सत्यमेव जयते

REPORT
OF THE
COMPTROLLER AND
AUDITOR GENERAL OF INDIA

FOR THE YEAR ENDED 31ST MARCH 1990

GOVERNMENT OF TRIPURA

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APPENDICES

PREFATORY REMARKS

This Report has been prepared for submission to the Governor under Article 151(2) of the Constitution. It relates to matters arising from the Appropriation Accounts for the year 1989-90 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 1989-90.

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 1989-90 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 1989-90 have also been included, wherever considered necessary.

OVERVIEW

OVERVIEW

This Report includes two chapters containing the observations of Audit on the State's Finance and Appropriation Accounts for the year 1989-90 and five other chapters comprising 6 audit reviews and 64 paragraphs arising from the financial transactions, revenue receipts and the commercial and trading activities of the Government of Tripura. A synopsis of the finding contained in the audit reviews and important paragraphs is presented in this overview.

1. Review of the State's Finances

The revenue receipts of the State Government had increased in absolute terms from Rs. 231.31 crores in 1985-86 to Rs. 426.99 crores in 1989-90. While the revenue receipts registered a growth of 85 *per cent* during these five years, revenue expenditure registered an increase of 124 *per cent*. As a result revenue surplus registered a steady decline, coming down to Rs. 7.45 crores (2 *per cent* of revenue expenditure) in 1989-90 from Rs. 43.94 crores (23 *per cent* of revenue expenditure) in 1985-86.

Receipts from tax revenues raised by the State Government had increased progressively during the last five years from Rs. 9.77 crores in 1985-86 to Rs. 21.28 crores in 1989-90. But the rate of growth has been uneven. While it was 12 *per cent* in 1985-86 over the preceding year it rose to 35 *per cent* in 1988-89 in relation to 1987-88 and dropped to 16 *per cent* in 1989-90 over 1988-89. Collection from non-tax revenue rose from Rs. 11.87 crores in 1985-86 to Rs. 15.99 crores in 1989-90; but the rate of growth showed a declining trend. While it was 33 *per cent* in 1985-86 over 1984-85 the growth during 1989-90 in relation to 1988-89 was only 2 *per cent*.

While the assets of the State Government increased from Rs. 418.95 crores in 1985-86 to Rs. 759.49 crores (81 *per cent*) at the end of 1989-90, the liabilities grew from Rs. 206.96 crores to Rs. 459.71 crores (122 *per cent*) during these five years.

By the end of 1989-90, the public debt had increased from Rs. 201.91 crores in 1985-86 to Rs. 459.21 crores registering an increase of 127 *per cent*. No limit has been fixed by the State Legislature under Article 293(1) of the Constiution for such borrowing by the State Government.

The abbreviations used in this Report are listed in Appendix 6 (page 234)

Net interest burden likewise rose from Rs. 9.45 crores (4 *per cent* of total revenue receipts) in 1985-86 to Rs. 27.50 crores in 1989-90 (6 *per cent* of total revenue receipts).

Investment in Statutory Corporation, Government Companies and Co-operative Banks and Societies was Rs. 8.17 crores during the year. Total investment in shares and debentures stood at Rs. 53.46 crores as on 31st March 1990. According to the annual accounts finalised till March 1990 the accumulated loss those concerns aggregated to Rs. 4.17 crores.

No dividend or interest was received from the investments of the Government. The fianl accounts of all the eight Government Companies were in arrears for periods ranging from 5 to 11 years.

The low cash balance maintained by the State Government with the Reserve Bank of India necessitated Ways and Means Advances and overdrafts of Rs. 72.09 crores on which Rs. 21.36 lakhs were paid as interest during the year.

At the end of March 1990 the amount of Sales tax pending collection was Rs. 2.94 crores of which Rs. 0.17 crore was pending for more than 5 years.

Tripura Electric Supply Undertaking, a departmentally-managed commercial undertaking prepared its annual proforma accounts only up to 1985-86 disclosing net cumulative loss of Rs. 25.44 crores up to 31st March 1986.

Tripura Road Transport Corporation, the only Statutory Corporation in the state finalised its annual accounts upto 1984-85 disclosing a net cumulative loss of Rs. 10.42 crores till March 1985.

(Paragraphs 1.1, 1.2 read with Paragraph 5.7, 7.4 and 7.3)

2. Appropriation Audit and Control over expenditure

The supplementary provision of Rs. 49.02 crores obtained during the year constituted 8 *per cent* of the original budget provision as against 12 *per cent* in the preceding year. The net excess expenditure of Rs. 10.80 crores during the year was the result of excess of Rs. 88.44 crores in respect of 11 grants which requires regularisation under Article 205 of the Constitution of India, partly offset by savings of Rs. 77.64 crores under 45 grants.

Supplementary provision of Rs. 8.89 crores obtained in 23 grants proved wholly unnecessary since the final saving in each case was more than the supplementary provisin. Out of the total savings of Rs. 77.64 crores only Rs. 35.63 crores were surrendered and that too at the fag end of the year. In 29 cases savings in excess of Rs. 50

lakhs in each case remained un-surrendered. On the other hand in two cases Rs. 5.53 crores were surrendered in excess of actual savings.

Adequate steps were not taken to ensure the reconciliation, in all respects, of the departmental figures with those booked by the Accountant General before the closure of the annual accounts. 46 Controlling Officers (out of 102) who controlled 69 *per cent* of total expenditure of the Government during the year did not carry out any reconciliation of their figures with those booked by the Accountant General.

(Paragraph 2.2)

3. **Public Health Care System**

To achieve the goal of 'Health for All by 2000 AD' the following major steps were initiated by Government of India and the State Government: (i) to restructure the existing public health care system to deliver universal primary health care; (ii) to develop integrated, functional and mutually supportive referral sub-system; and (iii) to have suitably trained health workers, community workers and traditional practitoners under the restructured system.

A total sum of Rs. 90.89 crores was spent for the purpose during 1985-86 to 1989-90. The following points emerged in the Review:—

—The number of Sub-Centres, Primary Health Centres and Community Health Centres fell short of the targeted number by 13/32/20 *per cent* respectively, due to shortage of technical man power and shortage of fund. Training schools also remained under-utilised.

Vital and Health Statistics machinery on which a total sum of Rs. 33.63 lakhs was spent during 1085-86 to 1989-90 was unable to generate any reliable data on births, deaths, etc.

There was heavy shortfall in achievement under Immunisation programme. The coverage ranged between 13 *per cent* and 56 *per cent* of the eligible population, against the target of 70 to 100 *per cent.* Dropout of children before completion of the full course due to lack of public awareness resulted in wasteful expenditure of Rs. 14.82 lakhs during the period from 1987-90.

Out of 45 peripheral institutions, there was chronic shortage of essential drugs in 23 institutions and shortage of essential instruments in 28 institutions in 1988-89 and 1989-90, due to lack of careful planning for procurement of the same.

—Central Medical Store (CMS) and the State Hospitals procured and issued hazardous drugs worth Rs. 10.04 lakhs, while time-barred medicines worth Rs. 6.03 lakhs were procured by the CMS.

—Milk supplied to indoor patients was reconstituted from milk powder using wrong conversion rate. This resulted in excess payment of Rs. 2.27 lakhs to the suppliers, and the patients were supplied milk with less than minimum fat content as prescribed under the relevant rules.

By splitting the supply order to three tenderers including the lowest one, an extra expenditure of Rs. 4.76 lakhs was incurred by the Department.

Activity under Prevention of Food Adulteration Act was extremely poor; total expenditure of Rs. 22.99 lakhs was incurred from January 1987 to October 1990 on idle staff engaged for the purpose.

Diet articles worth Rs. 12.33 lakhs were shown to have been issued between April 1989 and June 1990 to patients who did not require it, as they arranged to bring their own diet from outside. The hospital authorities did not streamline the system.

The Department procured items of equipment worth Rs. 18.35 lakhs between December 1979 and May 1989, but could not use them due to various reasons such as lack of arrangement for drawing power, accommodation, maintenance, etc. These included a computerised anaesthesia monitoring unit procured in May 1989 at a cost of Rs. 12.10 lakhs which was not put to use as no air-conditioning was provided.

(Paragraph 3.1)

4. Implementation of Janata Cloth Scheme

The Janata Cloth Scheme was introduced in September 1977 for providing sustained employment to the unemployed weavers and making cloth available to the poorer sections of the people at affordable prices. In all 15.87 lakh square metres of clothes were manufactured during the period 1984-85 to 1989-90. The following points are highlighted in the Review:—

—Production of Janata Cloth was only 24 *per cent,* 31 *per cent* and 9 *per cent* of the target in 1984-85, 1985-86 and 1989-90 respectively, due to the unwillingness of the weavers to come under the scheme.

— At least 75 *per cent* of the total production was required to be distributed to the people of lower income groups in the rural area. But only 65 *per cent* was actually distributed to the rural area. Financial status of the beneficiaries had not been ascertained before the clothes were issued.

—The initial rate of Rs. 2 per square metre of cloth on account of subsidy was increased to Rs. 2.75 from 1st March 1988 by Government of India. But the implementing agency continued to allow the old lower rate to the consumers by Government of India till June 1989, through reimbursement of subsidy was made at the higher rate of Rs. 2.75 per square metre. As a result, an excess subsidy of Rs. 33.10 lakhs was reimbursed.

(Paragraph 3.2)

5. **Technology Mission on Drinking Water**

Surveys conducted in 1972 and 1977 disclosed that all the 4,727 villages in Tripura were problem villages where potable drinking water was not available. With a view to ensure sustained availability of adequate and safe drinking water on a long term basis a Mini Mission covering 994 villages was taken up in Tripura in 1988-89 under the Technology Mission.

Iron removal plants were to be fitted to 584 Mark-II tubewells during 1988-89 and 1989-90 at Rs. 14.60 lakhs sanctioned by Government of India. After fitting the plants to 17 tubewells in 1988-89, the scheme was abandoned due to failure of the plants.

Rupees 3.09 lakhs were diverted to works which were not related to Mini Mission.

(Paragraph 4.1)

6. **Capacity utilisation in Manufacturing Companies**

Three Manufacturing Government Companies viz., Tripura Jute Mills Limited, Tripura Small Industries Corporation Limited and Tripura Handloom and Handicraft Development Corporation Limited run six units in the State. The following main points emerged in the Review:

—While utilisation of capacity in five manufacturing units ranged from 1.5 *per cent* to 44.5 *per cent* during the period from 1985-86 to 1989-90 capacity utilisation in one unit set up in May 1989 was practically nil.

Tripura Jute Mills Limited

Though commissioned in November 1979, this company started commercial production only in November 1981. Fifty Hessian looms had not been put to any operation since November 1979. Utilisation of capacity in the mill came from 38.5 *per cent* in 1983-84 to 22.32 *per cent* in 1989-90.

During 1985-86 to 1989-90 this company sustained a loss of 5,086 tonnes of sacking valued at Rs. 4.26 crores due to non-utilisation of the sacking looms.

Imported Sack Sewing machines were installed in the mill in 1980 at a cost of Rs. 11.50 lakhs. These machines could not be put to use due to their non-maintenance, lack of trained hands to handle these sophisticated machines, non-availability of spares, etc. While Rs. 14.37 lakhs per annum were paid as wages to the workers connected with the work relating to sewing of sacks during the period from 1985-86 to 1989-90, Rs. 48.61 lakhs were spent for such work entrusted to outside agencies.

The Company suffered loss of production of Rs. 536.34 lakhs during the period from 1985-86 to 1989-90 due to opration of looms at level much below the specified efficiency level. As a result of delay in commissioning of the mill, and consequential delay in commencement of commercial production, as well as low capacity utilisation, the company incurred a cumulative loss of Rs. 25.96 crores till March 1990.

Tripura Small Industries Corporation

—Utilisation of capacity in the Fruit Canning Unit was five *per cent* in 1988-89, and one *per cent* in 1989-90. As a result, the company had to pay Rs. 3 lakhs as idle wages. Utilisation of labour, on which Rs. 9.35 lakhs were spent, was only 17.58 *per cent* in 1987-88; 10.44 *per cent* in 1988-89 and 1.6 *per cent* in 1989-90.

—In the Mechanised Bricks Kiln, utilisation of capacity was 12.01 *per cent* and 22.48 *per cent* in 1985-86 and 1986-87 respectively. Machines procured at Rs. 14.06 lakhs remained idle since 1987-88, and Rs. 8 lakhs were paid as idle wages during 1987-88 to 1989-90.

Tripura Handloom and Handicrafts Development Corporation

—Utilisation of capacity in the Mechanised Dye cum Processing House set up in May 1989 at a cost of Rs. 2.29 crores was only 8.57 *per cent* and 0.08 *per cent* of its capacity for processing yarn and cloth respectively in 1989-90.

(Paragraph 7.6)

7. **Construction of Power Transmission and Distribution Lines**

To transmit and distribute 183 MW of power, the Power Department of the Government constructed 3,985 kilometres High

Tension line and 3,536 kilometres Low Tension line till the end of March 1990. The review brings out the following points:—

—Delay in construction of four power lines due to lack of timely survey and delay in handing over of site resulted in idle outlay of Rs. 356.49 lakhs.

—Transmission and distriubution loss in excess of the prescribed limit caused a loss of revenue to the extent of Rs. 4.64 crores till March 1990.

—There was an excess payment of Rs. 14.39 lakhs to a contractor, due to premature termination of a contract for supply of prestressed cement concrete poles and procurement of the balance quantity through a fresh contract incorporating higher rates.

—Rupees 9.71 lakhs on account of extra cost in getting the work done through another agency, and Rs. 2.17 lakhs on account of unused materials issued by the Department but not returned, remained unrealised.

(Paragraph 7.9)

8. Tripura Industrial Development Corporation Limited

The Tripura Industrial Development Corporation Limited was set up as a wholly owned Government company in March 1974 with a view to promoting industrial growth in the State. The following points emerged in the review:—

—As no clearance from the Planning Commission had been obtained, its activities could not be started till March 1982. Meanwhile, Rs. 3.32 lakhs had been spent on idle staff.

—Rupess 2.36 lakhs were paid by the company as advance to two outside firms, for supply of picture tubes to a local private unit set up for assembling TV sets. No loan deed was executed with the local unit, and the picture tubes received by the unit were found damaged. The expenditure proved infructuous.

—The recovery against total demand for principal and interest, which was 39.9 *per cent* in 1987-88, declined to 17.7 *per cent* in 1988-89 and to 8.6 *per cent* in 1989-90.

—The company disbursed loans of Rs. 318.61 lakhs upto 31st March 1990, against which Rs. 292.34 lakhs were sanctioned by IDBI. However, the company received refinance of Rs. 130.09 lakhs only, due to its failure to apply for sanction of refinance within the time limit of one year from the date of release of the first instalment, or due to non-fulfilment of prescribed terms by the assisted units.

—The company formed a joint sector company with a private party to set up a Vanaspati Plant at an estimated cost of Rs. 756.49

lakhs. Advance payment of Rs. 31 lakhs was made to two Delhi based firms against a supply order for machinery costing Rs. 7.50 lakhs, to be complied with by April 1991. The supply was yet to be started as of June 1992. Meanwhile, due to withdrawal of transport subsidy by the Government of India the economic viability of the project become doubtful.

(Paragraph 7.5)

9. Other Points of Interest

A. *Government Expenditure*

—The Food and Civil Supplies Department carries foodgrains from outside the State on behalf of the Food Corporation of India, which reimburse the Department at rates much lower than those actually paid to the carriers by the Department. As a result, the Department incurred extra expenditure of Rs. 80.12 lakhs during the period from 1978-79 to 1989-90.

(Paragraph 3.5)

—A bridge work was awarded to a contractor in May 1987; but the site, which had been selected in January 1986, could not be made available to the contractor till August 1989 due to delayed/faulty action in regard to the preparation of land statements. The estimated extra expenditure on this account was Rs. 26.30 lakhs.

(Paragraph 4.6)

—Four Notified Area Authorities floated loans totalling Rs. 92 lakhs in April 1988 for different schemes. None of the schemes was taken up, and the amounts were lying in Bank/Post office savings bank etc., as of July 1990. On this Rs. 5.36 lakhs were earned as interest, while Rs. 19.22 lakhs were payable as interest on the loan.

(Paragraph 6.4.3)

—The Agartala Municipality constructed a super market comprising 220 stalls at Battala at a cost of Rs. 86.32 lakhs through the Public Works Department as a deposit work. This was to be completed by September 1985, but was actually completed only in February 1989. The stalls were not allotted to the intending persons, leading to a loss of revenue of Rs. 14.82 lakhs as of July 1990. On the other hand the Municipality paid Rs. 18.21 lakhs as interest on loan taken to finance the project.

(Paragraph 6.4.1)

—Between June 1989 and December 1989, the Food and Civil Supplies Department short-received 288.47 tonnes of rice worth Rs. 7.92 lakhs from the carriage contractor.

(Paragraph 3.6)

—The Public Works Department did not take timely action to recover the extra cost involved in re-allotment of two works due to the rescinding of the original agreements. Excess materials iussued to the original contractors were not returned, and the cost of materials was also not recovered. As a result, a total sum of Rs. 5.44 lakhs remained unrecovered from two contractors.

(Paragraph 4.4)

—A carriage contractor engaged to carry 40 tonnes of lead from a supplier received 32.11 tonnes, but delivered only 20.492 tonnes. The value of the undelivered quantity was Rs. 2.23 lakhs. Recovery of Rs. 4.46 lakhs, at double the procurement rate, could not be made because the transport contractor was not found at the address given by him.

(Paragraph 4.12)

B. *Government Revenue*

—Failure of a Sales Tax assessing authority to take into account the sale verification reports of the inspectors while making assessments resulted in short levy of tax and interest amounting Rs. 1.47 lakhs.

(Paragraph 5.12)

—Incorrect calculation of interest on unpaid sales tax resulted in short levy of Rs. 1.07 lakhs in three cases.

(Paragraph 5.10)

—While determining the number of bricks manufactured by an assessee with reference to normative consumption of coal, the assessing authority failed to take into account the closing stock of coal of the previous year. This led to under-assessment of the turnover of sale of bricks, with consequent short levy of tax and interest of Rs. 0.93 lakh.

(Paragraph 5.15)

—Delay in taking decision on an offer received from a prospective buyer of cashew nuts resulted in the Forest Department incurring a loss of Rs. 0.80 lakh due to subsequent sale at lower rate.

(Paragraph 5.17)

—The Transport Department did not raise any demand of road tax in respect of two vehicles for prolonged periods without any valid reason. This resulted in loss of Rs. 0.75 lakh.

(Paragraph 5.18)

C. *Commercial and Trading Activities*

—In 14 power houses using diesel for generation of power, the consumption of diesel was much in excess of the normative 0.25 litre per unit of generation. Extra expenditure on this account amounted to Rs. 11.95 lakhs in three years.

(Paragraph 7.11)

—Rejection of a lower rate for construction of bus bodies without any valid reason caused the Tripura State Transport Corporation extra expenditure of Rs. 6.30 lakhs.

(Paragraph 7.13)

—Tripura Tea Development Corporation extended the "Small Growers Tea Plantation" scheme to some tribal families of a particular area in July 1987. The scheme was abandoned in the following year after incurring wasteful expenditure of Rs. 0.40 lakh in procuring and raising of tea plants. But the company continued to maintain the nursery, and wasteful expenditure of Rs. 5.26 lakhs was incurred as of March 1990.

(Paragraph 7.7)

—Short-realisation of revenue due to erroneous billing of power supply bills, and irregular allowance of rebate, resulted in loss of revenue of Rs. 2.15 lakhs in the case of four consumers.

(Paragraph 7.10)

CHAPTER I

FINANCIAL POSITION OF THE STATE GOVERNMENT

1.1 Summarised Financial Position

The summarised position of the accounts of Government of Tripura emerging from the Finance Accounts for the year 1989-90 is indicated in the following statements:

I—Statement of financial position of the Government of Tripura as on 31st March 1990

(Rupees in crores)

Amount as on 31.3.89		Liabilities		Amount as on 31.3.90	Amount as on 31.3.89		Assets		Amount as on 31.3.90
100.15		Internal Debt (Market loans, Loans from Life Insurance Corporation of India and Others)		118.82	586.56		Gross Capital Outlay on Fixed Assets		679.13
						40.72*	(i) Investment in shares of Companies, Corporations, etc.	53.46	
137.63		Loans and Advances from Central Government		200.82		545.84	(ii) Other Capital Outlay	625.67	
	24.42	(i) Pre-1984-85 Loans	22.80						
	51.87	(ii) Non-Plan Loans	91.25		35.15		Loans and Advances		38.30
	52.93	(iii) Loans for State Plan Schemes	64.66			27.16	(i) Other Development Loans	28.07	
	0.63	(iv) Loans for Central Plan Schemes	0.63			7.99	(ii) Loans to Government Servants and Miscellaneous Loans	10.23	
	4.56	(v) Loans for Centrally Sponsored Plan Schemes	4.84						
	0.48	(vi) Ways and Means Advances	12.48		0.57		Other Advances		0.64
	2.74	(vii) Loans for Special Schemes	4.16						
					7.77		Suspense and Miscellaneous Balance	36.76	
55.99		Small Savings, Provident Funds, etc.		73.27					
					38.13		Remittance Balances		39.93
50.82		Deposits		66.30	(–)30.76		Cash Balance		(–)35.27
						Nil	(i) Cash in Treasuries	Nil	
0.50		Contingency Fund		0.50		1.73	(ii) Departmental Cash Balance including permanent advances	0.96	
292.33		Surplus on Government Accounts		299.78		2.45	(iii) Cash Balance investment	0.36	
	277.23	(i) Opening Balance	292.33			(–)34.94	(iv) Deposit with RBI	(–)36.59	
	15.10	(ii) Add current year's surplus	7.45						
637.42				759.49	637.42				759.49

*Excludes Rs. 4.56 crores to reconciliation with different departments.

II—Abstract of Receipts and Disbursements for the year 1989-90

SECTION A—REVENUE

(Rupees in crores)

Receipts			Disbursements				
I. Revenue Receipts		426.99	I. Revenue Expenditure				419.54
(i) Tax Revenue	21.28			Non-Plan	Plan	Total	
(ii) Non-Tax Revenue	15.99		(i) General Services	113.65	1.35	115.00	
(iii) States share of Union Taxes	103.06		(ii) Social Services	111.10	72.94	184.04	
(iv) Non-Plan Grants	95.03		(iii) Economic Services:				
			(a) Agriculture and Allied Activities	22.86	29.90	52.76	
(v) Grants for State Plan Schemes	159.56		(b) Rural Development	5.00	11.65	16.65	
			(c) Special Areas Programmes (NEC)	—	2.25	2.25	
(vi) Grants for Centrally Sponsored Schemes/Central Plan Schemes	16.27		(d) Irrigation and Flood Control	0.27	5.33	5.60	
			(e) Energy	17.54	—	17.54	
			(f) Industry and Minerals	3.08	4.99	8.07	
(viii) Grants for Special Plan Schemes (NEC)	15.80		(g) Transport	9.62	0.02	9.64	
			(h) Communication	1.77	—	1.77	
			(i) Science Technology and Environments	—	0.37	0.37	
			(j) General Economic Services	1.30	0.92	2.22	
			(iv) Grants-in-aid and Contributions	3.63	—	3.63	
			II. Revenue surplus (carried over to Section B)				7.45
		426.99					426.99

SECTION B—OTHERS

(Rupees in crores)

Receipts

III. Opening cash balance including Permanent advance and cash balance investment account		(–)30.76
IV. Recoveries of Loans and Advances		0.68
(i) From Government Servants	0.60	
(ii) From Others	0.08	
V. Revenue Surplus brought down		7.45
VI. Public Debt Receipts		169.58
(i) Internal Debt other than Ways and Means Advances	23.51	
(ii) Loans and Advances from Central Government	73.98	
(iii) Ways and Means advances from the Reserve Bank of India	72.09	
		146.95

Disbursements

	Non-Plan	Plan	Total	
III. Opening Overdraft from Reserve Bank of India				Nil
IV. Capital Outlay				92.57
(i) General Services	—	2.80	2.80	
(ii) Social Services	0.02	19.04	19.06	
(iii) Economic Services:				
(a) Agriculture and Allied Activities	2.51	0.61	3.12	
(b) Special Arrears Programme (NEC)	—	11.24	11.24	
(c) Irrigation and Flood Control	—	8.20	8.20	
(d) Energy	0.48	21.69	22.17	
(e) Industries and Minerals	—	3.30	3.30	
(f) Transport	—	21.39	21.39	
(g) General Economic Services	—	1.29	1.29	
	3.01	89.56	92.57	
V. Loans and Advances Disbursed				3.84
(i) To Governments Servants		2.83		
(ii) To Others		1.01		
VI. Repayment of Public Debt				87.71
(i) Internal Debt other than Ways and means Advances		4.83		
(ii) Ways and Means Advances		72.09		
(iii) Repayment of Loans and Advances to Central Government		10.79		
				184.12

SECTION B—OTHERS

(Rupees in crores)

Receipts			Disbursements		
	B/F	146.95	B/F		184.12
VII. Public Accounts Receipts		330.20	VII. Public Accounts Disbursement		328.30
(i) Small Savings, Provident Funds, etc.	32.64		(i) Small Savings, Provident Funds, etc.	15.36	
(ii) Deposits and Advances	95.21		(ii) Deposits and Advances	79.80	
(iii) Suspense and Miscellaneous	(–)3.40		(iii) Suspense and Miscellaneous	25.59	
(iv) Remittances	205.75		(iv) Remittances	207.55	
			VIII. Cash balance at end		(–)35.27
			(i) Cash in Treasuries	Nil	
			(ii) Departmental cash balance including permanent advances	0.96	
			(iii) Cash balance investments	0.36	
			(iv) Deposit with Reserve Bank of India	(–)36.59	
		477.15			477.15

STATEMENT—III

III—Sources and Application of Funds for 1989-90

(Rupees in crores)

Sources—		
1. Revenue Receipts		426.99
2. Increase in Public Debt, Small Savings, Deposits and Advances		114.56
Adjustments—		
1. Effect on Suspense balance ..	(–)28.99	
2. Effect on Remittance ..	(–) 1.80	
3. Decrease in Closing balance ..	4.51	(–)26.28
		515.27
Application—		
1. Revenue Expenditure		419.54
2. Capital Outlay		92.57
3. Lending for Development and other programmes ..		3.16
		515.27

Explanatory Notes—

1. The summarised financial statements are based on the statements of the 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. Althouth a part of the revenue expenditure and loans is used for capital formation by receipients, its classification in the accounts of State Government remains unaffected by end use.

5. There was an unreconciled difference of Rs. 883.84 lakhs 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 1990).

1.2 Comments on Accounts

1.2.01 *Assets and liabilities of State Government*

The assets comprising capital investments and loans advanced 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)	
1985-86	418.95	206.96
1986-87	505.06	247.69
1987-88	564.91	287.68
1988-89	637.42	345.09
1989-90	759.49	459.71

While the assets have grown by 81 *per cent* during 1985-90 the liabilities have grown by 122 *per cent* during the same period.

The year 1989-90 ended with a revenue surplus of Rs. 7.45 crores against Rs. 15.10 crores in the preceding year. The net accretion from debt transactions (as adjusted by the effect of suspense and remittance balance) aggregated to Rs. 83.77 crores which together with the revenue surplus of Rs. 7.45 crores proved inadequate for meeting capital expenditure (Rs. 92.57 crores) and net lending for development and other purposes (Rs. 3.16 crores). The gap ultimately resulted in corresponding decrease in the closing cash balance by Rs. 4.51 crores.

1.2.02 The actual revenue realised during 1989-90 (Rs. 426.99 crores) registered an increase of Rs. 31.37 crores over those in the previous year, but a decrease of Rs. 4.42 crores over the anticipated revenue of Rs. 431.41 crores.

1.2.02 (i) *Tax Revenue*

The growth of Tax Revenue in the last five years was as indicated below:

Year	Tax Revenue (Rupees in crores)	Percentage growth over preceding year
1985-86	9.77	12
1986-87	11.51	18
1987-88	13.58	18
1988-89	18.36	35
1989-90	21.28	16

It will be seen that growth rate was steady till 1987-88, there was appreciable growth in 1988-89, but the same declined in 1989-90.

1.2.02 (ii) *Non-tax Revenue*

The growth of Non-tax Revenue during the last five years were as follows:

Year	Non-Tax Revenue (Rupees in crores)	Percentage growth over the preceding year
1985-86	11.87	33
1986-87	14.76	24
1987-88	14.98	1
1988-89	15.68	5
1989-90	15.99	2

It will be seen that though the growth in non-tax revenue was 33 *per cent* in 1985-86 and 24 *per cent* in 1986-87, it was negligible in the succeeding three years.

Thus, though total Revenue receipts in 1989-90 registered an increase of 85 *per cent* during the five years revenue from the State resources (tax and non-tax revenue) was increased by only 72 *per cent*.

1.2.03 The increase in tax revenue of Rs. 2.92 crores over 1988-89 was mainly due to increase in collections from Sales Tax (Rs. 1.08 crores), State Excise (Rs. 1.49 crores) and Stamps and Registration (Rs. 0.33 crore).

The non-tax revenue increased marginally by Rs. 0.31 crore from Rs. 15.68 crores in 1988-89 to Rs. 15.99 crores in 1989-90. Receipts (Rs. 389.72 crores) from the Goverment of India during the year on account of share of Union taxes and Grants-in-aid, represented 91 *per cent* of the total Revenue receipts of the State and registered an increase of Rs. 28.14 crores over those of 1988-89.

1.2.04 Central assistance for State Plan Schemes, Centrally Sponsored Schemes and Central Plan Schemes during the year amounted to Rs. 191.63 crores against Rs. 186.24 crores in the previous year resulting in an increase of about 3 *per cent* over the assistance for 1988-89.

1.2.05 Revenue surplus during the last five years were as follows:

Year	Revenue Receipts	Revenue Expenditure	Surplus	Revenue surplus as a percentage of revenue expenditure
		(Rupees in crores)		
1985-86	231.31	187.37	43.94	23
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

While the Revenue receipts registered an increase of 85 *per cent* during these five years, Revenue expenditure increased by 124 *per cent*. As a result revenue surplus available to meet capital expenditure registered a steady decline and came down to 2 *per cent* of revenue expenditure during the year against 23 *per cent* in 1985-86.

The revenue surplus as envisaged in the Budget Estimates, Revised Estimates vis-a-vis the actuals during the last five years were as indicated below:

Year	Budget Estimates	Revised Estimates	Actual
		(Rupees in crores)	
1985-86	(–)25.54	(+)36.13	(+)43.94
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

1.2.06 The growth of Revenue expenditure (both Plan and Non-Plan) during the last five years were as follows:

Year	Revenue Expenditure			Percentage of increase over previous year		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total
		(Rupees in crores)				
1985-86	67.42	119.95	187.37	31	27	28
1986-87	82.90	146.64	229.54	23	22	23
1987-88	97.99	196.34	294.33	18	34	28
1988-89	130.33	250.19	380.52	33	27	29
1989-90	129.72	289.82	419.54	(–)1	16	10

The decrease in annual growth of Plan expenditure was significant. Plan expenditure in 1985-86 was 36 *per cent* of total Revenue expenditure. It declined during 1987-88 (33 *per cent*) and 1988-89 (34 *per cent*) and came down to 31 *per cent* in 1989-90. The Non-Plan expenditure (revenue) grew by 142 *per cent* by the end of 1989-90 over 1985-86 while the corresponding increase in the Plan expenditure was 92 *per cent* only. The proportion of Plan expenditure to total expenditure decreased from 36 *per cent* in 1985-86 to 31 *per cent* in 1989-90, while the Non-Plan portion increased from 64 *per cent* to 69 *per cent* during the corresponding period.

1.2.07 While the Non-Plan Revenue expenditure increased by about 16 *per cent* over that of 1988-89, the growth in collection of tax revenue was about 16 *per cent*. No return was, however, received on investment (Rs. 53.46 crores) in Companies, Corporations, etc. The net receipts under 'Loans and Advances' from Central Government (after repayment of Loans and Advances becoming due) increased from Rs. 137.63 crores in 1988-89 to Rs. 200.82 crores which constituted the largest component (about 51 *per cent*) of the State Government's total debt of Rs. 392.91 crores as on 31st March 1990. The total market loans bearing interest as on 31st March 1990 was Rs. 70.16 crores as against Rs. 59.43 crores at the end of the previous year. The small savings collected during the year were Rs. 32.64 crores against the corresponding amount of Rs. 20.67 crores in 1988-89.

1.2.08 The overall Plan expenditure on revenue account (Rs. 129.72 crores) fell short of the budgetary projection (Rs. 143.80 crores) by about 11 *per cent*; while the Non-Plan expenditure (Rs. 289.82 crores) exceeded the budgetary projection (Rs. 280.57 crores) by about 3 *per cent*. The Capital expenditure (Rs. 89.56 crores) under Plan exceeded the budgetary projection (Rs. 80.25 crores) by about 12 *per cent* and the Non-Plan expenditure (Rs. 3.01 crores) fell short by about 96 *per cent* of the budgetary projection (Rs. 70.33 crores).

1.2.09 The budget estimates for Revenue and Capital expenditure including loans and public debt was Rs. 626.96 crores (gross) which was augmented to Rs. 638.20 crores (gross) by obtaining supplementary grant of Rs. 11.24 crores (gross). The actual expenditure was, however, Rs. 603.66 crores (Revenue: Rs. 419.54 crores, Capital: Rs. 92.57 crores, Public Debt: Rs. 87.71 crores and Loans and Advances: Rs. 3.84 crores) indicating net excess of Rs. 34.54 crores.

1.2.10 At the budget stage, a Revenue surplus of Rs. 7.04 crores was anticipated (Receipts: Rs. 431.41 crores and Expenditure (net): Rs. 424.37 crores). Actual surplus at the end of the year, however, worked out to Rs. 7.45 crores (Receipts: Rs. 426.99 crores and Expenditure: Rs. 419.54 crores). Taking into account the transaction other than Revenue Accounts also, there was an overall deficit of Rs. 1.65 crores in 1989-90 against an overall deficit of Rs. 31.94 crores in 1988-89 and an overall deficit of Rs. 22.00 crores, anticipated in the budget for 1989-90.

1.2.11 At the end of 1988-89, the balance under Loans and Advances by Government was Rs. 35.15 crores. During 1989-90, Government paid Rs. 3.84 crores and recovered Rs. 0.68 crore under Loans and Advances. The balance at the end of the year stood at Rs. 38.31 crores.

In respect of Loans and Advances, the detailed accounts of which are maintained by the Accountant General, the amount overdue for recovery at the end of March 1990 was Rs. 2.95 lakhs (Principal: Rs. 1.28 lakhs, Interest Rs. 1.67 lakhs), the main defaulter being the Agartala Municipality.

1.2.12 (a) The table below shows the burden of interest charges on debt and other obligations (with corresponding figures for the preceding four years):

	1985-86	1986-87	1987-88	1988-89	1989-90
			(In crores of rupees)		
Interest paid by the State Government	11.17	14.15	22.93	20.75	27.78
Interest received by the State Government:—					
(a) On Loans and Advances	0.07	0.12	0.06	0.07	0.09
(b) On Cash balance investment	1.62	2.19	1.52	0.69	0.19
(c) On Loans for State Plan Scheme	—	0.15	—	—	—
Net burden of interest on revenue	9.45	11.69	21.35	19.99	27.50
Percentage of net interest to the total revenue receipts	4	4	7	5	6

(b) The table below compares the outstanding debt liability of the Government at the end of March 1990 with those of the preceding four years:

Particulars of debt	Balance at the end of				
	1985-86	1986-87	1987-88	1988-89	1989-90
	(In crores of rupees)				
(i) Internal debt of the Government	63.37	73.03	84.62	100.15	118.82
(ii) Loans from Central Government	85.68	95.72	109.08	137.63	200.82
(iii) Small Savings, Provident Funds etc.	28.09	32.92	46.32	55.99	73.27
(iv) Non-interest bearing deposits	24.77	35.79	47.16	50.82	66.30
Gross debt and other obligation at the end of the year	201.92	237.45	287.18	344.59	459.21

In the three years ending 1989-90, the Loans from Central Government constituted the largest component (38 *per cent,* 40 *per cent* and 44 *per cent*) of the State Government's total gross debt liability at the end of 31st March each year.

No limit has been fixed by the State Legislature under Article 293(1) of the Constitution for such borrowing by the State Government.

1.2.13 With the fresh investment of Rs. 8.17 crores during the year in Statutory Corporations (Rs. 2.10 crores), Government Companies (Rs. 5.43 crores) and Co-operative Bank and Societies (Rs. 0.64 crore), the total investments of the Government in shares and debentures on 31st March 1990 was Rs. 53.46 crores. No dividend and interest were received on such investments.

1.2.14 According to the annual accounts of individual companies made available upto the year 1978-79 (one company), 1979-80 (one company), 1980-81 (one company), 1982-83 (two companies) and 1984-85 (one company), 1985-86 (one company), the accumulated loss in these 7 companies (out of nine in which Government had made substantial investments) aggregated Rs. 4.17 crores as at the end of March 1990. Mention was made in the paragraph 1.2.13 of the Report of the Comptroller and Auditor General of India for the year 1986-87 about one company viz., Tripura Handloom and Handicraft Development Corporation Limited, Agartala, which revealed an accumulated profit of Rs. 0.52 lakh in the accounts for 1978-79. The accounts of the company finalised upto

1979-80, however, revealed an accumulated loss of Rs. 1.07 lakhs. No dividend/interest was received from the companies during the year.

1.2.15 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 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 1989-90, the minimum balance was maintained without taking any advance on 200 days, Ways and Means Advances (Rs. 72.09 crores) were taken for 76 days. The entire amount was repaid during the year and Rs. 21.36 lakhs paid as interest during the year on these advances.

1.2.16 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 1990 was Rs. 16.33 crores, as against the maximum amount of Rs. 47.71 crores guaranteed.

No law under Article 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 to cover the risk in the guarantees 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.

CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 General

The summarised position of actual expenditure during 1989-90 against provision is as follows:

	Original Grant/ appropriation	Supplementary Grant/ appropriation	Total	Actual expenditure	Variation Saving (–) Excess (+)
			(Rupees in crores)		
I. Revenue—					
Voted	431.64	36.80	468.44	420.65	(–)47.79
Charged	*25.35*	*5.25*	*30.60*	*28.76*	*(–) 1.84*
II. Capital—					
Voted	150.65	6.72	157.37	145.81	(–)11.56
Charged	—	—	—	—	—
III. Public Debt—					
Voted	—	—	—	—	—
Charged	*13.06*	—	*13.06*	*87.71*	*(+)74.65*
IV. Loans and Advances—					
Voted	6.25	0.25	6.50	3.84	(–) 2.66
Grand Total	626.95	49.02	675.97	686.77	(+)10.80

2.2 Results of Appropriation Audit

Broadly, the following points emerged as a result of Appropriation Audit:—

2.2.01 *Supplementary Provision*

Supplementary provision obtained during the year worked out to 8 *per cent* of the original budget provision, as against 12 *per cent* in the preceding year.

2.2.02 *Un-necessary/Excessive/Inadequate Supplementary Provision*

Supplementary provision of Rs. 8.89 crores obtained in 23 grants during March 1990 proved wholly unnecessary in view of the final saving in each grant being more than the supplementary provision. In 5 other grants, against supplementary grant aggregating Rs. 19.17 crores, the actual utilisation was only Rs. 7.93 crores, resulting in a saving of more than Rs. 25 lakhs in each case. In 3 cases, though supplementary grant totalling Rs. 3.13 crores was obtained, the provision proved insufficient by more than Rs. 25 lakhs in each case, leaving an aggregate uncovered excess expenditure of Rs. 3.21 crores.

2.2.03 *Saving/Excess over Provision*

There was an overall saving of Rs. 77.64 crores in 45 grants/appropriations. In 11 grants/appropriations as detailed in Appendix 1, there was an overall excess of Rs. 88.44 crores. The excess requires regularisation under Article 205 of the Constitution.

Excess over grants/appropriation of Rs. 205.57 crores relating to the preceding years also remains to be regularised as detailed below:—

Year	Number of cases		Amount of excess	
	Voted	Charged appropriation	Voted	Charged appropriation
			(Rupees in crores)	
1981-82	50	6	17.85	4.67
1982-83	52	6	21.72	2.73
1983-84	12	2	9.70	1.32
1984-85	7	3	4.16	14.17
1985-86	3	1	1.64	0.96
1986-87	11	2	9.91	0.14
1987-88	11	2	24.08	4.06
1988-89	8	3	13.80	74.66
Total	154	25	102.86	102.71

2.2.04 *Unutilised Provision*

In the following cases 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 (in lakhs of rupees) and its percentage to the provision (in bracket)	Main reasons for saving
	Revenue Section (Voted)		
1.	3—Law Department	71.64 (16)	Reasons for saving have not been intimated (July 1991).
2.	5—Revenue Department—Social and Community Services•	111.67 (26)	-do-
3.	13—Co-operation Department	69.35 (19)	-do-
4.	17—Electricity	433.22 (20)	-do-
5.	21—Education (Social) Department	168.43 (11)	-do-
6.	23—Family Welfare	52.22 (15)	-do-
7.	27—Welfare of Scheduled Castes Department	77.04 (20)	-do-
8.	28—Food and Civil Supplies Department	53.65 (21)	-do-
9.	29—Rehabilitation Department	106.86 (14)	-do-

Sl. No.	Number and name of grant	Amount of savings (in lakhs of rupees) and its percentage to the provision (in bracket)	Main reasons for saving
10.	30—Fisheries Department	128.62 (24)	-do-
11.	31—Panchayat Raj Department	96.93 (15)	-do-
12.	32—Industries Department	530.56 (38)	-do-
13.	36—Animal Husbandry Department	93.21 (12)	-do-
14.	37—Forest Department	182.93 (14)	Savings were stated to be due to economy measures taken by the Government and non-filling of vacant posts.
15.	38—Rural Development Department—Community Development	540.58 (37)	Reasons for savings have not been intimated (July 1991).
16.	44—Sationery and Printing Department	52.59 (25)	-do-
17.	45—Finance Department (Revenue)	633.35 (29)	Savings were stated to be due to non-receipt of terms of payment of interest from Government of India.

Sl. No.	Number and name of grant	Amount of savings (in lakhs of rupees) and its percentage to the provision (in bracket)	Main reasons for saving
18.	47—Department of Science, Technology and Environment	33.00 (47)	Reasons for savings have not been intimated (July 1991).
19.	49—Horticulture Department	174.69 (18)	-do-
	Capital Section (Voted)		
20.	13—Co-operation Department	166.25 (68)	-do-
21.	20—Education (General) Department	57.64 (41)	-do-
22.	26—Tribal Welfare Department	39.00 (100)	-do-
23.	28—Food and Civil Supplies Department	1,429.62 (25)	-do-
24.	33—Industries Department—Capital Outlay on Housing, Investment in Financial and Trading Institutions and loans to Co-operative Societies	96.25 (53)	-do-
25.	34—Industries Department—Consumers Industries, etc.	368.35 (50)	-do-
26.	41—Local Self Government Department	26.63 (33)	-do-
27.	46—Finance Department (Capital)	142.54 (33)	-do-

2.2.05 *Significant Cases of Savings under Schemes*

In the following cases, substantial savings of not less than Rs. 25 lakhs each had occured 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 (in lakhs of rupees)	Percentage of saving to the provision
	Revenue Section (Voted)				
1.	13—Co-operation Department	Investment in Credit Co-operative (C.S.S.)	45.00	42.20	94
2.	-do-	Investment in other Co-operatives (C.S.S.)	35.00	33.00	94
3.	16—Public Works Department	M.N.P.—District Roads Construction Sub-Plans (S.P.)	601.00	50.22	8
4.	19—Irrigation Flood Control Department	Rural Water Supply Scheme (S.P.)	120.00	120.00	100
5.	20—Education Department (General)	Teachers and other Services	150.00	95.20	63
6.	20—Education Department (General)	Government Secondary Schools (C.S.S.)	84.33	53.99	64
7.	21—Education Department	Services for Children in need of care and protection (C.S.S.)	145.47	28.03	19
8.	22—Medical Department	National Malaria Eradication Programme—Rural (C.S.S.)	90.00	79.21	88
9.	-do-	National Leprosy Eradication Programme (C.S.S.)	73.10	25.41	35
10.	26—Tribal Welfare Department	Special Central Assistance (C.S.S.)	290.83	44.57	15
11.	27—Welfare of Scheduled Castes Department	Education (C.S.S.)	86.22	38.33	44
12.	33—Industries Department	Investment in other Co-operatives Industrial Co-operatives (C.S.S.)	39.92	29.77	75
13.	35—Agriculture Department	Rural Godowns Programme (C.S.S.)	65.00	48.72	75
14.	-do-	Marketing Facilities (C.S.S.)	50.00	50.00	100

Sl. No.	Number and name of grant	Name of the scheme	Total Provision	Amount of saving (in lakhs of rupees)	Percentage of saving to the provision
15.	38—Rural Development Department—Community Development	Subsidy to District Rural Development Programme (I.R.D.P.)	170.50	170.50	100
16.	-do-	Jawahar Rojgar Yozana	580.70	486.03	84
17.	-do-	Construction of Sanitary Latrine (50% C.S.S.)	40.00	31.83	80
18.	49—Horticulture Department	Pilot Project for Control of Shifting Cultivation (C.P.)	200.68	121.66	61

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 (in lakhs of rupees) and percentage of savings (in bracket)		
		1987-88	1988-89	1989-90
	Revenue Section (Voted)			
1.	23—Family Welfare	95.68 (36)	84.97 (27)	52.22 (15)
2.	45—Finance Department (Revenue)	415.94 (42)	2,244.21 (71)	683.35 (29)
	Capital Section (Voted)			
3.	13—Co-operation Department	159.59 (55)	92.58 (30)	166.25 (68)
4.	28—Food and Civil Supplies Department	629.32 (13)	1,907.01 (35)	1,429.62 (25)
5.	46—Finance Department (Capital)	285.36 (85)	106.13 (29)	142.54 (33)

2.2.07 *Significant Cases of Excess*

In the following grants/appropriations, the expenditure during the year exceeded the approved provision 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/appropriation	Amount of excess (in lakhs of rupees) and its percentage of provision (in brackets)	Reasons for excess
	Capital Section (Voted)		
1.	15—Public Works Department (Buildings)	206.13 (37)	Reasons for excess have not been intimated (July 1991)
2.	16—Public Works Department (Roads and Bridges)	579.75 (24)	-do-
	Capital Section (Charged)		
3.	46—Finance Department	7,465.06 (571)	-do-

2.2.08 *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 (in lakhs of rupees) and percentage of excess (in bracket)		
		1987-88	1988-89	1989-90
	Capital Section (Voted)			
1.	15—Public Works Department (Buildings)	608.96 (49)	275.59 (49)	206.13 (37)
	Capital Section (Charged)			
2.	46—Finance Department	403.52 (36)	5,347.64 (437)	7,465.06 (571)

2.2.09 *Injudicious Re-appropriation*

Re-appropriation is a transfer of funds within a grant, from one unit of appropriation, where savings are anticipated to another unit where additional funds are needed. Re-appropriation is permissible where there is a definite or reasonable chance of saving under the unit from which funds are proposed to be re-appropriated or it is meant to curtail expenditure under that unit to meet more expenditure under another. Scrutiny of re-appropriation orders revealed non-observance of this requirement in certain cases. Instances of such re-appropriation of funds amounting Rs. 20 lakhs or more which resulted in unnecessary saving/excess are detailed in Appendix 2.

