responsible for registration, issue of permits, collection of fees, fines, taxes and also for enforcing the provision of the acts and the rules. The DTC is assisted by one Assistant Transport Commissioner, one Taxation Officer and three District Transport Officers (DTOs). The DTC also acts as the DTO, West Tripura District, Agartala.

6.3.4 Scope of Audit

The review was undertaken (January – March 1999) with a view to examining whether the taxes due to Government under the provision of the Act *ibid* have been correctly assessed, levied and collected. Records maintained by the DTC, Agartala and all the three DTOs of North Tripura, Dhalai and South Tripura for the period from 1993-94 to 1998-99 were test-checked in audit.

6.3.5 Registration and Collection

The following sub-paragraphs indicate the position regarding the registration of different categories of vehicles, year-wise collection of revenue *vis-à-vis* the budget estimates, the arrears of revenue and expenditure on collection of revenue for the period from 1993-94 to 1998-99.

6.3.5.1 The year-wise position of the number of vehicles of different categories that stood registered during the period from 1993-94 to 1998-99 was as under :

Category of Vehicles

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
Truck	4537	4612	4701	4821	4959	5048
Bus	1126	1172	1230	1320	1350	1378
Car	3235	3664	3587	3742	4038	4364
Jeep	2785	3550	3699	3958	4347	4653
Motor cycle/Scooter	14556	17512	17809	19056	21082	22984
Others	3728	3868	3862	3870	4260	4578
TOTAL	**29967**	**34378**	**34888**	**36767**	**40036**	**43005**

The DTC, Agartala stated (October 1999) that the reason for decrease in number of cars registered in the year 1995-96 as compared to 1994-95 was due to transfer of vehicles to other States mainly by Oil and Natural Gas Corporation, Central Reserve Police Force, Border Security Force etc.

(i) The table below indicates the year-wise variation of Budget Estimates with actuals, Expenditure on Collection, Percentage of Expenditure to gross collection from 1993-94 to 1998-99 and all India average percentage of collection during the period from 1993-94 to 1997-98.

Year	Budget Estimates	Actual collection of revenue	Variation of Budget Estimates with actuals Excess(+) Less(-)	Percentage of variation	Expenditure on collection	Percentage of expenditure to gross collection	All India average of percentage of collection
	(Rupees in lakh)						
1993-94	164.34	126.03	(-) 38.31	24	19.39	15	2.60
1994-95	170.00	155.50	(-) 14.50	9	16.69	11	2.50
1995-96	157.00	136.21	(-) 20.79	13	21.83	16	2.57
1996-97	200.00	139.81	(-) 60.19	30	24.88	18	2.60
1997-98	200.00	182.52	(-) 17.48	9	26.09	14	2.65
1998-99	225.00	351.00	(+) 126.00	56	38.00	11	-

The reasons for substantial shortfall during the year 1993-94 and 1996-97 were unrealistic budget estimate made by the Department. Reasons for substantial increase in collection of revenue during the year 1998-99 was due to implementation of revised enhanced tax rate. As regards higher rate for cost of collection with reference to All India average percentage of collection, the DTC, Agartala stated (September 1999) that in the State of Tripura the number of total vehicles registered were much less, the Motor Vehicle tax structure was also at the lower side and the infrastructural facilities were poor as compared to other States.

(ii) Arrears of Revenue

Year-wise position of arrears of revenue pending collection at the end of March 1999 is given below :

Year	Number of cases	Amount involved
		(Rupees in lakh)
1987-88	2418	24.95
1988-89	5228	35.34
1989-90	8410	48.25
1990-91	NA	NA
1991-92	334	2.25
1992-93	342	1.78
1993-94	406	3.72
1994-95	392	5.12
1995-96	496	4.93
1996-97	503	4.30
1997-98	556	4.75
1998-99	693	8.44
	Total	**Rs. 143.83**

Scrutiny of records revealed that the arrear position of revenue during the period from 1987-88 to 1998-99 was prepared only on 18 September 1998 but demand notice has not yet been issued in all cases (September 1999).

(iii) Arrears in regard to Central Government Vehicles

On further examination, it was noticed that the Tripura Motor Vehicles Tax (Third Amendment), 1978 provides for imposition of taxes on the motor vehicles of Central Government Organisations. But the Department did not maintain any record showing the realisation of tax from vehicles of Central Government Organisations.

Thus, due to non-maintenance of Tax Register in regard to realisation of tax from vehicles of Central Government Organisation, total amount of arrears could not be worked out.

6.3.5.2 Evasion of road tax

An agreement executed by Deputy Transport Commissioner, Agartala (November 1995) with the Tripura State Co-operative Bank (TSCB), *inter-alia,* provides that

- Road tax, Licence fee, fine, Registration fee, Permit fee etc are to be deposited by the owners of the vehicles through challans provided by the Transport Department.

- The challans used should be in triplicate, 1st copy of which is returned by the Bank to the depositor, 2nd copy is sent daily at 2.30 pm by the Bank to the Transport Department and the third copy retained by the bank.

- On receipt of challan from the Bank, entries are to be made in the Tax Register, Daily Collection Register and Challan Register maintained by the Department.

Scrutiny of the Tax Register for Bus, Jeep and Lorry maintained by the department for the period from January 1996 to March 1998 and cross check of records of the TSCB and Kamalpur Sub Treasury revealed that in the offices of the DTC, Agartala and the DTO, Dhalai an amount of Rs.2.13 lakh in 172 cases (DTC Agartala : Rs.2.02 lakh in 156 cases, DTO Dhalai : Rs.0.11 lakh in 16 cases) shown to have been paid by the owners of the vehicle and tax token issued but the amount was not found transacted in the records of the TSCB and Kamalpur Sub-Treasury.

This had been possible due to the following lapses –

☆ Entry in the tax register was made by the department on the basis of challan produced by the depositor.

☆ The second copy of challan as received from the Bank was never consulted.

☆ No challan/Daily collection Register was maintained.

☆ Prior to August 1998, the Department did not reconcile the figures of receipt/deposits with the bank.

Thus, as a result of failure of the system, revenue amounting to Rs.2.13 lakh was siphoned away.

On this being pointed out in audit, Department admitted (April 1999) the fact and assured that necessary steps will be taken immediately. Further development is awaited.

6.3.5.3 Delayed remittance leading to loss of interest of Rs.13.00 lakh

Financial rules provide that all money received or tendered to Government officers on account of revenue of the Government shall without delay be paid in full into the Treasury and shall be included in the Government accounts. To facilitate collection of revenue such as permit fee, registration fee, licence fee and road tax etc payable by the owners of the vehicles, 2 current deposit accounts were opened with the Tripura State Co-operative Bank (a Non-Scheduled Bank) as per agreement entered in November 1995 which provides that revenue received should be deposited to the State Bank of India (SBI) after every 10 days. Scrutiny revealed that between April 1996 and March 1999 an amount of Rs.444.39 lakh was received out of which Rs.360.15 lakh was deposited with the SBI either once in a month or after lapse of several months. The table below indicates the delay in remittance made by the TSCB indicating the period of irregularity, number of cases and amount involved.

Period of delay	Number of cases	Amount involved
		(Rupees in lakh)
Between 10 days and 1 month	193 cases	147.46
Between 1 and 3 months	374 cases	91.48
Between 3 and 6 months	339 cases	98.35
6 months and above	42 cases	22.86
		360.15

The agreement did not provide any penal clause for such failure.

The Department was to reconcile the figures with the bank account through Challan Register, which was not maintained.

Thus, defective agreement, system failure and delayed remittance by the TSCB resulted in loss of Rs.13.00 lakh as interest, calculated at the rate 12 *per cent* per annum (the minimum borrowing rate applicable in the State).

On this being pointed out in audit DTC, Agartala, while admitting the case, assured (April 1999) to take necessary steps.

6.3.5.4 Loss due to non-imposition of fine

Section 194 of Motor Vehicles Act, 1988 lays down that whoever drives a motor vehicle or causes or allows a motor vehicle to be driven with load in excess of permissible weight shall be punishable with a minimum fine of Rupees 2,000 and an additional amount of Rupees 1,000 per ton of excess load together with the liability to pay charges for off-loading of the excess load.

It was noticed in audit that no weighbridge was installed to check the laden weight of the vehicles although 1 Motor Vehicle Inspector, 1 Supervisor and 2 Group 'D' workers were posted in Motor Vehicles Gate at Churaibari Checkpost (the only entry point). Cross check of records of the Superintendent of Sale Tax, Churaibari (Gate) revealed that in November 1997, 251 vehicles which plied within Tripura, had exceeded the laden weight for which no fine was imposed by the department. As a result, the Government had to sustain a revenue loss of Rs.11.29 lakh. The DTC, Agartala, while admitting the fact, stated (September 1999) that corrective measure had been taken for improvement of activities of Churaibari Gate.

6.3.5.5 Non-realisation of penalty amounting to Rs.5.45 lakh for belated payment of composite tax

According to the instructions issued by the Government of India in December 1980, the State Governments were required to make provision for levy of penalty for belated payment of composite tax in respect of vehicles covered by the National Permit Scheme. Under the scheme, if composite tax is not paid within the due date (15 March and 15 September) the holder of the composite permit is liable to pay penalty at the rate of Rs.100 per month or part thereof in addition to the composite tax.

It was noticed that in respect of vehicles of other States, which were authorised to ply in Tripura under the National Permit Scheme during the period from 1992-93 to 1995-96, penalty for belated payment of tax amounting to Rs.5.45 lakh was not collected by other State Transport Authorities (STAs[✡]).

While admitting the fact, the Department stated (April 1999) that cases have been taken up with the respective STAs.

6.3.5.6 Short realisation of revenue

As per Tripura Motor Vehicles Tax Act, 1972 as amended from time to time and the Rules made thereunder, every owner of the vehicle is required to pay road tax at the rate specified in schedules I and II of the Act.

✡ Assam, Meghalaya, Manipur, Haryana, Mizoram, Nagaland etc.

Test-check of records of the DTC, Agartala, and DTOs, Dhalai and South Tripura Districts revealed that in 98 cases during the period from 1993-94 to 1998-99, the road tax realised was less than the actual amount due, which resulted in short realisation of road tax amounting to Rs.1.69 lakh. The short realisation of revenue was mainly due to calculation mistake/short assessment.

6.3.5.7 Issue of renewal certificate of fitness without realisation of arrears

According to convention followed in the Motor Vehicles Department, the certificate of fitness is renewed provided (a) the permit is valid, (b) payment of road tax is up to date and (c) insurance of the vehicle is valid.

It was noticed in audit that in 169 cases, certificates of fitness for the period from 1992-93 to 1997-98 were renewed to the vehicles without realisation of arrear road tax amounting to Rs.7.63 lakh in contravention of the provision of the Act/Rules.

While admitting the fact, the department stated (April 1999) that the action to realise the arrears have already been taken. But the contention of the department was not acceptable as no documentary evidence in support of the 'action taken' could be shown to audit.

6.3.5.8 Improper maintenance of records relating to receipt and disposal of bank drafts, challans etc

Though the department maintained a register of valuables to show the consolidated position of receipt and disposal of bank drafts, no details such as number and date of draft, amount, date of receipt, period to which they relate and reference to forwarding letter of the sender were available on record.

However, the position as could be ascertained from the records made available to audit, indicated the following :

(a) 507 drafts pertaining to the period from 1991-92 to 1997-98 involving Rs.5.62 lakh were sent for revalidation.

(b) Out of 507 drafts, only 258 drafts involving Rs.2.71 lakh were received back after revalidation.

(c) Balance 249 drafts involving Rs.2.92 lakh were not received back.

The DTC, Agartala who is responsible for taking follow up action stated (April 1999) that the matter was taken up with the concerned authorities, but reply had not been received.

6.3.5.9 Systems defects

Under the National/Zonal Permit Scheme, home State is required to obtain from the national permit holders quarterly returns in prescribed form in respect of vehicles covered by such permits indicating the name of the operators, national/composite permit number and summary of trips made during each quarter and to forward these particulars along with copies of the permit to the concerned States/Union Territories.

It was noticed in audit that such returns were not received by the STA, Tripura nor did the STA, Tripura, send any such return to other States/Union Territories. As a consequence of the non-receipt of the quarterly returns/copies of permits from other States/Union Territories, no vehicle-wise demand, collection and balance register was maintained by the Department for keeping watch over the revenue due to the State in the shape of composite fee for the vehicles plying in Tripura.

The Department had no system to cross check the vehicles of other States/Union Territories holding Nation/Zonal permits passing through the check posts.

6.3.5.10 Monitoring and Evaluation

No monitoring and evaluation cell existed in the Department. The Government also did not formulate any system for evaluation of the performance of the Department.

SECTION - B

REVENUE DEPARTMENT

Sales Tax

6.4 Short-levy of interest of Rs. 14.87 lakh

The assessing authorities short levied interest of Rs.14.87 lakh payable by 18 dealers on their unpaid tax.

Under the provision of Tripura Sales Tax Act, 1976, if a registered dealer does not pay full amount of tax due from him on the basis of returns or his account books, within the prescribed date, simple interest at the rate of 25 *per cent* per annum from the first day of the month next following the said date shall be payable by him on the amount by which the tax so paid falls short of the amount of tax payable as per his returns or account books. Further, Tripura Sales Tax Tribunal's Order of May 1992 stated that interest on unpaid amount of taxes had to be calculated according to the provision of the Act and Rules and there was no scope to waive the interest even on the ground of delay in making assessment/re-assessment.

A test check (between March 1997 and February 1998) of the records of 5 Superintendents of Taxes revealed that 18 dealers did not pay balance tax of Rs. 30.73 lakh due for the period from 1988-89 to 1996-97. However, while finalising the assessments (between March and October 1996) the assessing authorities levied interest of Rs. 8.28 lakh only instead of Rs. 23.15 lakh leviable on the unpaid tax of Rs. 30.73 lakh. This resulted in short-levy of interest of Rs. 14.87 lakh.

The Government stated (September 1999) that the cases had been reviewed and notices issued except one case of charge-I for Re.0.15 lakh, which was subjudice, and 5 cases of charge-I for Re.0.75 lakh in which levy of interest was felt inappropriate in view of orders of higher forums including Supreme Court restricting the levy of interest to a period not more than 12 months preceding the date of assessment. But the contention in respect of the 5 cases of charge-I cannot be taken as valid until the existing provisions of Tripura Sales Tax Act and Rules, 1976, are modified.

6.5 Suppression of sales

The Superintendent of Taxes, Dharmanagar did not recover Rs.4.68 lakh including penalty of Rs.2.55 lakh for concealment of turnover and evasion of tax liability.

Under section 13 of Tripura Sales Tax Act, 1976 (Act) if the Superintendent of Taxes, in course of proceedings under the act, is satisfied that any dealer has, without reasonable cause, concealed the particulars of his turnover or evaded in any way the liability to pay tax, he may direct such dealer to pay by way of penalty in addition to the tax payable by him, a sum not exceeding one and half times of that amount but which shall not be less than 10 *per cent* of that amount. In addition, the dealer was liable to pay interest on such tax @ 25 *per cent* per annum by such date as may be specified in the notice of demand under Section 25 of the Act read with Rule 27 of Tripura Sales Tax Rules, 1976.

A test-check of assessment records of a dealer, manufacturing bricks and brick metals, for the year 1994-95 revealed (August/September 1997) that there was concealment of turnover of Rs.14.33 lakh and evasion of tax of Rs.1.70 lakh. But the Superintendent of Taxes, Dharmanagar assessed (September 1996) Rs.2.13 lakh including interest of Rs.0.43 lakh without imposing penalty. The maximum amount of penalty leviable under the Act was Rs.2.55 lakh.

On this being pointed out in audit (June 1999), Government stated (July 1999) that the dealer had closed the business 4/5 years back. A notice under Section 26(a) of the Act has been issued (date not specified) to the Managing Director, Tripura Road Transport Corporation (a Government of Tripura Undertaking) to recover the dues of Rs.4.68 lakh from one of the partners of the dealer and presently working as labour contractor with the corporation.

State Excise

6.6 Non-levy of import fee on liquor

The Collector of Excise, West Tripura, did not levy import fee of Rs.3.71 lakh for India Made Foreign Liquor and Beer imported by eight units.

Under rule 5(1) and (2) of Tripura Excise (Import of India Made Foreign Liquor and Beer) Rules, 1996, the import fee on India Made Foreign Liquor (IMFL) and Beer manufactured outside the State but within India and imported into the State of Tripura shall be leviable at Rs. 4 and Re 1 for every bulk litre of IMFL and Beer respectively.

Test check of records of the Collector of Excise, West Tripura District revealed (October 1998) that eight military/para-military units imported

90,852.75 and 7,430.80 bulk litres of IMFL and Beer respectively between November 1996 and November 1997 from the State of Assam for which import fee of Rs. 3.71 lakh was not levied.

On this being pointed out (June 1999) to the Government, it was reported (July 1999) that Rs.3.03 lakh from 5 units had been recovered and the balance of Rs.0.68 lakh from 3 units would be recovered soon. Further reply has not been received (November 1999).

FOREST DEPARTMENT

6.7 Non-realisation of forest royalty

The Forest Department sustained loss of Rs.14.99 lakh as the contractors illegally utilised forest products in the execution of works in Government Departments, Tripura Tribal Areas Autonomous District Council and Border Road Task Force without obtaining forest clearance certificates as per standing terms and conditions of works contract.

The Indian Forest Act, 1927 as adopted in the State of Tripura provides for seizure of illegal Forest produces immediately on detection of forest offence cases. If the offender of such cases is willing to have his offence compounded, the offence cases may be compounded departmentally. Alternatively, the offender can be prosecuted in the Court of law.

Test-check of records of the Divisional Forest Officer (DFO), Gumti Division, Jatanbari and Divisional Forest Officer, Bagafa (between August and December 1997) revealed that in all 12 forest offence cases were detected between March 1993 and November 1997 by them (DFO, Jatanbari: 4 nos. and DFO, Bagafa: 8 nos.) where contractors illegally utilised forest products in the execution of works in Government Departments, Tripura Tribal Areas Autonomous District Council(TTAADC), and Commandant, Border Road Task Force(BRTF) (C/O 99 APO), without obtaining forest clearance certificate as required according to the standard terms and conditions of works contract. The DFOs assessed revenue of Rs.14.99 lakh (Jatanbari: Rs.12.19 lakh and Bagafa: Rs.2.80 lakh) and pursued (between March 1993 and November 1997) the matter with the executing authorities (Government departments, TTAADC and BRTF) for realisation from contractors concerned. But neither the amount was recovered nor any action taken against the contractors as of September 1999.

Thus, for non-enforcing the provision of the Act *ibid*, the Department sustained a loss of revenue to the tune of Rs.14.99 lakh.

The matter was reported to the Government in July 1999; reply had not been received (October 1999).

