

Sr. A.O. (Rep)



सत्यमेव जयते

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

FOR THE YEAR ENDED 31ST MARCH 1991

GOVERNMENT OF TRIPURA

TABLE OF CONTENTS

	<i>Paragraph(s)</i>	<i>Page(s)</i>
PREFATORY REMARKS ..		v
OVERVIEW ..		vii-xv
CHAPTER I—ACCOUNTS OF THE STATE GOVERNMENT		
Summarised Financial Position ..	1.1	1-7
Comments on Accounts ..	1.2	8-13
CHAPTER II—APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE		
General ..	2.1	14
Results of Appropriation Audit ..	2.2	14
Un-necessary/Excessive/Inadequate supplementary provision ..	2.2.01	14
Saving/Excess over provision ..	2.2.02	14
Non-receipt of explanation for savings/excesses ..	2.2.03	15
Unutilised provision ..	2.2.04	15-18
Significant cases of saving under schemes ..	2.2.05	18-20
Persistent savings ..	2.2.06	20-21
Persistent excesses ..	2.2.07	21
Surrender of savings ..	2.2.08	21-23
Reconciliation of departmental figures ..	2.2.09	23
Trend of recoveries and credits ..	2.2.10	23
CHAPTER III—CIVIL DEPARTMENTS		
Animal Husbandry Department		
Loss on sale of milk ..	3.1	24
Education Department		
Mid-Day-Meal/Tiffin Programme ..	3.2	24-38
Unutilised hostel building ..	3.3	38
Food and Civil Supplies Department		
Extra expenditure on purchase of salt ..	3.4	38-40
Misappropriation/pilferage of rice ..	3.5	40-41

	<i>Paragraph(s)</i>	<i>Page(s)</i>
Forest Department		
Loss of Government money ..	3.6	41-42
Health and Family Welfare Department		
National Technology Mission on Immunisation (Universal Immunisation Programme) ..	3.7	42-55
Information, Cultural Affairs and Tourism Department		
Irregular assignment of printing work ..	3.8	55-56
Department of Welfare Scheduled Tribes		
Unutilised hostel building ..	3.9	56

CHAPTER IV—WORKS EXPENDITURE

Public Works Department		
Excess payment due to incorrect measurement of work ..	4.1	57-59
Extra expenditure on purchase of ceiling fans ..	4.2	59-61
Unproductive expenditure on idle establishment of drivers ..	4.3	61
Non-utilisation of Government materials and non-recovery of their cost ..	4.4	62
Extra expenditure due to acceptance of tenders based on defective estimates ..	4.5	62-64
Undue benefit to contractor ..	4.6	64-65
Power Department		
Excess expenditure due to injudicious carriage of goods ..	4.7	65-66

CHAPTER V—REVENUE RECEIPTS

General		
Trend of revenue receipts ..	5.1	67
Analysis of revenue receipts ..	5.2	67-70
Variations between budget estimates and actuals ..	5.3	70-71
Cost of collection ..	5.4	71-72
Analysis of collection ..	5.5	72
Assessment of arrears ..	5.6	72-73
Uncollected revenue ..	5.7	74
Frauds and evasions ..	5.8	74
Outstanding local audit reports and audit objections ..	5.9	74-75

	<i>Paragraph(s)</i>	<i>Page(s)</i>
Sales Tax		
Results of Audit ..	5.10	75-76
Pendency of appeals at various levels and its impact on revenue collection ..	5.11	76-88
Short levy due to incorrect determination of turn over ..	5.12	88-89
Short realisation of tax including composition money ..	5.13	89-91
Outstanding Inspection Reports and Paragraphs ..	5.14	91
State Excise		
Results of Audit ..	5.15	92
Short realisation of revenue due to non-maintenance of reserve stock of country liquor ..	5.16	92-93
Outstanding Inspection Reports and Paragraphs ..	5.17	93
Forest Receipts		
Results of Audit ..	5.18	93-94
Short realisation of sales tax due to adoption of incorrect rate of tax ..	5.19	94
Outstanding Inspection Reports and Paragraphs ..	5.20	94-95
Power Department		
Results of Audit ..	5.21	95
Outstanding Inspection Reports and Paragraphs ..	5.22	96
CHAPTER VI—FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS		
Details of grants ..	6.1	97
Utilisation of grants ..	6.2	97
Financial Assistance to Local Bodies and Others	6.3	97-98
Audit entrusted to the Comptroller and Auditor General of India ..	6.4	99
Delay in preparation of accounts by the bodies ..	6.5	99
Local Self Government Department		
Wasteful expenditure on swimming pool ..	6.6	99-100
Audit Notes and paras outstanding ..	6.7	100
CHAPTER VII—GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES		
General ..	7.1	101
Government Companies—General view ..	7.2	101-102
Statutory Corporation—General aspects ..	7.3	102-103
Departmentally managed Government Commercial and Quasi-Commercial Undertakings ..	7.4	103

	<i>Paragraph(s)</i>	<i>Page(s)</i>
Industries Department		
Tripura Tea Development Corporation Limited ..	7.5	103-127
Tripura Jute Mills Limited		
Avoidable liability on sales tax payment ..	7.6.1	127-128
Extra expenditure on purchase of jute ..	7.6.2	128
Payment of liquidated damage ..	7.6.3	128-129
Loss on liquidated damage ..	7.6.4	129
Contribution towards provident fund and family pension not deposited ..	7.6.5	129-130
Power Department		
Under billing of energy charges ..	7.7.1	130
Short realisation of revenue due to incorrect computation of energy charges ..	7.7.2	131
Loss due to irregular allowance of rebate ..	7.7.3	131
Loss of revenue due to wrong billing of energy charges ..	7.7.4	131-132
Extra expenditure due to acceptance of tenders at higher rate ..	7.7.5	132
Loss of revenue due to non-imposition of penalty ..	7.7.6	132
Non-imposition of revised rates of energy charges ..	7.7.7	133

APPENDICES

Appendix 1	Excess over provision requiring regulation ..	2.2.02	137
Appendix 2	Utilisation Certificate outstanding at the end of September 1991 ..	6.2	138-140
Appendix 3	Details of area under tea plantation, actual yield of green leaf in Machmara and Kamalasagar Tea Estates ..	7.5.10	141-143
Appendix 4	Statement showing particulars of paid-up capital, outstanding loans, working results etc., of the Companies as on 31.3.90 ..	7.2.2	144
Appendix 5	Summarised financial results of Government Companies for the year for which accounts were finalised upto 31.3.1990 ..	7.2.3	145
Appendix 6	Glossary of abbreviations used in the reviews ..		146-147

PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151(2) of the Constitution. It relates mainly to matters arising from the Appropriation Accounts for the year 1990-91 together with other points arising from audit of financial transactions of the Government of Tripura. It also includes certain points of interest arising from the Finance Accounts for the year 1990-91.

2. The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the year 1990-91 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 1990-91 have also been included, wherever considered necessary.



OVERVIEW

OVERVIEW

This Report includes two chapters containing the observations of Audit on the State's finances and Appropriation Accounts for the year 1990-91 and five other chapters, comprising Audit reviews and paragraphs arising from the Audit of financial transactions, revenue receipts and commercial and trading activities of the Government of Tripura. A synopsis of the findings contained in the Audit reviews and important paragraphs is presented in this overview.

1. Accounts of the State Government

The budget estimates for the year 1990-91 envisaged a revenue deficit of Rs. 21.78 crores which was scaled down to Rs. 17.35 crores in the revised estimates. The actual revenue deficit, however, was Rs. 1.71 crores.

—The assets of the State Government increased by 66 *per cent* from Rs. 505.06 crores in 1986-87 to Rs. 838.66 crores at the end of 1990-91; however, the liabilities increased faster from Rs. 247.69 crores to Rs. 546.66 crores registering an increase of 121 *per cent* during the same period.

—The revenue receipts of the State Government increase from Rs. 274.92 crores in 1986-87 to Rs. 495.32 crores in 1990-91. Through the rate of growth in total revenue receipt was 80 *per cent* over 1986-87, the revenue from State's own resources increased by 69 *per cent* only during these years. On the other hand revenue expenditure of the State Government rose from Rs. 229.53 crores in 1986-87 to Rs. 497.03 crores in 1990-91 registering an increase of 117 *per cent*. Plan revenue expenditure as a percentage of total revenue expenditure declined from 36 in 1986-87 to 32 in 1990-91. While plan revenue expenditure increased by 90 *per cent* between 1986-87 and 1990-91, non-plan revenue expenditure registered a much sharper increase of 131 *per cent* during the same period.

—Tax revenue raised by the State Government grew by 126 *per cent* from Rs. 11.51 crores in 1986-87 to Rs. 26.02 crores in 1990-91. Collection from non-tax revenue rose from Rs. 14.76 crores in 1986-87 to Rs. 18.29 crores in 1990-91. The arrears of sales tax pending collection as on 31st March 1991 stood at Rs. 3.25 crores against Rs. 2.94 crores pending at the end of 1989-90.

—Assistance to local bodies (Rs. 19.20 crores) constituted 4 *per cent* of revenue expenditure during 1990-91 against 7 *per cent* in 1989-90.

—By the end of 1990-91, Public Debt had increased to Rs. 546.16 crores from Rs. 237.46 crores in 1986-87. Loans from Central Government constituted the largest component of Public Debt and ranged from 38 to 45 *per cent* of total debt of the State Government. Besides, the contingent liability of the Government for guarantees given

for repayment of loans taken by Statutory Corporation and Government Companies stood at Rs. 26.38 crores on 31st March 1991.

—With the investment of Rs. 9.67 crores during the year in Statutory Corporation, Government Companies and Co-operative Societies, total investment of the Government stood at Rs. 63.13 crores on 31st March 1991. According to the latest accounts finalised by the 8 Government Companies the accumulated loss incurred by them stood at Rs. 4.38 crores. The final accounts of all eight Government Companies were in arrears for periods ranging from 2 to 10 years. No dividend or interest was received from these Companies.

—In the Tripura Road Transport Corporation, the only Statutory Corporation, set up in October 1969, the Government invested a total amount of Rs. 16.25 crores till 31st March 1991. The Corporation finalised its annual accounts upto 1984-85 disclosing a net loss of Rs. 1.75 crores for the year; cumulative loss was Rs. 10.42 crores at the end of March 1985.

—The low cash balances maintained by the State Government with the Reserve Bank of India necessitated Ways and Means Advances and overdraft of Rs. 41.42 crores for 94 days on which Rs. 12.10 lakhs were paid as interest. The entire amount was, however, repaid during the year.

(Paragraphs 1.2, 5.7, 6.1 and 7.3)

2. Appropriation Audit and Control Over Expenditure

The net savings of Rs. 29.62 crores during the year was the result of total savings of Rs. 89.50 crores in 45 grants/appropriations and total excess of Rs. 59.88 crores in 14 grants/appropriations. The excess of Rs. 59.88 crores in 14 grants/appropriations requires regularisation under Article 205 of the Constitution of India.

—Supplementary grants of Rs. 14.95 crores obtained in 18 grants during March 1991 proved unnecessary as the final saving in each of these grants exceeded the supplementary provision. In four other grants supplementary provisions aggregating Rs. 11.63 crores were obtained but only Rs. 3.46 crores were utilised out of these provisions. In two cases, the entire provisions remained unutilized due to non-implementation of scheme; in 11 other grants slow progress in implementation of schemes resulted in savings of 15 to 96 *per cent* of the provisions. Cases of persistent saving/excess were also noticed.

—Adequate steps were not taken to ensure the reconciliation, in all respects, of the departmental figures of expenditure with those as per the books of the Accountant General before closure of the year's accounts. Out

of 103 Controlling Officers, 51 Officers did not reconcile the expenditure in respect of a total amount of Rs. 298.17 crores.

(Paragraphs 2.1 and 2.2)

3. Mid-Day-Meal Programme

With a view to increasing the level of literacy, Mid-Day-Meal Programme was introduced in the rural area of the State in March 1980, as an incentive for increased enrolment of children in primary schools in the age group of 6 to 11 years to sustain their attendance and check the dropout rate and for raising the nutritional standards of students.

A sum of Rs. 1,868.33 lakhs was drawn during 1980-81 to 1990-91 against the total budget provision of Rs. 2,270.26 lakhs and was placed with the Inspectorates of Schools which was the implementing agency. The Department did not ascertain the actual expenditure from the inspectorates. In 17 inspectorates alone, Rs. 6.13 lakhs remained unspent besides unutilised amount of Rs. 132.39 lakhs with the TADC as of 31st March 1990.

Contrary to the departmental claim of cent *per cent* achievements of physical targets, the programme was not found to have been implemented in a large number of schools in the test checked inspectorates.

Though one of the objectives of the programme was to raise the nutritional standard of school going children, the calorific value of the meal packages provided was lower than the norm fixed.

Drinking water facility was available only in 510 schools out of 1,780 schools test checked.

Eight vehicles purchased at a cost of Rs. 11.28 lakhs for inspection of schools under the programme were largely used for other purposes. Services of the inspection staff were not utilised in supervising the programme.

Rupees 7.16 lakhs were spent in supplying meals in schools in the urban areas not covered by the programme.

(Paragraph 3.2)

4. National Technology Mission on Immunisation

The expanded programme on Immunisation launched by the Government of India in 1978 was accelerated in 1985-86 by introducing Universal Immunisation Programme to achieve greater coverage of eligible children and women. To provide a sense of urgency in the existing services the programme was brought under National Technology Mission in 1986. The programme aimed at protection of the infants and pregnant women from vaccine preventable diseases such as diphtheria, tetanus, polimyelitis,

and tuberculosis. Rupees 28 lakhs were spent on the programme during the period from 1986-87 to 1990-91 against the Government of India assistance of Rs. 27.59 lakhs.

The Mission aimed at 100 *per cent* coverage of pregnant women and at least 85 *per cent* of children, but achievement during 1989-90 and 1990-91 was only 30 to 50 *per cent* in respect of pregnant women, whereas for children it ranged between 22 and 84 *per cent* for various vaccines in urban areas. The achievement was still lower in rural areas.

The prescribed regimen of completion of all vaccinations within one year of age of the child was not adhered to. The incidence of dropouts was also quite substantial.

As of March 1991, 1.28 lakh doses of vaccines were retained in stock beyond their shelf life due to non-observance of "First-in-First-out" principle.

Vaccination coverage evaluation survey required to be conducted annually was not conducted in one of the three Districts since 1987-88. Incidence of adverse reaction/death following vaccination were also not investigated.

(Paragraph 3.7)

5. Pendency of appeals at various levels and its impact on revenue collection (Sales Tax)

The revenue locked up in appeals increased from Rs. 105.23 lakhs in 619 cases upto 1987-88 to Rs. 451.61 lakhs in 874 cases upto 1990-91.

Appeal cases pending with the Additional Commissioner (Appeals) rose from 148 cases involving Rs. 32.69 lakhs in 1986-87 to 533 cases involving Rs. 342.33 lakhs at the end of 1990-91. Norms of disposal have not been laid down.

Failure to reject 51 incomplete/defective cases in appeal at the initial stage during 1987-88 to 1990-91 resulted in delay in realisation of Rs. 15.87 lakhs in tax and penalty.

There was absence of proper monitoring over receipts and disposal of appeal cases.

There was no system of periodical review of pending appeal cases.

(Paragraph 5.11)

6. Tripura Tea Development Corporation

Tripura Tea Development Corporation was incorporated in August 1980 with the object to cultivate tea, acquire, purchase and takeover economically viable tea estates and to rehabilitate, revive and manage uneconomic tea estates. As on 31st March 1991, the State Government

invested Rs. 122.50 lakhs in the Company. The Company sustained an accumulated loss of Rs. 9.28 lakhs till 1987-88.

The Company raised only 166.97 hectares of plantation upto the end of 1990-91 at a cost of Rs. 170.85 lakhs against the projected target of raising 740 hectares at Rs. 270 lakhs at its Machmara and Kamalasagar Tea Estates. There was a loss of Rs. 38.69 lakhs to the company due to excessive mortality of the plants.

Against the potential yield of 24.82 lakh kilograms of green leaves in two gardens actual yield during the period from 1983 to 1990 was only 10.66 lakh kilograms.

Loss due to low rate of finished product produced from green leaves stood at Rs. 32.66 lakhs during the period from 1987 to 1990 in these two gardens.

Production of excessive quantity and its sale at a lower price than that of graded tea resulted in a loss of Rs. 17.74 lakhs during the period from 1987 to 1990.

A tea processing factory sanctioned by the Government in 1980-81 at a cost of Rs. 1.23 crores is yet to be constructed (June 1992). The revised cost was estimated in November 1989 at Rs. 4.52 crores.

(Paragraph 7.5)

7. Other points of interest

—For 'dewatering' required during the execution of foundation work of the Manu barrage, the Department made payment on the basis of installed capacity of the pumps and arrived at the total Horse Power Hours based on the number of hours, that the pumps were stated to have been in operation during the period without verifying the actual number of hours that the pumps were in operation. The Central Water Commission to whom the matter had been referred by the Department had advised that the total Horse Power Hours should be determined from the total electricity consumed. Nevertheless the Department continued to make payment on the basis of the inflated record of the contractor ignoring the correct method of determining the volume of work done on the basis of actual power consumed. An examination of the record of use of electricity consumption during the period from 8th December 1989 to 19th April 1990 showed that the firm's claim was six times the actual work done. An excess payment of Rs. 152.14 lakhs was, thus, made to the contractor up to March 1991.

(Paragraph 4.1)

—Two hostel buildings were constructed, one by the Education Department for Scheduled Caste girl students and the other by the Scheduled Tribes Welfare Department for Scheduled Tribe students at a

total cost of Rs. 10.20 lakhs in February 1989 and May 1989 respectively. Expenditure of Rs. 1.41 lakhs was incurred on purchase of utensils and furniture and pay and allowances of the watch and ward staff. But both the buildings remained unutilised, the former due to non-posting of hostel Superintendent and the latter due to change in Government decision to use it for other purpose.

(Paragraphs 3.3 and 3.9)

—The Electrical construction materials meant for use in the Electrical Division, Kumarghat, a station enroute Dharmanagar (last rail head) and Agartala, were transported from Dharmanagar to the Central Store, Agartala and again from Agartala to Kumarghat involving extra expenditure of Rs. 6.48 lakhs.

(Paragraph 4.7)

—Food and Civil Supplies Department invited tenders for supply of 17,200 tonnes of iodised salt in November 1988. The lowest tenderer did not execute the supply order and the second lowest offered was only a part order which it declined to accept. Consequently, the Department issued supply order for the entire quantity to a Co-operative Society. The rates offered to the Society was further raised after receipt of a part of the supplies. This led to an extra expenditure of Rs. 5.13 lakhs being incurred on the purchase of salt.

(Paragraph 3.4)

—A carriage contractor was engaged by the Food and Civil Supplies Department for carriage of rice from Central Stores to the outstation godowns. But no check was exercised in correlating the records of the receiving godown with the despatch records; this led to misappropriation/pilferage of 152.01 tonnes of rice valued at Rs. 4.01 lakhs despatched between January 1988 and March 1989.

(Paragraph 3.5)

—A net expenditure of Rs. 2.21 lakhs incurred by the Notified Area Authority, Amarpur on construction, repair and dismantling of a swimming pool which was constructed without examining its viability proved infructuous.

(Paragraph 6.6)

Revenue Receipts

—The owner of a bonded warehouse failed to issue minimum quantity of 500 litres to the retail vendors as per the terms and conditions of license and bond executed, for 93 days. As a result Government sustained a loss of excise duty from July 1989 to March 1990 for which

the licensee was liable to compensate the Government. On this being pointed out by Audit demand has been raised for Rs. 16.57 lakhs.

(Paragraph 5.16)

—Non-imposition of composition fee on 385 cases of seizures made between March 1989 and August 1989 resulted in loss of Sales Tax revenue of Rs. 3.90 lakhs.

[Paragraph 5.13(a)]

Commercial and Trading Activities

—Tripura Jute Mills Limited, a Government Company failed to procure declaration from the registered dealers, to whom its products were sold, in order to claim concessional rate of Central Sales Tax. As a result, it incurred an additional tax liability of Rs. 165 lakhs on its sales during the period from 1981-82 to 1989-90.

(Paragraph 7.6.1)

—Tripura Jute Mills Limited, failed to deposit with the Regional Provident Fund Commissioner, Agartala Rs. 89.43 lakhs being the employees' and employer's contribution towards Provident Fund, Family Pension Fund and Deposit Linked Insurance Fund due by it for the period from August 1989 to October 1991. Government paid Rs. 30 lakhs in March 1991 to the Company to clear its dues; but this amount was also spent by it on its general expenses.

(Paragraph 7.6.5)

—A commercial consumer of power, supplied by the departmentally-managed Electric Supply Undertaking, was wrongly categorised as 'Industrial'. As a result, a short realisation of Rs. 9.36 lakhs was made during September 1982 to February 1991. This remained undetected due to absence of any system of post-installation checking of meters.

(Paragraph 7.7.1)

—Four Electrical Sub-Divisions responsible for collection of energy charges deviated from the prescribed procedure in preparation of consumption bills in respect of 20 consumers and caused short realisation of Rs. 3.07 lakhs for the period from August 1982 to November 1990.

(Paragraph 7.7.2)



CHAPTER I

ACCOUNTS OF THE STATE GOVERNMENT

1.1 Summarised Financial Position

The financial position of the Government of Tripura as on 31st March 1991 emerging from the Appropriation Accounts and the Finance Accounts for the year 1990-91 and the abstract of Receipts and Disbursement for the year are given in the following Statements:

STATEMENT I

I—Statement of financial position of the Government of Tripura as on 31st March 1991

(Rupees in crores)			(Rupees in crores)		
Amount as on 31.3.1990	Liabilities	Amount as on 31.3.1991	Amount as on 31.3.1990	Assets	Amount as on 31.3.1991
118.82	Internal Debt (Market loans, Loans from Life Insurance Corporation of India and others)	138.13	679.13	Gross Capital Outlay on Fixed Assets	767.36
200.82	Loans and Advances from Central Government	246.30	53.46	(i) Investment in shares of Companies, Corporations, etc.	63.13
22.80	(i) Pre 1984-85 Loans	21.42	625.67	(ii) Other Capital Outlay	704.23
91.25	(ii) Non-plan Loans	139.76	38.30	Loans and Advances	33.93
64.66	(iii) Loans for State Plan Schemes	74.91	28.07	(i) Other Development Loans	29.59
0.63	(iv) Loans for Central Plan Schemes	0.57	10.23	(ii) Loans to Government servants and miscellaneous	4.34
4.84	(v) Loans for Centrally Sponsored Plan Schemes	4.91			
12.48	(vi) Ways and Means Advances	0.48			
4.16	(vii) Loans for Special Schemes	4.25			
<u>319.64</u>		<u>384.43</u>	<u>717.43</u>		<u>801.29</u>

(Rupees in crores)			(Rupees in crores)		
Amount as on 31.3.1990	Liabilities	Amounts as on 31.3.1991	Amount as on 31.3.1990	Assets	Amount as on 31.3.1991
b/f 319.64		b/f 384.43	b/f 717.43		b/f 801.29
73.27	Small Savings, Provident Funds, etc.	98.19	0.64	Other Advances	0.74
66.30	Deposits	63.54	36.76	Suspense and Miscellaneous Balance	20.81
0.50	Contingency Fund	0.50	39.93	Remittance Balance	38.66
299.78	Surplus on Government Accounts	292.00	(-)35.27	Cash Balance	(-)22.84
	Accumulated surplus upto 31st March 1990	299.78		(i) Cash in Treasuries	(Nil)*
	Deduct:			(ii) Departmental cash balance including permanent advances	2.50
	(i) Current year's deficit	1.71		(iii) Cash balance investment	9.78
	(ii) Write off net Festival Advance (dropped proforma)	6.07		(iv) Deposit with RBI	(-)35.12
<u>759.49</u>		<u>838.66</u>	<u>759.49</u>		<u>838.66</u>

*Amount as per Finance Accounts for 1990-91 Rs. 1353 only.

STATEMENT II

II—Abstract of Receipts and Disbursements for the year 1990-91

(Rupees in crores)

(Rupees in crores)

Receipts

Disbursements

SECTION A—REVENUE

I. Revenue Receipts 495.32

(i) Tax Revenue 26.02

(ii) Non-Tax Revenue 18.29

(iii) States Share of Union Taxes 156.13

(vi) Non-Plan Grants 115.28

(v) Grants for State Plan Scheme 154.65

(vi) Grants for Central Plan Scheme 2.01

(vii) Grants for Centrally Sponsored Schemes/ Central Plan Schemes 17.92

(viii) Grants for Special Plan Schemes (NEC) 5.02

II. Revenue deficit carried over to Section B 1.71

497.03

I. Revenue Expenditure Sector

(i) General Services

(ii) Social Services

(iii) Economic Services:
(a) Agriculture and Allied Activities

(b) Rural Development

(c) Special Areas Programmes (NEC)

(d) Irrigation and Flood Control

(e) Energy

(f) Industry and Minerals

(g) Transport

(h) Communication

(i) Science Technology and Environments

(j) General Economic Services

(iv) Grants-in-Aid and Contributions

Non-Plan Plan Total

132.85 0.64 133.49

130.77 81.48 212.25

25.03 38.59 63.62

6.64 18.44 25.08

— 2.19 2.19

3.04 8.26 11.30

23.03 — 23.03

2.51 6.22 8.73

7.26 0.02 7.28

2.06 0.13 2.19

— 0.90 0.90

2.46 0.97 3.43

3.54 — 3.54

339.19 157.84 497.03 497.03

(Rupees in crores)

(Rupees in crores)

Receipts

Disbursements

SECTION B—OTHERS

III. Opening Cash Balance including permanent advance and cash balance investment account	(-)35.27	II. Opening overdraft from Reserve Bank of India			Nil
IV. Recoveries of Loans and Advances	6.65	III. Capital Outlay	Non-Plan	Plan	Total
(i) From Government servants	6.56	(i) General Services	—	4.32	4.32
(ii) From others	.09	(ii) Social Services	—	18.40	18.40
V. Public Debt Receipts	131.39	(iii) Economic Services:			
(i) Internal Debt other than Ways and Means Advances	21.50	(a) Agriculture and Allied Activities	2.50	1.49	3.99
(ii) Loans and Advances from Central Government	68.47	(b) Special Areas Programme	—	6.26	6.26
(iii) Ways and Means Advances from the Reserve Bank of India	41.42	(c) Irrigation and Flood Control	—	9.27	9.27
		(d) Energy	0.48	20.47	20.95
		(e) Industries and Minerals	—	3.99	3.99
		(f) Transport	—	18.98	18.98
		(g) General Economic Services	0.14	1.93	2.07
		IV. Loans and Advances Disbursed			2.28
		(i) To Government servants	0.67		
		(ii) To others	1.61		
		V. Revenue Deficit brought down			1.71
		VI. Repayment of Public Debt			66.60
		(i) Internal debt other than Ways and Means Advances	2.19		
		(ii) Ways and Means Advances	41.42		
		(iii) Repayment of Loans and Advances to Central Government	22.99		
	<u>102.77</u>				<u>158.82</u>

(Rupees in crores)

(Rupees in crores)

Receipts		Disbursements	
	b/f 102.77		b/f 158.82
VI. Public Accounts Receipts	370.17	VII. Public Accounts Disbursement	36.96
(i) Small Savings and Provident Funds	45.94	(i) Small Savings and Provident Funds	21.02
(ii) Deposits and Advances	84.47	(ii) Deposits and Advances	87.33
(iii) Suspense	40.77	(iii) Suspense and Miscellaneous	30.89
(iv) Remittances	198.99	(iv) Remittances	197.72
VII. Closing overdrafts from Reserve Bank of India	Nil	VIII. Cash Balance at end	(-)22.84
		(i) Cash in Treasuries	Nil
		(ii) Departmental cash balance including permanent advances	2.50
		(iii) Cash balance investments	9.78
		(iv) Deposit with Reserve Bank of India	(-)35.12
	<u>472.94</u>		<u>472.94</u>

III—Sources and application of funds for 1990-91

(Rupees
in crores)

I. Sources

1. Revenue Receipts	..	..	495.32
2. Recoveries of Loans and Advances	..	..	6.65
3. Increase in Public Debt	..	..	64.79
4. Net Receipts from Public Account	..	..	33.21
(i) Increase in Small Savings	..	24.92	
(ii) Decrease in Deposits and Advances	..	(-)2.86	
(iii) Effect of Suspense Balance	..	15.95	
(iv) Effect of Remittance Balance	..	1.27	
(v) Miscellaneous Adjustments	..	(-)6.07	
			<hr/> 599.97 <hr/>

II. Application

1. Revenue Expenditure	..	..	497.03
2. Capital Expenditure	..	..	88.23
3. Lending for Development and other purposes	..	..	2.28
4. Increase in cash balance including permanent advances, departmental cash balance and cash balance investment	..	..	12.43
			<hr/> 599.97 <hr/>

Explanatory Notes:

1. The summarised financial statements are based on the statements of Finance Accounts and the Appropriation Accounts of the State Government and are subject to notes and explanations contained therein.

2. Government accounts being on cash basis, the revenue surplus has been worked out on cash basis. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts.

3. Finance Accounts contain information on progressive capital expenditure outside the revenue account. Prior to rationalisation of accounting classifications, small expenditure of capital nature was also met out of revenue. Information on such capital expenditure being not available, it is not reflected in the accounts.

4. Although a part of the revenue expenditure and loans is used for capital formation by recipients, its classification in the accounts of State Government remains unaffected by end use.

5. There was an unreconciled difference of Rs. 8.29 crores between the figures reflected in the accounts and that intimated by the Reserve Bank of India under "Deposits with Reserve Bank". The difference is under reconciliation (April 1992).

1.2 Comments on Accounts

Based on these statements and other supporting data, the following paragraphs in this chapter present an analysis of the management of the finances of the State Government during 1990-91 relating it to the position obtaining in the earlier four years.

1.2.01 Overall financial performance during 1990-91

The year 1990-91 ended with a revenue deficit of Rs. 1.71 crores against revenue surplus of Rs. 7.45 crores in the preceding year.

The net accretion from debt transactions (as adjusted by the effect of Suspense and Remittance balance and excess of recoveries over disbursements of Loans and Advances by the State Government) aggregated Rs. 108.44 crores which was utilised for meeting revenue deficit (Rs. 1.71 crores) and capital expenditure (Rs. 88.23 crores). The balance of Rs. 18.50 crores as adjusted by miscellaneous disbursements on Government Account (Rs. 6.07 crores) was reflected in the form of increased cash balance (Rs. 12.43 crores).

1.2.02 Assets and Liabilities of State Government

The assets comprising capital investments and loans advance and the total liabilities of the State Government at the end of the last five years were as under:

Year	Assets	Liabilities
	(Rupees in crores)	
1986-87	505.06	247.69
1987-88	564.91	287.68
1988-89	637.42	345.09
1989-90	759.49	459.71
1990-91	838.66	546.66

While the assets have grown by 66 *per cent* during the period of five years the liabilities have grown by 121 *per cent* mainly due to further increase in non-plan revenue expenditure.

1.2.03 Overall surplus/deficit vis-a-vis budget projection

The overall performance of the State showed a net deficit ranging from Rs. 1.65 crores to Rs. 31.94 crores during three out of five years, while there was surplus during the other two years. Particulars of net surplus/deficit are given below:

Year	Net surplus (+)/deficit (-) on revenue account			Overall surplus (+)/deficit (-) including capital account		
	Budget Estimates	Revised Estimates	Actual	Budget Estimates	Revised Estimates	Actual
	(In crores of rupees)					
1986-87	(+)40.90	(+)37.77	(+)45.38	(-)5.36	(-) 9.66	(-) 5.18
1987-88	(+)38.36	(+)11.85	(+)19.86	(-)9.70	(-)16.40	(+) 6.73
1988-89	(+)11.23	(-) 1.70	(+)15.10	(-)6.43	(-)22.12	(-)31.94
1989-90	(-) 7.04	(-)28.54	(+) 7.45	(-)6.60	(+) 8.10	(-) 1.65
1990-91	(-)21.78	(-)17.34	(-) 1.71	(-) 5.00	(-) 1.64	(+) 1.47

The actual surplus/deficit under the revenue account and the overall surplus/deficit varied widely from the Budget Estimates/ Revised Estimates.

1.2.04 Revenue surplus/deficit

Revenue surplus/deficit during the last five years were as follows:

Year	Revenue		Surplus (+)/ Deficit (-)	Revenue Surplus (+)/ Deficit (-) as a percentage of revenue expenditure
	Receipt	Expenditure		
	(In crores of rupees)			
1986-87	274.92	229.54	(+)45.38	20
1987-88	314.19	294.33	(+)19.86	7
1988-89	395.62	380.52	(+)15.10	4
1989-90	426.99	419.54	(+) 7.45	2
1990-91	495.32	497.03	(-) 1.71	0.3

The revenue receipts registered an increase of only 80.17 *per cent* during the above five years, as against an increase in the revenue expenditure by 116.53 *per cent* during the same period.

The revenue surplus (+)/deficit (-) as envisaged in the Budget Estimates, Revised Estimates *vis-a-vis* the actuals during the last five years are given below:

Year	Budget Estimates	Revised Estimates	Actuals
	(Rupees in crores)		
1986-87	(+)40.90	(+)37.77	(+)45.38
1987-88	(+)38.36	(+)11.85	(+)19.86
1988-89	(+)11.23	(-) 1.70	(+)15.10
1989-90	(+) 7.04	(-)28.54	(+) 7.45
1990-91	(-)21.78	(-)17.34	(-) 1.71

1.2.05 Revenue receipts

The actual revenue receipts during the five years ending 1990-91 are indicated below:

Year	Budget Estimates	Revised Estimates	Actuals		Percentage of growth
			Amount	Growth over the previous year	
(Rupees in crores)					
1986-87	262.95	280.90	274.92	43.61	19
1987-88	314.35	310.67	314.19	39.27	14
1988-89	362.32	382.82	395.62	81.43	26
1989-90	431.41	420.20	426.99	31.37	8
1990-91	507.84	498.80	495.32	68.33	16

The revenue receipts of the State Government increased by 80 *per cent* from Rs. 274.92 crores in 1986-87 to Rs. 495.23 crores in 1990-91. The revenue from State's own resources, however, increased only by 69 *per cent* during these years. Tax revenue raised by the State Government increased by 126 *per cent* from Rs. 11.51 crores in 1986-87 to Rs. 26.02 crores in 1990-91. Collections from non-tax revenue increased from Rs. 14.76 crores in 1986-87 to Rs. 18.29 crores in 1990-91. Further analysis of the State's revenue receipts is given in Chapter V of this Report.