2.2.10 *Surrender of Savings*

(a) Financial rules require that all anticipated savings should be surrendered as soon as the possibility of saving is envisaged. Though the overall saving was Rs. 77.64 crores, Rs. 35.63 crores were surrendered at the fag end of the year (March 1990).

(b) In the following grants, saving exceeding Rs. 50 lakhs each remained unsurrendered:—

Sl. No.	Number and name of grant	Total grant	Total saving	Unsurrendered saving (in lakhs of rupees) and its percentage on total saving (in bracket)
		(In lakhs of rupees)		
	Revenue Section (Voted)			
1.	5—Revenue Department Social and Community Services	423.85	111.67	42.53 (38)
2.	11—Home (Police Department)	4,159.06	137.52	112.00 (81)
3.	13—Co-operation Department	374.49	69.35	69.35 (100)
4.	17—Electricity	2,197.24	433.22	433.22 (100)
5.	20—Education (General Department)	9,419.29	725.58	606.00 (83)
6.	21—Education (Social) Department	1,519.36	168.43	96.64 (57)
7.	22—Medical Department	2,166.54	129.26	110.40 (85)
8.	23—Family Welfare	346.47	52.22	39.53 (75)
9.	26—Tribal Welfare Department	3,913.74	274.56	172.06 (63)
10.	27—Welfare of Scheduled Castes Department	379.34	77.04	77.04 (100)
11.	28—Food and Civil Supplies Department	253.56	53.65	53.65 (100)
12.	29—Rehabilitation Department	768.81	106.86	106.83 (99)

Sl. No.	Number and name of grant	Total grant	Total saving	Unsurrendered saving (in lakhs of rupees) and its percentage on total saving (in bracket)
		(In lakhs of rupees)		
13.	30—Fisheries Department	541.60	128.62	123.29 (96)
14.	31—Panchayat Raj Department	626.65	96.93	73.85 (76)
15.	32—Industries Department	1,384.87	530.57	3.30 (1)
16.	36—Animal Husbandry Department	780.62	93.21	64.96 (70)
17.	37—Forest Department	1,288.19	182.93	112.11 (61)
18.	38—Rural Development Department—Community Development	1,481.03	540.58	525.58 (97)
19.	44—Stationery and Printing Department	212.22	52.59	50.59 (96)
20.	49—Horticulture Department	976.33	174.69	174.69 (100)
	Revenue Section (Charged)			
21.	45—Finance Department (Revenue)	2,957.65	179.68	161.31 (90)
	Capital Section (Voted)			
22.	13—Co-operation Department	246.00	166.25	166.25 (100)
23.	20—Education (General) Department	140.66	57.64	57.64 (100)
24.	26—Tribal Welfare Department	39.00	39.00	39.00 (100)
25.	28—Food and Civil Supplies Department	5,635.00	1,429.62	543.96 (38)
26.	33—Industries Department—Capital Outlay on Housing, Investment in Financial and Trading Institutions and loans to Co-operative Societies	180.40	96.25	96.25 (100)
27.	34—Industries Department—Consumer Industries, etc.	737.50	368.35	233.69 (63)
28.	35—Agriculture Department	628.00	176.48	160.48 (91)
29.	46—Finance Department (Capital)	426.00	142.54	106.51 (75)

(c) In the following grants/appropriation amounts were surrendered for in excess of the savings actually available for surrender:—

Sl. No.	Number and name of grant	Total saving	Amount surrendered	Amount surrendered in excess
		(In lakhs of rupees)		
	Revenue Section (Voted)			
1.	45—Finance Department (Revenue)	633.35	1,179.96	546.61
2.	48—Tribal Rehabilitation in Plantation and Primitive Group Programme	4.85	10.95	6.10

(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	Amount of excess	Amount surrendered
		(In lakhs of rupees)	
	Revenue Section (Voted)		
1.	35—Agriculture Department	74.58	36.20
	Capital Section (Voted)		
2.	15—Public Works Department (Buildings)	204.31	12.86
3.	16—Public Works Department (Roads and Bridges)	579.75	93.46
4.	19—Irrigation and Flood Control Department	228.07	34.45

2.2.11 *Reconciliation of departmental figures*

With a view to ensuring effective control over expenditure, the departmental officers are required to reconcile periodically as also before the close of the accounts for a year, their departmental figures of expenditure with those in the books of Accountant General. In 1989-90, out of 102 controlling officers, 46 controlling officers did not carry out the reconciliation involving Rs. 475.16 crores. Thus, more than 69 *per cent* of total expenditure of Rs. 686.77 crores booked remained unreconciled. The matter was reported to the Government in October 1990.

2.2.12 *Trend of recoveries and credits*

During 1989-90, recoveries to be adjusted in accounts, as reduction of expenditure, were estimated at Rs. 102.51 crores

(Revenue: Rs. 32.62 crores and Capital: Rs. 69.89 crores) against which actual recoveries were Rs. 83.11 crores (Revenue: Rs. 29.86 crores and Capital: Rs. 53.25 crores).

2.2.13 *Non-receipt of explanation for savings/excess*

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 1989-90, explanation for variation were not received (August 1991) from 76 out of 90 controlling officers.

2.2.14 *Rush of expenditure*

Financial rules require Government expenditure to be evenly phased as far as practicable througout the year. Rush of expenditure at the close of the year can lead to infructuous, nugatory or ill-planned expenditure contrary to prescribed rules; rush of expenditure in the month of March 1990 was noticed in the following cases:—

Sl. No.	Number and name of grant	Total provision	Total expenditure	Expenditure during March	Percentage of expenditure during March to	
					Total provision	Total expenditure
		(In lakhs of rupees)				
	Revenue					
(i)	5—Revenue Department—Social and Community Services	423.85	312.18	147.22	35	47
(ii)	12—Transport Department	27.96	21.18	7.42	27	35
(iii)	21—Education Department (Social)	1,519.36	1,350.93	436.10	29	32
(iv)	23—Family Welfare	346.47	294.25	102.32	30	35
(v)	25—Political Department	29.57	14.59	5.36	18	37
(vi)	27—Welfare of Scheduled Castes	379.34	302.30	190.39	50	63
(vii)	41—Local Self-Government Department	425.05	420.76	205.22	48	49
(viii)	47—Department of Science, Technology and Environment	70.00	39.00	17.62	25	45
(ix)	48—Tribal Rehabilitation in Plantation and Primitive Groups Programme	174.97	170.12	56.62	32	33
	Capital					
(x)	33—Industries Department	180.40	84.15	68.95	38	82
(xi)	41—Local Self-Government Department	80.00	53.37	25.03	31	47
(xii)	47—Department of Science, Technology and Environment	60.00	50.69	22.73	38	45

CHAPTER III

HEALTH AND FAMILY WELFARE DEPARTMENT

3.1 Public Health Care System

3.1.1 *Introduction*

In accordance with the Alma Ata Declaration of September 1978, there is a National Commitment to attain the goal of 'Health for All' (HFA) by 2,000 AD. To achieve that goal, the following major areas of action were identified in the declaration and adopted by the Planning Commission, the Ministry of Health and Family Welfare, and the State Government:

—to restructure the existing public health care system to deliver universal primary health care, especially to the vast majority of the under-served rural people with special attention to the needs of those living in tribal, hilly and remote areas and the urban poor;

—to develop integrated, functional and mutually supportive referral sub-systems, leading to the progressive improvement of comprehensive health care for all; and

—to have under the restructured system, at the local and referral levels, health workers and community workers as well as traditional practitioners suitably trained socially and technically to work as a health team that would respond to the health need of the community.

The Health and Family Welfare Programmes at the National and State levels were also given necessary reorientation for HFA during the Sixth and Seventh Five Year Plans.

3.1.2 *Organisational set-up*

Running of the public health care system in the State is the responsbility of the State Health and Family Welfare Department. The Ministry of Health and Family Welfare, apart from sponsoring several programmes on Family Welfare, disease control and eradication, medical education, and school health services, provides overall guidance to the State Government in running the system and also co-ordinates and monitors its activities.

The abbreviations used in this Report are listed in Appendix 6 (Page 234).

The public health care system, consisting of three parallel services, *viz.,* medical, public health and family welfare services, is under overall supervision of a Director. At the State level, he is assisted by three Joint Directors, besides three Medical Superintendents being the heads of three State level hospitals at Agartala, *viz.,* the Gobinda Ballav (GB), the Victoria Memorial (VM) (now Indira Gandhi Memorial—IGM) and the Cancer Hospital. At the district level, there are three Chief Medical Officers (CMOs) to supervise all the Health and Family Welfare activities of their respective districts.

3.1.3 *Audit coverage*

The public health care system with special reference to 'Health for All Programme' was reviewed during April to July 1990 by test-check of records for the period from 1985-86 to 1989-90 in the offices of the Director and the Programme Officers, 2 State hospitals (out of 3), 2 district hospitals, 2 sub-divisional hospitals (out of 8), 5 community health centres (out of 8), and 7 primary health centres (out of 46). Besides, specific data on selected areas of activity were obtained through questionnaries from 44 health institutions (35 PHCs: 3 CHCs:6 SDHs).

3.1.4 *Highlights*

Posts under Family Welfare Programme and Special Schemes sponsored by the North Eastern Council (NEC) were not filled up leading to under-utilisation of resources.

(Paragraph 3.1.5)

Number of Village Health Guides (VHGs) and *dais* trained fell short of requirement; working of the VHGs and *dais* were not being monitored.

(Paragraph 3.1.6.1)

Number of sub-centres, Primary Health Centres (PHCs) and Community Health Centres (CHCs) were far below the targets; even those established could not properly work for want of necessary inputs.

(Paragraph 3.1.6.2)

Capacity of training schools for nurses and multipurpose workers (female) was grossly under-utilised leading to shortage of nurses and health workers (female) in health institutions and sub-centres.

(Paragraph 3.1.6.3)

Vital and health statistics machinery was unable to generate any reliable data on births, deaths and health condition, although Rs. 33.63 lakhs were spent on it during 1985-86 to 1989-90.

(Paragraph 3.1.7 and 3.1.7.6)

There was heavy shortfall in percentage of coverage as compared to target for each of the vaccines under immunisation programme, besides a high dropout rate making Rs. 14.82 lakhs spent on vaccination during 1987-88 to 1989-90 infructuous.

(Paragraph 3.1.9.4)

Chronic shortage of life-saving drugs and essential equipment in State hospitals and peripheral health institutions put the public health care system out of gear.

(Paragraph 3.1.13)

The drug control machinery could not stop the consumption of substandard drugs; it had no adequate control over the quality of drugs manufactured and sold in the State.

(Paragraph 3.1.14)

The Central Medical Stores (CMS) and the State Hospitals procured and issued a large stock of hazardous drugs (cost Rs. 10.40 lakhs).

(Paragraph 3.1.15)

The CMS procured time-barred and substanderd drugs worth Rs. 6.03 lakhs.

(Paragraph 3.1.16)

There was an extra expenditure of Rs. 4.76 lakhs on purchase of medicines due to adoption of irregular procedure.

(Paragraph 3.1.17)

The Department failed to take adequate precautions against AIDS by setting up an HIV-screening centre to be financed by Government of India and introducing disposable syringe and needle in diagnostic process, immunisation and paronteral administration of drugs.

(Paragraph 3.1.18)

Activity in enforcement of the prevention of Food Adulteration Act was extremely poor; there was idle expenditure

of Rs. 22.99 lakhs during January 1987 to October 1990 on pay and allowances.

(Paragraph 3.1.19)

The Department incurred an infructuous expenditure of Rs. 1.83 lakhs on blood grouping material which became time-barred without utilisation.

(Paragraph 3.1.20.2)

Emergency unit of the Gobinda Ballav (GB) Hospital was in bad shape for want of vehicles; indoor patients of the hospital received only 6 hours coverage out of 24 hours by departmental doctors put in wards; OPD facilities in the State level hospitals were unduly restricted; 25 peripheral health institutions were lacking in one or more basic amenities to the disadvantage of their patients.

(Paragraph 3.1.22.1 and 3.1.22.2)

Ambulance-cum-emergency services run by the VM Hospital was much handicapped for inadequate provision of vehicles; none of the ambulance vans were provided with essential facilities like first-aid, oxygen, resuscitation equipment, etc., and nurses and doctors.

(Paragraph 3.1.23)

(i) The GB Hospital has failed so far to set up an intensive care unit which was an essential requisite for the State level hospital according to norm;

(ii) its dialysis unit was not working properly for want of essential supplies and equipment;

(iii) its blood bank had no banking facility for blood.

(Paragraph 3.1.24/3.1.25/3.1.26.1)

Twenty-two peripheral health institutions were without any effective operation theatre facilities; 16 PHCs and 2 CHCs had no laboratory technicians.

(Paragraph 3.1.26.2)

There was a wasteful expenditure of Rs. 12.33 lakhs in the GB Hospital during April 1989 to June 1990 on diets shown to have been served to patients who did not require them, besides an idle expenditure of Rs. 0.93 lakh on a dietitian during October 1987 to August 1990.

(Paragraph 3.1.27.1 and 3.1.27.2)

Medicines worth Rs. 62.72 lakhs, received in the wards of the Gobinda Ballav (GB) and Victoria Memorial (VM) Hospitals during 1988-89 and 1989-90 were not accounted for.

(Paragraph 3.1.28)

Arbitrarily chosen conversion rates for milk powder to be reconstituted into milk led to extra expenditure of Rs. 2.27 lakhs on milk powder as well as supply of substandard milk to the indoor patients.

(Paragraph 3.1.31)

Rupees 49.51 lakhs were found to have been locked up by the Department in a number of idle equipment and buildings.

(Paragraph 3.1.32)

3.1.5 *Budget provision and expenditure*

The public health care system is being financed from three sources, *viz.,* the State Government, the Central Government and the North Eastern Council (NEC). The year-wise budget provision and expenditure (plan and non-plan shown separately) alongwith the sources of funds for the period from 1985-86 to 1989-90 are given below:—

(Rupees in lakhs)

Group of services	1985-86		1986-87		1987-88		1988-89		1989-90	
	BP	E	BP	E	BP	E	BP	E	BP	E
Medical Services										
(S)	778.77	827.45	828.76	939.22	1,097.64	1,231.92	1,208.14	1,468.72	1,426.91	1,569.51
P	119.75	81.04	100.50	119.58	198.25	194.87	262.00	280.70	255.00	222.94
NP	659.02	746.41	728.26	819.64	899.39	1,037.05	946.14	1,188.02	1,171.91	1,346.57
(C)P	20.95	56.28	24.90	21.29	25.00	19.96	56.00	28.52	63.06	23.25
Public Health										
(S)	131.00	127.93	131.68	163.72	190.52	171.20	221.47	181.47	279.48	275.87
P	68.25	74.65	65.50	92.75	79.25	78.63	97.00	150.30	108.00	160.21
NP	62.75	53.28	66.18	70.97	111.25	92.57	124.47	131.17	171.48	115.67
(C)P	92,00	107.23	84.00	20.38	129.05	86.55	126.10	108.01	181.90	61.47
Family Welfare										
(C)P	152.47	99.32	203.20	134.79	249.76	170.55	285.98	230.01	346.47	294.25
Special Scheme										
(NEC)P	16.30	0.96	3.00	9.99	16.00	3.39	14.00	6.44	16.00	8.96
Works executed through Public Works Department										
(S)	54.18	7.07	136.13	98.96	108.74	153.87	99.82	150.03	120.93	154.14
P	52.00	3.30	134.00	92.40	106.50	152.60	97.50	149.15	118.50	154.05
NP	2.18	4.07	2.13	6.56	2.24	1.27	2.32	0.88	2.43	0.09
(C)P	4.00	3.52	6.00	8.47	43.00	8.61	13.00	14.30	16.00	10.74
(NEC)P	8.50	4.36	3.00	5.63	10.00	4.63	Nil	Nil	Nil	16.27
Grand Total: P + NP	1,258.17	1,234.42	1,420.67	1,402.45	1,869.69	1,850.68	2,024.51	2,187.50	2,450.75	2,414.46

Abbreviations: BP = budget provision; E = expenditure; S = State sources; C = Central sources; NEC = financed by North Eastern Council; P = plan; NP = non-plan.

The non-plan expenditure on medical service was in excess of the budget provision, while plan expenditure on family welfare and special schemes sponsored by the North Eastern Council (except in 1986-87) was less than the provision during all the years. The excess expenditure under the non-plan budget was mainly due to increase in the cost of medicines and other supplies as well as increase in the establishment cost due to revision of pay scales of the employees.

But the provisions for the Family Welfare Programmes and the Special Schemes sponsored by the NEC could not be utilised in full. Government stated (July 1991) that due to administrative problems and non-receipts of concurrence from the Finance Department, posts under the Family Welfare Programme and special schemes sponsored by the NEC could not be filled up.

3.1.6 *Creation of infrastructure*

As a part of the long-term plan to achieve the objective of HFA by 2000 AD, it was expected in the Seventh Five Year Plan (1985-90) to have in position the following infrastructural components by 1989-90:

(a) One trained village Health Guide (VHG) and one trained Dai (traditional birth attendant or TBA) for every 1,000 population.

(b) One sub-centre manned with two multipurpose workers (MPWs), of which one would be male and the other female, for every 3,000 population in the tribal sub-plan area and 5,000 population elsewhere and one primary health centre (PHC) for every 20,000 population in tribal sub-plan area and 30,000 population elsewhere to work as first level health facilities.

(c) One community health centre (CHC) for every one lakh population (fifty *per cent* of the CHCs required for the whole State at this scale were to be set up within the Seventh Plan to work as first level referral institutions).

(d) Necessary inputs in terms of manpower for all the existing Sub-Divisional and District level hospitals (to work as second level referral institutions); and

(e) Super-specialities with ancillaries as well as additional bed strength to eliminate overcrowding in the existing wards, in the State hospitals to work as tartiary level referral institutions.

Components at (a), (b) and (c) were to be located in the rural areas while those at (d) and (e) in the urban areas.

3.1.6.1 *Training VHGs and Dais*

The following table shows the position in respect of placement of trained VHGs and *dias* vis-a-vis the requirement and target:

	Number required/ targeted to be in position as on 31st March, 1990	Number in position as on 31st March, 1990	Percentage of shortfall
Trained VHGs	2,349	1,837	22
Trained Dais	2,349	1,409	40

The reasons for shortfall and the details as to the year-wise target and achievement in respect of the training courses conducted for the VHGs (3 months' duration) and Dais (1 month's duration) at the PHCs to cater to the requirement during the Seventh Plan period had not been received. Government stated (July 1991) that since Government of India has restricted the expenditure under the scheme from 1989-90, the desired target of 1 PHC per 1,000 population could not be achieved. It was seen, moreover, that Department had not been monitoring the field performance of the VHGs and *dais* trained by it.

3.1.6.2 *Establishment of sub-centres PHCs and CHCs*

The position in respect of establishment of sub-centres, PHCs and CHCs at the end of March 1990 as well as the target is given below:

	Total number as on 31st March 1985	Total number required to be established	Total number targeted to be established	Total number established	Percentage of shrotfall with reference to *target*
Sub-centres	230	584	530	460	13
PHCs	33	93	68	46	32
CHCs	3	12	10	8	20

Although the target in each case was fixed at a level lower than the requirement, the achievement was still lower. Out of 13 additional PHCs established during 1985-90, 6 were still going without any beds for inpatients (December 1990) although as per programme each PHC was to have at least 6 such beds. Government stated (July 1991) that the shortfall in achievement was mainly due to lack of technical manpower, especially, NPWs(F), Nurses and Doctors, and incomplete construction works, etc. There were 376 MPWs(F), 687 Nurses and 622 Doctors in position as at the end of 1989-90 against the sanctioned strength of 523, 875 and 704 respectively. Government further stated that the allocation of fund was inadequate to meet the requirement of construction work.

3.1.6.3 *Under-utilisation of training schools*

(a) Accordingly to the norms recommended by the Indian Nursing Council (INC) based on optimum requirement of the sanctioned bed strength and the number of OPD rooms, operation theaters, incentive care units, etc., the GB Hospital (bed strength: 458) and the VM Hospital (bed strength: 289) should have 292 and 297 nurses against 196 and 124 in position respectively (March 1990), the shortfall being 34 *per cent* and and 57 *per cent*. Further, in 35 health institutions (4 SDHS: 3 CHCs: 28 PHCs), there were 137 Nurses in position as against requirement of 238 Nurses resulting in shortfall of 42 *per cent*. The shortfall was attributed by the Department to the acute shortage of trained nurses.

No linkage was being maintained by the Department between the training programmes and the actual requirement of trained personnel for the health institutions.

There are 3 depatrmentally-run nursing training schools at Agartala (since 1955), Udaipur (since 1984) and Kailashahar (since 1985), with a combined annual turn-out capacity of 140 trained nurses, 40 in general nursing-cum-midwifery (GNM) courses (Agartala) and 100 in auxiliary nursing-cum-midwifery (ANM) courses (Agartala 50: Udaipur: 25 and Kailashahar: 25). As the first batch was to come out in 1986-87 from Udaipur and in 1987-88 from Kailashahar, the total turn-out capacity during 1985-86 to 1989-90 worked out to 625 trained nurses, against which the actual turn-out was 186 (GNM: 130; ANM: 56), which was only 30 *per cent* of the combined capacity, contributing to the 'acuteness in shortage'. The total intake capacity during the period was 700, but the actual intake was 293 only (GNM: 121; ANBM: 172), constituting 42 *per cent* of the capacity.

(b) Under the multipurpose workers scheme, no sub-centre was to be opened unless a female health worker could be posted there to look after the maternal and child health activities. But at least 84 out of 460 sub-centres opened till March 1990 did not fulfill the pre-condition due to shortage of trained female health workers. There was a combined annual turn-out capacity of 100 female health workers at MPW (female) training schools. The total turn-out capacity during 1985-86 to 1989-90 worked out 475 trained female health workers, against which the actual turn-out was 243 only, i.e. 52 *per cent* of the total capacity, resulting in the shortage of workers and ultimately affecting the performance of the sub-centres. While the combined intake capacity during the period was 500, the actual intake was 294 only, which was 59 *per cent* of the total capacity.

3.1.6.4 *Provision of additional inputs*

While the minimum requirement of 8 community health centres, 8 Sub-Divisional hospitals and 2 District hospitals was 72 first level specialists according to the norm, they were provided only with 26 such specialists, the shortfall being 74 *per cent*. As at the end of 1980-90, of these 18 institutions, 8 were without obstetrician and gynaecologists, 12 without padiatricians, 16 without surgeons and 16 without physican specialists. This shortfall, which prevented these hospitals from functioning as the full-fledged first and second level referral institutions, was due partly to lack of trained manpower and partly to imbalance in posting of the specialists. 57 *per cent* (17) of obstetricians and gynaecologists (30), 61 *per cent* (14) of paediatricians (23), 89 *per cent* (16) of physician specialists and 86 *per cent* of surgeons were not posted either in the administrative set-up or in any of the two tertiary level referral hospitals (i.e. VM and GB).

The first level health facilities located in the rural area was also suffering from shortage of doctors. While each PHC was to be provided with at least 3 doctors, 15 PHCs were being run without the requisite minimum (11 PHCs had 1 doctor each and 4 PHCs had 2 doctors each).

During the Seventh Plan period, there was a proposal for additional bed strength of 250 for two State level hospitals, *viz.,* GB and VM hospitals (150 beds for GB and 100 for VM). Besides, 6 super-specialities were to be developed in GB Hospital. None of these targets could be achieved (July 1990) since construction preliminaries could not be finalished. As a result, overcrowding in wards in both the hsopitals continued unabated. While the average bed-occupancy percentage during 1987-88 to 1989-90 was 134 for the GB Hospital and 105 for the VM Hospital, the peak occupancy reached up-to 144 for the former and 142 for the latter during the period, affecting the quality of care provided to the patients.

It was seen that there was a wide variation of bed-occupancy percentage in the peripheral health institutions. In 1989-90, while in 100 health institutions, the percentage was below 100: ranging between 13 *per cent* (Bishramganj PHC), 20 health institutions had the percentage above 100: ranging between 125 *per cent* (Amarpur SDH) and 40 *per cent* (Kadamtala PHC). No special arrangements were, however, made by the Department to cope with the abnormally high bed-occupancy percentage in some institutions, thus adding to the suffering of inpatients, nor was there any investigation into the abnormally low bed-occupancy percentage in some institutions to find out the actual causes.

3.1.6.5 *Incentives to doctors serving in rural areas*

The programme envisaged (i) provision of suitable Government residential accommodations and (ii) payment of rural allowance by way of incentives to the doctors serving in rural areas. In 20 health institutions (PHCs: 16; CHCs: 2; SDH: 2) located in rural areas only 43 *per cent* of the doctors were provided with residential accommodation by the Department while the payment of rural allowance was discontinued from March 1989, reportedly due to resources constraints.

3.1.7 *Vital and health statistics*

3.1.7.1 To measure the natural change in the population, to evaluate the affectiveness of the birth control measures and to provide information on the cause of death for use in an analysis of the health condition of a given population, collection and compilation of vital statistics (statistics regarding births and deaths) were essential. The Director of the Health and Family Welfare Department is functioning as the Chief Registrar of Births and Deaths under the Registration of Births and Deaths Act, 1969, for implementation of the provisions of the Act, and the rules made thereunder. In January 1986, GOI pointed out that the number of cases registered under the Act and the number of returns sent from the 188 registration units were poor. Out of 2136 returns due per year, non-receipt of returns increased from 526 in 1986 to 741 in 1988. The consolidated return for the years 1989 and 1990, required to be sent to the GOI, had not been prepared (August 1991).

Government stated (July 1991) that appropriate steps were being taken in this regard.

3.1.7.2 According to the provision of the Tripura Registration of Births and Deaths Rules, 1975, the Medical Superintendent of G. B. Hospital is to send information on deaths that occurred in his institution within 20 days from the date of such deaths to the Agartala Municipality (the Registering Authorities) along with medical certificates issued by the attending Medical Officers, indicating the cause of death in each case. Test-check revealed that between July 1987 and April 1990, information on 2176 deaths was sent in 8 batches. Out of these, only 13 cases satisfied the condition of being informed to the Registering Authorities within 20 days of occurrence. In none of the cases, the attending Medical Officers issued the certificate of cause of death, resulting in non-compilation of data on causes of deaths that occurred in the largest hospital of the State, thus depriving the Department of the valuable data on the health status of the population. Although the delayed delivery of information by the Medical Superintendent and the failure of the Medical Officers to issue the certificate of cause of death attracted the provision of penalties in the form of fines, the provision was not applied in these cases.

Government stated (July 1991) that necessary instructions had been issued on this matter.

3.1.7.3 In February 1988, the Director observed that information on morbidity and mortality helps the Department to take stock of measures towards achievement of HFA by 2000 AD and the GB Hospital had failed to submit monthly reports on morbidity and mortality in terms of international classification of diseases since 1981 in spite of several reminders. The reports had not been compiled and submitted (June 1992) by the hospital although it had the requisite manpower. Government stated (July 1991) that the failure was due to some technical difficulties and necessary steps would be taken to avoid such lapses.

3.1.7.4 From the Annual Returns sent to the Director General of Health Services of the Ministry of Health and Family Welfare for 1985, 1986 and 1987, it was seen that the majority of the health institutions (200 out of 303 in 1985: 285 out of 342 in 1986; 286 out of 437 in 1987) did not send the morbidity and mortality reports to the Directorate. Among the defaulting institutions were also the two major State hospitals, *viz.,* the GB Hospital and the VM Hospital, making the entire statistical process inconclusive and unreliable.

While admitting the lapses, Government stated (July 1991) that necessary directives were being issued to all concerned to remove the lapses.

3.1.7.5 One of the HFA goals is to reduce the percentage of underweight babies (birth weight below 2500 grams) to 18 by 1990. But the Department never attempted to collect the birth weight data from the health institutions nor did it bring to their notice the importance of compilation of such data.

It was seen (December 1990) that 12 health institutions were not at all provided with any weighing machines, in 3 health institutions, the machines were not being used mainly due to lack of staff as stated by them, in another 5, the machines were out of order and in 1 health institution, the machine was not used regularly. Government stated that all necessary steps would be taken in this respect.

3.1.7.6 The HFA goals also included reduction of infant mortality rate (IMR) to 87 per 1000 and maternal mortality rate (MMR) to 2-3 per 1000 by 1990. But the Department was in the dark regarding these two important indicators as to its level of achievement in the areas being covered by the maternal and child health (MCH) programme due to inefficient running of its vital and health statistics machinery, although it spent Rs. 33.63 lakhs on these components during 1985-86 to 1989-90. There being no effective feedback system in operation, the Department sent (May 1989) two arbitrary figures for current level of IMR and MMR (100 and 3-4 respectively) to the Ministry of Health and Family Welfare to show the level of achievement of targets. But no records in support could be shown to Audit (November 1990).

Government stated (July 1991) that specific steps to improve the performance of the vital and health statistics machinery were being taken.

3.1.8 *Mobility*

Every health centre was to have two vehicles, one for supervision of various programmes on public health and family welfare and another for emergency carriage of patients in serious conditions to referral institutions. But out of 46 health centres (CHCs: 8; PHCs: 38), for which information could be made available by the CMOs (July 1990), 8 were not provided with any vehicle, 21 had one vehicle each but the vehicles were off the road for various spells ranging from 6 to 24 months. The remaining 17 centres had only one vehicle each against the norm of two. The vehicles remaining off the road led to an idle expenditure of Rs. 7.25 lakhs on pay and allowances for 21 drivers between July 1988 and June 1990.

Government stated (July 1991) that shortage of funds and imposition of time to time ban on purchase of vehicles stood in the way of implementing the scheme for providing ambulance services to all the medical institutions. It, however, remained silent on providing supervision vehicle to the health centres.

3.1.9 *Family Welfare Programme*

The Family Welfare Programme (FWP), for which *cent per cent* Central assistance is provided, has the HFA goal to achieve a 'Net Reproduction Rate of Unity' (NRR-1) by 2000 AD through the universal provision of comprehensive primary health care services to all and an easy access to family planning methods and maternal and child health (MCH) care facilities. During 1985-86 to 1989-90, Rs. 910.80 lakhs were spent under the FWP. Some of the components and schemes of the FWP are discussed below:

3.1.9.1 *Family Planning Programme*

Under the Family Planning Programme, the HFA goal to be reached by 1990 was a Net Reproduction Rate of 1.17, which corresponds to the effective couple protection rate (ECPR) of 42 *per cent*. In numerical terms, to achieve NRR-1.17, out of 4.34 lakh eligible couples of the State, 1.82 lakhs were to be effectively protected by various family planning methods (sterilisation, intra-uterine devices or IUDS, conventional contraceptives and oral pills) by 1990. But the actual number of effectively protected couples during 1989-90 reached 5.65 lakhs, which gave corresponding ECPR of 15. The rate was far below the HFA target of 42 to be reached by 1990.

An analysis showed that the target for protection of eligible couples was always fixed at a low level during 1987-88, 1988-89 and 1989-90, the percentage of coverage in terms of equivalent sterilisation targeted was 2.9, 2.9 and 2.5 respectively against the number of estimated couples for each year and even against the low targets, there were shortfalls in achievement by 29 to 43 *per cent* during these years.

According to the Department (August 1990), the poor performance was due to acute shortage of (i) motivational staff

(ii) female health workers at the sub-centres and (iii) vehicles at the PHCs for use in the programme.

Government stated (July 1991) that efforts to strengthen the State Health Education Bureau and Mass Media Wing of Family Welfare were being taken. Vacant posts would also be filled up.

3.1.9.2 *Village Health Guide Scheme*

The Village Health Guide (VHG) Scheme is being implemented since October 1977 with the objective of training a local person selected by the community as a VHG for providing primary health care to 1000 population. He is trained for 3 months and is equipped with a manual of instructions and medicine kit box. The CMOs at the district level were responsible for an uninterrupted supply of medicines to all the working VHGs. But there was nothing on record to show that any such supply was being maintained as envisaged in the programme, or any medicines for regular replenishment of the medicine kit boxes of the VHGs were purchased by the Department during 1987-88 to 1989-90. On the other hand, it was seen that Rs. 100 per month per VHG were being paid as usual towards honorarium by the CMOs and the Sub-Divisional Medical Officer (SDMOs) on the basis of a monthly application from the VHG to disburse him the amount, without obtaining any detailed report on the work done by him in physical terms (July 1990). The Department spent Rs. 92.24 lakhs on the scheme during 1987-88 to 1989-90 without ensuring that the system was actually working and without providing the essential inputs for its working.

Government stated (July 1991) that the VHGs were not Government employees and the question of direct supervision by the health machinery does not arise. The contention is not tenable as the payment towards their services is made from the Government funds and hence Government should ensure that proper services were rendered by the VHGs before making such payment.

3.1.9.3 *Dais Training Programme*

For reduction of maternal and infant mortality rate, the PHCs were to conduct a training course for 30 days for the village *dais,* in technique of aseptic delivery. After training, she was to be given a delivery kit with necessary equipment for use in conducting deliveries at their villages. Upto March 1990, altogether 1,409 *dais* were trained thus costing the Department Rs. 4.23 lakhs towards their stipends alone. But not a single case of such delivery (except some cases recorded and paid for by the SDMO, Melaghar) was recorded by the Department as having been conducted by any of these trained *dais* during 1987-88 to 1989-90 nor was any payment made therefor.

Government stated (July 1991) that the rate of remuneration (Rs. 3 for each delivery) not being attractive, the trained *dais* took no interest to conduct home delivery.

3.1.9.4 *Immunisation Programme*

Against 6 vaccine-preventable diseases, the vaccines included under Universal Immunisation Programme (UIP) were diphtheria pertussis tetanus (DPT), diptheria tetanus (DT), oral polio vaccine (OPV), BCG, tetanus toxoid (TT) and measles. As compared to the percentage of coverage for each of the vaccines targeted to be achieved by 1990, the achievement of the Department was extremely poor. The percentage of coverage achieved during 1989-90 was (target mentioned in brackets): for DPT 41(85), OPV 42(70), DT 56(85), TT at 10 years 22(100), TT at 16 years 13(100) and TT for pregnant women 25(100).

Unless a complete course of vaccines at prescribed intervals (3 doses each in respect of DPT and OPV) is taken, an infant is not considered protected against a disease. It was seen that the dropouts not receiving the complete course during 1987-88 to 1989-90 worked out to 1,29,454 infants and children who were vaccinated by the Department at a cost of Rs. 14.82 lakhs, making the entire expenditure infructuous. The year-wise dropout percentage ranged from 32 to 45 during these years.

While admitting that the high dropout rate was mainly due to unawareness and wrong ideas of the people, Government stated (July 1991) that all possible steps to improve the performance in the programme were being taken.

3.1.10 *National Tuberculosis Control Programme*

National Tuberculosis Control Programme (NTCP) has been in operation since 1962 with the objective of detecting and reducing the number of patients suffering from tuberculosis. This is a Centrally Sponsored Programme, the expenditure of which is shared equally by the Central and the State Governments. During 1985-86 to 1989-90, Rs. 60.26 lakhs (Plan: Rs. 11.68 lakhs, Non-plan: Rs. 48.58 lakhs) were spent on the programme.

The objective of the programme was to arrest the disease by 1990 in 75 *per cent* of the known cases. But the relevant data not being systematically compiled, it was not clear as to where the programme stands with reference to the goal. Government stated (July 1991) that proper steps to remove lapses in compilation work would be taken forthwith.

Against the target of vaccination of all newborns and infants with BCG, the achievement was 78 *per cent* (61,335 children vaccinated against the estimated child population of 78,627) leaving 22 *per cent* uncovered during 1989-90.

The vital part of the programme was to conduct 50 sputum examination per month per PHC according to the targets laid down from 1983-84 onwards. At this rate, both in 1988-89 and 1989-90, there should have been 27,600 sputum examination, against which the number of examination was 1,525 in 1988-89 and 5,163 in 1989-90, which were 6 and 19 *per cent* of the target respectively. Government stated (July 1991) that the poor performance was due to shortage of Laboratory Technicians and Laboratory Attendants and that specific steps would be taken to improve the performance.

3.1.11 *National Leprosy Eradication Programme*

National Leprosy Control Programme (NLCP), launched in 1955, was renamed as National Leprosy Eradication Programme (NLEP) with a view to eradicating leprosy from the country by 2000 AD through reduction of infection and breaking the chain of transmission of disease. During 1985-86 to 1989-90, the expenditure incurred on the programme was Rs. 159.98 lakhs. But the status of the programme to arrest the disease in 60 *per cent* of the known cases by 1990 could not be verified for want of systematic records.

The programme suffered from lack of a temporary hospitalisation ward for leprosy patients and a reconstructive surgery unit to facilitate their rehabilitation. In a review report published (January 1987) by the State Government on performance of the Department, it was indicated that the Department had already opened a 6-bedded hospitalisation ward for leprosy patients at the GB Hospital. An enquiry (May 1990) revealed that no such ward was functioning at the hospital and the In-charge, Department of Dermatology of the GB Hospital stated (November 1990) that he had no knowledge regarding the ward.

The Government stated (July 1991) that a temporary hospitalisation ward at Manu in the North District would start functioning soon, the ward at the GB Hospital was planned to be transferred to the West District Hospital which was yet to come up. It was also stated that one reconstructive surgery unit was functioning at the GB Hospital, but no records in support of its functioning could be produced to Audit (August 1991).

3.1.12 *Non-implementation of school health service*

School health service is an economic and powerful means of raising community health through periodical medical examination of school children followed by appropriate treatment and follow-up measures. But the programme, which was operative during the early plan periods, was practically non-existent during the seventh plan period, for which, no reasons could be assigned by the Department. During 1985-86 to 1988-89, Rs. 3.87 lakhs were shown to have been spent on school health service. But there was nothing on record to show that any school was ever-visited by doctors or any treatment was given to school children during the period as envisaged in the programme. Government stated (July 1991) that although there was some expenditure on training of school teachers, distribution of training modules and health guides, etc., no fruitful action could be taken due to hindrances faced by the Department in imparting training to school teachers.

3.1.13 *Scarcity of essential medicines and equipment*

The peripheral institutions like district medical stores, District Hospitals, Sub-Divisional Hospitals, CHCs, PHCs and sub-centres throughout the State get their supply of medicines and equipment from the Central Medical Stores (CMS) at Agartala by issue of indents. Test-check of records revealed that several essential medicines and equipment were not available in stock during 1988-89 and 1989-90 for various durations each exceeding six months (aspirin tablets, dextrose fluid, B.P. blade, absorbent cotton and 15 inches × 12 inches X-ray films for 7 to 9 months, dextrose saline fluid, saline set and glass syringe for 12 to 20 months). Out of 45 peripheral institutions, there was chronic shortage of essential medicines in 23 institutions and chronic shortage of essential equipment in 28 institutions during 1988-89 to 1990-91. The scarcity, having an adverse effect on the peripheral health care delivery system, was due to incorrect assessment of annual requirement, placement of requisition of "as and when required" basis, absence of any priority categorisation of purchases and undue delay in finalisation of tenders. The Department took 10 to 15 months from January 1988 to finalise tenders for purchase of medicines, dextrose fluid and laboratory chemicals during 1988-89 while the validity of the previously approved rate for 1987-88 expired in June 1988. Government in reply (July 1991) assured that such occurrence would be avoided in future.

3.1.14 *Inadequate drug control machinery*

The Drugs and Cosmetics Act, 1940, and the Drugs and Cosmetics Rules, 1945, made thereunder to ensure the prescribed standard and quality of drugs through a system of licensing, inspection and testing are administered in the State by the State Drug Control Machinery (machinery). The machinery is headed by the Director of Health Services, who is the ex-officio Drug Controller, assisted by one Deputy Drug Controller and 9 Inspecting Officers (drugs).

As the machinery was not provided with the facilities for spot-testing and analysis of medicines as yet (September 1990) and it was to depend largely on the reports from the Central Government Laboratories at Calcutta or at Ghaziabad, which were unusually delayed in maximum number of cases, the very purpose of the Act in preventing the selling and consumption of sub-standard drugs was defeated. The situation did not improve although a State Drug Testing Laboratory had been established in 1988-89 as it was yet to be provided with the full set of testing equipment required by it. Against the requirement of 58 testing equipment identified in the scheme, the laboratory was being run only with 12 of them (September 1990).

Of the 295 samples got tested during 1985-86 to 1989-90 from the Central Government Laboratories, delay of over 66 months had occurred in 198 samples, 3 to 6 months in 88 samples and 1 to 3 months in 9 samples. 36 *per cent* of the samples tested during the period were found to have been 'not of standard quality'. But there was nothing on record to show that in any of these cases (except one in the departmentally-run Central Medical Stores in February 1987) consumption of the sub-standard drugs could be stopped by the machinery.

In order to exercise effective control over manufacture and sale of drugs there should be one inspecting officer for every 25 manufacturing premises and one for every 100 selling premises. Based on the number of manufacturing units (11) and sales units (1,397) existing in the State as on 31st March 1990, the requirement of inspecting officers would be 16 against which the actual strength was 9, while the sanctioned strength was 10. Moreover, 3 inspecting officers were diverted to work in some other wings and one (at the office of the CMO, North District) was remaining pre-occupied with the duties of the drawing and disbursing officer. As a result, the shortfall in inspections of manufacturing and selling units ranged, from 64 to 76 *per cent* during the five years ending 1989-90. The quality control of drugs manufactured and sold in the State was, thus, far from being adequate. Lack of adequate control was also detrimental to public health.

Government while accepting the facts, have proposed to strengthen the Drug Control Machinery.

3.1.15 *Procurement and issue of hazardous drugs*

A number of drugs are identified as hazardous, with a clearly high and unfavourable benefit-risk ratio and in the presence of safer alternative, are to be avoided altogether. Among them are:

(1) halogenated hydroxoquinolines (including di-iodohydroxyquinoline and quiniodocholor), which are potentially neuotoxic (causing sub-acute myelo-optic neuropathy or SMON, a painful nerve disease which causes limb paralysis, blindness and lack of bladder control):

(2) analgin, which can cause fatal agranulocytosis; and

(3) butazones (including phenylbutazone and oxyphenbutazone) which can also cause fatal agranulocytosis besides liver and kidney damage.

Agranulocytosis is defined as "a blood disease (often fatal, in which bone marrow fails to produce white blood cells which fight infection and are essential to life, so that patient does not easily succumbs to infection and can die".

It was noticed that during 1988-89 to 1989-90, the Central Medical Stores (CMS), from where drugs were supplied to the peripheral health institutions, the GB Hospital and VM Hospital, were not only holding a large stock of such hazardous drugs but also issued the drugs procured at a cost of Rs. 10.04 lakhs (CMS: Rs. 7.70 lakhs; GB Hospital: Rs. 1.65 lakhs; VM Hospital: Rs. 0.69 lakh) for consumption of patients.

This practice was against the WHO's action programme for essential drugs (launched in 1981), which recommended selection of drugs that were both therapeutically effective and acceptable safe.

While accepting the facts mentioned in this paragraph, Government stated (July 1991) that as the side effects of halogenated hydroxyquinolines 'has a geographical distribution especially in Japan' this group of drugs had still been retained in the State

Vocabularly of Medicine and the other two groups of drugs had been deleted from it and would not be purchased in future.

3.1.16 *Procurement of time-barred and sub-standard drugs*

No medicines without a minimum margin of 13 months from the date of supply to the date of their expiry were to be accepted from the supplier. But the CMS received 11,000 vials (March 1985), 2000 bottles (January 1986) and 15,17,000 tablets (November 1989) of an antibiotic, an antidiarrheal and a vitamin preparation with their expiry dates falling within one to four months from the date of supply. As a result, medicines worth Rs. 0.74 lakh, becoming time-barred, could not be distributed resulting in infructuous expenditure.

It was essential that all the batches of the drugs procured by the Department were spot-tested and analysed immediately after receipt so that the consumption of the drugs, found sub-standard, could be stopped pending receipt of test reports from the Central Government Laboratories. But no such spot-testing and analysis were being done due to non-creation of the testing facilities in the State (September 1990).