CHAPTER VII : FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

7.1 General

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

During 1998-99, financial assistance of Rs.71.07 crore was paid to various autonomous bodies and institutions broadly grouped as under :

Name of institutions	Amount of assistance paid
	(Rupees in crore)
1. Universities and Educational Institutions	15.99
2. Municipal Corporations and Municipalities	4.41
3. Zilla Parishads and Panchayat Raj Institutions	39.13
4. Development Agencies	2.90
5. Hospitals and other Charitable Institutions	1.41
6. Other Institutions	7.23
Total	**71.07**

7.1.2 Delay in furnishing utilisation certificates

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

Of the 2936 utilisation certificates due as on September 1999 in respect of grants aggregating Rs.488.34 crore paid during the period 1991-92 to 1998-99, only 2305 utilisation certificates for Rs.411.27 crore had been furnished by 30 September 1999 and 631 certificates for an aggregate amount of Rs.77.07 crore were yet to be received (November 1999). Department-wise break-up of outstanding utilisation certificates was as follows :

Group	Sl. No.	Name of the Department	Number of certificates	*(Rupees in crore)*
Universities and Educational Institutions	1	Education	46	6.03
	2.	Sports and Youth Programme	10	0.80
Municipal Corporation and Municipalities	3.	Urban Development	101	11.65
Zilla Parishad and Panchayat Raj Institutions	4.	Panchayat Raj	15	36.12
	5.	Tribal Welfare	8	0.24
Development Agencies	6.	Rural Development	21	7.44
Hospitals and other Charitable Institutions	7.	Health and Family Welfare	151	4.15
Other Institutions	8.	Industries and Commerce	161	4.32
	9.	Co-operation	8	1.18
	10.	Welfare for Scheduled Castes and OBC	3	0.29
	11.	Revenue	8	0.11
	12.	Fisheries	9	1.37
	13.	Home	3	0.01
	14.	Animal Resource Development	2	0.08
	15.	Irrigation, Flood Control and Public Health Engineering	17	0.88
	16.	Labour and Employment	5	0.02
	17.	Agriculture	60	2.25
	18.	Dairy Development	3	0.13
		Total	**631**	**77.07**

7.1.3 Delay in submission of accounts

In order to identify the institutions which attract audit under Section 14/15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, Government/Heads of Department are required to furnish to Audit every year detailed information about the financial assistance given to various institutions, the purpose for which assistance was sanctioned and the total expenditure of the institutions. Information for the year 1997-98 called for in June 1998 was awaited as of October 1999 from 23 Departments/Directorates, and 26 Departments/Directorates had not furnished information for a number of years as indicated against each in the following table.

SL. No.	Name of the Department/Directorate	Years for which information had not been furnished
1.	Co-operation	1987-88 to 1994-95[α]
2.	Rural Development	1992-93 to 1997-98
3.	Agriculture	1995-96 to 1997-98
4.	Panchayat Raj	1994-95 to 1997-98
5.	Power	1987-88 to 1997-98
6.	Social Welfare and Social Education	1992-93 to 1997-98
7.	Higher Education	1987-88 to 1997-98
8.	School Education	1990-91 to 1996-97[β]
9.	Tribal Welfare	1990-91 to 1997-98
10.	SC and OBC Welfare	1992-93 to 1995-96[χ]
11.	Police	1987-88 to 1997-98
12.	Jail	1992-93 to 1997-98
13.	Fire Service	1994-95 to 1997-98
14.	Forest	1994-95 to 1997-98
15.	Fisheries	1993-94 to 1997-98
16.	Food and Civil Supplies	1994-95 to 1997-98
17.	Statistics	1992-93 to 1997-98
18.	Labour	1994-95 to 1997-98
19.	Revenue	1993-94 to 1997-98
20.	Information, Cultural Affairs and Tourism	1994-95 to 1997-98
21.	Law	1991-92 to 1997-98
22.	Election	1992-93 to 1997-98
23.	Handloom, Handicrafts and Sericulture	1987-88 to 1997-98
24.	Animal Resource Development	1994-95 to 1997-98
25.	Horticulture and Soil Conservation	1987-88 to 1997-98
26.	Planning	1994-95 to 1997-98

7.1.3.1 The status of submission of accounts by bodies/authorities and submission of Audit Reports thereon to the State Legislature as of March 1999 is given below :

[α] 1995-96 to 1997-98 : received
[β] 1997-98 : received
[χ] 1996-97 to 1997-98 : received

Name of Bodies	Tripura Khadi and Village Industries Board	Tripura Board of Secondary Education
Year upto which accounts due	1998-99	1998-99
Year upto which accounts submitted	1996-97	1991-92 to 1993-94
Year upto which Audit Reports issued	1987-88	1990-91
Reasons for non-finalisation of Audit Reports	Audit of Accounts from 1988-89 to 1990-91 has since been completed (February 2000)	Audit of Accounts from 1991-92 to 1992-93 has been completed (February 2000)
Year upto which Audit Report placed before Legislature	Information awaited from Government/ Board. Matter taken up with Government (February 2000)	1990-91

7.1.3.2 The audit of the accounts of the following bodies has been entrusted to the Comptroller and Auditor General of India for the period mentioned below :

SL. No.	Name of bodies	Period of entrustment	Date of entrustment
1.	Tripura Khadi and Village Industries Board	1994-95 to 1998-99	28 November 1994
2.	Tripura Board of Secondary Education	1996-97 to 2000-01	01 October 1996
3.	Agartala Municipal Council	1996-97 onwards on permanent basis	07 October 1996
4.	Nagar Panchayats (12 Nos.)	1996-97 onwards on permanent basis	07 October 1996
5.	Tripura University	1992-93 to 1996-97	22 February 1994

7.1.4 Audit arrangement

Audit arrangement for Zilla Parishads and Panchayat Raj Institutions has not been finalised as yet. Audit of Co-operative Societies is conducted by the Registrar of Co-operative Societies.

7.1.4.1 Of the 6 bodies/authorities, whose accounts for the period as mentioned below were received, all the bodies/authorities attracted audit under

Section 14 of the C&AG's (DPC) Act, 1971 : of these, accounts of 2 bodies/authorities were audited.

SL. No.	Name of bodies/authorities	Section of audit Act applicable	Annual Accounts	
			Received	Audited
1	District Rural Development Agency (West)	14	1995-96 to 1997-98	1995-96 to 1997-98
2.	District Rural Development Agency (North)	14	1997-98	Audit is being taken up (February 2000)
3.	District Rural Development Agency (South)	14	1997-98	-do-
4.	Tripura Scheduled Castes Development Corporation	14	1992-93 to 1993-94	-do-
5.	Tripura State Social Welfare Advisory Board	14	1995-96 to 1997-98	Audit has since been completed (February 2000)
6.	World Bank Aided Rubber Project	14	1996-97 to 1997-98	-do-

7.1.4.2 The accounts of Tripura Tribal Areas Autonomous District Council (TTAADC) are audited under the provision of Article 244(2) read with Sixth Schedule to the Constitution. The status of submission of accounts by the authority and submission of Audit Reports to the Council as of March 1999 is given below :

Name of the Body	Tripura Tribal Areas Autonomous District Council
Year upto which Accounts due	1998-99
Year upto which Accounts submitted	1993-94
Year upto which Accounts Audited	1993-94
Year upto which Audit Report issued	1990-91
Reasons for non-finalisation of Audit Report	The Audit Report for the period 1991-92 to 1993-94 is under finalisation.
Year up to which Audit Report placed before the Council	The Audit Reports for the period 1985-86 to 1986-87 and for the period 1987-88 to 1990-91 were sent to the Government in January 1996 and July 1997 respectively. These are to be placed before the Council. The matter has again been taken up with the Government (August 1999) to expeditiously place these reports before the Council.

SECTION - B

TRIBAL WELFARE DEPARTMENT AND SCHEDULED CASTE AND OTHER BACKWARD CLASSES WELFARE DEPARTMENT

7.2 Irregularities in working of the Tripura Scheduled Tribes Co-operative Development Corporation Limited and the Tripura Scheduled Castes Co-operative Development Corporation Limited

The two organisations have reported expenditure of Rs.21.84 crore during the years 1979-80 to 1998-99 under the Margin Money Loan Programme and assistance under NCLP's# Loan Programme without maintaining any documentary evidence to prove that the money had gone to the eligible beneficiaries and actually been utilised by them for the intended purposes.

Tripura Scheduled Tribes Co-operative Development Corporation Limited (STDC) and Tripura Scheduled Castes Co-operative Development Corporation Limited (SCDC) were set up in August 1979 under the Tripura Co-operative Societies Act, 1974.

The objectives of these organisations, *inter-alia*, were (i) to assist scheduled tribe (ST) and scheduled caste (SC) entrepreneurs by providing loans and grants in the form of margin money for setting up of income generating units; (ii) to settle STs/SCs in vocational trades and self-employment opportunities through taking up various programmes; and (iii) to undertake all other activities incidental and conducive to the attainment of the above objectives.

Necessary funds for the development activities were to be provided to these organisations by the State Government and the Central Government in the ratio of 51:49. During 1978-79 to 1998-99 Rs.11.75 crore❶ was received by them towards share capital. Moreover, these organisations received Special Central Assistance (SCA) of Rs.11.61 crore❷ from Central Government during the same period. In addition, they borrowed funds of Rs.10.08 crore during 1994-95 to 1998-99 from National Scheduled Castes and Scheduled Tribes Financial Development Corporation to provide financial assistance to ST/SC beneficiaries.

National Scheduled Castes and Scheduled Tribes Finance Development Corporation's Loan Programme.

❶ STDC : Rs.4.50 crore from State Government, and Rs.1.32 crore from Central Government; SCDC : Rs.2.99 crore from State Government, and Rs.2.94 crore from Central Government.

❷ STDC : Rs.7.55 crore; SCDC : Rs.4.06 crore.

A review of working of these organisations revealed the following major irregularities :

(1) Structural weaknesses

The organisations, although registered as co-operative societies, did not maintain any shareholders' register and issue any share certificate to any of their shareholders ever since their inception in August 1979. The Boards of Directors constituted for the organisations did not have the shareholders' representation and consisted only of 19 Government nominees as against 7 nominees permissible by the bye-laws of the organisations.

(2) Restricted scope of activities

The activities of STDC and SCDC remained confined only to two loan assistance programmes viz. Margin Money Loan Programme (MMLP) and National Scheduled Castes and Scheduled Tribes Finance Development Corporation's Loan Programme (NCLP). The Secretary, Tribal Welfare Department (TWD) and the Secretary, Scheduled Castes Welfare Department (SCWD) stated (August 1999) that no other development programmes and activities were taken up due to shortage of manpower.

(3) Utilisation of funds of Rs.21.84 crore without retaining any documentary evidence

MMLP consisted of subsidy and loan.

Under MMLP, 50 *per cent* of the cost of an income generating unit set up by an ST/SC entrepreneur was to be provided as subsidy out of SCA received for the purpose from Central Government. The balance 50 *per cent* was to be provided as loan by the Bank and STDC/SCDC in the ratio of 75:25.

During 1979-80 to 1998-99, Rs.16.13 crore[❸] was reported by these organisations to have been disbursed among 0.55 lakh beneficiaries[❹] under MMLP.

NCLP consisted of loan without subsidy.

Under NCLP, 100 *per cent* of the cost of an income generating unit set up by an ST/SC entrepreneur was to be provided as loan out of funds borrowed for the purpose from National Scheduled Castes and Scheduled Tribes Finance Development Corporation.

During 1994-95 to 1998-99, Rs.5.71 crore[❺] was reported by these organisations to have been disbursed among 670 beneficiaries[❻] under NCLP.

[❸] STDC : Rs.9.78 crore; SCDC : Rs.6.35 crore.
[❹] STDC : 0.31 lakh; SCDC : 0.24 lakh.
[❺] STDC : Rs.2.76 crore; SCDC : Rs.2.95 crore.
[❻] STDC : 353; SCDC : 317.

Rs.21.84 crore spent without having documentary evidence that the money had gone to eligible beneficiaries.

But both the organisations failed to produce before Audit any records showing the names and addresses of the beneficiaries under MMLP and NCLP, the purpose for which funds were given and the recovery schedules, etc, as these were not maintained by them at all. Therefore, there had been no documentary evidence to be verified in audit that Rs.21.84 crore so far spent under MMLP (Rs.16.13 crore) and NCLP (Rs.5.71 crore) had gone to the eligible beneficiaries and actually been utilised by them for the purpose envisaged under the scheme.

The Departmental Secretaries, while accepting the lapses, conceded (August 1999) that because of not conducting any post-lending survey, the Government had no information about the impact of the programmes on the target population. The reply only lends support to the possibility that money reported to have been disbursed has not reached the targeted beneficiaries.

It was envisaged that the banks would submit monthly detailed accounts of disbursement under MMLP to STDC/SCDC. Neither the banks submitted these accounts nor these organisations collected and reconciled the same from banks since launching of the programme.

The organisations reportedly involved the Block Development Officers (BDOs) also in identification of the beneficiaries and implementation of the programmes. Test-check of records of 7 BDOs (Bishalgarh, Dukli, Jirania, Khowai, Melaghar, Mohanpur and Teliamura) showed that no survey was conducted in these blocks to identify the eligible beneficiaries under the above two programmes and the blocks also did not maintain the list of shareholders/beneficiaries showing their names and addresses, and purpose for which loans were given to them by these two organisations. There was also no evidence that any survey was conducted jointly with the bank and block officials to identify the beneficiaries and schemes for which loans were to be given.

(4) Poor recovery of loans

As on 31 March 1999, the organisations reported to have recovered Rs.2.62 crore[@] from the persons to whom loans were given against the total recoverable amount of Rs.6.66 crore[⊕] under both MMLP and NCLP. The recovery rate was as low as 39 per cent. The organisations did not maintain any loan ledger. As a result, age-wise and category-wise break-up of outstanding amount was not ascertainable. There was also no evidence that the organisations executed any agreement with the loanees before disbursement of loans, and consequently were not in a position to initiate legal action against the defaulters.

[@] STDC : Rs.0.66 crore under MMLP, Rs.0.94 crore under NCLP; SCDC : Rs.0.41 crore under MMLP, Rs.0.61 crore under NCLP.

[⊕] STDC : Rs.1.52 crore under MMLP, Rs.1.69 crore under NCLP; SCDC : Rs.1.86 crore under MMLP, Rs.1.59 crore under NCLP.

CHAPTER VIII : GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

8.1 General view of Government Companies and Statutory Corporations

8.1.1 Introduction

As on 31st March 1999, there were nine Government companies and one Statutory Corporation under the control of State Government. The accounts of Government companies (as defined under Section 617 of Companies Act., 1956) are audited by Statutory Auditors appointed by Government of India on the advice of Comptroller and Auditor General of India (CAG) as per provision of Section 619(2) of the Companies Act.,1956. These accounts are also subject to supplementary audit conducted by the CAG as per provision of Section 619 of the Companies Act.,1956. The audit of the Statutory Corporation is conducted under the provision of the respective Act as detailed below:

Name of Corporation	Authority for audit by the C.&A.G.	Audit arrangement
Tripura Road Transport Corporation (TRTC)	Section 33(2) of the Road Transport Corporation Act., 1950	Sole audit by C&AG

8.1.2 Investment in Public Sector Undertakings (PSUs)

As on 31st March 1999, the total investment in 10 Public Sector Undertakings (nine Government Companies and one Statutory Corporation) was Rs.164.92 crore (equity: Rs. 146.02 crore; long term loans: Rs. 18.90 crore) as against a total investment of Rs. 153.55 crore (equity: Rs. 131.60 crore; long term loans: Rs. 21.95 crore) in PSUs (nine Government Companies and one Statutory Corporation) as on 31st March 1998. The analysis of investment in PSUs is given in the following paragraphs.

8.1.2.1 Government Companies

As per information furnished by the managements, the total investment in nine Companies as on 31st March 1999 was Rs. 109.56 crore (equity: Rs. 91.35 crore; long term loans: Rs. 18.21 crore) as against total investment of Rs. 103.65 crore (equity: Rs. 83.14 crore; long term loans: Rs. 20.51 crore) as on 31st March 1998.

The classification of the Government Companies was as under:

Status of Companies	Number of Companies	Investment (Rs. in crore)		Number of companies referred to BIFR
		Paid up capital	Long term loans	
(a) Working companies	8 (8)	91.31 (83.10)	18.21 (20.51)	1[a]
(b) Non-working companies (i) Under liquidation	1[b] (1)	0.04 (0.04)	- -	- -
Total	**9**	**91.35** **(83.14)**	**18.21** **(20.51)**	**1** **(1)**

(figures in bracket are previous year's figures).

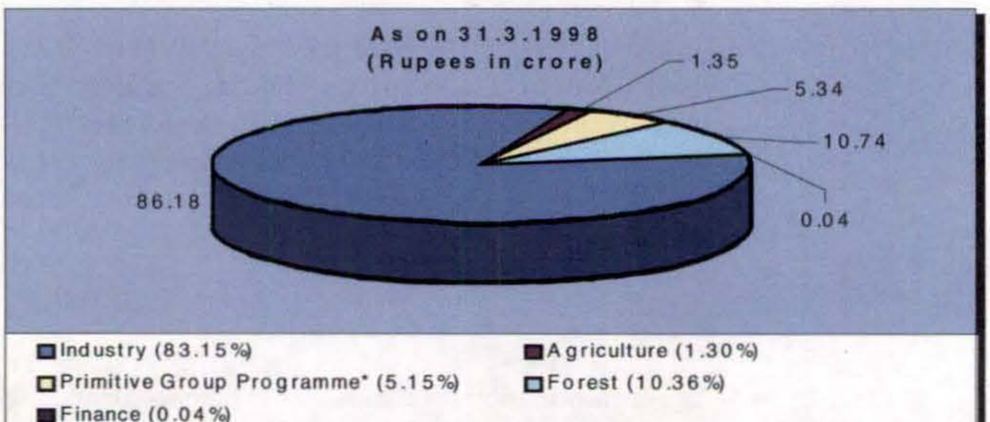
As one company was non-working and under process of liquidation under Section 560 of the Companies Act 1956 for about 29 years and a sum of Rs.0.04 crore was involved in the company, effective steps need to be taken for its expeditious liquidation.

The summarised financial results of Government Companies are detailed in **Appendices-XXVIII and XXIX**. Due to marginal decrease in long term loan of financial sector, the debt equity ratio of Government Companies as a whole decreased to 0.20:1 in 1998-99 from 0.25:1 in 1997-98.