1.2.06 Revenue expenditure

The growth of revenue expenditure (both Plan and Non-Plan) during the last five years was as follows:

Year	Revenue Expenditure			Percentage of increase over previous year		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total
(Rupees in crores)						
1986-87	82.91	146.62	229.53	23	22	23
1987-88	98.00	196.34	294.34	18	34	28
1988-89	130.33	250.19	380.52	33	27	29
1989-90	129.72	289.82	419.54	—	16	10
1990-91	157.84	339.19	497.03	22	17	18

Non-Plan expenditure (Revenue) grew by 131 *per cent* by the end of 1990-91 over the level of 1986-87 while plan expenditure increased by 90 *per cent* only. The percentage of plan expenditure to total expenditure decreased from 36 *per cent* in 1986-87 to 32 *per cent* in 1990-91.

1.2.07 Capital expenditure

The expenditure under capital heads during the five years ended 1990-91 was as follows:

Year	Capital Expenditure		
	Plan	Non-Plan	Total
	(Rupees in crores)		
1986-87	56.25	2.59	58.84
1987-88	74.30	6.43	80.73
1988-89	92.00	3.16	95.16
1989-90	89.55	3.01	92.56
1990-91	85.11	3.12	88.23

While revenue expenditure registered an increase of 31 *per cent* between 1988-89 and 1990-91 (paragraph 1.2.07), capital expenditure declined from Rs. 95.16 crores in 1988-89 to Rs. 92.56 crores in 1989-90 and further declined to Rs. 88.23 crores in 1990-91.

1.2.08 *Loans and Advances*

In respect of Loans and Advances, the detailed accounts of which are maintained by the Accountant General (Accounts and Entitlement), the amount overdue for recovery at the end of March 1991 was Rs. 3.05 lakhs (Principal: Rs. 1.30 lakhs; Interest: Rs. 1.75 lakhs), the main default being Agartala Municipality.

1.2.09 *Public debt and other liabilities*

Under Article 293(1) of the Constitution of India, a State may borrow within the territory of India, upon the security of the Consolidated Fund of the State within such limits, if any, as may from time to time be fixed by the Act of the Legislature of the State.

No law has been passed by the Tripura Legislature laying down such a limit.

The details of the total liabilities of the Government at the end of March 1991 with those of the preceding four years are given below:

	Balance at the end of				
	1986-87	1987-88	1988-89	1989-90	1990-91
	(Rupees in crores)				
(i) Interest debt of the Government	73.03	84.62	100.15	118.82	138.13
(ii) Loans from Central Government	95.72	109.08	137.63	200.82	246.30
(iii) Small Savings, Provident Funds etc.	32.92	46.32	55.99	73.27	98.19
(iv) Non-interest bearing deposits	35.79	47.16	50.82	66.30	63.54
Gross debt and other obligations at the end of the year	237.46	287.18	344.59	459.21	546.16

The total liabilities of the Government increased by 130 *per cent* from Rs. 237.46 crores in 1986-87 to Rs. 546.17 crores in 1990-91.

In the five year period ending 1990-91, loans from Central Government constituted the largest component of public debt and ranged from 38 to 45 *per cent* of the State Government's total gross debt liabilities at the end of 31st March each year.

1.2.10 *Interest charges*

The table below shows the burden of interest charges on debt and other obligation during 1990-91 with corresponding figures for the preceding four years:

	1986-87	1987-88	1988-89	1989-90	1990-91
	(In crores of rupees)				
Interest paid by the State Government	14.15	22.93	20.75	27.78	38.19
Interest received by the State Government—					
(a) on Loans and Advances	0.12	0.06	0.07	0.09	0.10
(b) on cash balance investment	2.19	1.52	0.69	0.19	0.54
Net burden of interest on revenue	11.84	21.35	19.99	27.50	37.45
Percentage of net interest to the total revenue receipts	4.31	6.80	5.05	6.44	7.56

1.2.11 *Investments and returns*

With the fresh investment of Rs. 9.67 crores during the year in Statutory Corporations (Rs. 2.46 crores), Government Companies (Rs. 5.84 crores) and Co-operative Bank and Societies (Rs. 1.37 crores), the total investments of the Government in shares and debentures of the Companies/Corporations on 31st March 1991 was Rs. 63.13 crores. No dividend and interest were received on such investments.

1.2.12 *Ways and means advances and overdraft*

Under an agreement with the Reserve Bank of India, the State Government has to maintain with the Bank a minimum daily balance of Rs. 10.00 lakhs. If the balance falls below the agreed minimum, on weekly settling days, the deficiency is made good by taking ways and means advances/overdraft from the Bank or by selling Government of India treasury bills.

During 1990-91, the minimum balance was maintained without taking any advance on 271 days, while ways and means advances (Rs. 41.42 crores) were taken for 60 days. Overdrafts were taken for 34 days. A total amount of Rs. 12.10 lakhs was paid as interest on ways and means advance and overdrafts. To make up the deficiency

in the minimum cash balance, the holdings of the Government of India treasury bills were rediscounted on 104 days during the year. The entire amount was repaid during the year.

1.2.13 *Guarantees given by the Government*

The contingent liability for guarantees given by the State for repayment of loans etc., by Statutory Corporations, Government Companies and Co-operative Societies etc., on 31st March 1991 was Rs. 26.38 crores as against the maximum amount of Rs. 46.99 crores guaranteed.

No law under Articles 293 of the Constitution has been enacted by the State Legislature laying down the limits within which the Government may give guarantees on the security of the Consolidated Fund of the State. The Government does not levy any fee or charge for the amounts guaranteed nor has it set up any fund for meeting the liabilities which may arise on invocation of guarantees. No guarantee was, however, invoked during the year.

1.2.14 *Outstanding advances*

(i) The Government entrusted (December 1979) the distribution of the State quota of levy sugar through fair price shops to the Tripura State Consumers' Co-operative Federation Limited. To meet the cash requirement of the Co-operative Federation, the Department of Food and Civil Supplies started (1980) providing lump sum interest free advance to the Federation. Out of an advance of Rs. 6.05 crores paid between July 1985 and February 1990, Rs. 4.53 crores were adjusted by the Federation by submission of adjustment bills, and Rs. 1.52 crores were still due to the State Government.

(ii) A sum of Rs. 0.15 crore was paid (November 1976) by the Department of Power to the Rajasthan State Electricity Board as advance for supply of gas turbine alternator and shown as such under 'debtors' in their *proforma* accounts (compiled upto 1985-86). The amount had not been refunded by the Board (June 1991), nor the materials were supplied. No action to realise the amount from the party has been taken by the Department. This resulted in loss of interest of Rs. 0.19 crore calculated at the minimum rate of interest (10 *per cent*) which would have been payable by the Board by the end of March 1990, besides blocking of capital.

(iii) Advances totalling Rs. 1.73 crores given by 18 Drawing and Disbursing Officers of 7 departments to subordinate staff officers between 1969-70 and 1989-90 for meeting various expenses were not adjusted so far (June 1991).

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 General

The summarised position of actual expenditure during 1990-91 against budget provision is as follows:

	Original grant/ Appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Variation Saving (-) Excess (+)
(Rupees in crores)					
I. Revenue— Voted	525.68	27.18	552.86	479.02	(-)73.84
Charged	36.36	2.96	39.32	39.75	(+) 0.43
II. Capital— Voted	159.99	3.04	163.03	155.44	(-) 7.59
III. Public Debt— Charged	11.93	1.31	13.24	66.61	(+)53.37
IV. Loans and Advances— Voted	3.32	0.95	4.27	2.28	(-) 1.99
Grand Total	<u>737.28</u>	<u>35.44</u>	<u>772.72</u>	<u>743.10</u>	<u>(-)29.62</u>

2.2 Result of Appropriation Audit

The broad results emerging from Appropriation Audit are set out in the following paragraphs:

2.2.01 *Un-necessary/Excessive/Inadequate supplementary provision*

Supplementary provision of Rs. 14.95 crores obtained in 18 grants during March 1991 provided wholly unnecessary in view of the final saving in each grant being more than the supplementary provision. In 4 other grants, supplementary grants aggregating Rs. 11.63 crores were obtained, but the actual utilisation was only Rs. 3.46 crores resulting in a total final saving of Rs. 8.17 crores. In 3 other cases, though supplementary provision totalling Rs. 2.77 crores was obtained, the provision proved insufficient by more than Rs. 25 lakhs in each case leaving an aggregate uncovered excess expenditure of Rs. 54.85 crores.

2.2.02 *Saving/Excess over provision*

There was a total saving of Rs. 89.50 crores in 45 grants/appropriation. In 14 grants/appropriations as detailed in Appendix 1, there was a total overall excess of Rs. 59.88 crores. The excess requires regularisation under Article 205 of the Constitution.

2.2.03 *Non-receipt of explanation for savings/excesses*

After the close of each financial year, the detailed appropriation accounts showing the final grant/appropriation, the actual expenditure and the resultant variation are sent to the controlling officers, requiring them to explain the variation in general and those under important sub-heads in particular. It is, however, seen that for the Appropriation Accounts 1990-91, explanation for variations were not received (June 1992) from 61 out of 72 controlling officers.

2.2.04 *Unutilised provision*

In the following grants, expenditure in each case fell short by more than Rs. 25 lakhs and also by more than 10 *per cent* of the total provision:

Sl. No.	Number and name of grant	Amount of savings (percentage to total provision)	Main reasons for saving
(Rupees in lakhs)			
<u>Revenue Section (Voted)</u>			
1.	2—Governor's Secretariate, Chief Minister's Secretariate and Secretariate Administration Department	66.63 (71)	Saving of Rs. 12.46 lakhs was anticipated and surrendered due to economy measures. Reasons for final saving have not been intimated (April 1992).
2.	3—Law Department	50.79 (13)	Saving of Rs. 47.00 lakhs was mainly due to (i) not holding of election as anticipated (Rs 45.06 lakhs) and (ii) non-filling up of vacant posts (Rs. 1.94 lakhs). Reasons for final saving have not been intimated (April 1992).
3.	5—Revenue Department Social and Community Services	281.92 (44)	Reasons for saving have not been intimated (April 1992).
4.	13—Co-operation Department	150.67 (29)	Saving of Rs. 126.25 lakhs was due to revised plan allocation for the year 1990-91. Reasons for final saving have not been intimated (April 1992).

Sl. No.	Number and name of grant	Amount of savings (percentage to total provision)	Main reasons for saving
(Rupees in lakhs)			
5.	14—Public Works Department	941.22 (22)	Reasons for saving have not been intimated (April 1992).
6.	21—Education (Social)	362.96 (21)	-do-
7.	23—Family Welfare	191.12 (37)	-do-
8.	26—Tribal Welfare Department	626.82 (13)	-do-
9.	27—Welfare of Scheduled Caste Department	155.88 (29)	-do-
10.	28—Food and Civil Supplies Department	56.28 (18)	Saving of Rs. 18.23 lakhs was due to non-filling up of vacant posts. Reasons for final saving have not been intimated (April 1992).
11.	30—Fisheries Department	201.40 (26)	Saving of Rs. 164.65 lakhs anticipated and surrendered was stated to be due mainly to non-filling up of vacant posts of different cadres. Reasons for final saving have not been intimated (April 1992).
12.	32—Industries Department	319.07 (37)	Reasons for saving have not been intimated (April 1992).
13.	36—Animal Husbandry Department	94.51 (11)	Reasons for saving have not been intimated (April 1992).
14.	37—Forest Department	444.46 (27)	Saving of Rs. 413.02 lakhs was mainly due to non-filling up of vacant posts, re-assessment of requirement on the basis of actuals and non-receipt of approval of some schemes from the Government of India. Reasons for final saving have not been intimated (April 1992).

Sl. No.	Number and name of grant	Amount of savings (percentage to total provision)	Main reasons for saving
(Rupees in lakhs)			
15.	38—Rural Development Department	201.04 (11)	Saving of Rs. 7.27 lakhs was anticipated and surrendered which was stated to be due to economy measures. Reasons for final saving have not been intimated (April 1992).
16.	45—Finance Department	756.10 (29)	Saving was stated to be due mainly to finalisation of lesser number of family pension cases than anticipated.
17.	48—Tribal Rehabilitation in plantation and primitive Group Programme	47.77 (20)	Saving of Rs. 40.51 lakhs was due to non-filling up of vacant posts and re-assessment of requirement on the basis of actuals. Reasons for final saving have not been intimated (April 1992).
18.	49—Horticulture Department	179.42 (16)	Reasons for saving have not been intimated (April 1992).
19.	50—Education (School) Department	1,430.58 (13)	-do-
20.	51—Education (Sports) Department	181.30 (100)	-do-
21.	52—Industries Department	58.49 (11)	-do-
<u>Capital Section (Voted)</u>			
22.	13—Co-operation Department	223.75 (62)	Saving of Rs. 132.80 lakhs was due to revised plan. Reasons for final saving have not been intimated (April 1992).
23.	17—Electricity Department	442.23 (13)	Reasons for saving have not been intimated (April 1992).

Sl. No.	Number and name of grant	Amount of savings (percentage to total provision)	Main reasons for saving
(Rupees in lakhs)			
24.	34—Industries Department Consumers Industries, etc.	345.54 (47)	Reasons for saving have not been intimated (April 1992).
25.	35—Agriculture Department	126.52 (20)	-do-
26.	38—Rural Development Department	53.40 (36)	-do-
27.	46—Finance Department	45.93 (37)	-do-

2.2.05 *Significant cases of saving under Centrally Sponsored Schemes (CSS) and State Plan (SP) Schemes*

In the following cases, substantial savings of not less than Rs. 25 lakhs each had occurred owing to non-implementation or slow implementation of Plan Schemes:

Sl. No.	Number and name of grant	Name of the scheme	Total provision	Amount of saving	Percentage of saving to the provision
(Rupees in lakhs)					
<u>Revenue Section (Voted)</u>					
1.	13—Co-operation Department	Assistance to other Co- operatives (CCS)	36.50	36.50	100
2.	26—Tribal Welfare Department	Special Central Assistance for Tribal Sub-Plan (CSS)	374.72	62.56	17
3.	27—Welfare of Scheduled Castes Department	Special Central Assistance for Scheduled Caste Component (CSS)	87.56	39.74	45

Sl. No.	Number and name of grant	Name of the scheme	Total provision	Amount of saving	Percentage of saving to the provision
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(Rupees in lakhs)

4.	32—Industries Department	Other Village Industries self employment scheme for educated unemployed youth (SP)	70.00	29.00	41
5.	36—Animal Husbandry Department	Cattle and Buffalo Development Breeding operation scheme for Cross-Breed Haifers (SS) (CSS)	28.00	28.00	100
6.	38—Rural Development Department	Subsidy to District Rural Development Agencies subsidy to District Rural Development Programme (IRDP) Grants-in-aid (SS)	271.00	60.17	22
7.	38—Rural Development Department	Jawahar Rozgar Yojana	610.00	91.83	15
8.	52—Industries (Handloom and Sericulture)	Handloom Industries Centrally Sponsored Scheme	173.72	65.46	38

Capital Section (Voted)

9.	13—Co-operation Department	Investment in Credit Co-operative (CSS)	76.21	60.66	80
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Sl. No.	Number and name of grant	Name of the scheme	Total provision	Amount of saving	Percentage of saving to the provision
(Rupees in lakhs)					
10.	16—Public Works Department (Roads and Bridges)	Roads and Bridges (CPS)	102.00	71.28	70
11.	19—Irrigation and Flood Control Department	Rural Water Supply Scheme Accelerated water supply construction (CSS)	350.00	81.43	23
12.	38—Rural Development Department	Other Loans post stage phase Housing for Small and Marginal Farmers (Loans from HUDCO) (CSS)	90.00	81.49	91
13.	46—Finance Department	Loans for Centrally Sponsored Plan Scheme	1,090.05	1,049.61	96

2.2.06 Persistent savings

Persistent savings exceeding 10 *per cent* of the provision and Rs. 25 lakhs each were noticed during the last 3 years in the following voted grants:

Sl. No.	Number and name of grant	Amount of saving (percentage of saving)		
		(Rupees in lakhs)		
	<u>Revenue Section (Voted)</u>	1988-89	1989-90	1990-91
1.	3—Law Department	39.75 (13)	71.64 (16)	50.79 (12)
2.	23—Family Welfare	84.97 (27)	52.22 (15)	191.12 (37)
3.	27—Welfare of Scheduled Castes Department	36.91 (11)	77.04 (20)	155.87 (29)

Sl. No.	Number and name of grant	Amount of saving (percentage of saving)		
(Rupees in lakhs)				
		1988-89	1989-90	1990-91
4.	30—Fisheries Department	67.74 (14)	128.62 (24)	201.40 (26)
5.	37—Forest Department	231.24 (18)	182.93 (14)	444.46 (27)
<u>Capital Section (Voted)</u>				
6.	13—Co-operation Department	92.58 (30)	166.25 (68)	223.75 (62)
7.	46—Finance Department	106.13 (29)	142.54 (33)	45.92 (37)

2.2.07 *Persistent excesses*

Persistent excesses exceeding 10 *per cent* of the provision and Rs. 25 lakhs each were noticed during the last three years in the following grants:

Sl. No.	Number and name of grant	Amount of excess (percentage of excess)		
(Rupees in lakhs)				
<u>Capital Section (Voted)</u>				
		1988-89	1989-90	1990-91
1.	15—Public Works Department (Buildings)	275.59 (49)	206.13 (37)	212.06 (29)
<u>Capital Section (Charged)</u>				
2.	46—Finance Department (Capital)	5,347.64 (437)	7,465.06 (571)	5,337.04 (403)

2.2.08 *Surrender of savings*

(a) Rules require that all anticipated savings should be surrendered as soon as the possibility of saving is envisaged. Though the total saving under 45 grants was Rs. 89.50 crores, Rs. 49.59 crores were surrendered at the fag end of the year (March 1991).

(b) In the following grants, savings exceeding Rs. 50 lakhs each were not surrendered.

Sl. No.	Number and name of grant	Total grant	Total saving	Amount not surrendered (percentage to total saving)
<u>Revenue Section (Voted)</u>		(Rupees in lakhs)		
1.	2—Governor's Secretariate, Chief Minister's Secretariate and Secretariate Administration Department	94.23	66.63	54.17 (81)
2.	5—Revenue Department Social and Community Services	635.86	281.92	281.92 (100)
3.	11—Home (Police) Department	4,597.85	84.65	74.65 (88)
4.	14—Public Works Department	4,220.29	941.22	455.53 (48)
5.	17—Electricity Department	2,404.97	78.49	78.49 (100)
6.	21—Education (Social) Department	1,748.26	362.96	84.74 (23)
7.	26—Tribal Welfare Department	4,658.97	626.82	605.98 (97)
8.	27—Welfare of Scheduled Castes Department	533.45	155.88	108.01 (69)
9.	32—Industries Department	865.96	319.07	139.05 (44)
10.	35—Agriculture Department	2,397.66	227.50	79.07 (35)
11.	36—Animal Husbandry Department	865.97	94.51	94.51 (100)
12.	37—Forest Department	1,672.50	444.47	136.26 (31)
13.	38—Rural Development Department	1,834.19	201.05	193.78 (96)
14.	49—Horticulture Department	1,125.91	179.42	149.05 (83)
15.	50—Education (School) Department	10,696.61	1,430.58	485.69 (34)
16.	51—Education (Sports) Department	181.30	181.30	181.30 (100)
<u>Capital Section (Voted)</u>				
17.	13—Co-operation Department	363.00	223.75	148.24 (66)
18.	17—Electricity Department	3,404.00	442.23	384.57 (87)
19.	28—Food and Civil Supplies Department	5,778.60	114.75	114.60 (99)
20.	38—Rural Development Department	150.00	53.40	53.40 (100)

(c) In the following case the amount surrendered was far in excess of the saving actually available for surrender:

Sl. No.	Number and name of grant	Total saving	Amount surrendered	Amount surrendered in excess
(Rupees in lakhs)				

Revenue Section (Voted)

1.	22—Medical Department	82.75	143.49	60.74
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(d) In the following grants, amounts were surrendered though expenditure exceeded the total provision in each case:

Sl. No.	Number and name of grant/appropriation	Total excess	Amount surrendered
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Revenue Section (Voted)

(Rupees in lakhs)

1.	20—Education Department (General)	24.64	1.15
2.	39—Rural Development Department	113.10	17.32
3.	44—Stationery and Printing Department	21.54	6.26

Capital Section (Voted)

4.	12—Transport Department	31.38	6.15
5.	15—Public Works Department (Building)	212.06	87.75
6.	16—Public Works Department (Roads and Bridges)	99.81	220.00
7.	19—Irrigation and Flood Control Department	14.73	128.72
8.	33—Industries Department	22.60	2.50
9.	41—Local Self Government Department	56.03	10.00

2.2.09 Reconciliation of departmental figures

In order to ensure effective control over expenditure and to detect cases of possible fraudulent irregular withdrawal from treasuries, the departmental officers are required to reconcile periodically as also before the close of the accounts for a year, their departmental figures of expenditure with those in the books of Accountant General. In 1990-91, out of 103 controlling officers, 51 controlling officers did not carry out the reconciliation involving Rs. 298.17 crores. The matter was reported to the Government in November 1991.

2.2.10 Trend of recoveries and credits

During 1990-91, recoveries to be adjusted in accounts, as reduction of expenditure, were estimated at Rs. 107.25 crores (Revenue: Rs. 32.38 crores and Capital: Rs. 74.37 crores) against which actual recoveries were Rs. 88.95 crores (Revenue: Rs. 21.74 crores and Capital: Rs. 67.21 crores).

CHAPTER III

CIVIL DEPARTMENTS

ANIMAL HUSBANDRY DEPARTMENT

3.1 Loss on sale of milk

The management and control of the Government owned Agartala Dairy with all its machinery and equipment were transferred to the Tripura Co-operative Milk Producers' Union Limited in August 1983. To maintain the smooth flow of milk supply, arrangement was made for credit sale of milk from Government dairy farms to the Union at different rates ranging from Rs. 3 to Rs. 7 per kg. fixed by Government from time to time. The supplies of milk were to be received by the carriage contractor of the Union at the despatch point of the farms in sealed cans after weighment of the quantity recorded in the delivery challans and acknowledged by the Union.

During Audit (February-March 1991) of the accounts of the Deputy Director of Animal Husbandry (FC) R. K. Nagar, it was noticed that against 8.64 lakh kgs. of milk supplied on credit sale by the farms between August 1983 and February 1991, the Co-operative Union acknowledged (May 1991) receipts of 8.08 lakh kgs. of milk and agreed to pay its value amounting to Rs. 29.73 lakhs. Thus, 0.56 lakh kgs. of milk valued at Rs. 2.13 lakhs was short received. The Department had not investigated the reasons as to how the milk was received short by the Union at the dairy when the authorised agent of the Union had given due acknowledgement for the full quantity of milk supplied at the despatch point. The amount of Rs. 2.13 lakhs, thus, stands as loss to the Government.

The matter was referred to Government in September 1991; reply has not been received (November 1992).

EDUCATION DEPARTMENT

3.2 Mid-Day-Meal/Tiffin Programme

3.2.1 *Introduction*

With a view to increasing the literacy level in the State, a scheme for providing Mid-Day-Meal to primary school children (MDM Programme) was introduced in March 1980. The main objectives of the scheme were providing Mid-Day-Meals to the children in the age group of 6 to 11 for raising the nutritional standard attracting more students to schools particularly from the poorer sections of the

population, improving the general attendance, and preventing drop-outs.

3.2.2 *Organisational set up*

The Director of School Education was responsible for implementation of the MDM Programme. At the District level, the Deputy Director of Education assisted by the District Planning Officer and the Programme Officer was in over-all control and supervision of the Programme. The Inspector of Schools was the implementing Officer at the Block level. In case of High Schools/Higher Secondary Schools having Primary Schools in which MDM Programme had been introduced, the Head Masters/Head Mistresses of the schools were the implementing Officers.

From 1986-87, the Principal Officer (Education), Tripura Tribal Areas Autonomous District Council (TADC) having an identical organisational set-up was entrusted with the responsibility of implementation of the Mid-Day-Meal (MDM) Programme in TADC area.

3.2.3 *Audit coverage*

The review is based on a test check of records for the period from 1980-81 to 1990-91 maintained by the Directorate of School Education, Tripura the Principal Officer (Education) TADC area, three Deputy Directors of School Education, 10 out of 17 Inspectors of Schools (General), 7 out of 13 Inspectors of Schools (TADC) and 201 schools (98 General and 103 TADC—Primary/Junior basic schools) during December 1990 to May 1991 supplemented by information furnished by 13 TADC Inspectorates.

3.2.4 *Highlights*

—With a view to increasing the level of literary, Mid-Day-Meal Programme was introduced in the State in March 1980 so that enrolment of children in the age group of 6 to 11 years would be increased and dropouts would be minimised. A total sum of Rs. 1,868.33 lakhs was drawn by the Department on the Programme against the budgetary allocation of Rs. 2,270.26 lakhs during the period from 1980-81 to 1990-91.

(Paragraph 3.2.5)

—A sum of Rs. 132.39 lakhs remained unutilised as of 31st March 1990 with the implementing agency under Tribal area

(TADC). Besides, test check of records of 10 Inspectorates under General area and 7 Inspectorates under TADC area disclosed that there was an unspent balance of Rs. 76.13 lakhs at the end of March 1990.

(Paragraph 3.2.6)

—Contrary to the claim of the Department for cent *per cent* achievement of physical targets, the Programme was not found to have been implemented in a large number of schools in the test checked Inspectorates.

(Paragraph 3.2.8)

—Though the MDM scheme was aimed at raising the nutritional standard of the children, the calorific values of alternative food packages envisaged in the Programme varied widely and calorific value of food packages supplied was even less than the prescribed norms.

(Paragraph 3.2.9)

—Out of 1,780 schools in 23 Inspectorates drinking water facility was available only in 510 schools.

(Paragraph 3.2.10)

—Rupees 7.16 lakhs were spent on supply of meals to the schools in notified area which were not eligible.

(Paragraph 3.2.11)

—Shortfalls in inspection of schools ranged from 70 to 93 *per cent*.

(Paragraph 3.2.12)

—Eight vehicles purchased at a cost of Rs. 11.28 lakhs for inspection of schools under Mid-Day-Meal Programme remained largely un-utilised for the purpose.

(Paragraph 3.2.13)

3.2.5 Budget provision and expenditure

During 1980-81 to 1990-91 expenditure of Rs. 1,868.33 lakhs was incurred on the MDM Programme against budget provision of Rs. 2,270.26 lakhs. Year-wise details of budget provision and expenditure during the period were as shown below:

Year	Provision	Expenditure	Saving (-) Excess (+)
(Rupees in lakhs)			
Upto			
1984-85	590.26	583.02	(-) 7.24
1985-86	175.00	166.52	(-) 8.48
1986-87	200.00	200.00	—
1987-88	285.00	204.40	(-) 80.60
1988-89	290.00	225.00	(-) 65.00
1989-90	290.00	155.28	(-) 134.72
1990-91	440.00	334.11	(-) 105.89
	<hr/> 2,270.26	<hr/> 1,868.33	<hr/> (-) 401.93

Savings were attributed mainly to less number of students than anticipated, posts not sanctioned/filled up etc.

3.2.6 Utilisation of funds

(i) *TADC area:* Out of the reported expenditure of Rs. 784.68 lakhs drawn during 1986-87 to 1989-90, Rs. 430.56 lakhs were paid to the TADC as grants-in-aid for implementing the Programme in the schools in TADC area. Of this a sum of Rs. 298.17 was disbursed to the Inspectorates of schools in the area. The actual utilisation by the Inspectorates was, however, not ascertained by the Department. The balance amount of Rs. 132.39 lakhs remained unutilised as of 31st March 1990 with the implementing agency (TADC). The Department did not take the unspent balance into account while releasing the grants for the subsequent years.

Test check of records of seven out of 13 Inspectorates of schools in the TADC area revealed that out of Rs. 175.32 lakhs released during 1986-90 to these Inspectorates for implementing the Programme, the actual disbursement to the School-Meal Committees aggregated to only Rs. 159.64 lakhs and expenditure incurred by the committees was still less at Rs. 152.30 lakhs. The balance amount of Rs. 23.02 lakhs remained unspent with the Inspectorates and School-Meal Committees as at the end of March 1990.

(ii) *General area:* Test check of records of 10 out of 17 Inspectorates disclosed that against the total amount of Rs. 491.36 lakhs (including the opening balance of Rs. 18.16 lakhs on 1st April 1985) drawn from the treasury during the period from 1985-86 to 1989-90, expenditure of Rs. 438.25 lakhs was incurred and Rs. 53.11 lakhs remained unspent with the Inspectorates and School-Meal Committees as at the end of March 1990.

Of this Rs. 39.20 lakhs remained unspent with three Inspectorates viz., Udaipur (Rs. 20.41 lakhs), Kailasahar (Rs. 9.70 lakhs) and Bishalgarh (Rs. 9.09 lakhs).

The unspent amounts were neither reported to the Director of School Education nor refunded into the treasury.

The amounts disbursed to the School-Meal Committees were on the basis of roll strength while expenditure was on actual attendance of children. This resulted in accumulation of unspent balance with the School-Meal Committees.

In March 1988, the Education Department allotted Rs. 3.95 lakhs to 10 Inspectorates (General) for purchase of 64 typewriters for distribution to 54 schools, and one machine for each Inspectorate. Test check of records of 7 Inspectorates (Bishalgarh, Dharmanagar, Jirania, Kailasahar, Mohanpur, Sonamura, Teliamura) revealed that while 49 typewriters were procured (Cost: Rs. 3.03 lakhs) for distribution to 42 schools and seven Inspectorates, only 31 typewriters were distributed to 31 High/Higher Secondary Schools, and the remaining 18 typewriters were retained in seven Inspectorates against the requirement of 7 typewriters. The reason adduced for retaining the typewriters by the Inspectorates was that there were no posts of typists sanctioned for the Primary sections of the segregated High/Higher Secondary schools. The procurement of 11 typewriters costing Rs. 0.68 lakhs could thus have been avoided.

3.2.7 *Physical targets and achievements*

The Department targetted to cover 3.45 lakh primary school students of rural areas under the Programme by the end of the Seventh Five-Year Plan period, which was finally reduced to 3 lakh students at the end of 1990.

Though the Department claimed cent *per cent* achievement, according to the information furnished by 23 out of 30 Inspectorates, against the target of 2.34 lakh students to be covered under the scheme, only 1.75 lakh students (75 *per cent*) were actually covered by the end of 1989-90.

3.2.8 *Implementation of MDM programme*

Both primary schools and schools having primary units (Class I to V) in rural areas were to be brought under the MDM Programme.

Test check of records of 7 General Inspectorates revealed that the Programme was not implemented in 122 schools in 1985-86, 146 schools in 1986-87, 129 schools in 1987-88, 103 schools in 1988-89

and 88 schools in 1989-90. This resulted in denial of the benefit of the Programme to 1.14 lakh students on the roll of these schools during these years.

Information collected from 13 Inspectorates under the jurisdiction of TADC revealed that the Programme was not implemented in 68 schools in 1986-87, 130 schools in 1987-88, 117 schools in 1988-89 and 135 schools in 1989-90.

This resulted in denial of the benefit to 0.25 lakh students on the roll of those schools during the period.

The non-implementation of the Programme in case of General Inspectorates was mainly due to discontinuance of the scheme after upgradation of junior basic schools to senior basic schools/high schools wherein arrangement for two shifts—(morning and noon-shifts) were not made for primary and secondary sections respectively. Shortage of staff was also stated as a reason for non-implementation by one Inspectorate (Sonamura).

In case of Inspectorates under the TADC, it was stated that lack of communication, non-availability of post office/bank facilities, lack of market and irregular supply of food items in respect of schools situated in the interior areas were the main hurdles in implementation of the Programme. Poor roll-strength and non-formation of School-Meal Committees were also cited as reasons for non-implementation.

An amount of Rs. 3.57 lakhs was allotted to the Inspectorate (General) of Kanchanpur under the Programme during 1988-89 and 1989-90. Of this, an amount of Rs. 2.46 lakhs was drawn and disbursed by the Inspectorate to the School-Meal Committees within its jurisdiction. With this amount (Rs. 2.46 lakhs), the Programme was continued upto November 1989. Thereafter, the Programme was continued with credit purchase of food items. The amount expended on credit purchase of food items (from November 1989-March 1990) was Rs. 1.27 lakhs. The Inspectorate could not get sanction for regularisation of committed liability (on account of credit purchase) from the Directorate of Education till the date of Audit (January 1991). The Programme was withdrawn by the Inspectorate from April 1990 onwards.

It was noticed that an amount of Rs. 1.40 lakhs sanctioned for the Programme for the year 1990-91 though drawn on September 1990, could not be disbursed by the concerned Inspectorate according to the instructions of the Director of School Education. The amount was lying with the Inspectorate and the implementation of the Programme had been stopped since April 1990.

3.2.9 Raising nutritional standards of primary school children

The Programme envisaged serving of three alternative packages of meals, calorific value of which varied from 221 to 380 and protein content from 4.74 grams to 5.90 grams. The reasons for such wide variations were not intimated. Further, the calorific contents of the packages actually served during 1986-87 to 1989-90 by the schools under 17 Inspectorates (10 in General area and 7 in TADC area) was much lower and varied from 147 to 274 and the protein content from 3.58 grams to 4.10 grams. The unit cost of meal (Re. 0.70) fixed in October 1985 had not been revised (August 1991).