During May 1986 to June 1989, in 6 cases, delay in collection of samples for testing ranged from one month to 16 months from the date of receipt of the batches and further delay in receipt of test reports from the Central Government Laboratories ranging from 3 to 16 months. In all these cases, the medicines were declared sub-standard on the basis of test reports. In only one case (halazone tablets: 25,00,000), consumption of the medicine could be stopped. Seventy-five *per cent* and ninety *per cent* of the medicines in two cases (elixir promethazine: 65,000 bottles and gentian ficlet: 2,498 bottles) and the entire stock in the other 3 cases (nalidixie acid tablets: 1,19,000; aspirin tablets: 1,50,000 and potassium citrate: 14,000 packets) was consumed in the meantime. Thus, Rs. 5.29 lakhs, spent on procurement of these drugs proved not only wasteful and ineffective but also hazardous to the patients who consumed them. While the entire quantity of any such drug declared sub-standard, whether consumed or not, was to be replaced by the supplier at his own cost, no such replacement had yet been asked for by the Department (September 1990) nor done by the supplier.

Further, in one case it was noticed that 25,00,000 halazone tablets (cost: Rs. 0.49 lakh) supplied in October 1987 by a Calcutta-based firm was found sub-standard on the basis of test report received between February and June 1988. But instead of blacklisting the firm, 65,000 bottles of elixir promothezine (cost: Rs. 2.39 lakhs) were procured again from the same firm between October 1988 and January 1989. But this item also proved sub-standard on receipt of test report in November 1989.

While accepting the facts, Government had proposed various steps to tackle this issue including blacklisting of firms.

3.1.17 *Extra expenditure on purchase of medicines*

(a) In October 1988, the Government decided to issue the supply orders for the total quantity of drugs required in a year amongst the lowest, the second lowest and the third lowest quotations in the ratio of 50:30:20 in order to overcome the difficulty to obtain the required quantity of drugs from a single selected firm. Since the very purpose of calling for quotations was to ascertain the competitive rates in the market it was logical that order for 30 *per cent*/20 *per cent* of the requirement should be placed with the second and third lowest quotations at the lowest rate only, provided this was acceptable to them. But it was found that the Department allowed them their own quoted rates which were often exorbitantly high as compared to the price quoted by the lowest tenderer. For example, while making purchases for the year 1988-89, 50 *per cent* of the total purchase of 22.28 lakh ampicillin capsules were ordered from the third lowest tenderer, a local firm, at its own quoted rate (Rs. 1,150 per 1,000 capsules plus taxes) which was 59 *per cent* higher than the lowest tenderer. This resulted in an extra expenditure of Rs. 4.76 lakhs. The matter was pointed out by Audit to the Government in December 1990. The Government admitted (March 1991) the lapses and stated that the principle of placement of orders with the second and third lowest quotationers at the lowest rate accepted for the first quotationers would be followed with immediate effect.

Moreover, while making the purchase from the third lowest quotationer firm at its own rate as stated above, the Department did not even maintain the proportion (50:30:20) fixed by the Government, placing orders with him for 50 *per cent* of the requirement instead of 20 *per cent*. This resulted in excess expenditure of Rs. 3.48 lakhs.

In another case, between July 1988 and March 1990, 6.30 lakh tablets of nalidixic acid were procured from two non-tendering firms, whose rates were higher by 42 and 52 *per cent* than the accepted rate (Rs. 120 per 100 tablets plus taxes) of a single tenderer, without confirming the inability of the latter to supply, resulting in extra expenditure of Rs. 3.59 lakhs.

(b) While vitamin B-Capsule with vitamin C in both the dosage forms of tablets and capsules had the same therapeutic value, the Department incurred (November 1989) a wasteful expenditure of Rs. 1.82 lakhs on purchase of 1.95 lakh capsules (cost: Rs. 1.98 lakhs) from a Ghaziabad-based firm through the Medical Stores Department (MSD) at Guwahati. The capsule was more than 23 times costlier than the tablets, rate for which quoted by a Guwahati-based public sector firm was accepted by the Department earlier (November 1988). Instead of ordering for the tablets, the Department procured the capsules at a rate which had not even prior approval of the purchase committee. Government while stating that the MSD did not wait for the approval of rate before making supply against the indent, could not clarify the unnecessary switch over to capsules from tablets.

3.1.18 *Laxity in taking precaution against AIDS and other hospital associated infections*

Acquired Immune Deficiency Syndrome or AIDS is caused by a virus, medically known as 'human immune deficiency virus' or HIV. Since an HIV positive blood donor infects the person to whom he donates his blood with the incurable disease, the Ministry of Health and Family Welfare sanctioned (February 1989) Rs. 38.65 lakhs and released the first instalment of Rs. 5 lakhs to start an HIV screening centre at the blood bank of the GB Hospital. Government of India (GOI) also amended (July 1989) the Drugs and Cosmetics Rules, 1945 (D & C Rules) to make it compulsory for any blood bank to get sample of every blood unit tested for freedom from HIV antibodies. The GOI insisted (March 1990) on starting the screening centre without any further loss of time. But the screening centre had not been started and the ELISA-Reader machines (cost: Rs. 2.50 lakhs) supplied by the GOI in February 1990 were lying idle (September 1990).

It was also made compulsory for a blood bank to get sample of a blood unit tested for viral hepatitis-B and syphilitic infection. These tests were also not being conducted at the blood banks of the GB and the VM Hospitals (July 1990).

Since use of a 'multiple-use non-disposable' syringe-cum-needle in diagnostic process, immunisation and parenteral administration of drugs carries with it a considerable risk of chain infection of AIDS virus from person to person, a 'single-use disposable' syringe-cum-needle is recommended in all these cases. Although the Government declared (1988-89) its intention to introduce the use of disposable syringes and needles in all such cases in each of the health institutions run by the department, the plan did not materialise (September 1990) reportedly for want of additional funds. But according to the background papers on 'Planning and Management of Medical Care and Hospital Services' published (1981) by the National Institute of Health and Family Welfare, New Delhi, using disposable syringes and needles brings down the cost of collection, decontamination, repacking and sterilisation of 'multiple-use non-disposable' syringes and needles which prove ultimately costlier both in terms of money and safety of the patients.

While accepting the facts mentioned above, Government stated (July 1991) that the blood bank had been directed to conduct all the prescribed tests and obtain licence under the D & C Rules immediately. To prevent cross-infection in future, Government also proposed:

(i) to introduce disposable sets for all infusions and blood transfusions

(ii) to use at least disposable needles in immunisation and pathological work; and

(iii) to use disposable needles for all other cases with non-disposable syringes properly washed and sterlised.

Government stated further that the GOI had been requested to revalidate the sanction for utilising the funds for the HIV screening centre.

3.1.19 *Prevention of adulteration in food articles*

3.1.19.1 With a view to eradicating the social evil of adulteration, which is considered a menace to public health, and ensuring purity in the food articles, the Department is responsible for administering the provisions of the Prevention of Food Adulteration Act, 1954 (the PFA Act) and the Prevention of Food Adulteration rules, 1955 (the PFA Rules) made thereunder. An important part of this process is collection of samples of food articles on a sustained basis and in sufficient number by the food inspectors appointed for the purpose and getting the samples tested in the Laboratory of the Public Analyst.

The following table shows the year-wise target for collection *vis-a-vis* the actual collection made during 1987 to 1989, registering a heavy shortfall in collection ranging from 72 to 92 *per cent*.

Year	Number of samples targeted to be collected	Number of samples actually collected	Percent of shortfall in collection
1987	850	238	72
1988	1,300	272	79
1989	1,440	117	92

While attributing the shortfall, specially during the last two years, to laxity in supervision, the Department admitted (April 1990) that the present level of activity in the enforcement of the PFA Act gave a totally erroneous impression that the State was free from the 'scourage of adulteration in food articles'. The percentage of samples found adulterated during the period ranged from 11 to 13. Government stated (July 1991) that to strengthen the work of PFA Act proper infrastructure would be built up soon.

The Laboratory of the Public Analyst has an annual capacity for testing of 1,500 samples (there were 3 Chemists in the laboratory besides the Public Analyst and each of them can perform 500 tests per year). As a result of the poor inflow of samples due to poor collection, about 80 *per cent* of the capacity of the laboratory had to remain idle between 1987 and 1989 leading to a proportionate idle expenditure of Rs. 13.74 lakhs on the laboratory.

Government stated (July 1991) that the observation of Audit about idle expenditure was not correct as the Chemists were engaged to perform duties under various Acts, collaborative studies in new items of food and new methods of analysis. The contention was not acceptable to Audit as there were no records in support of any significant addition in the volume of work for the Chemist beyond the perview of the PFA Act.

3.1.19.2 As the laboratory was not supposed to conduct sampling and testing of water and hence was not equipped with the necessary infrastructure for conducting such test, it did not require services of any samples collector. But the Department placed the services of 3 such sample collectors at its disposal (2 since March 1979 and 1 since September 1989) resulting in an idle expenditure of

Rs. 3.01 lakhs on their pay and allowances upto October 1990 as their services remained unutilised for want of work. The Department posted another sample collector in November 1990 at the Laboratory without taking into account the fact that the services of the already existing sample collectors were not being utilised by the laboratory. Government stated (July 1991) that appropriate steps were being taken for sampling and testing of water.

3.1.19.3 In August 1990, the Department formally inaugurated a Regional Food and Drug Laboratory (Food Wing) under a scheme sponsored by the NEC at a cost of Rs. 29.87 lakhs. The Laboratory was to serve as a testing laboratory for samples of food articles collected in 3 States of the North Eastern Eastern Region, *viz.,* Tripura, Manipur and Mizoram. But the laboratory still remained inoperative (November 1990) owing to non-receipt of any samples from Manipur and Mizoram and the samples collected in the State are taken care of by the already existing laboratory. In the meantime, the Department had spent Rs. 6.24 lakhs till October 1990 on pay and allowances of 2 Senior Chemists and 4 Chemists entertained since February 1988 and October 1988 respectively.

Government stated (July 1991) that according to the NEC scheme, the original laboratory would merge with the Regional Food and Drug Laboratory and 'the staff recruited in the name of the Regional Food and Drug Laboratory' were 'officially' trained in the laboratory for a period of about 2 years. This was not acceptable to Audit as the scheme did not provide for any such training for such a long period in an otherwise idle institution.

3.1.20 *Public Awareness Programme*

3.1.20.1 *Working of State Health Education Bureau*

To increase public awareness by disseminating scientific health information through various inter-related activities, a State Health Education Bureau (SHEB) was set up in 1986. Except for production and distribution of 2.43 lakhs printed material, the Bureau could not provide any data on physical achievement for the period from 1986-87 to 1989-90, neither had it any action plans during the period. It did not take up, since its creation, any of its job assignments like running an uptodate library service, training personnel on health education methods, conducting study on base line data on health for assessment of health education needs, running school health education service etc. It was also seen that manpower at its disposal was meagre (7) compared to the requirement (29) as assessed by itself. While admitting the lapses in strengthening the bureau, Government stated (July 1991) that financial constraint was the main factor and steps were being taken to start a full-fledged Health Education Bureau.

3.1.20.2 *Infructuous expenditure on blood grouping material*

In October 1987, the Department prepared a scheme to make the people 'aware of their blood groups in order to meet any emergency regarding blood'. In March 1988, it procured 2,057 bottles of antisers (a blood grouping material) at a cost of Rs. 2.61 lakhs and stocked them in the stores attached to the blood bank of the GB Hospital. The bottles were to be distributed among the PHCs, CHCs and Sub-Divisional Hospitals to conduct blood grouping of at least 200 persons by each unit. The antisers had various expiry dates ranging from November 1989 to June 1990 within which only 728 bottles were consumed by the blood bank or issued to the peripheral institutions for utilisation. The balance stock of 11,329 bottles (cost: Rs. 1.83 lakhs) became time-barred and were lying in the stores (July 1990).

The Department did not monitor the scheme for blood grouping of 'at least 200 persons' by each of the PHCs, CHCs and Sub-Divisional Hospitals which resulted in an infructuous expenditure of Rs. 1.83 lakhs on the time-barred antisers.

Government stated (July 1991) that the information was still under collection.

3.1.21 *Non-implementation of programme for prevention and control of locally endemic diseases*

One of the major aspects of primary health care, which was the key to attaining HFA, was prevention and control of locally endemic diseases. There was nothing on record to show that the Department had ever made any attempt to identify such diseases on the basis of proper survey or chalked out any programme for their prevention and control. Government stated (July 1991) that attempts would be made to constitute a survey team at the State level for this purpose.

3.1.22 *Medical services*

The 458 bedded GB Hospital is the only State level general hospital and is functioning as the one of the three tertiary level referral hospitals with several specifications. The other two special hospitals falling under this category are (i) the 289 bedded VM Hospital, mainly with two specialities, *viz.*, paediatrics and obstetrices and gynacology and (ii) the 50 bedded Cancer Hospital for diagnosis and treatment of Cancer.

3.1.22.1 *Poor condition of Emergency Unit*

The emergency unit of the GB Hospital, which was to work round the clock; required 3 vehicles for 3 separate shifts to carry the doctors on shift duty and to bring the specialists-on-call to attend patients who were in urgent need for emergency attention. But such a sensitive unit was being run with only two vehicles both of which were in poor condition. Test-check of the complaint register of the unit showed that, in a short period of two months (from March 1990 to May 1990), the emergency service came to a halt on 11 days for vehicular breakdowns.

Government stated (July 1991) that the Department was running short of vehicles due to fiancial stringencies. The requirement of GB Hospital had, however, since been met from the existing pool of vehicles.

3.1.22.2 *Insufficient coverge of indoor patients*

While the indoor patients required continuous coverage by the departmental doctors by putting them in the wards for 24 hours in three shifts (morning, evening and night), the coverage in the GB Hospital was being provided for 6 hours only in the morning shift. In August 1988, it was decided by the hospital authorities to start 18 hours' additional coverage in the evening and night shifts immediately. The decision was not put into practice. In November 1989, it was decided again by the hospital authorites that the Medical Officers from all the Departments/Units would be detailed for duty from 2 PM to 10 PM on roster basis and they would be sittting in the respective wards to ensure their immediate availability to attend the patients. But this decision also had not been put into practice and the indoor patients continued to receive only 6 hours' attendance as before (July 1990).

Government stated (July 1991) that the attempt, made by the hospital authority to give better coverage did not materialise due to shortage of doctors.

3.1.22.3 *Poor OPD facilities*

While in all the peripheral institutions, the outpatient department (OPD) remains open for 5 hours (3 hours in the morning and 2 hours in the evening) on any working day, in the GB Hospital (and also in the VM Hospital) the OPD facilities are provided only for 3 hours in the morning. This resulted in undue restriction imposed on the facilities to be provided to OPD patients and was not supported by any order from the competent authority.

Government stated (July 1991) that there was an order in the Hospital Manual that OPD hours were fixed for 3 hours. The reply was not acceptable to Audit as, in April 1984 Government fixed OPD hours for all hospitals for minimum 3 hours in the morning and beyond this until the work was finished and minimum 2 hours in the evening and beyond this until the work was finished.

3.1.22.4 *Frequent disruption in essential services*

The frequent breakdowns in normal X-ray and Operation Theatre (OT) services for want of X-ray plates, anaesthetic drugs and oxygen showed that the hospital purchases were based on incorrect assessment of annual requirement, wrong procurement schedule and faulty planning process. Such disruption were on record, for example, in April 1987, August 1987, January 1989, February 1989, September 1989 and February 1990 for want of one or the other essential items, replenishment of which took 4 to 5 weeks in each case.

The Pathology Department of the GB Hospital had to suspend an important diagnostic test (called 'widal test' for detection of typhoid) for 9 months from September 1988 to May 1989 for want of reagent, normally consumed at the rate of one bottle per month a bottle of which could be purchased from the local market at a cost of Rs. 31.20 only. But the Department took 9 months to replenish the stock.

Moreover, supply of medicines to the patients from the OPD was also found to have been highly erratic. During 1988-89 to 1989-90, out of 137 items handled by the OPD, 55 items were out of stock for various durations (7 items for 1 to 6 months; 12 items for 6 to 12 months; 10 items for 12 to 18 months; and 16 items for 18 to 24 months).

During April 1988 to November 1990, X-ray machines were out of order for several months without being attended to at Kamalpur SDH (54 months), Belonia SDH (20 months), Kanchanpur CHC (12 months), Melaghar PHC (10 months) and Teliamura PHC (4 months). The machines remained idle for several months for want of X-ray films and other accessories at Amarpur SDH (10 months), Melaghar SDH (6 months) and Dharmanagar SDH (4 months). Gandacherra SDH was not even provided with any X-ray machine (November 1990)

Government stated (July 1991) that resource constraints, non-availability in local market and non-compliance of approved firms stood in the way of necessary procurement.

3.1.22.5 *Provision of basic amenities*

Out of 44 peripheral health institutions responding to Audit questionnaire, 25 institutions, including SDHs, CHCs and PHCs were lacking (December 1990) in one or more basic amenities affecting badly the quality of services provided by them.

Of these, 5 were without running water supply, 5 with irregular supply of water, 1 without any provision of drinking water, 1 without any pump operator and 1 with a tubewell lying out of order.

Three centres were erratic power supply, 1 without power connection, 1 with electricity wiring in bad shape and 1 without compound lighting.

Four centres were without boundary fencing, 2 without attached OPD accommodation, 1 without any room for the maternity and child health clinic, 1 without the maternity ward and 1 without the morgue.

2 were without store rooms, 2 without laboratory rooms, 1 without any room for the dentist, 1 without any duty room for staff and doctors, 3 without office rooms and 1 without any latrine for staff members.

Buildings were poorly maintained in 10 cases, Latrines in 3 and boundary fencing in 1 case.

3.1.23 *Ambulance-cum-emergency service*

An effective ambulance service should aim at transporting an emergency patient from his residence to the casualty block of a city hospital within 20 minutes from the time of receipt of the requisition. Agartala city area (population: 1.65 lakhs in 1990) was lacking a good public transport system. According to the hospital authorities to provide a round-the-clock service for such an area in an effective manner, the ambulance-cum-emergency unit run by the VM Hospital required 7 vehicles for bringing doctors and transporting patients in need of emergency medical attention. But the number of vehicles at the disposal of the unit came down from 5 to 3 (March 1989) when 2 vehicles were withdrawn from service for auction sale, but none were replaced as yet (September 1990).

Besides being provided with a stretcher, an ambulance van was to be equipped with a number of minimum facilities for first aids, injection, oxygen, intravenous medication and immediate resuscitation measures during transport along with a trained nurse and a doctor. But none of ambulance van has been provided with such facilities. The casualty blocks of the VM and the GB Hospitals were not even equipped with resuscitation equipment for conducting artificial respiration, which was a basic minimum requirement for effective functioning of an emergency unit.

Government stated (July 1991) that 2 more ambulance vans were going to be purchased soon. Provision of facility for first aid in the ambulance vans were contemplated.

3.1.24 *Intensive Care Unit*

According to the norm, 3.4 *per cent* of hospital beds should be so organised as to serve as an Intensive Care Unit (ICU) which is defined as "a facility in hospitals for carrying critically and severely ill patients, with possibility to survive, regardless of diagnosis, sex and status, who require continuous observation and intensive medical and nursing care with life saving emergency equipment, drugs and other supplies, immediately available". In conformity with this recommendation, the 458 bedded GB Hospital should have a 16 bedded ICU to provide intensive medical and surgical care including coronary care for patients with myocardial infraction. But the hospital authorities have failed to set up such an important unit at the GB Hospital till now (November 1990).

The records, however, showed that in April 1975, the Department procured a number of equipment at a cost of Rs. 1.00 lakh to set up an intensive coronary care unit. The equipment which were required to be installed in an air-conditioned room were instead installed (July 1975) in an ordinary ward. The equipment could not be commissioned for want of some parts which were required to be imported but not imported (November 1990).

Government stated (July 1991) that action had been taken to purchase the parts.

3.1.25 *Dialysis Unit*

A dialysis unit was opened at the GB Hospital in March 1987 under a special scheme sponsored by the North Eastern Council at a cost of Rs. 20.94 lakhs.

But since July 1987, the initial stock of essential supplies and equipment required for dialysis (e.g., dialysis fluid, heparin, hollow fibre kidney etc.) had not been replaced for the last 3 years as the hospital authorities failed to settle the matter on making advance payment to the suppliers for effecting the supply. Since then, the unit had been performing a dialysis only when the patient himself provides the supplies and equipment (which cost: Rs. 410 for every dialysis) procured by him from outside the State. But the maximum number of patients cannot afford this as the data available with the siochemist of the Dialysis Unit showed that between 20th March 1987 and 16th June 1990 altogether 111 patients were diagnosed to be requiring dialysis. But according to the dialysis register, only 50 patients were put on dialysis during the same period and the fate of the remaining 61 patients was not known. Thus, the objective of setting up of a dialysis unit at a cost of Rs. 20.94 lakhs to help the common patients with damaged kidneys was frustrated due to failure of the hospital authorities to procure essential supplies and equipment for running the unit.

Government stated (July 1991) that steps were taken to improve the condition of the dialysis unit.

3.1.26.1 *Poor condition of the Blood Bank*

The blood storage unit of the blood bank at the GB Hospital was not working since August 1988. The unit could store and preserve blood for a maximum period of 3 weeks before transfusion. The Medical Officer in-charge of the Blood Bank reported (August 1988) that the situation would create much trouble as it would not be possible to collect and store blood donated voluntarily and lives of the patients with serious illness would be endangered for blood. But the hospital authorities failed to arrange for repairing of the storage unit with due urgency to restore the blood banking facilities even in August 1990 after a lapse of 2 years since it has gone out of order.

Government stated (July 1991) that efforts were being taken to procure a new unit.

3.1.26.2 *Lack of OT facilities*

Twenty two health institutions including SDHs, CHCs and PHCs did not have any Operation Theatre (OT) facilities or restricted facilities for want of instruments and other requisities resulting in increase of unnecessary referral cases or even deaths due to inability to attend some of the cases in the OT on an emergency basis.

3.1.26.3 *Efficiency in pathological support*

Out of 46 PHCs and SDHs, 16 PHCs and 2 CHCs did not have Laboratory Technicians; in 16 PHCs and 2 SDHs only malaria parasite examination was being done as the Laboratory Technicians posted there had no training for routine laboratory examination.

3.1.27.1 *Wasteful expenditure on diets*

The diet for the patients are supplied daily to the wards on the basis of requisition slips sent by the ward sisters. Some patients with expressed choice to get their diets brought from outside are issued diet passess in specific forms. The ward sisters were to exclude their names from the diet requisition slips and a diet pass register showing all details of issue and revalidation of such passes was to be maintained in each ward for the purpose. But the registers were not being maintained in any of the wards of the GB Hospital and the patients whose diets were brought from outside using the diet passes were not excluded from the daily diet requisition slips prepared by the ward sisters.

The systems failure resulted in a wasteful expenditure of at least Rs. 12.33 lakhs during 4th April 1989 to 11 June 1990 on diets shown to have been served to patients who did not require them.

The matter was brought to the notice of the Medical Superintendent by Audit in June 1990 for taking effective measures to plug the loopholes. But no reply has been received from the hospital authorities regarding action taken to prevent the recurring wasteful expenditure on this account (September 1990).

Government stated (July 1991) that necessary steps were taken in this connection.

3.1.27.2 *Idle expenditure on a dietitian*

In October 1987, the Department appointed, in GB Hospital, a dietitian who was to look after the general administration of kitchen, run a nutritional clinic for OPD patients and provide dietary advice to indoor patients including planning of therapautic diets for them. Since her appointment, the hospital authorities did not at all utilise her service in any of these areas and incurred an idle expenditure of Rs. 0.93 lakh on her pay and allowances up to August 1990.

In July 1989, the dietitian pointed out to the hospital authorities that there was no arrangement in the hospital to supply diet according to disease, but no action was taken on the report.

Government stated (July 1991) that necessary steps had been taken with reference to audit observation.

3.1.28 *Non-accountal of supplies and equipment in wards*

It was the responsiblity of the sister-in-charge of a ward to keep perpetual inventories for supplies and equipment that are received from the stores at periodical intervals. But in none of the health institutions test-checked were such records being maintained.

In the wards of the GB and the VM Hospitals, medicines worth Rs. 62.72 lakhs (GB Hospital: Rs. 30.63 lakhs; VM Hospital: Rs. 32.09 lakhs) were found to have been received through indents on their respective stores during 1988-89 and 1989-90. But none of the wards maintained any stock account for these medicines so that their proper utilisation could be verified by audit. Out of 64 SDHs, CHCs, and PHCs, 15 institutions (1 SDH, 1 CHC and 13 PHCs) were not maintaining any stock records in wards and 8 of them (1 SDH and 7 PHCs) were not following the system of verification of correctness of entries for receipts and issues. In absence of any accountability at the consumption point, the entire accounting process at the medical stores upto issue of those medicines to the wards become fruitless as the loophole for their wastage, misuse and pilferage remained unplugged at the end point.

Non-maintenance of perpetual inventories of equipment recording loss and unserviceability as soon as they occur, often had another consequence, i.e., non-replenishment of stock in time as immediate follow-up action. This resulted in aggravation of sufferings of patients for want of basic amenities. According to the norm, there should have been one bedpan and one bedside bowl for each bed. But on an enquiry from audit at the GB Hospital the sisters-in-charge from 12 wards having a combined bed-strength of 396 reported (June 1990) after taking a spot census that there were only 16 bedpans and 97 bedside bowls on the ward floors. Similarly, in the Kailashahar District Hospital, 11 bedpans and 71 bedside bowls were reported (July 1990) to have been in service against a bedstrength of 85.

Admitting the fact of non-maintenance of proper records of medicines and equipments received in 'some wards' through indents from general stores, Government (July 1991) stated that necessary steps were being taken on priority basis to avoid such irregularities.

3.1.29 *Improper management of kitchen*

The hospital authorities should keep accounts for perishable stores as well as diets prepared and supplied to the hospital wards daily. But GB Hospital did not maintain any stock records for fish, meat, milk and bread though there was a dietitian in position. There were also no accounts showing the number of diets prepared in the kitchen and supplied to the wards duly supported by proper receipts from the ward nurses. The hospital spent Rs. 34.37 lakhs during 1988-89 to 1989-90 on procurement of diet ingredients, proper utilisation of which could not be verified by audit in absence of such records.

In the absence of any internal check in kitchen administration and lack of supervision led to the following irregularities:

(a) The kitchen of the GB Hospital was not provided with a measuring can. As a result, milk was not being measured while being delivered to the wards for the last one and half years (June 1990), thus, increasing the chance of pilferage of milk in the kitchen.

(b) Diets prepared for the patients continued to remian deficient in terms of protein and calorific value as compared to the approved scale since supplies of eggs and milk were highly irregular at the GB Hospital. For example, 0.11 lakh eggs and 65 kilolitres (KL) of milk were supplied against the requirement of 1.81 lakh eggs and 143 KL of milk (i.e. 6 *per cent* and 45 *per cent* respectively of the requirement) during September 1988 to July 1989. The irregularity in supplies continues unhindered (July 1990) without any effective intervention from the hospital authorities.

(c) Six peripheral health institutions intimated to audit (December 1990) that when non-vegetarian diet was substituted by vegetarian diet for in-patients in July 1990, the diet became protein-calories deficient. The substitutes of vegetarian diet was regularised by none of the health institutions of the State with corresponding increase in the quantity of milk supplied to the patients to avoid the deficiency, reportedly for want of a clear-cut circular from Government to the effect. Moreover 4 of the PHCs (Damcherra PHC, Anandabazar PHC, Karbook PHC and Bishramganj PHC) were not supplying (December 1990) any diet to their in-patients for reasons not specified on record.

(d) The tests conducted (and that too not at the instance of the hospital authorities) by the quality control wing of the dairy, from where the supply was being received disclosed (September 1990) definite evidence of adulteration of milk in the kitchen of the GB Hospital (percentages of fat and solid non-fat contents were found to have been changed to 8.8 and 11.51 from 3.5 and 8.5 respectively). The hospital authorities stated (September 1990) that the matter was under enquiry by them.

(e) Test check of records of the kitchen stores of the VM Hospital relating to the period from 1st April 1989 to 7th September 1990 as well as the physical verification conducted on 8th September 1990 at the instance of audit revealed a loss of 4,191 kg. of rice (cost: Rs. 8.17 lakhs) from the stores through suspected misappropriation. The matter was reported by audit to the Government (September 1990).

While admitting the lapses, Government stated (July 1991) specific actions were being taken in this regard and the storekeeper concerned of the VM Hospital had been suspended following the observation of audit on misappropriation.

3.1.30 *Loss of stores due to systems failure*

Test check of 4 consignments emanating from the CMS in June 1987 (two consignments to Kailashahar District Hospital), May 1988 (one consignment to the District Medical Stores, South Tripura) and September 1989 (one consignment to Damcherra PHC) revealed that altogether 20 items of medicines worth Rs. 8.23 lakhs were not entered or partly entered in the stock registers of the recipient institutions. In none of the cases, the entries were checked by the Medical Officer-in-charge of the stores with the supply note issued from the CMS. The Department also did not evolve any system of internal check that could tally at periodical intervals the issues from the CMS with the receipts of the paripheral institutions.

The storekeeper of Silachari PHC reported in May 1990 that medicines worth Rs. 0.50 lakh were missing from the stock. The first information report (FIR) was sent to the police immediately and the records were seized. It was seen from the preliminary investigation report (June 1990) of the CMO (South) that the pilferage was possible as a second person other than the storekeeper had an irregular access to the key of the stores.

Government stated (July 1991) that all concerned were being directed to complete their stores verification immediately so that loss of stores was detected and proper recording of stores was done and that the CMO (South) was directed to look into the loss of medicines worth Rs. 0.50 lakh from Silachari PHC.

3.1.31 *Extra expenditure on milk powder and supply of sub-standard milk to patients*

Under the provisions of Prevention of Food Adulteration (PFA) Rules 1955, 'milk' means milk with minimum 3.5 *per cent* fat-content. In a large number of health institutions milk for patients are obtained from suppliers who reconstitute milk from milk powder. According to the recorded amount of fat-content of the milk powder (18 *per cent*) 200 grams of milk powder should be reconstituted into 1 litre of milk to maintain the fat-content at the minimum prescribed level of 3.5 *per cent*. Test check recorded that in 2 SDHs (Dharmanagar and Sabroom) and 2 PHCs (Tilthai and Manubankul) the suppliers were reconstituting 1 litere of milk from 100 gram (Dharmanagar and Sabroom), 80 grams (Manubankul) and 75 grams (Tilthai) of milk powder. The fat-content of the reconstituted milk, thus, fell far below the prescribed minimum of 3.5 *per cent,* making the milk supplied to the patients liable to be declared as adulterated under the PFA Rules.

. Further, the health institutions as mentioned above were making payment to the supplier according to the quantity of liquid milk supplied and not according to the quantity of milk powder used for reconstituting the milk. Thus, according to the arbitrarily chosen conversion rates as mentioned above, a supplier was billing Rs. 50.00 for 500 grams of milk powder whose market price was Rs. 28.00 by converting 500 grams of milk powder into 6.25 litres of milk (@ Rs. 8.00 per litre of milk) at the conversion rate of 80 grams/litre. In this process the Department paid an extra amount of Rs. 2.27 lakhs for 5,690 kg. of milk powder received by the 4 health institutions during 1988-89 to 1989-90.

Information received from 19 other health institutions, where reconstituted milk was being supplied, revealed that the conversion rates were ranging from 60 grams of milk powder : 1 litre of milk to 125 grams of milk powder : 1 litre of milk.

In order to avoid irregularities in respect of overpayment to contractors and supply of sub-standard milk to patients the Director of Health Services has issued instructions (November 1991) to ensure that the milk supplied by the contractor should conform to specification as prescribed by the PFA Rules 1955.

3.1.32 *Idle equipments and buildings*

(i) *Idle equipment*

There were instances of procurement of equipment by the Department for the GB Hospital without assessing the actual requirement, or creating necessary infrastructure which was prerequisite for their operation, or making any arrangement for post-commissioning maintenance work for these equipment. Test check revealed that the following equipment costing Rs. 18.35 lakhs were lying idle in the hospital (September 1990), the earliest of them since December 1979, as detailed below:

Sl. No.	Name of equipment	Date of purchase	Cost (in lakhs of Rupees)	Reasons for lying idle
1.	Lighting equipment for operation theatre (one set)	December 1979	0.84	Non-commissioning of operation theatre at the Cancer Hospital
2.	Band-saw, grinding machine, sanding machine	June 1983	1.50	Lack of necessary electrical installations for drawal of power to operate the machines
3.	Wax bath apparatus (four sets)	May 1984	0.13	Non-procurement of medicated wax
4.	Whirlpool bath apparatus (two sets)	June 1984	1.89	Lack of space to operate
5.	Microwave diathermy apparatus (two sets)	June 1984	1.89	Lack of maintenance after the sets went out of order within a year of their procurement
6.	Computerised anesthesia monitoring unit	May 1989	12.10	Lack of airconditioned room for operation

On the other hand, the Department failed to procure (September 1990) dental chairs, which were basic instruments in practice of dentiatry for 11 health institutions resulting in the services of 11 dental surgeons posted there not being fully utilised for want of these chairs.

Government stated (July 1991) that necessary steps were taken to repair and utilise the equipments.

(ii) *Unused buildings*

In the following cases, due to defective planning, the buildings could not be put to use for which they were constructed, leading to an idle investment of Rs. 31.16 lakhs on them so far (September 1990).

(a) With a view to catering to the ever-increasing demand from the patients for the paid cabins at the GB Hospital, 10 additional cabins were constructed on the first floor in January 1975 at an approximate cost of Rs. 1.40 lakhs. But the cabins had not been commissioned (July 1991) reportedly for want of nursing staff for over a period of 15 years. This also led to an estimated loss of revenue as cabin fees working out to Rs. 6.30 lakhs. The Department stated (July 1991) that efforts were taken to commission the cabins at an early date.

(b) At the Kumarghat CHC, a 15 bedded ward with ancillary rooms on the first floor constructed at a cost of Rs. 5.20 lakhs in July 1987 remained unutilised for over 3 years (September 1990), for want of nursing staff and sweepers, according the Medical Officer-in-charge of the CHC (July 1990). Government stated (July 1991) that necessary staff would be posted to meet the requirement.

(c) To ensure round the clock availability of the MPW (Male) and the MPW (Female) at the sub-centre to the people of the adjoining area for their primary health care, both the male and female workers were to be provided with residential quarters attached with the sub-centres. Accordingly, 22 twin units of residential quarters (one unit for the male workers and the other for the female workers) were constructed along with the sub-centre buildings at a cost of Rs. 18.84 lakhs in West District between 1983-84 and 1989-90 and 16 twin units at a cost of Rs. 13.12 lakhs in South District between 1985-86 and 1989-90. But all these units remained unoccupied by the health workers (September 1990), frustrating the objective of their construction and resulting in infractuous expenditure of Rs. 31.16 lakhs.

Government stated (July 1991) that necessary administrative measures were being taken in this regard.

3.1.33 *Clinical establishments allowed to run without licences*

In July 1985, in a memorandum, Government stated that the Chief Medical Officers who were made responsible to execute the provisions of the Tripura Clinical Establishments Rules 1979 made thereunder have not been showing enough interest in their work with the result that many privately run clinical establishments have cropped up in every corner of the city of Agartala and the District towns.

The position did not improve since then as the CMO reported in December 1985 that in Agartala alone there were 26 pathological laboratories, 5 X-ray clinics and 5 nursing homes and the records showed (November 1990) that none of them (except one nursing home) were issued the requisite licences under the Act.

Government stated (July 1991) that non-implementation of provision was due to non-availability of staff and printed forms, the latter being available now. Action for issue of licences to nursing homes and X-ray clinics had already been taken. But Government remained silent on taking action in respect of pathological laboratories.

3.1.34 *Other topics of interest*

3.1.34.1 The Medical Superintendent of the VM Hospital purchased (July 1989) 4,634 disposable syringes (for use in its pathological laboratory) at the rate of Rs. 5.67 per piece from a local firm without calling tenders or collecting competitive prices from market. The printed maximum price of the syringe was Rs. 2.75 per piece inclusive of all taxes. This not only resulted in extra expenditure of Rs. 0.13 lakh, but also indicated systems failure for non-observance of any codal formalities or even the procedures for the emergency purchase by the Medical Superintendent. Without being specific on the matter after conducting a thorough enquiry, Government stated (July 1991) that the higher rate 'may be' due to non-availability of the items 'freely' in local market.

3.1.34.2 The Department spent Rs. 0.49 lakh in 1987-88 for printing of 6,000 posters @ Rs. 8.22 per piece under "Oral Rehydration Therapy Programme" without ascertaining the prevailing market rates by calling tenders or otherwise. In 1989-90, the rate for printing of posters of the same specification was found to have been Rs. 3.00 only per piece through calling tenders and it spent Rs. 0.30 lakh for printing of 10,000 posters. Non-assessment of competitive rates from the markets in 1987-88 before getting the printing job done cost the Department an extra expenditure of Rs. 0.31 lakh.

3.1.34.3 Bottles containing various infusion fluids, when the contents were used up, were not being returned to the stores for preservation nor were any accounts for such empty bottles kept at any point. During 1988-89 to 1989-90, altogether 2.39 lakh such bottles were found to have been issued to various wards of the GB and the VM Hospitals from the general stores (GB: 1.59 lakhs; VM: 0.88 lakh). The hospitals could not account for these empty bottles, resulting in a loss of Rs. 1.67 lakhs (being the market price for these empty bottles) to the Department. Government in its reply (July 1991) stated that collection of empty bottles from wards and storage thereof for disposal had been started on receipt of audit observations.

3.1.35 *Monitoring and evaluation*

The Department had no well conceived and effective management information system to assist in planning and decision making, to provide timely warnings about emerging health problems and to review, monitor and evaluate the various on-going health programmes. Lack of a strong monitoring and evaluation system, *inter alia,* contributed to failure in achievement of the 'Health for All' programme.

The Department admitted (April 1990) that 'despite huge expenditure and a large network of health institutions manned by a large body of technically competent and qualified doctors, the output did not seem to be commensurate with the investment made'.

Government stated (July 1991) that the infrastructure for monitoring on-going health programmes would be built up at the State level by drawing experts from different levels.

INDUSTRIES DEPARTMENT

3.2 Implementation of Janata Cloth Scheme in Tripura

3.2.1 *Introduction*

The Janata Cloth scheme was introduced in Tripura in September 1977 for providing employment to the unemployed handloom weavers and at the same time making available cloth at cheaper prices to the poorer sections of the people. The scheme envisages production of *Dhoties, Sarees, Lungies, Shirtings,* Long cloth and their distribution in rural and urban areas through outlets owned by the implementing agencies, co-operative societies, fair price shops, civil supplies outlets, etc. The scheme receives financial support in the form of subsidies from the Government of India.

Under the Textile Policy of 1981, a gradual shift for the shares of subsidised cloth produced by the mill sector National Textile Corporation (N.T.C.) known as controlled cloth, to the handloom sector was envisaged. The new Textile Policy of 1985 envisaged transfer of the responsibility for the entire production of controlled cloth from the mill sector to the handloom sector by the end of the Seventh Five Year Plan.

3.2.2 *Organisational set-up*

Since the inception of the scheme, the Director of Industries, Tripura was functioning as the nodal agency. This responsibility was shifted to a new Directorate of Handloom, Handicraft and Sericulture, Tripura, established in January 1988. From September 1977 to December 1989, Tripura Handloom and Handicrafts Development Corporation was functioning as the sole implementing agency of the scheme. In January 1990, the Tripura Apex Weavers' Co-operative Society had also been declared as a second implementing agency. The production and target of delivery had been increased for the State by Government of India from 3 million square metres to 4 million square metres in 1989-90. In January 1990, the Tripura Apex Weavers' Co-operative Society had been given the responsibility of production and delivery of additional 1 (one) million square metres.

3.2.3 *Audit coverage*

Records for the period from 1985 to 1989, maintained by the Director of Handloom, Handicraft and Sericulture, Tripura, Agartala; the Tripura Handloom and Handicraft Development Corporation, Agartala; two branch offices at Santirbazar and Dharmanagar; three sales counters at Agartala, Santirbazar, Dharmanagar and five Development Blocks (out of 10 Blocks) were test-checked between March and April 1990.

3.2.4 *Highlights*

Production of Janata Cloth was far below the target in 1984-85, 1985-86 and 1989-90; shortfall being 24, 31 and 9 *per cent* respectively.

(Paragraph 3.2.5.3.)

Only 65 *per cent* of the Janata Cloth was sold in rural areas against the minimum of 75 *per cent* of total cloth consumed; land holding income of the beneficiaries were not assessed before distributing the cloth as required under the norms fixed by Government of India.

(Paragraph 3.2.6.3)

Rupees 33.10 lakhs received as subsidy from Government of India were not made available to the poorer section of the people by the implementing agency between March 1988 and June 1989.

(Paragraph 3.2.8.2[i])

Though the cloth was to be distributed to the selected beneficiaries, bulk of 13,320 *dhoties* and 33,540 *sarees* were sold to private persons, traders during 1987-88, 1988-89 and 1989-90.

(Paragraph 3.2.8.2[iv])

Shortages of Janata Cloth worth Rs. 1.12 lakhs were noticed in two stores of the implementing agency.

(Paragraph 3.2.9.3)

National Handloom Development Corporation deducted Rs. 0.49 lakh in excess of the amount due from the implementing agency on account of issue of yarn.

(Paragraph 3.2.10.1)

3.2.5 *Production and delivery*

3.2.5.1 In Tripura, only two sorts, *viz., Dhoti* and *Saree* of count 40×40 are produced by the individual weavers/co-operative societies enlisted with the implementing agency. Conversion of pieces of Janata Cloth into square metres is as follows:

1. *Dhoti:* (L = 4.57 metres × W = 1.12 metres = 5.1184 square metres, say = 5.12 square metres).

2. *Sarees:* (L = 4.57 metres × W = 1.12 metres = 5.1184 square metres, say = 5.12 square metres).

The deliveries of Janata Cloth are made through their own outlets, public distribution units, Government Sales Emporiums according to the norms of the Government of India.

The detailed position of the enlisted weavers and the number of looms engaged in production are shown in the table below:

Year	Number of enlisted weavers	Number of looms
1984-85	668	881
1985-86	843	1139
1986-87	967	1317
1987-88	1047	1417
1988-89	1082	1472
1989-90	1114	1521

3.2.5.2 Production and deliveries of Janata Cloth are made by the implementing agency according to Government of India guidelines. Government stated (March 1990) that these were verified by the nodal agency from time to time. But no such verification report could be made available to Audit.

3.2.5.3 *Target and achievement*

The target fixed for production during the year 1984-90 and achievement there-against are shown below:

Year	Target	Achievement	Shortfall	Percentage of shortfall
		(In lakh square metres)		
1984-85	1.82	1.38	0.44	24
1985-86	3.00	2.06	0.94	31
1986-87	3.00	2.87	0.13	4
1987-88	3.00	2.95	0.05	2
1988-89	3.00	2.99	0.01	—
1989-90	4.00	3.62	0.38	9

No basis for production targets were devised by the nodal agency, other than the target of production and distribution fixed by the Government of India for the State.

The shortfalls were attributed by the Government (November 1990) to temporary closure of some looms for minor repairing.

Government stated in March 1990 that Janata Cloth were produced by the weavers who were producing cloth of coarser count. No weaver producing improved cloth was encouraged for production of Janata Cloth. Government stated that, if they were persuaded to do so, the quality cloth producing weaver would not be able to utilise his skills.

3.2.6 *Distribution performance*

3.2.6.1 The number of public distribution units of the implementing agency, in rural and urban areas along with the rate of growth of the outlets are shown below:

	Number of Public distribution units		Percentage of growth of the outleft	
Year	Rural	Urban	Rural	Urban
1984-85	67	12	—	—
1985-86	83	15	24	25
1986-87	90	18	8	20
1987-88	93	20	3	11
1988-89	101	23	9	15
1989-90 (upto December 1989)	119	23	18	Nil (No increase)

It would be seen from position stated above that the rate of growth of public distribution outlets was more in urban areas than in rural areas.

3.2.6.2 Total sales through rural and urban outlets, including the public distribution units are shown below:

Year	Total sales of Janata Cloth (pieces), on which subsidy was claimed	Total sales through the rural and urban outlets (pieces)		Percentage of sales through	
		Rural	Urban	Rural	Urban
1984-85	2,65,957	—	—	—	—
1985-86	3,91,913	—	—	—	—
1986-87	5,61,057	—	—	—	—
1987-88	5,76,812	3,64,841	2,11,971	63	37
1988-89	5,85,735	3,83,294	2,02,441	65	35
1989-90	5,85,937	3,96,335	1,89,602	68	32

3.2.6.3 According to Government of India guidelines, at least 75 *per cent* of the Janata Cloth consumed within the State was to be sold to the target group in the rural areas and the rest in the urban areas according to land holding income criterion.

It would be seen from the above table that during 1987-88 to 1989-90, 65 *per cent* (in average) of the Janata Cloth was sold in rural areas and 35 *per cent* (in average) was sold in urban areas and holding income was not, however, assessed in any case as this was not found practicable.

Government also stated in November 1990 that sales would go down if the procedure was followed.

3.2.6.4 *Sales promotion*

There was no campaign for sale of Janata Cloth. However, during *Durgapuja* in every year there is sale through Panchayat Department.

3.2.6.5 *Distribution of Janata Cloth during natural calamity*

During natural calamity sales of Janata Cloth was not made through unauthorised outlets. However, there was sales on this account to different private organisations. No separate account of such sales was maintained by the implementing agency.

3.2.6.6 Under the scheme, the implementing agencies were required to send figures of production/delivery of cloth for a particular month to the Development Commissioner (Handloom) latest by the 15th of the following month.