Sector-wise investment in Government Companies[•]

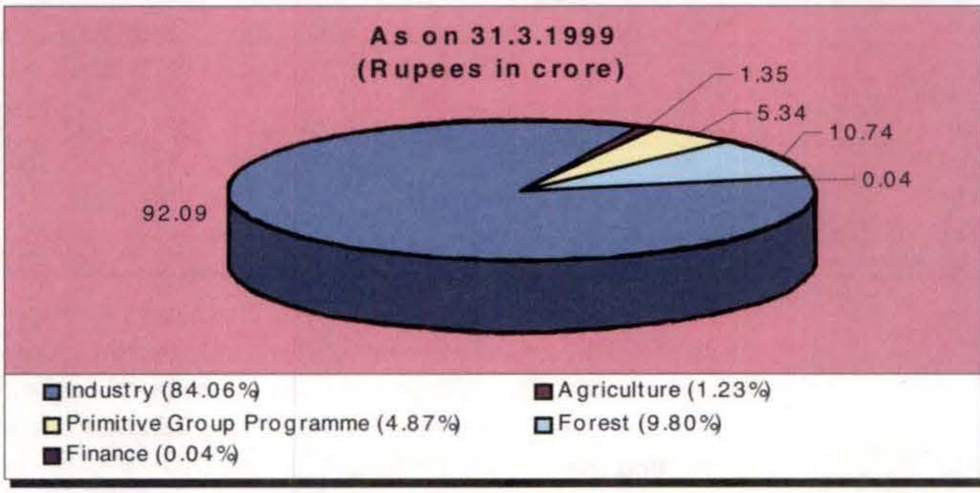
As on 31st March 1999, of total investment in Government companies, 83 *per cent* comprised equity capital and 17 *per cent* comprised loans compared to 80 *per cent* and 20 *per cent* respectively as on 31st March 1998.

The sector-wise investment (equity and long term loans) in Government Companies as of the end of 1997-98 and 1998-99 is given below in two pie diagrams.



Figures in bracket indicate the percentage of investment.
*** Primitive Group Programme consists of schemes for welfare and development of primitive tribes.**

[a] Serial number A3(iv) of Appendix-XXIX.
[b] Serial number A2 of Appendix-XXVIII.
[•] Sector-wise investment consists of Paid up Capital and Long-term Loans.



8.1.2.2 Statutory Corporation

The total investment in one Statutory corporation at the end of March 1998 and March 1999 was as follows:

(Rupees in crore)

Name of Corporation	1997-98		1998-99	
	Capital	Loans	Capital	Loans
Tripura Road Transport Corporation (TRTC)	48.46	1.44	54.67	0.69

The summarised financial results as per the latest finalised accounts are given in **Appendix XXIX** and the financial position and working results of TRTC for the latest three years are given in **Appendix XXXI** and **XXXII**.

8.1.3 Budgetary outgo, subsidies, guarantees and waiver of dues

The details of budgetary outgo, subsidies, guarantees issued by Companies and Statutory Corporation are given in **Appendix XXVIII** and **XXX**.

As per information furnished by the managements, the budgetary outgo from the State Government to Government Companies and the Statutory Corporation for the three years upto 1998-1999 in the form of equity Capital, loans, grants and subsidy is given below:

(Rupees in crore)

	1996-97				1997-98				1998-99			
	Companies		Corporation		Companies		Corporation.		Companies		Corporation	
	No	Amt.	No	Amt.	No	Amt.	No	Amt.	No	Amt.	No	Amt.
Equity Capital	6	8.37	Nil	Nil	2	5.46	Nil	Nil	3	5.29	1	6.20
Loans	2	2.51	Nil	Nil	1	1.17	Nil	Nil	Nil	Nil	Nil	Nil
Grants	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Subsidy towards project/ programme	Nil	Nil	Nil	Nil	1	0.19	Nil	Nil	1	0.12	Nil	Nil
Total outgo[Ω]	7	10.88	Nil	Nil	3	6.82	Nil	Nil	3	5.41	1	6.20

During the year 1998-99, no fresh guarantees were given. At the end of 1998-99, Rs.3.19 crore was outstanding against three companies (Rs. 2.50 crore) and one Statutory Corporation (Rs. 0.69 crore). Information regarding number of cases of default in repayment of guaranteed loans during the year was awaited (November 1999).

8.1.4 Finalisation of accounts by PSUs

8.1.4.1 The accounts of the Companies for every financial year ought to be finalised within six months from the end of the relevant financial year under Sections 166, 210, 230, 619 and 619 B of the Companies Act., 1956 read with Section 19 of Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act. 1971. They are also to be laid before the Legislature within nine months from the end of financial year. Similarly, in the case of Statutory Corporation the accounts are finalised, audited and presented to the Legislature as per the provision of the Act. governing the corporation.

However, as could be seen from **Appendix XXIX**, out of eight Working Government Companies and one Statutory Corporation, none of the Government Companies and Statutory Corporation could finalise their accounts within the specified period. During the period from October 1988 to September 1999, four Government Companies and one Statutory Corporation finalised their accounts relating to the previous years. The accounts of the Government Companies and Statutory Corporation were in arrears for period ranging between 3 years to 15 years as on 30th September 1999 as detailed below:

Sl. No.	**Year from which accounts are in arrears**	**Number of years for which accounts are in arrears**	**Number of**		**Reference to Sl. No. of Appendix-XXIX**	
			Companies	Corporations	Companies	Corporations
1.	1984-85	15	1	--	3(i)	--
2.	1986-87	13	1	--	3(iii)	--
3.	1987-88	12	1	--	3(iv)	--
4.	1989-90	10	2	--	2(i), 3(v)	--
5.	1990-91	9	1	1	3(ii)	5(i)
6.	1994-95	5	1	--	1(i)	--
7.	1996-97	3	1	--	4(i)	--

The administrative departments have to oversee and ensure that the accounts are finalised and adopted by the PSUs within prescribed period. The

[Ω] These are actual number of companies/corporations which received budgetary support in the form of equity, loan, grants and subsidy from the State Government during respective years.

concerned administrative departments and officials of the Government were apprised quarterly by the audit regarding arrears in finalisation of accounts.

Chief Secretary and the Principal Secretary, Finance Department convened meetings of Managing Directors of the Companies in June and September 1999 and stressed on the need for clearing the arrears in finalisation and adoption of accounts. With constant persuasion by Audit and the Government, five accounts were received from three Companies and one Statutory Corporation during the period from July 1999 to September 1999. As a result of arrears in accounts, investment made in the PSUs could not be assessed.

8.1.4.2 Status of placement of separate Audit Reports of Statutory Corporation in Legislature

The following table indicates the status of placement in the legislature by the Government of various Separate Audit Reports (SARs) on the accounts of Statutory Corporation issued by the Comptroller and Auditor General of India.

Sl. No.	Name of the Statutory Corporation	Year upto which SARs placed in legislature	Years for which SARs not placed in legislature		
			Year of SAR	Date of issue to the Government	Reasons for delay in placement in legislature
1.	Tripura Road Transport Corporation	1985-86	1986-87 1987-88 1988-89 1989-90	17.9.1998 17.9.1998 27.5.1999 27.5.1999	The Road Transportation Corporation Act, 1950 does not provide any time schedule for presentation of SARs in the legislature. The Government as well as the Management was asked to furnish the reasons for delay in presentation of SARs in the legislature. Their reply had not been received (October 1999).

Due to delay in presentation of SARs by the Corporation in the legislature, the activities relating to the accounts of the Corporation for the period from 1986-87 to 1989-90 were lying outside the scope of legislative scrutiny (October 1999).

8.1.5 Working results of Public Sector Undertakings

According to latest finalised accounts of eight Government Companies and one Statutory Corporation, five Government Companies had incurred an aggregate loss of Rs. 3.36 crore and the Corporation had incurred the loss of Rs. 3.25 crore. The remaining three Companies earned an aggregate profit of Rs. 0.20 crore.

The summarised financial results of Government Companies and Statutory Corporation as per latest financial accounts are given in **Appendix XXIX**. The working results of the Statutory corporation for the latest 3 years for which accounts are finalised, are given in **Appendix XXXI** and **XXXII**.

8.1.5.1 Government Companies

8.1.5.2 Profit earning companies and dividend

During the year, none of the companies/corporation finalised its accounts for the year 1998-99. Hence, profit or loss in respect of these companies could not be brought out in respect of the year 1998-99. However, out of eight companies which finalised their accounts till 1995-96, three companies earned an aggregate profit of Rs. 0.20 crore and only two companies earned profit for two successive years. However, none of the three companies which earned profit declared dividends so far. The Government was asked (November 1999) to inform whether any policy on dividend had been framed; their reply had not been received.

8.1.5.3 Loss incurring companies

Of the five loss making companies, one company (Tripura Jute Mills Limited) had accumulated loss aggregating Rs. 13.45 crore which had exceeded its aggregate paid up capital of Rs. 6.97 crore as on 31 March 1987. The company was sick and was referred to Board for Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies (Special Provision) Amendment Act., 1991, but BIFR did not consider the case as the company's accounts were in arrears.

Inspite of poor performance leading to complete erosion of paid up capital, the State Government continued to provide financial support to this company in the form of contribution towards equity. According to the available information, the financial support provided by the State Government by way of equity and subsidy during 1998-99 to two companies amounted to Rs. 3.95 crore.

8.1.6 Statutory Corporation

8.1.6.1 Loss incurring Statutory Corporation

The only Statutory Corporation (TRTC) had accumulated loss aggregating Rs. 23.18 crore till 1989-90 (upto which the accounts were finalised).

Inspite of poor performance, the State Government continued to provide financial support to this corporation in the form of equity or loans in perpetuity. According to available information, the financial support provided by the State government by way of equity during the year amounted to Rs. 6.20 crore.

8.1.6.2 Operational performance of Statutory Corporation

The operational performance of the Statutory Corporation (TRTC) is given in **Appendix XXXIII**.

Following are the important observations on operational performance of the corporation :

1. Percentage utilisation of vehicles declined from 52 (1996-97) to 43 (1998-99).

2. The operating losses increased from 2807 paise to 3613 paise per km. in respect of bus and 3776 paise to 7772 paise per km. in respect of truck from 1996-97 to 1997-98 respectively.

3. Average expenditure per km increased from 2653 paise to 3352 paise in case of bus and 4082 paise to 5663 paise in the case of truck from 1996-97 to 1997-98.

8.1.7 Return on Capital employed

As per available accounts finalised upto 30th September 1999, the Capital employed worked out to Rs. 33.22 crore in 8 companies and total return thereon amounted to negative Rs. 2.04 crore (**Appendix XXIX**) against return of negative Rs. 2.77 crore on Rs. 27.98 crore capital employed upto 30th September 1998.

8.1.8 Results of audit by Comptroller and Auditor General of India

The summarised financial results of all the eight working Government Companies and one Statutory Corporation based on the latest available accounts are given in **Appendix XXIX**. However, during the period from October 1998 to September 1999, the accounts of two[σ] companies and one corporation were selected for review. The net impact of the important audit observation as a result of review of these 3 PSUs was as follows:

Details	**No. of accounts**		**Rupees in lakh**	
	Government Companies	Statutory Corporation	Government Companies	Statutory Corporation
(i) Increase in losses	2	1	28.65	22.68

Some of the major errors and omissions noticed in course of review of annual accounts of Government Companies and Corporation are mentioned below:

A. Errors and omissions noticed in case of Government Companies

1. <u>Tripura Forest Development and Plantation Corporation (1988-89)</u>

(i) Interest on term deposit accrued but not due was shown in the accounts as Rs.30.78 lakh whereas as per term deposit register it was Rs.24.52 lakh.

[σ] Serial numbers A2(i) and A3(iv) of Appendix XXIX.

(ii) Sale value of the rubber during the year was shown as Rs.53.46 lakh whereas from the sales register, the sale value was found to be Rs.33.45 lakh. This resulted in overstatement of income – sale of rubber and understatement of loss Rs.20.51 lakh for the year.

(iii) Exhibition of closing stock less than actual resulted in overstatement of net loss and understatement of current assets by Rs.14:57 lakh.

2 Tripura Jute Mills Ltd. (1986-87)

Non-provision for sundry debtors amounting to Rs. 12.56 lakh, recovery of which is doubtful, resulted in overstatement of sundry debtors with corresponding understatement of net loss by Rs. 12.56 lakh.

B. Errors and omissions noticed in case of Statutory Corporation

1. Tripura Road Transport Corporation (1989-90)

Current liabilities do not include Rs. 84.85 lakh due for payment against promissory notes relating to repayment of IDBI loan which remained unpaid. This resulted in understatement of current liabilities and overstatement of deferred liability by the same amount. Non-provision of penal interest at 18 *per cent* per annum on over-due instalments resulted in understatement of 'current liabilities - penal interest due' by Rs. 11.09 lakh with corresponding current year's net loss by Rs. 10.51 lakh and understatement of previous year's net loss by Rs. 0.58 lakh.

8.1.9 Position of discussion on Chapter-VIII relating to Commercial and Trading activities by the Committee on Public Undertakings

The table given below indicates the position of reviews/paragraphs appeared in the Chapter-VIII titled Government Commercial and Trading activities of Audit Reports (Civil) and pending for discussion, as on 30 September 1999.

Period of Audit Report	Total number of reviews/paragraphs appeared in Chapter-VIII		No. of reviews and paras pending discussion	
	Review	Paragraph	Review	Paragraph
1988-89	2	1	1	NIL
1989-90	3	6	2	3
1990-91	1	12	1	5
1991-92	1	5	1	4
1992-93	2	2	2	2
1993-94	-	6	-	2
1994-95	1	7	1	3
1995-96	1	5	1	1
1996-97	1	7	1	7
1997-98	1	5	1	2
Total	**13**	**56**	**11**	**29**

8.1.10 619 - B Companies

There was one company covered under 619 B of the Companies Act., 1956. The table given below indicates the details of paid up capital and working results of company based on the latest available accounts.

(Rupees in lakh)

Name of the Company	Year of account	Paid up capital	Investment by		Others	(+) Profit (-) Loss	Accumu-lated loss
			State Government	Govt. Companies			
Tripura Natural Gas Company	1995-96	53.65	NIL	28.65	25.00	(-) 3.13	20.97

8.1.11 Readiness of PSU for facing Y2K problem

In Tripura only one PSU (Tripura Industrial Development Corporation Limited) is having computer systems and is Y2K compliant. However, failure in RTC Roll-over from 1999 to 2000 was reported for which preventive measures were also recommended. The management stated (September 1999) that the recommendation made in the report would be followed and there would be no problem with the system in the advent of Y2K.

SECTION - A

INDUSTRIES AND COMMERCE DEPARTMENT

8.2 Loan recovery performance of Tripura Industrial Development Corporation Limited

Lack of any system/procedure and guidelines for monitoring and recovery made the Company dependent on borrowed funds to finance new projects in the State. The interest burden on the Company has also increased over the years.

8.2.1 Highlights

The company had to depend mainly on refinance from Industrial Development Bank of India/Small Industries Development Bank of India (IDBI/SIDBI) and share capital contribution from the State Government due to insufficient recovery of loan, which resulted in heavy interest burden of Rs. 209.30 lakh during the five years ending 1998-99.

(Paragraph 8.2.5)

During the years from 1994-95 to 1998-99, amounts due for recovery of loans from units varied from Rs. 968.82 lakh to Rs. 2,431.18 lakh, while amount actually recovered varied from Rs. 79.24 lakh to Rs. 119.76 lakh. The percentage of actual recovery to recoverable amount ranged between 4.93 and 11.11.

(Paragraph 8.2.7.1)

Out of 445 units financed by the company, 204 units were defaulters. However, legal notices were served to only 39 units and 9 units were taken into possession. Out of 9 units, 5 units were sold at a loss of Rs.134.97 lakh.

(Paragraph 8.2.8.2)

The company allowed rescheduling of repayment in respect of 8 defaulting units during the last 5 years. Further, despite the failure of the 6 units in repayment of original loan/interests (Rs. 73.21 lakh), these units were allowed additional loan of Rs. 23.55 lakh after rescheduling of original repayment. None out of the above 6 units repaid any amounts. Total amount outstanding against these 8 units including the above 6 units, was Rs. 214.66 lakh as on 31 March 1999.

(Paragraph 8.2.11)

One time settlement in respect of 9 defaulting units resulted in a loss of Rs. 67.05 lakh.

(Paragraph 8.2.13)

8.2.2 Introduction

Tripura Industrial Development Corporation (TIDC) Limited was incorporated in March 1974 under the Companies Act, 1956. One of the major objectives of the Company is to aid, assist and finance industrial undertaking, projects or enterprise, whether owned or run by Government, Statutory body, private Company, firm or individual with capital, credit means or resources for conducting their business. Presently, it is engaged in giving loans to various entrepreneurs, including small road transport operators. It is also engaged in implementing the scheme of Industrial growth centres, promoting joint ventures etc.

8.2.3 Scope of Audit

With a view to evaluating the efficiency of the Corporation in effecting prompt recovery of dues and adequacy of its control mechanism, the review covering the period from 1994-95 to 1998-99 was conducted during January-February 1999. The results of the review are set out in the succeeding paragraphs.

8.2.4 Organisational set up

The management of the affairs of the Corporation is vested in a Board comprising 9 directors at the end of March 1999 including the Chairman. The Managing Director is the Chief Executive and is appointed by the State Government.

8.2.5 Source of finance

The table below indicates the sources of funds which were available for disbursement to loanee as well as repayments to Company's financiers *i.e.,* Industrial Development Bank of India (IDBI) and Small Industries Development Bank of India (SIDBI) during the five years ending 1998-99.

Resources for Disbursement/ repayment	1994-95		1995-96		1996-97		1997-98		1998-99	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
	(Amount: Rupees in lakh)									
Refinance	108.67	41	138.83	40	139.60	44	72.87	27	89.86	36
Share Capital	42.35	16	80.00	23	16.50	05	57.96	21	12.00	5
Total collection from loanees including prepayments	114.72	43	99.19	29	96.22	30	142.89	52	145.85	58
Others	-	-	27.93	08	66.89	21	-		2.04	1
Total	**265.74**	**100**	**345.95**	**100**	**319.21**	**100**	**273.72**	**100**	**249.75**	**100**
Disbursement to loanee	141.31	53	220.39	64	176.16	55	117.85	43	98.43	39
Repayment to IDBI/SIDBI	124.43	47	125.56	36	143.05	45	155.87	57	151.32	61
Total	**265.74**	**100**	**345.95**	**100**	**319.21**	**100**	**273.72**	**100**	**249.75**	**100**

Note : Others include funds received on account of interest on bank deposits, income from other sources and encashment of term deposits.

From the above it would be observed that disbursement of loans has been substantially reduced from Rs.220.39 lakh in 1995-96 to Rs.98.43 lakh in 1998-99, the reasons of which were not furnished by the Management.

The Company, even after 25 years of financial operations, had to depend mainly on refinance from IDBI/SIDBI and capital contribution from the State Government as the amount collected/recovered from loanees was insufficient to meet the needs of lending operations.