3.2.10 Drinking water facilities

According to the information made available to Audit, in respect of 23 Inspectorate (10 General and 13 TADC Inspectorates) having 1,780 schools (724 General area schools and 1,056 TADC schools) under the MDM Programme, drinking water facilities were available only in 510 schools (323 General area schools and 187 TADC area schools) at the close of 1989-90.

It was ascertained from school authorities where drinking water facilities were not available that students often drew water for drinking from nearby ponds, hilly streamlets and katcha wells.

Though safe drinking water facilities were to be provided in each school, the Department did not take any effective steps in this respect.

3.2.11 Avoidable expenditure on meals supplied to schools in Notified Area

Under the MDM Programme, no meals were to be served to students of primary sections of schools which were within municipal and notified areas. Kumarghat and Teliamura were declared as notified areas with effect from September/October 1987. Mid-Day-Meals were, however, continued to be served to students of 13 schools within these notified areas after the declaration.

An amount of Rs. 0.80 lakh was spent for providing Mid-Day-Meals in 4 schools in Kumarghat during the period from October 1987 to July 1989. The Inspector of Kailasahar stopped the MDM Programme in these schools with effect from 5th September 1989 after this was pointed out by Audit. The expenditure during August and September 1989 had not been intimated by the SMCs (February 1991).

The Inspector of Teliamura had disbursed Rs. 6.36 lakhs to 9 schools falling within Teliamura notified area during the period from September/October 1987 to September 1990. The MDM Programme

was discontinued with effect from September 1990. The School Meal Committees had not submitted utilisation certificates till the date of Audit (January 1991).

3.2.12 Shortfalls in inspection of schools

For ensuring effective implementation of the MDM Programme each school is required to be inspected by the Assistant Inspector of Schools (MDM) twice a year. But most of the schools were not inspected even once a year.

The position shown in the table below would indicate the number of inspections in respect of 23 Inspectorates, information regarding the remaining seven Inspectorates was not made available to Audit.

Year	Number of schools to be inspected	Number of inspections required to conduct	Number of inspections conducted	Percentage of shortfall
<i>A—General</i>				
1985-86	983	1,966	136	93
1986-87	712	1,414	216	85
1987-88	578	1,156	179	85
1988-89	689	1,378	173	87
1989-90	724	1,448	137	91
<i>B—TADC</i>				
1986-87	956	1,912	382	80
1987-88	948	1,896	523	72
1988-89	921	1,842	559	70
1989-90	1,056	2,112	532	75

No records of inspection could be produced by 4 General Inspectorates (Teliamura, Jirania, Dharmanagar and Kanchanpur) and 2 TADC Inspectorates (Udaipur and Mohanpur). Test check of records of 6 General Inspectorates and 11 under TADC disclosed that most of the schools were not inspected even once in a year under Sonamura and Mohanpur General Inspectorates and Jirania Inspectorate under TADC. Against the provision of one Assistant Inspector of Schools (AIS) in each of the 17 General Inspectorates, only 5 Assistant Inspectors of Schools were in position during the Sixth Five-Year Plan. From 1986-87 onwards, the requirement of AIS (MDM) increased to 30 consequent upon establishment of 13 more Inspectorates under TADC. The Principal officer—TADC stated in

March 1991 that only 2 posts of AIS (MDM) were filled up against the sanctioned number of six posts. No action had been taken to recruit 23 AIS (MDM) due to resource constraints (12 in General Inspectorates and 11 in TADC Inspectorates) resulting in shortfall in inspection of schools covered under the Programme.

Despite the shortfall in inspection owing to shortage of required number of AIS (MDM), the services of the available AIS (MDM) were utilised on activities other than exercising check on the effective implementation of the Programme.

3.2.13 Procurement of vehicles

The Department procured 8 vehicles during 1988-89 (4) and 1989-90 (4) at a cost of Rs. 11.28 lakhs for conducting inspection of schools covered under the MDM Programme.

Of the 4 vehicles procured during 1988-89, one vehicle was placed with the Directorate of School Education which was to be used by the School Meal Officer, and 3 were placed at the disposal of each of the Deputy Directors of Districts. While the post of School Meal Officer in the Directorate was lying vacant upto July 1991, the vehicle was being utilised for the purpose other than supervision of implementation of Mid-Day-Meal Programme.

As for utilisation of vehicles by the Deputy Directors for overseeing the working of the scheme, no records regarding monitoring/inspection of the Programme were made available to Audit. Four vehicles procured during 1989-90 were allotted to Inspectors of Schools Bishalgarh, Khowai, Belonia and Dharmanagar with the stipulation that they would utilise the vehicles for drawal and disbursement of pay and allowances in addition to inspection of schools, and also make them available to the Inspectors of Schools of Sonamura, Teliamura, Santirbazar and Kanchanpur (for at least 9 to 10 working days in a month) for inspection purposes.

However, the vehicles were mainly utilised for the purpose of drawal and disbursement of pay and allowances only. The vehicles were not made available to the Inspector of Schools Sonamura, Kanchanpur and Teliamura regularly.

Thus, the objectives for which the vehicles were purchased could not be achieved.

3.2.14 Dropout of students

One of the important objectives of the MDM Programme was to prevent dropout of students in the primary stage especially in age group 6 to 11 years. A sample survey conducted by the Education

Department prior to introduction of the Programme revealed that dropout of students was due to economic reasons and poverty in the rural areas.

Though the Programme was introduced in March 1980, the Department had not worked out the extent of dropouts during the decade ending 1991. Test check of records of 90 schools under General Inspectorates and 105 schools under TADC revealed that 3 to 4 *per cent* students dropped-out each year.

In Bijohnagar Junior Basic School under Teliamura TADC Inspectorate, 94 out of 141 students dropped-out in 1988-89. The reasons for this were not ascertained by the Inspectorate. It was however, stated generally that during *Jhum* seasons (period of shifting cultivation) a good number of students in the Tribal belt shift their accommodation along with their parents, and that during rainy season a good number of students generally fail to attend the schools situated in hilly terrain.

3.2.15 Detention in primary classes

According to 'no detention' policy introduced in December 1983 no student in Class I to Class III should be detained in the respective classes provided the attendance is not less than 75 *per cent*. But test check of school records disclosed that contrary to no-detention policy 43 to 44 *per cent* of total students on roll-strength were detained in respective classes in General area, and 49 to 50 *per cent* in TADC area during 1986-90 although the attendance was not less than 75 *per cent* in each case.

Number of Inspectorates	Number of schools	Year	Roll- strength	Number of students detained	Percent- age
<i>A—General</i>					
10	98	1986	9,474	4,057	43
		1987	10,906	4,819	44
		1988-89	13,094	5,754	44
		1989-90	13,993	6,210	44
<i>B—TADC</i>					
7	105	1986	7,594	3,789	50
		1987	8,665	4,299	49
		1988-89	9,482	5,042	53
		1989-90	9,796	4,955	51

This had an indirect impact on the MDM Programme. The actual expenditure on account of avoidable expenditure in this regard, however, could not be computed.

3.2.16 *Furniture and equipment*

Under the Mid-Day-Meal Programme, utencil, equipment, etc., were to be supplied to schools covered under the Programme; and furniture items were to be provided to each Inspectorate. One Assistant Inspector of Schools (MDM) and one Upper Division Clerk were posted in Inspectorate of Schools exclusively for this purpose.

The Director of School Education provided Rs. 38.86 lakhs to 17 Inspectorates during 1985-86 to 1989-90 for procurement of furniture, equipment etc., under the MDM Programme.

The following irregularities/deficiencies were noticed in 13 of the 17 Inspectorates test checked:

(a) General area:

Name of the Inspectorate	Amount sanctioned period	Equipment/ articles purchased	Cost	Remarks
1. Bishalgarh	Rs. 4.00 lakhs 1985-86 to 1989-90	(i) Secretarial table-1 (ii) Steel chair-5 (iii) Steel almirah-11	Rs. 0.21 lakh	All the articles were being used in the Inspectorate and not in the schools for which these were indented.
2. Dharmanagar	Rs. 2.76 lakhs 1985-86 to 1989-90	(i) Steel almirah-59 (ii) Steel bowl-1,000 (iii) Steel glass-7,010 (iv) Water container-59	Rs. 1.45 lakhs (1986-87)	Articles costing Rs. 0.52 lakh distributed to 95 schools. Articles valued at Rs. 0.70 lakh were reported to have been stolen in November 1987 and articles valued at Rs. 0.23 lakh were neither distributed nor available in stock.
3. Jirania	Rs. 1 lakh March 1986	—	—	No records regarding procurement and distribution of articles were shown to Audit.
4. Mohanpur	Rs. 1 lakh February 1986	—	—	
5. Sonamura	Rs. 4 lakhs 1985-86 to 1987-88	(i) Steel chair-12 (ii) Steel table-4 (iii) Steel rack-2 (iv) Steel almirah-20	Rs. 0.88 lakh	All the articles were retained in the Inspectorate and were not supplied to schools.

(b) TADC area:

Name of the Inspectorates	Amount sanctioned	Name of the articles procured	Cost	Remarks
1. Chailengtha	Rs. 1.80 lakhs	Steel glasses, Plates, Bowls, Jugs and Filters	Rs. 1.80 lakhs	Distributed to 175 schools though only 95 schools were covered under the programme till March 1990.
2. Jirania	Rs. 1.19 lakhs	Steel glasses, Filters, Steel plates, Bati and Buckets	Rs. 1.19 lakhs	Distributed to 75 schools while number of schools covered under the programme was 64 only.
3. Kanchanpur	Rs. 1.54 lakhs	Steel almirah-31 numbers Water container-150 numbers Plastic glasses-1,000 numbers Plastic plates-10,000 numbers	Rs. 1.54 lakhs	No record was maintained regarding distribution/stock.
4. Mohanpur	Rs. 0.50 lakh	Steel almirah, Steel bowls and Steel glasses	Rs. 0.47 lakh	Articles were neither recorded in the stock register nor distributed to schools till February 1991.

3.2.17 *Non-filling up of vacant posts*

It was noticed that the implementation of the Programme had been hampered due to acute shortage of staff from the very beginning. The following table shows the posts created at the beginning of the Sixth Five-Year Plan and position of recruitment to those posts:

Sl. No.	Name of the post	Number of posts	Purpose	Position of recruitment
1.	School Meal Officer	1	To supervise and monitor the programme at the State level	Not filled-up (December 1992).
2.	Programme Officer	3	To supervise the programme at District level	-ditto-
3.	Upper Division Clerk	3	For office work in the three Districts	-ditto-
4.	Assistant Inspector of Schools	17	For implementation of the programme at the Inspectorates	5 posts filled-up till March 1992.
5.	Lower Division Clerk	17	For office work in the Inspectorate	Not filled-up till March 1991.

3.2.18 *Monitoring*

The MDM Programme envisaged establishment of a State Level Advisory Committee (SLAC) to advise the Government in regard to its proper implementation. A Block Level Advisory Committee (BLAC) was to be constituted to supervise and guide the implementation at Inspectorate level and School-Meal Committee in each school was to be formed for monitoring the implementation of the programme.

The SLAC generally met once in a year. But, the Block Level Advisory Committee in respect of 17 Inspectorates test checked did not meet even once.

The Directorate of School Education did not keep any information regarding the number of schools covered under the programme though there was a statistical unit attached to it for the purpose.

The Directorate of School Education admitted in November 1990 that no records on the following items, which were vital for monitoring the operation of the Programme were maintained.

- (1) Inspectorate-wise/year-wise actual expenditure incurred under the programme;

- (2) Actual number of schools and number of students under the programme;
- (3) Information about number of schools in which the programme was discontinued due to segregation or otherwise; and
- (4) Inspectorate-wise position in respect of schools under MDM Programme where drinking water facilities were available.

The points included in the review were referred to the Government in October 1991; reply has not been received (November 1992).

3.3 Unutilised hostel building

The Education Department took possession of a hostel building constructed in February 1989 at a cost of Rs. 2.06 lakhs. The building was intended to provide hostel facilities to Scheduled Caste girl students of Bani Vidyapith Girls' School, Agartala. An additional expenditure of Rs. 0.79 lakh was incurred by the Department between March 1989 and July 1991 on purchase of utensils, and pay and allowances of night guards for the hostel. The hostel had not started functioning as of March 1992 since a Hostel Superintendent had not been appointed.

Thus, the total expenditure of Rs. 2.85 lakhs incurred on the construction of hostel building and on purchase of utensils and pay and allowance of night guards proved to be nugatory.

The school authorities stated in March 1992 that despite writing several times to the Director of Education regarding appointment of Hostel Superintendent and other staff since March 1989 nothing had been done in this regard.

The matter was referred to the Government in October 1991 and again in December 1991; reply has not been received (November 1992).

FOOD AND CIVIL SUPPLIES DEPARTMENT

3.4 Extra expenditure on purchase of salt

For the supply of iodised salt through the Public Distribution system, the Department invited tenders in November 1988 for purchase of fine crushed white iodised salt from Gujarat to be delivered at two points in the State during the year 1989. The

estimated quantity for the year was 17,200 tonnes. Of the five tenders received, the lowest rates (Rs. 65.97 per quintal for Dharmanagar and Rs. 83.49 per quintal for Agartala) offered by a local dealer were approved.

The lowest tenderer, however, did not execute the supply orders placed in December 1988. The second lowest quotation was from a Gujarat firm 'X' which had quoted Rs. 69.17 per quintal for Dharmanagar and Rs. 84.29 per quintal for Agartala for the period up to December 1989.

In January 1989, Government decided to purchase salt through the Tripura State Co-operative Consumers' Federation as the Government nominee at the approved rates of the lowest tenderer. The Federation did not accept the above rates, but offered (February 1989) to supply at the rates of Rs. 68.79 per quintal for Dharmanagar and Rs. 89.76 per quintal for Agartala. The Federation's offer was for supply of the entire quantity for the year 1989 and inclusive of all charges subject to proportionate increase/decrease of Railway freight and road transport charges from time to time during 1989. For the first quarter of 1989, purchase of salt was approved by Government in February 1989 at Rs. 68.79 per quintal for Dharmanagar through the Federation, and at Rs. 84.29 per quintal for Agartala through the Gujarat based firm 'X' the second lowest tenderer mentioned above. Firm 'X' declined (March 1989) to execute supplies at a single point of delivery, instead of at both the points for which it had quoted. Government then decided (March 1989) to procure supplies of iodised salt through the Federation at both the points for the year 1989 according to its rates of February 1989. Work order was issued for the first and the second quarters in March 1989. No agreement was, however, executed.

Subsequently, Government in September 1989 approved higher rates of Rs. 103.00 per quintal and Rs. 127.00 per quintal for delivery at Dharmanagar and Agartala respectively as claimed by the Federation, and the Department accordingly got lifted 16,884 tonnes of iodised salt through the Federation and paid at the higher rates against their claims raised during the period from November 1989 to January 1990. The Department did not explore the possibility of purchasing salt through the firm 'X' whose rates were lower than the rates finally approved.

The Department, had, thus incurred extra expenditure of Rs.5.13 lakhs on purchase of 16,884 tonnes of iodised salt through the Federation during 1989 at higher rates than the rates of Gujarat firm 'X'.

The Department stated (September 1991) that Government normally awarded the work of lifting and supply of iodised salt to the Federation to patronise the Co-operative Society as a policy matter, on the basis of the lowest rate obtained on tender, although the Society did not participate in the tender. As regards subsequent acceptance of higher rates, the Department stated that the rates were in consideration of the quotation invited by the Federation in August 1989 together with their usual commission for the deal. The Department, however, did not clarify the circumstances leading to the Federation's inviting tenders in the middle of the year 1989 when the Department had already assessed the market rate through competitive quotations meant for the whole year.

The matter was referred to Government in September 1991; reply has not yet been received (November 1992).

3.5 Misappropriation/pilferage of rice

During the years 1987-88 and 1988-89, the Department, engaged contractor 'X' under two separate agreements, for transportation of food-grains from the Central Stores, Arundhutinagar to the Government Godown, Ampí. According to the provisions of the agreements, the contractor was required to carry food-grains with despatch invoices issued at the despatch point and hand over the food-grains at the destination within three days from the date of taking delivery from the Central Stores.

In order to keep a watch over delivery of the consignments by the transport contractor, the Central Stores was to receive weekly returns from the Officer in charge of the godown indicating the quantity of food-grains actually delivered at the Government godown at Ampí. The payment was to be made on receipt of weekly statements from the Ampí Godown along with acknowledged copies of despatch invoices.

In May 1989, the Officer-in-charge Central godown, Arundhutinagar reported that a total quantity of 152.011 tonnes of rice valued at Rs. 4.01 lakhs despatched through 15 delivery notes in 1987-88 (20.745 tonnes) and 1988-89 (131.266 tonnes) from the Central godown was not delivered by the carriage contractor to Ampí godown. On the other hand the contractor claimed payment of transport charges for 52.743 tonnes of rice out of 152.011 tonnes, not delivered at all, presenting 9 (nine) forged receipted despatch invoices (May 1989). The matter was reported to the Police by the Department in May 1989, result of which is awaited (January 1992).

It was noticed in Audit (February 1991) that the contractor had been allowed by the Department to lift rice from the Central Stores, Arundhutinagar for a period of fifteen months without receiving the weekly returns from the Ampu godown despite the irregularity being pointed out by the Central Stores repeatedly in July and August 1988. Non-adherence to the prescribed system of verification/reconciliation with the weekly statements of receipt/delivery at destination point and failure to take action against the transport contractor, facilitated misappropriation/pilferage of rice valued at Rs. 4.01 lakhs.

Government to whom the matter was referred in April and October 1991 stated (February 1992) that the case was under investigation of the Police. Departmental proceedings had also been initiated against the staff concerned.

Further developments are awaited (November 1992).

FOREST DEPARTMENT

3.6 Loss of Government money

The Divisional Forest Officer (DFO) Working Plan Division No. I, Agartala (hereafter referred to as Division 'A') functions as Drawing and Disbursing Officer for Working Plan Division No. II at Agartala (hereafter referred to as Division 'B').

The financial rules provide that no money shall be drawn from the bank for payment of salary either in cash or by cheque unless a detailed bill therefor is passed for payment by the Drawing and Disbursing Officer (DDO). To facilitate payment of salaries to staff on the first working day of each month, the salary cheque may be issued on the 25th of the previous month, so that cash can be drawn from the bank on the first working day of the month.

The DFO, Division 'B' submitted a requisition to the Division 'A' on 25th June 1990, instead of submitting a bill as required by the rules, for a cheque for Rs. 0.60 lakh towards salaries, POL and maintenance of vehicles. The DFO, Division 'A' issued a cheque for Rs. 0.57 lakh to the Senior Forest Ranger (SFR), Division 'B' towards staff salaries, and it was encashed on 2nd July, 1990.

The concerned pay bills were sent to Division 'A' on 29th June, but had not been received back by 2nd July 1990, duly passed. The pay and allowances of the staff of Division 'B' could not, therefore, be disbursed on that day although the cheque had been encashed. The undisbursed amount of Rs. 0.57 lakh was kept in the cash chest.

On 3rd July 1990, the Accountant of Division 'B' reported to the DFO that an amount of Rs. 62,203.55 (Rs. 0.57 lakh) *plus* the previous cash balance of Rs. 5,203.55 kept in the cash chest had been stolen. The matter was reported to the Police on the same day. The result of the police investigation was, however, still awaited even in January 1992.

Had the correct procedure been followed by the Divisions, the need for retention of the money in the cash chest of Division 'B' would not have arisen.

Government stated (December 1991) that the passed bill could not be handed over on 2nd July 1990 as the Accountant of Division 'A' was on election duty.

HEALTH AND FAMILY WELFARE DEPARTMENT

3.7 National Technology Mission on Immunisation (Universal Immunisation Programme)

3.7.1 Introduction

The Expanded Programme on Immunisation (EPI) was launched by the Government of India in 1978 with the objective of reducing infant morbidity and mortality due to diphtheria, pertussis, tetanus, poliomyelitis and childhood tuberculosis through vaccination of all eligible children and pregnant women.

To add impetus to the EPI the Universal Immunisation Programme (UIP) was launched in 1985-86 by the Government of India to accelerate immunisation coverage among eligible population and to improve the quality of existing services. The Programme aimed at reducing morbidity and infant mortality through universal immunisation against six vaccine preventable diseases for the country as a whole by 1990 as follows:

- (a) Immunisation of 100 *per cent* pregnant women with TT vaccine;
- (b) Immunisation coverage of 85 *per cent* infants with DPT, OPV, BCG and Measles vaccines;
- (c) Reduction of neo-natal tetanus mortality rate to less than 1 per 1000 live-births; and
- (d) Reduction of Poliomyelitis incidence rate to less than 0.33 per 1000 children in the age group 0-4 years.

Note: The abbreviations used in this Report are listed alphabetically in Appendix 6 at pages 146-147.

It was declared a Technology Mission in 1986 to provide a sense of urgency. In Tripura, the West District was brought under UIP in the year 1986-87 and the South and the North Tripura Districts in the years 1987-88 and 1988-89 respectively.

3.7.2 Organisational set up

The Programme (UIP) is implemented by the Health Department of the State Government through the Director of Health Services who is assisted by the Joint Director, Family and Child Welfare, State Maternity and Child Health Officer (Programme Officer), and three Chief Medical Officers of the Districts. The Primary Health Centres and Sub-Centres are the implementing agencies in different areas, under the direct control of Chief Medical Officers. Rural hospitals, District hospitals, Sub-Divisional hospitals, and Maternity and Child Health Clinics were involved.

3.7.3 Audit coverage

Implementation of the Programme for the period from 1985-86 to 1990-91 was reviewed in Audit through test-check of records of the Programme Officer, Chief Medical Officer of the three Districts and four Primary Health Centres. Records of three rural hospitals, two District hospitals, two Maternity and Child Health (MCH) clinics and Sub-Divisional hospital were also covered by test-check.

3.7.4 Highlights

The objective of the Mission was to achieve immunisation coverage of 100 per cent pregnant women and at least 85 per cent of children. The actual achievement in urban areas in case of pregnant women ranged between 30 and 50 per cent and in case of children it was between 22 and 84 per cent. The achievement was still lower in rural areas. Shortfall was mainly due to poor infrastructure, lack of motivation and inadequate supervision.

(Paragraph 3.7.6)

—The prescribed regimen of completion of all vaccinations within one year of age of the child was not adhered to. As many as 4,745 out of 10,622 children were vaccinated in one District after they had completed one year of age.

(Paragraph 3.7.8)

—The dropouts in vaccination of preventable diseases ranged between 11 and 70 per cent in respect of DPT and 10 and 35 per cent in respect of TT (Pregnant women).

(Paragraph 3.7.10)

—Shelf life of 1.28 lakh doses of vaccines expired due to non-observance of principle of 'First-in-First-Out'.

(Paragraph 3.7.13(i))

—Rupees 10.58 lakhs were diverted for purchase of generator sets (Rs. 5.94 lakhs) and payment of hire charges of private vehicles (Rs. 4.64 lakhs). The generator sets were also not put to use.

(Paragraph 3.7.15)

—Cases of adverse reaction/death following administration of vaccination were not investigated.

(Paragraph 3.7.9)

—Vaccination Coverage Evaluation Survey (VCES) was not conducted in one District since 1987-88.

(Paragraph 3.7.7)

3.7.5 Financial performance

The Centrally Sponsored Programme of Universal Immunisation under the National Technology Mission, was implemented through 100 per cent assistance from the Government of India (GOI).

Details of funds allocated, amount released by the GOI and expenditure incurred by the State Government during 1986-87 to 1990-91 are shown in the following statement:

Year	Amount allocated by the Government of India	Amount released by the Government of India	Expenditure incurred by the State Government
(Rupees in lakhs)			
1986-87	2.10	Nil	0.64
1987-88	3.55	1.20	4.22
1988-89	8.20	14.08	6.82
1989-90	8.02	5.02	10.93
1990-91	7.29	7.29	5.39
Total:	29.16	27.59	28.00

It would appear from the above that release of funds by the Government of India was not in accordance with allocation, nor was the expenditure incurred by the State Government in accordance with funds released.

The State Government was required to send quarterly reports of expenditure to the Government of India immediately at the close of each quarter. Funds were to be released by the Government of India only on receipt of such quarterly reports. The State Government did not send such statements for three out of eight quarters during 1989-90 and 1990-91, for the remaining quarters, the statements were delayed by upto three months and more.

3.7.6 Targets and achievements

The achievements against the targets of immunisation fixed by the Government of India in respect of each service in the three Districts in the urban and rural areas, and the areas under tribal Sub-Plan during the period from 1987-88 to 1990-91 are given below:

Vaccine	Year	Tribal Sub-Plan Areas		Other Rural Areas		Urban Areas		Total	
		Target	Achievement (Percentage in bracket)	Target	Achievement (Percentage in bracket)	Target	Achievement (Percentage in bracket)	Target	Achievement (Percentage in bracket)
TT (PW)	1987-88	N.A.	1,150	N.A.	3,167	N.A.	5,160	N.A.	9,477
	1988-89	N.A.	2,562	N.A.	6,428	N.A.	7,459	N.A.	16,449
	1989-90	25,000	2,497 (10)	26,000	6,480 (25)	22,500	6,711 (30)	73,500	15,688 (21)
	1990-91	26,000	4,405 (17)	27,000	8,547 (32)	23,000	11,590 (50)	76,000	24,542 (32)
DPT	1987-88	N.A.	3,208	N.A.	5,460	N.A.	4,874	N.A.	13,542
	1988-89	N.A.	8,855	N.A.	10,693	N.A.	7,728	N.A.	27,276
	1989-90	24,500	8,301 (34)	25,000	10,709 (43)	22,000	8,396 (38)	71,500	27,406 (38)
	1990-91	26,000	10,321 (40)	26,750	14,452 (54)	23,000	12,204 (53)	75,750	36,977 (49)
Polio (OPV)	1987-88	N.A.	2,252	N.A.	4,703	N.A.	5,207	N.A.	12,162
	1988-89	N.A.	8,741	N.A.	11,117	N.A.	7,878	N.A.	27,736
	1989-90	24,500	8,312 (34)	25,000	11,078 (44)	22,000	8,663 (39)	71,500	28,053 (39)
	1990-91	26,000	10,226 (39)	26,750	14,456 (54)	23,000	12,384 (54)	75,750	37,066 (49)
BCG	1987-88	N.A.	8,006	N.A.	8,596	N.A.	5,333	N.A.	21,935
	1988-89	N.A.	11,679	N.A.	23,962	N.A.	7,225	N.A.	42,866
	1989-90	24,000	14,602 (61)	25,000	21,298 (85)	21,500	11,180 (52)	70,500	47,080 (67)
	1990-91	26,000	23,579 (91)	26,750	27,363 (102)	23,000	19,387 (84)	75,750	70,329 (93)
Measles	1987-88	N.A.	1,158	N.A.	1,482	N.A.	2,514	N.A.	5,154
	1988-89	N.A.	4,891	N.A.	5,277	N.A.	2,941	N.A.	13,109
	1989-90	23,000	5,063 (22)	23,250	8,099 (35)	19,500	4,235 (22)	65,750	17,397 (26)
	1990-91	26,000	9,395 (36)	26,750	14,561 (54)	21,000	9,244 (44)	73,750	33,200 (45)

N.A.—Not available.

The objective of the programme was to achieve 100 *per cent* coverage of pregnant women with 2 (two) doses and one booster dose of TT and at least 85 *per cent* coverage of infants population below one year with 3 (three) doses of DPT, 4 (four) doses of OPV (Polio) and 1 (one) dose of BCG and measles vaccines.

While no targets were fixed for 1987-88 and 1988-89, shortfalls upto 79 *per cent* were noticed in 1989-90 and 1990-91 against the targets prescribed for different vaccines.

The shortfall was mainly due to inadequate development of infrastructure, poor communication facilities and lack of mobility, lack of adequate publicity, poor demand for preventive care due to lack of motivation, inadequate field supervision and monitoring of the programme. Insufficient storage facilities for vaccines in rural/remote areas and non-involvement of voluntary organisations for demand generation also contributed to shortfalls in achievement.

The figures of achievement of immunisation as reported to the Government of India by the State MCH Officer were different from the figures as indicated in the performance report given above. The figures as reported to Government of India were inflated by the State Government except in case of TT (PW) in 1988-89. Inflated reporting in respect of DPT for 1987-88 was more than 100 *per cent*.

3.7.7 *Vaccination coverage evaluation survey*

Vaccination Coverage Evaluation Survey (VCES) was required to be conducted annually in the Districts covered under the UIP; but a scrutiny of records revealed that such survey was conducted only in January 1990 and May 1990 covering 1,046 households of Agartala Municipality area of West District and 1,143 households in the North District. No such survey was ever conducted in South District since its inclusion in the UIP in 1987-88. The reason for not conducting the VCES was stated to be due to paucity of funds.

The VCES conducted during January and May 1990 in West and North District revealed that

- 25 and 36 *per cent* of the children had not received any dose against DPT;

- 26 and 35 *per cent* of the children had not received any dose of OPV;

- 67 and 65 *per cent* of the children had not received any dose against Measles;

- 52 and 47 *per cent* of the children had not been immunised against BCG; and

—16 and 21 *per cent* of the women had not been vaccinated against TT.

All children after proper vaccination with potent BCG vaccine would have a vaccination scar. In case, a child does not have BCG scar, it is an indication of faulty administration of BCG vaccine or use of vaccine with diminished potency. A scrutiny of the Vaccination Coverage Evaluation Survey (VCES) conducted in two Districts in January 1990 and May 1990 revealed that this aspect was not looked into as 'BCG Scar' rate was not recorded therein.

3.7.8 *Non-adherence of vaccination schedule*

According to the prescribed regimen, vaccination of children with polio, DPT, Measles and BCG should be completed in all respects within one year of age of each child. Test check of records of three MCH clinics revealed that the above regimen was not strictly adhered to at the time of vaccination as detailed below:

Age group	Number of children vaccinated			
	1987-88	1988-89	1989-90	1990-91
Upto one year	1,510	2,387	2,766	5,204
Above one year but upto 3 years	151	150	311	137
Above three years but upto 5 years	56	84	347	684
Above 5 years	30	59	43	874

A further scrutiny of performance reports of Primary health Centres and hospitals under North District revealed that out of 7,003 and 3,619 children vaccinated during 1988-89 and 1989-90 respectively 3,366 children (48 *per cent*) and 1,379 children (38 *per cent*) were over one year of age.

Government stated in February 1992 that these children, above one year age had been vaccinated on demand.

The Government of India directed (November 17, 1988) all the State EPI Officers to organise special immunisation sessions during Quami Ekta Week (19th to 25th November 1988) in urban and rural areas for infants and pregnant women and also to send a report to the Government of India on the celebration by 30th November 1988. But no such special immunisation session was organised in Tripura.

3.7.9 *Adverse reaction/death following vaccination*

In course of scrutiny of records it was noticed that proper records of adverse reaction/death following vaccination had not been kept.

However, a few such cases as reported to the Government of India are given below:

Year	Number of cases of	
	Adverse reaction	Death
1988-89	8	1
1990-91	13	Nil

No information was available whether these cases of adverse reaction/death following vaccinations were investigated. Government of India had instructed that a Technical Committee should be formed in the State to investigate the incidence of adverse reaction/death following vaccination. No such committee was formed as of August 1991.

Government stated in February 1992 that a technical committee had been formed in December 1991 by the Department.

3.7.10 *Dropouts in vaccination of preventable diseases (VPDs)*

Information/data on dropouts in immunisation against VPDs was not compiled by the State Government. However, the extents of dropouts worked out by Audit from the progress reports furnished to Government of India for the years 1988-89 to 1990-91 ranged between 11 *per cent* to 70 *per cent* in respect of DPT and Polio (OPV) and 10 *per cent* to 35 *per cent* in respect of TT (PW).

No action/follow up action was taken on dropout cases, nor was any periodical survey conducted to identify the dropout cases.

3.7.11 *Cold chain, monitoring and maintenance*

(i) The cold chain system was an important component of the programme for ensuring potency of the vaccines during its transit from the place of manufacturer to the point of use. Cold chain equipment for storage and transport of vaccines such as Walk-In-Collars (WIC), Ice-Linked-Refrigerators (ILR), Deep Freezers (DF) and Vaccine Carriers (VC) were provided by the Central Government. In all 444 cold chain equipment (WIC: 1; ILR: 52; DF: 28; and VC: 3630) were received by the State Government during 1985-90.

(ii) Government of India had allocated three refrigerator repair kits, one for each of the three districts, and sanctioned two posts of Refrigerator Mechanic upto 1988-89 as two repair kits only were supplied to two districts. One unskilled refrigerator mechanic was appointed in August 1989 and placed at the disposal of the State MCH Officer who utilised his services for both the districts. The North district was neither provided with refrigerator repair kit nor the services of refrigerator mechanic till August 1991 although it had been brought under the programme from 1988-89. Government stated in February 1992 that the mechanic had been got trained in technician training and his services were being utilised by all the three districts.

(iii) The scheme provided for creation of one post of Cold Chain Officer at the State level. At the district level a mechanic was to be appointed for maintaining the Walk-in-Cooler. The sanction for creation of the post of the Cold Chain Officer was conveyed in June 1986 but a qualified engineer was appointed in July 1988, and he too resigned in July 1989. The post could be filled in by another qualified engineer only in March 1991. The post of mechanic had not been sanctioned by the Government of India till August 1991.

(iv) Government of India directed (June 1987) the State Government to form a working group consisting of EPI Officers, CCCs, representatives from UNICEF and private supplier which would hold periodical meetings to review the working of Ice-linked refrigerators and Walk-in-Coolers and also take measures to rectify the non-functioning of equipment. But it was ascertained that since 1989, only four informal meetings were held upto May 1991 with the representatives of the private supplier only. Minutes of the meetings and follow-up action were not kept on record.

(v) The reports of sickness of cold chain equipment was required to be submitted monthly by the State Government to the Government of India. But no such report was ever sent either at the district or at the State level.

(vi) Scrutiny of records in the Office of the Chief Medical Officer (CMO), North district revealed that 3,000 doses of BCG vaccines (Batch No. 2384 M) having expiry date of August 1990 were received from the State Headquarters on 15th March 1989 and was kept in deep freezer (below 2°C) whereas the said vaccines should have been kept at 2°C-4°C normally. Hence, considering its potency/efficacy doubtful, the said vaccines were not used and kept in stock till August 1991. Thus, negligence in presenting the vaccines in proper cold chain arrangement led to the damage of 3,000 doses of BCG vaccines.