But no such report could be shown to Audit.

3.2.7 *Costing*

During the period from April 1979 to March 1988, total cost of *Janata Saree* varied from Rs. 15.76 to Rs. 35.98 and that of *Dhoti* (April 1983 to March 1988) from Rs. 18.13 to Rs. 33.38 per piece, the details of which are shown below:

Date of cost revision	Total cost		Overheads charged		Percentage of overheads on purchase cost	
	Saree	*Dhoti*	*Saree*	*Dhoti*	*Saree*	*Dhoti*
April 1979	15.76	N.A	2.76	N.A	21	N.A
July 1979	17.06	N.A	1.70	N.A	11	N.A
July 1981	19.93	N.A	2.48	N.A	14	N.A
April 1983	N.A	18.13	N.A	2.08	N.A	13
April 1985	24.49	20.69	2.79	1.99	14	11
October 1986	24.24	22.24	2.91	2.79	14	14
March 1988	35.98	33.38	7.18	6.68	25	25

No detailed calculation for allocating 25 *per cent* on purchase price under the item "overhead" (effective from March 1988) could be shown to Audit.

Government stated in November 1990 that working out the details of overhead cost was not felt necessary since 25 *per cent* was the permissible limit as per provisions of the scheme.

3.2.8 *Payment of subsidy*

3.2.8.1 In order to compensate the difference in the cost of production and price realised, subsidy is payable at rates fixed by the Development Commissioner, Handloom, from time to time. The rate of subsidy had been increased from Re. 1/- per square metre in 1977 to Rs. 1.50 per square metre in 1981, and from Rs. 2.00 in October 1984 to Rs. 2.75 in March 1988, in respect of cloth actually delivered.

The implementing agencies prefer claims in prescribed proforma for actual deliveries made, duly certified by the Chartered Accountant and countersigned by the Director of Handloom, Handicraft and Sericulture, Tripura, Agartala. The Government of India then reimburse the subsidy to the State Government with an intimation to the implementing agency. The State Government finally make payment of the subsidy to the implementing agencies.

N.A = Not available.

The year-wise amounts of claims for subsidy payable and the amount paid by the Government of India, on the basis of the actual deliveries are shown below:

Year	Month of submission by the implementing agencies	Amount claimed	Amount (Rupees in lakhs)	Amount/Month of release subsidy by the D.C.(H)	Amount/Month of disbursement by the nodal agency	
				Date(s)	Amount (Rupees in lakhs)	Date(s)
1984-85	May 1984 to February 1985	46.80	70.77	July 1984 to March 1985	33.00	June 1984 to January 1985
1985-86	May 1985 to March 1986	32.93	19.70	June 1985 to February 1986	79.43	April 1985 to March 1986
1986-87	June 1986 to January 1987	91.12	76.59	December 1986 to March 1987	77.50	June 1986 to February 1987
1987-88	August 1987 to March 1988	57.45	49.45	September 1987 to March 1988	50.00	May 1987 to October 1987
1988-89	August 1988 to February 1989	90.24	90.24	February and March 1989	46.40	September 1988 to January 1989
1989-90	July 1989 to January 1990	87.87	87.87	September 1989 to February 1990		June 1989 to February 1990

3.2.8.2 The following irregularities were noticed in test check.

(i) *Subsidy claimed in excess*

The T.H.H.D.C., Agartala claimed subsidy amounting to Rs. 121.36 lakhs for the period from March 1988 to June 1989 on 44,13,142.04 square metres of Janata Cloth actually sold/delivered. The subsidy was claimed @ Rs. 2.75 per square metre. Records revealed that the T.H.H.D.C., Agartala allowed subsidy to the consumers @ Rs. 2 per square metre only during the period resulting in excess claim of Rs. 33.10 lakhs.

Circumstances under which subsidy @ Rs. 2.75 per square metre was claimed by the implementing agency could not be explained to Audit.

Government stated in November 1990 that enhanced subsidy of Rs. 2.75 per square metre was taken into account while fixing the sale price. But it was noticed in Audit from the records that only Rs. 2 was deducted on its accounts.

(ii) Enhancement of subsidy from Rs. 2 per square metre to Rs. 2.75 per square metre was given effect to from March 1988 subject to the conditions that every implementing agency would distribute not less than 85 *per cent* of Janata Cloth through the PDUs and a maximum of 15 *per cent* would be distributed through the outlets of the implementing agency. It was noticed that sales through PDUs ranged between 17 and 39 *per cent* of total sale during 1988-89 and 1989-90 (upto December 1989).

No reasons for such shortfall in sale through PDUs were on record.

(iii) *Delay in payment of subsidy*

In 1984-85, there was delay in nine months to one year in disbursing subsidy amounting to Rs. 30.41 lakhs in four cases.

(iv) *Sale to private persons/Traders*

According to the Government of India instruction, no Janata Cloth should be sold to private persons/Traders in bulk. Test-check of records for the period from 1987-88 to 1989-90, however, revealed that 13,320 pieces of *Dhoti* and 33,540 pieces *Sarees* were sold from the Central stores, Agartala, without mentioning the name and address of the purchasing agency. No application for purchase of the said Janata Cloth, bearing the orders of the competent authority, permitting such sale could be produced to Audit.

It was noticed in Audit (March 1990) that out of the total quantity of 46,860 pieces of Janata Cloth sold, 1,000 pieces of *Sarees* were sold on 24th August 1987, 1,000 pieces of Sarees were sold in 15th October 1987, 5,000 pieces of *Sarees* were sold on 17th August 1989, 5,000 pieces of *Dhoti* were sold on 17th August 1989 and 1,500 pieces of *Sarees* were sold on 6th December 1989 in bulk, without mentioning the name and address of the purchaser. It could not also be satisfied that the pieces involved in the bulk sale actually reached the eligible consumers at specified prices. The Government stated in November 1990 that in two cases, 2,000 pieces of *Sarees* had been sold to two Co-operative Societies, one case in which 5,000 pieces had been sold was under examination. It has also been stated that instruction had been issued not to sell in bulk without mentioning the name of the purchaser.

3.2.9 *Accounting of Janata Cloth*

3.2.9.1 *Irregular maintenance of Stock Register*

Test check of stock register, challans, consignment notes, cash memos etc., disclosed that Janata *Dhoti* and *Sarees* were received/purchased by the central stores at Agartala and thereafter, the same were sold/delivered to various units. The stock register for the year 1987-88 could not be produced to Audit. However, the receipts and delivery/sale of Janata Cloth were obtained from the consignment, challans and cash memos disclosed that there were discrepancies in the closing balances (*Sarees:* 50,758, *Dhoti:* 10,190) according to the physical verification report against the balance shows in stock register, (*Sarees:* 77,433; *Dhoties:* 17,695). The reasons for shortages could not be explained.

3.2.9.2 *Exhibition of excess issue in Stock Book*

(i) Test check of records maintained at the branch office of the T.H.H.D.C. at Santirbazar revealed that against the actual sale of 100 pieces of Janata Cloth (*Sarees*) @ Rs. 24.24 each, 200 pieces of *Sarees* were entered in the issue side of the cash book, resulting in exhibition of excess issue of 100 pieces of Janata *Sarees,* involving an amount of Rs. 24.24.

(ii) Against the actual sale of 100 pieces of Janata Cloth (*Dhoti*) @ Rs. 22.24 each, 300 pieces were entered into the stock book resulting in excess issue of 200 pieces involving an amount of Rs. 44.48 which accounts for the excess issue of Janata Cloth worth Rs. 68.72 (Rs. 24.24 + 44.48).

3.2.9.3 *Shortage of Janata Cloth*

Test check of records maintained by the branch offices of T.H.H.D.C. and 'Purbasha', a sales counter at Santirbazar and a few sales emporia in and outside the State disclosed the following shortages of Janata Cloth worth Rs. 1.12 lakhs during the period mentioned against each.

(i) T.H.H.D.C., Santirbazar purchased 15,502 pieces of Janata *Dhoti* during November 1987 to March 1988 and sold 11,000 pieces during the period. At the end of March 1988, the closing stock was shown as 4,109 instead of 4,502. Thus, 393 pieces involving Rs. 0.10 lakh was short.

(ii) Two hundred and thirteen pieces of Janata *Sarees* were found short during physical verification of stock during December 1984 to March 1988 in 'Purbasha' at Santirbazar. Besides, there was a totalling mistake on the issue side of the stock book during 1987-88 involving an excess entry of 250 pieces on the issue side. Thus, there was a total shortage of 463 pieces involving Rs. 0.11 lakh.

(iii) In the other sales emporia in and outside the State, there was a total shortage of 3,832 pieces of cloth worth Rs. 0.91 lakh during the period from 1984-85 to 1989-90.

Government stated in November 1990 that the cases were under investigation. But no report has yet been received (June 1992).

3.2.10 *Supply of yarn*

Yarn supplied for production or the actual quantum used in production of Janata Cloth by the implementing agency could not be ascertained. Government stated in April 1990 that the weavers were at liberty to procure their yarn for production of Janata Cloth from any source and no records exclusively for supply of yarn and production of Janata Cloth were maintained by the implementing agency.

3.2.10.1 *Excess recovery on account of cost of yarn*

The implementing agency (T.H.H.D.C.) purchased a total quantity of 6,280 bales of yarns worth Rs. 8.64 lakhs from the National Handloom Development Corporation (N.H.D.C.) between April and November 1986. But N.H.D.C. deducted Rs. 9.13 lakhs from the subsidy during October to December 1986 resulting in an excess recovery of Rs. 0.49 lakh. The excess had not been adjusted as of June 1990.

3.2.11 *Evaluation*

3.2.11.1 Government stated (March 1990) that no evaluation of the scheme was taken up either by the State Government or by Government of India.

3.2.11.2 Government, however, stated (March 1990) that periodical informal reviews were made by the nodal agency. It was found that the purpose of the scheme, i.e., generation of additional employment for weavers and making the cloth available to the poorer section of the people in the society have not been achieved. But no such review notes for the said informal reviews could be made available to Audit.

DEPARTMENT OF WELFARE FOR SCHEDULED TRIBES

3.3 Loss of foodgrains

With the funds sanctioned by the Department of Welfare for Scheduled Tribes, the Block Development Officer, Amarpur M.P.

Block in March 1987, purchased 130 quintals of dal (Rs. 0.83 lakh) and deposited Rs. 0.30 lakh in the Amarpur Sub-Treasury for lifting 122 quintals of rice from the Government food godown.

To provide adequate inputs of calories and protein to the children and expectant mothers, rice and dal were to be distributed simultaneously to different feeding centres under the Special Nutrition Programme. Available stocks of foodgrains were distributed upto September 1987 and thereafter the distribution was stopped due to shortage of rice. The rice, for which money had been deposited in March 1987, was received only in February 1988, due to non-production of the relevant document (delivery order) for its release from the Government godown. By that time, 110.5 quintals of dal and 13 quintals of rice had become unfit for human consumption. According to investigation conducted by the Department of Food and Civil Supplies (April 1988), the damage had been caused due to inadequate arrangements in the godown of the Special Nutrition Programme and also due to lack of supervision.

In June 1989, the value of the damaged foodgrains of Rs. 0.70 lakh was written off, as these were declared by the Public Analyst as unfit for consumption by human being or even by animals. No responsibility had been fixed on the delinquent official(s). The damaged dal was dumped in July 1989. The Block Development Officer stated in July 1990 that the damaged rice had been cleared from the godown and dumped, proper supervision is also being kept on stocks under Special Nutrition Programme as indicated by Audit.

The matter was reported to the Government in November 1990, their reply had not been received (June 1992).

FOOD AND CIVIL SUPPLIES DEPARTMENT

3.4 Failure to deduct income tax and surcharge

According to Section 194-C of the Income Tax Act 1961, authorities making payments to contractor for carrying out Government work should deduct two *per cent* of the relevant amounts as income tax, except on contracts which do not exceed Rs. 10,000 in value. The Finance Act 1989 required that a surcharge of eight *per cent* of such income tax should also be deducted.

During a test check of the records of the Director, Food and Civil Supplies (February-March 1990), it was noticed that no deduction of income tax and surcharge were made from contractors' bills for carrying of foodgrains between April 1989 and January 1990. This extended undue financial benefit to the concerned contractors, to the extent of Rs. 3.13 lakhs (Income Tax: Rs. 2.90 lakhs and Surcharge: Rs. 0.23 lakh).

The matter was reported to Government in November 1990. The Director stated that recoveries towards income tax had been started from July 1990.

3.5 Delays in FCI's refunds of transportation cost

Due to the inability of the Food Corporation of India (FCI) to transport regularly the monthly quota of rice from its depots situated outside the State to its depots in Tripura due to practical difficulties and also due to its inadequate storage facilities at Agartala, the Department undertook the responsibility for such transportation of the foodgrains from depots outside the State on the understanding that the transportation cost would be reimbursed by the FCI on preferment of claims by the Department.

Mention was made in paragraph 3.7.12 (c) of the Report of the Comptroller & Auditor General of India for the year 1987-88 that out of total transportation cast (Rs. 368.24 lakhs) for lifting foodgrains from the depots outside the State, Rs. 154.90 lakhs pertaining to the period from 1978 to 1988 had not been reimbursed by the FCI.

It was noticed in Audit (February-March 1990) that the FCI did not reimburse Rs. 28.03 lakhs against the actual expenditure of Rs. 350.19 lakhs refund of which was claimed by the Department for transportation of foodgrains during two years 1988-89 and 1989-90.

Moreover, charges were being reimbursed by FCI at the rate of 9 paise per quintal per kilometre for the period up to April 1989 and thereafter at the rate of 11 paise per quintal per kilometre, which were much less than the Government approved rates adopted by the Department under different contracts from time to time.

Thus, the details given below disclosed that an amount of Rs. 80.12 lakhs being the difference between the actual transportation charges incurred by the Department for the period from 1987-88 to 1989-90 and the amount reimbursed by FCI and claims not settled was treated as clear loss to the Government.

Year	Actual expenditure	Reimbursed	Loss
		(Rupees in lakhs)	
Upto 1987-88	368.24	316.15	52.09
1988-89	113.84	95.12	18.72
1989-90	236.35	227.04	9.31
Total:	718.43	638.31	80.12

The Department stated in March 1991, that the rate for reimbursement of transportation charge of foodgrains has, however, been enhanced to 13 paise per quintal per kilometre from 1st November 1990. But the decision to make good the loss already sustained by Government has not been taken; and the matter is being taken up with the Union Government.

The matter was referred to the Government in April 1990; reply has not been received (June 1992).

3.6 Short-receipt of rice

The Food Corporation of India (FCI) is responsible for the supply of foodgrains according to monthly allocations made by the Government of India from FCI depots within the State.

Since the local units of FCI did not have enough capacity required for bulk storage of foodgrains, it often resulted in short-lifting of foodgrains. The State Government has, however, tried to solve the problem by arranging its own transport for lifting foodgrains, whenever possible.

Accordingly, the lifting facility, foodgrains are despatched through transport contractors with invoices issued by the departmental representative, on the basis of weighment sheets prepared by FCI without actual weighment being taken by the FCI authority at any despatch point. But from loads ascertained on the weigh bridge at the receiving point (Central Stores, Arundhutinagar), shortages/excesses have been noticed in many cases. This has become a recurring feature, because of the system being followed conventionally in successive years.

Mention was made in paragraph 3.7.12 (b) of the Report of the Comptroller and Auditor General of India for the year 1987-88 that an estimated amount of Rs. 4,006.67 lakhs relating to the period from 1982-83 to 1987-88 remained outstanding for adjustment with FCI for short-lifting of foodgrains by the Department.

During a test check of the records of the In-charge, Central Store, Arundhutinagar, it was noticed (November 1989) in Audit that out of the total quantities of foodgrains reported to have been despatched from FCI depots between June 1988 and October 1989, in some cases rice was received excess to the tune of 213.81 tonnes. But in many cases rice was received short totalling to 498.28 tonnes. Thus, after adjustment of excess (213.28 tonnes) received in some cases against the shortages (494.28 tonnes) in many cases, a net 288.47 tonnes of rice worth Rs. 7.92 lakhs was received short.

The Department while admitting the fact of shortage stated in January 1991 that FCI has since started delivery of rice through weigh bridges of the Government and thereafter no shortage was noticed. The Department, however, apprehended that FCI would not entertain the reimbursement of the cost of foodgrains received short, as it was due to operational difficulties, though the matter was being pursued with FCI.

The matter was reported to the Government in April 1990; reply had not been received (June 1992).

FOREST DEPARTMENT

3.7 Undue financial benefit to buyers of forest products

The Finance Act 1988 deems that when forest produce is sold there is a certain element of profit for the buyer in the transaction. In this context the Act provides that every seller of forest produce, while receiving payments from the buyers, must deduct a certain percentage of the sale proceeds (as laid down in the Act) towards Income Tax. A surcharge on such Income Tax is also to be deducted. The Act provides that in the event of any failure to do so, the seller will have a liability to pay interest on such amounts till the tax is paid. The said Act provides for two rates of such tax to be deducted at source *viz.,* 15 *per cent* for timber obtained under forest lease as well as any other forest produce not being timber and at 5 *per cent* for timber obtained outside a forest lease, both being effective from 1st June 1988. The rate of surcharge was 5 *per cent* on the quantum of Income Tax for the year 1988-89 and 8 *per cent* on the same for the year 1989-90.

It was noticed in Audit (August 1990 to April 1991) and on collection of additional information in August 1991 that Income Tax on sale proceeds of forest produce and surcharge on Income Tax had not been collected/had been collected less by the following Divisional Forest Officers of four Forest Divisions as shown below:

Sl. No.	Name of the Forest Division	Period involved	Sale proceeds		Tax and surcharge due	Amount collected	Shortfall
			Timber	Other forest product			
					(In lakhs of Rupees)		
1.	Northern Division, Kailashahar	6/89 to 3/90	7.22	9.78	1.27	1.10	0.87
2.	Ambassa Division	6/88 to 12/89	14.07	3.26	1.27	Nil	1.27
3.	Teliamura Division	6/88 to 11/89	24.95	7.87	2.58	Nil	2.58
4.	Gumti Division Jatanbari	6/88 to 10/89	34.40	26.79	6.08	Nil	6.08
	Total: (between 6/88 & 12/89)		80.64	47.70	11.90	1.10	10.80

The tax including surcharge, thus, not duly deducted at source resulted in undue financial benefit of Rs. 10.80 lakhs to the buyers.

The Government in the replies (June 1991 and November 1991) stated that the revenue figures as had been computed originally by Audit from the records of the Divisional Offices included revenue of non-taxable sources and that of forest produces sold for non-trade purpose.

It was also that the records relating to receipts from non-taxable sources were available only in the Beat/Range Offices. Since the Divisional Offices are responsible for payment of Income Tax to the concerned authority it is incumbent on the part of the Divisional Forest officers to maintain clear records relating to all types of sale. Absence of such records shows serious lapses in exercise of control over the subordinate offices. Further the Government did not identify the amounts of receipts from non-taxable items.

However, the figure now shown above were verified further and included receipt of sale of taxable items only. One Division (Northern Division, Kailashahar) confirmed the figure in 1991.

In respect of sale proceeds of forest produce for non-trade purposes as contended by Government, there was no specific certificate to that effect in the records of the Divisions.

HOME DEPARTMENT

3.8 Irregular expenditure on engagement of contingent workers

In May 1980, it was decided by the Government that no fresh engagement of contingent workers would be made without obtaining prior approval of the Finance Department. The position was reiterated by the Government in September 1985, and again in June 1988.

The Superintendent of Police, South Tripura District engaged 107 contingent workers between March 1982 and May 1988 without obtaining the concurrence of the Finance Department and incurred an expenditure of Rs. 10.72 lakhs as wages during 1982-83 to 1988-89 (June 1988).

The Superintendent of Police, South Tripura District stated in December 1989 that due to acute shortage of staff since 1982 daily rated workers (porters) had been engaged as typist, driver, cook, water-carrier, etc., in different offices, police stations, camps of South Tripura District without prior approval of the Government.

The matter was reported to Government in August 1990. Government stated in November 1990 that though approval could not be given due to ban on creation of new post, their services were actually required and the proposal for creation of posts for the workers was under consideration of the Government as of December 1990.

3.9 **Avoidable expenditure**

For replacing old and condemned vehicles, Government approved the purchase of 25 jeeps between September and October 1988 for use by the Director General of Police. In January 1989, the Higher Purchase Committee (H.P.C.) approved the rate of Rs. 1.18 lakhs per jeep and expenditure sanction was accorded by the Government in the last week of March 1989. The supply order was not, however, placed till May 1989.

In April 1989, the price of the vehicle was increased by 17 *per cent* and the revised rate (Rs. 1.38 lakhs each) was approved by the H.P.C. again in May 1989 and supply orders were issued in May 1989 (for 21 jeeps) and July 1989 (for 4 jeeps). The supply (25 jeeps) was completed between July and December 1989.

Had the supply orders been issued well in time from the date of administrative approval, supply of jeeps would have been completed before price escalation effective from April 1989. Thus, delay in placing supply orders led to an avoidable expenditure of Rs. 4.81 lakhs.

Government stated in November 1990 that supply orders were placed soon after completion of codal formalities; the reply is not convincing since it does not explain the reason for delay of 3 months in according expenditure sanction which ultimately resulted in cost escalation and avoidable loss to Government.

RELIEF AND REHABILITATION DEPARTMENT

3.10 **Extra expenditure on purchase of polythene sheets**

In the course of Audit (September 1990), it was noticed that the District Magistrate and Collector, South Tripura, Udaipur invited open quotations in June 1989 for the supply of ISI-marked polythene sheets required for the construction of refugee relief camp sheds.

The lowest rate, which was offered by Shri 'X' of Udaipur for ISI-certified sheets was Rs. 31 per kilogram. Another rate, quoted by Shri 'Y' of Udaipur for sheets of standard quality, was Rs. 29.90 per kilogram. The Department, however, did not accept any of the rates obtained on the ground that only two quotations had been received. It straightway went ahead (in June-July 1989) with the purchase of 8690.950 kg. of polythene sheets from the Tripura State Co-operative Consumers' Federation Limited, Agartala at the rates ranging from Rs. 34 to Rs. 42 per kg. Reasons for payment of different rates were not on records in the Office of the District Magistrate and Collector. However, on cross-checking of records of the Director, Relief and Rehabilitation, it was found that the whole specification for polythene sheets which were supplied at the rate of Rs. 34 per kg. was mentioned in the supply order but in the other two cases, no specification was mentioned in the concerned supply order. In addition, service charge at 5 *per cent* on the cost was also paid. The total amount involved in the deal was Rs. 3.30 lakhs.

Because of the purchase of the sheets from Agartala ignoring the offer of Shri 'X' of Udaipur, the Department had to incur extra expenditure of Rs. 0.61 lakh, which was exclusive of carriage cost from Agartala to Udaipur.

The District Magistrate and Collector (South Tripura) stated in March 1991 that polythene sheets had been carried through departmental vehicles from Agartala to different relief camps for which no extra charges were paid to any contractor. However, Rs. 0.01 lakh was paid (November 1989) by the Director, Relief and Rehabilitation Department for carriage of polythene sheets from Agartala to Udaipur on 16th June 1989 through a Co-operative Society.

On this being pointed out in October 1990, Government stated in June 1991 that the District Magistrate and Collector could not process the tenders on the ground that only two tenders had been received and in "an emergent situation on an international and humanitarian issue" could not go for a second call. The reply is not convincing since under Rule 15(1) of General Financial Rules, limited tenders or even a single tender can be accepted by the competent authority after recording reasons for doing so. Since there was an emergency as stated by the Government, one of the two tenders could have been accepted.

3.11 **Loss on purchase of dry fish**

In the course of a test-check of the records of the Sub-Divisional Officer, Amarpur, it was noticed (February 1990) in that the Relief and Rehabilitation Department of the Government sustained a loss of Rs. 1.93 lakhs in connection with purchases of certain commodities.

During 1988-89, the Sub-Divisional Officer, Amarpur purchased dry fish from two suppliers 'A' and 'B' at rates approved by Government (Relief and Rehabilitation Department), for the supply of rations to the Bangladesh Tribal Refugees in relief camps.

According to existing financial rules and instructions of Government the delivery of the commodities purchased are to be get effected after verifying the quality and quantity of the supplies. While receiving the delivery of the dry fish purchased, the procedure had not been followed by the store-keeper in-charge. As a result, 121.99 quintals of dry fish, worth Rs. 1.93 lakhs, turned out to be sub-standard, as reported by the Sub-Divisional Officer, Amarpur. In September 1988, the suppliers were requested by the Department to take back the substandard dry fish, but there was no response from the suppliers. In July 1989, the Director, Relief and Rehabilitation made unsuccessfully efforts to sell and damaged stocks to an organisation, but no effective steps were taken to dispose of them at February 1990.

Further, the Sub-Divisional Officer, Amarpur made payments totalling Rs. 16.50 lakhs (against Rs. 16.03 lakhs due) towards the purchase of 897.94 quintals dry fish between March 1989 and February 1990, resulting in an excess payment of Rs. 0.47 lakh. This was due to making payments on gross weight (947.08 quintals) including the weights of gunny bags, instead on the net weight (897.94 quintals).

Details of action taken to fix the responsibility for the losses due to the purchase of sub-standard dry fish and the excess payments was not on record.

Sub-Divisional Officer, Amarpur stated in December 1990 that 105.47 quintals of the damaged stock had been supplied to an organisation and 11.65 quintals of the stock reported to have found short due to prolonged storage. Excess payment was also admitted due to defects in agreements with the suppliers. Even after disposal of 105.47 quintals damaged dry fish at a very nominal rate of Rs. 2 per kg. the loss sustained was Rs. 2.19 lakhs. No responsibility for the loss has been fixed.

On this being pointed out in November 1990, Government stated in June 1991 that there was no ambiguity in the tender, the S.D.O., Amarpur was wrong in his interpretation and paid on the basis of gross weight. It was also stated that the S.D.O. had sought clarification in July 1990, but the clarification was given only in November 1990.

As regards purchase of sub-standard dry fish, Government stated in June 1991 that the materials purchased had been found fit for consumption on an inspection conducted by a Senior Research Assistant of the Department but were damaged subsequently due to long storage as a result of reluctance of the camp inmates to receive those.

RURAL DEVELOPMENT DEPARTMENT

3.12 Extra expenditure on purchase of G.I. pipes

In the context of providing galvanised iron (GI) pipes for sinking of Mark II tubewells and for replacement and resinking of ordinary tubewells during the year 1989-90, the Rural Engineering Department obtained copies of the rate of contracts of nine firms concluded with the Director General of Supplies and Disposals. Of the nine firms, six were from New Delhi and one each from Howrah, Kanpur and Guwahati. Rates of identical diameters of GI pipes of the firms were the same, except those of the Guwahati-based firm, whose rates were a little higher. In the rate of contact of the Kanpur-based firm, exemption from payment of sales tax was provided.

It was noticed in Audit (July-August 1990) of the accounts of the Rural Engineering Division, Tripura West, that according to the approval of the Government, issued in June 1989 and September 1989, GI pipes worth Rs. 126 lakhs were purchased from three New Delhi based firms and the one based at Guwahati. There were, however, no recorded reasons in the documents made available to Audit advocating the purchase from those firms ignoring the rates of Kanpur-based firm. Nor were reasons advanced by the Department regarding bad performance of that firm, on the other factors disqualifying that firm.

Thus, by not purchasing the pipes from the Kanpur-based firm, the Government had to incur an extra expenditrue of Rs. 4.84 lakhs towards payment of sales tax.

The Executive Engineer, Rural Engineering Division, Tripura West, Agartala in November 1990 stated that the Kanpur based firm had been provided with trial rate contract of Director General of Supplies and Disposals, and that without ascertaining the capacity of supply, quality of products and bad performance of the firm, if any, the Government might not have taken risk in purchasing from that firm. The contention thus made, is not, however, valid inasmuch as the points now brought out could have been sorted out had the firm been visited by the Department representative before going ahead with the purchase.

The matter was reported to the Government in November 1990; Government forwarded a copy of the reply of Executive Engineer mentioned above without any comment of endorsement.

3.13 Loss of interest on bank deposits

Article 15(1) of the Manual of Jawahar Rojgar Yojana provides that funds are to be kept in a bank or post office in an exclusive and separate savings bank account. Article 16(1) of the Manual further provides that the interest accruing on such bank deposits is to be treated as part of the JRY.

It was noticed during the Audit of the Matabari Block, Udaipur, South Tripura (August 1990) that the Block Development Officer, on receipt of initial funds of Rs. 5.80 lakhs from the District Rural Development Agency for the purchase, had opened a current account on 27th June 1989 under specific instructions of the District Magistrate and Collector. During the period from July 1989 to July 1990, the total withdrawals were made through 49 cheques, ranging from 1 to 7 drawals each month, which was well within the permissible frequency of withdrawal from savings bank account.

Thus, by operating a current account instead of a savings bank account, the Government sustained a loss of interest of Rs. 0.51 lakh at the rate of 5 *per cent* on deposits up to July 1990 , and thus failed to mobilise additional resources for Jawahar Rojgar Yojana.

Government stated in March 1991 that the question of depositing Jawahar Rojgar Yojana funds in a separate savings bank account did not arise as the Block Development Officer had not been permitted to operate savings bank account and instructed to transact all Government funds through P.L. account and in some cases through current deposit account also. But the reasons as to why the Block Development Officer was not permitted to operate savings bank account keeping in conformity with the guidelines framed by the Government of India for implementation of Yojana, thereby earning interest, forming of additional resources remained unexplained.

3.14 Disappearance of 'masurdal' stock

For implementation of the Special Nutriation Programme in the Matabari Block in South Tripura District, the Block Development Officer purchased 1,035 quintals of masurdal from a local Co-operative society during the period from May 1989 to June 1990.

A scrutiny of the records of Block (August 1990) revealed that out of the quantity so purchased, 80 quintals of masurdal worth Rs. 0.76 lakh, were not entered in the Stock Register, although its purchase had been vouched in the society's invoices and also authenticated in the receipted challans.

The above quantity was not reflected in the closing balances at the end of July 1989, nor in the receipt accounts of subsequent months, while the month-wise entries in support of issues were made regularly. Periodical physical verification, as required under the rules was also not being done.

The matter was reported to the Government (November 1990), their reply had not been received (March 1991).

REVENUE DEPARTMENT

3.15 Subsidised rice distribution in non-entitled area

The Integrated Tribal Development Programme (ITDP) *inter alia* envisaged (January 1986) distribution of rice at a subsidised rate in the Tribal Autonomous District Council (ADC) areas and in the Tribal Sub-Plan areas outside the ADC areas.

In order to ensure proper implementation of the scheme, the Department issued instructions (December 1985) to all Sub-Divisional Officers that fair-price shops issuing subsidised rice to the tribal areas would cater exclusively to those areas, and no supply would be made to persons living elsewhere.

During a test-check (September-October 1988) it was noticed that 8,68,100 kilograms of rice were issued to the residents of Amarpur town during January 1986 to August 1988 at the subsidised rate through fire-price shops, though the place did not fall within the ADC Tribal Sub-Plan areas.

This resulted in an unauthorised expenditure of Rs. 15.84 lakhs. Such distribution was discontinued from the first week of September 1988.

Government stated (February 1991) that rice at the subsidised rate had been issued to the people of Amarpur town which was included as a part of Sub-Plan area, though the notification declaring Amarpur town as ADC area or Tribal Sub-Plan area could not be made available to Audit. However, the distribution of rice to the residents of Amarpur town at the subsidised rate was subsequently discontinued.

SCIENCE, TECHNOLOGY AND ENVIRONMENT DEPARTMENT

3.16 Extra expenditure on purchase of stoves and lanterns

To solve the rural energy problem with gainful utilisation of energy sources, fuel-efficient cooking and lighting devices are sold at subsidised rates to the beneficiaries in five selected Blocks. During the test-check of the records in the Office of the Block Development Officer (BDO) Kanchanpur (January-February 1990) and the BDO Bishalgarh (March 1990) the following facts were noticed by audit.

In September 1989, the BDO, Kanchanpur purchased 100 kerosene wick stoves (Nutan) at the rate of Rs. 132.25 each, and Rs. 4,500 lanterns (Kishan) at the rate of Rs. 58.95 each (total cost: Rs. 2.78 lakhs), from a supplier of Agartala on a short notice inviting tenders issued in August 1989. The BDO, Bishalgarh purchased 2,200 kerosene wick stoves (Nutan) at the rate of Rs. 131.50 each, and 2,950 lanterns; (complete Champion) at the rate of Rs. 57.75 each (total cost: Rs. 4.60 lakhs), from seven suppliers between March and October 1989, at there rate approved by the Block level Integrated Rural Energy Programme (IREP) Committee without calling for any quotations/tenders. The rates of purchase had not been approved by the Higher Purchase Committee as required.

The retail price of the same type of stove and lantern available at co-operative stores, Agartala, (M/s. Aiothorama and Tripura State Co-operative Consumers' Federation Ltd.) during the period was as follows:

Kerosene wick stove (Nutan)	Rs. 129.15 each
Kishan lantern	Rs. 39.90 each

Had the purchase of stove and lanterns been made from the co-operative stores even at their retail prices, an extra expenditure of Rs. 1.44 lakhs could have been avoided (BDO, Kanchanpur: Rs. 0.86 lakh and BDO, Bishalgarh: Rs. 0.58 lakh).

Further, the records indicated the issued of stoves and lanterns worth Rs. 7.10 lakhs to the Panchayat Secretaries for eventual sales to the actual beneficiaries, but no mention was there as to whether the items of equipment were actually received by the beneficiaries.

The Block Development Officer, Bishalgarh in September 1990 stated that purchases could not be made observing codal formalities due to local situation. However, before going ahead with the purchase, the issue was discussed with the representative of the Science and Technology Derpartment and approval of the IREP Committee to the purchase prices was obtained.

While accepting the marginal difference of rate in purchases of stoves as tolarable and rates in regard to purchases of lanterns as more or less reasonable, Governemnt stated in April 1991 that the implementing agencies had been instructed to ensure economy had observance of codal formalities in future purchases. However, the reasons put forward in justifying the rates are not aceptable in audit as those were not approved by the Higher Purchase Committee, as required under the rules. Moreover, the Government did not spell out the circumstances under which the cases of purchase could not be referred to the Higher Purchase Committee.

CHAPTER IV

WORKS EXPENDITURE

4.1 Technology Mission on Drinking Water

4.1.1 *Introduction*

A survey conducted in 1972 had indicated that 3,396 villages out of 4,727 villages in Tripura were problem villages where potable drinking water was not available. On a further survey, conducted in 1977, it was found that the remaining 1,331 villages also did not have any assured source of safe drinking water. Of the total 4,727 problem villages thus indentified, 1269 villages, which were exposed to the risk of water borne disease, were actually brought under Accelerated Water Supply Scheme on priority basis.

In the 7th Plan period, the Government of India having launched a programme styled "Technology Mission" to make qualitative and quantitative improvement of drinking water supply to the left over villages by taking advantage of the latest technology available in the country, the Government of Tripura took up a pilot project termed "Mini-Mission" under the Mission, covering 994 villages in Kanchanpur, Chamanu and a part of Salema Block, having a total population of 2,10,390 in 1988-89.

The main object of the project was to ensure sustained availability of adequate and safe drinking water on a long term basis by evolving effective and practical solution to the identified problems.

4.1.2 *Organisational set-up*

The implementation of the project (Mini-Mission) was the responsibility of the Public Works Department of the Government. A Division was opened in May 1987 with two Sub-Divisions for implementation of the programme. The Chairman, District Rural Development Agency (DRDA) is the Project Director while the Executive Engineer is the Executive Director of the Mission.

4.1.3 *Audit coverage*

Implementation of the programme under the Mini-Mission was reviewed in March-April 1990 covering the period from 1987-88 to 1989-90.

The abbreviations used in this Report are listed in Appendix 6 (Page 234).

4.1.4 *Highlights*

The Mini-Mission targeted to cover 994 villages by the end of March 1990, covered only 642 villages partially till 31st March 1990. Rupees 129.37 lakhs were spent though Rs. 183.18 lakhs were received as Central assistance during the period.

(Paragraph 4.1.5)

The scheme to provide iron removal plants for 584 tubewells was abandoned due to failure of 17 such plants in 1988-89.

(Paragraph 4.1.9)

The source finding committee targeted to cover 175 villages during 1989-90, but covered only 110 villages.

(Paragraph 4.1.10)

Rupees 3.09 lakhs were diverted to works not relating to the Mini-Mission.

(Paragraph 4.1.11)

Pipes worth Rs. 2.11 lakhs purchased for the Mini-Mission were found sub-standard and as such could not be used.

(Paragraph 4.1.12.2)

An extra expenditure of Rs. 0.91 lakh was incurred due to carriage of water without calling for tender.

(Paragraph 4.1.12.3)

Rupees 6 lakhs were paid to a firm as advance for supply of Solar Photovoltaic Pumps in March 1988. It was found in September 1990 that the Government of India had made full payment without adjusting the advances.

(Paragraph 4.1.12.5)

4.1.5 *Budget provision, expenditure and Central assistance*

Funds received from the Government of India are placed at the disposal of the Executive Director of the Mission through the District

Rural Development Agency (DRDA). The following table shows the budget provision, Central assistance and total expenditure during the period of three years.

Year	Budget provision	Central assistance received	Total expenditure
		(Ruppes in lakhs)	
1987-88	50.00	47.35	10.51
1988-89	100.00	24.35	47.75
1989-90	38.27	111.48	71.11
Total	188.27	183.18	129.37

Out of Rs. 183.18 lakhs received as Central assistance only Rs. 121.70 lakhs were handed over by the DRDA to the Executive Director. Rupees 61.48 lakhs were lying with the DRDA (April 1990). This could not be released due to non-receipt of utilisation certificate of the amounts released earlier to the Executive Director.

4.1.6. *Physical target and achievement*

The year-wise physical targets and achievements for supply of drinking water in problem villages are shown below:

Year	Name of scheme	Target	Achievement (Number of units)
1988-89	Solar Photovoltaic Pump	8	Nil
-do-	Mark-II Tubewell	200	130
-do-	Rain Water Harvesting	100	23
-do-	Masonry Well	20	3
-do-	Iron Removal Plant	40	4 (Experimental basis)
1989-90	Mark-II Tubewell	130	119
-do-	Rain Water Harvesting	212	119
-do	Masonry Well	31	8
-do-	Iron Removal Plant	Not fixed	13
-do-	Development of Spring Sources	5	1
-do-	Solar Photovoltaic Pump	Nil	Nil

No target was fixed for the year 1986-87 and 1987-88, despite release of funds by the Government of India.

It was stated by the Executive Director that shortfall in achievement was due to unwillingness of the contractors to do scattered works in remote localities.

The total number of villages covered by the Technology Mission during 1988-89 by Mark-II Tubewells was 137, while 505 villages were covered in 1989-90.

According to the prescribed norms, there should be one source of water for every 250 people, or for one villages where the population is less than 250. But the villages covered were not provided with sufficient number of sources as required under the norm, and the sources require further augmentation.

4.1.7 *Accounts*

No scheme-wise accounts were maintained. The Department procured materials and booked expenditure for all these schemes taken togehter.

4.1.8 *Campaign for safe drinking water*

There were problems in making use of safe drinking water by the villagers due to lack of education. District Health Officer was asked to start a campaign for creating awareness among the villagers in ten identified localities in the district for the proper use of the facilities created. The Social Education Department was asked to undertake this campaign with the assistance of Anganwadi workers. If found suitable, the campaign would have to be taken up in all other localities which had been covered by the Mission.

No progress reports about the performance of the aforesaid campaign were available.

4.1.9 *Removal of excess iron from dirnking water*

One of the objectives of the scheme was removal of excess iron from drinking water in problem villages. The Government of India sanctioned Rs. 14.60 lakhs being the cost of rion removal plants (IRP) to be fitted to 584 Mark-II tubewells. After installaton of 17 IRP during 1988-89 and 1989-90, the scheme was abandoned due to failure of the plants. On the other hand, 68 domestic filters were purchased in December 1989 at a cost of Rs. 0.11 lakh. Of these, only 24 were distributed to the villages (January and March 1990).

4.1.10 *Scientific source finding committee*

One of the five Sub-missions under the Technology Mission on drinking water in villages and related water management is on scientific source finding, water qualities quantity assessment, monitoring and conservation of water. The Committee was constituted in July 1988 in accordance with the guidelines of the Government of India (April 1988). Four meetings of the Committee were convened between September 1988 and February to May 1990, but no information about the work done was on record.

The source finding in 248 problem villages under the Mini-Mission area had been completed by Central Ground Water Board in July 1989, and 81 other villages were not accessible for source finding due to lack of proper communication. According to the revised Action Plan, 175 more villages had been targeted to be covered in the Mini-Mission during 1989-90, but only 110 villages had been covered till April 1990.

4.1.11 *Diversion of fund*

(a) During September 1988 to January 1990, an expenditure of Rs. 0.70 lakh was incurred by the Executive Engineer, PHE Division-V for construction of a store shed and boundary fencing etc., in the Divisional Office at Kumarghat, not approved in the Project Report. The expenditure was, however, shown by the Division under the works Sinking of 100×50 mm dia tubewell fitted with India Mark-II hand pump with cylinder, in different places of Kanchanpur Block under the Technology Mission.

(b) An expenditure of Rs. 0.31 lakh was incurred by the Executive Engineer, PHE Division-I, Kumarghat, for water supply arrangement at Netaji School, Agartala. It was erroneously booked against the Executive Engineer, PHE Division-V under the Technology Mission.

(c) Four water tanks (Rotex-P.V.C) and two Syntex water tanks (P.V.C) were purchased by the Executive Director at a cost of Rs. 0.59 lakh (inclusive of installation charge) in March 1990. There was no provision for such purchase in the project report.

(d) An amount of Rs. 1.49 lakhs was paid to a contractor in March 1990 for carrying and distribution of drinking water in the scarcity pocket of Technology Mission area. No such provision was there in the project report.

4.1.12 *Other points of interest*

4.1.12.1 *Claims remaining unsettled*

The Cash Settlement Suspense Register maintained by the Executive Director revealed that materials worth Rs. 3.42 lakhs and Rs. 4.84 lakhs were issued to PHE Division-III, Udaipur, and PHE Division-II, Kumarghat respectively during 1989-90. The claims preferred on the above Division in December 1989 remained unsettled as of April 1990. The expenditure on procurement of the materials had been debited to the Technology Mission.

4.1.12.2 *Purchase of substandard materials*

For sinking of India Mark-II tubewell 15,998 metre of G.I. pipes worth Rs. 21.23 lakhs were purchased during April to June 1989 by the Executive Engineer, PHE Division-V from a Calcutta-based firm.

Of these, 1,230.95 metre of G.I. pipes of different sizes worth Rs. 2.11 lakhs were found (August 1984) to be of inferior quality as their weight did not come up to the ISI standard. These pipes could not be utilised in sinking the tubewells for which they were meant for and remained in the store (April 1990) though debited to works. Delivery of the pipes by the supplier had been accepted by the Engineer-in-charge without proper verification in time. No action was taken against the supplier for the supply of the inferior quality materials, except for making a proportional reduction in rates.

4.1.12.3 *Extra expenditure*

According to the verbal instruction of the Superintending Engineer, IFC, Agartala, the Executive Engineer, PHE Division-V, Kumarghat engaged contractor 'A' on 21st December 1989 for carriage and supply of drinking water to some villages where water was scrace. The supply was to be made in tankers of 1,000 litres capacity for 10 days during the Christmas season from 21st December 1989. The work, however, continued till 4th February 1990 and the contractor was paid Rs. 1.41 lakhs in March 1990. No tenders were called for and the rates agreed upon were on 'per tanker per kilometre' basis.

It was noticed in audit that the contractor carried water in P.V.C tanks having a total capacity of 5,250 litres against an agreed capacity of 10,000 litres. But no reduction in rate for supply of less quantity of water was made. As a result, an excess payment of Rs. 0.67 lakh was made to contractor A.

In January 1990, tenders for the above-mentioned work were called for. The lowest rates received from contractor 'B' for supply of 10,000 litres per trip per tanker compare with the agreed rates of contractor 'A' as follows:

	Contractor B	Contractor A
	Rs.	Rs.
(i) Hire charge of truck 88 trips	539.00 per trip	700.00 per trip
(ii) Distance covered 9,897 km.	4.50 per km.	7.50 per km.
(iii) Extra hour worked beyond 12 hours 56.50 hours	50.00 per hour	100.00 per hour

Thus, for 88 trips of 10,000 litres per trip the payment to contractor B would have been Rs. 94,793.00. Further by using 10,000 litres capacity tanker, the number of trips would have been reduced to 46.2 say 47 trips only for 4,62,000 litres actually supplied by contractor 'A'. So the amount that would have been payable to contractor B comes to Rs. 50,628.00.

Thus, due to award of the work to contractor 'A' without assessing the market rate the department incurred an extra expenditure of Rs. 0.91 lakh.

4.1.12.4 *Procurement and installation of defective tanks*

A work order for supply and installation of six polythene Syntex water tanks (Rs. 0.59 lakh and installation charges: Rs. 0.05 lakh) was issued in January 1990. The work was completed in March 1990. The Sub-Divisional Officer reported on 23rd March 1991 that some of lthe tanks (four) had developed cracks and were unfit for storing water. Yet the Executive Engineer made full payments for all the tanks on 27th March 1990. The four defective tanks were brought to the Divisional Office for repairs. Further development is awaited as of March 1991.

Thus, the Department incurred a wasteful expenditure of Rs. 0.39 lakh on four tanks on repair of these tanks.