The non-availability of its own resources for recycling resulted in increase in interest burden on the funds borrowed from IDBI and SIDBI, which amounted to Rs. 34.31 lakh, Rs. 35.62 lakh, Rs. 45.87 lakh, Rs. 49.41 lakh and Rs.44.09 lakh during 1994-95, 1995-96, 1996-97, 1997-98 and 1998-99 respectively. The Management stated (April and August 1999) that the Company had taken up a double pronged solution to the problem by boosting up recovery and requesting the State Government to increase Share Capital contribution.

8.2.6 Sanctions/Disbursement vis-à-vis recoveries

Poor recovery position.

The Company has not yet fixed any limit for grant of loan. A comparative statement showing the receipts of loan applications, gross sanctions and disbursements during the five years ending 1998-99 is given below:

Particulars	1994-95	1995-96	1996-97	1997-98	1998-99
	(Rupees in lakh)				
i) Application pending at the beginning of the year	940.16 (188)	582.92 (156)	1060.72 (335)	266.09 (82)	358.91 (63)
ii) Fresh receipts	918.67 (267)	1349.93 (403)	252.03 (82)	409.32 (121)	501.74 (160)
iii) Total	1858.83 (455)	1932.65 (559)	1312.75 (417)	675.41 (203)	860.65 (223)
iv) Rejection /withdrawals	951.19 (205)	589.61 (121)	612.52 (231)	215.98 (86)	511.27 (61)
v) Gross sanctions	324.72 (94)	282.32 (103)	234.14 (104)	100.52 (54)	108.14 (67)
vi) Applications pending at the end of the year	582.92 (156)	1060.72 (335)	266.09 (82)	358.91 (63)	241.24 (95)
vii) Amount disbursed	141.31	220.39	176.16	117.85*	98.43

Note : Figures in bracket indicate number of cases
*** This includes amounts sanctioned earlier**

From the above table it is seen that sanction of loans during 1997-98 and 1998-99 considerably reduced in terms of loan applications as well as in financial terms as compared to 1996-97.

8.2.7 Loan recovery performance

8.2.7.1 The table below indicates the recovery performance of the Company during the last 5 years ending 1998-99.

Sl. No.	Particulars	1994-95	1995-96	1996-97	1997-98	1998-99
		(Rupees in lakh)				
1.	Amount due for recovery					
	a. Arrear at the beginning of the year	**657.89**	***879.31**	**1157.32**	**1568.62**	**1901.38**
	b. Amount due during the year	332.23	361.49	496.83	516.16	575.67
	c. Total Recoverable (a+b)	990.12	1240.80	1654.15	2084.78	2477.05
	d. Amount rescheduled	21.30	Nil	Nil	38.06	45.87
	e. Net recoverable (c-d)	**968.82**	**1240.80**	**1654.15**	**2046.72**	**2431.18**
2.	Target for recovery	100.00	200.00	120.00	130.00	150
3.	Percentage of target to net recoverable	10.32	16.12	7.25	6.35	6.17
4.	Recovery against					
	a. Old dues	76.73	45.31	43.26	80.90	72.53
	b. Current year's demand	30.87	33.93	42.06	47.57	47.23
	Total (a + b)	**107.60**	**79.24**	**85.32**	**128.47**	**119.76**
5.	Amount in arrear (1(e) – 4)	861.22	1161.56	1568.83	191`8.25	2311.42
6.	Net adjustment (Waiver of dues)	Nil	**4.24**	**0.21**	**16.87**	**34.17**
7.	Arrear at the end of the year (5-6)	**861.22**	**1157.32**	**1568.62**	**1901.38**	**2277.25**
8.	Percentage of Recovery against	11.11	6.39	5.16	6.28	4.93
	a. Net recoverable	107.32	39.62	71.10	98.82	79.84
	b. Target	12.49	6.82	5.44	6.70	5.18
	c. Arrear	32.39	21.92	17.17	24.89	20.80
	d(i) Current year demand (in comparison with total recovery)	9.29	9.39	8.47	9.22	8.20
	d(ii) Recovery against current year demand (in comparison with recovery against the amount due during the year)					

*** Rs.18.09 was added in the opening balance of 1995-96 as this was omitted in previous year's accounts of the Corporation.**

The above table shows that despite keeping the targets low, the achievements were still lower during the years 1995-96, 1996-97 and 1998-99, for which no reasons were available on records.

Very low targets fixed for recovery of loans.

Percentage of targets to net amount recoverable was as low as 6.17 to 16.12 during last 5 years ending 1998-99. The percentage of recovery against outstanding dues during the year (Net Recoverable) was even below 5 during the year 1998-99 and during other years it was ranging between 5.16 to 11.11. The amount of net adjustment (Waiver of dues) shows an increasing trend starting from Rs.4.24 lakh in 1995-96 to Rs.34.17 lakh in 1998-99.

The Management stated (April 1999) that targets were fixed based on previous year's recovery and by adding 25 *per cent* on that amount.

8.2.7.2 The following table indicates the age-wise analysis of the overdues for the last five years ending 1998-99:

Age of overdue	1994-95		1995-96		1996-97		1997-98		1998-99	
	Amount of overdue	Percentage of total overdue	Amount of overdue	Percentage of total overdue	Amount of overdue	Percentage of total overdue	Amount of overdue	Percentage of total overdue	Amount of overdue	Percentage of total overdue
	(Rupees in lakh)									
Up to 6 months	8.42	0.99	12.20	1.05	10.73	0.68	10.96	0.57	10.47	0.46
7 to 12 months	8.84	1.03	9.09	0.79	25.39	1.62	16.67	0.88	11.29	0.50
Over 1 year but less than 2 years	77.59	9.08	19.34	1.67	42.85	2.73	68.46	3.60	62.01	2.72
More than 2 years	759.40	88.90	1116.88	96.49	1489.93	94.97	1805.51	94.95	2193.45	96.32
Total	**854.25**		**1157.51**		**1568.90**		**1901.60**		**2277.22**	

8.2.7.3 Non-performing assets

Classification of assets

As per IDBI guidelines assets are to be classified as follows :

I. Standard Assets	Performing assets
II. Sub-standard assets III. Doubtful Assets IV. Loss assets.	Non-performing assets.

An asset becomes a **Non performing asset** (NPA) when it ceases to generate income for an institution (i.e., a term loan will be treated as NPA if interest has remained past due for a period exceeding two quarters during the period 31 March 1996 and onwards).

Standard asset is one which does not disclose any problem and which does not carry more than normal risk attached to the business. Such an asset is not a non-performing asset.

Sub-standard asset is one which has been classified as non-performing asset for a period not exceeding two years.

Doubtful asset is one which has remained a non-performing asset for a period exceeding two years.

Loss asset is one where loss has been identified by the SIDC or its internal or external auditors but the amount has not been written off, wholly or partly.

Following table shows the classification of assets of TIDC Ltd., for last 5 years ending 1998-99.

Sl. No.	Particular	1994-95	1995-96	1996-97	1997-98	1998-99
			(Rupees in lakh)			
(i)	Loans outstanding at the close of the year	837.27	1036.07	1192.00	1259.30	1276.70
(ii)	Classification					
	a) Standard	146.70	200.01	260.20	212.43	145.86
	b) Sub-standard	256.75	186.74	265.20	261.57	188.12
	c) Doubtful	433.82	649.32	667.00	785.33	942.67
	d) Loss	Nil	Nil	Nil	Nil	Nil
	e) Percentage of substandard, doubtful and loss assets to total recoverable dues.	82	81	78	83	89

More than 80 *per cent* of the current assets (Loans and Advances) became non-performing.

From the table above it can be seen that substandard, doubtful and loss assets of the company varied from 78 percent to 89 per cent of the total asset during the period under review.

As per classification of the assets, the Corporation has started making provision for non-performing assets in phases from 1993-94 onwards. Against the requirement of provision for Rs.440.58 lakh as per IDBI guidelines, the Corporation actually made provision for Rs.481.66 lakh as on 31 March 1999 for non-performing assets.

8.2.8 Measures for recovery of dues

No concrete steps taken to recover outstanding loans.

8.2.8.1 Up to July 1996, there was no Recovery and Monitoring Cell in the Corporation. To monitor recovery of overdues, some of its officers were designated as Monitoring Officer (MO) and allotted 15-20 units each. They were also given annual/monthly targets for recovery and were stated to be exclusively responsible for close monitoring as well as recoveries in respect of allotted units. As the said MOs had also to attend to their normal duty (apart from monitoring and recovery), they could never devote their full time for recovery of overdues.

Monthly review meetings for effecting recovery were stated to have been held by the Managing Director. These meetings were attended by all the MOs. But the steps taken by MOs for recovery of loan were not available on record. As a result, the difficulties faced by the MOs and remedial measures suggested in the meetings could not be looked into in audit.

To improve performance of recovery, MOs and other staff engaged in recovery were given incentives based on targets to be achieved and amounts actually recovered. Even then overall targets, though fixed at much lower level, could seldom be achieved.

In July 1996, the Company formed a cell headed by a Manager for recovery of amounts due and monitoring of assisted units. But as the Finance Manager, (who is also functioning as head of the Legal Department of the company) was asked to function as Manager for the recovery cell, instead of the Company appointing/posting an officer solely responsible for the job, and as there was no specific staff attached to the cell, monitoring function of the company suffered.

The Management stated (August 1999) that the BOD had resolved to formulate proper guidelines for recovery.

Nearly, half out of 445 units are defaulters.

8.2.8.2 Out of 445 units financed by the company, 204 units were defaulters against whom the Company decided (September 1999) to take action. Such huge default in the repayment is indicative of the fact that the company failed to properly assess the viability of the units before sanction/disbursement of loan as well as there was lack of monitoring after disbursement. Out of the above defaulters, only 39 units were served with legal notices and 9 units were taken over by the company under Section 29 of the SFC Act. An amount of Rs.299.38 lakh was due for recovery from these 9 units. Out of these 9 units, 5 units were sold during the period from June 1997 to June 1999, by auction for Rs.18.53 lakh resulting in a loss of Rs.134.97 lakh (Recoverable Rs.153.50 lakh – Recovered/Sale Price Rs.18.53 lakh), remaining 4 units were lying unsold due to lack of suitable offers. An amount of Rs.2.24 lakh was spent (March 1999) on watch and ward of these units. Table below shows the details of units taken over and its disposal by the company.

Sl. No.	Name of the defaulting unit	Date of taking over	Amount due on the date of taking over (Rupees in lakh)	Present position
1.	M/s Santa Industries	31 December 1996	6.14	Sold on 26 March 1998 at Rs. 1.65 lakh
2.	M/s B. D. Pipes	26 September 1997	133.87	Sold in June 1999 for Rs.14.15 lakh
3.	M/s Trinayani Tyres & Tubes Pvt. Ltd.	12 January 1998	89.20	Remained unsold
4.	M/s Hotel Kakali	20 July 1998	49.99	-Do-
5.	M/S Chowdhury Diagnostic	1 January 1998	6.04	Sold on 5 September 1998 Rs. 1.78 lakh
6.	Jeep A/C Gouna Babu Singha	31 December 1996	2.93	Sold on 24 February 1997 for Rs. 0.50 lakh
7.	M/s Chandan Bhowmik (Commercial Vehicle)	During 1998-99	4.52	Sold on June 1999 for Rs.0.95 lakh
8.	M/s Mishbha Uddin Ahamad (Commercial Vehicle)	- Do -	6.06	Remained unsold
9.	M/s Nuruzzaman Choudhury (Commercial Vehicle)	- Do -	0.63	- Do -
		Total	**Rs.299.38 lakh**	

8.2.9 Industry-wise/Sector-wise analysis of overdues

The company never made any review of industry-wise performance of large overdues before making further investment in the same industry. The system for ascertaining industry-wise details of outstanding had not been introduced. Absence of industry-wise analysis deprived the Company of the opportunity to monitor/plan its investment policy to ensure that only the industries which had adequate potential were assisted with higher investments, which would have helped the company to maximise its recovery.

8.2.10 Closed and abandoned units

45 units closed/ abandoned, resulting in blockage of company's funds of Rs.773.68 lakh as on 31 March 1999.

As of 31 March 1999, the total number of units financed by the Corporation was 445 with a total assistance of Rs.1276.70 lakh. Out of 445 units, 45 units were either closed or abandoned. The Company had extended financial assistance of Rs. 226.03 lakh to these units but due to negligible recovery, outstanding amount (including interest) as of 31 March 1999 against these units increased to Rs. 773.68 lakh. Though three of the units had been lying closed/abandoned since 1989, against whom outstanding loan including interest was Rs.26.97 lakh, the Company took no effective step to realise its due. This resulted in blocking up of Company's funds for a considerable period. The Management stated (August 1999) that the Company was regularly monitoring the units.

8.2.11 Rescheduling of loans

On request from the defaulters, the Corporation allowed rescheduling of repayments in respect of 9 defaulters to prevent further default. It was, however, noticed that, out of 9 units, the six units to whom rescheduling was allowed were very much irregular in repayment (up to 1995-96, these units repaid only Rs. 2.00 lakh as principal and Rs. 1.63 lakh as interest, against outstanding principal and interest of Rs. 42.61 lakh and Rs. 31.60 lakh respectively). Despite the failure of the units in repayment of original loan/interest (Rs. 73.21 lakh), these units were allowed additional loan of Rs. 23.55 lakh after rescheduling the original repayment. Even after rescheduling, none of these units repaid any amount till the date of audit, the total amount outstanding against the 6 units as on 31 March 1999 was Rs. 171.74 lakh. An amount of Rs.214.66 lakh was outstanding against these 8 units, one unit having been sold after rescheduling of loans, at the end of the financial year 1998-99. The details are indicated below:

Sl. No.	Name of units (year of sanctioning first loan)	Amount outstanding at the time of rescheduling	Amount of Principal rescheduled	Recovery after rescheduling	Additional loan sanctioned after rescheduling	Total outstanding including interest as on 31 March 1998
		(Rupees in lakh)				
1.	Deepali Bulb M/g unit (1986-87)	12.76	5.70	-	3.40	28.21
2.	Rohini Paints Industries (1987-88)	19.81	9.41	-	6.20	47.11
3.	Tripura Foundry (1989-90)	4.91	3.15	-	0.85	10.56
4.	Kinshuk Barbed Wire Bucket M/g (1990-91)	3.52	1.85	-	5.00	14.71
5.	Nirmala Hotel-cum-Restaurant (1991-92)	16.45	14.40		3.30	35.21
6.	T. R. Oil Industry (1986-87)	15.76	8.10	-	4.80	35.94
7.	M/s Imprint	55.58	32.50	9.00	Nil	40.91
8.	M/s Sajal Kr. Seal	2.25	1.95	0.33	Nil	2.01
	Total	**131.04**	**77.06**	**9.33**	**23.55**	**214.66**

The company did not even conduct any financial viability study to ascertain possibility of timely repayment of outstanding amount before disbursement of additional loan to these units.

Additional loan of Rs. 23.55 lakh allowed to six defaulting units without assessing financial viability.

Thus, rescheduling of repayment in respect of these units appeared to have been made to allow them additional loans, without safeguarding company's interest.

The Management stated (August 1999) that the company provided assistance for survival of the units and to safeguard the interest of the workers in these units. It was further indicated that the units failed to survive commercially and repay the dues.

8.2.12 Legal cases

The Board of Directors of the Company decided (July 1997-June 1998) to initiate legal action against 3 defaulting units. The Management, however, has not yet started legal action against any of them. This resulted in blocking up of Rs. 232.29 lakh for a considerable period.

Sl. No.	Name of units	Dates of Board of Director's decision	Outstanding amount (Rupees in lakh) as on 31 March 1999
1.	Nezone Rubber & Plastic Industries	July 1997	90.37
2.	A. K. Veneer Industries	June 1998	80.20
3.	Yamuna Press	NA	61.72
	Total		**232.29**

The reason for failing to initiate legal action by the Management was not available on record.

The Management stated (August 1999) that cases against defaulters would be filed shortly.

8.2.13 One Time Settlement

One time settlement of 9 units resulting in a loss of Rs.67.05 lakh.

During the year 1998-99, the company started one time settlement (OTS) in the case of defaulting units. These units were allowed to pay a lump sum amount in full settlement of their outstanding dues. By the end of the year 1998-99, 9 defaulting units were allowed OTS without finalising any conditions or modalities for such one time settlement. Thus, in the absence of any approved modalities, principles governing such OTS could not be verified in audit. The one time settlement resulted in a loss of Rs. 67.05 lakh to the Company as detailed below:

Sl. No.	Name of units	Amount due on the date of one time settlement	Amount paid as per one time settlement	Loss to company
		(Rupees in lakh)		
1.	M/s Pioneer Press	53.68	18.00	35.68
2.	M/s Satyanarayan Chalk Factory	1.04	0.50	0.54
3.	M/s Priya Stainless Steel	7.60	1.75	5.85
4.	M/s Servewell Industries	3.69	2.20	1.49
5.	M/s Hotel Rajdhani	37.13	20.09	17.04
6.	M/s Hiranmoy Majumder	5.87	0.25	5.62
7.	M/s Manik Dey	0.53	0.35	0.18
8.	M/s Udyog	0.46	0.13	0.33
9.	M/s Nirpen Ch. Paul	0.94	0.62	0.32
	Total	110.94	43.89	67.05

The Management stated (August 1999) that it was resolved by the BOD of the company to formulate guideline for OTS proposals.

The State Government endorsed the replies of the Company (August 1999).

8.2.14 Suggestions :

Following suggestions are given by audit :

- The company may give adequate thrust to improve the recovery performance in order to prevent its further downslide.
- Track record of loanees in repayment of loans may be taken into consideration before finalising subsequent demands for loans from them.
- The company may conduct an industry-wise analysis to identify the potential areas for investments.

SECTION – B

TRANSPORT DEPARTMENT

TRIPURA ROAD TRANSPORT CORPORATION

8.3 Failure in disposal of obsolete stores resulted in locking up of funds

Tripura Road Transport Corporation locked up Rs.12.41 lakh due to its failure to take timely action to dispose of obsolete stores.

The Tripura Road Transport Corporation (TRTC) initially owned a fleet of TATA Model 1210 vehicles (both buses and trucks). With the introduction and marketing of an advanced model (TATA 1210 D) by Telco in 1975-76, TRTC switched over to induct this changed model (TATA 1210 D) in its fleet in 1975 by gradually phasing out the old fleet of TATA 1210 model.