3.7.12 *Supply and use of vaccines*

Vaccines were despatched by the consignor, under proper cold chain arrangement, and the consignee, the State MCH Officer, took delivery as soon as the vaccines reached the airport. As no cold chain arrangement was made at the airport, the chances of loss or decline of potency of the vaccines in transit could not be ruled out. But the vaccines of each consignments were not tested immediately after taking delivery. Besides, vaccines were also not got tested periodically either by the State MCH Officer or by the Drug Controller appointed by the State Government before use though it was stipulated in the scheme that samples of oral polio vaccines (OPV) from different series in the districts and State were to be tested regularly every month to ascertain whether the vaccines retained the required potency. But the State Government had not set up any laboratory facilities due to paucity of funds. No financial assistance in this regard was provided by the Government of India.

During scrutiny of records it was noticed that since the inception of the UIP in 1986-87 only fifteen samples of OPV were sent by the State MCH Officer for laboratory testing outside the State. Out of eight samples tested in 1990-91 five samples were found satisfactory. But the entire lot of the vaccines were administered. Further, the adverse effect of such vaccination on the children was not examined.

3.7.13 *Stock of vaccines*

The stock position of vaccines at the State Headquarters for the period from 1986-87 to 1990-91 was as follows:

(Quantity in doses)

Year	Opening balance	Vaccines allocated by the Government of India	Vaccines received	Vaccines issued	Expiry/ Broken	Closing balance (2+4)-(5+6)	Closing balance accessing to the stock register	Discrepancy (7-8)
1	2	3	4	5	6	7	8	9
1986-87	72,670	N.A.	5,67,260	3,27,058	Nil	3,12,872	2,11,710	1,01,162
1987-88	3,12,872	8,18,000	9,87,760	3,97,306	27,420	8,75,906	5,86,920	2,88,986
1988-89	8,75,906	7,37,000	7,70,300	7,94,670	54,020	7,97,516	5,62,530	2,34,980
1989-90	7,97,516	8,25,000	8,12,400	8,09,211	13,610	7,87,095	5,49,200	2,37,895
1990-91	7,87,095	N.A.	9,71,500	9,76,245	33,690	7,48,660	5,58,800	1,89,860
			<u>41,09,220</u>	<u>33,04,490</u>	<u>1,28,740</u>	<u>7,48,660</u>	<u>5,58,800</u>	<u>(-)1,89,860</u>

N.A.—Not available.

(i) It would be seen from the above table that the Department received 41.09 lakhs doses of vaccine during the period from April 1986 to March 1991. Against this 33.04 lakh doses were issued during these years. Inclusive of the opening balance on 1st April 1986 (0.73 lakh doses) there should have been a closing balance of 7.49 lakh doses after deducting 1.29 lakh doses broken time expired. But the stock book showed only 5.59 lakh doses as closing balance on 31st March 1991. The discrepancy of 1.90 lakh doses could not be explained by the Department.

Government stated in February 1992 that the matter was being examined.

(ii) The stock register of vaccines was not maintained properly to indicate the batch number and expiry date of vaccines either at the State Headquarters or at the district level or at primary health centres.

(iii) First-in-first out method for issuance of vaccines and vaccines with earlier date of expiry ought to have been consumed earlier than the vaccines with later date(s) of expiry. This system was not followed; as a result, large number of vials of different types of vaccines could not be used before the expiry date(s) as shown below:

Year	Category of vaccines	Quantity expired (in numbers of doses)	
1987-88	BCG	1,260	27,340
	TT	26,080	
1988-89	TT		53,860
			1,27,700 doses
1989-90	DPT	4,500	
	TT	8,900	
1990-91	DPT		
			33,100

It was noticed that 4,000 doses of DPT vaccines with date of expiry in January 1991 were delivered by the State level MCH Officer to the Chief Medical Officer, North district, on 29th April 1991 for onward distribution to different units under his jurisdiction. The CMO requested the State Headquarters on 2nd May 1991 to replace the said vaccines as these were of no use and accordingly fresh supply was made on 22nd May 1991. From 29th April 1991 to 22nd May 1991

the CMO, North had a total stock of 120 doses against an average requirement of 1,300 clearing a month.

(iv) Physical verification of stock of vaccines, as required under the rules was never conducted since 1986-87.

(v) Stock registers of vaccines (DPT, DT, TT, OPV, BCG and Measles) for the period prior to April 1988 and for cold chain equipment, syringes, needles for the period prior to April 1989 of the CMO (West) were not made available to audit.

3.7.14 Information, Education and Communication (IEC)

Government of India allocated Rs. 2 lakhs in 1989-90 on Information, Education and Communication and released Rs. 1 lakh. But no expenditure was incurred till August 1991.

Although no IEC cell was formed, the materials received from the UNICEF were distributed to PHC/Sub-centres level by the CMOs of South and North districts 25,100 posters received by the CMO, West were not distributed and the same were dumped in the store-room as of August 1991.

3.7.15 Diversion of funds

Central assistance aggregating to Rs. 10.58 lakhs was utilised on the following which were not provided in the prescribed pattern of assistance:

	Amount
(i) Purchase of generators	Rs. 5.94 lakhs
(ii) Hiring of vehicles	Rs. 4.64 lakhs

Out of 58 generator sets purchased at a cost of Rs. 5.94 lakhs in 1989-90, six were retained with the Directorate; the remaining 52 generator sets supplied to PHCs could not be put to use due to non-availability of diesel. Government of India sanction for incurring expenditure of Rs. 5.94 lakhs on purchase of generator sets, applied for in April 1989 had not been received as of August 1991.

3.7.16 Monitoring and supervision and evaluation

The Programme envisaged establishment of committees at various levels; Field Level Committee under the Chairmanship of the Collector, district Level Review Committee having greater representation of women's organisations, Municipal authorities, voluntary organisations and functionaries with ICDS and State level

Co-ordination Committee; but no such committees were formed for monitoring the implementation and co-ordination of the Programme (August 1991).

The progress reports of the Programme implemented were received regularly from various levels and sent to the Government of India after consolidation in the State level without making any scrutiny/checks on the reports.

The vaccination coverage evaluation survey of the Programme was conducted in the North Tripura District in May 1990 and in Agartala Municipal area in January 1990 under the overall supervision and guidance of State MCH Officer. After that, no such evaluation surveys were conducted to evaluate the achievement of the Programme.

Government stated in February 1992 that District level Committees and a High level State Committee with hon'ble Health Minister as Chairman had since been formed.

INFORMATION, CULTURAL AFFAIRS AND TOURISM DEPARTMENT

3.8 Irregular assignment of printing work

On 3rd November 1990, the Department invited quotations from seven firms having offset printing equipment for printing of 20,000 colour posters (10,000 each of two separate emblems of size 15"×22"). Samples of the paper to be used for printing were to be furnished with the quotations. Only two quotations were received in response.

Firm 'X' quoted the lower rate of Rs. 450.00, Rs. 525.00 and Rs. 975.00 per thousand posters (inclusive of all charges and taxes) for three different qualities of paper along with samples of paper to be used. Firm 'Y' quoted the higher rate of Rs. 4,000 per thousand posters and did not furnish sample of paper to be used for printing.

The Lower Purchase Committee recommended on 14th November 1990 the higher rate quoted by the firm 'Y' on the ground that the firm 'X' was lacking in experience of printing multicolour posters, although the firm 'X' alongwith its quotation had submitted documentary evidence of the status of their projects and was equipped with latest sophisticated printing equipments and hi-tech reproduction camera.

It was noticed in audit (July 1991) that according to entries in the stock register 20,000 tri-colour posters of two emblems valued at Rs. 0.80 lakh had been received from Firm 'Y' on 3rd November 1990

itself i.e., the date on which the quotations were invited. This was unusual since the Lower Purchase Committee recommended the higher rate only on 14th November 1990.

Compared to the quoted rates of Firm 'X' the printing of posters through Firm 'Y' involved extra expenditure of Rs. 0.61 lakh.

Out of 20,000 posters with the message of communal harmony printed for public display to commensurate the birthdays of two late Prime Ministers in November 1990, only 11,100 posters had been distributed between 3rd and 29th November 1990. The remaining 8,900 posters valued at Rs. 0.36 lakh were lying in stock (July 1991).

The matter was referred to Government in September 1991; reply has not been received (November 1992).

DEPARTMENT OF WELFARE FOR SCHEDULED TRIBES

3.9 Unutilised hostel buildings

The Department of Welfare for Scheduled Tribes took possession of a hostel building in May 1989 constructed at a cost of Rs. 8.14 lakhs. The building was intended for trainees of Scheduled Tribes/ Scheduled Castes Pre-service Coaching Centre at Agartala. Additional expenditure of Rs. 0.62 lakh was incurred between November 1989 and February 1991 by the Department on purchase of furniture and pay and allowances of the watch and ward staff for the hostel.

But the total expenditure of Rs. 8.76 lakhs incurred by the Department had proved unfruitful as the hostel could not be utilised for the purpose for which it was constructed.

The Director of Welfare for Scheduled Tribes however, stated in September 1991 that since the construction of building for pre-coaching centre had not been taken up, the hostel building could not be utilised. It was further stated that the Government had decided to construct an Administrative Training Institute at the same premises with the idea to make a composite unit which would cater to the requirements of other State Government Departments' too.

Thus, despite the expenditure of Rs. 8.76 lakhs incurred so far the Scheduled Caste and Scheduled Tribes students of the State were deprived of the benefit of the pre-coaching training. No alternative arrangement for imparting pre-coaching training to such students has been made.

The matter was referred to the Government in October 1991 and again in December 1991; reply has not been received (November 1992).

CHAPTER IV

PUBLIC WORKS DEPARTMENT

4.1 Excess payment due to incorrect measurement of work

Mention was made in para 4.16(d) of the Report of the Comptroller and Auditor General of India for the year 1985-86, Government of Tripura, about the excess payment made to a contractor owing to adoption of incorrect procedures for payment of dewatering charges for the work of construction of Gumti Barrage. It was pointed out that the payment for dewatering on the basis of volume of work done in terms of Horse Power hours computed with reference to installed capacity of pumps deployed for dewatering and the number of hours for which the pumps were reported to have worked instead of on actual energy consumption basis resulted in substantial over payment to the contractor.

The Public Accounts Committee in its Fiftieth Report (Sixth Assembly) presented in September 1992 observed that the payment should have been regulated on the basis of actual energy consumption which was also in consonance with the opinion of the Central Water Commission to whom the matter was referred.

A similar case of excess payment was noticed in course of audit of accounts record of construction of Manu Barrage in the Office of Executive Engineer Manu Head Works Division during August-September 1990 and subsequently in February-March 1992 as detailed below:

The agreement for "Construction of Manu Barrage over the river Manu at Nalkata" entered into with a contractor in March 1986 provided for payment at the rate of Rs. 5.25 per Horse Power Hour (HP Hour) for dewatering of foundation for construction of barrage and appurtenant work with sump pumps and well-point pumps. A total amount of Rs. 182.01 lakhs was paid to the contractor towards this item upto November 1991.

The quantity of the work was computed by multiplying the installed capacity of the pumps in terms of Horse Power, with the number of hours worked as recorded in the log books maintained and payment was made at the rate as per the agreement for the quantity of work so computed.

The estimated cost of the project was Rs. 881.54 lakhs which included Rs. 131.25 lakhs towards dewatering charges. Against this Rs.154.80 lakhs had been paid to the contractor for dewatering upto March 1991 though only 43 *per cent* of the work valued at Rs. 788.92 lakhs had been completed. The disproportionately large expenditure on dewatering, and the excess payment to the contractor as mentioned subsequently were due to the following:

—The agreement did not prescribe the method for computing the quantity of work done in HP hours.

—The log books of the contractor were open to check by the Executive Engineer; these were not checked.

—No energy meters were installed to record the consumption of power for running the pumps.

—The capacity of the pumps which should have been installed for dewatering was neither prescribed in the agreement, nor were separate instructions issued by the Executive Engineer upto June 1991.

—Even after the issue of instructions by the Executive Engineer in June 1991 for using lower capacity pumps, the higher capacity pumps were not replaced by lower capacity pumps.

An amount of Rs. 150.20 lakhs was paid to the contractor towards dewatering for the work done from April 1986 to 7th December 1989 for 28.61 lakhs HP hours computed with reference to the capacity of pumps and the number of hours worked. In April 1990, following a meeting between the contractor and the Chief Engineer, the quantity of work done between 8th December 1989 and 19th April 1990 was worked out by the Executive Engineer with reference to the energy consumed by the pumps as recorded at the transformer from which power was supplied. The actual quantity worked out to 0.70 lakh HP hours* against 4.16 lakh HP hours calculated by the earlier method. The contractor accepted payment on this basis under protest.

The Central Water Commission, to whom the matter was referred by the Chief Engineer, Irrigation in March 1990, observed in January 1991 that HP Hour could not be construed to mean installed HP Hour, but actual work done. As regards system of measurement, it was confirmed that payment should be based on energy meter reading in the system when electric pumps were used.

On this reckoning, the actual quantity of work done during the period April 1986 to 7th December 1989 worked out to 4.77 lakh HP hours only on the basis of energy meter in operation during the period from 8th December 1989 to 19th April 1990 and the payment which was justified worked out only to Rs. 25.04 lakhs against Rs. 150.20 lakhs already paid. Thus, the absence of specific provision for measurement of dewatering in the agreement resulted in the excess payment of Rs. 125.16 lakhs to the contractor. This was pointed out by Audit to Government in October 1991.

Notwithstanding this, subsequent audit (February-March 1992) revealed that the payment already made for the period from 8th December

* 1 HP hour = 0.746 KW hour

1989 to 19th April 1990 on the basis of actual energy consumed was revised and the contractor had been paid a total sum of Rs. 31.81 lakhs in November 1991 for 6.06 lakhs HP hours for the period from 8th December 1989 to 1st March 1991. The total work done based on energy consumption worked out to 0.92 lakh HP hours for which payment of Rs. 4.83 lakhs only was admissible. Thus, there had been further excess payment of Rs. 26.98 lakhs (Rs. 31.81 lakhs *minus* Rs. 4.83 lakhs).

It was also observed that the contractor had installed 60/65 Horse Power pumps during the entire period of operation. In January 1991, the Executive Engineer observed on actual verification that 35 Horse Power pump (20 HP water pump and 15 HP vacuum pump) was sufficient to keep the work site dry from continuous seepage of water. Thus, the work which could have been done by 35 HP pumps for the same working hours as was done by higher capacity pumps involving excess power consumption. Had the pumps of required capacity (35 Horse Power) only been installed, the volume of work done for the purpose of payment would have been only 3.06 lakhs HP hour* on the basis of energy consumption. This meant that even if the payment had been properly regulated as discussed above, the amount of Rs. 29.87 lakhs payable for the period April 1986 to March 1991, it would have included a wasteful element equal to Rs. 13.81 lakhs (5.69 lakhs *minus* 3.06 lakhs HP hour at the rate of Rs. 5.25 per HP hour).

The pumps had not been replaced (February 1992) despite specific instructions from the Executive Engineer in June 1991. The Chief Engineer who had been informed of the matter in April 1991 also did not take any action and the contractor continued the use of higher capacity pumps.

The Chief Engineer stated in March 1991 that there was a difference of opinion between the Engineer-in-charge of the project and the contractor and opined that payment should be made on the earlier basis (i.e. installed capacity multiplied by hours) since payments were made on that basis in Gumti and Khowai Project. The Chief Engineer also stated that the letter received in January 1991 from the Central Water Commission was neither specific nor any way helpful. This view was not tenable in the light of the position already stated.

The matter was referred to Government in October 1991; no reply has been received (November 1992).

4.2 Extra expenditure on purchase of ceiling fans

The work of internal electrification of Government residential and non-residential buildings constructed by Public Works Civil Divisions

* $\frac{5.69 \times 35}{65} = 3.06$

is taken up normally by Internal Electrification Division Agartala, on receipt of information form Civil Works Division about completion/advanced stage of completion of civil works of the buildings.

It was noticed in audit (May 1991) that the item 'ceiling fan' was purchased direct from manufacturer/authorised dealer of the manufacturer after inviting quotations or keeping in view the prevalent rates of Director General of Supplies and Disposal (DGS&D). The requirements were not assessed in advance, instead purchases were made as and when required. This resulted in extra expenditure of Rs. 2.18 lakhs as indicated below:

(a) The validity of rate contracts of the DGS&D for the year 1987-88 expired on 31st August 1988. However, one Guwahati based firm 'A' agreed to supply ceiling fans of sweep 1200 mm (48") at the rate of Rs. 440.04 and 1400 mm (56") at the rate of Rs. 473.83 respectively, FOR destination and inclusive of excise duty and Central Sales Tax (CST). Accordingly, against a supply order issued in December 1988, 200 fans of 1200 mm and 300 fans of 1400 mm size were purchased from firm 'A'.

Another firm 'B' (Guwahati based) agreed in December 1988 to supply fans at the same rates and terms and conditions provided that the supply order was issued by 15th January 1989. A proposal to procure 250 fans each of 1200 mm and 1400 mm from this firm was initiated by the Executive Engineer on 31st December 1988. On being asked by the Superintending Engineer about the exact requirement, the Executive Engineer intimated the requirement as 1000 fans on 16th January 1989. This was revised to 1702 fans on 31st January 1989 and again to 2000 fans on 9th February 1989. Since the validity period of the offer had expired on 15th January 1989, the firm withdrew its offer on 10th March 1989 and quoted fresh rates of Rs. 486.10 (1200 mm) and Rs. 522.00 (1400 mm) on 10th March 1989. The rates were FOR destination but excluded CST.

In response to fresh quotation invited telegraphically in March 1989, the said firm quoted the same rate but also offered to supply one fan free of cost for every 250 fans ordered. After taking into consideration the cost of the fan offered free, and Central Sales Tax, the rates worked to Rs. 503.54 (1200 mm) and Rs. 540.71 (1400 mm). The Higher Purchase Committee approved the rate in June 1989 for 753 fans for each of the two sizes. Rs. 7.86 lakhs were paid between July 1989 and March 1991 for the supply received and extra expenditure involved was Rs. 0.98 lakh.

(b) As the quantity procured in (a) above was less than the requirement, supply orders were placed (June 1989) at DGS&D rates for the year 1989-90 on five firms for 1500 fans of each variety (1200 mm and 1400 mm sweep) at the rate of Rs. 504.93 and Rs. 543.76 each respectively. Against

this quantity, 899 fans of 1200 mm and 888 fans of 1400 mm were received upto May 1991. As a result of piecemeal assessment of requirement as well as defective invitation of quotations, extra expenditure of Rs. 1.20 lakhs was incurred on the purchase of 1787 ceiling fans.

The matter was referred to Government in October 1991; reply has not been received (November 1992).

4.3 Unproductive expenditure on idle establishment of drivers

Against the sanctioned strength of four drivers three drivers 'A', 'B' and 'C' were posted under the establishment of the Executive Engineer, Minor Irrigation and Flood Control Division II, Udaipur on 21st February 1979, 25th January 1982 and 26th September 1989 for driving three Government Jeeps 'X', 'Y' and 'Z' respectively.

In the course of audit (June-July 1990) it was noticed that the vehicles, 'Y' and 'Z' became unserviceable from 11th December 1987 and 2nd July 1989 respectively. The driver 'C' was posted in September 1989 on transfer from another office against the vehicle 'Z', even though the vehicle become unserviceable from 2nd July 1989. The vehicle 'X' though in running condition was being driven by a Junior Pump Operator from 14th September 1987 and the services of driver 'A' were not utilised for the purpose since according to the Executive Engineer (February 1992) the health of the driver did not always permit driving of vehicle.

An amount of Rs. 1.27 lakhs being the pay and allowances of these drivers for the period between September 1987 and May 1990 was paid although their services were not utilised. On this being pointed out in audit, the Executive Engineer stated in February 1992 that the services of drivers were being utilised in running/repairing of pumps as and when required. Two of the three vehicles were beyond economical repairs and awaiting disposal. It was also stated that the higher authorities were requested in August 1990 to utilise the services of the drivers elsewhere. The Superintending Engineer stated in February-June 1991 that as the drivers were appointed on regular basis, they could not be removed from service. Old vehicles also could not be replaced by new ones because of constraint of funds. However, higher authorities had been requested in February 1991 to utilise their services properly elsewhere. But the circumstances under which driver 'C' was posted in September 1989 against vehicle 'Z' which was unserviceable from July 1989 were not stated. Further no records could be shown that the services of drivers were utilised in operating/repairing pumps as stated by the Executive Engineer.

The matter was referred to Government (October 1991); reply has not been received (November 1992).

4.4 Non-utilisation of Government materials and non-recovery of their cost

The work "Construction of 12 T-IV quarters (Multistoreyed/Gr. I at West District Hospital, Hapania", was awarded to a contractor in January 1989 at a tendered cost of Rs. 22 lakhs (estimated cost—Rs. 15 lakhs) with the stipulation to complete it within 18 months. The layout of the building was also supplied to the contractor in time. On receipt of the work order, the contractor merely did some preliminary works such as construction of labour shed and site godown, uptill February 1990.

It was noticed from the records of the Executive Engineer, Agartala Division No. V that on the request of the contractor, considerable quantities of cement, bricks and bats valued at Rs. 0.59 lakh had been issued in July and August 1989 without assessing the actual requirement on the basis of progress of the work.

Materials issued to the contractor were not brought to the site of work, nor any work was executed despite repeated requests by the Department. Ultimately, the contract was rescinded in February 1990 and earnest money deposit of Rs. 20,000 available with the Division was forfeited. The contractor was asked in March 1990 to return the materials issued to him. But there was no response. The matter was neither reported to the police nor were the other Divisions, where the contractor might be working, informed for necessary action for recovery of the amount.

Issue of Government materials in advance of requirement resulted in an irrecoverable loss of Rs. 0.99 lakh after adjustment of earnest money deposit.

The Executive Engineer stated (June 1991) that the materials had been issued in advance to avoid hindrance at the time of actual execution. No explanation was forthcoming regarding the Department's failure to ensure progress of work or recovery of the materials or their cost.

The matter was referred to Government in September 1991; reply has not been received (November 1992).

4.5 Extra expenditure due to acceptance of tenders based on defective estimates

Maintenance and repairs of pumps and motors, including suction and delivery line of the Minor Irrigation (MI) schemes under Minor Irrigation and Flood Control Division No. II Udaipur are undertaken annually. The estimates are prepared either based on the rates of individual items of different agreements accepted in the recent past or after ascertaining the prevalent market rates of items, as there is no approved schedule of rates for Minor Irrigation works.

It was noticed by Audit (June-July 1990) that during 1988-89 and 1989-90, 96 maintenance and repair works were awarded to different contractors after inviting tenders. Detailed scrutiny of 5 of these works (estimated cost: Rs. 5.15 lakhs), awarded during 1988-89 for Rs. 3.26 lakhs and completed between January-April 1989 at a cost of Rs. 3 lakhs, revealed the following:

These 5 agreements had 27 common items of works (with 59 sub-items). The two lowest tenderers, who were awarded these works, had quoted abnormally low rates for 24 out of 59 sub-items. These sub-items were, however, not executed at all while the rates for the sub-items of works, which were executed were much higher than those quoted by second/third lowest tenderer, as shown below:

Name of item	Estimated rate	Rates quoted by		Stipulated quantity to be executed	Quantity executed
		Lowest tenderer	2nd/3rd lowest		
	(Rupees)	(Rupees)	(Rupees)		
1. Labour charge for fitting fixing starter of approved quality 21 to 25 HP	30.00	0.01	50.00	6 Nos.	Nil
2. Complete rewinding of motors after taking out entire burnt copper etc. 30 IIP	3200.00	0.01	2500.00	1 set	Nil
3. Dismantling of existing pump and motor including based from foundation & re-installation the pumpset on proper foundation including proper alignment complete as per direction of the Engineer-in-Charge	350.00	500.00	102.00	6 sets	14 sets
4. Dismantling and repairing of all components of motor 15 HP to 30 HP etc.	750.00	750.00	212.00	6 sets	14 sets

Had the quantities been assessed more realistically and tenders invited accordingly, the expenditure would have been less by Rs. 0.88 lakh on the basis of the tenders received, in respect of these 5 works.

On this being pointed out in audit, the Executive Engineer stated in November 1990 that the nature of the work of the Division was mainly running and maintenance of diesel and electrical motors, repairing of underground lines etc. Preparation of estimates in such type of works could not be done accurately, as defects in pump sets and motors could

be found and judged only after dismantling the machines. While endorsing the above views, the Superintending Engineer stated (February 1991) that as all the items of maintenance works could not be foreseen always correctly and contractors sometimes submitted "tricky tenders", it was not possible to avoid such circumstances.

The Department's contention was not acceptable in audit because no analysis of abnormally low rates was called for from the contractors nor any assessment made by the Division. The steps taken to remove the defects in the systems of preparation of estimates were not spelt out.

The matter was referred to Government in October 1991; reply has not been received (November 1992).

4.6 Undue benefit to contractor

Works of construction of Life Science Block and Chemistry Block for Post-Graduate Centre of Calcutta University, Surjyamaninagar, Agartala were awarded by the Executive Engineer, Agartala Division No IV to a contractor in July 1986 at tendered value of Rs. 25.23 lakhs and Rs. 21.46 lakhs respectively. Though the layout for the buildings was given to the contractor in December 1986, the structural drawings of the blocks were finalised only in December 1988. As a result, the works which were scheduled for completion by March 1988 could be started only in November 1987.

In September 1988 after receipt of payment of Rs. 6.39 lakhs the contractor asked for enhancement of rates by 54 *per cent* of the agreed rates. The Executive Engineer did not entertain the claim for enhancement but agreed to apply the escalation clause of the agreements, which *inter alia* provided that in case of increase in wage and cost of materials by more than 10 *per cent* such increase with contractor's tendered percentage only would be payable.

But ultimately, enhancement by 25 *per cent* and 20 *per cent* of the agreed rates in respect of Life Science Block and Chemistry Block respectively were allowed by the Chief Engineer in July 1989 without any recorded reasons instead of applying the escalation clause as suggested by the Executive Engineer. The contractor was paid Rs. 2.74 lakhs on that account in December 1989 and January 1990. In the absence of details of actual escalation the precise amount payable could not be worked out.

On a request from the contractor in February 1990 the agreements were closed in March 1990 under the orders of the Chief Engineer. Apart from the facts mentioned above, an amount of Rs. 0.81 lakh being the cost of materials issued and lying with the contractor unutilised and other dues of Rs. 2.77 lakhs arising out of penalty for non-employment of

technical staff (Rs. 1.74 lakhs) and unadjusted secured advances (Rs. 1.03 lakhs) stood recoverable from the contractor, as of June 1992.

The balance works were subsequently awarded to other agencies at 82.43 *per cent* above the estimated cost (Rs. 14.79 lakhs) and 103.15 *per cent* above the estimated cost (Rs. 9.84 lakhs) for Life Science Block and Chemistry Block respectively, resulting in an estimated extra expenditure of Rs. 9.41 lakhs. Since the works were not completed as of February 1992, the actual extra expenditure involved thereon could not be assessed.

The matter was referred to Government in September 1991. In reply Government stated (June 1992) that the contractor could not complete the works in time due to various departmental difficulties including modification of drawings. It was also stated that the rates were enhanced by 25 *per cent* and 20 *per cent* after taking different factors into consideration, but it was not clarified as to why the escalation rate suggested by the Executive Engineer was not invoked. The contractor accepted the increased rate, but subsequent dispute (not spelt out) between the department and the contractor led to the closure of the contracts. The reply however, did not clarify the basis of payment of ad hoc escalation charges of Rs. 2.74 lakhs in December 1989 and January 1990. Government further stated that the Department's claims on unused materials and "other accounts" had been referred to arbitration.

POWER DEPARTMENT

4.7 Extra expenditure due to injudicious carriage of goods

The Electrical Store Division, Agartala, functioning as a Central Store, procures electrical construction materials viz., ACSR conductor, Transformer, ST Pole, GI Wire, MS Channel, Angle, GI Pipe, etc., (excepting PCC Pole) from outside Tripura. The procurement is made on the basis of intimation of annual requirements received from other Electrical Divisions of the State. The Store Division is responsible for issuing these materials on the strength of the indents/requisition placed by various Electrical Divisions.

All such materials are transported by road from Dharmanagar (last rail head of the State), to the Central Store at Agartala.

It was noticed in audit (March 1991) that the Executive Engineer, Electrical Division-V, Kumarghat which is located between Dharmanagar and Agartala transported back electrical construction materials by the same route through different carriage contractors at a cost of

Rs. 3.24 lakhs for use in different works under Electrical Division-V. The total extra expenditure involved worked out to Rs. 6.48 lakhs for transportation of stores from Kumarghat to Agartala and again from Agartala to Kumarghat. Similar cases of back carriage of materials worth Rs. 2.41 lakhs were pointed out by audit in May 1987 and September 1988. While the facts in those cases had been admitted by the Department no remedial measures had yet been taken to avoid recurrence of such incidents.

The matter was referred to Government in September 1991; reply has not been received (November 1992).

CHAPTER V

REVENUE RECEIPTS

GENERAL

5.1 Trend of revenue receipts

During the year the total receipts of the State amounted to Rs. 495.33 crores. This comprises tax revenue of Rs. 26.02 crores, non-tax revenue of Rs. 18.30 crores, State's share of divisible Union tax of Rs. 156.13 crores and grants-in-aid of Rs. 294.88 crores received from the Government of India.

5.2 Analysis of revenue receipts

(a) Analysis of receipts during the year 1990-91 alongwith the preceding two years are given below:

	1988-89	1989-90	1990-91	Percentage of revenue receipts to total receipts 1990-91
(In lakhs of rupees)				
I. Revenue raised by the State Government			*	
(a) Tax revenue	1835.62	2127.91	2602.29	5
(b) Non-Tax revenue	1568.29	1599.03	1829.31	4
Total :	3403.91	3726.94	4431.60	9
II. Receipts from Government of India				
(a) State's share of net proceeds of divisible Union taxes	12125.11	10306.64	15612.60	31
(b) Grants-in-aid	24032.88	28665.72	29488.39	60
Total :	36157.99	38972.36	45100.99	91
III. Total receipts of the State Government				
(I + II)	39561.90	42699.30	49532.59	

* For details, see "Statement 10-Detailed account of revenue by minor heads" in the Finance Accounts of the Government of Tripura 1990-91.

(b) *Tax revenue raised by the State* : Receipts from tax revenue during 1990-91 constituted about 59 *per cent* of the State's own revenue receipts. The details of major sources of tax revenue raised during the year 1990-91 *vis-a-vis* figures for the preceding two years is given below:

	1988-89	1989-90	1990-91	Percentage increase (+) or decrease (-) in 1990-91 over 1989-90
(In lakhs of rupees)				
1. Taxes on Agricultural Income	6.35	4.33	9.03	(+)109
2. Other Taxes on Income and Expenditure	191.55	189.34	338.93	(+) 79
3. Land Revenue	49.86	51.98	67.46	(+) 30
4. Stamps and Registration Fees	151.44	184.28	223.94	(+) 22
5. Sales Tax	1024.01	1132.10	1334.37	(+) 18
6. State Excise	260.58	409.48	462.73	(+) 13
7. Taxes and Duties on Electricity	0.19	0.23	0.20	(-) 13
8. Other Taxes and Duties on Commodities and Services	69.69	67.74	72.18	(+) 7
9. Taxes on Vehicles	81.95	88.43	93.45	(+) 6
Total :	<u>1835.62</u>	<u>2127.91</u>	<u>2602.29</u>	<u>(+) 22</u>

(i) The increase of 109 *per cent* under 'Taxes on Agricultural Income' was due to completion of assessment in respect of more assessees having mixed income under the Income Tax Act.

(ii) The increase of 79 *per cent* under 'Other Taxes on Income and Expenditure' was due to more collection under Taxes on professions, Trades etc.

(iii) The increase of 30 *per cent* under 'Land Revenue' was due to more receipt under 'Other Receipts'.

(iv) The increase of 22 *per cent* under 'Stamps and Registration' was due to more sale of judicial and non-judicial stamps.

(c) *Non-tax revenue of the State* : Non-tax revenue receipts of the State constituted about 41 *per cent* of the State's own revenue receipts.

The details of major sources of non-tax revenue received during the year 1990-91 *vis-a-vis* the figures for the preceding two years are given below:

	1988-89	1989-90	1990-91	Percentage increase (+) or decrease (-) in 1990-91 over 1989-90
(In lakhs of rupees)				
1. Village and Small Industries	16.57	14.72	47.43	(+)222
2. Other Administrative Services	57.49	32.84	82.46	(+)151
3. Crop Husbandry	92.17	99.42	154.27	(+) 55
4. Social Security and Welfare	16.50	10.47	15.86	(+) 51
5. Forestry and Wild life	296.40	259.30	324.53	(+) 25
6. Public works	50.97	54.87	42.59	(-) 22
7. Education, Sports Arts and Culture	45.61	64.09	51.75	(-) 19
8. Power	588.06	573.62	603.18	(+) 5
9. Fisheries	40.84	26.91	25.43	(-) 5
10. Others	364.12	462.78	481.80	(+) 4
11. Dairy Development	0.05	0.01	0.01	—
Total :	1,568.29	1,599.03	1,829.31	(+) 14

(i) The increase of 222 *per cent* under 'Village and Small Industries' was due to more collection under 'Other Receipts'.

(ii) The reasons for increase of 151 *per cent* under 'Other Administrative Services' was due to more receipts in 'Other Receipts' under 'Election'.

(iii) The increase of 55 *per cent* under 'Crop Husbandry' was due to more collection under 'Seeds', 'Sale, Hire and Services of Agricultural implements and machinery including tractors' and 'Other Receipts'.

(iv) The increase of 51 *per cent* under 'Social Security and Welfare' was due to more receipts in 'Other Receipts' under 'Other Social Security and Welfare Programme'.