4.1.12.5 *Double payment for solar photovoltaic pumps*

At the instance of the Government of India, a supply order was placed with M/s Central Electronic Ltd. (Uttar Pradesh) in March 1988 along with an advance of Rs. 6 lakhs for supply and installation of five solar photovoltaic pumps. Four pumps were installed in September 1990 in four villages of Jumpui Hills, in Kanchanpur

Block. The Superintending Engineer stated during discussion in October 1990 that the supplier had been paid by the Government of India fully for the pumps. But the amount of advance (Rs. 6 lakhs) paid by the Department was not adjusted. As such, the amount stands recoverable from the supplier but had not yet been recovered as of October 1990.

The fifth pump was yet to be installed by the supplier (June 1992).

4.1.13 *Management of stores*

4.1.13.1 *Loss of stores*

G.I. pipes worth Rs. 0.30 lakh was stolen from the stock yard of Kumarghat on 18th May 1989. The matter was reported to the police on the same day, with a copy to the higher authority. The stores in question had been kept outside the godown. It was stated by the Executive Engineer, PHE Division-V that the said stores could not be kept inside the godown for want of space. It was ascertained from records that two guards were also engaged for guarding the stores. No report from the police was received till April 1990 and no responsibility was fixed (April 1990) for this loss though the departmental enquiry was made in May 1989.

4.1.13.2 *Non-utilisation of store materials*

Large quantities of materials like G.I. pipes of different sizes pump sets, brass-strainers and cement (worth Rs. 15 lakhs approximately) were retained in store/godown almost every month, exclusive of materials issued to the sites. Though the materials were not actually used in the work or even transferred to the site of works, the amounts in question were booked as works expenditure as soon as the materials were received from different suppliers in every month. The position of store materials so debited to work but actually lying in stores as of March 1990 was as follows:

Description of materials	Quantity	Amount (Rupees in lakhs)
G.I. pipes	9421.96 metres	13.08
Pump sets	58 sets	1.16
Brass-strainer	14	0.10
Cement	183 bags	0.22
	Total:	14.56

4.1.14 *Staff position*

The Public Health Engineering Division-V entrusted with the implementation of the project has two Sub-Divisions *viz.,* Nos. XIII and XIV under two Assistant Engineers.

It was noticed that two Assistant Engineers were being entertained in the Divisional Office since July 1989 without any sanction for the posts, while the following posts of Junior Engineer (Technical) were lying vacant in the Sub-Divisions:

Sub-Division No. XIII	From	To
Junior Engineers 1 post	May 1987	Date of Review (April 1990)
1 post	May 1987	May 1988
2 post	May 1987	June 1989

One post of Draftsman, One Tracer, two Surveyors and three Work Assistants since May 1987 to date of reveiw (April 1990).

Sub-Division No. XIV
Junior Engineers 2 posts since May 1987 to May 1988
2 posts since May 1987 to June 1989

4.1.15 *Excess reporting of physical achievement*

It was noticed from the progress report of physical achievement (1988-89) submitted by the Executive Director to the Chief Engineer, PHE that 130 India Mark-II tubewells were completed during 1988-89, but the Chief Engineer reported to the Mission Director that 166 tubewells were installed in 1988-89. As regards IRP, the Executive Director reported to Chief Engineer that 4 IRP were completed but the Chief Engineer reported to Mission Director, New Delhi that 40 were completed.

4.1.16 *Co-ordination*

The State Government has formed a State Level Committee with the Secretary, Rural Development Department as State Co-ordinator and the Chief Engineer, IFC, PHE as Nodal Officer. The said Committee did not meet at all after its constitution in June 1987. A District Level Co-ordination Committee on Technology Mission was constituted in September 1989 to review and monitor the progress of the implementation of the schemes of drinking water in North Tripura District. This Committee was to meet on 25th of each month, but a scrutiny of records, however, revealed that only four meetings were held during the period from September 1989 to April 1990. No Block Level Committee was constituted as of April 1990.

4.1.16.1 *Monitoring and evalutation*

The field level executive agencies were to submit fortnightly progress reports to the Executive Director, who was to analyse the progress and submit a monthly report of physical and financial progress before the Project Co-ordinator Committee, State Project Co-ordination and the Mission Director. But a scrutiny of records revealed that the field level executive agencies had been submitting reports monthly instead of fortnightly to the Executive Director. But no such report was sent to the State Project Co-ordinator, i.e. the Secretary, PWD, Tripura as well as to the Mission Director, New Delhi by the Executive Director. This was contrary to the provisions of the project report of Technology Mission Mini Mission. It was also envisaged that the Project Director i.e. Chairman, District Rural Development Agency would evolve appropriate methods to involve the users in monitoring the programme. No such activity of the Project Director was found on records.

The records did not indicate that progress, deficiencies, if any, was assessed by the Departmental agencies and changes in the methodology and approach whenever necessary were even suggested by them.

The matter was reported to Government in November 1990; reply has not been received (July 1992).

4.2 Loss of revenue due to less recovery of hire charges

The Executive Engineer, Southern Division-III, Udaipur, issued a Winch Grass Machine on hire to a contractor for sinking of wells of bridge on the Agartala-Manubazar Road between 1st June 1984 and 4th March 1986. The Chief Engineer decided in September 1984 that the hire charge was to be recovered from the contractor for the period the machine was at his disposal, and the machine should be returned to the Department when it was not required by the contractor for his works.

In the course of a test-check (June-July 1986) of the records of the Executive Engineer, it was noticed that though the machine was in the possession of the contractor for 642 days between 1st June 1984 and 4th March 1986, hire charge of Rs. 0.09 lakh only was recovered for 45 working days in different spells between 3rd February 1986 and 12th October 1986, at the rate of Rs. 192.00 per day, instead of 642 days. As a result, the Department sustained a loss of revenue to the extent of Rs. 1.15 lakhs. The Executive Engineer stated (April 1987) that the grass machine being a giant one in size could not be taken back to the Departmental store after every spell of working days, because in all such occasions machine would require disassembling and reassembling on subsequent use and also involved carriage both ways.

The matter was reported to Government (August 1990); their reply has not been received (July 1992).

4.3 **Extra contractual payment**

The Executive Engineer, Public Health Engineering Division-I, Agartala, entered into a contract with a local manufacturer for the supply of high density polythene pipes at rates accepted (March 1984) by the Supply Advisory Board (SAB). These were equal to the rates of DGS&D valid for the period from 1st October 1983 to 30th September 1984, *plus* 10 *per cent* price preference and cost of transportation of raw materials from Calcutta to Agartala. The supply order, however, was issued only on 12th November 1984, with a stipulation to complete the supply within 4 months. The manufacturer, supplied a quantity of 22,415.58 metres of pipes between December 1985 and December 1987 and was finally paid for in December 1987.

In December 1985, the manufacturer claimed enhancement of rates as the rates of DGS&D were revised for the period from 5th November 1984 to 30th September 1985. The Chief Engineer, IFC & PHE (PWD) raised them in September 1988 to Rs. 59.89 per metre (90 mm) and Rs. 88.67 per metre (110 mm) from Rs. 57.09 per metre and Rs. 84.52 per metre respectively. No fresh approval of SAB was obtained. Accordingly, an additional amount of Rs. 0.76 lakh was paid to the manufacturer in October 1988. The inordinate delay of 234 days to issue the supply order, thus, resulted in expiry of the validity period of DGS&D rates and caused the extra expenditure.

The matter was reported to Government (January 1990); their reply has not been received (July 1992).

4.4 **Extra expenditure due to rescinding of contracts**

(a) The contstruction of a double storyed barrack including dining hall at the Police Line, Arundhutinagar, was awarded to contractor 'A' at a cost of Rs. 8.38 lakhs (estimated cost: Rs. 6.24 lakhs) in March 1983 by the Executive Engineer, Agartala Division-III. After executing 77 *per cent* of the work, the contractor left the work incomplete and the agreement was rescinded in November 1986 at the risk and cost of the contractor. The remaining work was got completed through contractor 'B' in September 1989 at an extra cost of Rs. 1.21 lakhs, which was not recovered from contractor 'A'.

Further materials valued at Rs. 1.13 lakhs (Rs. 0.71 lakh at normal rate; Rs. 0.42 lakh at penal rate) had also not been recovered from the contractor. The total amount, recoverable from the contractor after adjustment of Rs. 0.49 lakh available in the Division (yet to be adjusted) stood at Rs. 1.85 lakhs. On this being pointed out in audit, Executive Engineer stated (June 1990) that delay in making claim for unused material was due to non-finalisation of the bill of the 2nd contractor and the claim for extra cost will be preferred on finalisation of the bill of the original contractor. The contention of the Executive Engineer was not convincing as for preferring claims to the 1st contractor for non-return of materials had no link with the finalisation of the bill of 2nd contractor. The reasons for non-finalisation of the bill of the 1st contractor had not been stated though the work was completed by the 2nd contractor in September 1987 and was finally paid in March 1988.

(b) The work "Providing fencing at Nalbari extention centre at Amarpur" was awarded to contractor 'C' in April 1985 at a cost of Rs. 1.75 lakhs (estimated cost: Rs. 0.93 lakh). After executing about 10 *per cent* of the work, the contractor left the work incomplete and the agreement was rescinded in August 1985 at the risk and cost of the contractor. The remaining work was awarded to contractor 'D' in 1986-87 at a cost of Rs. 3.21 lakhs (estimated cost: Rs. 0.83 lakh). The extra estimated cost was, thus, Rs. 1.64 lakhs, against which the extra cost so far incurred in respect of one item only was Rs. 3.24 lakhs (December 1990). The recoverable amount being the difference of cost with reference to actual execution would be much more than Rs. 3.24 lakhs on completion of other six items (not completed so far).

In addition, materials worth Rs. 0.35 lakh (Rs. 0.14 lakh at normal rate; Rs. 0.21 lakh at penal rate) was also recoverable from lathe contractor. The Department did not, however, take any action, in terms of the agreement, to recover the extra expenditure.

The cases were reported to Government in August 1990; their reply has not been received (June 1992).

4.5 Extra expenditure due to delayed acceptance of tenders

Tenders for the works Re-sectioning and carpeting of Bisramganj-Udaipur road (from 37 km to 43 km) excluding 933 metres at Pathaliaghat and Bagma Bazar were received on 30th July

1988 by the Executive Engineer, Southern Division-III. The lowest tender was recommended by him and the Superintending Engineer on 10th August and 5th September 1988 respectively for acceptance. The tender was accepted by the Chief Engineer (PWD) on 6th October 1988 for Rs. 19.66 lakhs (estimated cost: Rs. 14.35 lakhs) and returned on 1st November 1988 with the instruction to get its validity period extended by the contractor (it had expired on 28th October).

The tenderer, who was informed on 19th November 1988, expressed his unwillingness to execute the work at his quoted rates, since the acceptance of the tender was communicated belatedly to him. The Executive Engineer then recommended the second lowest tender (Rs. 23.10 lakhs) and it was accepted by the Chief Engineer (PWD) in January 1989. The work was awarded in February 1989.

The normal prescribed period for processing a tender is only 30 days. In any case, by not taking a decision within at least 90 days, during which the lowest tender was valid, the Department incurred an avoidable extra liability of Rs. 3.44 lakhs.

Tender for the 2nd call floated after rejection of the offer of the 1st lowest of 1st call for the work "Metalling and carpeting of road from Salgarah to Kishoreganj via Garjanmura Totabri (14 Km)/ portion from 7 km to 14 km Group II" was received by Executive Engineer, Southern Division-I on 27th December 1988 and the rates of the lowest tenderer were recommended to the Chief Engineer by Superintending Engineer on 10th April 1989 which was accepted on 4th May for Rs. 19.92 lakhs and sent back on 26th May. The acceptance of the tender was communicated to the tenderer on 28th July. Meanwhile, the validity period of the tender had expired on 27th March.

The lowest tenderer expressed (14th August 1989) his unwillingness to execute the work as the acceptance of rates was not communicated to him even within the extended validity period (April 1989). The case was processed in September 1989 afresh by the Superintending Engineer with the recommendation to accept the 2nd lowest tender (Rs. 21.94 lakhs), which was accepted by the Chief Engineer in November 1989. The work was awarded in January 1990.

As a result of this unusual delay, the Department incurred an extra liability of Rs. 2.02 lakhs (estimated).

The matter was reported to Government in May 1990; their reply has not been received (June 1992).

4.6 Delay in handing over of site

With the approval of works Advisory Board, the work "Construction of permanent bridge over river Khowai at Paharamura" was awarded to a contractor in May 1987 at a cost of Rs. 105.21 lakhs (estimated cost: Rs. 13.31 lakhs based on schedule of rates 1979) by the Executive Engineer Teliamura Division with the stipulation to complete the work within 3 years. The work, however, could not be started immediately because the site, which had been selected in January 1986, could not be handed over to the contractor till 22nd August 1989.

Consequent on the delay in handing over the site, the contractor claimed (April 1989) enhancement of his rates by 32 *per cent* due to increase in the cost of labour and materials, which was accepted (August 1989) by the Chief Engineer (PWD) with the approval of Works Advisory Board at 25 *per cent* on the value of Rs. 105.21 lakhs. The same site was handed over to the contractor on 22nd August 1989 (right bank) and 13th February 1990 (left bank). The estimated extra expenditure on account of delay was Rs. 26.30 lakhs.

The Executive Engineer stated (February 1990) that as the process of land acquisition took considerable time, the matter was taken up directly with L.A. Collector from time to time and also through the District level Co-ordination Committee.

Further scrutiny of records in the offices of the Executive Engineer and L.A. Collector revealed that though the administrative approval was accorded in March 1986, incomplete proposal for land acquisition was sent to L.A. Collector in July and August 1987 for the right bank and left bank respectively. The first notification under Section 4 of the L.A. Act was issued in December 1987 (right bank) and November 1987 (left bank) but the statutory validity period of one year for both the notifications was not maintained as correction to the land plan/land statement as required could not be carried out in respect of land for right bank while the reasons for expiry of validity period of notification in respect of left bank were not on record. The second notification for land acquisition for the right bank was issued in June 1989 and Rs. 24.27 lakhs was awarded in land compensation in January 1990. The second notification in respect of the left bank was issued in June 1989 and land compensation for Rs. 9.40 lakhs was awarded in March 1990. The awarded amounts have not been paid by the Public Works Department as of July 1991. The fact, however, remains that the side had been selected in January 1986 and the owner of the land had promised to allow the construction of bridge pending acquisition of the land, on the basis of which tender was floated and yet the construction could not be started soon after award of the contract because of the delay in acquiring the land and handing over the site 27 months after awarding the contract.

Government stated in July 1991 that the delay in starting the work was due to non-availability of full and free work site and consequential extra cost. It was also stated that according to the departmental calculation enhancement in cost works out to 21.95 *per cent* and the contractor did not agree to that. Hence considering all aspects including retender etc., Works Advisory Board gave approval to get the work executed through the same contractor.

4.7 **Infructuous expenditure**

The work "Resectioning and Resurfacing of Kalacherra Padmabill road" from 8 to 9.20 km. 11.30 to 12.20 km. and 16 to 16.30 km." was awarded to contractor 'A' by the Executive Engineer, Agartala Division-II in February 1986 (estimated cost: Rs. 2.71 lakhs). The work was to be completed by June 1985.

After completion of metalling of the entire portion and pre-mix carpeting of 1.5 km., the contractor reported in March 1986 that the bitumen (Indophalt 'C') did not stick to grip the stone aggregate, and that the mixture laid on the road surface was being impaired due to the bad quality of bitumen. On being asked to change the bitumen from the Store Division, the contractor reported in March 1986 to the Executive Engineer that better quality of bitumen was not available in the Store Division. The Executive Engineer instructed the contractor (April 1986) to use bitumen Max-phalt for pre-mix carpeting instead of Indophalt 'C' which was meant for sealcoat.

The records of the Store Division revealed that Max-phalt was not being procured for the preceding few years and that Indophalt 'C' was being issued to all Divisions for similar works, and there had been no such complaint. Even in other road works executed by the Agartala Division-II itself, the same quality of bitumen had been used and no such adverse report was available.

The contractor suspended the works in March 1986, but a show cause notice was issued in July 1988, without granting provisional extension of time.

A fresh estimate for Rs. 5.50 lakhs for the same portion of road left incomplete (which was also damaged by floods in August 1988) was submitted (October 1988) for obtaining the Superintending Engineer's approval, which was awaited as of July 1992.

Due to non-execution of pre-mix carpeting in time, the metalling already done got damaged and the expenditure of Rs. 3.33 lakhs proved to be infructuous. Further 19.846 tonnes of bitumen valued at Rs. 1.27 lakhs at penal rate which had been issued to the contractor was neither utilised in the work nor returned by him, and no recovery of this amount has been made as of July 1991.

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

4.8 **Purchase of timber at unduly high rate**

The Executive Engineer, Kanchanpur Division, procured 68.273 cu.m. of Sal, Karai and Banak timber (scantling) Sal: 33.079 cu.m.; Karai: 20.349 cu.m. and Banak: 14.845 cu.m. at a cost of Rs. 5.15 lakhs during the year 1989-90. The rates were Rs. 9,200; Rs. 4,600 and Rs. 7,900 per cu.m. respectively, based on spot quotations received in March (Sal), September 1989 (Banak). The date of receipt of quotation for Karai was not available. The timber was required for utilisation on two roads under the Tripura Tribal Areas Autonomous District Council (TTADC). There were 5 agreements and 12 work orders in this context for an estimated expenditure of Rs. 29 lakhs provided by the TTADC.

It was noticed in audit (December 1989) that during the intervening period (May 1989) Sal and Karai were available in the market at Rs. 4,100 and Rs. 3,254 per cu.m. respectively under the jurisdiction of the Division, as seen from the rates accepted by the Division in respect of two other works. The third species, Banak, was unclassified timber according to the Tripura Schedule of rates 1979 and 1985, but was procured at a rate even higher than that of Karai (classified as hard timber).

As a result of the purchase made at abnormally high rates without ascertaining competitive market rate through wide publicity, the Department had to bear an extra expenditure of Rs. 2.65 lakhs. This was avoidable particularly because there was no special urgency justifying the coverage of action taken.

The timber procured were accounted for in the respective material at site account and kept in the Kanchanpur stockyard. Out of the above quantities purchased 10.886 cu.m. of Sal and the entire quantity of Banak (14.845 cu.m.) worth Rs. 2.17 lakhs remained unutilised (December 1989). Moreover, the quantity shown as utilised was used on the road "Kanchanpur-Desda-Anandabazar" not falling within the TTADC area through the cost of timber was debited against the deposit of TTADC, which was irregular.

On this being pointed out in audit, Executive Engineer stated (August 1990) that due to urgency of work in TTADC area as well as for utilisation of funds, the work had to be taken up urgently by issuing work order under PWD form 11 and obtaining spot quotation. Hence, there was no scope for preparation of estimate and call of tenders. But the timber so procured for the TTADC work could not be utilised due to non-completion of formation works of approach to TTADC area. The contention of the Executive Engineer was not convincing as there was no urgency at all for procurement of timber for TTADC works as stated. It was also stated that the timbers were utilised on another road to save the Government property for erroneous loss and damage. But the reasons as to why the unspecified timber was procured at unduly high rates and used in the works were not spelt out.

The matter was reported to Government (April 1990); their reply had not been received (June 1992).

4.9 Excess payment to contractor

The work "protection of Udaipur town from erosion of river Gumati from Ramkrishna Ashram to Vivek Sangha" was awarded to a contractor in November 1987 by the Executive Engineer, Minor Irrigation and Flood Control Division-II, Udaipur, at a cost of Rs. 11.45 lakhs (estimated cost: Rs. 10.70 lakhs). The work was due to be completed by May 1988, but was actually finished in March 1990.

It was noticed in audit (June-July 1990) that a scheduled item "providing and laying 15 cm. (6″) thick filter on the sloping face of the river with jhama brick 63 mm. nominal size" was substituted. The Superintending Engineer, Minor Irrigation and Flood Control Circle, Agartala, approved two rates for the substituted item viz. (i) providing and laying 15 cm. (6″) thick filter on the sloping face of the river bank with 20/10 mm. nominal size of jhama brick aggregate at Rs. 360 per cu.m. and (ii) Labour charge for laying filter at 36.86 per cu.m. respectively. 488.397 cu.m. of finished item was executed and labour charge for laying filter was incurred for 392.793 cu.m.

Detailed measurements, test-checked by the concerned Assistant Engineer, were recorded in the Measurement Books. But while making payment to the contractor through the 9th R.A. Bill in the abstract of the quantity executed both the quantities were brought forward as finished items (831.19 mm) and paid for at Rs. 360 per cu.m. This resulted in an excess payment of Rs. 1.27 lakhs which was not adjusted in the final bill.

The Executive Engineer and the Superintending Engineer stated in December 1990 and January 1991 respectively that the nomenclature of the item was written erroneously in the Measurement Book which had been corrected by the concerned Assistant Engineer and hence payment made was in order. But the contention was not acceptable to audit as the measurement of the items were recorded from time to time according to the progress of execution of work which was also duly test-checked and scrutinised in Divisional Office. Further, authority under which entries once made in the Measurement Book were subsequently changed had not been spelt out.

The case was reported to Government (November 1990); their reply had not been received (June 1992).

4.10 **Delay in finalisation of arbitration proceedings**

During a recent audit (1989-90) of the accounts of the Executive Engineer, Teliamura Division and Chief Engineer (PWD), Agartala, it was noticed that a payment of Rs. 2.79 lakhs was made in October 1989 to a contractor in pursuance of an award given by Arbitrator in settlement of long-standing dispute, which included an amount of Rs. 1.35 lakhs as interest.

The contractor had applied (August 1975) for arbitration, as the initial level of alignment of earth work authenticated earlier was changed subsequently by the Executive Engineer. The case had been referred to sole Arbitrator in December 1975. Since then the case was dealt with by six Arbitrators from December 1975 to March 1989 one after another, as indicated in the table given below:

Sl. No.	Arbitrator	Appointed on	Date of resignation	Number of hearings	Ground for resignation and re-appointment
1.	'A'	17-12-75	4-4-77	3	On superannuation
2.	'A'	5-5-77	9-9-77	Nil	Re-appointed on re-employment and resigned on appointment as Chief Engineer-cum-Secretary, PWD
3.	'B'	29-9-77	30-10-79	1	Resigned on promotion as Chief Engineer-cum-Secretary, PWD only hearing took place on 23-2-79

Sl. No.	Arbitrator	Appointed on	Date of resignation	Number of hearings	Ground for resignation and re-appointment
4.	'C'	5-3-80	16-2-82	Nil	Resigned due to heavy pressure of normal work
5.	'D'	23-4-82	16-6-85	Nil	
6.	'E'	3-7-85	7-6-86	Nil	
7.	'F'	14-5-89	28-3-89 (Date of awared)	4	The first hearing took place on 2-9-88

At one stage, an injuction had been issued by the Hon'ble Sub-Judge on 26th February 1977 which was, however, vacated on 15th November 1977. It would appear from the above that only 8 hearings of the case were held during the entire period. The first Arbitrator had 3 hearings on 23rd May, 13th September, 1976 and 15th February 1977 while the second Arbitrator took a single hearing on 23rd February 1979. Thereafter, for 9 years between February 1979 and September 1988, no hearing was held, although during that period 3 Arbitrators were appointed. All these 3 Arbitrators, long after their appointment and without taking any action, resigned on the ground of pressure of work-load.

Ultimately, the award was given by Arbitrator 'F' (6th) on 28th March 1989 for Rs. 1.44 lakhs in favour of the contractor (earth-work according to initial level: Rs. 1.08 lakhs; compensation loss due to idle labour Rs. 0.25 lakh; and refund of earnest money and security deposit Rs. 0.11 lakh). To this was added Rs. 1.35 lakhs being interest at 9 *per cent* from 17th December 1975 to 26th October 1989. Out of the total amount of interest, Rs. 0.85 lakh pertains to the period between 24th February 1979 and 1st September 1988 when no hearing took place.

Thus, the inept handling of the arbitration case by the Department, which did not apparently take into account the relevant constraints when appointing the successive Arbitrators, caused inordinate delay in finalising the proceedings, imposing a heavy financial burden on Government.

While according concurrence (October 1989), the Finance Department desired for fixation of responsibility as the case was lost due to departmental fault. But no responsibility had been fixed as of January 1991.

The matter was reported to the Government (November 1990); reply has not been received (June 1992).

4.11 **Undue financial benefit to contractor**

The work "Strengthening of pavement of the road from Kanchanpur Bazar to Depacherra bridge/stone metalling and premix carpeting (1 km)" was awarded in November 1987 to a contractor at a tendered value of Rs. 4.40 lakhs (estimated cost: Rs. 3.50 lakhs). The work was completed in March 1989, as against the stipulated period of March 1988.

It was noticed in audit (December 1989) that out of the 5 items, 3 items of works including wearing course with stone aggregate (40 mm size) was completed on 2nd September 1988, but the next item of work *viz.,* 2 cm premix carpet surfacing with 10 mm size stone aggregate, was done, only on 10th March 1989 i.e., 6 months later. During the intervening period, the wearing course already done got damaged due to movement of heavy vehicles. Therefore, bituminous gruting with stone chips had to be carried out over the entire length of one km., at an extra cost of Rs. 0.58 lakh.

This was done through the same contractor under the same agreement as an extra item. According to this agreement, the contractor was liable to make good the damages which occurred during the period of the work and prior to handing over of works complete in all respect to the Engineer-in-charge. This was not insisted upon thereby extending undue financial benefit to the contractor.

This case was reported to Government (April 1990); their reply had not been received (June 1992).

4.12 **Loss of pig lead worth Rs. 4.43 lakhs**

The work "Receiving and carrying of pig lead from Tundu, Bihar/Calcutta (Works) to Agartala" was awarded (April 1987) to a Calcutta-based transport firm with its branch office at Agartala by the Executive Engineer, Public Health Engineering Division-I, Agartala, with the stipulation to complete the work within one month.

It was noticed in audit (April-May 1990) that a supply order for 40 tonnes of pig lead was placed with a Government of India undertaking in May 1987, against which advance payment of Rs. 6.12 lakhs was made for 32.211 tonnes at the rate Rs. 18,979.60 per tonne. 32.211 tonnes of pig lead was received (May-June 1987) by the transport firm from the supplier, but delivered (January 1988) only 20.492 tonnes. The remaining 11.719 tonnes have not been delivered (October 1990).

Other Divisions were requested to withhold payment if any, due to contractor, but there was no response up to the date of audit. The police, on a complaint from the Department, filed a suit in the Court but the Assistant Public Prosecutor, who conducted the case on behalf of the Department, informed the Executive Engineer that in the absence of any specific clause in the agreement, no action could be taken against the transporter for criminal activities. Though a special condition regarding damage, loss, pilferage etc., was incorporated in the agreement (for which recovery of the cost of materials at twice the procurement rate was envisaged), there was no clause to initiate criminal proceeding or to provide proper surety or security.

The Executive Engineer apprehended (January 1990) that the non-return of the goods may create serious law and order problem in case the items were sold to miscreants and requested the Superintending Engineer to make reference to the Arbitrator, as the correspondences made to the transporters were returned by the Postal Department undelivered with the remarks "Addresses not known". The reference to the Arbitrator had not been made as of October 1990.

The cost of the 11.719 tonnes works out to Rs. 4.45 lakhs at twice the procurement rate. Even after adjustment of security deposit of Rs. 0.02 lakh held by the Department, Rs. 4.43 lakhs stands recoverable from the transport contractor.

The case was reported to the Government (December 1990); their reply had not been received (June 1992).

4.13 Incorrect fixation of transportation rates

The Executive Engineer, Public Health Engineering Division-I, Agartala, awarded (November 1986) the work "Carriage of Electricity Resistant Welded Pipes from Rourkella Steel Plant to Agartala (Panchamukh) by truck" to a transport contractor, and an item-rate agreement was entered into for carrying 20,000 metres of 200 mm. dia pipes and 4,000 metres of 300 mm. dia pipes. The agreed rates were respectively, Rs. 49 per metre (21.83 *per cent* below the Tripura Schedule of rates 1979) and Rs. 69 per metre (37.46 *per cent* below the same schedule of rates), for a total distance of 211 km.

It was noticed in audit (April-May 1990) that 19,805.66 metres (200 mm.) and 4,034.40 metres (300 mm.), were transported by the firm by railway wagons arranged by the Steel Authority of India Limited up to New Guwahati as requested by the transport contractor. The railway freight of Rs. 6.65 lakhs was paid by the Department direct to the Railway authorities. The pipes from New Guwahati to

Agartala (Panchamukh) were transported by truck (593 km.) and the contractor was paid Rs. 5.51 lakhs for 917.715 tonnes at the rate of Rs. 600.00 per tonne on the basis of accepted rate (January 1986) of Stores Division (PWD), Agartala.

According to clause 12(11) of the agreement, if the rates for the additional, altered or substituted items of work are not specifically provided in the contract, the rates will be derived from the rates of similar class of items as specified in the agreement.

Accordingly, rate's for carrying 200 mm. dia and 300 mm. dia comes to Rs. 14.17 per metre (21.83 *per cent* below of Rs. 18.13 per metre according to the rates of Tripura schedule of rates 1979) and Rs. 19.97 (37.46 *per cent* below of Rs. 31.93 in terms of Tripura schedule of rates 1979) for 593 km. and as such admissible payment works out to Rs. 3.61 lakhs. As a result, an amount of Rs. 1.90 lakhs was paid in excess to the transport contractor.

Further 19,917.73 metres (200 mm.) and 4,028.68 metres (300 mm.) were despatched by the Steel Authority of India Limited against which 19,805.66 metres and 4,034.40 metres respectively were accounted for in the site account after deduction of wastage for cutting as also variation thereon, which were calculated as 22.856 metres and 4.098 metres respectively.

Over and above the permissible limit, there was a shortage of 79.396 metres, which was, waived by the Chief Engineer, treating the quantity as being insignificant compared to the volume of quantity involved in transportation as also further wastage in handling, transportation, etc. The Chief Engineer's contention was not accepted in audit, as it was not clear as to how further wastage was involved in transportation and handling of steel pipes. The difference 79.396 metres were treated as wastage during handling, cutting, transportation at the instance (June 1989) of the Chief Engineer (IFC & PHE Wing). The quantity short received to be recovered from the transport contractor at twice the procurement rate, worked out to Rs. 0.50 lakh.

The matter was reported to the Government (November 1990); their reply has not been received (June 1992).

CHAPTER V

REVENUE RECEIPTS

5.1 General

5.1.1 *Trend of Revenue receipts*

During the year 1989-90 the total receipts of the State amounted to Rs. 426.99 crores. This comprised tax revenue of Rs. 21.28 crores and non-tax revenue of Rs. 15.99 crores, State's share of divisible Union taxes of Rs. 103.06 crores and grants-in-aid of Rs. 286.66 crores received from the Government of India.

5.2 Analysis of revenue receipts

(a) Analysis of receipts during the year 1989-90 along with corresponding preceding two years is given below:

	1987-88	1988-89	1989-90*	Percentage of revenue receipts to total receipts 1989-90
	(In lakhs of rupees)			
I. Revenue raised by the State Government				
(a) Tax Revenue	1,357.47	1,835.62	2,127.91	57
(b) Non-tax Revenue	1,498.07	1,568.29	1,599.03	43
Total:	2,855.54	3,403.91	3,726.94	
II. Receipts from Government of India				
(a) State's share of net proceeds of divisible Union Taxes	9,667.15	1,125.11	10,306.64	26.45
(b) Grants-in-Aid	18,896.65	24,032.88	28,665.72	73.55
	28,563.80	36,157.99	38,972.36	
III. Total receipts of the State Government (I + II)	31,419.34	39,561.90	42,699.30	

*For details, see Statement 10—Detailed account of revenue by minor heads in the Finance Accounts of the Government of Tripura 1989-90.

(b) *Tax revenue raised by the State*

Receipts from tax revenue during 1989-90 constituted about 57 *per cent* of the State's own revenue receipts. The details of major sources of tax revenue raised during the year 1989-90 alongside figures for the preceding two years is given below:

	1987-88	1988-89	1989-90	Percentage increase (+) or decrease (–) in 1989-90 over 1988-89
1. Taxes on Agricultural Income	3.51	6.35	4.33	(–)32
2. Other Taxes on Income and Expenditure	119.02	191.55	189.34	(–) 1
3. Land Revenue	22.21	49.86	51.98	(+) 4
4. Stamps and Registration Fees	119.12	151.44	184.28	(+)22
5. State Excise	113.59	260.58	409.48	(+)57
6. Sales Tax	858.91	1,024.01	1,132.10	(+)11
7. Taxes on Vehicles	63.95	81.95	88.43	(+) 8
8. Taxes and Duties on Electricity	0.19	0.19	0.23	(+)21
9. Other Taxes and Duties on Commodities and Services	56.97	69.69	67.74	(–) 3
Total:	1,357.47	1,835.62	2,127.91	(+)16

(a) The increase of 57 *per cent* under 'State Excise' was mainly due to more receipts from taxes on country fermented liquor.

(b) The increase of 22 *per cent* under 'Stamps and Registration Fees' was due to more sales of Judicial and Non-Judicial Stamps.

(c) The increase of 21 *per cent* under 'Taxes and Duties on Electricity' was due to more receipts of fees for the electrical inspection of cinemas.

(d) The decrease of 32 *per cent* under 'Taxes on Agricultural Income' was due to non-completion of assessment in respect of assessees having mixed income.

(c) *Non-tax revenue of the State*

Non-tax revenue receipts of the State constituted about 43 *per cent* of the State's own revenue receipts. The details of major sources of non-tax revenue received during the year 1989-90, alongside the figures for the preceding two years are given below:

	1987-88	1988-89	1989-90	Percentage increase (+) or decrease (–) in 1989-90 over 1988-89
	(In lakhs of rupees)			
1. Public Works	51.97	50.97	54.87	(+) 8
2. Other Administrative Services	43.23	57.49	32.84	(–)43
3. Education, Sports, Art and Culture	53.81	45.61	64.09	(+)41
4. Social Security and Welfare	14.31	16.50	10.47	(–)37
5. Crop Husbandry	91.37	92.17	99.42	(+) 8
6. Dairy Development	0.06	0.06	0.01	(–)80
7. Fisheries	25.57	40.84	26.91	(–)34
8. Forestry and Wild Life	386.27	296.40	259.30	(–)12
9. Power	421.78	588.06	573.62	(–) 2
10. Village and Small Industries	14.67	16.57	14.72	(–)11
11. Others	395.03	364.12	462.78	(+)27
Total:	1,498.07	1,568.29	1,599.03	(+) 2

(a) The increase of 41 *per cent* under 'Education, Sports, Art and Culture' was due to more receipts under University and Higher Education.

(b) The increase of 27 *per cent* under 'Others' was due to increase in receipts under other Industries, Animal Husbandry and Co-operation, partly offset by decrease in revenue under Interest Receipts.

(c) The decrease of 43 *per cent* under 'Other Administrative Services' was due to less receipts under 'elections'.

5.3 Variation between Budget estimates and actuals

5.3.1 The variations between the budget estimates and the actual receipts for the year 1989-90 are given below:

	Budget estimates	Actuals	Variation Increase(+) Decrease(–)	Percentage of variation
		(In lakhs of rupees)		
1. Tax revenue	1,663.00	2,127.91	(+)464.91	(+)28
2. Non-tax revenue	1,899.00	1,599.03	(–)299.97	(–)16
3. Share of Union Taxes	10,144.00	10,306.64	(+)162.64	(+) 2
4. Grants-in-Aid	29,434.96	28,665.72	(–)769.24	(–) 3
Total:	43,140.96	42,699.30	(–)441.66	(–) 1

5.3.2 The variations between budget estimates and actuals in respect of some of the important heads of revenue for the year 1989-90 are indicated below:

Heads of Revenue	Budget estimates	Actuals	Variation Increase(+) Decrease(–)	Percentage of variation
		(In lakhs of rupees)		
1. Sales Tax	1,168.00	1,132.10	(–) 35.90	(–) 3
2. State Excise	163.00	409.48	(+)246.48	(+)151
3. Taxes on Vehicles	75.00	88.43	(+) 13.43	(+) 18
4. Other Taxes on Income and Expenditure	100.00	189.34	(+) 89.34	(+) 89
5. Land Revenue	34.00	51.98	(+) 17.98	(+) 53
6. Stamps and Registration	140.00	184.28	(+) 44.28	(+) 32

(a) The increase of 151 *per cent* under 'State Excise' was due mainly to more receipts from taxes on country fermented liquor.

(b) The increase of 89 *per cent* under 'Other Taxes on Income and Expenditure' was due to collection of more professional tax.

(c) The increase of 53 *per cent* under 'Land Revenue' was due to more receipt under other receipt.

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5.4 Cost of collection

Expenditure incurred in collecting the major revenue receipts during the years 1987-88 to 1989-90 are given below:

Head of account	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection
		(In lakhs of rupees)		
1. Taxes on Agricultural Income	1987-88	3.51	0.37	11
	1988-89	6.35	0.97	15
	1989-90	4.33	1.35	31
2. Other Taxes on Income and Expenditure	1987-88	119.02	2.75	2
	1988-89	191.55	3.54*	2
	1989-90	189.34	3.83	2
3. Stamps and Registration	1987-88	119.12	13.78	13
	1988-89	151.43	27.08	18
	1989-90	184.28	27.07	15
4. State Excise	1987-88	113.59	8.08	7
	1988-89	260.59	12.27	5
	1989-90	409.48	14.31	4
5. Sales Tax	1987-88	858.91	15.77	2
	1988-89	1,024.01	24.38	2
	1989-90	1,132.10	26.13	2
6. Taxes on Vehicles	1987-88	63.95	7.07	11
	1988-89	81.95	N.A.	—
	1989-90	88.43	N.A.	—
7. Other Taxes and Duties on Commodities and Services	1987-88	56.47	2.34	4
	1988-89	69.69	3.29	5
	1989-90	67.74	3.11	5

N.A. = Not available.
* As per Finance Accounts 1988-89.

5.5 Analysis of collection

The break-up of total collection on Sales Tax and Taxes on Agricultural Income during the year 1989-90 as made available by the Department is given below:

	Sales Tax	Taxes on Agricultural Income
	(In lakhs of rupees)	
(a) Amount collected at pre-assessment stage	1,082.70	1.84
(b) amount collected on regular assessment	49.40	2.49
(c) Amount refunded	Nil	Nil
(d) Net collection of tax	1,132.10	4.33

5.6 Assessment of arears

The number of assessments due for disposal, assessments finalised and assessments pending finalisation at the end of March 1990, as well as figures for the preceding year, are indicated below:

Year	Number of cases of assessment			Percentage of assessments pending (col. 4 to 2)
	Due for disposal	Completed	Pending at the end of the year	
(1)	(2)	(3)	(4)	(5)
(a) Sales Tax 1988-89				
Arrear Cases	1,607	1,188	419	26.08
Current Cases	2,629	1,120	1,509	57.40
Remand Cases	279	237	42	15.06
Total	4,515	2,545	1,970	43.64
1989-90				
Arrear Cases	1,970	1,762	208	10.56
Current Cases	3,164	1,098	2,066	65.30
Remand Cases	97	97	Nil	Nil
Total:	5,231	2,957	2,274	43.48

5.7 Uncollected revenue

Analysis of arrears of revenue pending collection as on 31st March 1990 in respect of Sales Tax and Agriculture Income Tax as reported by the Department and corresponding figures for the preceding year are indicated below:

Revenue head	Amount pending collection as on		Arrears of revenue outstanding for more than 5 years as on		Remarks
	31st March 1989	31st March 1990	31st March 1989	31st March 1990	
	(In lakhs of rupees)				
1. Sales Tax	280.60	293.63	15.60	17.25	
2. Agricultural Income Tax	13.88	N.A.	2.50	2.50	

5.8 Frauds and evasions

The details of cases of frauds and evasions of Sales Tax detected and finalised during the year 1989-90 have not been furnished by the Department. However, it has been stated (July 1991) that investigations/assessment were completed in 527 cases during the year and tax of Rs. 3.86 lakhs was levied on these cases in addition to a total penalty of Rs. 4.99 lakhs.

5.9 Outstanding local audit reports and audit objection

Audit observations on incorrect assessments of revenue and defects in accounting of revenue receipts in audit 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.

N.A.=Not available.

At the end of June 1990, in respect of local audit reports issued upto December 1989, 876 audit objections were still to be settled as per details given below. The corresponding position in the earlier two years has also been indicated:

	As at the end of		
	June 1988	June 1989	June 1990
Number of Local Audit reports	384	236	209
Number of Audit objections	1,306	850	876
Money value (in lakhs of rupees)	360.10	176.82	204.56

Year-wise break-up of the outstanding local audit reports, audit objections and the money value involved at the end of June 1990, is given below:

Year	Number of local audit reports	Number of objections	Amount of receipts involved (in lakhs of rupees)
Upto			
1987-88	141	595	112.53
1988-89	45	209	69.36
1989-90	23	72	22.67
Total:	209	876	204.56

Receipt-wise break-up of outstanding local audit reports, audit objections and the money value involved therein, as on 30th June 1990, 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	41	246	52.03
2. State Excise	12	22	2.27
3. Motor Vehicles Taxes	4	29	8.16
4. Stamps and Registrations	5	11	0.44
5. Land Revenue	30	40	1.78

Name of receipts	Number of local audit reports	Number of objections	Amount of receipts involved (in lakhs of rupees)
6. Forest Receipts	40	220	86.03
7. Amusement Tax	3	9	0.09
8. Professional Tax	7	10	5.39
9. Electricity Duty	61	280	38.15
10. Taxes on Agricultural Income	6	9	10.22
Total:	209	876	204.56

SALES TAX

5.10 Short levy of interest due to erroneous computation

Under the provision of the Tripura Sales Tax Act 1976 as amended from time to time if a registered dealer does not pay the full amount of tax due on the basis of the return or his account books within the prescribed date, simple interest at the rate of 15 *per cent* upto July 1984 and 25 *per cent* thereafter per annum from the first day of the month next following the said date till date of payment shall be payable by the dealer upon the amount by which the tax so paid falls short of the amount of the tax payable according to his return or account books.

(a) In Agartala while making the assessment in June-July 1989 in respect of two dealers, the assessing authority erroneously computed the levy of interest at Rs. 2,472 as against Rs. 29,918 leviable. This resulted in short levy of interest of Rs. 27,446 upto June 1989.

On this being pointed out in Audit, the Department stated (May 1990) that the case would be reopened.

Government, to whom the matter was reported in September 1990 stated (November 1990) that the notice for re-assessment had been issued. Further report has not been received (June 1992).

(b) In Khowai (West Tripura District) a dealer, engaged in manufacture and selling of bricks and brick products, had submitted his return for the year 1982-83 declaring a turnover of Rs. 17,609 only. The assessing officer, however, completed his assessment (March 1989) ex-parte on the basis of a report (March 1989) received from Inspector of Taxes, determining the dealer's turnover at Rs. 2.52 lakhs against the returned turnover of Rs. 17,609 raising a demand for Rs. 25,209 towards tax due only and interest of Rs. 3,515 for 12 months, at the rate of 15 *per cent* per annum on the ground that the dealer had stopped manufacture of bricks from 1983-84. The dealer, however, paid tax of Rs. 1,779 only.

In audit, it was pointed out (April 1990) that the interest on the liability of the dealer's unpaid tax of Rs. 23,430 for 12 months (August 1983 to July 1984) at the rate of 15 *per cent* and for 56 months (August 1984 to March 1989) at the rate of 25 *per cent* worked out to Rs. 30,850 resulting in short levy of interest to the tune of Rs. 27,335.

The case was reported to the Government in July 1990; their reply has not been received (June 1992).

(c) In West Tripura District the assessing authority while making ex-parte assessment (March 1990) of a dealer of bricks and brick products for the assessment year 1986-87 levied interest of Rs. 4,337 on the unpaid amount of tax of Rs. 77,006 (Rs. 80,706 – 3,700) as against Rs. 56,150 leviable for 35 months from May 1987 to March 1990. This resulted in short levy of interest to the tune of Rs. 51,813.

The case was reported to the Department and Government in July 1990, followed by reminder in December 1990. The Department stated (December 1990) that the assessment has been reopened under Section 11 of the Act, *ibid* and the date of re-assessment has been fixed on 12th December 1990. Further, report has not been received (June 1992).

5.11 Under assessment of turnover and erroneous determination of selling rate

Under the provisions of the Tripura Sales Tax Act 1976 every registered dealer is required to furnish a correct return of his turnover for each year to the prescribed assessing authority on the due dates as may be prescribed.

In West Tripura District, while assessing (February 1990) a firm engaged in manufacture and sale of bricks and brick products for the assessment year 1987-88, the turnover of the dealer was determined by the assessing authority at Rs. 6.11 lakhs, being the sale value of 8.89 lakh bricks and 2,890 cu.m. bats during the year against the returned turnover of Rs. 4.60 lakhs and a demand raised for Rs. 76,398 including interest of Rs. 3,029.

In the course of Audit (February-March 1990) it was, however, noticed that the assessing authority had erroneously determined the selling rate of second class bats at Rs. 20 per cu.m. as against the actual rate of Rs. 152 per cu.m. This resulted in the turnover of the dealer being reckoned short to the extent of Rs. 3.30 lakhs (2,500 cu.m. × Rs. 132) with consequent short assessment of tax amounting to Rs. 63,060, including interest of Rs. 23,460 for 22 months from May 1988 to February 1990 i.e. till date of assessment.

The case was reported to Department and Government in July 1990. The Government stated (December 1990) that the case had been reopened. Further progress in the mater has not been received (June 1992).

5.12 Under assessment due to non-utilisation of information on record

(a) Under the Tripura Sales Tax Act 1976, every dealer dealing in taxable goods shall pay a tax on his turnover at the rate specified in the schedule attached to the Act. Sales tax at the rate of 12 *per cent* is leviable on sales of bricks and brick products with effect from 1st October 1986.