In course of audit it was noticed (September 1998) that 346 different items of spare parts of TATA model 1210 valued at Rs.12.41 lakh, procured from time to time during 1971 to 1986 for maintenance remained unutilised in store and became redundant due to complete phasing out of the vehicles (model 1210) by the year 1986-87. It was seen that the procurement in store was made on the basis of prescribed life of 8 to 10 years of the old model vehicles which in practice lost their life much earlier and as a result there was huge accumulation. These redundant stores though identified belatedly in October 1992, their disposal by tender was attempted only in August 1997 (1st call), in July 1998 (2nd call) and January 1999 (3rd call), all the three of which proved abortive due to lack of response from bidders. No further progress was reported till date (June 1999).

Thus, due to lack of timely adequate action on the part of the Corporation for disposal of the accumulated obsolete stores piled up over the years as a result of injudicious purchase, Rs.12.41 lakh had been locked up.

The matter was reported to Government in (August 1999); their reply had not been received (October 1999).

POWER DEPARTMENT

8.4 Short-realisation due to non-computation of energy charges on load basis and application of lower tariff

Erroneous computation of energy charges resulted short-realisation of Rs.17.41 lakh.

The Tripura Electric Supply Conditions, 1985 provided that where due to non-availability of meter or the meter remaining defective/inoperative for a long period, actual consumption can not be worked out, the units consumed should be calculated on the basis of connected load multiplied by average daily working hours of use which was 10 hours a day in case of consumer of category "F- Public Lighting". Further, under the Tripura Electric Supply (Third Amendment) Conditions, 1992 the electricity tariff for such category of consumers was Re.0.70 per unit prior to 1 June 1992 where the consumption of energy exceeded 5,000 units per month or 15,000 units in a quarter of three months. This rate was subsequently raised to Rs.1.50 per unit with effect from that date.

Test-check (November – December 1998) of revenue accounts of Electrical Sub-Division-IV, Agartala revealed that in respect of two different service connections of a consumer (Chairman, Agartala Municipal Council) of category "F-Public Lighting" neither any meters were ever installed since these connections were given nor was there any endeavour from either end, on record, for installation thereof as of June 1999. The billing was being done without multiplying the connected load by average daily working hours of use as prescribed in the tariff. Due to this, there was erroneous billing for the period from 25 August 1995 to 7 July 1998 (1048 days) against two connections of the consumer. The electricity charges were realised for 9,99,416 units (for connection A : 7,62,969 units and for connection B : 2,36,447 units) while 16,27,544 units were chargeable had the actual loads (A: 125 KW; B: 30.3 KW) been taken into account and multiplied by 10 hours per day (connection A : 13,10,000 units and connection B : 3,17,544 units) and, that too, at the pre-revised lower tariff of Re.0.70 per unit instead of the applicable revised rate of Rs.1.50 per unit. Consequently, as against the total amount of Rs.24.41 lakh that should have been realised (from connection A : Rs.19.65 lakh, and from connection B : Rs.4.76 lakh), an amount of Rs.7.00 lakh only was billed for and realised (from connection A : 5.34 lakh, and from connection B : Rs.1.66 lakh).

Thus, erroneous computation of energy on the one hand and computation of energy charges at the lower tariff on the other resulted in short realisation of energy charges of Rs.17.41 lakh during the period from 25 August 1995 to 7 July 1998.

On this being pointed out, the SDO (Electrical) stated (October 1999) that supplementary bills had been raised (May 1999), but no payment had been made.

The matter was reported to the Government in August 1999; their reply had not been received (October 1999).

8.5 Loss due to unauthorised allowance of rebate

Inadmissible allowance of rebate to 240 consumers in 363 bills resulted in loss of revenue of Rs.9.70 lakh to the Power Department.

Condition 27 of Tripura Electric Supply Conditions, 1985 as amended from time to time prescribed different rates of tariff for different categories of consumers with uniform rate of rebate of 10(ten) paise per KWH. No rebate was, however, allowed under Condition 17(c) if the bill is not paid within 15 (fifteen) days from the date of its presentation.

It was noticed during test check of records of 6 Electrical Sub-Divisions[λ] between October 1997 and November 1998 that the rebate was allowed to 240 consumers in respect of 363 bills for consumption of electric energy, between March 1995 and August 1998, even though the payment was not made within the stipulated period. The inadmissible allowance of rebate thus, resulted in loss of revenue of Rs. 9.70 lakh.

The matter was reported to the Government in May 1999; their reply had not been received (October 1999).

8.6 Loss of revenue due to non-imposition of penalty

Delay in payment of energy charges by 305 consumers in 525 bills resulted in a loss of revenue of Rs.14.04 lakh to the Power Department.

The clauses (a) and (b) of Condition 28 of the Tripura Electric Supply Conditions 1985 as amended in 1992 (Third Amendment) stipulate imposition of penalty for default in making payment of electricity consumption bill within 30 days from the due date (which is calculated to fall on a date 15 days after the date of presentation of the bill), at the rate of 10 paise per unit for 30 days or part thereof, from the day following the due date of payment.

It was noticed during test check of records of 10 Electrical Sub-Divisions[β] (December 1997 and November 1998) that though the payment by 305

[λ] GB Bazaar, Agartala: Rs. 5.71 lakh; Sonamura: Rs. 1.94 lakh; Durga Choumuhani, Agartala: Rs. 0.80 lakh; Bishalgarh: Rs. 0.52 lakh; Kumarghat: Rs. 0.37 lakh and Belonia: Rs. 0.36 lakh.

[β] Sonamura: Rs. 1.38 lakh; Amarpur: Rs. 3.22 lakh; Belonia: Rs. 1.85 lakh; Banamalipur, Agartala: Rs. 1.69 lakh; Kumarghat: Rs. 1.58 lakh; Durga Chowmuhani, Agartala: Rs. 0.94 lakh; Jirania: Rs. 0.93 lakh; Udaipur: Rs. 0.91 lakh; Dharmanagar: Rs. 0.78 lakh; and Jogendranagar, Agartala: Rs. 0.76 lakh.

consumers in respect of 525 bills for consumption of electric energy, between August 1996 and December 1998, was made beyond the stipulated period, penalty leviable as per the above conditions was not levied and realised from them. This resulted in a loss of revenue amounting to Rs. 14.04 lakh.

The matter was reported to the Government in May 1999; their reply had not been received (October 1999).

Agartala
The 3 0 MAR 2000 2000

(R. N. Ghosh)
Accountant General(Audit),
Tripura, Agartala

Countersigned

V. K. Shunglu.

New Delhi
The 1 1 APR 2000 2000

(V.K.Shunglu)
Comptroller and Auditor General of India

APPENDICES

APPENDIX - I

(Reference : Paragraph 2.3.3 at page 30)

Cases where supplementary provision proved unnecessary

Sl. No.	Number and name of grant/appropriation	Supplementary grant/appropriation	Saving
	Voted	*(Rupees in lakh)*	
1.	6 -Revenue Department	58.41	880.77
2.	8 -Appointment and Services Department	6.12	14.70
3.	10 -Home Department	700.25	1348.45
4.	11 -Transport Department	5.72	20.77
5.	13 -Public Works Department	88.08	4791.79
6.	15 -Irrigation and Flood Control Department	445.85	1773.08
7.	16 -Health and Family Welfare Department	273.93	737.36
8	18 -Political Department	9.70	10.89
9.	19 -Tribal Welfare Department	5.50	286.48
10.	20 -Welfare for Schedule Castes Department	0.31	301.21
11.	21 -Food and Civil Supplies Department	24.00	553.11
12.	23 -Panchayat Raj Department	109.53	126.17
13.	27 -Agriculture Department	173.98	235.00
14.	29 -Animal Resource Development Department	255.08	341.39
15.	31 -Rural Development Department	763.86	1618.03
16.	34 -Planning and Co-ordination Department	6.52	16.88
17.	37 -Labour and Employment Department	23.20	43.92
	Total:	**2950.04**	**13100.00**

APPENDIX - II

(Reference : Paragraph 2.3.4 at page 30)

Statement showing cases where supplementary provision was made in excess of actual requirement

Sl. No.	Number and name of grant/appropriation	Original grant/appropriation	Expenditure	Additional requirement	Supplementary provision	Saving
	Revenue Section (Voted)		*(Rupees in lakh)*			
1.	1 -Department of Parliamentary Affairs	212.76	223.71	10.95	26.58	15.63
2.	3 -Chief Minister's Secretariat and S.A. Department	924.01	975.78	51.77	109.80	58.03
3.	5 -Law Department	574.41	611.71	37.30	69.99	32.69
4.	9 -Statistical Department	163.48	167.41	3.93	22.97	19.04
5.	19 -Tribal Welfare Department	12994.22	13218.35	224.13	1302.76	1078.63
6.	20 -Welfare for Schedule Castes Department	4395.01	4443.05	48.04	352.03	303.99
7.	22 -Rehabilitation Department	516.03	895.21	379.18	461.42	82.24
8.	24 -Industries and Commerce Department	789.61	819.51	29.90	121.91	92.01
9.	25 -Handloom , Handicraft and Sericulture Department	428.53	429.94	1.41	29.78	28.37
10.	26 -Fisheries Department	492.65	504.10	11.45	39.79	28.34
11.	28 -Horticulture Department	996.28	1161.20	164.92	415.46	250.54
12.	30 -Forest Department	1421.12	1550.63	129.51	497.38	367.87
13.	35 -Urban Development Department	740.20	749.00	8.80	127.07	118.27
14.	38 -Printing and Stationery Department	364.57	366.32	1.75	17.27	15.52
15.	40 -Education (School) Department	17438.69	18587.93	1149.24	1311.49	162.25
16.	41 -Education (Social) Department	2631.91	3010.47	378.56	437.60	59.04
	Revenue (*Charged*)					
17.	2 -Governor's Secretariat	89.69	92.10	2.41	13.74	11.33
18.	43 -Finance Department	12267.99	12559.11	291.12	793.39	502.27
	Capital (Voted)					
19.	12 -Co-operation Department	79.94	92.75	12.81	26.08	13.27
20.	15 -Irrigation and Flood Control Department	4427.13	4562.75	135.62	293.74	158.12
	TOTAL:	**619,48.23**	**650,21.03**	**3072.80**	**6470.25**	**3397.45**

APPENDIX - III

(Reference : Paragraph 2.3.5 at page 30)

Excess of expenditure over provision requiring regularisation

Sl. No.	Number and name of grant/appropriation	Total grant/appropriation	Total expenditure	Excess
	Revenue - Voted	**Rupees**	**Rupees**	**Rupees**
1.	12 -Co-operation Department	317,28,000	362,48,824	45,20,824
2.	21 -Food and Civil Supplies Department	506,18,000	514,95,491	8,77,491
3.	39 -Education (Higher) Department	1848,55,000	1858,33,685	9,78,685
4.	42 -Education (Sports and Youth Programme) Department	765,91,000	816,79,035	50,88,035
	Total:	**34,37,92,000**	**35,52,57,035**	**114,65,035**
	Revenue - *charged*			
5.	13 -Public Works Department	583,00,000	719,09,996	136,09,996
6.	31 -Rural Development Department	20,00,000	23,03,695	3,03,695
	Total:	**603,00,000**	**742,13,691**	**139,13,691**
	Capital - Voted			
7.	5 - Law Department	60,00,000	69,21,062	9,21,062
8.	6 - Revenue Department	49,65,000	49,65,456	456
9.	10 - Home Department	299,90,000	535,27,335	235,37,335
10.	11 - Transport Department	568,00,000	620,08,000	52,08,000
11.	24 - Industries and Commerce Department	511,00,000	524,40,000	13,40,000
12.	25 - Handloom, Handicrafts and Sericulture Department	92,01,000	98,92,600	6,91,600
13.	29 - Animal Resource Development Department	-	60,000	60,000
	Total:	**1580,56,000**	**1898,14,453**	**317,58,453**
	Capital - *charged*			
14.	43 - Finance Department	2960,14,000	13694,28,310	10734,14,310
	Grand Total:	**8581,62,000**	**19887,13,489**	**11305,51,489**

APPENDIX - IV

(Reference : Paragraph 2.3.6 at page 30)

Statement showing the cases where supplementary provision was inadequate

Sl.No.	Number and name of grant/ appropriation	Original provision	Supple-mentary provision	Total provision	Expenditure	Excess of expenditure over total provision
1	2	3	4	5	6	7
	Revenue Section			*(Rupees in lakh)*		
1.	42-Education (Sports and Youth Programme) Department (Voted)	672.65	93.26	765.91	816.79	50.88
	Capital Section					
2.	11 – Transport Department (Voted)	531.00	37.00	568.00	620.08	52.08
3.	43 – Finance Department (*Charged*)	2825.01	135.13	2960.14	13694.28	10734.14
	TOTAL	**4028.66**	**265.39**	**4294.05**	**15131.15**	**10837.10**

APPENDIX - V

(Reference : Paragraph 2.3.7 at page 30)

Statement showing cases where expenditure fell short by Rs.10 lakh and over 10 *per cent* of the provision

Sl.No.	Number and name of grant/appropriation	Total provision	Saving	Saving as a percentage of total provision
1	2	3	4	5
	Revenue Section		*(Rupees in lakh)*	
1.	2- Governor's Secretariat (*Charged*)	103.43	11.33	11
2.	6 – Revenue Department (Voted)	4855.63	880.77	18
3.	8 – Appointment and Services Department (Voted)	37.68	14.70	39
4.	11 – Transport Department (Voted)	110.55	20.77	19
5.	13 – Public Works Department (Voted)	5819.90	1756.14	30
6.	14 – Power Department (Voted)	7349.12	1901.94	26
7.	15 – Irrigation and Flood Control Department (Voted)	3556.07	1614.96	45
8.	16 – Health and Family Welfare Department (Voted)	6209.72	737.36	12
9.	18 – Political Department (Voted)	40.92	10.89	27
10.	28 – Horticulture Department (Voted)	1411.74	250.54	18
11.	29 – Animal Resource Development Department (Voted)	1625.23	341.39	21
12.	30 – Forest Department (Voted)	1918.50	367.87	19
13.	31 – Rural Development Department (Voted)	5433.19	1426.52	26
14.	34 – Planning and Co-ordination Department (Voted)	94.25	16.88	18

APPENDIX - V (Concld.)

(Reference : Paragraph 2.3.7 at page 30)

Sl.No.	Number and name of grant/appropriation	Total provision	Saving	Saving as a percentage of total provision
			(Rupees in lakh)	
15.	35 – Urban Development Department (Voted)	867.27	118.27	14
16.	37 – Labour and Employment Department (Voted)	278.64	43.92	16
17.	43 – Finance Department (Voted)	26125.51	19150.52	73
	Capital Section			
18.	12 – Co-ordination Department (Voted)	106.02	13.27	13
19.	13 – Public Works Department (Voted)	8006.75	3035.65	38
20.	14 – Power Department (Voted)	2947.66	640.37	22
21.	15 – Irrigation and Flood Control Department (*Charged*)	31.71	28.95	91
22.	16 – Health and Family Welfare Department (Voted)	844.38	387.35	46
23.	20 – Welfare for Schedule Castes Department(Voted)	1652.18	301.21	18
24.	21 – Food and Civil Supplies Department (Voted)	2615.00	553.11	21
25.	27 – Agriculture Department (Voted)	1500.00	605.50	40
26.	30 – Forest Department (Voted)	105.00	105.00	100
27.	31 – Rural Development Department (Voted)	1054.76	191.51	18
28.	35 – Urban Development Department (Voted)	378.50	63.52	17
29.	40 – Education (School) Department (Voted)	91.65	20.10	22
30.	42 – Education (Sports and Youth Programme) (Voted)	321.18	190.00	59
31.	43 – Finance Department (Voted)	769.77	279.12	36
	Total	**86261.91**	**35079.43**	**41**

APPENDIX - VI

(Reference : Paragraph 2.3.8 at page 30)

Statement showing significant cases of persistent savings

Sl.No.	Number and name of grant/appropriation	Amount of saving (percentage of saving to total provision in bracket)		
		1996-97	1997-98	1998-99
			(Rupees in crore)	
1.	28 – Horticulture Department (Revenue – Voted)	212.72 (21)	197.34 (19)	250.54 (18)
2.	12- Co-operation Department (Capital – voted)	188.61 (16)	222.60 (77)	13.27 (13)

APPENDIX – VII

(Reference : Paragraph 2.3.9 at page 30)

Expenditure exceeding the provision by more than Rs.25 lakh and also by more than 10 per cent of the total provision

Sl.No.	Number and name of grant/appropriation	Total provision	Total expenditure	Excess	Percentage of excess expenditure to the total provision
				(Rupees in lakh)	
1.	10-Home Department (Capital-Voted)	299.90	535.27	235.37	78
2.	12-Co-operation Department (Revenue –Voted)	317.28	362.49	45.21	14
3.	13-Public Works Department (Revenue-*Charged*)	583.00	719.10	136.10	23
	Total	**1200.18**	**1616.86**	**416.68**	**35**

APPENDIX – VIII

(Reference : Paragraph 2.3.10 at page 30)

Injudicious re-appropriation of funds

Sl. No.	Number and name of grant/appropriation	Provision Original(O) Supplementary(S)	Reappropriation(R)	Total grant	Actual expenditure	Saving(-) Excess(+)
		(Rupees in lakh)				
1.	10-Home Department 2055-Police Tripura State Rifles Battalion No.V (Non-Plan)	O. 737.08	R(-)320.36	416.72	274.71	(-)142.01
2.	109-District Armed Reserve (Non-Plan)	O. 2086.50 S. 300.00	R(+)140.79	2527.29	1181.39	(-)1345.90
3.	101-Criminal Investigation & Vigilance Criminal Investigation Department and Special Branch (Non-Plan)	O. 637.65	R (+)155.50	793.15	738.08	(-)55.07
4.	108-State Headquarters Police Tripura State Rifles Battalion No.IV(Non-Plan)	O. 320.31	R(+) 82.49	402.80	339.13	(-)63.67
5.	109-District Police District Civil Police(Non-Plan)	O. 3118.19 S. 347.50	R(-) 89.82	3375.87	4186.61	(+)810.74
6.	13-Public Works Department 2059-Public Works 001-Execution	O. 2262.81 S. 9.00	R(+) 148.63	2420.44	2342.48	(-)77.96
7.	3054-Roads & Bridges 04-District and Other Roads 800-Other expenditure(Non-Plan)	O. 695.00	R(-)197.00	498.00	786.44	(+)288.44
8.	5054-Capital Outlay on Roads and Building 04-District and Other Roads 800-Other expenditure(Plan)	O. 5079.90	R(-)2644.71	2435.19	2129.23	(-)305.96
9.	14-Power Department 2801-Power 04- Diesel and Gas Power Generation 800-Other Expenditure (Non-Plan) Gas Power	O. 2180.00	R(-) 913.75	1266.25	---	(-)1266.25
10.	800 – Other Expenditure(Non-Plan)	O. 1074.62	R(+)570.07	1644.69	1915.18	(+) 270.49
11.	05- Transmission and Distribution 800-Other Expenditure (Plan)	O. 1433.00	R(-)788.00	645.00	1063.79	(+)418.79
12.	04-Diesel and Gas Power 052-Machinery and Equipment (Plan)	O. 250.00	R(-) 100.00	150.00	271.90	(+) 121.90

APPENDIX – VIII (contd.)