(v) The increase of 25 *per cent* under 'Forestry and Wild Life' was due to more collection in 'Other Receipts' under 'Forestry'.

(vi) The decrease of 22 *per cent* under 'Public Works' was mainly due to less receipts under 'Other Receipts'.

(vii) The decrease of 19 *per cent* under 'Education, Sports, Art and Culture' was mainly due to less receipts under University and Higher Education.

5.3 Variations between Budget estimates and actuals

5.3.1 The variations between the budget estimates and actual receipts for the year 1990-91 are given below:

	Budget estimates	Actuals	Variation Increase (+) Decrease(-)	Percentage of variation
(In lakhs of rupees)				
1. Tax Revenue	1,828.00	2,602.29	(+) 774.29	(+)42
2. Non-Tax Revenue	1,861.00	1,829.31	(-) 31.69	(-) 2
3. Share of Union Taxes	15,327.00	15,612.60	(+) 285.60	(+) 2
4. Grants-in-Aid	31,767.64	29,488.39	(-)2,279.25	(-) 7
Total :	50,783.64	49,532.59	(-)1,251.05	(-) 2

(a) The increase of 42 *per cent* under Tax Revenue was mainly due to under estimation under 'Land Revenue', 'State Excise', 'Stamps and Registration' and 'Other Taxes on Income and Expenditure' in the budget.

(b) The decrease of 7 *per cent* under 'Grants-in-Aid' was mainly due to less receipts under 'Grants for Centrally Sponsored Plan Schemes' and 'Grants for Central Plan Schemes'.

5.3.2 The variation between budget estimates and actuals in respect of some of the important heads of revenue for the year 1990-91 are indicated below:

Name of revenue	Budget estimates	Actuals	Variation Increase (+) Decrease (-)	Percentage of variation
(In lakhs of rupees)				
1. Sales Tax	1,160.00	1,334.37	(+)174.37	(+)15
2. State Excise	300.00	462.73	(+)162.73	(+)54
3. Taxes on Vehicles	78.00	93.45	(+) 15.45	(+)20
4. Other Taxes on Income and Expenditure	229.00	338.98	(+)109.93	(+)48
5. Land Revenue	35.00	67.46	(+) 32.46	(+)93
6. Stamps and Registration	147.00	223.94	(+) 76.94	(+)52

(a) The increase of 93 *per cent* under 'Land Revenue' was mainly due to more receipts under 'Other Receipts'.

(b) The increase of 54 *per cent* under 'State Excise' was mainly due to more realisation of duty on foreign liquors and spirits.

(c) The increase of 52 *per cent* under 'Stamps and Registration' was mainly due to more sale of judicial and non-judicial stamps.

(d) The increase of 48 *per cent* under 'Other Taxes on Income and Expenditure' was mainly due to more collection of professional taxes.

(e) The increase of 20 *per cent* under 'Taxes on Vehicles' was mainly due to increase in the number of Vehicles which resulted in increase of collection of composite fees and other related fees.

5.4 Cost of collection

Expenditure incurred in collecting the major revenue receipts during the year 1988-89 to 1990-91 are given below:

Head of account	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection	All India average percentage 1989-90
(1)	(2)	(3)	(4)	(5)	(6)
(In lakhs of rupees)					
1. Land Revenue	1988-89	49.86*	272.63	—	
	1989-90	51.98*	261.98	—	
	1990-91	67.46*	276.69	—	
2. Stamps and Registration	1988-89	151.43	27.08	18	
	1989-90	184.28	27.07	15	5
	1990-91	223.94	30.05	13	
3. Sales Tax	1988-89	1024.01	24.38	2	
	1989-90	1132.10	26.13	2	1.5
	1990-91	1334.37	28.76	2	
4. State Excise	1988-89	260.59	12.27	5	
	1989-90	409.48	14.31	4	3
	1990-91	462.73	13.83	3	
5. Taxes on Vehicles	1988-89	81.95	N.A.	—	
	1989-90	88.43	N.A.	—	3
	1990-91	93.45	13.86	15	

N.A. : Not available.

* N.B. : Includes cost of administration and other activities.

Head of account	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection	All India average percentage 1989-90
(1)	(2)	(3)	(4)	(5)	(6)
(In lakhs of rupees)					
6. Other Taxes on Income and Expenditure	1988-89	191.55	3.54	2	
	1989-90	189.34	3.83	2	
	1990-91	338.93	3.17	1	
7. Other Taxes and Duties on Commodities and Services	1988-89	69.69	3.29	5	
	1989-90	67.74	3.11	5	
	1990-91	72.18	3.20	4	
8. Taxes on Agricultural Income	1988-89	6.35	0.97	15	
	1989-90	4.33	1.35	31	
	1990-91	9.03	2.40	27	

5.5 Analysis of collection

The break-up of total collection on Sales Tax and Taxes on Agricultural Income during the year 1990-91 as per records made available by the departments is given below:

	Sales Tax	Taxes on Agricultural Income
(In lakhs of rupees)		
(a) Amount collected at pre-assessment stage	1,290.22	8.95
(b) Amount collected on regular assessment	44.15	0.08
(c) Amount refunded	Nil	Nil
(d) Net collection of tax	1,334.37	9.03

5.6 Assessment of arrears

The number of assessment due for disposal, assessments finalised and assessments pending finalisation at the end of March 1991, as well as figures for the preceding year, as per records made available by the Sales Tax and Agricultural Income Tax Departments are indicated below:

Year	Number of cases of assessment			
	Due for disposal	Completed	Pending at the end of the year	Percentage of assessments pending (Col. 4 to 2)
(1)	(2)	(3)	(4)	(5)
(a) Sales Tax				
1989-90				
Arrear cases	1970	1762	208	11
Current cases	3164	1098	2066	65
Remand cases	97	97	Nil	Nil
Total :	5231	2957	2274	43
1990-91				
Arrear cases	2274	1299	975	43
Current cases	3822	1117	2705	71
Remand cases	75	75	Nil	Nil
Total :	6171	2491	3680	60
(b) Agricultural Income Tax				
1989-90				
Arrear cases	354	43	311	88
Current cases	221	37	184	83
Remand cases	Nil	Nil	Nil	Nil
Total :	575	80	495	86
1990-91				
Arrear cases	495	12	483	98
Current cases	49	3	46	94
Remand cases	Nil	Nil	Nil	Nil
Total :	544	15	529	97

The year-wise break-up of assessments in arrears as at the end of March 1991 in respect of Sales Tax and Agricultural Income Tax have not been furnished by the department.

5.7 Uncollected revenue

Analysis of arrears of revenue pending collection as on 31st March 1991 in respect of Sales Tax and Agricultural Income Tax as reported by the department* and corresponding figures for the preceding year are indicated below:

Sources of revenue	Amount pending collection as on		Arrears of revenue outstanding for more than 5 years as on		Remarks
	31st March 1990	31st March 1991	31st March 1990	31st March 1991	
(In lakhs of rupees)					
1. Sales Tax	293.63	324.76	17.25	82.61	
2. Agricultural Income Tax	N.A.	N.A.	2.50	25.10	

5.8 Frauds and evasions

The details of cases of frauds and evasions of Sales Tax detected, and finalised during the year 1990-91 have not been furnished by the department. However, it has been stated that investigation/assessments were completed in 523 cases during the year imposing a total penalty of Rs. 16.61 lakhs.

5.9 Outstanding local audit reports and audit objections

Audit observations on incorrect assessments of revenue and defects in accounting of revenue receipts noticed in audit and not settled on the spot are communicated to heads of offices and departmental authorities through inspection reports. The more important and serious irregularities are also reported to the heads of department and to Government. Besides, statements indicating the number of objections outstanding for over six months/one year are also sent to the Government for expediting their settlement.

At the end of June 1991, in respect of local audit reports issued upto December 1990, audit objections were still to be settled as per details given below along with the corresponding position in earlier two years.

	As at the end of		
	June 1989	June 1990	June 1991
Number of local audit reports	236	209	247
Number of audit objections	850	876	857
Money value (In lakhs of rupees)	176.82	204.56	259.44

* Information from Udaipur, Dhamanagar and Kailashahar have not been received.

N.A. : Not available.

Year-wise break-up of the outstanding local audit reports, audit objections and the money value involved at the end of June 1991, is given below:

Year	Number of local audit reports	Number of objections	Amount of receipts involved (in lakhs of rupees)
Upto			
1988-89	175	616	146.49
1989-90	35	127	60.45
1990-91	37	114	52.50
Total :	<u>247</u>	<u>857</u>	<u>259.44</u>

Receipt-wise break-up of outstanding local audit reports, audit objections and the money value involved therein, as on 30th June 1991, is indicated below:

Name of receipts	Number of local audit reports	Number of objections	Amount of receipts involved (in lakhs of rupees)
1. Sales Tax	45	242	59.12
2. State Excise	9	17	23.31
3. Motor Vehicle Taxes	6	34	8.18
4. Stamps and Registration	9	11	1.21
5. Land Revenue	40	45	2.97
6. Forest Receipts	49	153	85.75
7. Amusement Tax	5	11	0.79
8. Professional Tax	6	7	0.05
9. Electricity Duty	71	322	67.84
10. Taxes on Agricultural Income	7	15	10.22
Total :	<u>247</u>	<u>857</u>	<u>259.44</u>

SALES TAX

5.10 Result of Audit

The test check of Sales Tax assessment and other records of 7 units conducted in audit during the year 1990-91 revealed under assessment of tax amounting to Rs. 13.36 lakhs in 32 cases, which broadly fall under the following categories:

	Number of cases	Amount (in lakhs of rupees)
1. Under assessment of tax due to concealment of turnover	4	2.39
2. Under assessment of tax due to wrong determination of turnover	16	5.63
3. Under assessment of tax due to calculation mistake	2	1.31
4. Erroneous computation under charge of revenue	4	2.37
5. Short levy of interest	4	1.23
6. Exclusion of purchase through 'C' Forms	1	0.21
7. Remission of penalty due to procedural lapse	1	0.22
Total :	<u>32</u>	<u>13.36</u>

Out of 32 cases noticed in audit, audit objection in 2 cases involving revenue of Rs. 22,804.00 have been admitted (December 1991).

Some of the important cases are mentioned in the following paragraphs:

5.11 Pendency of appeals at various levels and its impact on revenue collection

5.11.1 Introduction

The levy and collection of Sales Tax in Tripura is authorised by the Tripura Sales Tax Act 1976 and Rules framed thereunder. The provisions of the Tripura Sales Tax Act 1976 and the Tripura Sales Tax Rules 1976 came into force with effect from the 1st July 1976.

Sections 20 to 22 of the Act contain provisions relating to 'Appeals' and 'Revision' of tax assessed under the Act, in the manner prescribed in Rules 19 to 24 of the Tripura Sales Tax Rules 1976. An assessee aggrieved with an order passed under the Act/Rules can file an appeal to the (departmental) Appellate Authority, namely the Additional Commissioner of Taxes (Appeal). Further (Second) appeal lies with the tribunal constituted under State Act.

5.11.2 Organisational set up

The Department is headed by the Commissioner of Taxes, Tripura who is assisted by an Additional Commissioner of Taxes (Administration/Appeal). There are eleven Superintendents of Taxes and one Accounts Officer to assist the Commissioner. There are nine regular

charges, each under one Superintendent of Taxes. The Churaibari Check-post in the North District is being manned by one Superintendent, dealing solely with cases of composition of offences under Section 32 of the Act and another Superintendent of Taxes is attached to the Headquarters to deal with cases of second appeals filed with the Sales Tax Tribunal.

Upto 22nd May 1992, the Joint/Deputy Secretary, Department of Revenue acted as Ex-officio Commissioner of Taxes, Tripura and from 23rd May 1982, a full time Commissioner was appointed.

A Sales Tax Tribunal was constituted with effect from 22nd November 1978 and the Secretary to the Government, Revenue Department was appointed sole member of the Tribunal to hear appeals on Sales Tax cases also. However, from 1st December 1988 a full-time officer was appointed as one member Tripura Sales Tax Tribunal.

5.11.3 Scope of Audit

With a view to ascertain the pendency of appeals at various levels and its impact on revenue collection the records available with the Commissioner of Taxes, Tripura in relation to arrear involved in appeals filed with the Additional Commissioner of Taxes (Appeal), Sales Tax Tribunal and Courts for the period from July 1976 to the end of 1990-91 were test checked during the period from April to July 1991. Out of 1,241 cases received by the Additional Commissioner (Appeals) 708 were disposed of during the 4 years ended in 1990-91 leaving a balance of 533 cases. 173 cases were examined in audit and defects were noticed in 21 cases, of which the important once are mentioned in succeeding paragraph.

5.11.4 Highlights

Accumulation in pendency of appeal cases with the Additional Commissioner (Appeal) from 148 (Rs. 32.69 lakhs) at the end of 1986-87 to 533 (Rs. 342.33 lakhs) by end of 1990-91 suggests inadequacy in strength and efficiency of the departmental appellate machinery. No instructions prescribing time limit or laying down any yard stick for the rate of disposal have been issued.

(Paragraph 5.11.5(iii))

—Failure to reject 51 incomplete/defective petitions by the Appellate Authority at the initial stage during 1987-88 to 1990-91 resulted in consequent delay in realisation of the revenue including penalty amounting to Rs. 15.87 lakhs.

(Paragraph 5.11.5(iv))

—There was absence of monitoring over receipt and disposal of appeal cases and lack of any system of periodical review of the control machanism.

(Paragraph 5.11.6(ii) and (iii))

5.11.5 Total receipts arrears of revenue and revenue locked up in appeals

(i) The total arrears as at end of 1990-91 amounted to Rs. 451.93 lakhs but year-wise break-up of the arrears was not available. The position of the arrears together with receipts and revenue locked up in appeals, relating to the years 1987-88 to 1990-91 is shown in the table below:

Year	Total arrears upto the end of the year	Receipts during the year	Revenue involved in appeals		Percent- age of Col. 4 to Col. 3	Percent- age of Col. 5 to Col. 2
			Pertain- ing to the year concerned (In lakhs of rupees)	Cumula- tive total at the end of the year		
1	2	3	4	5	6	7
1987-88	239.71	858.91	33.69	105.23	3.92	43.90
1988-89	280.60	1024.01	100.24	205.47	9.79	73.23
1989-90	432.47	1132.10	179.75	385.22	15.88	89.07
1990-91	451.93	1334.37	66.39	451.61	4.97	99.92

(ii) The break-up of appeals pending with various Appellate Authorities and Court along with revenue locked up in such appeals instituted in years upto 1986-87 and in each of the four years following, as at the end of March 1991 was as shown in the table below:

Name of Appellate Authority/Court	Year	No. of cases	Amount of tax involved (In lakhs of rupees)
1	2	3	4
	Upto		
Addiitonal Commissioner (Appeal)	1986-87	14	3.66
	1987-88	57	24.16
	1988-89	132	60.38
	1989-90	181	160.48
	1990-91	149	93.65
	Total :	533	342.33

Name of Appellate Authority/Court	Year	No. of cases	Amount of tax involved (In lakhs of rupees)
1	2	3	4
Sales Tax Tribunal	Upto		
	1986-87	197	54.66
	1987-88	33	1.81
	1988-89	6	1.28
	1989-90	23	3.82
	1990-91	20	4.75
		279	66.32
High Court	Upto		
	1986-87	37	13.22
	1987-88	14	7.72
	1988-89	21	38.58
	1989-90	19	15.45
		91	74.97

During 1990-91, 13 cases had been filed with the High Court involving Rs. 4.98 lakhs. 42 cases involving Rs. 36.99 lakhs were cleared during the year. Thus, the balance at the end of 1990-91 stood at 62 cases involving Rs. 42.96 lakhs. Year-wise break-up of the cases disposed of during 1990-91 could not be furnished by the Department.

The Government stated (December 1991) that 38 cases were yet to be admitted due to failure in fulfilling statutory obligations by the appellants. It was, however, mentioned that in some of the cases (not specified) the appellants had moved the Honourable High Court, admission of which had to be kept pending till disposal of these writ petitions.

(iii) Statistical details showing year-wise particulars of the receipts, disposal and balance of appeal cases in hand for the four years ending 1990-91 as on 31st March 1991 were as under:

Name of Appellate Authority	Period	No. for disposal at the beginning of the year	Additions during the year	Total	Disposal during the year	No. pending at the end of the year	Percentage of Col. 6 to Col. 5
1	2	3	4	5	6	7	8
Additional Commissioner of Taxes (Appeal)	Upto						
	1986-87	Nil	364	364	216	148	59.34
	1987-88	148	254	402	189	213	47.01
	1988-89	213	204	417	190	227	45.56
	1989-90	227	204	431	47	384	10.90
	1990-91	384	215	599	66	533	11.01

Name of Appellate Authority	Period	No. for disposal at the beginning of the year	Additions during the year	Total	Disposal during the year	No. pending at the end of the year	Percentage of Col. 6 to Col. 5
1	2	3	4	5	6	7	8
Sales Tax Tribunal	Upto						
	1986-87	Nil	254	254	Nil	254	Nil
	1987-88	254	47	301	6	295	1.99
	1988-89	295	7	302	18	284	5.96
	1989-90	284	31	315	56	259	17.77
	1990-91	259	98	357	78	279	21.84
High Court	Upto						
	1986-87	Nil	93	93	10	83	10.75
	1987-88	83	32	115	4	111	3.48
	1988-89	111	48	159	28	131	17.61
	1989-90	131	28	159	68	91	42.76
	1990-91	91	13	104	42	62	40.38

(a) It would be seen from the table above that there was sharp, steady fall in the number of appeal cases disposed of by the Additional Commissioner of Taxes (Appeal), from year to year (216 in 1986-87, 47 only in 1989-90). As percentage of cases in hand also there was steep fall in the rate of disposal from year to year. It fell during 1989-90 to 10.90 *per cent* from 45.56 *per cent* of previous year. Consequently there was steady yearly rise of pendency of appeal cases through accumulation from 148 (involving tax revenue of Rs. 32.69 lakhs) at the end of 1986-87 to 533 (involving Rs. 342.33 lakhs) by end of 1990-91.

The position suggested lack of effective measures towards reducing pendency in appeal cases. Government stated (December 1991) that because of marked inadequacy in strength of appellate machinery, the efficient functioning of such machinery could not be achieved. The Government/Department has not, however, fixed any norm for disposal of appeal cases nor were any instruction issued for speedy disposal of the same on the ground that this might frustrate the intention of the statute. In some States, however, such norms for disposal have been laid down for departmental appellate authorities below Tribunal level without any apprehension of miscarriage of justice.

It was also stated that the Additional Commissioner of Taxes who is the Appellate Authority had to remain busy with the administrative function of the tax organisation including State excise. Moreover, during the year 1988-89 the post of the Additional Commissioner of Taxes was vacant from 1.4.89 to 20.7.89 which interfered with his appellate function.

(b) In respect of second appeals filed with the Sales Tax Tribunal upto 1990-91 there was an upward trend in the yearly disposal rates, both in absolute number and in terms of percentage of cases in hand, the highest disposals being 21.89 *per cent* in 1990-91 as against 1.99 *per cent* in 1987-88 and 5.96 *per cent* in 1988-89. The low rates of disposal during 1987-88 to 1989-90, coupled with the fact that upto end of 1986-87 there was no disposal of any case out of the total number of 254 pending case involving revenue of Rs. 66.21 lakhs, contributed towards accumulation of 259 cases upto 1989-90, involving locked up tax revenue to the tune of Rs. 61.57 lakhs.

The Government, while admitting the low rate of disposal of appeal cases by the Tribunal, stated (December 1991) that prior to appointment of a whole time member of the Sales Tax Tribunal in December 1988, the cases were looked after by the Commissioner-cum-Secretary of the Revenue Department who remained busy otherwise and could dispose of only a negligible number of cases.

(iv) *Details of disposal of appeals:* During 1987-88 to 1990-91, 877 cases were instituted, out of which 358 cases were disposed of by the Additional Commissioner of Taxes (appeal) at the end of March 1991.

The details of disposal of appeals during four years ending 1990-91 were as under:

Year	Appeals set aside		Cases remanded to Assessing Officers		Disposal on the basis of written submission by the assesseees		By decision on appeals		Total	
	Number	Money value	Number	Money value	Number	Money value	Number	Money value	Number	Money value
(In lakhs of rupees)										
1987-88	2	2,61,872	195	30,02,740	—	—	195	30,02,740	197	32,64,612
1988-89	20	7,17,550	52	7,64,041	—	—	52	7,64,041	72	14,81,591
1989-90	8	1,95,711	15	1,11,807	—	—	15	1,11,807	23	3,07,518
1990-91	21	4,12,010	45	15,78,698	—	—	45	15,78,698	66	19,90,708
	51	15,87,143	307	54,57,286	—	—	307	54,57,286	358	70,44,429

Section 20 of the Act provides that no appeal shall be entertained by the Appellate Authority unless it is preferred in prescribed form and manner and is duly supported by evidence of payment of a minimum amount of 50 per cent of the tax penalty assessed/levied. The law does not provide for full payment of the undisputed/admitted tax penalty for admission of cases in appeal.

It was noticed in audit that the Appellate Authority which had initially entertained 51 cases involving Rs. 15.87 lakhs had subsequently rejected these cases as these were found to be incomplete and defective being not supported by evidence of payment of tax or not preferred in the prescribed form/manner. The failure of the Appellate Authority/Department to initially reject these cases resulted in delayed realisation of tax.

(v) *Pendency of appeal cases with the High Court and Supreme Court:* The position of pendency of appeal cases filed with the Honourable High Court is already incorporated in the table below sub-para (ii) Particulars of the number of cases and tax effect according to age of pendency, as on 31st March 1991 in respect of such appeals were as shown in the table below:

Number of cases	Total amount of tax	Age of pendency as on
	(Rupees in lakhs)	31-3-1990
37	13.22	More than 3 years.
14	7.72	2 to 3 years.
21	38.58	1 to 2 years.
19	15.45	1 year.

As regards case of appeal filed with the Honourable Supreme Court, the Department stated that there was one special leave petition filed by the Department against 17 respondents with revenue effect of Rs. 24.03 lakhs awaiting hearing.

5.11.6 (i) *Maintenance of records and watching of receipt and disposal of appeal cases*

The Tripura Sales Tax Act 1976 and Rules thereunder do not prescribe any format for register to watch the receipt and disposal of appeal and revision cases. The Department, however, maintained certain registers for this purpose. The registers were not comprehensive in as much as these did not contain any periodical analysis of pending cases with the number of outstanding items and amount involved, with reference to year-wise institution of appeal cases. The registers were also not reviewed periodically by any authority.

No register was also maintained in the office of the Superintendent of Taxes indicating appeal cases lying with the Appellate Authorities, Periodical progress reports furnished by the Superintendent of Taxes did not conform with the records of the Appellate Authority for corresponding periods. The reasons for such discrepancies as stated (July 1991) by the Additional Commissioner of Taxes (Appeal) were mainly the time gap for communicating with the Assessing Authority on the development of the appeal cases pending with the Additional Commissioner of Taxes, (Appeal) from time to time. Thus, there appears to be a lack of co-ordination in matters of appeal cases between the Commissioner's office and the assessing authorities.

The Government stated (December 1991) that the registers could not be maintained properly due to shortage of staff whereas the Department stated (January 1992) that the registers were being maintained and reviewed by the concerned authorities.

(ii) *Monitoring and control mechanism*: No monitoring system for watching receipts and disposals of appeals and other matters connected therewith existed in the department so far, barring periodical discussions between the Commissioner of Taxes and his officers. The Department stated (May 1991) that system of close watch over receipts and progress of disposal of appeal cases, through regular monthly reports and returns, was introduced in the Department during 1984 but was discontinued after April 1986 as the system of reviewing statistics was not going to help much towards speedy disposal of cases on their individual merits with reference to provisions of the Statutes. This is not tenable as the system was expected also to ensure speedy movement of case records, fixing of hearing dates, timely issue and service of notices, expeditious follow up action on orders passed and such other factors. The significance of an effective monitoring system, thus, could not be underestimated.

(iii) *Review of control records by competent authority-prescribed priority, etc.*: The control records in relation to receipts and disposal of appeals require periodical review by competent authorities for taking timely action and to avoid delay in disposal of appeals. No programme for any such review has been adopted by the Department. The fact that there had been an upward trend in pendency of appeal cases filed with Assistant Commissioner (Appeals) all along during the past year, which rose from 189 cases (Rs. 41.64 lakhs) at the end of 1987-88 to as high as 533 cases (Rs. 342.33 lakhs) by end of 1990-91 suggested the need for review, at periodical interval, by competent authorities.

Further, there was no system of sending any progress report on pendency position by the Appellate Authorities and/or the Superintendents of Taxes to the Government.

(iv) *Follow up actions in appeal cases decided by Appellate Authority*: In course of test check, instances came to notice where prompt follow up action, consequent on decision in appeal cases, was not taken. The position has been brought out in some of the illustrative cases incorporated in Sub-para (a) to (e) below:

(a) An assessee was assessed to tax of Rs. 2,95,403 for the assessment years 1983-84, 1984-85 and 1986-87 and a demand notice was issued for the total amount of Rs. 6,69,089 which included interest (Rs. 78,283) and penalty (Rs. 2,95,403) with adjustment of advance tax paid for payment on or before 11th September 1987. The assessee, however, filed an appeal against the assessments on 12th October 1987 and was directed by the Appellate Authority to make payment of 50 *per cent* of the tax a pre-condition to appeal under the Act. Thereupon, the assessee filed a writ petition with the High Court on 23rd December 1987. In an order dated 1st March 1989, the Hon'ble High Court issued direction for the Appellate Authority to dispose of the appeal case before 30th April 1989 and also informed that the assessee had meanwhile deposited the required tax amount as was initially directed by the Appellate Authority.

Scrutiny of records disclosed that the appeal remained undisposed (July 1991) resulting in tax, interest and penalty, amounting to Rs. 3,63,682 remaining locked up in the appeal process.

(b) Tax in the case of an assessee was assessed for four assessment years, from 1982-83 to 1985-86, in a single order dated 30th January 1987 and the total tax payable on that date amounted to Rs. 4,56,050 together with interest due and penalty levied amounting to Rs. 99,418 and Rs. 32,493 respectively. Demand notices were issued on 25th March 1987, separately for each year for a total amount of Rs. 4,35,380 after adjustment of the advance tax paid by the assessee.

The assessee preferred an appeal with the Appellate Authority on 25th April 1987 and then a second appeal with the Sales Tax Tribunal and further followed it up by writ petition filed with High Court, on direction of the Hon'ble High Court, the assessee was heard by the Tribunal which set aside the Appellate Authority's order dated 3rd June 1987 (issued in the mean time) and also directed the Appellate Authority to hold fresh hearing within three weeks' time.

Records indicated that the appeal petition for the assessment year 1983-84 was admitted by the Appellate Authority notwithstanding the fact that the petitioner had not paid 50 *per cent* of tax assessed and penalty levied, a statutory requirement, while filing the appeals petition. There was also an error in calculation of the tax assessed for the assessment year 1982-83 where the amount of tax calculated was understated by Rs. 10,000.

The Appellate Authority had fixed hearing on 13th May 1988 after recovery of Rs. 85,103/- on 18th April 1988 from the assessee's bill pending with Power Department (Electrical Division) and had ordered expressly that in the event of non-appearance by the assessee, the case would be decided ex-parte and the appeal petitions disposed of. Records, however, indicated that action was yet to be taken (July 1991) and as a result, a total amount of Rs. 3,60,277 representing tax, penalty and interest for the assessment years 1982-83 to 1985-86, remained locked up in appeals from 19th April 1988 counting from the date of payment made last.

(c) the Superintendent of Taxes, Dharmanagar assessed tax of a Dharmanagar firm for the assessment years 1985-86 and 1986-87 on 23rd May 1987 and 21st July 1987 at Rs. 40,000 and Rs. 71,623 respectively. As on the dates of assessment, the net amount payable on account of tax, interest and penalty for the two assessment years amounted to Rs. 62,667 and Rs. 78,258 respectively, i.e. aggregating Rs. 1,40,925. On reassessment of the tax under direction of the Commissioner of Taxes (Revisional Authority), tax for the assessment years 1985-86 and 1986-87 were determined on 29th November 1988 at Rs. 93,956 and Rs. 82,208 respectively and the net payable amount including interest etc., at Rs. 1,65,564 and Rs. 89,133 as on that date.

The assessee preferred an appeal with the Appellate Authority on 9th January 1989 and in response, the Appellate Authority ordered the assessee to pay a consolidated sum of Rs. 1,08,406 being 50 *per cent* of the assessed tax for 1985-86 and 1986-87. But instead of making any payment, the assessee filed two writ petitions with the High Court separately against the two years assessment orders. The Hon'ble High Court ordered that the assessee was to pay 50 *per cent* of the enhanced tax assessed along with interest while the penalty imposed was stayed.

The assessee, however, did not make any payment in response to the directions of the High Court (July 1991).

The same assessee was assessed to tax of Rs. 84,728 for the assessment year 1987-88 on 1st February 1989 and a total amount of Rs. 2,38,298 on account of tax interest and penalty stood payable by the same assessee as on 1st February 1989.

On an appeal preferred against the assessment order of 1st February 1989, the assessee was required by an order of the Appellate Authority to pay 50 *per cent* of the tax etc., payable as above on or before 25th March 1989. Thereupon, the assessee filed a writ petition with the High Court on which the Hon'ble High Court directed the assessee on 1st August 1989 to make payment of 50 *per cent* of assessed tax with interest. The assessee, however, failed to make any payment as per

direction of the High Court. Records indicated further that all the three writ petitions mentioned above were disposed of finally by the Hon'ble High Court on 25th May 1990 with direction for the Appellate Authority to hear the appeals already filed with that authority on merits and the stay orders on penalty was to continue for a period of 30 days during which the assessee was at liberty to approach the concerned authority for appropriate orders.

The assessee failed to make any payment in compliance with the order of the Hon'ble High Court in respect of tax, interest and penalty for the three assessment years and as a result, a total amount of Rs. 4,06,192 (after adjustment of Rs. 86,803 realised through the Executive Engineer, PWD, Dharmanagar in September 1989) continued to remain locked up in the appeal proceedings.

(d) An Agartala firm was assessed to tax on 16th December 1985 relating to the assessment years 1982-83 (Rs. 41,369), 1983-84 (Rs. 34,381) and 1984-85 (Rs. 40,235) and was issued demand notices (separately for three assessment years) on 18th December 1985 for Rs. 38,440, Rs. 38,826 and Rs. 30,488 respectively after taking into account interest and penalty payable and advance tax paid. Payment was to be made on or before 17th January 1986. The assessee, however, preferred appeals with the Appellate Authority which were rejected on 28th March 1986 on the ground of non-payment of the 50 per cent tax. The order of the Appellate Authority also indicated that the assessee had filed a second appeal with the Sales Tax Tribunal the requisite particulars in regard to which were not available in records. The Department had also initiated certificate proceedings against the assessee on 1st August 1986.

Records indicated that the assessee had filed writ petitions with the High Court on 12th August 1986 against the assessment order dated 16th December 1985 and as per the Hon'ble High Court's order dated 14th August 1986, the Sales Tax Tribunal was to dispose of the appeal case pending with Tribunal within a period of one month from 14th August 1986. As per records, no action was taken by the Sales Tax Tribunal to dispose of the case as directed by the Hon'ble High Court (July 1991). Thus, revenue of Rs. 1,07,754, together with interest for default of payment, remained locked up in appeal since January 1986.

(e) Tax of a Kailashahar firm was assessed for the year 1986-87 on 23rd September 1987 at Rs. 88,393 and demand notice was issued on 26th September 1987 for payment of the tax together with interest and penalty amounting to Rs. 11,049 and Rs. 8,839 respectively by 26th October 1987. On the assessee's failing to make payments, a certificate case for recovery of a total amount of Rs. 1,15,198, including further interest for delay in payment, was initiated by the Department on 26th February 1988. The assessee paid only one instalment of Rs. 10,000 on 31st May 1988 and

filed an appeal petition with the Appellate Authority on 13th June 1988 against the assessment order. On 5th September 1988, the Appellate Authority set aside the assessment order and directed the concerned Superintendent of Taxes to assess the tax afresh giving due opportunity of producing books and accounts records by the assessee. Even after issue of three notices during February 1989 to April 1989, the assessee failed to turn up and no re-assessment was made till July 1991. As a result, revenue to the tune of Rs. 1,05,198 (Rs. 1,15,198-Rs 10,000) together with further interest due, continued to remain locked up for almost three years.

The above points were brought to the notice of the Department/ Government in October 1991; replies received (December 1991) have been incorporated wherever deemed necessary.

5.12 Short levy due to incorrect determination of turn over

As per the instruction (July 1988) issued by the Commissioner of Taxes, Tripura manufacturers and sellers of bricks are required to be assessed on a percentage based classification formula of their product (i.e. 1st class pickets: 50 to 55 *per cent*; 1st class bats: 8 to 12 *per cent*; 2nd class pickets: 18 to 22 *per cent*; 2nd class bats: 8 to 12 *per cent* and 3rd class 2 *per cent*). The sale price of bricks sold directly from the kiln should be consistent with the rates of Tripura Small Industries Corporation (TSIC).

Section 25 of the Tripura Sales Tax Act 1976 provides that if any registered dealer does not pay into Government Treasury the full amount of tax due from him under this Act on the basis of the return 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 the dealer upon the amount by which the tax so paid falls short of the amount of tax payable as per his return or account books.

(a) In Kailashahar Sales Tax Circle it was noticed (December 1990) in audit that while assessing a manufacturer and seller of bricks for the assessment year 1988-89, the Assessing Authority determined the turn over of the dealer at Rs. 9.32 lakhs on the basis of sale of 18.55 lakh bricks without making any classification as per norms. The sale price adopted for the bricks sold was also well below the prevailing rates of TSIC.

In accordance with the prescribed classification and taking the prevailing rates of TSIC, the turn over works out to Rs. 11.85 lakhs for 1988-89. Non-observance of the above instructions resulted in short levy of tax of Rs. 35,653 including interest.