In West Tripura District, in the assessment (February 1989) of a dealer of bricks and brick products for the year 1987-88, his closing stock of bricks was determined at 13.70 lakhs.

A scrutiny (April-May 1990) of assessment records, however, revealed that as per report of the Inspector (8th March 1988) the actual closing stock of bricks on that date was 3.90 lakhs (burnt brick: 2 lakhs; green brick: 1.90 lakhs). As the capacity of the kiln was only 4 lakhs and the processing period in the kiln is normally 25 to 30 days, the maximum number of bricks that could be burnt in the remaining period of 23 days, i.e. from 9th March to 31st March 1988, could not be more than 4 lakhs (including the brick stock of 1.90 lakhs). Thus, the closing stock of bricks for the assessment year could not exceed 6 lakhs (2 lakhs *plus* 4 lakhs) though worked out at 13.70 lakhs. Evidently, the dealer had sold at least 7.70 lakh of bricks during the assessment year.

According to the accepted classification ratio and sales rate of bricks, the value of 7.70 lakh of bricks would work out to Rs. 4.03 lakhs which escaped assessment resulting in short levy of tax to the tune of Rs. 48,312 and interest Rs. 12,078.

The Government to whom the case was reported (June 1990) stated (December 1990) that though the firm is now defunct a notice for re-assessment under Section 11 of the Act, *ibid* had been issued. Report on results of re-assessment has, however, not been received (June 1992).

(b) In South Tripura District, in the assessment (December 1988) of a dealer of bricks and brick products for the assessment year 1987-88, closing stock of 21.38 lakh bricks (burnt bricks: 18.76 lakhs and inside kiln: 2.62 lakhs) was determined. During audit scrutiny (November 1989) it was noticed from a report of the Inspector dated 7th April 1988 that the actual closing stock of bricks was 10.96 lakhs including 300 cu.m. bats which was not taken into account at the time of assessment. This resulted in 10.42 lakh bricks (21,38,261–10,96,000 bricks) valued at Rs. 5.94 lakhs at the lowest rate of Rs. 570 per thousand sold during 1987-88 escaping assessment with consequent short levy of tax amounting to Rs. 71,291 and interest of Rs. 14,852 for the period from February to November 1989.

Government to whom the case was reported (January 1990), stated (December 1990) that while making assessment year 1988-89 and 1989-90, escaped turnover of 1987-88 was considered and additional demand of Rs. 17,637 and Rs. 80,501 including interest were raised. Aggrieved with the order of assessment the dealer preferred an appeal. Further development in the matter has not been intimated (June 1992). No reasons were furnished as to why the case of 1987-88 was not re-opened under Section 11(1) of the Act, *ibid* and demand raised. No reply in this regard was furnished though called for (June 1990) by Audit. Reason and year-wise bifurcation of the amount was not available and could therefore not be ascertained during further verification (April 1991).

5.13 **Erroneous calculation leading to short levy of sales tax**

In West Tripura District the turnover of a manufacture of bricks, brick bats etc., was assessed (March 1990) at Rs. 16,200 being the sale value of 900 cu.m. bats at the rate of Rs. 180 per cu.m. for the assessment year 1987-88 with sales tax liability of Rs. 1,944. During scrutiny (May 1990) in audit it was noticed that the turnover of the dealer worked out to Rs. 1.62 lakhs (900 cu.m. × Rs. 180) with tax liability of Rs. 19,440 and interest of Rs. 9,315 for non-payment of tax due for the period from May 1988 to March 1990. Thus, due to wrong computation in determining the turnover and non-levy of interest the demand for tax was raised short by Rs. 26,811 (Tax: Rs. 19,400 + Interest: Rs. 9,315 *minus* Rs. 1,944).

Government to whom the matter was reported (July 1990) stated (December 1990) that the mistake in assessment order as pointed out by Audit had been rectified and an additional demand for Rs. 19,440 raised. The dealer is however reported to have gone in appeal against the revision. Report on the result of appeal and the collection of tax has not been received (August 1991). Government also stated that it would not be proper to charge interest of Rs. 9,315 as the mistake was on the part of assessing authority. The contention is not acceptable to Audit because (i) the dealer did not pay any tax due for the period for which interest is chargeable, (ii) if the mistake of the assessing authority in regard to assessment of tax could be rectified and additional demand raised, there is no apparent reason why interest of Rs. 9,315 could also not be charged, and (iii) the Tripura Sales Tax Act 1976 does not prevent charging interest in such cases.

5.14 **Turnover escaping assessment**

According to the provision of Tripura Sales Tax Act 1976 every registered dealer is required to furnish a correct return of turnover for each year to the assessing authority. Tax payable on sale of bricks was at the rate of 10 *per cent* upto September 1986 and 12 *per cent* thereafter.

In West Tripura District assessment of a dealer of bricks for the years 1983-84 to 1987-88 was completed (May 1987) ex-parte determining nil turnover for the years 1983-84 to 1985-86 and 1987-88 and Rs. 50,000/- for the assessment year 1986-87 levying tax of Rs. 6,000/- and interest of Rs. 125/-.

In the course of Audit (May 1988) it was noticed from the dealer's trading account for 1982-83 (as on 30th April 1983) that the dealer had a closing stock of 21.11 lakh bricks valued at Rs. 4.90 lakhs. Thus, failure of the Department to take notice of the closing stock of the dealer resulted in escapement of turnover of Rs. 4.40 lakhs (Rs. 4.90 lakhs *minus* Rs. 0.50 lakh) with a tax liability of Rs. 44,000 at the rate of 10 *per cent* and interest of Rs. 10,089 for 11 months from July 1987 to May 1988.

On this being pointed out in Audit (August 1988), the Department stated in their reply (December 1989) that the dealer's appeal against the original assessment had been rejected by the High Court and a certificate case was in progress but offered no comments on the turnover which escaped assessment as pointed out in Audit.

While accepting the audit views the Government stated (December 1990) that though the firm was defunct a notice for reassessment had been issued. Result of reassessment has not been received (August 1991).

5.15 Under-assessment of tax due to erroneous determination of closing stock

As per the provisions of the Tripura Sales Tax Act, 1976, bricks and brick products are taxable at twelve *per cent* of the sale price from 1st October 1986. In order to estimate the actual production of bricks by the manufacturer the Department has devised a norm of 25 tonnes of coal as the requisite fuel to burn a quantity of one lakh bricks.

In Dharmanagar (North Tripura) Sales Tax circle, while assessing a manufacturer-cum-dealer in bricks, for the year 1988-89, the assessing authority, after reckoning the opening balance of coal as nil, determined the consumption of coal by the dealer at 200 tonnes. Scrutiny (August 1990) of assessment records of the dealer for the year 1987-88, however, revealed that the dealer had a closing balance of 249 tonnes of coal which was not taken into account by the assessing authority. The omission resulted in erroneous determination of consumption of coal leading to short assessment of production of bricks by 9.96 lakh and under-assessment of turnover to the extent of Rs. 6.23 lakhs (calculated at the prevailing selling rate of Rs. 625 per thousand bricks). This involved escapement of sales tax amounting to Rs. 74,760. Interest of Rs. 18,690 was also leviable for delay in payment of the tax (June 1990).

On this being pointed out (December 1990) in audit, the Government stated that the case was in the process of re-assessment. Report on further progress has not been received (June 1992).

5.16 Under-assessment of tax

Under the Tripura Sales tax Act, 1976 every dealer dealing in taxable goods shall pay a tax on his turnover at the rates specified in the schedule attached to the Act. Tax on sale of furniture is leviable at 12 *per cent* with effect from 1st October 1982. Any concealment in the returned turnover makes the assessee liable to pay interest and penalty at specified rates.

In Dharmanagar while assessing (November 1988) a firm (A) dealing in furniture for three years 1985-86, 1986-87 and 1987-88, the returned turnover for the year 1985-86 was increased by 10 *per cent* by the assessing authority, as the assessee did not maintain proper sale records.

It was, however, noticed (September 1990) in audit that the assessee had sold furniture valued at Rs. 1.36 lakhs to various Government Departments during 1985-86 which was not disclosed by him in the return and was subsequently detected by the Departmental Officer. The assessing authority erroneously included this amount to another assessee's (firm B) return who filed an appeal against the inclusion. Although the assessment of firm 'B' was revised in December 1989 on an order from the Appellate Authority, the assessment for 1985-86 in respect of firm 'A' who had concealed the turnover was not revised. Consequently there was under-assessment of tax of Rs. 32,847 including interest of Rs. 15,351 for the period upto November 1989. Besides, a penalty ranging from 10 *per cent* to 150 *per cent* of the tax was also leviable under the provisions of the Act.

On this being pointed out (December 1990) in audit the Government stated that the case had been processed for re-assessment. Report on further development has not been received (June 1992).

FOREST DEPARTMENT

5.17 Loss on sale of cashewnuts

According to the procedure prescribed by Tripura Forest Department, cashewnuts produced in forest area of Tripura are to be disposed of by auction or tender. Further, cashewnuts being a perishable commodity, it is essential to dispose it promptly after harvesting and collection.

In Agartala, the Forest Department collected 12,206.2 kilograms of cashewnuts at three centres during 1988-89. The North Eastern Regional Marketing Co-operation (NERAMAC) in a meeting (May 1988) with the Chief Secretary of Tripura offered a rate of Rs. 8.50 per kg. for the graded variety (i.e. free from damage/voids/foreign materials etc.) of cashewnuts, but in July 1988 a private party 'A' on his own offered the rate of Rs. 9 per kg. for the entire quantity. Instead of accepting the above offer, the Department asked NERAMAC to take the entire quantity at their offered rate of Rs. 8.50 per kg., which was not acceptable to the latter (September 1988).

In January 1989, the Department called for tenders for disposal of the cashew nuts. Four tenders were received and the highest rate offered was Rs. 7.89 per kg. by a party 'B'. The Department, instead of accepting the offer of party 'B', enquired from party 'A' who had earlier offered the rate of Rs. 9 per kg., if he was still interest in the deal at his offered rate, but did not get any response.

The earnest money received from party 'B' was refunded in January 1989 and fresh tenders were invited on 4th May 1989 to dispose of the cashewnuts. A single tender containing an offer of Rs. 4 per kg. was received from a party 'C' to lift the entire quantity. But when 'C' was asked to lift the cashewnuts at his offered rates, he did not respond.

The efforts to sell the cashewnuts to the earlier tenderer/private parties etc., having failed, the Department in February 1990 sold 7,190 kg. of cashewnuts at Rs. 4.10 per kg. to 'B' whose rate of Rs. 7.89 per kg. had been rejected earlier. The balance quantity of 5,016 kg. got damaged due to long storage.

Thus, failure of the Department either to accept the *suo motu* offer of 'A' at Rs. 9 per kg. of cashewnuts (July 1988) promptly or the offer of Rs. 7.89 per kg. made by the highest tenderer in response to the first tender resulted in a loss of Rs. 80,375 to the Government.

The matter was reported to the Department in August 1990; their reply has not been received (November 1991).

The Government to whom the case was reported in December 1990 while admitting the facts and figures stated (April 1991) that the offer of party 'A' was not considered because the rate offered was for a period of continuous 5 years which could not be considered. It was also stated that the Department made all possible attempts to earn more revenue by way of disposing the cashewnuts well in time at the highest possible rate within the frame work of Government procedure. The contention of the Government is not acceptable because the reasons for the rejection of rates offered by party 'B' have not been spelt out. Further, whenever a rate was received, the Department, instead of accepting the rate, resorted to negotiation with an earlier party including party 'A' who was rejected earlier, which was not desirable.

TRANSPORT DEPARTMENT

5.18 Loss of revenue due to non-payment/short payment of Motor Vehicle tax

Under the provisions of the Tripura Motor Vehicle Tax Act, 1972 the owner of a vehicle is required to pay motor vehicle tax for the year in advance at the rates specified in the schedule. The Taxing Officer, if satisfied that the certificate of registration and tax token delivered under Section 10 has been surrendered or that the motor vehicle has not been used or kept for use for any complete calender month in a year, may refund or remit tax in respect of the said vehicle on an application made under Section 6 of the Act.

In Agartala, owners of two vehicles did not pay tax payable for periods ranging from 4 to 9 years between April 1980 and March 1990 without making any application under Section 6 or obtaining any exemption, though tax for the subsequent periods was paid. The Department could not show any record to indicate that these vehicles did not ply or were taken outside the State nor could they explain the position inspite of specific enquiry made in this regard in February 1990. The omission to levy and collect tax at the appropriate rate resulted in a loss of revenue amounting to Rs. 75,240.

The Government to whom the cases were reported in April 1990 stated (March 1991) that the unladen weight of one vehicle was 4,800 kg. and tax upto 31st March 1985 was paid at the rate of Rs. 3,780 incorrectly as against the correct rate of Rs. 1,780 and thus, tax amounting to Rs. 18,055 was paid in excess. In respect of the other vehicle, tax was not paid from 1st April 1981 as the vehicle was condemned and disposed of and the documents were surrendered alongwith Form 'H'.

Further verification by audit in August 1991 revealed that unladen weight of the vehicle was 7,500 kg. as per registration register and road tax payable was at the rate of Rs. 3,780 per annum and not Rs. 1,780 as stated. In respect of the second vehicle it was seen that the owner had submitted (February 1991) a photocopy of Form 'H' unsupported by the registration certificate and tax token. There was also no report of verification by the Departmental representative on record in this regard.

5.19 **Loss due to irregular exemption of Motor Vehicle Tax**

Under the Bengal Motor Vehicles Tax Act, 1932 as in force upto 26th July 1972 and as extended to Tripura, Vehicles owned by the State Government and certain other institutions were exempt from payment of tax as clarified by a notification issued in August 1967. Action taken under the Act, was also recognised in the Tripura Motor Vehicles Tax Act, 1972 which replaced the Bengal Motor Vehicles Tax Act, 1932 on 27th July 1972. But this exemption was not admissible to the vehicles owned by the autonomous bodies.

In Agartala 27 Jeeps and 2 Ambassador cars owned by the Tripura Tribal Areas Autonomous District Council and one wagon type Jeep of Tripura Khadi and Village Industries Board (a statutory board) registered between February 1983 and February 1987 and in March 1977 respectively were regarded as Government Vehicles and exempted from payment of tax, although the concerned vehicles were not covered by the notifications of August 1967 nor by any separate notification to that effect issued by the Government. The irregular exemption resulted in non-realisation of tax amounting to Rs. 30,996 (March 1990).

The cases were referred to the Department (September 1990). The Government to whom the case was reported in December 1990 admitted the fact and stated (March 1991) that the cases are being taken up with the council for registration in the appropriate group on payment of road tax including arrears of Rs. 31,000. Further verification in August 1991 revealed that no claim has so far been preferred.

CHAPTER VI

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

6.1 General

6.1.1 *Details of grants*

During 1989-90, Rs. 2,638.61 lakhs (7 *per cent* of the revenue expenditure during the year) were paid as grants to local bodies as shown below:

	Amount (in lakhs of rupees)
Educational Institutions (including Universities)	772.02
Panchayat Samities	95.78
Individual persons belonging to Scheduled Casts/Scheduled Tribes	190.34
Jhumias and new migrants Village and Small Industries Units	247.56
Agartala Municipalities (including notified area)	410.55
Autonomous District Council	370.78
Medical Family Welfare	9.38
Co-operative Societies	170.42
Others	371.78
Total:	2,638.61

6.1.2 *Utilisation of grants*

Under the rules, wherever conditions are attached to the grants, utilisation certificates are required to be furnished by the grantee 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 1990, 1,844 certificates for grants amounting to Rs. 9,037.62 lakhs were outstanding. Of these 956 certificates involving grant of Rs. 44,550.56 lakhs relate to the grants paid upto March 1987. The remaining 888 certificates (Rs. 5,207.06 lakhs) relates to the grants paid during April 1987 to March 1989. The department-wise details of outstanding certificates are given in the Appendix 3.

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.

6.1.3 *Financial assistance to local bodies and others*

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 an authorities substantially financed by grants or/and loans from the Consolidated Fund are to be audited by the Comptroller and Auditor General of India. For this purpose, 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 year(s) is not less than Rs. 25 lakhs and is also not less than 75 *per cent* of the total expenditure of the body or authority in that year. Where any grant/loan is given to any body or authority for any specific purpose from the Consolidated Fund, Section 15 of the Act, *ibid* required that the sanctioning authority has satisfied themselves as to the fulfilment of the condition subject to which such grants or loans were given.

As in the previous years for identification of such bodies and authorities, all the Administrative Departments of the State Government were requested in April 1990 to furnish information about grants and loans given by them to the bodies and authorities during 1989-90 alongwith the total expenditure for the year of such bodies and authorities. No information for 1989-90 was, however, received (November 1990) from any of the Departments. Similar information in respect of 1988-89, called for from the Government Departments in April 1989 were furnished by only five Departments *viz.,* Printing and Stationery, Law, Public Works, Agriculture and Secretariat Administration Departments (January 1991) despite our reporting to Gvernment in September 1990 and November 1990. Non-furnishing of the information was again reported to the Government in the Finance Department in January 1991; no reply had been received (July 1991).

6.2 **Audit entrusted to the Comptroller and Auditor General of India**

Besides Audit under Section 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 Section 19(3) and 20(1) of the Act.

Audit under Section 19(3)

Only two non-commercial bodies *viz.,* Tripura Khadi and Village Industries Board and Tripura Tribal Areas Autonomous District Council (so long it had been under the 7th Schedule of the Constitution of India i.e. from 1981-82 to 1984-85) were under the Audit control of the Comptroller and Auditor General of India in terms of the provision of Section 19(3) of the Act.

6.2.1 *Delay in preparation and submission of accounts*

There had been persistent delay in submission of annual accounts by the Tripura Khadi and Village Industries Board, Agartala. The accounts of the Board for the year 1982-83 and 1983-84 were received in August 1987 but those of 1984-85 onwords are in arrears (November 1990).

The accounts of the Autonomous District Council (so far under the 7th Schedule) from 1981-82 onwards were not submitted owing to non-finalisation of forms of accounts. The Government had, however, finalised the forms of accounts in June 1989, but the Council was yet to prepare their accounts (January 1991).

The Council had come under the Sixth Schedule with effect from 1st April 1985. But the forms of accounts are yet to be finalised by the Government (July 1991).

6.3 **Audit under Section 14**

Of the Autonomous bodies under the Statutory Audit Control of the Accountant General (Audit), Tripura as on 31st March 1990, four bodies as detailed below attracted Audit under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971:

(i) District Rural Development Agencies—3 (West Tripura, North Tripura and South Tripura).

(ii) Tripura Housing Board.

6.3.1 *Delay in preparation of annual accounts*

The accounts of the District Rural Development Agency, West Tripura, Agartala for the year 1987-88 onwards have not been received (November 1990). The non-submission of accounts was first reported to the Government in September 1988.

Accounts of the Tripura Housing Board for the years 1988-89 onwards were also in arrear as on June 1992.

6.3.2 *District Rural Development Agencies—unutilised Advances*

The District Rural Development Agencies (DRAD) make advance payments to the implementing Officers of the Integrated Rural Development Programme (IRDP) for payment of subsidy to the selected beneficiaries in the three Districts of the State. Since the advances were required to be made only after the individual schemes submitted by the beneficiaries had been approved and other requirements met.

A test check of the records relating to three DRDAs disclosed that at the beginning of 1985-86, there was a total unadjusted balance of Rs. 23.06 lakhs, Rs. 122.29 lakhs were paid as advances thereafter, till the end of March 1989 while only Rs. 48.03 lakhs were shown to have been disbursed during the period, leaving a net undisbursed amount of Rs. 96.52 lakhs with the implementing Officers.

On the other hand, to tide over an acute financial crisis, DRDA, South and DRDA, North took recourse to overdrafts of Rs. 42.52 lakhs (DRDA South Rs. 32.52 lakhs in February 1989, and DRDA, North Rs. 10.00 lakhs in March 1989). The overdrafts were adjusted in August 1989, and a total sum of Rs. 1.19 lakhs was paid as interest on the overdrafts.

Had the undisbursed amounts lying idle with the implementing officers been refunded, there would not have been any necessity of resorting to overdrafts involving payment of interest of Rs. 1.19 lakhs.

The Chairman, DRDA South stated in December 1990 that the implementing Officer submitted the progress reports and the utilisation statement only after implementation of the scheme and, as such, it was not possible to pull the amount of unspent balances before the end of a financial year. But it was noticed that even after the financial year, the unspent amounts were not received back. The Government also endorsed the views of the Chairman in February 1991. But it was not stated why the procedure of surrendering of anticipated amount could not be enforced in respect of DRDA funds.

6.3.3 *Fraudulent encashment of cheques*

The Project Director, District Rural Development Agency (DRDA) North, Kailasahar has Savings Bank accounts with the United Bank of India (UBI), the Tripura Gramin Bank (TGB) and the State Bank of India (SBI) at Kailasahar. Funds required for working of the Agency were drawn from the banks. While conducting a reconciliation of the balance of the Agency's books with those of the banks (UBI Kailasahar and TGB Kailasahar) in June 1990, it was found that ten cheques drawn between August 1988 and April 1990 for a total sum of Rs. 1.61 lakhs had not been reflected in the cash book of the Agency, nor were the counterfoils of those cheques available in the used cheque books. The Project Director, reported the matter to the police in June 1990, stating that the signature on the cheques had been forged.

It was noticed in Audit conducted in September 1990 that the following prescribed checks required to be applied by the Drawing and Disbursing Officer to guard against any fraudulent drawal had not been exercised:

(i) Rules regarding maintenance and custody of the cheques, such as, counting of counterfoils of cheque books when received from the banks and keeping the cheque books under the personal custody of the signing authority were not followed;

(ii) While signing a cheque, the number on the counterfoil of the cheque drawn immediately before was not verified;

(iii) Monthly reconciliation of the drawals was not done between July 1988 and June 1990.

Negligence on the part of the Drawing and Disbursing Officer rendered the defalcation of Rs. 1.61 lakhs possible. The Accounts Officer, who was not the Drawing and Disbrusing Officer but was the custodian of the cheque books, was removed from service by the Chairman, DRDA (District Magistrate and Collector), North in August 1990 on the ground of negligence. The Chairman, DRDA, North stated in September 1990 that the rules prescribed were not being followed strictly. But the reply was not convincing, since the Chairman had issued orders regarding proper maintenance and custody of cheques only in July 1990 after the defalcation had been detected. No action was taken against the Project Director who was the Drawing and Disbursing Officer.

The matter was reported to the Government in December 1990. While endorsing the reply of the Chairman, District Rural

Development Agency, the Government stated (February 1991) that as the case was sub-judice there was little scope to offer any further comment.

6.4 Audit under Section 20(1)

In respect of 13 other Autonomous bodies (non-commercial), the Audit of which was entrusted to the Comptroller and Auditor General of India under Section 20(1) of the Act *ibid,* the Audit Reports were to be submitted to the Government and concerned bodies. The position regarding submission of accounts of such bodies and authorities are as follows:

Sl. No.	Name of the bodies/authorities	Accounts outstanding from
1.	Agartala Municipality	1977-78
2.	Notified Area Authorities (9)	1977-78
	Notified Area Authorities created later (2)	1988-89
3.	Tripura Board of Secondary Education	1988-89

Non-submission of accounts of Notified Area Authorities and Agartala Municipality was due to failure of the concerned bodies to adopt the form of accounts prescribed under relevant Act/Rules.

The matter was reported to the Government in July 1989; reply is awaited (July 1991).

Agartala Municipality

6.4.1 *Construction of a Supermarket at Battala*

With a view to providing modern facilities of an organised shopping arcade to the fast growing population in and around Agartala town, a proposal to construct a supermarket at an estimated cost of Rs. 16.85 lakhs was approved by the Agartala Municipality in October 1978. But the proposed floor area was considered inadequate, and a revised estimate providing two three-storied buildings at Battala was approved in September 1983 by the Municipality for a total sum of Rs. 55.93 lakhs.

Meanwhile, the work was taken up on the basis of the revised plan by a Public Works Division of the Government as Deposit Work on placement of funds (Rs. 2.50 lakhs) in January 1982. The work, which was to be completed by September 1985 was completed in February 1989 at a cost of Rs. 86.32 lakhs against a total deposit of Rs. 54.06 lakhs made by the Municipality till February 1988.

The market complex comprising 220 stalls (56 stalls with a floor area of 82.69 square feet each and 164 stalls of 133.28 square feet each). The Municipal Authority did not make any arrangement for allotment of the stalls till the end of October 1990. As a result, the complex, which was scheduled to be handed over by the Public Works Department in February 1989 had not been taken over by the Municipality as of October 1990.

At the rates assessed by the Municipality on the basis of the capital cost, the monthly rent comes to Rs. 82,360 in respect of the stalls. As a result of non-allotment of the stalls, the Municipality had suffered a loss of revenue to the extent of Rs. 16.47 lakhs (October 1990). Besides, one time receipt of Rs. 22.64 lakhs as advance on allotment of the stalls had also been delayed. On the other hand, due to non-allotment of the stalls to the applicants, the Municipality had to incur a daily expenditure of Rs. 200 on watch and ward of the complex through a contractor. A total sum of Rs. 0.70 lakh has been paid by the Municipality so far on this account. A claim of Rs. 0.36 lakh is also pending with the Public Works Department (October 1990) on the same account.

Though the Municipality placed funds with the P.W. Division from its own resources initially, it took a loan of Rs. 40 lakhs from the United Bank of India in three instalments at 15 *per cent* interest for the purpose as follows:

November 1984	..	Rs. 10.00 lakhs
December 1987	..	Rs. 10.00 lakhs
December 1987	..	Rs. 20.00 lakhs

A total sum of Rs. 10 lakhs had been repaid till June 1990 on account of principal and Rs. 18.21 lakhs as interest.

Had the Municipality taken proper action to allot the stalls immediately on completion of the complex, it could have liquidated a major part of the loan from the advance of Rs. 22.64 lakhs and avoided an interest liability of Rs. 5.09 lakhs (15 *per cent* on Rs. 22.64 lakhs for 1.5 years) and loss of revenue to the extent of Rs. 16.47 lakhs.

The Executive Officer, Agartala Municipality, stated in October 1990 that the decision of taking over the market complex and allotment of stalls rested with the Government and that a Cabinet Sub-Committee had been formed to formulate the policy in this respect.

Notified Area Authorities

6.4.2 *Infructuous expenditure in establishment of a duck farm*

The Notified Area Authority, Sonamura decided to establish a Duck Farm at Sonamura in 1980-81, and took up the construction work in a phased manner in 1981-82. Two sheds, barbed wire fencing and a godown were constructed at a total cost of Rs. 1.50 lakhs till the end of 1983-84.

The farm initially started with 60 birds in September 1981, and procured 858 more between May 1982 and October 1985.

In May 1988, the stock of birds became nil due to high mortality. In November 1988, the farm procured 250 birds at a cost of Rs. 0.13 lakh from the Animal Husbandry and Veterinary Department. The farm earned a revenue of Rs. 0.46 lakh on sale of eggs and birds between 1981-82 and 1989-90.

The expenditure in running and maintenance of the farms during these years were as follows:

		Rupees in lakhs
(i)	Maintenance of sheds	0.27
(ii)	Pay and allowances of staff engaged (1 Supervisor, 1 Caretaker and 1 Night Guard)	0.78
(iii)	Ration for birds	1.56
(iv)	Saw Dust	0.16
	Total:	2.77

In April 1990, the Notified Area Authority decided to close down the farm when almost all the birds died in an epidemic in March 1990 after 71 birds had been sold. Thus, the Notified Area Authority incurred a net loss of Rs. 2.31 lakhs. Besides, a capital expenditure of Rs. 1.50 lakhs incurred in establishment of the farm sheds, etc., did not serve any fruitful purpose.

Reasons for such poor performance of the farm or high mortality rate had not been investigated by the Notified Area Authority.

The matter was reported to the Government in September 1990; their reply had not been received (June 1992).

6.4.3 *Idle Loan*

In 1987-88, the Planning Commission approved a loan of Rs. 92 lakhs to the Agartala Municipality for its water supply scheme. The loan was to be received from the Life Insurance Corporation of India. But since the Agartala Municipality could not utilise even the first instalment of the LIC loan of Rs. 42 lakhs released in April 1983 it was decided by Government to divert the loan to four Notified Area Authorities (NAA) (for water supply schemes in those areas. Accordingly, Rs. 92 lakhs were released by the LIC to the Notified Area Authrorities. The details of loans are given below:

	Total amount of loan sanctioned	Amount released	Date of receipt by the NAA
		(Rupees in lakhs)	
NAA, Dharmanagar	132.25	30.00	April 1988
NAA, Kailashahar	113.50	20.00	-do-
NAA, Udaipur	121.47	12.00	-do-
NAA, Sonamura	64.00	30.00	-do-

The loans carry an interest of 10.25 *per cent* and a penal rate of 12 *per cent* compound interest in the case of default in repayment, and was guaranteed by the State Government.

It was noticed during audit of the accounts of these NAAs, conducted in May to July 1990, that none of the authorities had finalised the preliminary works, such as detailed survey, finalisation of site for water works, or preparation of detailed estimate required for taking up the works.

The loan amounts were deposited by the NAAs in the P.L. Account/Local Bank/Post Office Saving Banks.

A total sum of Rs. 19.22 lakhs was due for payment on account of interest and other charges by the NAAs as of May 1990, of which Rs. 9.35 lakhs had so far been paid as detailed below:

	Amount due	Amount paid
	(Rupees in lakhs)	
NAA, Dharmanagar	6.20	Nil
NAA, Kailashahar	4.28	3.11
NAA, Udaipur	2.52	1.29
NAA, Sonamura	6.22	4.95
Total:	19.22	9.35

The amount due as shown above would increase by the amount of compound interest due for non-payment of instalments in time.

The NAAs, Sonamura and Kailashahar paid the interest out of the loan received while the other NAAs paid the interest from the grants received from Government for normal functioning of the Authorities.

The NAAs, Dharmanagar and Sonamura received Rs. 5.36 lakhs (Dharmanagar: Rs. 3.03 lakhs; Sonamura: Rs. 2.33 lakhs) as interest till December 1989. Information about interest earned if any, by the NAA, Udaipur was not available. NAA, Kailasahar had not earned any interest as of October 1990.

Thus, due to raising loans by NAAs before the completion of preliminaries, the NAAs had to bear an unnecessary burden of interest of Rs. 19.22 lakhs on idle loans, which was partially set off by interest earned (Rs. 5.36 lakhs).

The matter was reported to the Government in December 1990; their reply had not been received (June 1992).

6.5 **Outstanding Inspection Reports and Paragraphs**

Financial irregularities and defects noticed during local audit of various non-commercial bodies (State) audited under various Sections of the C & AG's (DPC) Act, 1971 are included in Inspection Reports issued to the bodies concerned and copies thereof endorsed to Government so that appropriate remedial action is taken within a reasonable time. Settlement of 23 Inspection Reports containing 214 paragraphs issued upto March 1990 were pending as on 30th September 1990. In respect of 6 cases involving 81 paragraphs, even the first replies had not been received. Year-wise details are indicated below:

Year	Number of outstanding		Number for which first replies were not received	
	Inspection Reports	Paras	Inspection Reports	Paras
1983-84	1	3	—	—
1984-85	—	—	—	—
1985-86	2	11	—	—
1986-87	—	—	—	—
1987-88	10	103	3	46
1988-89	2	11	—	—
1989-90	8	86	3	35
Total:	23	214	6	81

6.5.1 *Some Important Points Remaining Unsettled are Mentioned Below:*

(a) *The Agartala Municipality*

Procurement of cement probable loss

The Agartala Municipality placed an order for supply of 200 tonnes of levy cement against an allotment of 500 tonnes and sent a bank draft for Rs. 2.07 lakhs in July 1985 to the Cement Corporation of India, Mandhar, Raipur. The Corporation could supply only 133.95 tonnes which was booked (January 1986) through the Railways upto New Guwahati. Municipal authorities engaged clearing agent on payment basis for clearance and its transportation from New Guwahati to Agartala. The Agent, however, could not take delivery of the cement as the original R/R was lost by them. The Municipality preferred a claim for Rs. 1.44 lakhs with the Railway Authority for non-delivery who ultimately admitted a claim of Rs. 0.82 lakh after deducting demmurage charge. This resulted in a loss of Rs. 0.62 lakh. The loss was caused by clearing agent but the amount was not recovered from the agent.

The matter was reported to Government in January 1990. Reply was awaited (June 1992).

(b) *Tripura Tribal Areas Autonomous District Council*

Wasteful expenditure

During March-June 1984, Rs. 0.84 lakh was spent for site development and other allied work on the land allotted at Agartala by the Government of Tripura for Tribal Area Autonomous District Council (TTAADC) Headquarter, Office Complex. The sanction for the work was accorded by the TTAADC in February 1984. Subsequently, on the decision of the Executive Committee in March 1986, the site for the construction of the Headquarter, Office Complex was changed from Agartala to Champaknagar. Thus, the expenditure of Rs. 0.84 lakh spent in connection with the site development and other works on the earlier site proved to be unfruitful.

The matter was reported to the Government in June 1989; their reply has not been received (June 1992).

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 and 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 1990 including Tripura State Bank Limited which is under liquidation since 1970-71.

7.2.2 Appendix 4 gives the particulars of up-to-date paid-up capital, outstanding loans, amount of guarantees, working results, etc., in respect of these Government Companies. The position is summarised as under:

(a) As against the aggregate paid-up capital of Rs. 24 crores as on 31st March 1989 the aggregate paid-up capital as on 31st March 1990 stood at Rs. 27.39 crores as given below. The investment in Tripura State Bank Limited at the end of both these years was Rs. 3.75 lakhs:

Particulars	Number of companies	Amount invested by State Government	Central Government	Others	Total Investment
					(Rupees in crores)
1. Companies wholly owned by the State Government	6	15.08	—	—	15.08
2. Companies jointly owned with the Central Government/Others	3	10.60	0.33	1.38	12.31
3. Subsidiaries	Nil	Nil	Nil	Nil	Nil
Total:	9	25.68	0.33	1.38	27.39

(b) The balance of long term loans outstanding in respect of six companies as on 31st March 1990 was Rs. 14.21 crores as against Rs. 13.41 crorers outstanding for six companies as on 31st March 1989.

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 had finalised its accounts for the year 1989-90. The position of arrears of accounts of the Government Companies is summarised below:

Extent of arrears	Number of years involved	Number of companies involved	Investment by Goverment as on 31st March 1990		Reference to serial number of Appendix
			Capital	Loan	
			(Rupees in lakhs)		
1979-80 to 1989-90	11	1	163.41	8.30	1
1980-81 to 1989-90	10	1	141.44	258.23	2
1981-82 to 1989-90	9	1	62.50	—	6
1983-84 to 1989-90	7	2	1,615.03	110.78	3 & 5
1985-86 to 1989-90	5	1	221.73	—	7
1986-87 to 1989-90	4	1	323.00	—	4
1987-88 to 1989-90	3	2	70.00	—	8
(Under — liquidation since 1970-71)		1	3.75	—	9
Total:		9	2,600.86	377	

In the absence of final accounts of these companies, the productivity of the investment of Rs. 27.39 crores (State Government: Rs. 25.68 crores, Central Government: Rs. 0.33 crores and others Rs. 1.38 crores) could not conclusively be vouch safed. The position of arrears in finalisation of accounts was last brought to the notice of the Government in June 1990.

The latest accounts prepared so far disclosed a total accumulated loss of Rs. 4.17 crores.

7.3 Statutory Corporation—general aspects

7.3.1 As on 31st March 1990, 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, 1959 to provide economic and efficient roads transport services. The Corporation started functioning from 14th July 1970. Since the North East Frontier Railway covers only a small portion of the State from rail head at Churaibari to Kumarghat (42 kilometres), road transport is the principal means of public transportation in the State.

As on 31st March 1990, the State Government had contributed Rs. 13.89 crores towards the capital of the Corporation. The contribution of the Government of India towards capital of the Corporation at the end of March 1990 was Rs. 3.64 crores. In addition to above, the State Government had paid Rs. 0.25 crores as loan to the Corporation.

The annual accounts of the Corporation have been finalised upto 1984-85. The accounts for the year 1985-86 and onwards were in arrears. The delay in finalisation of accounts was last brought to the notice of the State Government in June 1990.

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

7.3.3 The Audit Reports on the accounts of the Corporation for the years 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 dates of presentation of the Audit Reports for the year ended 31st March 1984 and 31st March 1985 as issued to the State Government in February 1990 and October 1990, respectively, before the Legislature are awaited (December 1990) from the Transport Department.

7.4 Departmentally-managed Government Commercial and *Quasi*-commercial Undertakings

As on 31st March 1989, there was one departmentally-managed Commercial Undertaking *viz.,* Tripura Electric Supply Undertaking. The audit of the 'Proforma' accounts of the undertaking has since been completed for the year ending 1985-86. The preparation/ completion of the 'Proforma' accounts of the undertaking for the year 1986-87 and onwards has not yet been reported to audit. The cumulative loss of the undertaking at the end of 1985-86 as reflected in their Balance Sheet, stood at Rs. 25.44 crores.

The Government capital investment at the close of 1985-86 was Rs. 82.10 crores and net fixed assets were Rs. 71.88 crores including work-in-progress, stores and materials in hand and fuel, coal and oil at cost (Rs. 22.11 crores).

Besides Electric Supply undertaking, the Food and Civil Supplies Department of the State Government is required to prepare proforma accounts showing the transaction of foodgrains etc. These accounts have been finalised upto 1977-78. The proforma accounts for the year 1978-79 onwards were in arrears. The delay in finalisation of the accounts was last reported to the Government in April 1991.

INDUSTRIES DEPARTMENT

7.5 Tripura Industrial Development Corporation Limited

7.5.1 *Highlights*

Tripura Industrial Development Corporation Limited was incorporated on 28th March 1974 as a wholly owned Government Compnay with the main object of industrial development of the State. In July 1980, the Central Government notified the Company as a financial institution under section 9(1)(a)(i) and 9(1)(c) of the Industrial Development Bank of India Act, 1964. The Memorandum and Articles of Association of the Company were amended (December 1983) to enable it to undertake industrial promotion and financing and receiving matching capital contribution and refinance assistance from IDBI.

(Paragraph 7.5.2)

As the Company was formed without getting clearance from the Planning Commission, it could not start its activities right

away till March 1982. An amount of Rs. 3.32 lakhs was spent by it upto 1981-82 for meeting expenditure on establishment. The Company now confines its activities mainly to lending term loans to small industrial units and small road transport operators.

(Paragraph 7.5.2)

Upto the end of 1989-90, the Company received 166 applications for loans aggregating Rs. 857.48 lakhs, of which 102 applications for Rs. 497.54 lakhs only were sanctioned. Of the applications sanctioned, loans amounting to Rs. 308.49 lakhs relating to 64 cases were disbursed by the Company. The average time taken by the company to process the applications ranged between six months to two years.

(Paragraph 7.5.9)

Appraisal memorandum prepared by the Company did not contain detailed assessment of managerial competence of entrepreneures, availability of raw materials, prospects for finished products, requirements of working capital and competitiveness of cost of plant and machinery as quoted in the project reports. The Company also did not have a project monitoring and a recovery cell.

(Paragraph 7.5.9.1[a])

The Company did not have any regular arrangement for determination of sickness of units assisted by it and systematic follow-up/revival action thereon.

(Paragraph 7.5.9.2)

Rs. 2.36 lakhs were paid by the Company as advance to two outside firms for supply of picture tubes to a local unit set up for assembling T.V. sets. No loan deed was executed with the local unit and the picture tubes received by the unit were found damaged. The amount was not refunded by the unit to the Company.

(Paragraph 7.5.9.3)

The percentage of recovery against total demand for principal and interest which was 39.9 in 1987-88, declined to 17.7 in 1988-89 and to 8.6 in 1989-90.

(Paragraph 7.5.9.5)

The Company disbursed loans of Rs. 318.61 lakhs upto 31st March 1990 against which Rs. 292.34 lakhs were sanctioned by IDBI. However, the Company received refinance of Rs. 130.09 lakhs only due to its failure to apply for sanction of refinance within the time limit of one year from the date of release of first instalment of loan or due to non-fulfilment of terms by assisted units of IDBI's prescribed requirements.

(Paragraph 7.5.10)

A scheme for self employment for artisans of weaker sections other than SC/ST was taken up by the Company in April 1987 notwithstanding IDBI objections to the same in December 1986. The scheme was discontinued in March 1988 when the same objection was raised by IDBI after incurring an infructuous expenditure of Rs. 2.16 lakhs on staff maintained for one year and Rs. 4.46 lakhs on setting up of establishment.

(Paragraph 7.5.12[iii])

7.5.2 *Introduction*

Tripura Industrial Development Corporation Limited was incorporated on 28th March 1974 as a wholly owned Government Company with the main objects of promoting, establishing and executing industries, projects or enterprises for the industrial development of the State by providing (i) infrastructure development (ii) rendering financial assistance and (iii) setting up industries directly or in joint sector. During 1973-74, the State Government contributed from their non-plan funds an amount of Rs. 1.00 lakh towards the share capital of the Company. Due to non-approval of its formation by the Planning Commission, the Compnay could not start functioning. It was subsequently decided by the State Government that the Company would combine the functions of a State Financial Corporation and those of a State Industrial Development Corporation and that the State Government's contributions towards the share capital of the Assam Financial Corporation Limited which had been functioning in the State in absence of a separate Financial Corporation for this State be withdrawn and utilised for the Company. In July 1980, the Central Government notified the Company as Financial Corporation under section 9(1)(a)(i) and 9(1)(c) of the Industrial Development Bank of India Act, 1964 thereby entitling the Company to get contributions towards the share capital and refinance from the Industrial Development Bank of India (IDBI). In October 1980, the State Government accepted the terms and conditions stipulated

(August 1980) by the IDBI while agreeing to participate in the share capital of the Company on matching basis. The terms included *inter-alia* the following:

(a) both the State Government and IDBI would forego dividends as might be declared by the Company to enable it to build up its reserves.

(b) the State Government would buy back the IDBI's shareholdings in the Company if and when a separate State Financial Corporation was set up.

The Memorandum and Articles of Association of the Company was amended (December 1989) to enable the Company to undertake industrial promotion and financing and getting refinance assistance and matching capital contribution from IDBI. In August 1982, the Company executed an agreement with IDBI to avail itself of the refinance assistance extended by IDBI.

Thus, eventhough the Company was formed in March 1974, it could not start functioning upto 1981-82. Rs. 3.32 lakhs were spent upto March 1982 for meeting the establishment expenses.

7.5.3. *Audit Coverage*

The scope of audit was to assess *inter-alia* the role played by the Company in the development of Small Scale Industries (S.S.I) in the State, to review how far the Company had been able to achieve the various objectives envisaged while setting up the Company and also to evaluate the efficiency level achieved by the Company in monitoring the functioning of the assisted units which is a pre-requisite for effecting prompt recovery of dues.

The activities of the Company for the period upto 1989-90 were test-checked in audit during July to September 1990 and the points noticed thereof are mentioned in the subsequent paragraphs.

7.5.4 *Activities*

The Company is presently engaged mainly in;

(i) developing infrastructural facilities in industrial areas and growth centres,

(ii) granting financial assistance to projects, and

(iii) setting up new industrial projects in the joint sector

The Company executes the infrastructure development works through the various Government Departments as it did not develop the required machinery of its own to carry out the works. The investment activity of the Company comprises grant of term loans to the medium and small scale industries in the State. The Company also adopted in May 1988 the IDBI scheme of assistance to Ex-servicemen and lends moneys to Ex-servicemen mainly for transport projects.

7.5.5 *Organisational set-up*

The Memorandum and Articles of Association of the Company envisaged a maximum of 9 Directors including not more than 2 Directors to be nominated by the IDBI. As on 31st March 1990, there were 8 Directors including the Chairman and the Managing Director and one IDBI nominee.

The Managing Director was the Chief Executive of the Company and he was assisted by two Managers—Manager (Finance), Manager (Loan and Infrastructure Development) and one Assistant Manager (Technical).

7.5.6 *Funding*

The Company was incorporated with an authorised capital of Rs. 1.00 crore which was subsequently (November 1988) increased to Rs. 10 crores. The paid-up capital of the Company as on 31st March 1990 was Rs. 2.84 crores held by the State Government (Rs. 1.45 crores) and IDBI (Rs. 1.30 crores). In addition, the Company received from the State Government Rs. 2.49 crores during the period from 1987-88 to 1989-90 as share deposit for which share certificates were to be issued (August 1990).

The IDBI paid matching contribution towards the share capital of the Company from August 1980 and contributed Rs. 1.39 crores upto June 1988 against the State Government contribution of Rs. 3.87 crores during the period from 1980 to March 1990. Matching contribution of Rs. 2.48 crores due to be received from IDBI has not so far (August 1990) been received. The Management stated (February 1991) that the matter was being pursued with the IDBI.

7.5.7 *Borrowings*

The Company obtained refinance assistance from the IDBI to the extent of Rs. 1.30 crores upto March 1990. Principal of Rs. 24.23 lakhs and interest of Rs. 10.49 lakhs were paid by the Company upto 1989-90.

7.5.8 *Financial position and working results*

(i) *Annual accounts*

The Annual Accounts of the company for the period from 1986-87 to 1989-90 have not yet been finalised. In June 1990, the

Company envisaged a firm of Chartered Accountants to compile the accounts for the last four years upto 1989-90 at a total fee of Rs. 0.36 lakh. Though the accounts were to be compiled within 120 days, the firm took 250 days and completed the job in February 1991.