(Reference : Paragraph 2.3.10 at page 30)

Sl. No.	Number and name of grant/appropriation	Provision Original(O) Supplementary(S)	Reappropri-ation(R)	Total grant	Actual expendi-ture	Saving(-) Excess(+)
		(Rupees in lakh)				
13.	15-Irrigation and Flood Control Department 2215-Water Supply and Sanitation 799-Suspense (Non-Plan)	O.500.00	(+)500.00	1000.00	78.74	(-)921.26
14.	02-Ground Water 799-Suspense(Non-Plan)	O.1500.00	R(-)500.00	1000.00	115.82	(-)884.18
15.	4215-Capital Outlay on Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply Basic Minimum Service(Plan)	O.416.00	R(-)241.00	175.00	94.11	(-)80.89
16.	800-Other Expenditure Basic Minimum Service (Plan)	O.188.86	R(+)171.09	359.95	205.22	(-)154.73
17.	16-Health and Family Welfare Department 2211-Family Welfare C.C.S.(Plan) 103-Maternity and Child Health	O.527.29	R(-)128.75	398.54	181.56	(-)216.98
18.	19-Tribal Welfare Department 101-Subsidy to District Rural Development Agency Scheme for I.R.D.P(C.S.S)	O.129.89	R(+)117.31	247.20	9.89	(-)237.31
19.	4216-Capital outlay on Housing 03-Rural Housing 800-Other Expenditure Indira Awas Yojana	O.765.00	R(-)89.10	675.90	624.83	(-)51.09
20.	20-Welfare of Scheduled Castes Department 2501-Special Programme for Rural Development 01-Integrated Rural Development Programme 101-Subsidy to District Rural Agency Scheme for I.R.D.P(Plan)	O.68.36	R(+)61.75	130.11	71.36	(-)58.75
21.	31-Rural Development Department 2505-Rural Employment 60-Other Programmes 800-Other Expenditure Million Well Scheme(CSS)(Plan)	O.70.00 S.62.18	R(+) 30.82	163.00	71.12	(-)91.88

APPENDIX – VIII (concld.)

(Reference : Paragraph 2.3.10 at page 30)

Sl. No.	Number and name of grant/appropriation	Provision Original(O) Supplementary(S)	Reappropri-ation(R)	Total grant	Actual expendi-ture	Saving(-) Excess(+)
		(Rupees in lakh)				
22.	40-Education(School) Department 2202-General Education 01-Elementary Education 106-Teachers and other Services	O.8194.15	R(-)151.10	8627.98	8529.28	(-)98.70
	Govt. Primary Schools	S. 584.93				
23.	02-Secondary Education 104-Teachers and other Services	O.6235.02 S.503.25	R(+) 63.76	6802.03	6960.11	(+)158.08
24.	43-Finance Department 2071-Pension and other Retirement Benefits 01-Civil (Non-Plan)(Voted) 101-Superanuation and Retirement Allowances	O.3750.00	R(+) 322.10	4072.10	3326.62	(-)745.48
25.	102-Commuted Value of Pension	O.650.00	R(+) 301.60	951.60	839.34	(-)112.26
26.	104-Gratuity	O. 830.00	R(+) 480.10	1310.10	1225.78	(-)84.32
27.	105-Family Pension	O. 750.00	R(+) 459.50	1209.50	1509.38	(+) 299.88

APPENDIX - IX

(Reference : Paragraph 2.3.11 at page 31)

Expenditure incurred without budget provision

Sl. No.	Number and name of grant/appropriation	Head of account	Amount spent (Rupees in lakh)
1.	6-Revenue Department	(i)2029-Land Revenue 001-Direction and Administration (ii)800-Other expenditure Strengthening of Revenue Administration(Non-Plan)	15.90 41.58
2.	13-Public Works Department	(i)2055-Police 108-State Headquarters Police(Plan) (ii)4235-Capital outlay on Social Security and Welfare 60-Social Welfare 102-Child Welfare(Plan) 103-Women's Welfare (Plan) (iii) 4403-Capital outlay on Animal Husbandry 105-Piggery Development (Plan) (iv)4801-Capital outlay on Power Project 80-General 800-Other expenditure (Plan)	87.24 3.15 5.42 2.08 20.44
3.	15-Irrigation and Flood Control Department	(i)2702-Minor Irrigation 02-General Water 103-Tube well(Plan)	126.88
4.	16-Health and Family Welfare Department	(i)4210-Capital outlay on Medical and Public Health 03-Medical Education Training and Resource 102-Other expenditure (Plan)	20.08
5.	27-Agriculture Department	(i)2401-Crop Husbandry 105-Manure and Fertilizer(CSS) (ii) 113-Agri-Engineering Promotion of Agri-Mechanisation Among Small Farmers (CSS) (Plan)	3.25 4.50
6.	28-Horticulture Department	(i)2401-Crop Husbandry 119-Horticulture and Vegetable crops Development of Betelvine (CSS)(Plan)	1.50
7.	29-Animal Resource Development Department	(i)2403-Animal Husbandry 101-Veterinary Services and Animal Health Hospitals and Dispensaries(CSS)(Plan) (ii)102-Cattle and Buffalo Development Breeding operation (CSS)(Plan)	46.52 1.69
8.	43-Finance Department	(i)6003-Internal Debt of the State Government 110-Ways and Means Advances	10801.00
		Total	**11181.23**

APPENDIX - X

(Reference : Paragraph 2.3.12 at page 31)

Statement showing the amounts not surrendered

Sl. No.	Number and name of grant/appropriation	Total provision	Total expenditure	Total saving	Amount not surrendered
(1)	(2)	(3)	(4)	(5)	(6)
					(Rupees in lakh)
	Revenue Section(Voted)				
1.	1-Department of Parliamentary Affairs	239.34	223.71	15.63	15.63
2.	3-Chief Minister's Secretariat and SA Department	1033.81	975.78	58.03	58.03
3.	4-Election Department	325.95	101.90	224.05	218.22
4.	5-Law Department	644.40	611.71	32.69	32.69
5	6-Revenue Department	4855.63	3974.86	(-)880.77	875.63
6.	7-Administrative Reforms Department	43.66	41.04	2.62	2.62
7.	8-Appointment and Services Department	37.68	22.98	14.70	14.70
8	9-Statistical Department	186.45	167.41	19.04	19.04
9.	10-Home Department	13938.92	12590.47	1348.45	1348.45
10.	11-Transport Department	110.55	89.78	20.77	14.47
11.	13-Public Works Department	5819.90	4063.76	1756.14	1756.14
12.	14-Power Department	7349.12	5447.18	1901.94	1712.71
13.	15-Irrigation and Flood Control Department	3556.07	1941.11	1614.96	1614.96
14.	16-Health and Family Welfare Department	6209.72	5472.36	737.36	495.49
15.	17-Information, Cultural Affairs and Tourism Department	549.11	541.15	7.96	7.96
16.	18-Political Department	40.92	30.03	10.89	10.89
17.	19-Tribal Welfare Department	14296.98	13218.35	1078.63	629.64
18.	22-Rehabilitation Department	977.45	895.21	82.24	82.24
19.	23-Panchayat Raj Department	4754.36	4628.19	126.17	126.07
20.	24-Industries and Commerce Department	911.52	819.51	92.01	70.46
21.	25-Handloom, Handicraft and Sericulture Department	458.31	429.94	28.37	16.37
22.	26-Fisheries Department	532.44	504.10	28.34	26.53
23.	27-Agriculture Department	2804.36	2569.36	235.00	204.37
24.	28-Horticulture Department	1411.74	1161.20	250.54	246.50
25.	29-Animal Resource Development Department	1625.23	1283.84	341.39	341.39
26.	30-Forest Department	1918.50	1550.63	367.87	367.87
27.	31-Rural Development Department	5433.19	4006.67	1426.52	1425.62

APPENDIX – X(contd.)

(Reference : Paragraph 2.3.12 at page 31)

Sl. No.	Number and name of grant/appropriation	Total provision	Total expenditure	Total saving	Amount not surrendered
(1)	(2)	(3)	(4)	(5)	(6)
					(Rupees in lakh)
	Revenue Section(Voted)				
28.	32-Tribal Rehabilitation in Plantation and Primitive Group Programme Department	125.12	118.48	6.64	6.64
29.	34-Planning and Co-ordination Department	94.25	77.37	16.88	15.51
30.	35-Urban Development Department	867.27	749.00	118.27	118.27
31.	36-Jail Department	375.07	366.03	9.04	9.04
32.	37-Labour and Employment Department	278.64	234.72	43.92	43.92
33.	38-Printing and Stationary Department	381.84	366.32	15.52	15.52
34.	41-Education (Social) Department	3069.51	3010.47	59.04	59.04
	43- Finance Department	26125.51	6974.99	19150.52	659.34
35.	**Revenue Section (*Charged*)**				
36.	1-Department of Parliamentary Affairs	4.36	4.33	0.03	0.03
37.	2-Governor's Secretariat	103.43	92.10	11.33	11.33
38.	5-Law Department	115.02	112.43	2.59	2.59
39.	12-Co-operation Department	40.00	32.25	7.75	7.75
40.	14-Power Department	800.00	719.02	80.98	80.98
41.	15-Irrigation and Flood Control Department	4.12	3.14	0.98	0.98
42.	25-Handloom, Handicraft and Sericulture Department	1.15	1.12	0.03	0.03
43.	35-Urban Development Department	4.00	-	4.00	4.00
44.	43-Finance Department -	13061.38	12559.11	502.27	502.27
	Capital Section (Voted)				
45.	12-Co-operation Department	106.02	92.75	13.27	12.90
46.	13-Public Works Department	8006.75	4971.10	3035.65	374.19
47.	16-Health and Family Welfare Department	844.38	457.03	387.35	266.22
48.	20-Welfare of Scheduled Caste Department	1652.18	1350.97	301.21	161.41
49.	21-Food and Civil Supplies Department	2615.00	2061.89	553.11	5.11
50.	23-Panchayat Raj Department	349.00	329.54	19.46	19.46

APPENDIX – X(concld.)

(Reference : Paragraph 2.3.12 at page 31)

Sl. No.	Number and name of grant/appropriation	Total provision	Total expenditure	Total saving	Amount not surrendered
(1)	(2)	(3)	(4)	(5)	(6)
					(Rupees in lakh)
51.	27-Agriculture Department	1500.00	894.50	605.50	605.50
52.	30-Forest Department	105.00	....	105.00	100.00
53.	31-Rural Development Department	1054.76	863.25	191.51	127.51
54.	33-Science, Technology and Environment Department	30.75	29.89	0.86	0.86
55.	35-Urban Development Department	378.50	314.98	63.52	51.27
56.	39-Education (Higher) Department	29.13	28.73	0.40	0.40
57.	40-Education (School) Department	91.65	71.55	20.10	20.10
58.	42-Education (Sports and Youth Programme) Department	321.18	131.17	190.01	190.01
59.	43-Finance Department	769.77	490.65	279.12	279.12
Capital Section (*Charged*)					
60.	12-Co-operation Department	65.00	50.46	14.54	14.54
61.	13-Public Works Department	300.00	270.41	29.59	29.59
62.	35-Urban Development Department	4.00	2.59	1.41	1.41
	Total:	**143739.05**	**105194.57**	**38544.48**	**15567.53**

APPENDIX – X(A)

(Reference : Paragraph 2.3.12 at page 31)

Statement showing the amounts of savings above Rs.50 lakh not surrendered

Sl. No.	Number and name of grant/appropriation	Total provision	Total expenditure	Total saving	Amount not surrendered
(1)	(2)	(3)	(4)	(5)	(6)
					(Rupees in lakh)
	Revenue Section(Voted)				
1.	3-Chief Minister's Secretariat and SA Department	1033.81	975.78	58.03	58.03
2.	4-Election Department	325.95	101.90	224.05	218.22
3.	6-Revenue Department	4855.63	3974.86	880.77	875.63
4.	10-Home Department	13938.92	12590.47	1348.45	1348.45
5.	13-Public Works Department	5819.90	4063.76	1756.14	1756.14
6.	14-Power Department	7349.12	5447.18	1901.94	1712.71
7.	15-Irrigation and Flood Control Department	3556.07	1941.11	1614.96	1614.96
8.	16-Health and Family Welfare Department	6209.72	5472.36	737.36	495.49
9.	19-Tribal Welfare Department	14296.98	13218.35	1078.63	629.64
10.	22-Rehabilitation Department	977.45	895.21	82.24	82.24
11.	23-Panchayat Raj Department	4754.36	4628.19	126.17	126.07
12.	24-Industries and Commerce Department	911.52	819.51	92.01	70.46
13.	27-Agriculture Department	2804.36	2569.36	235.00	204.37
14.	28-Horticulture Department	1411.74	1161.20	250.54	246.50
15.	29-Animal Resource Development Department	1625.23	1283.84	341.39	341.39
16.	30-Forest Department	1918,50	1550.63	367.87	367.87
17.	31-Rural Development Department	5433.19	4006.67	1426.52	1425.62
18.	35-Urban Development Department	867.27	749.00	118.27	118.27
19.	41-Education (Social) Department	3069.51	3010.47	59.04	59.04
20.	43- Finance Department	26125.51	6974.99	19150.52	659.34
	Revenue Section (*Charged*)				
21.	14-Power Department	800.00	719.02	80.98	80.98
22.	43-Finance Department -	13061.38	12559.11	502.27	502.27
	Capital Section (Voted)				
23.	13-Public Works Department	8006.75	4971.10	3035.65	374.19
24.	16-Health and Family Welfare Department	844.38	457.03	387.35	266.22
25.	20-Welfare of Scheduled Caste Department	1652.18	1350.97	301.21	161.41

APPENDIX – X(A)(concld.)

(Reference : Paragraph 2.3.12 at page 31)

Sl. No.	Number and name of grant/appropriation	Total provision	Total expenditure	Total saving	Amount not surrendered
(1)	(2)	(3)	(4)	(5)	(6)
					(Rupees in lakh)
26.	27-Agriculture Department	1500.00	894.50	605.50	605.50
27.	30-Forest Department	105.00	....	105.00	100.00
28.	31-Rural Development Department	1054.76	863.25	191.51	127.51
29.	35-Urban Development Department	378.50	314.98	63.52	51.27
30.	42-Education (Sports and Youth Programme) Department	321.18	131.17	190.01	190.01
31.	43-Finance Department	769.77	490.65	279.12	279.12
	Total	**135778.64**	**98186.62**	**37592.02**	**15148.92**

APPENDIX – XI

(Reference : Paragraph 2.3.13 at page 31)

Statement showing the amounts surrendered in excess of actual savings

Sl. No.	Number and name of grant/appropriation	Actual savings	Amount surrendered	Amount Surrendered in excess
		(Rupees in lakh)		
1.	15-Irrigation and Flood Control Department (Capital –Voted)_	158.12	1172.08	1013.96
2.	20-Welfare of Scheduled Castes Department (Revenue- Voted)	303.99	367.43	63.44
3.	40-Education(School) Department (Revenue –Voted)	162.25	217.04	54.79
	Total	**624.36**	**1756.55**	**1132.19**

APPENDIX – XII

(Reference : Paragraph 2.3.16 at page 32)

A. Controlling Officers who did not carry out reconciliation at all

Sl. No.	Name of Department	Name of Controlling Officer	Amount and expenditure not reconciled
			(Rupees in lakh)
1.	Revenue Department	D.M. and Collector, North Tripura, Kailashahar.	68.12
2.	Transport Department	Secretary, Transport Department.	39.48
3.	Public Works Department	Chief Engineer, Public Works Department.	1100.57
4.	Urban Development Department	Secretary, Urban Development.	1006.78
5.	Rehabilitation Department	Secretary, Rehabilitation Department.	17.45
6.	Animal Resource Development Department	Director, Animal Husbandry.	0.60
		Total	**2233.00**

B. Controlling Officers who carried out partial reconciliation

Sl. No.	Name of Department	Name of Controlling Officer	Amount and expenditure not reconciled
			(Rupees in lakh)
1.	Tribal Welfare Department	Director, Tribal Welfare	1.81
2.	Panchayat Raj Department	Director, Panchayat Raj	18.48
3.	Welfare of Scheduled Castes Department	Director, Welfare of Scheduled Castes and OBCs	369.71
4.	Irrigation and Flood Control Department	Chief Engineer, Irrigation and Flood Control	149.84
5.	Revenue Department	DM and Collector, Dhalai	11.68
		Total	**551.52**

APPENDIX – XIII

(Reference : Paragraph 2.3.17 at page 32)

Statement showing Rush of expenditure in the month of March 1999

Sl. No.	Number and name of grant/appropriation	Total provision	Total expenditure	Expenditure during March 1999	Percentage of expenditure during March to	
					Total provision	Total expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)
						(Rupees in lakh)
Revenue Section						
1.	11-Transport Department	110.55	89.78	55.11	50	61
2.	17-Information, Cultural Affairs and Tourism Department	549.11	541.14	115.35	21	21
3.	23-Panchayat Raj Department	4754.36	4628.18	1963.25	41	42
4.	25-Handloom, Handicraft and Sericulture Department	459.46	431.06	130.05	28	30
5.	27-Agriculture Department	2804.36	2569.36	592.14	21	23
6.	28-Horticulture Department	1417.34	1166.80	452.83	32	39
7.	35-Urban Development Department	871.27	749.00	368.67	42	49
8.	40-Education (School) Department	18750.18	18587.93	4782.06	25	26
9.	41-Education (Social) Department	3069.51	3010.47	667.95	22	22
Capital Section						
10.	5-Law Department	60.00	69.21	53.10	88	77
11.	20-Welfare of Scheduled Castes Department	1652.18	1350.97	384.07	23	28
12.	39-Education (Higher) Department	29.13	28.73	18.33	63	64
	Total	**34527.45**	**33222.63**	**9582.91**	**28**	**29**

APPENDIX - XIV

(Reference : Paragraph 2.4 at page 32)

Statement showing abstract contingent bills remaining outstanding against the drawing and disbursing officers as on 31 March 1999