(b) In another case (Kailashahar Sales Tax Circle) it was noticed (December 1990) in audit that while assessing (June 1989) a manufacturer and seller of bricks for the assessment year 1988-89 and 1989-90, the Assessing Authority determined the sales turn over of the dealer at Rs. 13.45 lakhs and Rs. 4.27 lakhs respectively adopting selling rates at much below the prevailing TSIC rates.

In accordance with the prevalent rates of TSIC the turn over works out to Rs. 15.12 lakhs and Rs. 4.76 lakhs for 1988-89 and 1989-90 respectively. Non-determination of correct price of bricks resulted in a short levy of sales tax of Rs. 26,154 including interest.

The cases were reported to the Department in April 1991 and the Government in June 1991. In reply, both the Department and the Government stated (July 1991) that in these cases, the rates of TSIC were not applicable in as much as the brick kiln was situated in an interior place. Besides, in many cases, Sales Tax Tribunal had observed that in all cases it was not necessary to adopt the TSIC rates. Further, the dealers had sold the bricks to private parties at kiln sites on the basis of an unregistered agreement entered into by them. In view of this, the Assessing Authority had at the time of assessment, determined the average rates.

The replies of the Department and the Government are not tenable because, the instructions of July 1988 stipulates that (i) in case of direct sale from the kiln, the sale price should be consistent with TSIC rates irrespective of the location of the kiln, (ii) the reasons as to why the prescribed classification was not followed has not been spelt out, (iii) neither the cases nor the context of the observation of the Sales Tax Tribunal has given award have been cited, and (iv) the Department has neither amended the instructions of July 1988 in the light of Tribunal's observation nor preferred any appeal before the High Court against the awards.

5.13 Short realisation of tax including composition money

Under the provisions of the Tripura Sales Tax Act, 1976, the Commissioner may, in the case of a dealer who has either concealed the particulars of his turnover or in any way evaded the liability to pay tax, direct that such a dealer shall be liable to pay penalty at the rate of one and half times the amount of the tax payable by him. Accordingly the Commissioner of Taxes, issued (December 1986) instructions to the Superintendents of taxes to impose penalty of dealer/dealers found to have committed an offence or in whose case the goods had been seized under the authority of section 38(4) of the Act. The Act further provides that the Commissioner of Taxes may compound the offence by the dealer on payment of Rupees one thousand or twice the tax whichever is greater, in addition to tax, interest and penalty due.

(a) In Churaibari in 385 cases taxable goods were seized between January and August 1989 and composition made on 45 different occasions between March 1989 and August 1989, tax and penalty amounting to Rs. 1.48 lakhs (tax: Rs. 79,048 and penalty: Rs. 68,847) on these seized goods were realised. However, composition money payable was not levied, which worked out to Rs. 3.90 lakhs. This resulted in a loss of revenue of Rs. 3.90 lakhs.

(b) In another 8 cases taxable goods were seized between 25th July and 29th August 1990 from a transporter. Against the transporter's declared value of Rs. 23,700, the value of the seized goods was determined as Rs. 64,900 at various taxable rates and Rs. 14,952 was realised as tax including composition money, under composition order of 12th September 1990.

It was, however, noticed (November-December 1990) that of the seized goods—162 packages (contained in 7 cases) that contained cosmetics (3) and fire works (159) were valued at a lumpsum amount of Rs. 8,000, which works out to Rs. 4,938 per package. However while compounding this case and in yet another composition order of 6th July 1990, the same Assessing Authority assessed the same category of items at Rs. 1,688 per package.

Thus adoption of two different sets of value of seized goods of same category by the Assessing Officer resulted in short determination of value of goods by Rs. 2,65,457 with consequent tax liability of Rs. 1.08 lakhs including composition money.

(c) The Superintendent of Taxes Churaibari check-post compounded (July 1990) two cases of taxable goods seized in May and June 1990. The value declared by the transporter was Rs. 39,215. The Assessing Authority, however, determined the total value of goods at Rs. 67,000 taxable at different rates viz., (6 *per cent* taxable Rs. 15,300; 8 *per cent* : Rs. 5,200; 12 *per cent* : Rs. 41,000 and 15 *per cent* : Rs. 5,500) and realised Rs. 21,237 being the tax and composition money (tax: Rs. 7,079 and composition: Rs. 14,158).

Further scrutiny of items valued at Rs. 41,000 and taxable at 12 *per cent* revealed that this group of goods contained electric fans, bulbs and colour powder apart from 2340 kgs of stainless steel utensils. On the basis of the recorded weight of stainless steel utensils, the rate per kg works out to Rs. 17.52. This rate would be even less if the value of other items is also taken into consideration. However, during cross check of records of the Superintendent of Taxes, charge III at Agartala it was noticed that the prevailing rate of stainless steel utensils was Rs. 82.78 per kg in 1989-90 and this being so the value of stainless steel utensils alone works out to Rs. 1,93,705 and sales tax thereon including composition money comes to Rs. 69,733 (Sales Tax: Rs. 23,244 and

composition: Rs. 46,489). Thus due to incorrect determination of the value of goods there was short realisation of revenue of Rs. 54,973.

(d) The Assessing Authority seized 15 cases between March and July 1990, of these 6 cases were compounded on 21st June and 9 cases on 6th July 1990. The Assessing Authority determined the turnover in these cases at Rs. 1.19 lakhs (6 per cent : Rs. 55,400; 7 per cent : Rs. 1,300; 8 per cent : Rs. 20,800; 12 per cent : Rs. 14,034 and 15 per cent : Rs. 29,009) and realised an amount of Rs. 32,979 as tax including composition money. A further scrutiny (November-December 1990) of records, however, revealed that on the basis of value of seized goods declared and recorded in the seizure list, the turnover worked out to Rs. 2.62 lakhs (6 per cent : Rs. 1,29,610; 7 per cent : Rs. 3,250; 8 per cent : Rs. 78,710; 12 per cent : Rs. 15,912 and 15 per cent : Rs. 34,500) with tax liability of Rs. 66,251 (Tax: Rs. 21,466 and composition money Rs. 44,784). Thus erroneous determination of turnover of the seized goods resulted in short realisation of revenue of Rs. 33,272.

(e) In Churaibari, the Superintendent of Taxes made composition in 41 cases of seizure of goods on 7th April 1990 and fixed the composition money at Rs. 12,156 i.e. the double the tax amount of Rs. 6,078 instead of Rs. 1,000 in each case, as required. Under the provision of the Act, the composition money actually recoverable should have been computed at the rate of Rs. 1,000 per case in these cases, as double the tax leviable in each case worked out to less than this amount. This resulted in short realisation of revenue of Rs. 28,844.

The cases were reported to Department and Government in February 1991; their final reply has not been received (October 1991).

5.14 Outstanding Inspection Reports and Paragraphs (Sales Tax)

Financial irregularities and defects noticed during local audit of Departmental offices are included in Inspection Reports issued to the Departmental offices for taking corrective action. Settlement of 45 Inspection Reports containing 242 paragraphs involving money value of Rs. 59.12 lakhs issued from 1984-85 upto 1990-91 were pending as on 30th June 1991. Year-wise details are given below:

Year	Number of outstanding Inspection Reports	Paras	Number of which first replies were not received	
			Reports	Paras
84-85	1	10	—	—
85-86	4	30	—	—
86-87	7	39	—	—
87-88	9	42	—	—
88-89	7	53	—	—
89-90	9	32	—	—
90-91	8	36	—	—
	45	242	—	—

5.15 Results of audit

Test check of records in Departmental Excise offices conducted in audit during the year 1990-91 revealed loss of revenue due to non-supply of country liquor to vendors and other irregularities in 6 cases which are detailed below:

	No. of cases	Amount in lakhs of rupees
1. Loss of excise duty due to failure of supply of country liquor to retail vendor	2	17.21
2. Failure to supply Beer	1	0.84
3. Short receipt of IMFL loss of revenue	1	0.50
4. Outstanding excise duty being the transit loss of IMFL	1	0.75
5. Shortage in stock register of IMFL	1	0.10
	<hr/> 6	<hr/> 19.40

Out of the 6 cases noticed in audit the Department has admitted the objection in 5 cases involving revenue of Rs. 18.26 lakhs and of these an amount of Rs. 85,413 has been realised by the Department (December 1991).

An important case is mentioned in the following paragraph.

5.16 Short realisation of revenue due to non-maintenance of reserve stock of country liquor

As per the terms and conditions of the licence and bond executed with the owner of a bonded ware-house for country liquor in West Tripura District, the licensee is required to issue a minimum quantity of 500 London proof litres of country liquor to the retail vendors every day and also to maintain a minimum balance of 15,000 London proof litres at the end of each day's transactions. Failure to issue the quantity due to insufficient stock makes the licensee liable to compensation for the loss of revenue as may be determined by the Government, in addition to forfeiture of the security deposit.

In West Tripura, it was noticed in the course of audit (October 1990) that a licensee did not issue country liquor to the retail vendors for 93 days in different spells between 27th July 1989 and 25th March 1990. However, no compensation on account of his failure to fulfil his contractual obligations was realised by the Department. This resulted in short realisation of revenue amounting to Rs. 7.44 lakhs (at Rs. 16 per London proof litre on the minimum stipulated quantity of 500 London proof litres for 93 days).

On this being pointed out (October 1990) in audit, the department stated (July 1991) that a claim for compensation of Rs. 16.57 lakhs (based on average consumption during the preceding full month) had been raised in November 1990. Report on realisation has not been received (October 1991).

Government to whom the cases was reported in July 1991 also confirmed the position (August 1991).

5.17 Outstanding Inspection Reports and paragraphs

Financial irregularities and defects noticed during local audit of Forest Division are included in Inspection Reports issued to departmental officers for taking corrective action. Settlement of 9 Inspection Reports containing 17 paragraphs involving money value of Rs 23.31 lakhs issued from 1983-84 to 1990-91 were pending as on 30th June 1991 and of these 5 Reports containing 7 paragraphs have been outstanding for over three year. Yearwise details are as below:

Year	Number cases	
	I.R.	Paras
1983-84	1	1
1986-87	1	1
1987-88	3	5
1988-89	1	1
1989-90	1	2
1990-91	2	7
	<u>9</u>	<u>17</u>

FOREST RECEIPTS

5.18 Results of Audit

Test check of records in the departmental offices conducted during 1990-91 revealed short recovery and non-recovery of forest receipts to the extent of Rs. 8.21 lakhs in 13 cases, which may be broadly categorised under the following heads:

	Number of cases	Amount (in lakhs of rupees)
1. Loss of revenue due to short realisation of revenue	5	1.05
2. Non-realisation of income tax loss of revenue	2	3.75
3. Short realisation of capitalised value loss of revenue	1	2.02
4. Non-disposal of cash amount loss of revenue	1	0.67

	Number of cases	Amount (in lakhs of rupees)
5. Short realisation of sale tax	2	0.06
6. Defalcation of Government money	1	0.01
7. Non-recovery of percentage charges on works carried out on behalf of other departments	1	0.05
	<hr/> 13	<hr/> 8.21

Out of 13 cases noticed in audit, in 2 cases involving revenue of Rs. 5,861. The audit objections have been admitted but report of realisation has not been received December 1991.

A few important cases are mentioned in the following paragraphs.

5.19 Short realisation of sales tax due to adoption of incorrect rate of tax

According to the Tripura Sales Tax Act 1976, sales tax on timber other than firewood was leviable at the rate of 8 *per cent* up to 31st March 1990. This rate was enhanced to 10 *per cent* with effect from 1st April 1990 by a Government notification issued in March 1990.

In the Teliamura Divisional Forest Office it was noticed (April 1991) in audit that six field officers had realised sales tax on timber at the rate of 8 *per cent* instead of 10 *per cent* during the period from April 1990 to February 1991. This resulted in short realisation of revenue amounting to Rs. 33,884.

The matter was reported to the Department in May 1991 and to the Government in June 1991. Government stated in January 1992 that the notification enhancing the rate issued on 31st March 1990 was received by the division only in June 1991 from the Chief Conservator of Forest, though they had taken action to realise tax at the enhanced rate on receipt of a copy from visiting audit team. It was further stated that steps were being taken to see that such situation did not recur.

5.20 Outstanding Inspection Reports and paragraphs

Financial irregularities and defects noticed during local audit of Forest Divisions are included in Inspection Reports issued to departmental officers for taking corrective action. Settlement of 49 Inspection Reports containing 153 paragraphs involving money value of Rs. 10.22 lakhs issued from 1984-85 to 1990-91 was pending as on 30th June 1991 and of these 16 Reports containing 57 paragraphs have been outstanding for over three years. In respect of 6 cases involving 25 paragraphs even the first replies have not yet been received (December 1991). Yearwise details are indicated below:

Year	Number of outstanding		Number for which first replies were not received	
	I.R.	Paras	I.R.	Paras
1984-85	4	4	—	—
1985-86	5	16	—	—
1986-87	3	21	—	—
1987-88	4	6	—	—
1988-89	14	52	—	—
1989-90	8	20	1	7
1990-91	<u>11</u>	<u>34</u>	<u>5</u>	<u>18</u>
	49	153	6	25

POWER DEPARTMENT

5.21 Results of Audit

Test check of records in the departmental offices conducted during 1990-91 revealed short realisation of revenue to the extent of Rs. 22.40 lakhs in 43 cases which may be broadly categorised under the following heads:

	Number of cases	Amount (in lakhs of rupees)
1. Loss of revenue due to short realisation	14	4.39
2. Loss of revenue due to erroneous billing	5	1.70
3. Outstanding bills	2	1.47
4. Loss of revenue due to wrong calculation	3	1.44
5. Loss of revenue due to wrong calculation in average billing	4	1.16
6. Loss of revenue due to wrong categorisation of consumer	2	8.31
7. Loss of revenue due to allowance of rebate after due date	8	2.46
8. Loss of revenue due to non-imposition of penalty	5	1.47
	<u>43</u>	<u>22.40</u>

Out of the 43 cases noticed in audit, the department has since effected recovery of Rs. 0.08 lakh in one case. In one case involving revenue of Rs. 0.02 lakh audit objection has since been admitted but the report of recovery has not been received (December 1991).

5.22 Outstanding Inspection Reports and paragraphs

Financial irregularities and defects noticed during local audit of departmental offices are included in Inspection Reports issued to Department for taking corrective action. Settlement of 71 Inspection Reports containing 322 paragraphs issued from 1983-84 up to 1990-91 were pending as on 30th June 1991 and of these 40 Reports containing 152 paragraphs have been outstanding for over three years. In respect of 33 cases involving 170 paragraphs even the first replies have not been received. Yearwise details are indicated below:

Year	Number of outstanding		Number for which first replies were not received	
	I.R.	Paras	I.R.	Paras
1983-84	4	23	—	—
1984-85	8	39	—	—
1985-86	8	32	1	3
1986-87	13	36	4	10
1987-88	7	22	3	15
1988-89	13	66	8	45
1989-90	7	55	6	48
1990-91	11	49	11	49
	<u>71</u>	<u>322</u>	<u>33</u>	<u>170</u>

CHAPTER VI

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

6.1 Details of grants

During 1990-91, Rs. 1,920.13 lakhs (4 *per cent* of the revenue expenditure during the year as against 7 *per cent* in 1989-90) were paid as grants to local bodies as shown below:

	Amount (Rupees in lakhs)
Educational Institutions (including Universities)	874.24
Individual persons belonging to Scheduled Castes/ Scheduled Tribes <i>Jhumias</i> and new migrants	0.41
Village and Small Industries Units	64.99
Agartala Municipality (including notified area)	440.60
Autonomous District Council	20.00
Health and Family Welfare	100.69
Others	419.20
Total:	<u>1,920.13</u>

6.2 Utilisation of grants

Under the rules, the guarantee institutes are required to furnish utilisation certificates to the Departmental Officers who after proper verification are required to forward them to the Accountant General within a period of 18 months from the date of payment of grants.

At the end of September 1991, 2,273 certificates for grants amounting to Rs. 11,333.98 lakhs were outstanding. Of these, 1,048 certificates (Rs. 6,775.24 lakhs) relate to the grants paid upto March 1989. The remaining 1,225 certificates (Rs. 4,558.74 lakhs) relate to the grants paid during April 1989 to March 1991. The Department-wise details of outstanding certificates are given in the Appendix 2.

In the absence of utilisation certificates, it was not possible to verify whether the grants were utilised for the purpose for which they were sanctioned.

6.3 Financial Assistance to Local Bodies and others

(a) According to the provisions of Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service)

Act, 1971, the accounts of bodies and authorities substantially financed by grants or/and loans from the Consolidated Fund are to be audited by the Comptroller and Auditor General of India. A body or an authority is deemed to be substantially financed in a year if the total amount of grants and loans received by it during the year, including the unutilised balance if any, of grants or/and loans of the previous years is not less than Rs. 25 lakhs and also not less than 75 per cent of the total expenditure of the body or authority in that year.

For identification of such bodies and authorities the Administrative Department of State Government were requested in April 1991, to furnish information about grants and loans given by them and their subordinate offices to the bodies and authorities during 1990-91, along with the total expenditure for the year of such bodies and authorities. The information was not received, except from 14 Departments, despite reminder issued in November 1991 and February 1992. Similar information was not furnished for the years 1987-88 to 1989-90 by a large number of departments. The year-wise position regarding receipt of the particulars as of June 1992 is shown as under:

Year	Number of departments which furnished the information	Number of departments which did not furnish the information
1987-88	18	22
1988-89	17	23
1989-90	1	39
1990-91	14	26

(b) On the basis of information received upto November 1991 from the Administrative Departments, the details of the number of bodies/authorities which received grants/loans of Rs. 25 lakhs or more in a year during 1988-89 to 1990-91 and from whom accounts were awaited are given below:

	1988-89	1989-90	1990-91
(i) Number of bodies/authorities which received grants loans of not less than Rs. 25 lakhs per annum ..	5	5	5
(ii) Out of the bodies/authorities of (i) above—			
(a) Number of bodies/authorities from which accounts have been received ..	4	4	—
(b) Number of bodies/authorities from which accounts have not been received ..	1	1	5

6.4 Audit entrusted to the Comptroller and Auditor General of India

Besides audit under Sections 14 and 15 of the Act *ibid*, the Comptroller and Auditor General of India also conducts audit of certain autonomous bodies/authorities, the regular audit of which has been entrusted to him under Sections 19 and 20 of the Act.

The audit of Tripura Khadi and Village Industries Board was entrusted to the Comptroller and Auditor General of India under Section 19(3) of the Act. The audit of 12 other bodies/authorities was entrusted to the Comptroller and Auditor General of India under Section 20(1) of the Act.

6.5 Delay in preparation of accounts by the bodies

Persistent delay in preparation of annual accounts by the bodies was noticed as given below:

Name of the body/authority	Reference to Section of the C&A,G's (DPCs) Act, 1971	Number of bodies involved	Period of arrears	Number of accounts in arrears
1. Tripura Khadi and Village Industries Board	19 (3)	1	1984-85 to 1990-91	7
2. Agartala Municipality	20 (1)	1	1977-78 to 1990-91	14
3. Notified Area Authorities	20 (1)	9	-do-	135
4. Tripura University	20 (1)	1	1987-88 to 1990-91	4
5. Tripura Board of Secondary Education	20 (1)	1	-do-	4

The audit of Tripura Tribal Areas Autonomous District Council was entrusted to the Comptroller and Auditor General of India under Section 19(3) of the Act prior to the Constitution (49th Amendment) Act, 1984. The accounts of the Council was in arrears from 1981-82 to 1984-85.

LOCAL SELF-GOVERNMENT DEPARTMENT

6.6 Wasteful expenditure on swimming pool

In 1983, the Notified Area Authority, Amarpur, constructed a swimming pool in a pond named Amarsagar at a cost of Rs 1.47 lakhs without undertaking any survey work regarding its viability. Subsequently, the pool was found to be unsuitable for swimming purposes, due to wide fluctuation in the water level. Except for

organising an Autumn Meet in 1985 after spending an additional amount of Rs. 0.62 lakh for repair, the pool was never used.

In March 1989, the Notified Area Authority decided to construct another swimming pool at another spot where the water level was more or less static, after dismantling the structure at Amarsagar. The new pool was constructed in March 1990 at a cost of Rs. 2.17 lakhs. An amount of Rs. 0.31 lakh was spent on dismantling the old structure, salvaged materials worth Rs. 0.19 lakh only were used in the new work.

Thus, the net expenditure of Rs. 2.21 lakhs incurred by the Notified Area Authority on construction, repair and dismantling of the pool without examining its viability proved infructuous.

The Notified Area Authority admitted (November 1990) that no prior survey had been undertaken to assess the viability of constructing the swimming pool at Amarsagar and stated that there was no outlet for water in Amarsagar and as such wide fluctuation in water level made the pool totally unusable. As regards the expenditure of Rs. 0.62 lakh on repairs to the structures, it was stated that these had been badly damaged by flood in 1984 and as such the amount had to be spent to bring them to usable condition for the purpose of the Autumn Meet conducted in 1985.

The matter was referred to the Government in August 1990; reply had not been received as of June 1992.

6.7 Audit Notes and paras outstanding

Audit notes are sent to the respective bodies and copies thereof endorsed to the Government for taking remedial action within a reasonable time. The position of audit notes issued upto December 1990 but remaining outstanding at the end of June 1991 is indicated below:

Sl. No.	Name of the bodies	Number of audit notes outstanding	Number of paras outstanding	Earliest year from which outstanding	Money value (Rupees in lakhs)
1.	Tripura State Social Welfare Advisory Board	2	9	1982-83	2.17
2.	District Rural Development Agencies	9	24	1978-79	32.61
3.	Tripura Housing Board	2	12	1984-85	12.89
4.	Tripura Tribal Areas Autonomous District Council	1	32	1981-82	65.05
5.	Agartala Municipality	5	74	1977-78	21.43
6.	Notified Area Authorities	12	144	1977-78	80.39
7.	Tripura Board of Secondary Education	3	9	1981-82	2.07
Total:		34	304		216.61

CHAPTER VII

GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

7.1 General

This Chapter deals with the results of audit of

- Government Companies
- A Statutory Corporation and
- Departmentally-managed Government Commercial and *quasi*-Commercial Undertakings.

Paragraph 7.2 gives a general view of the Companies, paragraph 7.3 deals with general aspects relating to the Statutory Corporation, paragraph 7.4 deals with the Departmentally-managed Government Commercial and *quasi*-Commercial Undertakings.

7.2 Government Companies—General view

7.2.1 There were nine Government Companies as on 31st March 1991 including Tripura State Bank Limited which is under liquidation since 1970-71.

7.2.2 Appendix 4 gives the particulars of upto date paid up capital, outstanding loans, amounts of guarantees, working results, etc., in respect of these Government Companies.

(a) The aggregate paid-up capital as on 31st March 1991 stood at Rs 33.56 crores against the aggregate paid-up capital of Rs 27.39 crores in these companies as on 31st March 1990. The investment in Tripura State Bank Limited at the end of both these year was Rs 3.75 lakhs.

Details of agencywise share holding in these companies as on 31st March 1991 were as under:

Particulars	Number of companies	Amount invested			Total investment
		State Government	Central Government	Others	
(Rupees in crores)					
1. Companies wholly owned by the State Government	6	18.60	—	—	18.60
2. Companies jointly owned with the Central Government/others	3	13.00	0.33	1.63	14.96
	9	31.60	0.33	1.63	33.56

(b) The balance of long term loans outstandings in respect of six companies as on 31st March 1991 was Rs 20.03 crores as against Rs 14.21 crores outstanding as on 31st March 1990.

7.2.3 A synoptic statement showing the financial results of the nine companies based on the latest available accounts is given in Appendix 5.

None of the companies has finalised its account for the year 1990-91. The position of arrears of accounts of the Government Companies is summarised below:

Extent of arrears	Number of years	Number of companies involved	Investment by Government as on 31st March 1991		Reference to Sl. of the Appendix 5
			Capital	Loan	
			(Rupees in lakhs)		
1980-81 to 1990-91	11	2	449.36	4.30	1 & 2
1982-83 to 1990-91	9	1	122.50	—	6
1983-84 to 1990-91	8	1	1,124.01	314.12	3
1984-85 to 1990-91	7	1	678.02	—	5
1986-87 to 1990-91	5	2	724.73	—	4 & 7
1987-88 to 1990-91		1	90.00	—	8
Under liquidation since 1970-71		1	3.75	—	9
		9	3,192.37	318.42*	

*Two companies are yet to furnish information (...).

Of the 9 companies, the accumulated loss of 7 companies aggregated to Rs 4.38 crores. One company was under liquidation since 1970-71 and the other had no transaction till the year 1981-82 up to which the accounts were finalised. No dividend or interest were received from these companies.

In the absence of final account, the productivity of the investment of Rs 35.11 crores (capital Rs 31.92 crores and loans Rs 3.19 crores) could not conclusively be vouchsafed. The position of arrears in finalisation of accounts was last brought to the notice of the Government in October 1992.

7.3 Statutory Corporation—General aspects

7.3.1 As on 31st March 1991, there was one statutory Corporation in the State viz; Tripura Road Transport Corporation.

7.3.2 The Corporation was established on 23rd October 1969 under the Road Transport Corporation Act, 1950 to provide economic and efficient road transport services. The Corporation started

functioning from 14th July 1970. Since the North East Frontier Railway covers only small portion of the State from Railway head at Churaibari to Kumarghat (42 km), road transport is the principal means of public transportation in the State.

As on 31st March 1991 the State Government had contributed Rs 16.25 crores towards the capital of the Corporation. The contribution of the Government of India towards the capital of the Corporation at the end of March 1991 was Rs 3.64 crores. In addition to above, the State Government had paid Rs 0.25 crore as loan to the Corporation.

The annual accounts of the Corporation have been finalised up to 1984-85. The accounts for the year 1985-86 onwards were in arrears. The delay in finalisation of accounts was last brought to the notice of the State Government in October 1992.

The accounts for 1984-85 disclosed a net loss of Rs 1.75 crores. The cumulative net loss of the Corporation up to 31st March 1985 was Rs 10.42 crores.

7.3.3 The Audit Reports on the accounts of the Corporation for the year ended 31st March 1981, 31st March 1982 and 31st March 1983 as issued to the State Government on 8th December 1988, 2nd February 1989 and 24th February 1989 respectively were presented before the State Legislature in January 1990. The date of presentation of the Audit Report before the legislature for the year ended 31st March 1984 and 31st March 1985 as issued to State Government in February 1990 and October 1990 respectively were presented to the legislature on 16th August 1991.

7.4 Departmentally-managed Government Commercial and quasi-Commercial Undertakings

The proforma accounts of the Food and Civil Supplies Department of the State Government representing the transaction of foodgrains etc., have been finalised upto 1977-78. The proforma accounts for the year 1978-79 onwards were in arrears. The delay in finalisation of accounts was last reported to the Government in October 1992.

INDUSTRIES DEPARTMENT

7.5 Tripura Tea Development Corporation Limited

7.5.1 Introduction

The Tripura Tea Development Corporation Limited was incorporated on 11th August 1980 as a wholly-owned Government

Company with a view to safeguarding the future of tea industry, avoiding speculative trends in acquisition and management of tea estates and also avoiding concentration of ownership of tea estates in a few hands.

7.5.2 Objects

The main objects of the Company are to:

—Purchase and take over tea estates in the State which are offered for sale and develop them;

—Promote, take on lease and manage tea estates which are economically viable;

—plant, grow, produce and raise plantations of tea, forest plants and agricultural and horticultural crops;

—manufacture and sell tea in India and abroad; and rehabilitate, revive, modernise and manage closed and uneconomic tea estates.

7.5.3 Activities

As on 31st March 1991, the Company had two tea estates raised by it—one at Machmara in the North Tripura District and the other at Kamalasagar in West Tripura District. Besides, it managed, as Custodian appointed by the State Government, six sick tea estates in the West Tripura District which were taken over by the State Government. The total area of these tea estates was 8,054.27 acres of which 2,378.40 acres were under tea cultivation. The estatewise details are tabulated below:

Sl. No.	Name of tea estate	Gross area	Grant area	Area under tea plantation*	Vacant area	Percentage of vacant area to gross area
(In acres)						
1.	Machmara	2,800.60	Nil	197.00	2,603.60	93.14
2.	Kamalasagar	1,090.51	Nil	266.43	864.01	79.23
3.	Fatikcherra	1,100.00	1,100.00	593.41	506.59	43.03
4.	Luxmilonga	537.05	537.05	418.84	184.21	23.13
5.	Tufanialonga	419.11	419.11	256.96	162.15	38.69
6.	Mohanpur	745.00	745.00	228.98	516.02	69.26
7.	Kalacherra	1,000.00	1,000.00	295.66	704.34	70.43
8.	Brahmakunda	362.00	362.00	172.00**	192.00*	53.04
Total:		8,054.27	4,163.16	2,378.28	5,677.92	

*At the time of take over (i.e., 13th November 1986).

**Figures have been compiled from various records of the Company. Survey of the planted area has not been done (January 1992).

7.5.4 Organisational set-up

The Management of the Company was vested in a Board of Directors not exceeding twelve directors. As on 31st March 1991, there were eight Directors on the Board including the Chairman, the Vice-Chairman, the Managing Director, one representative each of the Tea Board and the Tea Trading Corporation. The Managing Director exercised such powers as were specially delegated to him. He was assisted in his day to day functions by an Administrative Officer (on deputation from the State Government). The Company did not have any Financial Controller-cum-Company Secretary, Commercial Manager and Accounts Officer though the Organisational chart approved by the Board in March 1981 provided for such posts.

Management stated (July 1991) that steps were being taken to fill up those vacant posts.

7.5.5 Scope of Audit

This is the first review of the Company and it covers the performance of the Company from its inception till March 1991 with special emphasis on implementation of projects. The results of the review conducted during May to June 1991 by Audit are discussed in the succeeding paragraphs.

7.5.6 Highlights

The Company was incorporated in August 1980 with the object to cultivate tea; acquire, purchase and take over economically viable tea estates and rehabilitate, revive and manage uneconomic tea estates. As on 31st March 1991 the State Government had invested Rs 122.50 lakhs in the Company. The Company incurred accumulated losses of Rs 9.28 lakhs upto 1987-88.

The Company could raise only 166.97 hectares of a tea plantations at a cost of Rs 170.85 lakhs at its Machmara and Kamalasagar Tea Estates upto 1990-91 against the projected targets of raising 740 hectares at a cost of Rs 270 lakhs. Due to excessive mortality of tea plant at these estates, the Company sustained a loss of Rs 38.69 lakhs.

(Paragraph 7.5.9)

There was short-fall in production of 14.16 lakh kgs of green leaves valued at Rs 35.95 lakhs as the actual yield was only 10.66 lakh kgs against the potential crop of 24.82 lakh kgs of green leaves in Machmara and Kamalasagar Tea Estates.

(Paragraph 7.5.10(i))

Based on the norms adopted by Management for recovery of processed tea from green leaves the production of made tea was short by 1.56 lakh kgs valued at Rs 32.66 lakhs during 1987 to 1990.

(Paragraph 7.5.10(ii))

Production of excessive quantity of residual type of bulk tea and its sale at lower price than that of the graded tea due to non-grading of made tea soon after manufacture resulted in loss of revenue of Rs 17.74 lakhs during 1987 to 1990.

(Paragraph 7.5.10(iii))

The Capital cost of Rs 1.23 crores of the central tea processing factory sanctioned in 1980-81 by the North-Eastern Council (NEC) for being set up at Machmara in North Tripura District was revised to Rs 2.68 crores in July 1987 and then to Rs 4.42 crores in November 1989. The site was shifted (February 1987) to Durgabari in West Tripura District. Though the project was to be completed in March 1990, it was still under construction (July 1992).

(Paragraph 7.5.13)

7.5.7. Finance

Share Capital: As against the authorised capital of Rs 5 crores, the paid-up capital as on 31st March 1991 was Rs 2 lakhs. The State Government contributed further advance of Rs 120.50 lakhs towards the share capital of the Company up to the end of March 1991.

7.5.8 Land for fresh tea plantation

Pending final allotment of land in its favour, the Company started raising fresh tea plantations at Machmara in North Tripura District and Kamalasagar in West Tripura in 1982 and 1983 on 2,800.60 acres and 1,090.51 acres of land, respectively, handed over to it by the State Government. In January 1990, the District Magistrate and Collector, North Tripura District reported that entire area of land at Machmara was protected forest.

Of 1,090.51 acres of land at Kamalasagar 381.14 acres were protected forest and 709.37 acres were recorded in favour of Animal Husbandry Department. The Forest (Conservation) Act, 1980 forbids utilisation of forest land without obtaining prior approval of the Government of India, Ministry of Environment and Forests. Approval of the Central Government was not obtained (July 1991) in these cases.

Note: The abbreviations used in this Review are listed alphabetically in Appendix 6.

The Government in the Industries Department stated (February 1992) that the Forest Department had since been moved for release of the forest land in favour of the Company. Regarding occupation by the Company of land recorded in favour of the Animal Husbandry Department, the Government stated that the concerned department would be moved for release of land occupied by the Company.

7.5.9 Implementation of project

Machmara and Kamalasagar Projects: The Company appointed a Calcutta-based firm of Consultants in July 1981 for preparation of Detailed Project Reports (DPR) for the tea estates to be started by the Company. In December 1983, the Board of Director accepted the DPR in respect of the Machmara Tea Estate prepared by the Consultants in October 1983. The Consultants submitted, in February 1986, the DPR in respect of the Kamalasagar Tea Estate, but approval thereof by the Board was not on record. The Company paid Rs 0.60 lakh to the Consultants for the DPRs.

(i) *Machmara Project:* The main objects of the project were:

- development of prime source of supply of improved planting materials by establishing a clonal nursery-cum-mother bush farm;
- development of 500 hectares of tea plantation;
- setting up a central factory to manufacture green tea and
- development of small growers tea farms.

The total capital outlay for implementation of the project during 1983 to 1992 was estimated at Rs 440 lakhs (including working capital of Rs 50 lakhs) to be financed by the North Eastern Council: Rs 172.70 lakhs (Clonal nursery-cum-mother bush farm: Rs 50 lakhs and Central factory: Rs 122.70 lakhs) the State Government: Rs 1.50 lakhs (Small growers tea farms), the Company: Rs 113 lakhs, Central Investment subsidy: Rs 25 lakhs and working surplus: Rs 127.80 lakhs.