(ii) The table below summarises the financial position of the Company for the three years upto 1989-90 based on the provisional accounts:

	1987-88	1988-89	1989-90
		(Rupees in lakhs)	
A. Liabilities			
1. Paid-up capital (including advance for shares)	220.50	411.50	461.50
2. Reserves and surplus	20.00	20.00	20.00
3. Refinance assistance	31.08	45.32	121.82
4. Trade dues and other liabilities (including provisions)	6.82	35.60	28.42
Total:	278.40	512.42	631.74
B. Assets			
1. Gross Block	8.61	18.01	19.67
Less Depreciation	2.85	4.72	6.55
2. Net Fixed Assets	5.78	13.29	13.12
3. Capital Works-in-Progress	1.41	1.60	1.60
4. Current assets, Loans and Advances	261.22	487.97	603.44
5. Intangible assets			
(i) Miscellaneous Expenditure	1.08	1.66	1.35
(ii) Accumulated losses	8.93	7.90	12.23
Total:	278.40	512.42	631.74
* Capital employed	260.16	465.65	588.14
** Net worth	230.49	421.94	467.92

*Capital employed represents net fixed assets (excluding capital works-in-progress) and working capital.

**Net worth represents paid-up capital *plus* reserves *less* intangible assets.

(iii) *Working results*

The table below indicates the working results of the Company for the three years ending 1989-90 on the basis of the provisional accounts.

	1987-88	1988-89	1989-90
		(Rupees in lakhs)	
A. Income			
1. Sales	21.87	33.84	7.71
2. Interest	8.81	13.96	18.25
3. Other income	0.24	0.57	0.34
4. Accretion (+) Decretion (–) in stock	(+) 3.75	(–) 1.52	(–) 4.06
Total:	34.67	46.85	22.24
B. Expenditure			
1. Purchase	24.99	29.68	4.07
2. Administrative expenses including staff salary	11.37	9.68	12.30
3. Exhibition	—	0.33	0.38
4. Interest	1.69	2.53	3.47
5. Depreciation	0.88	1.87	1.83
6. Others	1.38	1.71	4.52
Total:	40.31	45.82	26.57
C. Net profit (+) Net loss (–)	(–) 5.64	(+) 1.03	(–) 4.33

The Company sustained cumulative loss of Rs. 12.23 lakhs upto the end of 1989-90 and incurred cash losses of Rs. 4.76 lakhs and Rs. 2.50 lakhs, respectively, in 1989-90. The loss was attributable to (i) infructuous expenditure of Rs. 4.64 lakhs on establishment of the scheme for self-employment of artisans of weaker sections and (ii) non-realisation of overdue interest on loans disbursed by the company.

7.5.9 *Loan operations*

The following table indicates the position regarding receipt and disposal of loan applications and the amount of loans disbursed during the period from 1984-85 to 1989-90:

	1984-85		1985-86		1986-87		1987-88		1988-89		1989-90		Cumulative since Inspection	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
							(Amount in lakhs of rupees)							
1. Applications pending at the beginning of year	3	3.78	12	66.73	9	55.57	10	66.37	21	118.04	25	123.84	—	—
2. Applications received	14	77.46	5	24.75	16	94.03	18	102.66	51	325.77	62	232.79	166	857.46
3. Application sanctioned	5	9.95	6	30.08	10	50.08	5	29.75	44	244.38	32	133.30	102	497.54
4. Applications cancelled/ withdrawn/rejected closed	Nil	Nil	2	5.10	5	22.23	2	5.40	3	3.86	6	91.81	18	128.40
5. Difference between amount of loan applied and sanctioned	—	4.56	—	0.73	—	8.92	—	17.84	—	71.73	—	—	—	103.78
6. Applications pending at the close of the year	12	66.73	9	55.57	10	68.37	21	118.04	25	123.84	49	131.52	49	131.52
7. Loans disbursed	2	2.07	4	9.83	12	19.66	16	62.01	28	122.73	32	92.19	64	308.49

Note: The above did not include loans of Rs. 10.78 lakhs sanctioned to 71 entrepreneurs under the scheme of self-employment for unemployed youths and Rs. 13.00 lakhs sanctioned to 138 entrepreneurs under the scheme of self-employment for artisans of weaker section other than SC/ST.

Out of 166 loan applications involving Rs. 857.40 lakhs received by the Company, it sanctioned 102 cases (61.45 *per cent*) for Rs. 497.54 lakhs (58.02 *per cent*) upto the end of 1989-90. Further of the cases sanctioned, loans amounting to Rs. 308.49 lakhs (62 *per cent*) relating to 64 cases (53.33 *per cent* of applications sanctioned) were disbursed by the Company upto March 1990 and 29.52 *per cent* of the applications received remained pending with the Management as on 31st March 1990.

7.5.9.1 *Term loan*

(a) *Procedure*

The guidelines for granting loans, margin money, seed money and subsidies etc., had not been framed by the company (September 1990).

The Company had been providing term loans to small scale industrial units for the purpose of acquiring fixed assets construction of buildings and purchase of plant and machinery for new projects as well as for expansion and modernisation of projects provided the Company found the proposal technically feasible and economically viable. In the absence of adequately trained technical staff the management relied mostly on data furnished by the applicants. By virtue of its dual status, the Company provides term loan per project upto Rs. 90 lakhs as State Industrial Development Corporation IDBI provides 75 *per cent* to 100 *per cent* refinance of the loan amount. The Company charges 12.5 *per cent* interest on loan and 1 *per cent* penal interest on overdue interest.

Upto 31st March 1990, the Company sanctioned Rs. 430.07 lakhs to 60 small scale industrial units. In addition, it sanctioned Rs. 53.24 lakhs to 37 Ex-servicemen under the IDBI's special scheme of assistance to Ex-servicemen. The Company also sanctioned Rs. 14.23 lakhs to 5 units under the Single window Scheme of IDBI. The Company disbursed Rs. 308.49 lakhs upto March 1990 in respect of 64 units (42 SSI units: Rs. 273.60 lakhs and 22 Ex-servicemen: Rs. 34.89 lakhs).

The following points were noticed during audit:

(i) The Company took six months to two years to process the loan cases for sanction by the Board of Directors. The Board of Directors decided only in March 1990 that the Company should prepare time schedule in respect of disposal of loan cases right from receipt of application completed in all respects to disbursement of loans. This has not been done so far (March 1992).

(ii) The appraisal memorandum relied mostly on data furnished by the entrepreneur himself and was not.subjected to independent scrutiny.

(iii) The appraisal memorandum prepared by the Company did not indicate in detail, the basis on which the Company satisfied itself as to the managerial competence of entrepreneurs, availability of raw-materials and marketing prospects of finished products, requirement of working capital and its source, and competitiveness of cost of plant and machinery as quoted in the project reports.

(iv) The Company did not have a project monitoring and recovery cell. As a result of periodical inspections of the assisted units were not carried out regularly to assess their performance and their problems untill the units defaulted in payment of dues. The company also failed to recover the overdues. As against 39.9 *per cent* recovery of overdues and current demand in 1987-88, the recovery in 1988-89 and 1989-90 was 17.7 *per cent* and 8.6 *per cent* respectively. The Management has not taken any effective step to expedite recovery (March 1992).

Some individual cases of term loans where irregularities were noticed during test check are discussed in the following paragraphs:

(b) *Term loan for regeneration of oil from used mobile oil*

The Company sanctioned in November 1986, a term loan of Rs. 5 lakhs to a partnership firm for establishment of a plant for regeneration of oil from used mobile oil. Since the industry was required to handle delicate machines it required qualified technical hands to manage the various operations in the factory. The Company sanctioned the loans on the grounds that one of the partners was a qualified engineer not inclined to take up an employment.

The Engineer, however, retired from the partnership in September 1987. The Company sanctioned (July 1990) additional term loan of Rs. 1.85 lakhs even though the firm did not have a technically qualified person in the management.

Out of Rs. 5.40 lakhs disbursed to the firm between March 1987 and July 1990, overdue principal and interest of Rs. 2.13 lakhs remained to be received from the firm as on 31st March 1990.

The Management stated (February 1991) that the unit could not function smoothly due to non-availability of raw materials and adequate amount of working capital. Further, it was also admitted that the unit could have been run better had there been technically qualified persons to guide its operations.

(c) *Term loan to a wire and alluminium conductor manufacturing unit*

The Company granted a term loan of Rs. 2.08 lakhs in June 1984 to a Private Limited Company for setting up a wire and alluminium conductor manufacturing unit at Dukli industrial area.

Out of this Rs. 1.80 lakhs were disbursed by the Company in November 1984 (Rs. 1.00 lakh) and February 1985 (Rs. 0.80 lakh). The unit was not successful as it could not obtain working capital from banks till the date of audit (September 1990).

(d) *Term loan to a roller flour mill*

In March 1989, the Company sanctioned term loan of Rs. 33.85 lakhs to a proprietorship unit for setting up a roller flour mill. The amount was fully disbursed between March and June 1990. While considering the applications for sanction the Company failed to ascertain whether the profitability indicated in the proposal was realistic or not. This was pointed out by IDBI also while commenting upon (September 1991) that figures of project costs as given in the project appraisal varied significantly from those given in the projected report and thus, unrealistic profitability was projected. Due to shortage of working capital the unit had not yet started production (March 1992).

7.5.9.2 *Sick and closed units*

The Company did not have any regular arrangement for determination of sickness of units assisted by it or for systematic follow-up/revival action thereon. As a result, the exact number of units that were sick/closed as on 31st March 1990 could not be ascertained in Audit. A test-check of records of 25 SSI units assisted by the Company disclosed that 13 units had stopped production at various times upto August 1990, 7 were working and the remaining 5 were at various stages of construction.

The State Government appointed (May 1990) a Committee to go into the details of sick industries and suggest measures for their revival. Though the Committee was required to submit a report within three months, it has not submitted the report so far (March 1992).

7.5.9.3 *Irregularies in disbursement of loans*

During the course of audit a number of instances where the Company did not follow financial regularity and codal formalities in disbursing loans were noticed.

In December 1987, the Company advanced on behalf of a local unit set up for assembling TV sets sum aggregating Rs. 2.36 lakhs to two outside firms-one based in New Delhi and the other in Calcutta for supply of picture tubes. The amount was disbursed by the Managing Director without obtaining sanction of the Board of Directors which was the competent sanctioning authority. Neither any loan agreement was executed with the firms nor any acknowledgement from the said local firm was obtained. The Board of Directors observed (15th August 1989) that the indemnity bond furnished by the local firms was vague as it did not bind itself for loan granted to suppliers.

The Company stated (January 1990) that the picture tubes despatched by the firms in January and February 1988 were received in damaged condition. The Company did not attempt to ascertain whether the rates paid by it were for destination or Ex-factory of the suppliers and who was to bear the loss in transit, etc. The Company was, thus, not aware whether the goods-in-transit were insured, whether the local firm had prefered any claim with transporters/suppliers and whether it had received any amount against the claim.

The Board of Directors decided (August 1989) to file a money suit against the three firms and the Ex-Managing Director for the recovery of the loan. The matter is sub-judice (July 1991).

7.5.9.4 *Monitoring*

As per the terms and conditions stipulated by the Company while sanctioning term loans, the unit assisted was required to submit to the Company both physical and financial progress reports at regular intervals. The Company also reserved the right to carry out technical and financial inspection of the unit during the period of construction and also while it was in operation.

The Company failed to carry out post-disbursement inspection of units effectively. No system was devised to obtain periodical progress reports, financial statements, etc., from assisted units and scrutinise them. It was seen from the proceeding of the meeting of the Board of Directors held in August 1989 that the board noted that the organisational set up of the Company did not provide for monitoring a supervision cell, recovery cell.

In November 1990, the Company opened a recovery and Monitoring cell. But no improvement in monitoring was noticed (March 1992).

7.5.9.5 *Term loan to a fibre glass manufacturing unit*

The Company sanctioned (September 1987) term loan of Rs. 3.75 lakhs and additional term loan of Rs. 19 lakhs in May 1988 for setting up a fibre glass manufacturing unit. The unit was paid Rs. 17.87 lakhs between February and October 1988 including a bridge loan of Rs. 6 lakhs against Central investment subsidy on execution of a bond by the firm in October 1988. Meanwhile, the Company had released Central investment subsidy of Rs. 1.17 lakhs against subsidy of Rs. 1.38 lakhs sanctioned by the Director of Industries.

It was seen from records made available to Audit that the firm did not maintain proper books of accounts. The vouchers in support of expenditure incurred by it were also not produced to the Company. An inspection of the unit in January 1990 by the officers of the Company disclosed an extra expenditure of Rs. 6.70 lakhs on account of purchase of 703 dices in excess of actual requirement. In view of doubts regarding proper utilisation of fund lent to it, the State Government constituted (March 1990) a Committee to assess the extent of utilisation.

7.5.9.6 *Recovery of dues*

The table below shows the position regarding amounts recoverable, amounts recovered and percentage of recovery during 1987-88 to 1989-90:

	1987-88			1988-89			1989-90		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
				(Rupees in lakhs)					
I. Demand									
(a) Overdue at the beginning of the year	1.47	2.98	4.45	3.31	5.58	8.89	11.87	23.16	35.03
(b) Amount fell due	3.98	6.40	10.38	11.24	22.45	33.69	25.18	34.04	59.22
(c) Total recoverable	5.45	9.38	14.88	14.55	28.03	42.58	37.05	57.20	94.25
II. Collections									
(a) Out of overdues	1.47	2.98	4.45	2.68	4.87	7.55	2.32	5.82	8.14
(b) Out of current dues	0.67	0.82	1.49	—	—	—	—	—	—
(c) Total collection	2.14	3.80	5.94	2.68	4.87	7.55	2.32	5.82	8.14
III. Amount re-scheduled/deferred during the year	—	—	—	—	—	—	—	—	—
IV. Total recoveries	2.14	3.80	5.94	2.68	4.87	7.55	2.32	5.82	8.14
V. Arrears at the end of the year	3.31	5.58	8.89	11.87	23.16	35.03	34.73	51.38	86.11
VI. Percentage of recovery									
(a) Collections to overdue	100	100	100	81	83.9	82.27	19.5	25.1	23.2
(b) Collections to current demand	16.8	12.8	14.35	Nil	Nil	Nil	Nil	Nil	Nil
(c) Against overdues and current demand	39.3	40.5	39.9	18.4	17.4	17.7	6.3	10.2	8.6

Note: The above does not include principal and interest recoverable and amounts recovered, if any, in respect of loans amounting to Rs. 13.01 lakhs disbursed under the scheme of self-employment of artisans of weaker section other than ST/SC.

The following points were noticed in audit:

(i) The Company did not fix any annual target for collection of current dues and arrear dues.

(ii) While the Company recovered cent *per cent* overdue principal and interest in 1987-88, the percentage of recovery of overdues declined to 52.57 *per cent* in 1988-89 and it further declined sharply to 23.2 *per cent* in 1989-90.

(iii) The Company recovered 14.35 *per cent* of current dues in 1987-88. But the recovery performance in 1988-89 and 1989-90 was nil.

(iv) The percentage of recovery against total demand for principal and interest which was 39.9 in 1987-88 declined to 17.7 in 1988-89 and to 8.6 in 1989-90.

While admitting that the recovery performance was far from satisfactory, the Management stated (February 1991) that a recovery cell had been created under the supervision of a Manager (Monitoring and Recovery) to improve the recovery position.

The Central Government authorised (26th December 1989) the Company to take action under the relevant provisions of State Financial Corporation Act, 1951 for recovery of outstanding loans. The Board of Directors empowered (16th March 1990) the Managing Director to take steps under the relevant sections of the Act. Steps were yet to be taken (March 1992).

7.5.10 *Refinance assistance*

In terms of a general agreement executed (13th August 1982) with IDBI, the Company receives refinance assistance in respect of loans sanctioned by it to industrial concerns, small vehicle operators etc. The Company executed separate agreements from time to time for introduction of various IDBI's schemes, *viz.,* special scheme of assistance to ex-servicemen, single window scheme, and national equity funds scheme, etc.

The Company receives refinance to the extent of 90 *per cent* of the cost of projects under the normal refinance scheme and cent *per cent* refinance under the automatic refinance scheme. The Company also receives refinance for projects sanctioned under the special scheme of assistance to ex-servicemen and acts as IDBI's agent in respect of soft seed capital under the scheme. While IDBI charges interest at the rate of 9 *per cent* per annum the Company charges interest at 12.5 *per cent* on loans extended by it.

Upto March 1990, the Company disbursed loans aggregating Rs. 318.61 lakhs as detailed below:

Type of unit	Number of unit	Amount disbursed	Amount sanctioned by IDBI
		(Rupees in lakhs)	
SSI	42	273.60	258.04 (35 units)
Ex-Servicemen	22	34.89	25.78 (14 units)
Self-employment	71	10.12	8.52 (42 units)

As against Rs. 318.61 lakhs disbursed the Company received up to 1989-90 refinance of only Rs. 130.09 lakhs against sanction of Rs. 292.34 lakhs.

The Company realised Rs. 25.20 lakhs (Principal: Rs. 8.84 lakhs, Interest: Rs. 16.36 lakhs) from the loanees upto the end of March 1990, but paid Rs. 34.70 lakhs (Principal: Rs. 24.24 lakhs, Interest: Rs. 10.46 lakhs) to IDBI as shown below:

Year	Loans disbursed	Refinance received	Principal recovered	Refinance instalment paid	Interest received	Interest on refinance paid
				(Rupees in lakhs)		
1984-85	2.07	2.06	—	—	—	—
1985-86	16.43	3.48	—	0.19	0.12	0.13
1986-87	21.52	19.11	0.04	1.18	1.75	0.83
1987-88	62.96	9.55	3.80	1.76	3.80	1.69
1988-89	123.44	20.89	2.68	6.66	4.87	2.55
1989-90	92.19	75.04	2.32	14.45	5.82	5.25
Total:	318.61	130.13	8.84	24.24	16.36	10.46

Thus, the Company had to pay an amount of Rs. 9.50 lakhs from its share capital fund to discharge its liabilities on refinance assistance received.

Scrutiny of individual cases disclosed the following:

(a) Though refinance was to be applied soon after sanction of loan but not later than one year from disbursement of the first instalment of loan, the Company so far (August 1990) did not apply for refinance in respect of a loan of Rs. 13.50 lakhs sanctioned in March 1988 to a veneer unit to which sums aggregating Rs. 13.35 lakhs were disbursed, the first instalment of Rs. 4 lakhs was paid in March 1988.

(b) The Company applied for refinance on 3rd November 1988. IDBI sanctioned in 27th November 1988 refinance of a term loan of Rs. 21.24 lakhs to a rubber and plastic manufacturing unit. IDBI released Rs. 11.31 lakhs upto April 1990 against the sanctioned amount and the balance amount of Rs. 9.93 lakhs was not released due to non-submission by the unit of the progress reports and pollution control certificate.

(c) The Company sanctioned a term loan of Rs. 23 lakhs in November 1986 and additional term loan of Rs. 17.00 lakhs in May 1988 to a p.v.c pipe manufacturing unit and paid Rs. 36 lakhs to the unit between March 1987 and January 1989. The Company applied for refinance of Rs. 36 lakhs in respect of the loan in June 1989. IDBI has not so far (August 1990) released the amount though sanctioned in August 1989 as the unit did not submit (i) copy of import licence, (ii) primary collateral security for due payment of interest and repayment of principal and (iii) no default certificate.

(d) In September 1988, IDBI sanctioned refinance of Rs. 27 lakhs in respect of a term loan of Rs. 30 lakhs sanctioned (September 1988) by the Company to a small vehicle operator. IDBI so far (August 1990) released Rs. 13.50 lakhs in respect of the loan, the balance amount of Rs. 13.50 lakhs was not released due to failure of the unit to meet IDBI's stipulation as regards its category in view of substantial additional to its assets beyond the scope of small vehicles operators subsequently.

The Management stated (February 1991) that despite non-payment of dues by the loanees, the Company had to repay the principal and pay the interest due to IDBI regularly. As a result, the liquidity position of the Company was getting weak.

7.5.11 *Scheme for providing self-employment to unemployed youths (State Plan)*

With a view to encouraging unemployed youths to undertake self-employment ventures in industry and service sector, the State

Goverment introduced (1983-84) a scheme for providing through the commercial banks a composite loan (term loans *plus* working capital) not exceeding Rs. 0.25 lakh to each entrepreneur. The District Industries Centres in consultation with the lead banks of the respective areas were to act as the nodal agency of the scheme under the over all guidance of the State Government. The beneficiaries were to be identified by the Block Development Officers (BDO's) and the Notified Area Committees/Industrial Development Committees. After identification of beneficiaries and subject to the projects having been found feasible/viable by the Selection Committee, the banks were to pay the loan without requiring the entrepreneur to provide collateral securities or owner's contribution as margin. Additional assistance from Government in the form of subsidy on composite loan to the extent of 25 *per cent* of the loan contracted by the entrepreneurs from banks was to be placed with each bank financing the scheme after disbursement of the loan by the banks for finally adjusting the amount when the borrower had repaid three-fourth of the loan.

The Board of Directors approved (January 1985) the Company's participation in implementation of the scheme and payment of loan under the composite loan scheme of the IDBI. During 1984-85 and 1985-86 the Company sanctioned loans to 91 entrepreneurs aggregating Rs. 12 lakhs and disbursed during 1985-86 to 1988-89 Rs. 10.12 lakhs to 71 entrepreneurs to whom loans amounting Rs. 10.98 lakhs were sanctioned. In June 1986, the Company applied for automatic refinance of Rs. 8.52 lakhs from IDBI against which IDBI sanctioned (July 1986) refinance of Rs. 7.42 lakhs and disbursed (December 1986) Rs. 6.83 lakhs leaving a balance of Rs. 0.59 lakh.

The position as regards recovery of principal and interest overdue was poor. Out of total overdue amount of Rs. 12.51 lakhs (Principal: Rs. 7.70 lakhs and Interest: Rs. 4.81 lakhs) as on 31st March 1990, the Company recovered Rs. 0.82 lakh (Principal: Rs. 0.36 lakh and Interest: Rs. 0.40 lakh) and Rs. 11.69 lakhs (Principal: Rs. 7.34 lakhs and Interest: Rs. 4.35 lakhs) remained yet (August 1990) to be recovered.

On 27th May 1985, the Director of Industries deputed two Inspectors to the Company to inspect the units assisted under the scheme. Out of 33 units which had been sanctioned loans of Rs. 6.95 lakhs till then the Inspectors could not locate three units to whom loans of Rs. 0.55 lakh were sanctioned and Rs. 0.33 lakh disbursed. In May 1986, the Managing Director reported to the Director of Industries that in some cases whereabouts of loanees were not available as they had not inserted their correct address in the application which had been scrutinised by the District Industries Centres.

Scrutiny by Audit disclosed the following facts:

(i) There was poor pre and post-disbursement monitoring of these loan cases. Even the correctness of the address shown by the applicant was not verified.

(ii) The Company did not have any mechanisms to assess to what extent the scheme was successful and the funds drawn were actually utilised by the beneficiaries for generation of job opportunities.

(iii) The Company had not taken any effective steps to recover the overdue amounts.

The Management stated (February 1990) that due to dearth of manpower proper monitoring after disbursement of loans could not be conducted.

7.5.12 *Scheme for self-employment for artisans of weaker sections other than ST/SC*

The State Government decided (April 1987) that the scheme for self-employment of weaker section other than ST/SC would be implemented through the agency of the Company with the assistance of the Block Development Officers (BDO's). According to the guidelines issued (April 1987) by the Government, loans not exceeding Rs. 0.10 lakh were to be provided to beneficiaries for setting up industry/manufacturing and service units. The BDO's were to select the beneficiaries on the basis of viability of their schemes and send the applications to the Company for sanction and placement of funds for disbursement. The bonds/agreements to be executed by the loanees were to be sent by the BDOs to the Company. A separate account in respect of each loanee was to be kept by the BDO and quarterly return showing the position of each loan account and the consolidated position of all accounts was to be sent to the Company for this purpose the Company was to appoint two persons in each block. Similarly at the headquarters also a cell was to be created to implement the scheme.

During 1987-88, the State Government placed a fund of Rs. 97.50 lakhs in the form of contribution towards share capital for implementing the schemes. This included a fund of Rs. 47.50 lakhs sanctioned by the Government in July 1987 for extending loans to weavers through Tripura Handloom and Handicrafts Development Corporation Limited.

The Company advanced (October 1987–January 1988) Rs. 72.59 lakhs to six Block Development Officers for disbursement of loans to beneficiaries to be selected by them. The Company appointed 39 class III and class IV staff in the headquarters and in 18 blocks on fixed pay basis. In September, 1987, the Company advanced sums aggregating Rs. 0.90 lakh to 18 Block Development Officers for purchase of furniture.

Even though the IDBI had objected in December 1986 to continuance of the self-employment scheme by the Company, the Board of Directors resolved only on 18th March 1988 to discontinue the scheme and withdraw the funds advanced to Block Development Officers. The State Government approved (5th October 1988) the discontinuation of the scheme by the Company. Meanwhile in February 1988, the Company instructed the Block Development Officers to postpone disbursement of loans. During April 1988 to March 1989, Rs. 58.28 lakhs advanced to 5 Block Development officers was received bank. BDO, Bagafa had meanwhile deposited in the bank accounts of 138 loanees an amount of Rs. 13.01 lakhs. He refunded (September 1988) the unspent balance of Rs. 1.20 lakhs. In October 1988, the Company authorised the BDO, Bagafa to disburse the loans to beneficiaries. The Company spent Rs. 0.52 lakh for registration of deeds.

Audit scrutiny revealed the following:

(i) Though the Government released (July 1987) Rs. 47.50 lakhs for extending loans to weavers through the Tripura Handloom and Handicrafts Development Corporation Limited no action in this regard was taken by the Company.

(ii) The Company decided to discontinue the scheme on 18th March 1988 on the ground that IDBI objected to in December 1986 continuation of the implementation of the scheme by the Company. As early as December 1986, the IDBI stated that the Company should not involve itself in financing the self-employment scheme of the State as those cases should be financed by the commercial banks. Had the Company taken a firm decision on the basis of IDBI recommendation, it could have avoided further involvement in implementing other self-employment schemes of the State Government.

(iii) The services of the staff engaged for implementing the scheme were terminated (28th July 1988) on completion of a period of one year. The Company incurred infructuous expenditure of Rs. 2.16 lakhs on pay and allowances of these staff. The total expenditure of

Rs. 4.46 lakhs spent by the Company on the establishment for implementation of the scheme also proved unfruitful.

(iv) The Block Development Officer, Bagafa had neither sent (August 1990) to the Company the agreements executed with the loanees, nor the quarterly return showing the position regarding disbursement of loans and recovery of principal and interest. The principal and interest, if any, recovered by the BDO so far were not remitted to the Company. The implementation by loanees of their projects was never monitored by the Company. The Company had not maintained adequate records to depict the position regarding loans disbursed, principal and interest recovered as well as overdue principal and interest in these 138 cases.

(v) The loans were not covered by the credit guarantee scheme of the Deposit Insurance and Credit Guarantee Corporation, Bombay.

7.5.13 *Establishment of an Industrial area*

With a view to assisting the entrepreneurs in setting up small and tiny industrial units through the agency of the Company, the State Government placed (1980-81) with the Company a fund of Rs. 20 lakhs for undertaking development of industrial areas by providing roads, drainage, water and electricity, etc. Three areas at a cost of Rs. 5 lakhs each were to be developed. The Government earmarked Rs. 2 lakhs for construction of sheds and Rs. 3 lakhs for loan to entrepreneurs for meeting portion of the cost of construction of sheds.

Though the grant was released in 1980-81, the Company did not take any action in setting up the industrial areas until 1982-83. No feasibility report for the purpose was prepared. In October 1982, the State Government allotted 37.17 acres of land to the Company in Dukli-Madhuban area near Agartala and the Company purchased another 6.22 acres of land adjacent to the land allotted at a cost of Rs. 0.10 lakh.

The Company did not fix any annual physical targets, nor did it have the required machinery to execute the works departmentally. On the basis of estimates prepared from time to time by various Executive Engineers of the State Government, the Company advanced sums for execution of works as deposit works without specifying any time limit. The concerned Government Departments took their own time and as a result, the completion was delayed. The Company did not maintain records relating to the progress of works made annually. Up to March 1990, the Company spent Rs. 11.81 lakhs for development of the area. The Company neither constructed sheds nor paid loans to entrepreneurs. In October 1987, the Managing Director reported to the Government that due to frequent interruption in electric supply and delay in completing water supply arrangements the entrepreneurs in the area had been sustaining loss in production. It was seen from records that against estimates prepared (October 1982) by the Public Health Engineering Department for construction of water supply arrangements at a cost of Rs. 8.34 lakhs the Company paid advances of Rs. 2.50 lakhs in May 1983 and Rs. 2 lakhs in March 1988. The construction of tube-well, pump house, laying of distribution lines were done by the department by March 1986, but the overhead tank was completed only in June 1990.

In the absence of records, it could not, however, be ascertained in Audit whether any portion of the area remained to be developed yet, total number of plots developed and plots not yet allotted. During 1983-84 to 1988-89 the Company allotted 38 plots to entrepreneurs, but it could not be ascertained whether all the allottees constructed sheds on plots allotted. However, it was seen that the Company allotted (July 1986) one plot measuring 2.48 acres to M/s. North-Eastern Marketing Corporation Limited (NERAMAC) at a lease premium of Rs. 24,800 and an annual lease rent of Rs. 2,976 for setting up a fruit processing factory. Neither did NERAMAC construct the factory nor pay the dues of Rs. 0.36 lakh (premium: Rs. 0.25 lakh, rent upto March 1990: Rs. 0.11 lakh). The allotment was cancelled only in March 1990.

Further, it was seen in Audit that out of the total amount of lease premium of Rs. 1.35 lakhs due upto March 1990, the Company could realise only Rs. 0.44 lakh, and the balance amount of Rs. 0.91 lakh remained to be realised. Similarly, out of the total rent due amounting to Rs. 0.73 lakh, the Company realised Rs. 0.19 lakh and Rs. 0.54 lakh remained realisable as on 31st March 1990.

It was seen in Audit that there was no serious attempts on the part of the Company to realise the outstanding rent and lease premium. Management, however, stated (February 1991) that the recovery position was likely to improve with the creation of the recovery cell.

7.5.14 *Growth Centres*

As per the scheme of Central assistance for development of infrastructural facilities in the No-Industry Districts introduced (April 1983) by Government of India, the State Government was to develop infrastructure facilities, through the nodal agency to be nominated for the purpose, in identified growth centres in each of the three No-Industrial Districts of the State at a cost of Rs. 6 crores each to be financed equally by the Central and the State Governments and the IDBI. The area of each such centre was to be between 200 to 800 acres. The scheme was valid upto September 1988.

The State Government nominated the Company as the nodal agency for implementing the scheme. The scheme could not, however, be implemented mainly due to failure of the State Government to identify suitable land in each of the three Districts. However, during 1987-88 to 1988-89, the Company received Rs. 25 lakhs (grant: Rs. 15 lakhs and share capital: Rs. 10 lakhs) under the scheme for development of infrastructural facilities in the North and West Districts where the Company purchased 7.59 acres of land at Rs. 1.08 lakhs (at Moloynagar) and the Government allotted 94.80 acres of land (17.30 acres at Uttar Champamura and 77.50 acres at Uptakhali between May 1987 and September 1989). Upto December 1989, the Company deposited Rs. 13.47 lakhs to Government Department Rs. 2.64 lakhs for electricial arrangement and Rs. 5 lakhs for water supply arrangements at Moloynagar and Rs. 5.83 lakhs for construction of road at Uttar Champamura. Progress of works is not available on records.

7.5.15 *Feasibility and project reports*

(a) With a view to setting up a shelf of project reports which could be offered to potential entrepreneurs interested in investing in the State, the Board of Directors decided (May 1989) to award the task of preparing four Techno-Economic Feasibility reports to M/s Metallurgical and Engineering Consultants Limited (MECON) on negotiation basis. Work order for preparation of the feasibility reports on (1) 300-400 tonne per day Cement Plant, (2) Mini-galvanising Lime Plant, (3) G.I. Tube Mill and (4) Sheet Glass Plant and Plant for sanitary and tube-wares was issued to MECON in August 1989 at a total cost of Rs. 8.85 lakhs with the stipulation that the draft techno-economic feasibility reports would be submitted within April 1990 and the final reports within one month after approval by the Company of the draft reports. Fee to the extent of 25 *per cent* of the total was payable in advance in each case, 50 *per cent* on approval of draft report and the balance on submission of final reports. No penalty clause for delay in submission or unacceptable reports was stipulated. Further, as pointed out (March 1990) the consultants scope of services did not include selection of process and equipments.

The Company paid advance of Rs. 4.27 lakhs to the consultants in August 1989 and had received two reports on G.I. Tube Mill (May 1990) and mini-galvanising Lime Plant (July 1990) which are yet to be accepted by the Company.

(b) In May 1988, the Board of Directors decided to award the work of preparation of a detailed project report and establishment and commissioning of a mechanised brick kiln on turn-key basis to a Calcutta based firm of Consultants. The memorandum of agreement executed (26th May 1988) with the firm stipulated preparation of a detailed project report within 4 months and execution of the works of supply of machinery, erection and commissioning of the kiln within a period of 18 months from the date of payment of advance. The agreement did not contain any penalty clause for delay in preparation of the report or submission of an unacceptable report. Fees for preparation of the report was Rs. 2 lakhs payable in instalments.

The firm submitted the detailed project report on 23rd March 1989. The Company as well as the Government did not accept the report on the ground that it was incomplete in many respects and the viability of the project was doubtful in view of certain inconsistencies in projection. In view of the doubtful viability of the project, the State Government decided (March 1990) that the project should not be taken up in the State Sector.

During 1988-89, an amount of Rs. 1.50 lakhs was paid to the firm. It was, thus, evident that the purpose for which the project report was prepared by the Company would not be fulfilled. However, in June 1990, the Company asked the firm to modify the report and resubmit it by 7th August 1990. The modified report is yet (September 1990) to be submitted.

7.5.16 *Joint Sector Project*

7.5.16.1 *Tripura Vanaspati and Allied Industries Limited*

Tripura Vanaspati and Allied Industries Limited was incorporated on 7th April 1989 with an authorised capital of Rs. 1.50 crores with the object of setting up a 50 TPD vanaspati plant at Uttar Champamura in the West Tripura District. The Joint Sector agreement between the Company and the Co-promoter, a Delhi based Private Company, was executed on 6th February 1989.

As per the project report (May 1990) the total cost of the project was estimated at Rs. 756.49 lakhs to be financed by the share capital: Rs. 270.17 lakhs and loans from Financial Institutions: Rs. 486.32 lakhs.

The Company and the Co-promoter contributed so far (September 1990) Rs. 21 lakhs (Company: Rs. 10 lakhs and Co-promoter: Rs. 11 lakhs) towards the share capital of the Joint Sector Company. The State Government also allotted (September 1989) 17.30 acres of land at Uttar Champamura for setting up the plant.

Although the project report envisaged a construction period of eighteen months, the Joint Sector Company took up civil construction departmentally only in April 1991. It placed (August 1989) orders on a Delhi based firm 'A' for supply of plant and machinery costing Rs. 347.50 lakhs with the expected date of delivery in April 1991. Rs. 15 lakhs were also advanced to the firm in July 1989. The plants and machinery were not supplied during the stipulated period. Due to firm A's unsatisfactory execution of similar work for the Co-promoters Vanaspati Project in Uttar Pradesh, the Joint Sector Company selected (July 1991), on the basis of quotations received, firm 'B', another Delhi based Engineering Firm, for supply of plant and machinery at a cost of Rs. 379.10 lakhs (including erection and commissioning Rs. 15 lakhs). Agreement executed (July 1991) with firm 'B' stipulated supply of plant and machinery by July 1992. Rupees 16 lakhs were advanced (August 1991) to it. Firm 'B' also took up liability (July 1989) in respect of Rs. 15 lakhs advanced to firm 'A'.

The Management stated (February 1991) that the delay in setting up the Vanaspati Plant was mainly due to postponement by the Central Government of the Central Subsidy Scheme resulting in high transport cost in carrying raw materials from outside the State which brought the viability of the project in question.

7.5.17 *Trading activities*

7.5.17.1 *Outstanding advances on account of diverted fund*

(a) Due to financial constraints being faced by the Tripura Small Industries Corporation Limited (TSIC), another Government Company and the sole agent for lifting of cement for SSI units in the State, the Government instructed (November 1984) the Company to lift cement already allotted by the Cement Corporation of India (CCI) on behalf of TSIC. Accordingly, the Company advanced (December 1984-March 1985) through TSIC Rs. 5.20 lakhs to the Cement Corporation of India for supply of 570 tonnes of cement. As against that, the Company received (February to April 1985) through TSIC

188.30 tonnes of cement calculated by the Company to cost Rs. 2.10 lakhs. Calculation included cost of transportation etc., but excluded subsidy admissible on road transport. The Company prepared a claim on TSIC for the balance amount of Rs. 3.10 lakhs in March 1986. TSIC neither confirmed the debt nor made the payment so far (September 1990).

(b) With a view to enable TSIC to lift the quota of G.I. sheets allotted by the Steel Authority of India for consumption of SSI units, the State Government instructed the Company to advance Rs. 3.00 lakhs to TSIC. The Company advanced (August 1987) Rs. 1.50 lakhs to TSIC with request that the amount with interest be refunded immediately on lifting the materials. On 28th September 1987, the Company advanced a further sum of Rs. 3.00 lakhs for the same purpose on the same condition. The rate of interest was not specified in these cases. TSIC refunded Rs. 0.50 lakh on 4th November 1987. Rupees 4.00 lakhs remained to be recovered from TSIC (March 1992).

(c) The State Government appointed the Company as the authorised lifting agent of levy cement from February 1988 in place of TSIC. The Company advanced (May 1988) Rs. 4.56 lakhs to C.C.I., Bokajan Cement Factory for supply of 500 tonnes of levy cement. The factory supplied 210.30 tonnes of cement between July and September 1989 valued at Rs. 1.90 lakhs. In February 1989, the Company paid Rs. 2.02 lakhs to C.C.I., Bokajan Cement Factory with request to adjust outstanding amount of Rs. 2.66 lakhs for supply of 500 tonnes of cement. Neither the cement nor refund of the amount of Rs. 4.68 lakhs could so far (September 1990) be obtained from C.C.I., Bokajan.

(d) The Company also advanced Rs. 4.72 lakhs in December 1988 to M/s. Modi Cement Limited, Madhya Pradesh for supply of 510 tonnes of levy cement. The cement was not supplied by the factory on the plea that the Central Government had removed price and distribution control on cement from 1st March 1990. This amount also remained to be recovered (March 1992).

7.5.17.2 *Loss due to theft*

The State Government ordered (9th November 1984) that henceforth the Company should lift paraffin wax for Small Industrial Units in place of TSIC. The Company took up since 1984-85 lifting and distribution of paraffin wax without making any storage facilities of their own. The materials were stored in a godown of the Industries

Department in the Industrial Estate, Arundhutinagar without making any watch and ward arrangement to ensure security of the goods stored. As a result, three theft cases took place between 1986-87 and 1988-89 when 9.01 tonnes of paraffin wax valued at Rs. 0.96 lakh were stolen. The cases were reported to Police between January 1987 and April 1989. The Police Investigation Reports have not been received so far (March 1992).

The Company preferred a claim for Rs. 0.10 lakh in May 1987 in respect of one theft case only with the insurers. This claim also could not be settled in absence of the Police Inspection Reports.

7.5.18 *Accounts manual and internal audit*

The Company had not prepared any accounts manual laying down the accounting policies and procedures to be followed, measures of internal checks to be exercised and defining the duties and responsibilities of officers and staff in matters of handling cash, authorising payments, collection of dues, maintenance of accounts, etc.

The Management stated (February 1991) that a firm of Calcutta based consultants had been appointed recently to prescribe the accounting procedures, etc., for the Company.

The Company had not introduced any internal audit system in the organisation.

7.6 **Capacity Utilisation in Manufacturing Companies**

7.6.1 *Highlights*

Three Government Companies *viz.,* **Tripura Jute Mills Limited, Tripura Small Industries Corporation Limited and Tripura Handloom and Handicraft Development Corporation Limited own six manufacturing units in the State. Of these, utilisation of capacity in five units ranged from 1.5** *per cent* **to 44.5** *per cent* **during the period from 1985-86 to 1989-90. In one unit set up in May 1989 capacity utilisation was practically nil.**

(Paragraph 7.6.4)

Tripura Jute Mills Limited commissioned in November 1979 with 150 sacking and 50 hessian looms started commercial production in November 1981 with 150 sacking looms. 50 hessian looms could not be put to commercial production even after 11 years. Utilisation of capacity which was 38.5 *per cent* **in 1983-84 came down to 22.32** *per cent* **in 1989-90**

(Paragraph 7.6.5.1)

During 1985-86 to 1989-90 the Company sustained a loss of 5,086 tonnes of sacking valuing Rs. 426.09 lakhs due to non-utilisation of the sacking looms in working condition.

(Paragraph 7.6.5.2)

The Company suffered loss of production of Rs. 536.34 lakhs during the period from 1985-86 to 1989-90 due to operation of looms at level much below the specified efficiency level.

(Paragraph 7.6.5.2[c])

Imported Sack Sewing Machines were installed in the Mill in 1980 at a cost of Rs. 11.50 lakhs. These Machines could not be put to use due to their non-maintenance, lack of trained hands to handle these sophisticated machines, non-availability of spares etc. While Rs. 14.37 lakhs per annum were paid as wages to the workers connected with the work relating to sewing of sacks during the period from 1985-86 to 1989-90, Rs. 48.61 lakhs were spent for such work entrusted to outside agencies.

(Paragraph 7.6.5.2[d])

As a result of delay in commencement of production and continued low percentage of utilisation of capacity, the Company incurred a cumulative loss of Rs. 2,596.32 lakhs at the end of March 1990, cumulative cash loss being Rs. 1,892.04 lakhs leading to rise of break even projected at 76.7 *per cent* utilisation as per project report to 120 *per cent* as at the end of March 1990.

(Paragraph 7.6.5.3)

Fruit Canning Unit came under Tripura Small Industries Corporation Limited in 1981. Utilisation of capacity in Fruit Canning Unit was only five *per cent* in 1988-89 and one *per cent* in 1989-90 resulting in the payment of Rs. 3 lakhs as idle wages to workers. Actual utilisation of labour on which Rs. 9.35 lakhs were spent was only 17.58 *per cent* in 1987-88, 10.44 *per cent* in 1988-89 and 1.6 *per cent* in 1989-90

(Paragraph 7.6.6.1)

Due to lack of initiative on the part of the management and shortage of power, performance of the Pharmaceutical Unit was very poor although Rs. 22.52 lakhs (approx.) had been spent on wages and salaries during the three years ending 1989-90.

(Paragraph 7.6.6.2)

Semi Mechanised Brick Kiln set up by the above mentioned Corporation in April 1985 utilised 12.01 ***per cent*** **and 22.48** ***per cent*** **of its capacity in 1985-86 and 1986-87 respectively. Machines worth Rs. 14.06 lakhs remained idle since 1987-88. Idle wages paid during 1987-88 to 1989-90 amounted to Rs. 8 lakhs.**

(Paragraph 7.6.6.3)

A Lime Burnt Clay Pozzolana Mixture Plant scheduled to be completed by May 1984 at a cost of Rs. 9.22 lakhs had not been completed till March 1992 though Rs. 10.20 lakhs were spent.

(Paragraph 7.6.6.4)

A mechanised dye-cum-process house scheduled to be commissioned in November 1983 at an estimated cost of Rs. 1.07 crores was actually commissioned only in May 1989 by Tripura Handloom and Handicrafts Development Corporation after spending Rs. 2.29 crores. The unit utilised only 8.57 ***per cent*** **and 0.08** ***per cent*** **of its installed capacity of dying and processing yarn and cloth, respectively, in 1989-90.**

(Paragraph 7.6.7.1)

7.6.2 *Introduction*

The following Companies owned by the State Government have manufacturing units:

(i) Tripura Jute Mills Limited	1 Unit
(ii) Tripura Small Industries Corporation Limited.	4 Units
(iii) Tripura Handloom and Handicraft Development Corporation Limited.	1 Unit

7.6.3 *Scope of Audit*

The records relating to all the manufacturing units of the above mentioned Government Companies were examined by Audit during May-June 1990 with a view to ascertaining the position of utilisation of the installed capacity and consequent effect on the working of the Companies as a whole. The period covered was from 1985-86 to 1989-90. The findings of Audit have been discussed in the succeeding paragraphs.