Name of Department	Name of Drawing and Disbursing Officer	Year	Amount of AC bill remaining outstanding	No. of outstanding AC bills	Purpose of drawal
			(Rupees in lakh)		
Home	1. Director General of Police	1996-97	138.99	3	Hiring charges of vehicles, Tiffin Money for Assembly Election 1996
		1997-98	33.24	2	Purchase of vehicles
		1998-99	155.08	12	Vehicles, purchase of arms and ammunition
	2. Commandant Provisioning, Agartala	1998-99	367.86	3	Arms and ammunition
	3. Superintendent of Police(Radio), Agartala	1996-97	30.53	1	Purchase of radio equipment
		1997-98	43.02	1	Purchase of signal equipment
		1998-99	200.35	2	Wireless equipment
	4. 2nd Bn. T.S.R., R.K.Nagar, Khairpur	1998-99	52.46	3	Machine and tools, steel plates, bullet proof glass etc.
Education	5. Director of School Education	Upto 1995-96	42.72	12	*
		1997-98	2.00	1	Prize money (award) to 20 High/Higher Secondary Schools for achieving good results
	6. Inspector of Schools, Bishalgarh	1996-97	0.40	2	Repairing of School building under SREP

APPENDIX – XIV (contd.)
(Reference : Paragraph 2.4 at page 32)

Name of Department	Name of Drawing and Disbursing Officer	Year	Amount of AC bill remaining outstanding	No. of outstanding AC bills	Purpose of drawal
			(Rupees in lakh)		
		1998-99	20.76	87	Construction of Schools
	7. Inspector of Schools, Mohanpur	Upto 1995-96	12.39	50	*
		1997-98	0.40	2	Purchase of toilet accessories
		1998-99	8.18	39	Construction of Schools etc.
	8. Inspector of Schools, Jirania	Upto 1995-96	28.95	116	*
		1996-97	8.33	41	Repairing of school building
		1997-98	4.83	24	- do -
		1998-99	6.00	11	Construction of schools
	9. Inspector of Schools, Teliamura	Upto 1995-96	2.18	9	*
		1996-97	4.90	27	Construction/ reconstruction of school under SREP
		1997-98	16.70	129	- do -
		1998-99	13.22	72	- do -
	10. Inspector of Schools, Khowai	Upto 1995-96	0.25	1	*
		1997-98	13.84	74	Repair and maintenance
		1998-99	10.17	49	- do -
	11. Inspector of Schools, Sadar	1998-99	0.30	2	Construction, repair etc.
	12. Inspector of Schools, Sonamura	1998-99	24.55	16	Construction, repair etc.
Agriculture	13. Deputy Director, Agriculture, West Tripura	Upto 1995-96	134.73	5	*
		1998-99	18.97	1	Purchase of urea

APPENDIX – XIV (contd.)
(Reference : Paragraph 2.4 at page 32)

Name of Department	Name of Drawing and Disbursing Officer	Year	Amount of AC bill remaining outstanding	No. of outstanding AC bills	Purpose of drawal
			(Rupees in lakh)		
	14. Superintendent of Agriculture, Bishalgarh	Upto 1995-96	4.46	24	*
		1996-97	Nil	Nil	Nil
		1997-98	5.35	22	Banana plantation, pineapple plantation, soil conservation work etc. under National Water-shed Development Project for Rainfed Area (NWDPRA)
		1998-99	23.59	105	Construction of channel, clearance of drainage, Banana plantation, pineapple plantation etc. under NWDPRA
	15. Superintendent of Agriculture, Jirania	Upto 1995-96	8.82	33	*
		1996-97	3.24	15	Water harvesting structure, development of degraded land, construction of channel etc.
		1997-98	3.69	18	Gully control structure, water harvesting, soil conservation etc.
		1998-99	6.97	34	- do-

APPENDIX – XIV (concld.)

(Reference : Paragraph 2.4 at page 32)

Name of Department	Name of Drawing and Disbursing Officer	Year	Amount of AC bill remaining outstanding	No. of outstanding AC bills	Purpose of drawal
			(Rupees in lakh)		
	16.Superintendant of Agriculture, Mohanpur	Upto 1995-96	0.97	4	*
		1996-97	4.00	16	Gully control, water harvesting etc.
	17.Superintendent of Agriculture, Teliamura	Upto 1995-96	15.86	181	*
		1998-99	6.47	21	Construction of channel, water harvesting structure etc.
	18. Superintendent of Agriculture, Khowai	Upto 1995-96	3.55	17	*
		1996-97	0.25	1	Execution/ re-execution of channels
		1998-99	1.00	2	Construction of water harvesting design under NWDPRA
	19. Executive Engineer, Agri Engineering Cell (West)	Upto 1995-96	152.92	16	*
	20. Superintendent of Agriculture, Sonamura	Upto 1995-96	12.71	85	*
		1996-97	0.61	9	Water harvesting structure
		1997-98	2.52	13	- do -
		1998-99	16.74	64	Plantation of pineapple and banana, jungle cutting etc.
		Total	**1670.02**	**1477**	

*** Purpose of drawal not available.**

APPENDIX – XV

(Reference: Paragraph 3.1.8.1 at page 37)

Year-wise allocation/delivery/lifting/utilisation of rice

Year	Enrolment on the basis of which foodgrains allocated (No.of students	Allotment of rice by GOI @ of 30 kg per student per Annum Qty.(in quintals)	Quantity for which release order issued by FCI (in quintals)	Delivery of rice made by FCI (in quintals)	Position of lifting/offtaking of rice as per		Qty. of rice reportedly received/ utilised by the Education Department (in quintals)	Qty. of rice short received by Education Department and lying with DFCS (Col. 5-8) (in quintals).	No. of benefici-aries	Percentage of	
					FCI records (in quintals)	DFCS records (in quintals)				Receipt/ utilisation to allotment of rice (Col. 3-8)	Benefici-aries to total enrolment (2-10)
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
1995-96 From 15 August 1995	3,59,375	80,859.37	80,859.38	80,868.38	80,868.38	80,859.38	64,505.65	16,362.73	2,89,828	80	81
1996-97	3,79,028	1,13,708.40	1,13,700.84	1,07,606.76	1,07,606.76	1,10,821.48	84,945.26	22,661.5	3,16,815	75	83
1997-98	4,67,075	1,40,122.50	1,26,110.25	1,14,170.19	1,14,170.19	1,19,166.42	72,209.87	41,960.32	3,05,642	51	65
1998-99	4,85,875	1,45,757.10	1,16,367.71	94,118.24	94,118.24	94,118.24	62,661.36	31,456.88	2,08,871	43	43
Grand Total	**16,91,353**	**4,80,447.37**	**4,37,038.18**	**3,96,763.57**	**3,96,763.57**	**4,04,965.52**	**2,84,322.14**	**1,12,441.43**	**11,21,156**		

APPENDIX–XVI

(Reference: Paragraphs 3.3.4 and 3.3.5.1 at pages 58 and 59 respectively)

Position of scheme-wise and department-wise release of funds by the NEC and expenditure incurred thereagainst during the period from 1992-93 to 1998-99

Sector	Sl. No.	Name of the scheme financed by the NEC	Department involved	Funds released by NEC	Expenditure as per progress report furnished to NEC by State Planning and Co-ordination Department	Excess (+)/ Savings (–)
				(Rupees in crore)		
Agriculture and allied services	1.	True Potato Seed Farm	Agriculture	0.52	0.70	(+) 0.18
	2.	Raising of Dioscorea Floribunda and processing for manufacture of Diosgenin	Forest	1.18	2.33	(+) 1.15
	3.	Setting up of a process-cum-product development centre for rubber based industries in Tripura	-do-	0.10	—	(–) 0.10
	4.	Extension of Latex Centrifuging Factory and Crepe Mills at Takmacherra	-do-	0.50	0.45	(–) 0.05
Water and Power Department	5.	2X8 MW Rokhia Gas Based Power Projects	Power	85.45	97.06	(+) 11.61
	6.	Energy Park, Agartala	Science & Technology	0.04	—	(–) 0.04*
	7.	Setting up of Renewable Energy Complex at Kalachhara, Sabroom	-do-	0.13	—	(–) 0.13*
Transport and Communication	8.	Roads and Bridges	Public Works	32.95	27.23	(–) 5.72
Manpower Development	9.	Fellowship and short-term training programmes	Agriculture, Animal Resource Development and Fisheries	0.29	0.20	(–) 0.09
	10.	Regional Survey School, Agartala	Revenue	1.69	1.37	(–) 0.32
Social and Community Services	11.	Development of Sports and Youth Activities	Sports and Youth Programme	0.70	0.76	(+) 0.06
	12.	Regional Pharmacy Institute	Health and Family Welfare	0.47	0.14	(–) 0.33
	13.	Upgradation of Regional Pharmacy Institute	-do-	0.05	0.15	(+) 0.10
				124.07	**130.39**	**(+) 6.32**

* The position was contradicted (November 1999) by the Science and Technology Department by reporting that the amount was fully spent and utilisation certificates were sent direct to the NEC.

APPENDIX–XVII

(Reference: Paragraph 3.3.5.1 at page 58)

Year-wise details of budget provisions, funds released by the NEC, funds released by the State Government to the implementing departments/State autonomous bodies and expenditure incurred during the period from 1992-93 to 1998-99

Year	Budget provision of the State Government (RE)	Release by the NEC			Release by the State Government	Short (–)/ Excess (+) release by the State Government	Expenditure incurred (as per progress report submitted by the Government to the NEC)
		Grant	Loan	Total			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(Rupees in crore)							
1992-93	4.52	4.23	0.40	4.63	NA	NA	5.26
1993-94	9.32	6.99	0.75	7.74	7.33	(–) 0.41	3.15
1994-95	27.48	26.92	2.59	29.51	12.86	(–) 16.65	29.28
1995-96	45.64	36.65	4.41	41.06	25.24	(–) 15.82	27.65
1996-97	54.23	9.86	1.05	10.91	42.59	(+) 31.68	33.67
1997-98	21.93	19.65	2.15	21.80	22.70	(+) 0.90	23.86
1998-99	8.40	7.58	0.84	8.42	7.07	(–) 1.35	7.52
Total	**171.52**	**111.88**	**12.19**	**124.07**	**117.79**	**(–) 1.65***	**130.39**

NA=Not available. The details of funds released by the State Government during 1992-93 could not be made available to Audit.

*** Out of Rs. 1.65 crore, Rs. 0.05 crore and Rs. 1.60 crore were released in May 1999 and June 1999.**

APPENDIX–XVIII

(Reference: Paragraph 3.3.6.1.8(i) at page 62)

Details of expenditure incurred by Gas Thermal Electrical Division by diverting NEC funds

Sl. No.	Cash book voucher no. and date	Amount (Rupees)	Purpose
1.	41, of February 1995	7,60,143	Purchase of turbine oil.
2.	70, of March 1995	6,86,400	Spares for GT in knockdown condition (Purchase order dated 14.6.94)
3.	71, of March 1995	43,41,480	-do- (Purchase order dated 25.3.94)
4.	77, of March 1995	10,62,817	Overhauling and inspection (Work Order dated 24.9.94)
5.	9, of June 1995	2,89,729	Internal electrification work-Phase III (Agreement dated 7.3.95)
6.	4, of October 1995	2,75,00,000	Supply of GT set for Phase III (Through TE made in February 1996)
7.	37, of November 1995	1,44,640	Carrying of transformer oil. (Agreement dated 10.3.93)
8.	24, of February 1996	2,82,976	Purchase of turbine oil
9.	40, of February 1996	1,83,602	Internal electrification work-Phase III (Agreement dated 7.3.95)
10.	82, of March 1996	4,00,00,000	Escalation payment as per price variation clause on supply of GT sets for Phase III
11.	1, of October 1996	4,85,431	Spares (Supply order dated 15.7.96)
12.	13, of October 1996	1,81,764	
13.	46, of October 1996	2,46,544	Purchase of turbine oil
14.	26, of December 1996	4,67,135	
15.	141, of March 1998	1,43,92,352	Maintenance and overhauling of Unit I of Phase I
	Total:	**9,10,25,013**	

APPENDIX–XIX

(Reference: Paragraph 3.3.6.1.8(ii) at page 62)

Details of expenditure incurred by Gas Thermal Civil Division by diverting NEC funds

Sl. No.	Amount (Rupees in lakh)	Date of diversion	Purpose
1.	28.25	Between May 1995 and March 1999	Construction of quarters (Rs.4.74 lakh), control room (Rs.3.30 lakh), and maintenance works (Rs.20.21 lakh) for Gas Thermal Project, Baramura
2.	39.61	Between 1994-95 and 1998-99	Maintenance of road, quarters, existing plant, vehicles, office buildings and maintenance of phases I and III of the Rokhia Project
3.	1.04	July 1998	Installation of one photocopier in the office of the Minister, Finance

APPENDIX–XX

(Reference: Paragraph 3.3.6.2.4 at page 65)

Details of materials purchased out of NEC funds by PWD but diverted to other works not related to NEC schemes

Sl. No.	Amount (Rupees in lakh) involved	Material diverted	Where diverted	When diverted	Officer who diverted
1.	138.55	851.24 tonnes of steel	Other works not related to NEC schemes	Between June 1995 and July 1999	Executive Engineer, Kumarghat Division
2.	18.32	Cement, Tor steel, RCC spun pipe	-do-	Between June 1995 and March 1999	Executive Engineer, Ambassa Division
	156.87				

APPENDIX-XXI

(Reference: Paragraph 3.3.6.4 at page 66)

Statement showing the various components of the project cost for establishing the Extraction Plant under the scheme of Dioscorea Floribunda

(Rupees in lakh)

Sl. No.	Name of components	Original Estimate	Revised Estimate	Final Estimate	Actual Expenditure	Remarks, if any
1.	Civil works including Land Development and other pre-preparatories	25.00	25.00	53.62	36.77	
2.	Plants and Equipments	37.00	45.00	60.21	111.99	Cost overrun for the Extraction Plant
3.	Utilities, Establishment and other Miscellaneous	17.86	40.00	24.07	43.33	= Rs.(192.09 – 79.86) lakh = Rs.112.23 lakh
		79.86	**110.00**	**137.90**	**192.09**	

APPENDIX - XXII

(Reference :Paragraph 3.4.5.2.1 at page 71)

Names of works executed by the BDOs under Employment Assurance Schemes (EAS) during 1992-93 to 1998-99

Sl.No.	Names of works executed under EAS
1.	Construction of brick soling road.
2.	Construction of earthen road.
3.	Construction of earthen flood protection bundh.
4.	Construction of mini barrage.
5.	Excavation of village pond.
6.	Construction of irrigation channel.
7.	Construction of culvert.
8.	Construction of Anganwadi centre.
9.	Levelling of land.
10.	Construction of junior basic school building.
11.	Construction of food godown.
12.	Construction of dugwell.
13.	Construction of market shed.
14.	Plantation of rubber, teak, gamai and tea plants.
15.	Construction of CRPF camp/kitchen.
16.	Development of waste land.
17.	Construction of ICDS centre.
18.	Water harvesting.
19.	Construction of passenger shed.
20.	Removal of sand from land.
21.	Jungle cutting.
22.	Construction of Community hall.
23.	Construction of sanitary well/latrine.
24.	Construction of Panchayat Ghar.
25.	Jhum weeding.
26.	Construction of semi-permanent bridge.
27.	Conversion to RCC well.
28	Construction of Health/Veterinary centre.
29.	Construction of SC/ST Boarding house.
30.	Construction of temporary fire Station.
31.	Construction of retaining wall.
32.	Water overflow.
33.	Construction of police barrack.
34.	Maintenance of roads.
35.	Other minor works and repairs.

APPENDIX - XXIII

(Reference : Paragraph 3.4.5.2.1 at page 71)

Names of works executed by the BDOs under Jawhar Rojgar Yojana (JRY) during 1992-93 to 1998-99

Sl.No.	Names of works executed under JRY
1.	Construction of IAY houses.
2.	Construction of house with bamboo and sungrass roofing.
3.	Construction of katcha latrine.
4.	Renovation of RCC wells.
5.	Boundary fencing of BDO's Office.
6.	Katcha kitchen room construction of Army camp.
7.	Construction of mini barrage.
8.	Construction of culvert.
9.	Construction of ICDS centre.
10.	Excavation of the village pond.
11.	Construction of irrigation channel.
12.	Construction of katcha well.
13.	Construction of CRPF barrack.
14.	Farm forestry and social forestry.
15.	Land levelling.
16.	Construction of katcha roads.
17.	Jungle cutting.
18.	Removal of sand from paddy land.
19.	Repairing of market shed.
20.	Construction of junior basic school building.
21.	Tea nursery.
22.	Construction of brick soling road.
23.	Construction of earthen bundh.
24.	Water harvesting.
25.	Waste land reclamation.
26.	Construction of Anganwadi centre.
27.	Jhum weeding.
28.	Construction of Panchayat Ghar.
29.	Construction of food godown.
30.	Construction of sanitary well.
31.	Construction of community hall.
32.	Construction of polling station.
33.	Construction of building of BDO's office.
34.	Sinking of Mark II tubewell.
35.	Repairing of market shed, school building, and passenger shed.
36.	Plantation of the flower garden.
37.	Construction of semi-permanent bridge.
38.	Other minor works and repairs.

APPENDIX - XXIV

(Reference : paragraph 3.5.9.2 at page 84)

Statement showing details of beneficiaries covered by Supplementary Nutrition

Year	Expectant Mothers			Nursing Mothers			Children 0-1 year			Children 1-3 years			Children 3-6 years			Severely malnourished Children
	I	T	C	I	T	C	I	T	C	I	T	C	I	T	C	
1992-93	5818	3167	1356	8157	3527	1670	25118	8280	4125	32171	16644	8708	57917	39812	23154	14304
1993-94	5900	3378	1304	8233	4187	1531	25427	9871	4666	32972	18108	9464	60678	41937	22370	13592
1994-95	5080	3509	1525	8126	4916	1910	26374	10621	5073	33658	20852	10112	61936	45180	28236	16101
1995-96	6237	3544	2066	8194	4906	2532	28117	11636	5607	32802	21268	11009	61884	45750	29321	13023
1996-97	5740	3443	1766	7690	4549	2170	25274	9435	4499	31895	18402	10858	56678	40335	26237	8395
1997-98	5394	3885	1827	8049	5149	2302	25001	10084	5155	32978	19206	11564	66918	43351	27292	10775
1998-99	5516	4014	1911	7687	5189	2459	23771	12471	5806	31253	23439	12709	56922	43750	26252	11081
TOTAL	39685	24940	11755	56136	32423	14574	179082	72398	34931	227729	137919	74424	422933	300115	182862	87271

I = Identified, T = Targeted, C = Covered

(i) Beneficiaries identified in all categories ranged between 1,25,149 and 1,38,385 per year (averaging to 1,31,767).

(ii) Beneficiaries targeted to be covered ranged between 71,430 and 88,863 per year (averaging to 80,147).

(iii) Beneficiaries actually covered ranged between 39,013 and 50,535 per year (averaging to 44,774).

Source : Monthly Progress Reports of the selected projects.