As against the above, the Company spent up to 1990-91 about Rs 97.54 lakhs (plantation: Rs 90.91 lakhs and fixed assets: Rs 6.63 lakhs). Though the project report provided for establishment of a central tea processing factory with an annual production capacity of 10 lakh kgs of made tea at Machmara at a cost of Rs 122.70 lakhs, the State Government decided (January 1987) to shift the site to Durgabari in the West Tripura District due to its locational advantage for the purpose of providing relief to the cluster of sick tea estates around it.

(a) *Planting operations:* The project report estimated raising of 500 hectares of tea plantations during 1982 to 1990 at a cost of Rs 150 lakhs including cost of maintenance. The Company did not maintain separate accounts on expenditure incurred on raising the nurseries, creation of plantation and maintenance of plantations created. Hence, actual expenditure incurred could not be compared with projected expenditure. However, the position regarding yearwise plantations raised and expenditure incurred (provisional) on creation and maintenance during the period from 1982-83 to 1990-91 is given in the table below:

Year	Target			Achievement			Excess (+)/Shortage(-)		
	Physical	Financial		Physical	Financial		Physical	Financial	
	(in hectares)	Total	Per hectare	(in hectares)	Total	Per hectare	(in hectares)	Total	Per hectare
		(Rupees in lakhs)			(Rupees in lakhs)			(Rupees in lakhs)	
1982-83	3.00	0.90	0.30	8.00	1.18	0.15	(+) 5.00	(+) 0.28	(-)0.15
1983-84	23.00	6.90	0.30	8.00	9.42	1.18	(-)15.00	(+) 2.52	(+)0.88
1984-85	65.00	19.50	0.30	8.00	13.41	1.68	(-)57.00	(-) 6.09	(+)1.38
1985-86	90.00	27.00	0.30	18.00	7.99	0.44	(-)72.00	(-)19.01	(+)0.14
1986-87	75.00	22.50	0.30	4.00	8.97	2.24	(-)71.00	(-)13.53	(+)1.94
1987-88	75.00	22.50	0.30	8.00	11.04	1.38	(-)67.00	(-)11.46	(+)1.08
1988-89	75.00	22.50	0.30	8.00	12.42	1.55	(-)67.00	(-)10.08	(+)1.25
1989-90	75.00	22.50	0.30	7.00	12.04	1.72	(-)68.00	(-)10.46	(+)1.42
1990-91	19.00	5.70	0.30	8.00	14.44	1.81	(-)11.00	(+) 8.74	(+)1.51
	<u>500.00</u>	<u>150.00</u>		<u>77.00</u>	<u>90.91</u>		<u>(-)423.00</u>	<u>(-)59.09</u>	

Though the Company was to raise 500 hectares of tea plantations at a cost of Rs 150 lakhs at Machmara the Estate during 1982-83 to 1990-91, it could raise only 77 hectares at a cost of Rs 90.91 lakhs. As against Rs 0.30 lakh being the cost of creation and maintenance per hectare as projected, the cost per hectare ranged between Rs 0.15 lakh (1982-83) and Rs 2.24 lakhs (1986-87). The Company has already spent 60.60 per cent of its targeted financial outlay to achieve only 15.4 per cent of its physical targets. The Government stated (February 1992) that the project projection were made on commercial principles but while implementing the project the aspect of the rehabilitation of the landless tribal *Jumias* was considered. The entire plantation workers were engaged from tribal people who were not conversant with tea cultivation. The second factor leading to high cost of plantation was the remoteness of the site which resulted in high cost in transportation of materials.

(b) *Mortality of tea plants*: The tea plantations raised at the Machmara the Estate during 1982-83 to 1990-91 suffered from excessive mortality of plants as detailed below:

Year	Number of planted plants	Number of existing plants	Number of plants which did not survive	Percentage of mortality
1982-83	1,20,000	80,040	39,960	33.30
1983-84	1,28,000	99,840	28,160	22.00
1984-85	1,28,000	89,600	38,400	30.00
1985-86	2,64,000	2,11,200	52,800	20.00
1986-87	60,000	47,400	12,600	21.00
1987-88	1,30,000	97,500	32,500	25.00
1988-89	1,30,000	1,01,400	28,600	22.00
1989-90	1,14,000	91,200	22,800	20.00
1990-91	2,00,000	2,00,000	Nil	Nil
	<hr/> 12,74,000 <hr/>	<hr/> 10,18,180 <hr/>	<hr/> 2,55,820 <hr/>	<hr/> 20.08 <hr/>

Based on the average cost of Rs 7.14 lakhs incurred by the company for raising one lakh plants, cost of plants which did not survive works out to Rs 18.27 lakhs.

The Government stated (February 1992) that the topography of the tea estate terrain being hilly, adequate moisture required by plants was required to be provided through irrigation. However, proper irrigation facilities could not be developed. Irrigation of the planted area by sinking of deep tubewells also did not prove successful.

Hence, due to absence of moisture specially during winter the percentage of mortality of plants was higher than the normal level.

(c) *Mortality of cutting in clonal Nursery*: The project Manager, Machmara Tea Estate raised clonal nurseries of 34 lakh cutting during the period 1981-82. Of these, 12.96 lakh plants survived, out of which 12.74 lakh plants were transferred to the tea plantations. The balance of 21.04 lakh cuttings placed in the clonal nurseries did not survive; the percentage of mortality works out to 61.88 as against the normal mortality of 25 per cent. Since no separate accounts of expenditure relating to nursery have been maintained, wasteful expenditure on this account could not be worked out.

The Government stated (February 1992) that during the initial years clonal cuttings required for the tea estate were brought from other gardens located at long distance. Due to transporation and delay in planting, cuttings became dry and the rooting success was 70 per cent less than fresh cuttings. Further, movement of extremists in the area in 1984 and unprecedented draught in 1985 also contributed to high mortality.

(ii) *Kamalasagar Project*: The DPR envisaged development of 240 hectares of tea plantation at Kamalasagar during 1985-86 to 1989-90 and setting up of a tea processing factory with capacity of producing 6 lakh kgs of black tea during 1987-88 to 1993-94 at a total capital cost of Rs 330 lakhs to be financed by the State Government and the Company Rs 140 lakhs, NABARD: Rs 140 lakhs, Commercial Banks: Rs 25 lakhs and Central investment subsidy: Rs 25 lakhs.

(a) *Raising plantations*: The Company did not take any action for setting up the tea factory. It, however, started (1983-84) raising tea plantations at Kamalasagar. The targets set in the project report *vis-a-vis* achievements are given in the table below:

Year	Targets			Achievement			Excess (+)/Shortage(-)		
	Physical	Financial		Physical	Financial		Physical	Financial	
	(in hectares)	Total	Per hectare	(in hectares)	Total	Per hectare	(in hectares)	Total	Per hectare
		(Rupees in lakhs)			(Rupees in lakhs)			(Rupees in lakhs)	
1984-85	Nil	Nil	Nil	18.44	13.35	0.72	(-) 18.44	(+)13.35	—
1985-86	40.00	20.00	0.50	18.68	7.51	0.40	(-) 21.32	(-)12.49	(-)0.10
1986-87	50.00	25.00	0.50	18.35	9.58	0.52	(-) 31.65	(-)15.42	(+)0.02
1987-88	50.00	25.00	0.50	9.50	5.69	0.60	(-) 40.50	(-)19.31	(+)0.10
1988-89	50.00	25.00	0.50	Nil	19.06	—	(-) 50.00	(-) 5.94	—
1989-90	50.00	25.00	0.50	15.80	10.52	0.67	(-) 34.20	(-)14.48	(+)0.17
1990-91	Nil	Nil	Nil	9.20	14.23	1.55	(+) 9.20	(+)14.23	—
Total:	240.00	120.00		89.97	79.94		(-)150.03	(-)40.06	

Though the Company was to raise 240 hectare of tea plantations at a cost of Rs 120 lakhs during 1985-86 to 1989-90, it raised 89.97 hectares of plantations at a cost of Rs 79.94 lakhs (provisional) during 1984-85 to 1990-91. The cost of maintenance of plantation per hectare in 1988-89 works out to Rs 1.12 lakhs. The Company has already spent 66.62 *per cent* of its targeted financial outlay to achieve only 37.49 *per cent* of its physical targets.

The Government stated (February 1992) that creation of a new plantation involved expenditure on allied works in addition to raising the plantations. They opined that the estimates of costs in the project report were arrived at in a very conservative way. The Government, however, did not explain the reasons for high expenditure incurred on maintenance of plantations in 1988-89.

(b) *Mortality of plants*: The plantations raised at the Kamalasagar Tea Estate suffered from excessive mortality of plants and consequent heavy vacancies. The position regarding area planted, existing bushes and vacancies are given in the table below:

Year	Number of planted plants	Number of existing plants	Number of plants which did not survive	Percentage of mortality
1983-84	5,000	5,000	—	Nil
1984-85	3,16,020	2,21,364	94,656	29.95
1985-96	3,18,209	2,18,372	49,837	31.37
1986-87	2,89,200	2,27,316	61,884	21.40
1987-88	1,54,783	1,14,470	40,313	26.04
1989-90	2,66,897	2,62,266	4,631	1.74
1990-91	1,42,089	62,230	79,859	56.20
Total:	14,92,198	11,11,018	3,81,180	25.54

The high rate of mortality (56.20 *per cent*) in 1990-91 plantation was due to defective planting by casual workers, absence of shade trees and lack of irrigation facilities. The monitoring control exercised in this regard was also inadequate. At the average cost of Rs 5.36 lakhs per one lakh plants, the wasteful expenditure on this account works out to Rs 20.42 lakhs.

The Government attributed (February 1992) the following reasons for high rate of mortality:

(1) The rainfall in the State was uneven. 80 *per cent* of annual rainfall was spread over a period of 3 to 4 months and for about 6 months there were no rains. Hence, plants suffered from drought.

(2) On an average, 80 to 90 days in a year were suitable for plantation. Hence, plantations were done hurriedly without adequate care.

(3) Planting area in the tea estate was sandy loam/loamy sand soil, where heavy shower immediately after plantation caused erosion and scouring damaging the plants.

(4) Monsoon, hailstorms also affected tea plants severely.

7.5.10 Production performance

(i) *Short production of green leaves*: The Company has not (July 1991) fixed any standard regarding yield of green leaf to be obtained per acre/hectare of tea plantation. However, on the basis of yield of green leaf obtained in various tea estates in Tripura, the Management considered that yield per acre as given below should reasonably be obtained in its tea estates:

Year after year of plantation	Yield per acre (in kilogram)
1	540
2	1,080
3	2,160
4	3,240
5	2,520
6	3,780
7	3,960
8	3,240

Yearwise break-up of area under tea plantation, actual yield of green leaf against the expected yield based on aforesaid considered norms in the Machmara and the Kamalasagar Tea Estates are given in Appendix 3. Against the total potential crop of 24.82 lakh kilograms of green leaf during 1983 to 1990, the Company could obtain 10.66 lakh kgs of green leaf. The shortfall in production during the period was 14.16 lakh kgs valued at Rs 35.95 lakhs at the average annual selling rates of leaves.

Management stated (July 1991) that yield depends on climate condition topography, soil structure, availability of moisture through irrigation and good cultural operation in right time and absence of these factors affected the yield.

The Government stated (February 1992) that steps for fixation of standard regarding yield of green tea leaves to be obtained per acre/hectare of plantation were being taken.

✓(ii) *Utilisation of green leaf in manufacture of tea:* As on 31st March 1991, the Company had two tea processing factories at its two managed tea estates—Luxmilonga and Fatikcherra. The green tea leaves harvested in the estates (excluding Machmara Tea Estate) are carried to these factories for processing. Since 1990, the Company has been disposing of green leaf produced at the Kamalasagar Tea Estate to a neighboring tea estate.

The quantity of tea manufactured by the Company in these two factories out of leaves produced by the estates and procured from other gardens during the last 4 years up to 1990 was as under:

	1987	1988	1989	1990
(1) Tea manufactured (in lakh kgs)	2.17	2.70	2.63	3.66
(2) Green leaves used (in lakh kgs)				
(a) From own gardens	9.27	12.21	12.13	16.72
(b) Procured from other gardens	0.56	—	—	—
(c) Total	9.83	12.21	12.13	16.72
(3) Percentage of made tea to green leaves	23.33	22.13	21.68	21.89
(4) Recovery norms adopted by management (per cent)	25	25	25	25

The loss in production due to low percentage recovery during 1987 to 1990 worked out to 1.56 lakh kgs valued to Rs 32.66 lakhs.

The Government stated (February 1992) that the installed capacity of the Luxmilonga and the Fatikcherra tea estates were 0.60 lakh and 0.75 lakh kgs of made tea per annum respectively. Both the factories were very old with inadequate space and outmoded machines. But the factories had to process tea for in excess of capacity. Besides, factors vital for good recovery of made tea from green leaves such as climate, temperature, good machines, adequate factory space, proper processing in every stage of manufacture were also not favourable thereby contributing to low recovery.

✓(iii) *Loss due to non-grading of tea:* The tea manufactured in the garden factories are to be graded soon after manufacture. It was seen that there were delays in grading of made tea in the two factories managed by the Company. Due to excessive production of made tea, a huge quantity of ungraded tea was sold as residual type tea as detailed below:

Year	Tea manufactured	Residual type bulk tea (in lakh kgs)	Percentage
1987	2.17	1.20	55.30
1988	2.70	0.13	4.81
1989	2.63	0.60	22.81
1990	3.66	0.62	16.94

Excessive quantity of residual type of bulk tea produced in 1987 was due to break-down of the sorting machine. Such tea fetched lower price than graded tea.

Based on the price difference between graded tea and residual type bulk tea, the Company sustained a loss of Rs 17.74 lakhs during 1987 to 1990.

The Government contended (February 1992) that the factors responsible for poor recovery para (ii) were also applicable to production of excessive quantity of residual type of bulk tea.

(iv) *Excess consumption of firewood:* The Company used firewood in its two tea processing factories, but it has not (July 1991) fixed any norm for consumption of firewood for manufacture of one kilogram of made tea.

They manufactured and the quantity of firewood used in manufacture of tea in the two factories during 1988 to 1990 are given in the table below:

Year	Total quantity of tea produced (in kgs)	Quantity of firewood used (in quintals)	Quantity of tea produced per quintal of firewood (in kgs)
1988	2,69,728	9,278	29.072
1989	2,61,335	15,305	17.075
1990	3,65,851	21,953	16.66

Based on the production of tea per quintal of firewood in 1988, the two factories consumed 15,684.46 quintals of firewood valued at Rs 5.46 lakhs in 1989 and 1990 in excess of requirements.

The Government stated (February 1992) that both tea factories at Laxmilonga and Fatikcherra tea estates were very old and that these were operated without rest. Further, after completion of the construction of the Central Tea Processing Factory at Durgabari all the green leaves would be processed there, hence, fixation of norms for consumption of firewood was not required.

7.5.11 *Selling and Distribution*

(i) *Sales performance:* The net minimum quantum of saleable tea, produced at Company's eight gardens are sold in auction through

brokers at Guwahati. The quantity and value of tea sold during the three years up to 1990 is given below:

Year	Green leaves		Made tea	
	Quantity (kg)	Value (in lakhs of rupees)	Quantity (kg)	Value (in lakhs of rupees)
1988	85,319	2.35	2,69,728	54.45
1989	1,16,762	3.43	2,61,335	64.87
1990	2,14,980	6.91	2,89,250	77.38

The Company could not formulate any policy so far for promoting sale of its products direct to consumers. It could not open even a single permanent retail sales counter of its own within or outside the State. Participation in Trade Fair, Mela and Exhibition served no useful purpose. In October 1989 the Ministry of Commerce, Government of India directed the State Government to ensure the availability of tea at reasonable prices through retail outlets. So far (November 1992) no retail outlets was set up and the Company was able to sell only 88 kgs of tea up to November 1989 through AITORAMA a departmental store under Tripura State Co-operative Consumers' Federation.

The Government stated (February 1992) that opening of a retail sales counter within or outside the State was under consideration of the Company.

(ii) *Irregularities in the sale of tea:* The Company invited quotations in February 1990 for disposal of 47,000 kgs (approximately) of residual type bulk tea produced in 1989 in its two tea processing factories. of the rates received in response, ex-factory rate of Rs 9.50 per kg quoted by a firm in West Bengal was the highest and this rate was accepted (March 1990) by the Management. An agreement with the firm was executed (March 1990).

64,789 kgs of residual type bulk tea of the value of Rs 6.40 lakhs (including CST @ 4 per cent: Rs 0.25 lakh) were delivered to the party in March 1990. however, it was seen from records that 3,777 kgs of graded tea valued at Rs 1.26 lakhs (at the average rates at which such graded tea was auctioned in 1990 at Guwahati Auction Market) was also despatched to the party, though these were invoiced at Rs 9.50 per kg. The Company, thus, sustained a loss of Rs 0.94 lakh (Rs 1.26 lakhs—Rs 0.32 lakh) due to sale of super quality graded tea as residual tea.

Besides, though 64,789 kgs of residual tea was delivered, the Company raised bills on 63,295 kgs only. Claims for 1,494 kgs of tea valued at Rs 0.14 lakh were not raised (July 1991).

The Government stated (February 1992) that matter was being investigated by the Vigilance Authorities.

(iii) *Unauthorised despatch of made tea*: On 24th July 1990, 6,085 kgs of graded black tea were despatched unauthorisedly from the Fatikcherra tea processing factory to a firm in West Bengal and the office records were forgot to show that the consignment had been sent to the Company's appointed tea broker in Guwahati.

The consignee admitted (3rd December 1990) the receipt of the consignment and agreed to pay the price thereof at rates to be fixed by the Company, and remitted rupees one lakh on 30th November 1990 representing advance towards price to be fixed, which the Company kept under suspense head.

At the highest rates received in 1990 for similar grades of tea at the Guwahati Auction Market, the value of 6,085 kgs of graded tea works out to Rs 2.22 lakhs.

The Board of Directors authorised (January 1991) the Managing Director to take appropriate administrative and disciplinary action in the matter.

The Government stated (February 1992) that the matter was subjudiced. The case was not finalised till the end of November 1992.

(iv) *Loss due to non-finalisation of quotations*: The Managing Director invited (2nd March 1990) sealed quotations for sale of green tea leaves likely to be produced at the Machmara Tea Estate during the crop season, 1990. The last date of receipt of quotations was 22nd March 1990. Of the five quotations received in response, the rate of Rs 4.90 per kg (ex-garden Machmara Tea Estate Received from firm 'A' and Rs 5 per kg (delivery at the factory Sonamukhi Tea Estate) received from firm 'B' were the highest. The Managing Director informed (8th May 1990) firm 'A' that the rate of Rs 4.90 per kg ex-garden had been accepted for three months only. The firm 'A' refused (May 1990) to accept this offer as they were interested for the whole season's supply.

Meanwhile, as ordered (31st March 1990) by the Managing Director, the green leaves continued to be supplied to Murticherra Tea Estate, owned by another firm, the purchaser of leaves of the previous season, at Rs 3 per kg, delivery point being Manu Bridge. This decision was taken on the basis of assurance given by firm 'C' that it would pay an additional amount of Rs 0.10 per kg above the rate

finalised for the season. On 30th May 1990, the Managing Director offered them rates of Rs 5 per kg ex-factory and Rs 5 per kg ex-garden for delivery made so far, but firm 'C' refused (5th June 1990) to accept the rates on the ground that these were neither the rates offered by it nor the rates finalised for the seasons crop.

Instead of finalising rates with firm 'B' the Managing Director re-invited quotations on 6th June 1990 when it received a single quotation from firm 'C' of Rs 3 per kg (delivery at Manu Bridge). On negotiation (August 1990) firm 'C' agreed to pay Rs 3.10 per kg for delivery made upto 31st August 1990 and Rs 3.00 per kg for delivery thereafter. This arrangement continued upto 21st November 1990 when the Company executed an agreement with firm 'B' owner of Sonamukhi Tea Estate for supply of tea leaves at Rs 3.50 per kg delivery at Factory at Sonamukhi Tea Estates.

The Company delivered 98.412 kgs of green leaves at Rs 3.10 per kg and 74.879 kgs at Rs 3 per kg to firm 'C' during 18th March to 20th November 1990 and 21,878 kgs at the rate of Rs 3.50 per kg during 21st November to 29th December 1990 to firm 'B'.

Due to non-finalisation of quotations and non-acceptance of the highest rate of Rs 5 per kg offered by firm 'B', the Company had to sustain a loss of Rs 3.70 lakhs.

The Government stated (February 1992) that the rate of firm 'A' for three months only was accepted by the Government. The Government, however, did not clarify why firm 'A's rate was accepted for three months only instead of for the whole season.

7.5.12 Productivity of labour

The productivity of labour in a viable tea estate should not be less than 600 to 750 kgs of tea per year per labour. But the average productivity per labour of Company's eight tea estates during the last two years i.e., in 1989 and 1990 was far below the accepted norm as detailed below:

Year	Total number of labour on roll	Production of made tea (in kgs)	Annual production per labour (in kgs)
1989	1847	2,61,335	174
1990	1842	3,65,851	198

Reasons for such low productivity of labour have not been analysed.

As against the optimum land labour ratio of 1:1 per acre, the imbalance noticed in respect of Company's tea estates during last two years i.e., 1989 and 1990 is shown below:

Year	Total area under plantation (in acres)	Total number of labour	Labour development per acre
1989	2,187.97	1,847	1.18
1990	2,378.40	1,842	1.29

Reasons for such adverse land labour ratio have not been analysed.

The Government stated (February 1992) that existing plantations in the six sick gardens taken over by them and placed under custodianship of the Company for revitalisation had about 60 *per cent* vacancies and tea bushes were of seedling varieties giving a meagre yield per hectare. For revitalisation, extensive vacancy filling, replanting and extension plantation had to be carried out. Government further stated that for a young tea area including sizable nursery 1.3 manpower per acre was necessary.

7.5.13 *Central tea processing factory*

A reference is invited to paragraph 7.6.2 of the Report of the Comptroller and Auditor General of India for the year 1987-88 regarding infructuous expenditure of Rs 2.11 lakhs due to abandonment of site of a tea processing factory at Machmara (Singharambari) in the North Tripura District.

The North Eastern Council (NEC) sanctioned (1981-82) the project for setting up of a central tea processing factory at Machmara at a cost of Rs 1.23 crores with the object of providing manufacturing facilities to small farmers who were to develop 2,500 acres of tea plantations at Machmara under a separate scheme formulated (June 1980) by the State Government and also to extend such facilities to neighbouring tea plantations which did not have factories. The Government, however, decided (January 1987) to shift the site of the factory to Durgabari in the West Tripura District due to vicinity of proposed site to Agartala and locational advantage of providing relief and support to cluster of sick tea estates situated near Durgabari.

The project approved by NEC provided that the Public Works Department would execute the civil works and the machinery and equipment would be procured in consultation with Technical

Consultants. Instead of entrusting the works to PWD or inviting competitive tenders, the Government decided (July 1987) to entrust the construction of civil works and supply of installation and commissioning of machines to M/s Britannia Engineering Products and Services Limited, a Government of West Bengal Undertaking on turn-key basis.

The Memorandum of Agreement executed (31st July 1987) with the turn-key contractor provided for completion of the factory by November 1990. The works were yet to be completed in July 1991. The Management stated (January 1992) that delay occurred due mainly due to locational disadvantages as the plants and machinery and other equipment had to be brought from Calcutta via Assam. Though the Memorandum of Agreement provided for imposition of penalty for delay, no penalty had so far been imposed (January 1992).

Delay in execution of the project led to cost-overflow. The original capital cost of Rs 1.23 crores was revised (January 1987) to Rs 2.68 crores and then (November 1989) to Rs 4.42 crores. Approval of the Government of India to the revised cost of Rs 4.42 crores was awaited (July 1991).

The Company received from NEC grants-in-aid aggregating Rs 2.68 crores released in varying instalments during the period from September 1981 to 1990. Though the Company advanced from time to time sums required by the executing contractors for procurement of machines and materials and civil and structural constructions, the extent of works so far done and value thereof was not ascertained by the Company (July 1991).

Thus, substantial funds have been locked up over the years and the delay had resulted in rise in the project cost by Rs 3.19 crores.

Government stated (February 1992) that the cost overrun was not entirely due to delay in completing the works within the stipulated period but also partly due to increase in the cost of materials and labour, change in specification of works and inclusion of new item of works.

The Government, however, did not specify the other factors responsible for cost overrun.

7.5.14 Scheme for small farmers' tea estates

The schemes for establishment of small farmers' tea estates, formulated by the State Government in June 1980, aimed at raising

tea plantations covering an area of 2,500 acres of land at Machmara through rehabilitating 500 families belonging to scheduled tribes and other poorer sections. The estimated cost of the scheme was Rs 205 lakhs. The planting materials required for raising the plantations were to be received from the clonal nursery-cum-mother bush farm sanctioned in 1981-82 by NEC to be set up at Machmara.

During 1981-82 to 1987-88 the State Government paid Rs 10.90 lakhs to the Company for raising the small farmers' tea estates. The Tripura Tribal Areas Autonomous District Council also paid Rs 3 lakhs for the purpose in November 1987.

The Company did not take any action for establishment of small farmers' tea estates at Machmara. However, against the targeted 83 families to be rehabilitated at Ratanpur and 10 families in N.C. Adarsha Colony at Madhupur in West Tripura District, the Company raised (1987-88) plantations of tea on land for 13 families (3 at Ratanpur and 10 at Madhupur) at a cost of Rs 1.72 lakhs but discontinued (1987-88) further maintenance of plantations. The Company spent (1987-88 to 1990-91) a further sum of Rs 8.24 lakhs for raising a clonal nursery with 5.50 lakh cuttings at Gabordi for supplying planting materials to small farmers. None of plants raised was, however, utilised for the purpose. The nursery was closed in March 1991, but even at the end of July 1991, it had 0.80 plants costing Rs 1.20 lakhs in the abandoned nursery.

Thus, the expenditure of Rs 9.96 lakhs incurred on the scheme was unfruitful and none of the small farmers could be rehabilitated through tea plantation.

The Government stated (February 1992) that about 4.50 lakh plants were transferred to other gardens and the plants remaining in the Gabordi nursery would also be transferred to other gardens in due course.

7.5.15 Financial assistance to Co-operative tea plantation societies

The State Government rendered financial assistance of Rs 19.90 lakhs to nine Tea Planters Co-operative Societies during the years 1986-87 and 1987-88 through the Company. The Company did not maintain separate records showing amount received, disbursed and balance in hand. Even utilisation certificates showing utilisation of assistance received by the Co-operatives were not collected and submitted to the Government.

The Government stated (February 1992) that the Directorate of Industries paid Rs 19.90 lakhs to the Company for disbursement by it to the concerned Co-operative societies. The progress of works and the utilisation of funds by the societies were watched by the directorate.

7.5.16 State Rural Employment Programme

The State Rural Employment Programme, introduced by the State Government in 1981-82, was to be implemented through its various departments and assets created were to be maintained by the concerned departments. The workers were to be paid wages at prescribed rates partly in cash and partly in food-grains.

The yearwise position for the period from 1986-87 to 1988-89, indicating fund received, expenditure incurred and mandays generated by the Company is shown below:

Year	Fund received	Expenditure		Total	Mandays generated
		Wages	Construction materials		
		(Rupees in lakhs)			
1986-87	25.00	0.30	0.80	1.10	2,476
1987-88	12.00	11.97	7.86	19.83	1,02,253
1988-89	17.00	25.20	7.87	33.07	1,85,140
	<u>54.00</u>	<u>37.47</u>	<u>16.53</u>	<u>54.00</u>	

The Company, however, incurred (April-May 1989) additional expenditure of Rs 5.07 lakhs on carrying out the works in expectation of sanction of further fund from the State Government. The Government, however, declined (May 1990) to allot further fund to the Company. In absence of records in support of this expenditure, the work done and mandays generated could not be ascertained. The Directorate of Industries, Government of Tripura commented (June 1988) adversely as no foodgrains were distributed to the workers as per programme.

The Government, however, stated (February 1992) that 7 nurseries, 4 bunds, 4 link roads, 2 sheds were constructed besides fencing of 6 plantations and raising of 2 new plantations with 2,89,869 mandays generated.

7.5.17 Clonal nursery-cum-mother bush farm

With a view to providing planting materials to small farmers for raising 2,500 acres of tea plantations at Machmara and also to tea estates in the neighbourhood NEC sanctioned (1981-82) a scheme for the establishment of a clonal nursery-cum-mother bush farm at Machmara was to be implemented during 1980-81 to 1984-85 at cost of Rs 50.08 lakhs. The physical object was to raise a nursery of 131 lakh cuttings and a farm of 3,000 mother bushes during the period.

NEC released (1980-81 to 1984-85) Rs 57.77 lakhs for implementing the scheme. The Company did not maintain separate accounts of utilisation of fund or plants raised. Progress reports submitted disclosed achievements *vis-a-vis* targets as under:

Year	Financial		Physical	
	Target	Achievement	Target Clonal	Achievement Clonal
	(Rupees in lakhs)		(Number in lakhs)	
1980-81 and				
1981-82	12.06	3.50	26.00	2.64
1982-83	13.96	6.82	35.00	3.36
1983-84	12.04	12.30	35.00	24.00
1984-85	12.03	20.54	35.00	34.00
	<u>50.08</u>	<u>43.16</u>	<u>131.00</u>	<u>64.00</u>

The above table indicates that the Company fell short of the physical targets by 67 lakh plants. The Company had already spent 86.18% of its targeted financial outlay to achieve only 48.85 *per cent* of its physical targets. The Company, however, raised a seedling nursery of 2.1 lakh seedlings. Based on the norms, the Company was to incur expenditure of Rs 27.86 lakhs for raising a nursery of 64 lakh cuttings and 2.1 lakh seedlings. The reasons for incurring of excess expenditure beyond norms were never examined and details of plants actually received from the nursery were not on record. The utilisation of plants also could not be verified in audit in absence of records.

On being approached (November 1984) by Government for additional financial outlay of Rs 100 lakhs, NEC approved financial

outlay of Rs 20 lakhs in 1986-87, but released Rs 10.49 lakhs in August 1986. The Company spent Rs 17.15 lakhs for raising a nursery of 10 lakh cuttings in 1985-86. The achievements in 1986-87 were not available.

Though Rs 60.31 lakhs were spent on the scheme, none of the plants was supplied to small farmers or neighbouring tea estates as per the objective of the scheme. Further, in view of statements in para 8(i)(c) that only 34 lakh cuttings were placed in nursery bed at Machmara Tea Estate during 1981-82 to 1990-91, the reported achievement of raising 74 lakh cuttings in nursery during 1980-81 to 1985-86 could not be verified in Audit due to non-maintenance of records.

The Government stated (February 1992) that estimate of expenditure mentioned in the scheme was made in a conservative way applicable to plain areas having good climatic condition and traditional work force and these conditions were not available at Machmara. The tribal inhabitants were also not interested in tea cultivation under the scheme. As a result, the scheme could not be implemented. Instead, a tea estate was raised where tribal *Jhumias* were engaged.

7.5.18. Financial position and working results

Financial position and the working results of the Company for the year 1988-89 onwards could not be summarised as the accounts were yet to be compiled (November 1992) by the Company. However, the table below summarises the financial position of the Company for the four years from 1985-86 to 1988-89:

Liabilities	1985-86	1986-87	1987-88	1988-89
	(Rupees in lakhs)			
A—Source of Fund				
Share capital	22.00	37.00	40.00	40.00
Other fund	153.90	223.75	304.59	453.04
	175.90	260.75	344.59	493.04
B—Application of Fund				
Gross fixed Assets	58.46	80.85	107.75	178.18
Less depreciation	3.16	4.54	6.46	7.12
Net fixed Assets	55.30	76.31	105.29	171.06
Capital Work in Progress	2.94	9.75	30.31	—
Current Assets, Loan and Advances	116.58	169.72	205.21	327.65
Less Current Liabilities and Provisions	1.49	4.81	195.49	6.37
	115.09	164.91	199.72	321.28

Miscellaneous Expenditure	1985-86	1986-87	1987-88	1988-89
	(Rupees in lakhs)			
Profit and Loss Accounts (Net loss)	2.57	9.79	9.28	0.70
C—Capital Employed	175.90	260.75	344.59	493.04
D—Net Worth	170.39	241.22	305.01	492.34
	19.42	27.21	30.72	39.30

Note: (i) Capital employed represents Net Fixed Assets *plus* working capital.

(ii) Net worth represents paid up capital *less* intangible assets.

Working results

The working results of the Company for the years upto 1988-89 on the basis of Company's records are drawn as below:

	1985-86	1986-87	1987-88	1988-89
	(Rupees in lakhs)			
A—Income				
Sales	0.05	2.49	29.33	41.12
Other income	3.26	5.82	8.37	58.62
Closing stock	—	—	0.31	16.61
	3.31	8.31	38.01	116.35
B—Expenses				
Opening stock	—	—	—	0.31
Administrative Expenditure	2.39	5.76	7.16	28.55
Maintenance of Plantation	—	8.35	20.09	56.31
Purchase of Green leaves	0.04	0.03	0.79	2.62
Selling and Distribution Expenditure	0.18	—	3.83	7.99
Manufacturing Expenditure	—	—	3.71	4.87
Depreciation	0.89	1.38	1.92	7.11
	3.50	15.52	37.50	107.77
C—Profit (+)/Less(-)	(-)0.19	(-)7.21	(+)0.51	(+)8.58

The cumulative loss of the Company at the end of 1988-89 stood at Rs 0.70 lakh.

7.5.19 Provident Fund Contribution

The Provident Fund contributions were to be realised from the employees of the Company and were to be deposited with the Provident Fund Authorities along with the matching contribution of the Company. Provident Fund Act., 1952 prohibits recovery of arrears of contribution to the Provident Fund from the employees concerned, in which case the Company was to deposit both the employer's and the employees' contribution with the Fund Authorities.

The Company failed to recover the employees' contributions towards the fund for varying periods upto May 1990 from employees of five of its estates and hence, had also to bear the employees's contributions amounting to Rs 1.87 lakhs.