APPENDIX – XXV

(Reference : paragraph 3.5.10 at page 84)

Statement showing targets and achievement of non-formal Pre-School Education in respect of 9 selected projects

Sl. No.	Particulars	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
1.	Number of Anganwadis where PSE imparted	1147	1147	1148	1148	1219	1277	1262
2.	Number of Children eligible for enrolment	57917	60678	61936	61884	56678	66918	56922
3.	Number of Children actually enrolled	39812	41937	45180	45750	40335	43351	43750
4.	Number of Children who attended the classes	23154	22370	28236	29321	26237	27292	26252
5.	Percentage of enrolment to eligibility (Sl. No.3 to Sl. No.2)	68.73	69.11	72.94	73.92	71.16	64.78	76.85
6.	Percentage of attendance to enrolment (Sl. No.4 to Sl. No.3)	58.15	53.34	62.49	64.08	65.04	62.95	60.00
7.	Number of children remaining without enrolment (Sl. No.2 *minus* Sl. No.3)	18,105	18,741	16,756	16,134	16,343	23,567	13,172
8.	Percentage of beneficiaries remaining outside the purview of the schemes, without enrolment (Sl. No. 8 to Sl. No. 2)	31	31	27	26	29	35	23

Source : Monthly Progress Reports of the selected projects.

APPENDIX - XXVI

(Reference : paragraph 3.5.11 at page 84)

Statement showing the beneficiaries covered by health check-up during 1992-93 to 1998-99

Beneficiaries	1992-93		1993-94		1994-95		1995-96		1996-97		1997-98		1998-99	
	I	C	I	C	I	C	I	C	I	C	I	C	I	C
Expectant mother	5818	1872	5900	1816	5080	1804	6237	1834	5740	2001	5394	1953	5516	1915
Nursing mother	8157	1886	8233	1882	8126	1812	8194	2257	7690	2469	8049	2666	7687	3003
Children 0-3 years	57289	4153	58399	5103	60032	4479	60919	6799	57169	8453	57979	6320	55024	4463
Children 3-6 years	57917	4431	60678	5320	61936	4883	61884	7249	56678	8345	66918	8889	56922	6688
TOTAL	129181	12342	133210	14121	135174	12978	137234	18139	127277	21268	138340	19828	125149	16069
PERCENTAGE		9.55		10.60		9.60		13.21		16.71		14.33		12.83

I = Identified
C = Covered

Grand Total :
Beneficiaries Identified = 9,25,565
Beneficiaries Covered = 1,14,745 (12.39%)

Source : Monthly Progress Reports of the selected projects

APPENDIX - XXVII

(Reference : paragraph 3.5.12 at page 85)

Statement showing details of beneficiaries identified and covered by immunisation in respect of 9 selected projects

Year	Expectant Mothers		Children in the age group 0-1 year					Children in the age group 1-3 years			Children in the age group 3-6 years	
	Identified	Covered by TT doses along with percentage in bracket	Identified	Covered by BCG along with percentage in bracket	Covered by Measles along with percentage in bracket	Covered by all the DPT doses along with percentage in bracket	Covered by all the Polio doses along with percentage in bracket	Identified	Covered by DPT Booster doses along with percentage in bracket	Covered by Polio Booster doses along with percentage in bracket	Identified	Covered by all the DT Booster doses along with percentage in bracket
1992-93	5818	3396(58)	25118	8085(32)	6992(28)	5960(24)	5797(23)	32171	4416(14)	3821(12)	57917	2515(4)
1993-94	5900	3871(67)	25427	9383(37)	7785(31)	6746(27)	6182(24)	32972	4442(13)	3932(12)	60678	2707(4)
1994-95	5080	3728(73)	26374	12063(46)	9670(37)	5309(20)	5540(21)	33658	3857(11)	3343(10)	61936	2364(4)
1995-96	6237	3017(48)	28117	11265(40)	9890(35)	5515(20)	5167(18)	32802	4338(13)	3871(12)	61884	2662(4)
1996-97	5740	3639(63)	25274	10378(41)	8753(35)	4970(20)	4937(20)	31895	5071(16)	4512(14)	56678	3465(6)
1997-98	5394	3771(70)	25001	9784(39)	8495(40)	5019(20)	4928(20)	32978	2850(9)	2666(8)	66918	3007(4)
1998-99	5516	3183(58)	23771	10177(43)	9161(39)	5299(22)	5279(22)	31253	3944(13)	2900(9)	56922	2695(5)

APPENDIX - XXVIII

(Reference : paragraphs 8.1.2.1 and 8.1.3 at pages 138 and 139 respectively)

Statement showing particulars of paid up Capital, equity/loans received out of budget, other loans and loans outstanding as on 31 March 1999 in respect of Government Companies and Statutory Corporations.

(Rupees in lakh)

Sl. No.	Sector and Name of Company.	Paid up Capital of the end of the year 1998-99					Equity/Loans received out of Budget during the year		Other loans received during the year	Loans outstanding at the close of the year 1998-99			Debt equity Ratio (Previous year)
		State Govt.	Central Govt.	Holding companies	Other	Total	Equity	Loans		Govt.	Other	Total	
1	2	3(a)	3(b)	3©	3(d)	3(e)	4(a)	4(b)	4©	4(d)	4(e)	4(f)	5
A.	GOVERNMENT COMPANIES												
	AGRICULTURE												
1.	Tripura Horticulture Corporation Ltd.(THCL)	135.00				135.00							
	Total :Agriculture	135.00				135.00							
	FINANCE												
2.	Tripura State Bank Ltd.	4.00				4.00							
	Total : Finance	4.00				4.00							
	FOREST												
3	Tripura Forest Development and Plantation Corporation Ltd. (TFDPCL)	780.44	29.50			809.94					264.07	264.07	(0.33) 0.33
	Total : Forest	780.44	29.50			809.94					264.07	264.07	(0.33) 0.33
	INDUSTRIES												
4.	Tripura Small Industries Corporation Ltd. (TSICL)	954.31				954.31	136.40				87.40	87.40	(0.11) 0.09
5.	Tripura Industrial Development Corporation Ltd. (TIDCL)	841.50			163.50	1005.00	12.00				332.51	332.51	(0.38) 0.33
6.	Tripura Handloom and Handicraft Development Corporation Ltd. (THHDCL)	598.94	35.78		4.00	638.72				258.24	157.00	415.24	(0.67) 0.65
7.	Tripura Jute Mills Ltd. (TJML)	4538.01				4538.01	381.00				646.00	646.00	(0.23) 0.14
8.	Tripura Tea Development Corporation Ltd.(TTDCL)	592.50				592.50							
	Total : Industries	7525.26	35.78		167.50	7728.54	529.40			258.24	1222.11	1481.21	(0.25) 0.19
	PRIMITIVE GROUP PROGRAMME												
9.	Tripura Rehabilitation Plantation Corporation Ltd. (TRPCL)	457.73				457.73					75.66	75.66	(0.17) 0.17
	Total : Primitive Group Programme	457.73				457.73					75.66	75.66	(0.17) 0.17
	Total : (A-Government Companies)	***8902.43**	**65.28**		**167.50**	**9135.21**	**529.40**			**258.24**	**1562.64**	**1820.88**	**(0.25) 0.20**
B	STATUTORY CORPORATIONS												
1.	**Tripura Road Transport Corporation (TRTC)**	**5103.00**	**364.00**			**5467.00**	**620.00**				**69.00**	**69.00**	**(0.02) 0.01**
	Total : (B) Statutory Corporation	5103.00	364.00			5467.00	620.00				69.00	69.00	(0.02) 0.01
	GRAND TOTAL (A+B)	**13901.43**	**429.28**		**167.50**	**14602.21**	**1149.40**			**258.24**	**1631.64**	**1889.88**	**(0.16) 0.13**

*** This differs by Rs.0.83 crore (Rs.89.85 crore – Rs.89.02 crore) from the investment of Rs.89.85 crore shown in Chapter-I of this Report. The State Government has been asked to reconcile the difference, their reply is awaited (November 1999).**

APPENDIX – XXIX

(Reference : paragraphs 8.1.2.1, 8.1.2.2, 8.1.4, 8.1.5, 8.1.7 and 8.1.8 at pages 138,139,140,141 and 143 respectively)

Summarised financial results of Government Companies and Statutory Corporations for the latest year for which accounts were finalised upto 30 September 1999

Sl. No.	Sector and Name of Company	Name of Department	Date of incorporation	Period of Accounts	Year in which accounts finalised	Net profit(+) Loss(-)	Net impact of audit comments	Paid up Capital	Accumulated Profit(+) Loss(-)	Capital employed	Total Return on Capital employed	Percentage of total return on capital employed	Arrear of accounts in terms of years	Status of the company/ corporation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
								(Rupees in lakh)						
A.	**GOVERNMENT COMPANIES**													
1.	**AGRICULTURE**													
(i)	Tripura Horticulture Corporation Ltd.	Agricultural Department	07-04-1987	1993-94	1997-98	(+)9.07	Decrease in profit 18.26	125.00	0.80	138.39	25.10	18.14	5	Working
	Total : Agriculture					**(+)9.07**		**125.00**	**0.80**	**138.39**	**25.10**	**18.14**		
2.	**FOREST**													
(i)	Tripura Forest Development and Plantation Corporation Ltd.	Forest Department	26-03-1976	1988-89	1998-99	(-)55.53	Increase in loss 16.09	573.02	(-)186.73	791.58	(-)16.27	(-)2.06	10	Working
	Total : Forest					**(-)55.53**		**573.02**	**(-)186.73**	**791.58**	**(-)16.27**	**(-)2.06**		
3.	**INDUSTRY**													
(i)	Tripura Small Industries Corporation Ltd.	Industry Department	30-04-1965	1983-84	1999-2000	(+)2.31	-	74.99	(-)42.25	158.28	14.71	9.29	15	Working
(ii)	Tripura Industrial Development Corporation Ltd.	-do-	28-03-1974	1989-90	1997-98	(-)1.60	Increase in loss 3.21	461.50	(-)5.92	584.95	3.65	0.62	9	Working
(iii)	Tripura Handloom and Handicraft Development Corporation Ltd.	-do-	05-09-1974	1985-86	1998-99	(-)1.12	-	75.44	(-)24.19	193.88	1.84	0.95	13	Working
(iv)	Tripura Jute Mills Ltd.	-do-	10-10-1974	1986-87	1999-00	(-)269.10	Increase in loss 12.56	697.01	(-)1345.44	214.13	(-)233.60	(-)109.09	12	Working
(v)	Tripura Tea Development Corporation Ltd.	-do-	11-08-1980	1988-89	1997-98	(+)8.58	Increase in profit 2.46	40.00	(-)0.44	492.61	8.58	1.74	10	Working
	Total : Industry					**(-)260.93**		**1348.94**	**(-)1418.24**	**1643.85**	**(-)204.82**	**(-)12.46**		
4	**PRIMITIVE GROUP PROGRAMME**													
(i)	Tripura Rehabilitation Plantation Corporation Ltd.	Tribal Welfare Department.	03-02-1983	1995-96	1999-2000	(-)8.33	-	457.73	(-)273.23	748.06	(-)8.33	(-)1.11	3	Working
	Total : Primitive Group Programme					**(-)8.33.**	**-**	**457.73**	**(-)273.23**	**748.06**	**(-)8.33**	**(-)1.11**		
	Total of "A"					**(-)315.72**		**2504.69**	**(-)1877.40**	**3321.88**	**(-)204.32**	**(-)6.15**		
B	**STATUTORY CORPORATIONS**													
5	**TRANSPORT**													
(i)	Tripura Road Transport Corporation	Transport Department	23-10-1969	1989-90	1998-99	(-)325.41	Increase of loss 22.68	1752.84	(-)2318.00	597.10	(-)220.86	(-)36.99	9	Working
	Statutory Corporations					**(-)325.41**		**1752.84**	**(-)2318.00**	**597.10**	**(-)220.86**	**(-)36.99**		
	Total of "B"													
	Grand Total (A+B)					**(-)641.13**		**4257.53**	**(-)4195.40**	**3918.98**	**(-)425.18**	**(-)10.85**		

N.B. 1. Capital employed represents net fixed assets (including Capital works-in-progress) plus working capital.

2. Total Return on capital employed includes net profit/loss, plus/minus interest charged to Profit and Loss Account.

APPENDIX – XXX

(Reference : paragraph 8.1.3 at page 139)

Statement showing subsidy received, guarantees received, waiver of dues, loans on which moratorium allowed and loans converted into equity during the year, subsidy receivable and guarantee outstanding at the end of March 1999

(Figures in column 3(a) to 5(d) are in Rupees in crore)

Sl. No	Name of the Public Sector Undertaking	Subsidy received during the year				Guarantee received during the year and outstanding at the end of the year					Waiver of dues during the year				Loans on which moratorium allowed
1	**2**	**3(a)**	**3(b)**	**3©**	**3(d)**	**4(a)**	**4(b)**	**4©**	**4(d)**	**4(e)**	**5(a)**	**5(b)**	**5©**	**5(d)**	**6**
		Central Govern-ment	State Govern-ment	Other	Total	Cash Credit from banks	Loan from other sources	Letter of credit opened by banks in respect of imports	Payment obligation under agreement with foreign consultants or contract	Total	Loan repay-ments written off	Interest waived	Penal Interest waived	Total	
A	**GOVERNMENT COMPANIES**														
	Tripura Horticulture Corporation Limited.														
	Tripura Forest Development and Plantation Corporation Ltd.														
	Tripura Small Industries Corporation Ltd.														
	Tripura Industrial Development Corporation Ltd.		0.12		0.12										
	Tripura Handloom and Handicraft Development Corporation Ltd.					0.50				0.50					
	Tripura Jute Mills Ltd.					1.24				1.24					
	Tripura Tea Development Corporation Ltd.														
	Tripura Rehabilitation Plantation Corporation Ltd.	0.25			0.25	0.76				0.76					
	Total of "A"	0.25	0.12		0.37	2.50				2.50					
B	**STATUTORY CORPORATION**														
	Tripura Road Transport Corporation						0.69			0.69					
	Total of "B"						0.69			0.69					
	Grand Total (A+B)	0.25	0.12		0.37	2.50	0.69			3.19					

APPENDIX – XXXI

(Reference : paragraphs 8.1.2.2 and 8.1.5 at pages 139 and 142 respectively)

Statement showing Financial Position of Statutory Corporation

(Rupees in crore)

	Particulars	1996-97	1997-98	1998-99
1.	TRIPURA ROAD TRANSPORT CORPORATION			
A	LIABILITIES			
	Capital (including capital loan & equity capital)	42.75	48.46	Not compiled
	Borrowings from Government	0.25	0.25	-do-
	Borrowings from other sources	1.69	1.19	-do-
	Funds (excluding depreciation funds)	1.08	1.22	-do-
	Trade dues and others current liabilities (including provisions)	27.37	29.60	-do-
	Total of "A"	**73.15**	**80.73**	-do-
B.	ASSETS			
	GROSS BLOCK *less* DEPRECIATION			
	Net Fixed Assets	8.56	8.25	Not compiled
	Capital work in progress including cost of chassis			-do-
	Investment			-do-
	Current Assets, Loans & Advances	2.84	2.32	-do-
	Deferred Cost			-do-
	Accumulated losses	61.74	70.16	-do-
	Total of "B"	**73.15**	**80.73**	
C.	CAPITAL EMPLOYED **	8.56	8.25	-do-

**** Capital employed represents net fixed assets (including works-in-progress) *plus* Working Capital.**

APPENDIX – XXXII

(Reference : paragraphs 8.1.2.2 and 8.1.5 at pages 139 and 142 respectively)

Statement showing Working Results of Corporation

TRIPURA ROAD TRANSPORT CORPORATION					(Rupees in crore)
Sl. No.	Particulars	1996-97	1997-98	1998-99	Remarks
	OPERATING				
a.	Revenue (Income)	2.37	1.73	Not compiled	
b.	Expenditure	7.27	7.54	-do-	
c.	Surplus(+) / Deficit(-)	(-)4.90	(-)5.81	-do-	
	NON-OPERATING			-do-	
a.	Revenue (Income)	0.07	0.42	-do-	
b.	Expenditure	2.70	3.03	-do-	
c.	Surplus(+) / Deficit(-)	(-)2.63	(-)2.61	-do-	
	Total				
a.	Revenue (Income)	2.44	2.15	-do-	
b.	Expenditure	9.97	10.57	-do-	
c.	Net Profit(+) / Loss(-)	(-)7.53	(-)8.42	-do-	
	Interest on Capital and Loans	2.52	2.85	-do-	
	Total return on Capital employed*.	**(-)5.00**	**(-)5.56**	-do-	
	*Total return on Capital employed represents net Surplus/Deficit *plus* total interest charged to Profit & Loss account (*less* interest capitalised).				

APPENDIX - XXXIII

(Reference : paragraph 8.1.6.2 at page 142)

Statement showing Operational Performance of Statutory Corporation

Sl. No.	Particulars	BUS 1996-97	BUS 1997-98	BUS 1998-99	BUS Remarks	TRUCK 1996-97	TRUCK 1997-98	TRUCK 1998-99	TRUCK Remarks
1.	Average No. of vehicles held	79	84	94		29	28	28	
2.	Average No. of vehicles on road	41	37	39		15	14	12	
3.	Percentage of utilisation of vehicles	51.90	44.05	41.49		51.73	50.00	42.86	
4.	Number of Employees	795	800	791		135	119	110	
5.	Employee-vehicle ratio	10.06	9.52	8.41		4.66	4.25	3.93	
6.	Number of routes operated at the end of the year	28	27	27					There is no scheduled route in goods services
7.	Route-Kilometre	3583	3097	3040					
8.	Kilometres operated (Rs. in lakh) (a) Gross	22.60	19.56	21.85		3.12	1.74	1.34	
	(b) Effective	21.50	18.62	20.68		3.10	1.65	1.29	
	(c) Dead	1.10	0.94	1.17		0.02	0.09	0.05	
9.	Percentage of dead kilometres to gross kilometres	4.87	4.81	5.35		0.66	5.12	3.62	
10.	Average kilometres covered per Bus/Truck/day	144	138	145		56.71	32.23	29.52	
11.	Operating revenue per Km. (paise)	710	773	NA		2459	1269	NA	
12.	Average Expenditure per kilometre (paise) (operating)	2653	3352	NA		4082	5663	NA	
13.	Profit(+)/Loss(-) per Km. (paise)	(-)2807	(-)3613	NA		(-)3776	(-)7772	NA	
14	No. of operating depots	2	2	2		1	1	1	
15.	Average No. of break-down per lakh Kms.	21.0	34.5	15.8		3.51	2.89	0.74	
16.	Average No. of accidents	0.49	0.46	0.41		NIL	NIL	NIL	
17.	Passenger-Km. Operated (in crore)	6.43	5.68	5.75					
18	Occupancy ratio	61.06	62.28	57.95					