The Government stated (February 1992) that due to shortage of staff and non-availability of records of managed estates, the company could not realise employees' contributions in time.

7.5.20 Costing, budget and internal audit

The Company had not so far drawn up any manual laying down the detailed procedure for the maintenance and compilation of accounts, the duties and responsibilities of various officials and delegation of financial powers to them. It has also not compiled any internal audit manual nor any administrative or service manual including office procedure manual. There is no system of costing in vogue. The Company did not prepare any budget upto 1988-89.

The Government stated (February 1992) that necessary steps were being taken for preparation of an accounting manual for the Company.

7.6 Tripura Jute Mills Limited

7.6.1 Avoidable liability on sales tax payment

Under the provision of Central Sales Tax Act, 1956, tax is leviable at concessional rates on inter-State sales made to registered dealers, provided such sales are supported by valid declaration from purchasing dealers.

The Tripura Jute Mills Limited is engaged in manufacturing and sale of jute products and is registered under the State as well as Central Sales Tax Registration. During the course of audit of the Company the following points emerged:

(a) In the years 1981-82 to 1987-88, the Company made inter-State sales to the tune of Rs 1,860.11 lakhs to the registered dealers against which the prescribed declaration were obtained for sales worth Rs 231.88 lakhs only. The assessing authority, thus, levied additional tax of Rs 130.44 lakhs in February 1990 for the sales for which no declarations were obtained. The Company, however, filed (September 1990) an appeal against the levy of additional tax. The final outcome of the appeal was awaited (December 1992).

(b) Similarly, during 1988-89 and 1989-90, the Company made inter-State sales valued at Rs 310.76 lakhs and Rs 121.28 lakhs respectively against which prescribed declaration were not obtained from the registered dealers. The Company, thus, has incurred an additional tax liability of Rs 34.56 lakhs due to failure to collect prescribed forms on account of inter-State sales.

The Government stated (November 1991) that the concerned dealers were being reminded periodically to submit the declarations, but such reminders to DGS & D did not yield positive result. The Cement Corporation of India Limited was also requested by the

Company to issue 'C' forms, with no result conveyed as yet (December 1992). The sale was mainly from these parties. No other steps to get relief of additional tax liability on this accounts were, however, taken.

✓ 7.6.2 *Extra expenditure on purchase of jute*

Up to April 1989, the Tripura Jute Mills Limited purchased raw jute, for its requirements, from the Jute Corporation of India (JCI) on credit. The JCI thereafter, discontinued supply of jute on credit as the Company had failed to clear dues in time due to financial constraints. To get the supplies of jute, the Company, then, entered into contracts with four local firms at rates fixed on negotiation for W.5 and T.D.5 varieties of jute. The rates so fixed were higher than the JCI price of respective grade of jute and the price differentials continued all along.

During the course of test-check (November 1990-January 1991) it was noticed in audit that the Company had incurred an extra expenditure of Rs 5.75 lakhs for the purchase of 764.339 tonnes of jute worth Rs 39.03 lakhs from the local firms under twelve agreements between May and December 1989. Despite departmental directives (October 1989) not to purchase jute from private parties, the Company, continued the practice.

The Management, in July 1991, stated that to keep the Mills in operation the Company had no other alternative but to purchase jute from private parties.

It may be mentioned here that though JCI stopped supplies to the Company due to non-payment of bills in time, jute was purchased from private parties on advance payment.

The matter was reported to Government in May 1991; their reply had not been received (November 1992).

7.6.3 *Payment of liquidated damage*

The Director General of Supplies and Disposal (DGS & D) placed supply orders with the Tripura Jute Mills Ltd. for delivery of its jute products to different consignee with the specified period as mentioned in the supply orders and extended thereafter on the stipulation that the DGS & D would charge liquidated damage for delay in despatch of materials and deduct penalty from the bills raised by the Company.

During the course of audit (January 1991), it was noticed that the DGS & D charged liquidated damage of Rs 3.84 lakhs from the bills for supplies made by the Company for delay in executing the supply orders between February and November 1989.

Thus, the Company sustained a loss of Rs 3.84 lakhs due to delay in supplies. The reasons for delay furnished by Government in reply (November 1991) were mainly for shortfall in production, booking restrictions by Railways and paucity of working capital etc.

7.6.4 Loss on account of liquidated damages

Tripura Jute Mills Limited had entered into contracts deeds (March 1987 and March 1988) with the Cement Corporation of India Limited for the monthly supply of 3.2 lakhs and 1.6 lakhs gunny bags during 1988-89 and 1989-90, respectively, to a cement factory in Assam with the stipulation to complete supply within one month of the supply order and to despatch the materials by 7th of the scheduled month. In the event of failure to do so, the Company was liable to pay liquidated damages. In May 1990, the contract for supply for the year 1988-89 was extended up to March 1991.

During the course of audit (January 1991) it was noticed that the Cement Corporation of India Limited, Calcutta charged liquidated damages of Rs 2.45 lakhs from the bills for supplies made by the Company during the period 1988-89 to 1990-91 for delay in despatch of goods.

The Company, thus sustained a loss of Rs 2.45 lakhs for effecting supplies, the average delay being 45 days.

The Government stated (November 1991) that the delay caused was mainly due to (1) shortfall in production, (2) paucity of working capital and (3) booking restrictions by Railways. The contention is not tenable as the third ground covered the clause "Force Majeure" and the period falling under sub-clause is not counted for delay in supply.

7.6.5 Contributions towards provident fund and family pension not deposited

According to the norms of the Employees' Provident Fund Scheme, 1952 and Employees' Family Pension Scheme, 1971 adopted by the Tripura Jute Mills Limited, under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Company shall before making payment of wages to the members in respect of any period for which contributions are payable, deduct the employees' contribution from their wages. The contributions towards provident fund and family pension as well as an administrative charge at such percentage as the Union Government may fix from time to time so deducted together with the employers' shares of contribution shall within 15 days of the close of every month is required to be deposited with the Regional Provident Fund Commissioner, Agartala.

The defaulting employer is liable to pay damages not exceeding the amount of arrears under the provisions of the Employees' Provident Fund, Family Pension Fund and Deposit Linked Insurance Fund Act, 1952. During the course of audit it was noticed that Rs 89.43 lakhs being the employers' and employees' contribution towards Provident Fund (Rs 71.92 lakhs), Family Pension Fund (Rs 11.58 lakhs), and Deposit Linked Insurance Fund (Rs 2.62 lakhs) together with administrative charges (Rs 3.30 lakhs) relating to the period from August 1989 to October 1991 had not been deposited (October 1991). In March 1991, the State Government paid share deposit of Rs 30 lakhs with specific stipulation that the Company would utilise the entire amount for clearance of outstanding Provident Fund contributions. The amount was, however, spent by the Company for payment of staff salary and operating expenses.

The Government stated (November 1991) that the contributions could not be paid due to shortage of funds.

POWER DEPARTMENT

7.7.1 *Underbilling of energy charges*

Under the provisions of Tripura Electric Supply Condition 1985, categorisation of consumers is made on the basis of intended use of power as indicated in the application for supply of electricity and accordingly the charges for consumption of electric energy are based on the tariff prescribed for various categories of consumers viz., domestic, commercial, industrial etc. The department has not introduced a system of obtaining periodical returns/reports from the duly trained field staff (Meter Readers/Inspectors) regarding initial incorrect categorisation, if any, of consumers.

During test check (February—March 1990 and April 1991) of the accounts of the Sub-divisional Officer (Electrical) Consumer Service Sub-Division I, Agartala it was noticed that a consumer having a godown with cold storage facility for personal gain was categorised as "Industrial" instead of "Commercial"; though another consumer with identical nature of use of power had been categorised by the SDO (Elect), Consumer Sub-Division II, Bordwali as "Commercial". The wrong categorisation in the former case remained undetected as there was no system of post-installation checking of meters. As a result, lesser rates of tariff were charged which resulted in short realisation of energy charges to the tune of Rs 9.36 lakhs during September 1982 to February 1991.

The matter was reported to the Government in September 1991; their reply had not been received (November 1992).

7.7.2 Short realisation of revenue due to incorrect computation of energy charges

In case of stoppage of meter and dispute on meter reading, bills are required to be prepared with reference to average meter reading of three bills previous to the month in which the dispute arises/meter remains inoperative. During audit (February 1990—March 1991) it was noticed that the procedure of billing on the basis of average units consumed in such cases had not been followed in 4 electrical Sub-Divisions, between August 1982 and November 1990. Instead, billing was done abruptly without any basis/norms.

This resulted in short realisation of revenue to the extent of Rs 3.07 lakhs involving 20 cases in respect of four Sub-Divisions (SDO-Electrical, Bishalgarh—4 cases: Rs 0.96 lakh; SDO, Consumer Service Sub-Division I, Agartala—7 cases: Rs 1.30 lakhs; SDO, Mohanpur—4 cases: Rs 0.50 lakh and SDO, Udaipur—5 cases: Rs 0.31 lakh).

On this being pointed out in audit the SDO (Electrical), Udaipur in November 1990 and the SDO (Electrical), Bishalgarh stated in November 1990 and January 1991 respectively that the amount short billed for would be realised through future bills. Particulars of realisation of the amount were awaited (June 1991).

The matter was reported to the Government in September 1991; their reply had not been received (November 1992).

7.7.3 Loss due to irregular allowance of rebate

In terms of para 17(c) of the Tripura Electric Supply Conditions 1985, no rebate is admissible if the bill is not paid within fifteen days from the date of its presentation.

It was noticed in audit during February 1990 and January—February 1991 that the rebate was allowed to the consumers even though the payment was not made within the stipulated period; the delay ranging from 2 to 219 days covering 174 cases. The inadmissible allowance of rebate thus resulted in loss of revenue of Rs 2.22 lakhs in 3 electrical Sub-Divisions (Consumer Service Connection Sub-Division-II, Bordowali Rs 0.55 lakh; Consumer Service Sub-Division No. I, Agartala Rs 0.76 lakh and SDO (Elect), Mohanpur Rs 0.91 lakh).

The matter was reported to the Government in September 1991; their reply had not been received (November 1992).

7.7.4 Loss of revenue due to wrong billing of energy charges

During test check (February—March 1990 and October 1990—February 1991) of the records relating to collection of energy charges it

was noticed that there was a short realisation of revenue of Rs 1.38 lakhs in 38 cases for the period from September 1986 to November 1990 in 4 electrical Sub-Divisions (SDO, Electrical, Udaipur—1 case: Rs 0.49 lakh; Consumer Sub-Division—I, Agartala 19 cases: Rs 0.29 lakh; Mohanpur—5 cases: Rs 0.32 lakh and Bishalgarh—13 cases: Rs 0.28 lakh). The short realisation was due to wrong billing mistakes in calculation and less realisation than that billed for. On this being pointed out by audit, the Sub-Divisional Officers (SDO's) concerned assured for concerted action to realise/adjust short recovery in subsequent bills, particulars of realisation/adjustment were awaited (November 1992).

The matter was reported to the Government in September 1991; their reply had not been received (November 1992).

7.7.5 Extra expenditure due to acceptance of tenders at higher rates

In terms of the Government of Tripura Finance Department order dated July 1982, the Small Scale Industrial Units of Tripura, are eligible to get ten *per cent* price preference over the rates of agencies/firms outside the State, for the purpose of evaluation of tender for supply of goods or services. While determining the lowest rates after allowing price preference the element of tax is to be excluded.

During audit (January-February 1991) of the accounts of the Executive Engineer, Electrical Stores Division it was noticed that on purchase of steel tubular pole between March 1989 and December 1989 from two local Small Scale Industrial Units, much higher rates were allowed due to wrong computation of price preference on element of tax. This resulted in an extra expenditure of Rs 1.02 lakhs.

The matter was reported to the Government (September 1991); their reply had not been received (November 1992).

7.7.6 Loss of revenue due to non-imposition of penalty

According to Rule 28 (a) of the Tripura Electric Supply Conditions, 1985 every consumer shall pay a penalty of 5 paise per unit per 30 days or part thereof for default in making payment of electricity consumption bill within 30 days from the due date of payment as mentioned in the bill.

It was noticed during audit between January and February 1991 that, though the payments in respect of 34 cases in 2 Electrical Sub-Divisions for consumption of electric energy between December 1987 and August 1990 were made beyond the stipulated period, penalty was not realised, resulting in a loss of revenue of Rs 0.77 lakh (Mohanpur—18 cases: Rs 0.21 lakh; Bardowali—16 cases: Rs 0.56 lakh).

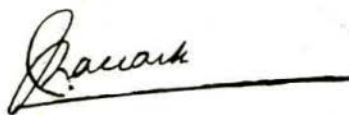
The matter was reported to the Government in March 1991; their reply had not been received (November 1992).

7.7.7 Non-imposition of revised rates of energy charges

In terms of the Tripura Electric Supply Conditions (First Amendment), 1990, the Government of Tripura revised the rates of Tariff Schedule of various categories of consumers effective from May 1990.

During audit (February 1991), it was noticed that electricity consumption bills were not raised in 10 cases at the revised rates from May 1990 to November 1990 resulting in loss of revenue of Rs 0.66 lakh.

The matter was reported to the Government in September 1991; their reply had not been received (November 1992).



(J. M. R. MARAK)
Accountant General (Audit)
Tripura

AGARTALA,
The

6 AUG 1993

Countersigned



(C. G. SOMIAH)
Comptroller and Auditor General
of India

NEW DELHI,
The

26 AUG 1993

APPENDICES

APPENDIX 1

(Reference : Paragraph 2.2.02 at page 14)

Excess over provision requiring regularisation

Sl. No.	Number and name of grant/appropriation	Total grant/appropriation	Expenditure Rs	Excess Rs
REVENUE SECTION (VOTED GRANTS)				
1.	20—Education Department (Higher)	9,52,20,000	9,76,84,286	24,64,286
2.	39—Rural Development Department	4,49,81,000	5,62,91,885	1,13,10,885
3.	44—Stationary and Printing Department	2,29,00,000	2,50,54,368	21,54,368
REVENUE SECTION (CHARGED)				
4.	1—Department of Parliamentary Affairs	3,19,000	4,36,720	1,17,720
5.	3—Law Department	28,37,000	76,94,926	48,57,926
6.	45—Finance Department	38,13,54,000	38,19,12,242	5,58,242
7.	49—Horticulture Department	2,75,000	2,88,126	13,126
CAPITAL SECTION (VOTED GRANTS)				
8.	12—Transport Department	2,05,00,000	2,36,38,000	31,38,000
9.	15—Public Works Department (Buildings)	7,38,90,000	9,50,96,164	2,12,06,164
10.	16—Public Works Department (Roads and Bridges)	24,01,45,000	25,01,26,976	99,81,976
11.	19—Irrigation and Flood Control Department	17,11,66,000	17,26,39,361	14,73,361
12.	33—Industries Department, Capital Outlay on Housing Investment in General Financial and Trading Institution	1,03,44,000	1,26,04,000	22,60,000
13.	41—Local Self Government Department	80,00,000	1,36,02,670	56,02,670
CAPITAL SECTION (CHARGED)				
14.	46—Finance Department	13,23,64,000	66,60,68,770	53,37,04,770
Grand Total :		120,42,95,000	180,31,38,494	59,88,43,494

APPENDIX 2

(Reference : Paragraph 6.2, Page 97)

Utilisation Certificates Outstanding at the end of September 1991

Department	Year in which grants were paid	Outstanding on 1st October 1990		Receipt upto 30th September 1991		Outstanding as on 30th September 1991	
		Number	Amount	Number	Amount	Number	Amount
		(Amount in lakhs of rupees)					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Co-operation	1987-88	67	232.55	—	—	67	232.55
	1988-89	81	333.42	—	—	81	333.42
	1989-90	54	170.42	—	—	54	170.42
Education	1986-87	4	173.61	4	173.61	—	—
	1987-88	20	397.48	5	210.16	15	187.32
	1988-89	80	492.35	—	—	80	492.35
	1989-90	170	1068.80	—	—	170	1068.80
	1990-91	156	874.24	—	—	156	874.24
General Administration	1988-89	6	0.07	—	—	6	0.07
Industry	1987-88	41	391.22	—	—	41	391.22
	1988-89	94	531.29	—	—	94	531.29
	1989-90	70	247.56	—	—	70	247.56
	1990-91	15	64.99	—	—	15	64.99
Local Self Government (Municipality)	1988-89	90	268.07	—	—	90	268.07
	1989-90	190	410.55	—	—	190	410.55
	1990-91	112	440.60	—	—	112	440.60

APPENDIX 2 (Contd.)

(Reference : Paragraph 6.2, Page 97)

Utilisation Certificates Outstanding at the end of September 1991

Department	Year in which grants were paid	Outstanding on 1st October 1990		Receipt upto 30th September 1991		Outstanding as on 30th September 1991	
		Number	Amount	Number	Amount	Number	Amount
(Amount in lakhs of rupees)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Health and Family Welfare	1986-87	7	40.00	7	40.00	—	—
	1987-88	16	31.95	—	—	16	31.95
	1988-89	10	20.00	—	—	10	20.00
	1989-90	19	9.38	—	—	19	9.38
	1990-91	45	100.69	—	—	45	100.69
Panchayat	1986-87	4	497.26	—	—	4	497.26
	1987-88	56	499.31	—	—	56	499.31
	1988-89	82	404.31	—	—	82	404.31
	1989-90	16	95.78	—	—	16	95.78
Scheduled Tribes/Caste Tribal Welfare	1985-86	58	202.90	—	—	58	202.90
	1986-87	58	924.98	—	—	58	924.98
	1987-88	89	1420.40	—	—	89	1420.40
	1988-89	61	130.50	—	—	61	130.50
	1989-90	72	190.34	—	—	72	190.34
	1990-91	12	0.41	—	—	12	0.41
Director of State Lotteries	1979-80	14	8.58	—	—	14	8.58
	1982-83	21	14.35	—	—	21	14.35
Fisheries	1986-87	10	50.27	—	—	10	50.27
	1987-88	15	70.93	—	—	15	70.93
	1988-89	10	1.26	—	—	10	1.26
Forest	1987-88	21	25.00	—	—	21	25.00
	1988-89	23	17.27	—	—	23	17.27
	1989-90	27	38.08	—	—	27	38.08
	1990-91	12	53.81	—	—	12	53.81

APPENDIX 2 (Concl'd.)

(Reference : Paragraph 6.2, Page 97)

Utilisation Certificates Outstanding at the end of September 1991

Department	Year in which grants were paid	Outstanding on 1st October 1990		Receipt upto 30th September 1991		Outstanding as on 30th September 1991	
		Number	Amount	Number	Amount	Number	Amount
(Amount in lakhs of rupees)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Food and Nutrition	1987-88	15	4.18	—	—	15	4.18
	1988-89	11	15.50	—	—	11	15.50
	1989-90	2	0.40	—	—	2	0.40
Agriculture	1989-90	74	169.90	—	—	74	169.90
	1990-91	50	359.82	—	—	50	359.82
North-East Area	1989-90	15	34.87	—	—	15	34.87
Social Security Welfare	1989-90	25	76.35	—	—	25	76.35
	1990-91	25	20.12	—	—	25	20.12
Food and Civil Supplies	1989-90	21	52.34	—	—	21	52.34
Rural Employment	1989-90	19	74.00	—	—	19	74.00
Transport	1989-90	8	0.24	—	—	8	0.24
Law	1990-91	6	1.84	—	—	6	1.84
Labour and Employment	1990-91	10	3.21	—	—	10	3.21
		2289	11757.75	16	423.77	2273	11333.98

APPENDIX 3

(Reference: Paragraph 7.5.10(i), Page 114)

Details of area under tea plantations, actual yield of green leaf in Machmara and Kamalasagar Tea Estates.

Machmara Tea Estate

	1982	1983	1984	1985	1986	1987	1988	1989	1990
Area planted (in acre)	20.00	20.00	20.00	45.00	10.00	20.00	20.00	17.10	20.00
Less Average Vacancy (20.09%)	4.02	4.02	4.02	9.04	2.01	4.02	4.02	3.02	4.02
Net area (in acre)	15.98	15.98	15.98	35.96	7.99	15.98	15.98	14.08	15.98
Expected yield				(in kilograms)					
1982 plantation		8,629	17,258	34,517	51,775	40,270	60,404	63,281	51,775
1983 "		—	8,629	17,258	34,517	51,775	40,270	60,404	63,281
1984 "		—	—	8,629	17,258	34,517	51,775	40,270	60,404
1985 "		—	—	—	19,418	38,887	77,674	116,510	90,619
1986 "		—	—	—	—	4,315	8,629	17,258	25,828
1987 "		—	—	—	—	—	8,629	17,258	34,517
1988 "		—	—	—	—	—	—	8,629	17,258
1989 "		—	—	—	—	—	—	—	7,603
Total expected yield		8,629	25,887	60,404	1,22,968	1,69,714	2,47,381	3,23,610	3,51,345*
Actual yield		Nil	Nil	7,758	22,080	48,159	78,716	1,17,730	1,95,116**
Shortfall		8,629	25,887	52,646	1,00,888	1,21,555	1,68,665	2,05,880	1,56,229***
			Total :	13,09,938*					
				4,69,559**					
				8,40,379***					

APPENDIX 3 (Contd.)

(Reference: Paragraph 7.5.10(i), Page 114)

Details of area under tea plantations, actual yield of green leaf in Machmara and Kamalasagar Tea Estates.

Kamalasagar Tea Estate

	1983	1984	1985	1986	1987	1988	1989	1990
Area planted (in acre)	1.00	46.69	46.10	45.88	23.76	—	39.50	23.50
Less after average vacancy of 24 per cent	0.76	35.48	35.04	34.87	18.06	—	30.02	—
Expected yield				(in kilograms)				
1983	—	410	820	1,642	2,462	1,915	2,873	3,010
1984	—	—	19,159	38,318	76,637	1,14,955	89,410	1,34,114
1985	—	—	—	19,922	37,843	75,686	1,13,530	88,300
1986	—	—	—	—	18,830	37,660	75,320	1,12,979
1987	—	—	—	—	—	9,752	19,505	38,966
1988	—	—	—	—	—	—	—	—
1989	—	—	—	—	—	—	—	16,210
Total expected yield		410	19,979	59,882	1,35,772	2,77,654	3,00,638	3,77,369*
Actual yield		Nil	Nil	12,755	47,537	1,08,772	1,51,331	2,76,536**
Shortfall		410	19,979	47,127	88,235	1,68,882	1,49,307	1,00,833***
			Total :	11,71,704*				
				5,96,931**				
				5,74,773***				

APPENDIX 3 (Concl'd.)

(Reference: Paragraph 7.5.10(i), Page 114)

Details of area under tea plantations, actual yield of green leaf in Machmara and Kamalasagar Tea Estates.

	Years							
	1983	1984	1985	1986	1987	1988	1989	1990
Total shortfall in Machmara and Kamalasagar Tea Estates (in kgs)	8,629	26,297	72,625	1,48,015	2,09,790	3,37,547	<u>3,55,187</u>	2,57,062
						Total :	<u>14,15,152</u>	
Average selling price (in Rupees)	0.50	0.50	0.69	1.74	2.27	2.75	2.98	3.21
Value of shortfall in production (Rupees in lakhs)	0.04	0.13	0.50	2.58	4.76	9.28	<u>10.41</u>	8.25
						Total :	<u>35.95</u>	

APPENDIX 4

(Reference : Paragraph 7.2.2 at page 101)

Statement showing particulars of paid-up capital, outstanding loans, working result etc. of the Government Companies as on 31.3.91

Sl. No.	Name of the Company	Paid-up capital at the end of current year				Loan outstanding at the close of the current year	Amount of guarantee given	Amount of guarantee outstanding at the end of the year	Position at the end of the year for which accounts were finalised				Remarks
		State Government	Central Government	Others	Total				Year for which accounts were finalised	Paid-up capital at the end of the year	Accumulated profit(+) loss(-)	Any excess or loss over paid-up capital	
1	2	3(a)	3(b)	3(c)	3(d)	4	5(a)	5(b)	6(a)	6(b)	6(c)	6(d)	7
							(In lakhs of rupees)						
1.	Tripura Small Industries Corporation Limited, Agartala	237.92	—	—	237.92	220.38	75.00	—	1979-80	43.99	(-) 24.98	—	
2.	Tripura Handloom and Handicrafts Development Corporation Limited, Agartala	208.44	3.00	—	211.44	258.24	—	—	1979-80	31.44	(-) 1.07	—	
3.	Tripura Jute Mills Limited, Agartala	1,124.01	—	—	1,124.01	983.46	489.43	489.43	1982-83	448.00	(-) 371.81	—	
4.	Tripura Industrial Development Corporation Limited, Agartala	443.00	—	163.50	606.50	159.83	5.52	—	1985-86	68.00	(-) 2.92	—	
5.	Tripura Forest Development and Plantation Corporation Limited, Agartala	648.52	29.50	—	678.02	314.07	314.07	—	1983-84	174.02	(-) 22.33	—	
6.	Tripura Tea Development Corporation Limited, Agartala	122.50	—	—	122.50	—	—	—	1981-82	—	—	—	There was no transaction of the company upto the year 1981-82 as per Statutory Auditors' Report.
7.	Tripura Rehabilitation Plantation Corporation Limited, Agartala	281.73	—	—	281.73	67.45	96.24	—	1985-86	41.87	(-) 9.67	—	
8.	Tripura Horticulture Corporation Limited, Agartala	90.00	—	—	90.00	—	—	—	1987-88	15.00	(-) 4.75	—	
9.	Tripura State Bank Limited (In liquidation)	3.75	—	—	3.75	—	—	—	—	—	—	—	Under liquidation since 1970-71.
	Total :	3,159.87	32.50	163.50	3,355.87	2,003.43	980.26	489.43		822.32	(-) 437.53		
									State Corporation		1,042.00		
											1,479.53		

APPENDIX 5

(Reference : Paragraph 7.2.3 at page 102)

Summarised financial results of Government Companies for the year for which accounts were finalised upto 31.3.1991

Sl. No.	Name of the Company	Name of the Department	Date of incorporation	Period of accounts	Year in which finalised	Total capital invested at the end of year of accounts	Profit (+) Loss (-)	Total interest charged to profit and loss accounts	Interest on long term loans	Total return on capital invested (8+10)	Capital employed	Total return on capital employed (8+9)	Percentage of total return on capital invested	Percentage of total return on capital employed
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
(In lakhs of rupees)														
1.	Tripura Small Industries Corporation Limited	Industry	30th April 1985	1979-80	1990-91	72.93	(-) 2.25	1.33	0.15	(-) 2.10	17.60	(-) 0.92	—	—
2.	Tripura Handloom and Handicraft Development Corporation Limited	Industry	5th September 1974	1979-80	1988-89	56.13	(-) 1.07	1.27	1.27	(+) 0.20	39.04	(+) 0.20	35	0.51
3.	Tripura Jute Mills Limited	Industry	10th October 1974	1982-83	1989-90	1,021.84	(-)250.60	62.44	62.44	(-)188.16	658.41	(-)188.44	—	—
4.	Tripura Industrial Development Corporation Limited	Industry	28th March 1974	1985-86	1989-90	73.35	(-) 0.27	—	—	(-) 0.27	56.92	(-) 0.27	—	—
5.	Tripura Forest Development and Plantation Corporation Limited	Forest	26th March 1976	1983-84	1990-91	224.02	(-) 8.07	10.73	—	(-) 8.07	190.45	(-) 2.66	—	—
6.	Tripura Tea Development Corporation Limited	Industry	11th August 1980	1981-82	1990-91	—	—	—	—	—	—	—	—	—
7.	Tripura Rehabilitation Plantation Corporation Limited	Tribal Welfare	3rd February 1983	1985-86	1990-91	474.87	(-) 9.67	—	—	(-) 9.67	39.81	(-) 9.67	—	—
8.	Tripura Horticulture Corporation Limited	Agriculture	7th April 1987	1987-88	1990-91	15.00	(-) 4.75	—	—	—	9.95	(-) 4.75	—	—
9.	Tripura State Bank Limited (In liquidation)													

(Under liquidation since 1970-71)

Note : Capital invested represents paid-up capital plus long term loans and free reserves and surplus at the close of the year. Capital employed represents net fixed assets (excluding capital works-in-progress) plus working capital at the close of the year.

APPENDIX 6

GLOSSARY OF ABBREVIATIONS USED IN THE REVIEWS

1. *Mid-Day-Meal/Tiffin Programme (Para 3.4)*

AIS	Assistant Inspector of Schools
BLAC	Block Level Advisory Committee
MDM	Mid-Day-Meal
SLAC	State Level Advisory Committee
SMC	School Meal Committee
TTAADDC	Tripura Tribal Areas Autonomous District Council
UDC	Upper Division Clerk

2. *National Technology Mission on Immunisation (Para 3.10)*

CCO	Cold Chain Officer
CC	Cold Chain
CCE	Cold Chain Equipment
CMO	Chief Medical Officer
CF	Chest Freezer
DPT	Diphtheria-Pertussis-Tetanus
DF	Deep Freezers
EPI	Expanded Programme on Immunisation
GOI	Government of India
HERU	Health Equipment Repair Units
ILR	Ice Linked Refrigerator
IEC	Information, Education and Communication
ICDS	Integrated Child Development Scheme
MCH	Mother and Child Health
NICD	National Institute of Communicable Diseases
NA	Not Available
OPV	Oral Polio Vaccine
OB	Opening Balance
PHC	Primary Health Centre
PW	Pregnent Women
R	Refrigerator
TT	Tetanus Toxoid
TT(PW)	Tetanus Toxoid (Pregnent Women)
TA	Toxoid 'A'

UIP	Universal Immunisation Programme
UNICEF	United Nations International Children Emergency Fund
VC	Vaccine Carriers
VCES	Vaccination Coverage Evaluation Survey
VPDS	Vaccine Preventable Diseases
WIC	Walk-in-coolers

3. *Tripura Tea Development Corporation Limited (Para 7.5)*

DPR	Detailed Project Report
NEC	North Eastern Council
NABARD	National Bank of Agricultural and Rural Development



**Report of the Comptroller and Auditor General of India
for the year ended 31st March 1991
Government of Tripura**

ERRATA

<i>Page No.</i>	<i>Reference to paragraph</i>	<i>For</i>	<i>Read</i>
(ii)	10th line from top	Department of Welfare Scheduled Tribes	Department of Welfare for Scheduled Tribes
(ix)	18th line from top	Through	Though
(xi)	7th line from top	increased	increased
19	Table—Sl. No. 5 2nd column—5th line	Cross-Breed	Cross-Bred
22	Table—Sl. No. 1 2nd column—3rd line	Secretariate	Secretariat
23	2nd line from bottom	Rs. 74.37 crores)	Rs. 74.87 crores)
28	17th line from bottom	Rs. 0.68 lakhs	Rs. 0.68 lakh
31	Table—3rd column heading last line	conduct	be conducted
32	13th line from bottom	their	them
34	2nd line from top	utencil,	utensil,
46	Table—8th column heading	Achievemet	Achievement
59	11th line from top	15 HP vacuum	15 HP caccum
60	2nd line from top	form	from
65	4th line from top	at 82.43 <i>per cent</i>	at higher rates
65	6th & 7th line from top	respectively, resulting in an estimated extra expenditure of Rs 9.41 lakhs.	respectively.
66	4th line from top	Carraige	Carriage
74	7th, 15th line from bottom	setteled	Settled
76	3rd line from bottom	Commissoiner	Commissioner
78	3rd line from top	machanism:	mechanism.
80	14th line from bottom	streanth	strength
83	2nd line from top	from	form
84	16th line from top	<i>machanism:</i>	<i>mechanism:</i>
89	18th line from bottom	cases not	cases nor
92	Table—Sl. No. 5	Shotage	Shortage
96	2nd line from top	dduring	during
96	2nd line from top	auddit	audit
102	9th line from top	Summasrised	summarised
104	Table—Sl. No. 1		
	5th column	197.00	192.50
	6th column	2603.60	2608.10
	7th column	93.14	93.13
	Table—Sl. No. 2		
	5th column	266.43	226.31
	6th column	864.01	864.08
	Table—Sl. No. 3		
	7th column	43.03	46.05

Page No.	Reference to paragraph	For	Read
104	Table—Sl. No. 4		
	5th column	418.84	412.46
	6th column	184.21	124.59
	7th column	23.13	23.20
	Table—Sl. No. 8		
	6th column	192.00*	190.00*
	7th column	53.04	52.49
	Table—Total: 5th column	2378.28	2378.40
	6th column	5677.92	5675.87
106	11th line from top	croes	crores
107	3rd line from top	fabour	favour
107	10th line from bottom	subsidy:	Subsidy:
107	Last line	aroud	around
110	2nd, 17th line from top	the Estate	Tea Estate
111	4th line from top	clonnal	clonal
111	14th line from top	transporation	transportation
113	1st line	Comapny	Company
113	2nd line from bottom	raingfall	rainfall
114	7th line from top	severly.	severely.
114	12th line from bottom	24.82 lakh	24.44 lakhs
114	9th line from bottom	14.16 lakh	13.78 lakhs
114	9th line from bottom	Rs 35.95 lakhs	Rs 34.92 lakhs
115	21st line from top	valued to	valued at
115	18th line from bottom	for in	far in
116	14th line from top	They	The
141	Appendix-3		
	Area planted (in acre) column—1989	17.10	17.50
	Net Area (in acre) column—1989	14.08	14.48
	Expected yield		
	1985 plantation—1987 column	38,887	38.837
142	Appendix-3 (Contd)		
	Total expected		
	yield—1988 column	2,77,654	2,39,968
	Shortfall—1988 column	1,68,882	1,31,196
	Total:	11,71,704*	11,34,018*
	Total: (Net)	5,74,773***	5,37,087***
143	Appendix-3 (concl'd)		
	Total shortfall		
	... Estates (in kgs)—1988 column	3,37,547	2,99,861
	-do- 1989 column Total:	14,15,152	13,77,466
	Average selling		
	price (in Rupees)—1989 column	2.98	2.9
	Value of shortfall—		
	1988 column	9.28	8.25
	1989 column Total:	35.95	34.92
145	Appendix-5—Sl. No. 5—13th column	(-) 2.66	(+) 2.66