7.6.4 The following table shows the production target, actual production and percentage of utilisation of capacity in the six manufacturing units during the period from 1985-86 to 1989-90:

Name of the Unit, Date of entry and installed capacity	1985-86			1986-87			1987-88			1988-89			1989-90			
	Production target	Actual production	Percentage utilisation	Production target	Actual production	Percentage utilisation	Production target	Actual production	Percentage utilisation	Production target	Actual production	Percentage utilisation	Production target	Actual production	Percentage utilisation	Accumulated loss Rs. in lakhs
(i) Tripura Jute Mills Ltd. October 1974; 14,000 tonnes	11,722 tonnes	4,262.37	37.80	11,722	3,689	31.47	11,722	3,385.99	28.88	11,722	3,659.25	32.45	11,722	2,615.05	22.32	2,596.32
(ii) Tripura Small Industries Corporation																
(a) Fruit Canning Unit 1981; 400 tonnes p.a.	400 tonnes	144.87	44.5	400	80.43	20.1	400	64.85	16.2	400	20.07	5	400	0.17	—	Less then one
(b) Tripura Pharmaceutical Unit January 1978; 19,20,000 units	19.2 lakh unit	2.20 lakh	25.38	19.2 lakh	3.30 lakh	17.18	—	3,60 lakh	10.75	—	1.46 lakh	7.60	—	1.08 lakh	—	Less then one
(c) Semi Mechanised Brick Kiln April 1985; 60.00 lakh p.a.	60.00 lakh	7.21 lakh	12.01	60.00 lakh	13.41 lakh	22.48	60.00 lakh	Nil	Nil	Nil	—	Nil	Nil	—	Nil	—
(d) Lime Burnt Clay Pozzolana Mixture Plant 3,000 tonnes p.a.	3,000 tonnes	Nil	—	3,000 tonnes	Nil	Nil	3,000 tonnes	45 tonnes	1.5 tonne	—	48 tonnes	1.6	—	21	—	Less then one
(iii) Tripura Handlooms & Handicraft Development Corporation																
Mechanised dye-cum-process Home, May 1989; 2,640 bals of yarn & 24 lakh meters cloth	1383.36 bals & 12.58 lakhs metres	Nil	—	Nil	—	Nil	Nil	—	—	—	—	—	—	118.55 bals & 0.01 lakh metre	—	Negligible

7.6.5 *Tripura Jute Mills Limited*

7.6.5.1 Tripura Jute Mills Limited was incorporated in October 1974 as a wholly owned Company of the State Government. As per project report the Mill was to start commercial production in April 1978; annual production in 200 looms, (hessian: 50 and sacking: 150) to be installed by February 1978, was targetted at optimum capacity of 13,233.60 tonnes (hessian: 2,463.30 tonnes and sacking: 10,770.00 tonnes) against installed capacity of 14,000 tonnes from the third year of operation. But the Mill, though started trial production from November 1979 could commence commercial production from November 1981 with the sacking looms only. Thus, commencement of commercial production on sacking looms was 43 months behind schedule. Production on hessian looms had not started (March 1991) even after 11 years.

As would be seen from the table given in paragraph 7.6.4 (supra) utilisation of capacity gradually decreased during the five years and came down to 22.32 *per cent* in 1989-90. The Mill never achieved more than 38.5 *per cent* utilisation (1983-84) since commencement of its production, though in the project report 70 *per cent* in the first year, 85 *per cent* in the second year and 89 *per cent* thereafter had been envisaged.

7.6.5.2 One of the reasons for overall low percentage of utilisation of capacity was failure of the Mill to commence production of hessian with the 50 looms installed for the purpose. As mentioned in paragraph 7.5.2. (i) of the Report of the Comptroller and Auditor General of India for the year 1984-85 non-utilisation of capacity was due to (a) non-availability of steam and coal locally and exhorbitant cost of transportation from West Bengal, and (b) dearth of skilled labour.

7.6.5.2 (i) In regard to production of sacking against installed capacity of 10,770 tonnes per annum the actual production varied from 4,262.37 tonnes in 1985-86 to 2,615 tonnes in 1989-90 and the capacity utilisation ranged between 39.85 *per cent* and 24.28 *per cent* during these years. The details of utilisation of sacking looms during the period from 1985-86 to 1989-90 are given in the table as under:

Particulars	1985-86	1986-87	1987-88	1988-89	1989-90
1. Total No. of looms installed	158	158	158	158	158
2. Idle looms:					
(a) Average No. of looms not in working condition	38.00	44.70	44.70	54.70	58.00

Particulars	1985-86	1986-87	1987-88	1988-89	1989-90
(b) Average No. of looms in working condition	10.88	12.44	22.88	3.43	33.57
(c) Average No. of looms idle	48.88	57.14	67.58	58.13	91.57
3. Average No. of looms operated	109.12	100.86	90.42	99.87	66.43
4. Percentage of looms idle to looms installed	30.14	36.16	42.77	36.79	57.96
5. Percentage of workable looms not operated to looms in working condition	9.07	10.98	20.19	3.32	33.57
6. Available working hours	6787.17	6582.00	6556.00	6557.00	6525.00
7. Total idle loom hours (in lakhs)	3.32	3.76	4.43	3.81	5.97
8. Workable loom hours not operated (in lakhs)	0.74	0.82	1.50	0.22	2.19
9. Standard B. Twill production of average specification per loom hour ($26\frac{1}{2}''$ B. Twill 6×8.399 jm/yd in Kg.)	9.297	9.297	9.297	9.297	9.297
10. Volume of production lost during workable loom hours not operated (in tonnes)	688.00	762.00	1395.00	205.00	2036.00
11. Estimated sale proceeds (Rupees in lakhs)	58.38	54.47	102.07	17.85	193.32

It would appear from the table above that during the five years from 1985-86 to 1989-90, 30.94 to 57.96 *per cent* of the installed sacking looms remained idle though 5.90 to 36.66 *per cent* of the idle looms were in working condition. In other words, 3.32 to 33.57 *per cent* of the looms in working condition were not put in operation. As a result, the Company sustained loss of estimated production of sacking products of 5086 tonnes which could have fetched a sale proceeds of Rs. 426.09 lakhs during 1985-86 to 1989-90.

Since the Company did not maintain records showing cause-wise idle loom hours, avoidable and unavoidable idle hours could not be analysed in Audit.

The Management stated (November 1990) that all the sacking looms could not be utilised mainly due to:

(i) high labour turnover,

(ii) erratic pattern of absenteeism of workers,

(iii) absence of badly workers,

(iv) frequent power-cuts,

(v) shortage of spare parts due to non-procurement of spare parts because of shortage of working capital,

(vi) poor maintenance of machinery because of absence of skilled hands,

(vii) poor morale of officers and staff due to low pay structure, and

(viii) absence of orientation/exposure to other mills by workers of the Company.

It was, however, noticed in Audit that the following factors were responsible for such shortage of working capital and consequent poor State of affairs in the Mill.

(a) *Delay in completion of the project and delay in commencement of production*

As mentioned in para 7.5.1(i) of the Report of the Comptroller and Auditor General of India for the year 1984-85 the original project report revised in 1975-76 envisaged completion of the project at a cost of Rs. 6.30 crores and commencement of commercial production from April 1978. The targeted cost were further revised in August 1978 to Rs. 6.60 crores and date of commencement of production was also revised to April 1979. The Company spent, however, a total sum of Rs. 9.85 crores on construction of the project. Commercial production started only in November 1981. As a result, huge capital invested, mainly borrowed money (Rs. 5.69 crores) did not yield any return during the period. Interest burden at the end of March 1992 was Rs. 7.11 crores.

(b) *Entertainment of idle labour*

As per project report the Company needed 1679 hands to man the Mill at optimum capacity. But the number of hands actually entertained ranged between 1694 and 2017 (1984-85). Direct labour per tonne production ranged between 118 and 159.74 against the norm of 44.74 fixed by Jute Manufacturers Development Council. This had been pointed out by Audit to the Government in February 1986 (para 7.5.2(1)(ii) of the Report of the Comptroller and Auditor General of India for the year 1984-85), but no effective steps were taken by the Government in this regard. It may be mentioned here that the Committee on the Public Undertakings instituted an independent inquiry into the affairs of the Mill in August 1989 and found that the Company had imparted training to 1200 workers in 1979-80 but almost all of them left the Mill due to poor pay structure and also due to absence of industrial habits among the local employees. The Committee also suggested in its Report dated 25th January 1990 that introduction of piece rate system of wages with some gurantee of a minimum wage might be able to overcome the problem. But the response from the Government had not been received.

(c) *Failure to achieve standard production per loom*

As per the project report as revised (22nd August 1978) wherein same productivity norms fixed (1978) by the Jute Manufacturers Development Council (JMDC) were adopted production of sacking of average specification ($26\frac{1}{2}$" B. Twill 6×8.399 jm/yd) to be achieved per loom hour during commercial production was 23.3 yards corresponding to 9.297 Kg. by utilisation of looms at 70 *per cent* efficiency rate. JMDC, however, prescribed production of 25.72 yards of sacking cloth corresponding to 10.262 Kg. per loom hour at 75 *per cent* loom efficiency. From the data given below it would be seen that actual achievement varied from 73.74 *per cent* of the standard production of 3766.00 tonnes (1989-90) to 77.36 *per cent* of the standard production 6322.00 tonnes (1985-86) and looms were operated at efficiency level ranging between 51.24 *per cent* (1987-88) and 54.15 *per cent* (1985-86), much below the specified efficiency level of 70 *per cent* during the period from 1985-86 to 1989-90. As a result, the Company suffered loss of production totalling 6579 tonnes with resultant loss of carrying estimated at Rs. 536.34 lakhs during the said period.

Particulars	1985-86	1986-87	1987-88	1988-89	1989-90
1. Normal working hours	6787.17	6582.00	6556.00	6557.00	6525.00
2. Effective hours	6223.61	5982.74	6093.38	6105.34	6107.63
3. Load shedding hours	568.56	599.26	462.62	451.66	417.37

Particulars	1985-86	1986-87	1987-88	1988-89	1989-90
4. Average number of looms operated	109.12	100.86	90.42	99.87	66.43
5. Total loom hours available (1×4) (in lakhs)	7.41	6.64	5.93	6.55	4.33
6. Power cut loom hours (3×4) (in lakhs)	0.61	0.60	0.42	0.45	0.28
7. Volume standard B. Twill production achievable (in tonnes)	6889.00	6173.00	5513.00	6099.00	4026.00
8. Volume of standard production lost due to power cut (in tonnes)	567.00	558.00	390.00	418.00	260.00
9. Volume of standard production achievable in effective loom hours (in tonnes)	6322.00	5615.00	5123.00	5671.00	3766.00
10. Actual sacking production converted in terms of B. Twill (excluding sale twine (in tonnes)	4891.00	4203.00	3705.00	4337.00	2777.00
11. Percentage of efficiency	54.15	52.40	51.24	53.54	51.62
12. Loss of sacking production in effective loom hours (in tonnes)	1431.00	1412.00	1373.00	1374.09	989.00
13. Loss of revenue due to under-utilisation of looms (in lakhs of rupees)	121.43	100.93	100.47	119.61	93.90
14. Loss of revenue due to power cut	48.12	39.89	28.54	36.39	24.69

The Management stated in November 1990 that the main reasons for failure to achieve the standard production per loom were (i) low productivity of workers due to absenteeism and poor morale of workers and officers (ii) poor maintenance of machinery due to non-availability of spare parts due to Company's inability to clear dues of creditors.

(d) *Under utilisation of sack sewing machines*

The project report provided for utilisation of 2 measuring machines, two cutting machines, eight hemming machines and 25 overhead sewing machines for stitching of 1,03.98 lakh sacking bags (10,668.2 tonnes) annually. Accordingly, 8 hemming machines (cost: Rs. 0.21 lakh) 25, imported overhead hand sack sewing machines (cost: Rs. 11.50 lakhs) and 8 special industrial sewing machines (cost: Rs. 0.78 lakh) were installed (1980). Subsequently, due to non-availability of spare parts and inexperience of the workers to operate sophisticated overhead machines, the Company installed (1984) another 10 overhead sewing machines costing Rs. 0.95 lakh.

Records disclosed that the Company had been experiencing difficulties in sewing jute cloth into bags even during the trial run period and appointed in August 1981 private contractors for stitching of bags on contract basis. The system still continues. Thus, inspite of the fact that the Company had installed required machinery and engaged about 94 workers including the machine operators who are paid wages of Rs. 14.37 lakhs on an average annually, Rs. 48.61 lakhs were paid to the contractors during the period from 1985-86 to 1989-90 for stitching of bags. The table given below showed the percentage of utilisation of sewing capacity during the years 1985-86 to 1989-90.

Year	Installed capacity	Actual mill production	Percentage of utilisation	Production by contractors	Total bag production	Percentage of mill production to total production
		(in tonnes)			(in tonnes)	
1985-86	10,668.2	2,126.2	22.74	1,820.3	4,255.5	57.01
1986-87	10,668.2	2,177.5	20.41	1,493.0	3,670.5	59.32
1987-88	10,668.2	1,827.7	17.13	1,536.4	3,364.1	54.33
1988-89	10,668.2	1,865.9	17.49	1,767.1	3,633.0	51.36
1989-90	10,668.2	1,828.4	17.14	783.2	2,611.6	70.01

As against 5.46 mandays required for sewing per tonne of sacking B Twill product as per JMDC norms, the Company had 14.87 mandays in 1985-86, 14.77 mandays in 1986-87, 14.29 mandays in 1987-88, 8.01 mandays in 1988-89 and 10.22 mandays per tonne of production as per pay rolls (including contractors productions).

The Management stated (November 1990) that poor utilisation of sewing machines at the disposal of the Company was due to problems of maintenance on account of non-availability of spare parts, lack of trained hands, poor industrial habits of workers and absence of piece rate system, etc.

7.6.5.3 Due mainly to delay in completing the project, poor utilisation of installed capacity as well as entertainment of labour far in excess of requirement the Company sustained a cumulative loss of Rs. 2,596.32 lakhs at the end of March 1990. Cumulative cash loss was Rs. 1,892.04 lakhs.

As a consequence of such steady loss the Company faces acute shortage of working capital. The entire capital had been eroded. Break even point initially worked out at a production level at 11,222 tonnes by 85 *per cent* utilisation of installed capacity rose to 14,843 tonnes at the end of March 1985 and to 16,767 tonnes at the end of March 1990 against the total installed capacity of 14,000 tonnes per annum i.e. 119.8 *per cent* of utilisation against 76.7 *per cent* as per project report.

Thus, the break even point will remain elusive for ever with the existing set up of the Company.

On one hand the Company could not utilise the capacity initially due to delay and consequent heavy losses which in turn rendered improvement in utilisation more and more difficult with the passage of time.

The Government attributed the delay in construction to shortage of fund as the Financial Institutions did not maintain a regular flow in releasing loan. But the Committee on Public Undertaking found that funds from those Institutions had been irregular due to non compliance of the decisions taken in the consortium of Financial Institutions particularly in respect of the pattern of securities and documentations.

The reasons why the decision of the consortium were not followed could not be explained to the Committee by the Government.

7.6.6 *Tripura Small Industries Corporation Limited*

The Tripura Small Industries Corporation Limited was incorporated on 30th April 1965. The Company took over the management of Fruit Canning Unit from the Department of Agriculture in the year 1970.

The Company set up one Pharmaceutical Unit at Badharghat in 1976, one Sugar Factory at Santirbazar in 1975, a timber plant in 1977, a Semi-mechanised Brick Kiln at Jirania in 1985 and a Lime Burnt Clay Mixture Plant at Kumarghat in 1987. The Sugar Factory and the Timber Plant have been closed in 1983 and 1988 respectively.

All the other manufacturing units were sustaining losses mainly due to under utilisation/non-utilisation of their production capacities.

The position of utilisation of capacity of such manufacturing units have been discussed in the following paragraphs:

7.6.6.1 *Fruit Canning Unit*

Management of Fruit Canning Unit at Badharghat, Agartala came under the Company in the year 1981. At that time annual production capacity of the unit was 400 tonnes per annum. Subsequently, even though the Company spent on maintenance upto March 1987 an amount of Rs. 5.18 lakhs yet the unit could not achieve the full production capacity till 1988-89.

As shown in the table at para 4 the utilisation of capacity of the unit was very low during the last two years 1988-89 and 1989-90 when only 5 *per cent* and 1 *per cent,* respectively, of the capacity was utilised. Usually, the maximum production was made during June and July each year when pine apple was available in the State. But in the year 1989-90, there was no production in June and July. Management reviewed the position and stated that due to failure on their part to procure cans in time no production could be achieved during that season and as a result, they had to pay idle wages to the tune of Rs. 3 lakhs. Apart from this, the unit had paid salaries and wages to its regular staff amounting to Rs. 9.35 lakhs during the last three years up to 1988-89 and major portion of such payments was practically idle payments.

The position in regard to total working days available, actual working days and amount of salaries and wages paid during the last three years upto 1989-90 is given below:

Year	Available working days	Days of production	Percentage of production days to available working days	Salaries and wages paid (in lakhs of rupees)
1987-88	273	48	17.58	3.65
1988-89	249	26	10.44	2.86
1989-90	249	4	1.6	2.84

The Management stated (July 1991) that the capacity of the factory was 200 tonnes per annum and it declined gradually to 100 tonnes in 1989-90. Production was low mainly due to absence of demand, receipt of defective cans in 1988-89 as well as non-delivery of cans in time by the suppliers in 1988-89.

It was, however, seen in audit that while making attempts to secure export orders during the year 1983, the Managing Director reported (January 1983) to the State Trading Corporation Limited that the annual capacity of the factory was 400 tonnes. Hence the contradiction of the Management as regards the capacity of the factory is not tenable. As a result, huge closing stocks were lying unsold every year. Due to prolonged storage finished products valuing Rs. 2.41 lakhs had become unfit for human consumption during the years 1984-85 to 1988-89 as detailed below:

Year	Value of damaged products (in Rupees)
1984-85	60,126.90
1985-86	71,177.91
1986-87	34,029.62
1987-88	63,554.55
1989-90	4,140.25
Total	2,33,029.23

Apart from damaged finished products, semi-processed products valued at Rs. 0.08 lakh had also become damaged due to long storage. Thus, the unit had sustained a total loss of revenue of Rs. 2.41 lakhs. No facility for cold storage was available in the unit.

7.6.6.2 *Tripura Pharmaceutical Unit*

The Company had set up one Pharmaceutical Unit at Badharghat, Agartala in the year 1976 for manufacturing transfusion solution. Rs. 3.24 lakhs were spent on capital heads initially. The unit started commercial production from 26th January 1978. The unit had four sections, *viz*. (1) Bottle Section, (2) Ampule Section, (3) Capsule Section and (4) Analytical Section; working on single shift basis of 8 hours duration per day.

Capacity of Bottle Section of the unit was 400 bottles of good transfusion solution of 540 ml. each per day. The unit with existing facilities was also capable of producing 2,000 to 5,000 ampules per day depending on the size of the ampules and can also produce 25,000 capsules per batch i.e. 12,00,000 number of capsules per annum.

As against the above mentioned capacity, actual performance of the unit was very poor during the last five years from 1985-86 to 1989-90 as will be evident from the table in para 4.

The figures in the table indicate that the Pharmaceutical Unit of the Company could never achieve 30 *per cent* of its capacity of solution production. 56 *per cent* of its capacity of ampules production and not 1 *per cent* of its capacity of capsule production during the period from 1985-86 to 1989-90.

The ampule section was idle with the machines costing Rs. 0.69 lakh for 228, 210, 218, 242 and 292 days out of 300 available working days during the years 1985-86, 1986-87, 1987-88 and 1989-90 respectively. Actual quantum of idle hours of each machine in ampule section could not be ascertained in the absence of proper records and data. However, considering the actual working days with available working days in a year the position of utilisation of machines in ampule section can be ascertained as under:

Year	Working days available	Actual working days	Idle days	Percentage of idle days to available working days
1985-86	300	72	228	76
1986-87	300	90	210	70
1987-88	300	82	218	72.6
1988-89	300	58	242	80.6
1989-90	300	8	292	97.3

There was no production in the capsule section during the period from 1986-87 to 1989-90 due to lack of demand and all the machines (valued at Rs. 0.90 lakh) were lying idle. Among the idle machinery, following machines valued at Rs. 0.30 lakh were lying idle even before 1986-87.

Machinery	Quantity	Value (Rupees)	
1. Rotary Automatic Ampule Washing Machine	1	9,500.00	lying idle since 1974
2. Single Head Automatic Machine	1	10,250.00	lying idle since procurement in 1973
3. Capsule Filling Machine	1	10,267.00	lying idle since 1985

Capsule section started production in the year 1983 and during the financial year 1983-84 it produced only 100,000 number Tetracycline 250 Mg. capsules and 100,000 number Oxytetracycline capsules. In the year 1985-86 only 10,000 number Doxycycline capsules were produced. Out of above, 32,000 number Tetracycline (value: Rs. 0.12 lakh) and the Doxycycline capsules produced in 1985-86 could not be sold. Those were lying at damaged/date expired condition.

This resulted in loss of revnue of Rs. 0.40 lakh to the Company (sale value of damaged products).

Due to lack of initiative on the part of the management and shortage of power performance of the Pharmaceutical Unit was very poor although huge amount of salaries and wages of Rs. 22.52 lakhs (approx.) had been spent during the last three years ending 1989-90.

The Management stated (July 1991) that the Pharmacutical unit was set up for catering to the requirements of the State Health Department for some life saving drugs. But non-receipt of orders or receipt of orders on piece-meal 'basis' resulted in non-utilisation/ under-utilisation of the capacity in the ampule section and capsule section.

7.6.6.3 *Semi-mechanised Brick Kiln*

The Company set up a semi-mechanised Brick Kiln at Jirania on 30th April 1985. A sum of Rs. 71.06 lakhs had been spent on capital heads (June 1990) on this project.

The capacity of the kiln was 20,000 bricks per day i.e. 60,00,000 bricks per annum on the basis of 300 working days in a year. The machine section had the capacity of 25,000 bricks per shift of 8 hours or 50,000 bricks per day of two shifts. This worked out to 1,50,00,000 bricks per annum.

The project was lying idle since 1987-88. In first two years i.e. 1985-86 and 1986-87, performance of the kiln was very poor as will be evident from the table at para 4.

During the first two years 1985-86 and 1986-87 the kiln produced only 7.21 lakh and 13.49 lakh bricks and thereby utilised only 12.01 *per cent* and 22.48 *per cent* of its annual capacity, respectively, and thereafter it was lying idle without any production since 1987-88 due to shortage of power in the area.

The following machines costing Rs. 14.06 lakhs were lying idle without any production since 1987-88 in the kiln.

(i)	Extrodusor machine	1 No.
(ii)	Water Pump	1 No.
(iii)	Generator	1 No.
(iv)	Fan	1 No.
(v)	Dumper	1 No.
(vi)	Motor	5 Nos.
(vii)	V. Belt	—
(viii)	Fiddle hold	1000 pieces.
(ix)	Plate	70 Nos.

As per the original scheme one 30 KVA Generator was procured to tackle the situation of power failure. But since 1987 the Generator itself was lying idle when the kiln was out of production mainly due to power shortage. Apart from costly machineries, idle wages and salaries to the tune of Rs. 8 lakhs was also paid during the last five years from 1985-86 to 1989-90.

7.6.6.4 *Lime Burnt Clay Pozzolana Mixture Plant*

As per the project report approved by the North Eastern Council (NEC) in December 1982, the Company was to set up a Lime Burnt Clay Pozzolana Mixture Plant at Kumarghat with an annual production capacity of 3000 tonnes, at a cost of Rs. 9.22 lakhs to be financed by NEC. The project report envisaged utilisation of reactive pozzolana clay occurring in Bishramganj, Bagma, Charilam and Kumarghat areas and lime stone available in Jampai Hills as the basic raw materials in the plant. The project was to be complected within a period 15 to 18 months depending upon the time taken to appoint a turnkey contractor.

The project report envisaged 10 *per cent* profit on the cost of production, the aggregate annual profit being Rs. 0.90 lakh and 9.76 *per cent* return on capital invested.

Due to delay in implementing the project, the Company revised (February 1984) the project cost to Rs. 26.90 lakhs. NEC approved (July 1985) the revised cost and released Rs. 26 lakhs during 1982-83 to 1985-86. Out of Rs. 17.84 lakhs provided for civil works, the Company deposited (1983-84 and 1985-86) only Rs. 2.50 lakhs with the State Public Works Department which had been awarded the works in February 1983. PWD completed construction of factory sheds, godown and foundation works for machinery in October, 1985. The Company had not (January 1991) taken any action to complete the remaining works such as construction of lime slacking tank, sundrying platform, external water supply arrangements, etc., necessary for proper functioning of the plant.

Thus, though the project was scheduled to be completed in May 1984, it could not be completed till date (March 1992). Upto 1989-90, the Company incurred capital exenditure of Rs. 10.20 lakhs on the project.

Even though the project remained to be completed the plant started trial production in April 1987, the commercial production had not been started so far (March 1992).

The utilisation of the projected capacity of the plant during the three years upto 1989-90 is given below:

Year	Projected capacity	Actual production	Percentage of capacity utilisation
1987-88	3000 tonnes	45 tonnes	1.5
1988-89	3000 tonnes	48 tonnes	1.6
1989-90	3000 tonnes	21 tonnes	0.7

The Company utilised an insignificant portion of the capacity of the plant. Factors affecting capacity utilisation have been analysed as under:

1. As per the Indian Standard Specification for lime pozzolana mixture fixed by the Indian Standards Institute in January 1984, to accelerate the rate of hardening of the mixture to achieve improved early strength, type II gypsum not exceeding 5 per cent may be added to the mixture during intergrinding or blending process. It was seen in Audit that no gypsum was used during production up to 1989-90.

2. The standard specification provided further that the manufacturer was to satisfy himself that the Calcined Clay Pozzolana conformed to the requirements of the standard. But due to inadequate laboratory facilities no test was conducted at the factory. However, the test got done (July 1987) at a laboratory in Calcutta disclosed that the product did not conform to the standard in respect of free time content. It was also observed during Audit that consumers had complained about the quality of the product.

3. The Company was to use lime stone available from the Jampai Hills for production of hydrated lime stone. Instead of producing hydrate lime stone, used lime was procured from Meghalaya for use in the plant.

4. Against (1) one Manager-cum-Laboratory in-charge, (2) one Supervisor-cum-Laboratory (3) one Mechanic (4) one Watchman and (5) forty workmen provided in the project report the Company appointed only one production Executive, one Watchman and two daily rated workers. The Production Executive, appointed in May 1987 did not have any experience of operation or maintenance of Pozzolana Plant. No training was imparted to him to enable him to acquire such knowledge.

As estimated in the project report the plant was to earn sale proceeds of Rs. 9.22 lakhs annually, whereas upto 1989-90, the unit could effect sales valuing Rs. 0.65 lakh (7 per cent). The unit sustained an estimated loss of Rs. 1.60 lakhs during this period.

Though the Company manufacture products as per standard specification by the Indian Standards Institute, the Management continued production of pozzolana mixture with same composition of ingredients. Moreover, as on 31st March 1990, 44 tonnes of finished products valued at Rs. 0.39 lakh (approximately), remained in stock.

The Management stated (July 1991) that commercial production in the lime burnt clay pozzolana mixture could not be undertaken due to absence of bulk order and lack of popularity for this kind of materials.

7.6.7 *Tripura Handloom and Handicraft Development Corporation Limited*

7.6.7.1. *Mechanised Dye-cum-Process House*

With a view to creating processing facilities in the handloom sector, the Government of India approved (March 1982) the Central Sector Scheme of setting up by the State Government through the agency of the Company a mechanised Dye-cum-Process House at Dharmanagar at a cost of Rs. 1.07 crores. The project report prepared in July 1981 envisaged capacity establishment of the Dye-cum-Process House with installed capacity of 1095 bales of cotton yarn and 15.75 lakh metres of cloth per annum of 300 days on single shift operation basis at a cost of Rs. 1.07 crores.

Due to delay in implementing the project, the project cost was revised (June 1984) to Rs. 1.60 crores and in March 1987 to Rs. 2.40 crores. The revised project report (March 1987) envisaged installed capacity of the plant as 2640 bales (475.20 tonnes) of yarn and 24 lakh metres (240.00 tonnes) of cloth per year of 300 working days in two shifts of eight hours each to be achieved gradually; 60 per cent in the first year, 75 per cent in the second year and 90 per cent from the third year onward.

The Dye-cum-Process was commissioned on 18th May 1989 after a period of 5 years 7 months with reference to the first project report. As against the estimated capital cost of Rs. 240 lakhs the Company expended Rs. 229.44 lakhs upto 1989-90 (including outstanding liabilities). During the period from 1981-82 to 1989-90, the Company received Rs. 257 lakhs from the Government of India including Rs. 17 lakhs received in April 1989 for construction of staff quarters and purchase of land and machinery.

As per the revised project report (March 1987) mechanised Dye-cum-Process House was to achieve in the first year of operation 60 per cent of the installed capacity of 2640 bales of yarn and 24 lakh metres of cloth. But it was observed in audit that the factory could utilise only a very insignificant percentage of installed capacity during the period since it started functioning on 18th May 1989 to 31st March 1990 as indicated in the table below:

Particulars	Installed capacity	Expected production	Actual production	Percentage of utilisation of capacity
1. Yarn	2640 bales	1383.36 bales	118.55 bales	8.57
2. Cloth	24.00 lakhs metres	12.58 lakhs metres	0.01 lakhs metres	0.08

Factors, responsible for such insignificant percentage of utilisation were as under:

(i) The Works-cum-Processing Manager of the factory stated (May 1990) that the machineries required for dyeing of cloth costing Rs. 44.60 lakhs installed between September 1987 to April 1988 were lying idle mainly due to non-availability of raw materials, *viz.,* gray cloth of continuous length. Due to a leakage at the joint as was observed by the Chief Inspector of Boiler during testing in February 1989, one of the two Boilers costing Rs. 5.64 lakhs was lying idle.

(ii) Though as per the project report, the factory was to run two shifts a day, it had so far run on single shift basis mainly due to shortage of manpower.

(iii) Erratic power supply was also responsible for low production. Government of India released in April 1989 *inter-alia* a fund of Rs. 6.50 lakhs for procurement of a generator set for the factory. But the generator set had not yet been procured (June 1990).

(iv) The Management had not so far made any serious attempt for efficient running of the factory.

The above matters were reported to Government in October 1990; their replies had not been received (June 1992).

TRIPURA TEA DEVELOPMENT CORPORATION LIMITED

7.7 Avoidable wasteful expenditure

The Board of Directors decided in July 1987 to extend the small growers' tea plantation scheme to 83 tribal families of Gurupada Colony of Ratanpur Area, West Tripura for their economic rehabilitation. As per the scheme, the cost of raising per hectare of tea plantation by a beneficiary and maintenance thereof upto 5th year, when the tea plants were to attain optimum level of leaf production was Rs. 0.35 lakh to be financed equally by grants from the State Government and loans from Banks. For the purpose of providing planting materials to beneficiaries, the Board also approved setting up of a tea nursery at Gabordi.

It was seen in Audit (April 1990) that neither any grant from State Government nor any arrangement for loans from Banks for financing the scheme was made.

The records, however, disclosed that the Tripura Tribal Areas Autonomous District Council paid (November 1987) a grant of Rs. 3 lakhs to the Company for implementation of the scheme during 1987-88.

In 1987-88, the Company brought 3 of the selected beneficiaries under the scheme and spent Rs. 0.16 lakh on preparation of 3 acres of land at the rate of one acre per beneficiary. It also purchased 20,000 tea plants at a cost of Rs. 0.24 lakh for supply to these beneficiaries. The Company abandoned the scheme in 1988-89 for reasons not on record. No follow-up action was taken on plantation raised and, thus, the expenditure of Rs. 0.40 lakh spent on the scheme proved wasteful.

Though the Company discontinued implementation of the scheme at Gurupada Colony, it continued raising the tea nursery at Gabordi meant for this scheme. The Company spent Rs. 1.87 lakhs in 1987-88 on raising the nursery and Rs. 5.26 lakhs in 1988-89 and 1989-90. It was seen in Audit that out of 4.50 lakh cuttings placed in bed in 1987-88 to 1989-90, 2.78 lakhs died in bed and 1.72 lakhs survived. The percentage of mortality being 62 as against average mortality rate of 30 per cent prevailing in Company's other nurseries. The reasons for abnormally high mortality rate were not investigated.

The cost of raising per plant works out to Rs. 4.15 while the Company purchased plants at Rs. 1.20 per plant. None of these plants was utilised for the scheme.

In 1988-89, the Company planted 30,000 plants from the nursery in Government *Khas* land at Prabhapur near Gabordi without any future planning and these were destroyed in absence of manintenance. Cost of these plants works out to Rs. 1.25 lakhs. Further 1.22 lakh plants were transferred to various tea gardens managed by the Company at a cost of Rs. 0.61 lakh upto 1990-91. Since all the tea gardens owned and managed by the Company had nurseries of their own, to meet their annual requirement of plants, the necessity of transporting 1.22 lakh plants at a cost of Rs. 0.61 lakh could not be explained to Audit. Besides, 20,000 plants remained in bed (April 1990).

Had the Company planned the project and controlled its implementation by discontinuing nursery activity while abandoning the rehabilitation programme in 1988-89, it could have avoided expenditure of Rs. 5.26 lakhs on the nursery during 1988-89 and 1989-90.

The Audit observation was discussed by the Board of Directors in meeting held in September 1990 and the Board decided that the nursery was to continue upto 1990-91 and thereafter the position was to be reviewed by it, but the reasons for continuance of the nursery up to 1990-91 were not on record.

The Government stated (February 1991) that in view of the prevailing labour condition, the nursery would be closed in a phased manner.

TRIPURA HANDLOOM AND HANDICRAFTS DEVELOPMENT CORPORATION

7.8 Shortage of stores

Financial rules of the Government require that a subordinate authority entrusted with stores of any kind shall maintain proper accounts and inventories to enable a ready verification of stores and check of accounts at any time. The rules further provide that physical verification of stores shall be made at least once in every year and all discrepancies noticed shall be brought to account immediately so that the stores account exhibits a true and correct view of State of affairs.

During Audit (January 1989) of the accounts of the Tripura Handloom and Handicrafts Development Corporation for the period

April 1980 to March 1988, it was noticed that out of the purchases made through the artisans and Co-operatives during the period, 21,708 pieces of Janata cloth valuing Rs. 3.26 lakhs were found short in the main store at Agartala. Accountal of 8671 pieces valuing Rs. 1.40 lakhs was also not available in the branch store at Santirbazar. This had resulted in a loss of Rs. 4.66 lakhs to the Corporation.

Analysis in Audit has revealed that the shortages were due to the following reasons:

(a) Stock Registers were never signed by any authority of the Company.

(b) Though there were changes of incumbency of store-keepers (April 1983 and June 1987) no formal transfer of charge was made.

(c) Physical verification of stores had not been done in the main store at Agartala since March 1978.

The above matter was reported to the Government of Tripura in February 1990; their reply had not been received (March 1990).

POWER DEPARTMENT

7.9 Construction of Power Transmission and Distribution Lines

7.9.1 *Highlights*

To transmit and distribute 183 MW power generated and purchased from outside the State, the Power Department constructed 3985 Kilometres High Tension Line and 3536 Kilometres Low Tension Line till the end of March 1990.

(Paragraph 7.9.2)

There was delay in construction of transmission line and sub-station due to lack proper survey in time, and delay in handing over of site resulting in idle outlay of Rs. 356.49 lakhs in four cases for period ranging 12 to 36 months.

(Paragraph 7.9.7.1, 7.9.7.4, 7.9.7.7 and 7.9.8)

The *percentage* **of Transmission and Distribution loss of power to the total power available for sale had exceeded the norm prescribed by the Central Water and Power Commission and the loss of revenue for the five years upto 1989-90 worked out to Rs. 4.64 crores.**

(Paragraph 7.9.9)

There was an excess deployment of staff of about 167 *per cent* by the end of March 1990 and the idle wages on excess staff worked out to Rs. 1.37 crores during 1989-90.

(Paragraph 7.9.11)

Power line carrier communication equipment costing Rs. 6.43 lakhs purchased in November 1986 remained out of order (July 1990) since its installation in November 1987 as it developed some faults.

(Paragraph 7.9.12)

Materials in excess of acutal requirement as per progress of work were issued to a contractor. Action in accordance with terms of agreement to rescind the work was delayed resulting in cost of materials worth Rs. 2.17 lakhs remaining unrecovered from a contractor who had abadoned the work. Extra expenditure of Rs. 9.71 lakhs due to re-allotment of work to another contractor also remained unrealised from the first contractor.

(Paragraph 7.9.7.5)

7.9.2 *Introduction*

The generation, transmission and distribution of power in Tripura are controlled and maintained by the Power Department of the State Government. During 1989-90, 96.17 MW power was generated in State by its 18 power stations (14 diesel, 2 hydel and 2 gas thermal) having installed generation capacity of 30.85 MW. Besides, the Department also imports power (86.83 MW) from the neighbouring Assam State Electricity Boards (ASEB) and North Eastern Power Project Corporation (NEPCO). For transmission and distribution of this power the Department constructed 3985 km of H.T. line and 3536 km L.T. line till March 1990.

7.9.3 *Organisational set up*

The department has a Chief Engineer at the apex, who is assisted by five Superintending Engineers and 25 Executive Engineers of the 13 Electrical Divisions (three in North District, three in South District and seven in West District). Nine Divisions out of these are engaged in transmission and distribution (diesel: five; hydel: two and gas theremal: two) and four in maintenance work. These nine operating divisions are located in three Districts of the State (one in North District, two in South District and six in West District) and are under the direct supervision of one Superintending Engineer.

7.9.4 *Audit Coverage*

Audit of transmission and distribution line works for the years 1985-86 to 1989-90 of the Power Department was conducted between June-September 1990 and results thereof are discussed in succeeding paragraphs.

7.9.5 *Target and achievement*

Power generated from different sources and purchased from the neighbouring States is distributed through two grids, one at Dharmanagar and the other at Agartala.

The details regarding the installed capacity for generation, transmission and distribution facilities available at the beginning of the 7th Five Year Plan (1985) the additions programmed and actual additions made during the period are given below:

	Particulars	Installed capacity (MW)	Maximum demand (MW)	Length of lines in km.					No. of sub-stations	No. of distribution sub-station
				132 KV	66 KV	33 KV	11 KV	LT		
(i)	At the beginning of 7th Five-Year Plan	19.85	27	150	261	418	2,097	2,201	25	1,238
(ii)	Planned Addition	22	48	110	88	25	121	N.A.	N.A.	N.A.
(iii)	At the end of 7th Five-Year Plan	30.85	42	150	285	443	3,107	3,536	26	1,760
(iv)	Actual Addition	11	15	—	24	25	1,010	1,335	1	522
(v)	Shortfall (–) / Excess (+)	(–)11	(–)23	(–)110	(–)64	—	(+)889	—	—	—

It would be seen that while achievement in augmentation to installed capacity of generation was only 50 *per cent* of the target that in transmission line far exceed the target resulting in idle outlay on the latter.

The energy survey of India committee observed in its report (1965) that considering the fact that in most of the advanced countries investment on transmission and distribution was normally equal in scale to that on generation, the investments on transmission and distribution in the plans for future periods should be assumed to be

N.A.=Not available.

hundred *per cent* of that on generation. The department's investment on the fixed assets for transmission and distribution of power with that on generation at the end of each of the five years upto 1989-90 is given below:

Year	Investment on		Percentage of investment on transmission and distribution
	Generation	Transmission and distribution	
	(Rupees in lakhs)		
1985-86	557.22	474.69	85
1986-87	283.18	705.57	249
1987-88	947.17	911.74	96
1988-89	956.62	762.33	80
1989-90	1,219.70	629.62	52

The investment on transmission and distribution ranged between 52 to 249 to that on generation. No recorded reasons for the deviation was available. However, it was noticed in Audit that disproportionate expenditure on generation was due to (i) deployment of excess staff, (ii) increase in Non-Plan expenditure, (iii) Purchase of stores much in advance of requirement and (iv) increase in cost of projects (Gas Thermal) due to delay in completion.

7.9.6 *Cost of transmission and distribution*

The comparative position of increase in cost of observation maintenance of transmission and distribution lines and revenue *vis-a-vis* the increase in the length of lines during the 7th Five-Year Plan are shown below:

	1985-86	1986-87	1987-88	1988-89	1989-90
(i) Length of lines at the end of the year (km.)					
(a) EGT/HT lines	3,134	3,388	3,597	3,744	3,985
(b) LT lines	2,420	2,739	3,061	3,271	3,536
Total	5,554	6,127	6,658	7,015	7,521
(ii) Units sold during the year (in MKWH)	65.34	70.93	92.41	107.44	128.10

		1985-86	1986-87	1987-88	1988-89	1989-90
(iii)	Total charges					
	(a) Total revenue expenditure excluding interest (Rupees in lakhs)	664.5	915	1,050.9	1,574.8	2,192.4
	(b) Revenue expenditure per km. of lines (Rupees in lakhs)	0.1196	0.1493	0.1578	0.2245	0.2915
	(c) Revenue expenditure per KWH sold (in paise)	101	129	113	146	171
(iv)	Revenue earned during the year					
	(a) Total (Rupees in lakhs)	334.4	370	412	577.1	642.6
	(b) Revenue earned per km. of line (Rupees in lakhs)	0.06	0.06	0.06	0.08	0.08
	(c) Revenue per KWH sold (in paise)	49.8	51	48.2	47.8	48

It would be seen from the above that there is a large gap between the expenditure incurred in operation and maintenance of per km. of line and Revenue earned against that. No study was made to identify the deficient areas.

The establishment cost for 1988-89 (Rs. 5.550 crores) was increased by 80 *per cent* over 1987-88 (Rs. 3.079 crores). This increase was 115 *per cent* in 1989-90 (Rs. 6.621 crores). The normal operation and maintenance cost in 1989-90 (Rs. 6.048 crores) also showed an increase of more than 72 *per cent* over that of 1988-89 (Rs. 3.507 crores).

7.9.7 *Slow progress in the construction of sub-station transmission line*

Augmentation of different sub-stations was taken up during the 7th plan with a targeted date of completion keeping in view future load demand and better stability of the system.

It has, however, noticed that the following 7 works which were taken up 3 to 4 years back were still in progress (September 1990) except one work and considerable amount (Rs. 150.56 lakhs) had already been invested without any result:

Brief description	Estimated cost	Scheduled date of completion	Present position of the work	Up-to-date amount spent
	(In lakhs of rupees)			(In lakhs of rupees)
1. Construction of 132/33 KV sub-station at Ambassa	27.20	March 1983	Completed in June	75.61 (June 1989)
2. Augmentation of 33/11 KV sub-stations at Teliamura, Khowai and Kailasahar	—	January 1987	In progress	8.39 (August 1987)

	Brief description	Estimated cost	Scheduled date of completion	Present position of the work	Up-to-date amount spent
		(In lakhs of rupees)			(In lakhs of rupees)
3.	Augmentation of 33/11 KV sub-station at Amarpur Belonia, Melagarh and Bishalgarh	18.38	January 1987	In progress	16.26 (upto Sept. 1987)
4.	Augmentation of 66 KV sub-station at Udaipur	13.40	April 1987	In progress	15.02 (upto Dec. 1987)
5.	Erection and commissioning of 66 KV transmission line from Rokhia to Sonamura	37.06	September 1987	In progress	18.74 (upto March 1988)
6.	Augmentation of 66 KV sub-station at Bagafa	7.5	December 1987	In progress	14.49 (upto March 1990)
7.	Construction of 132 KV S/C transmission line from Agartala to Kumarghat	147.468	March 1989	In progress	74.66 (March 1990)

The delay in completion of the works was mainly due to:

(i) procedural delays, delay in finalisation of layout, plan drawings, site etc.,

(ii) delay in carrying out survey work, civil work etc.,

(iii) lack of interest by agencies in installation work after supply of the equipments,

(iv) lack of co-ordination between the manufacturers, agencies and the department and delay in supply of materials.

Some cases of delay at various stages and arrangement, extra expenditure are discussed in the following paragraphs:

7.9.7.1 *Construction of 132 KV single circuit transmission line*

Seventh Five-Year Plan envisaged construction of a 100 km. long 132 KV single circuit transmission line from Agartala to Kumarghat via Khowai and Kamalpur for import of power from Assam State Electricity Board (ASEB) and Central Sector establishment North East Power Project Corporation (NEPCO) through North Eastern Grid. Although the scheduled date for completion of work was March 1989, the survey profile was completed only in February 1989 and 75 *per cent* of the erection of towers was done till March 1990. Rs. 211.46 lakhs have been spent (March 1990) against the estimated cost of Rs. 211.77 lakhs.

The reasons for delay in completion of work was attributed (July 1990) by the department to the non-availability of cement, MS rod and failure of survey contractor.

7.9.7.2 In response to notice inviting tenders (November 1986) for purchase of 350 Km. of Aluminium Conductor Steel Reinforce (ACSR) for the above work, 14 parties submitted (January 1987) tenders out of which nine were formal and rest five informal. Out of nine formal tenders, four firms had offered price with price variation clause on raw materials (aluminium and GI wire component) while the other five firms quoted firm price. A Muzaffarpur based firm quoted the lowest rate of Rs. 89.99 lakhs with price-variation clause while the second lowest tenderer was a Patna based firm quoting a firm rates amounting to Rs. 94.05 lakhs.

The Department could not finalise the tender till April 1987 when the validity of the tenders expired. However, in May 1987 the department asked the tenderers to extend the validity of their offers up to July 1987. While extending their offers, the tenderers made their originally quoted firm rates variable, depending upon the statutory increase in prices of aluminium beyond March 1987.

At the instance of Supply Advisory Board (June 1987) the work was distributed (July 1987) equally among the first and second lowest tenders at the rate of Rs. 49.89 lakhs each. Total payment of Rs. 99.84 lakhs was made between May and December 1988.

Thus, as a result of delay (five months) in taking decision on the tenders the Department had to incur an avoidable expenditure of Rs. 9.85 lakhs. The Department, while admitting the fact, stated (July 1990) that the delay was due to observance of standing purchase procedures. The reply was not tenable since the prescribed time limit for finalising a tender was only ninety days.

7.9.7.3 *Augmentation of 66 KV sub-station at Bagafa*

With a view to evacuating more power, 7th Five-Year Plan envisaged addition of 1×3 MVA, 66/33 KV transformer with existing 1×4 MVA, 66/33 KV transformer and by shifting the same from Udaipur 66 KV sub-station to Bagafa. The work was awarded (June 1987) to a Calcutta based firm at a cost of Rs. 10.23 lakhs.

The work was scheduled to start in July 1987 and to be completed in December 1987. However, the work commenced only in November 1987 and was in progress as at the end of July 1990. Although it was decided (May 1987) that details of foundation and structure were to be provided by the Department before hand, the layout of the sub-station was submitted (September 1987) by the firm and was approved (April 1988) by the Department. Also some changes in the technical specification (C. Tratios and control panel) were effected (November 1987). The 3 MVA, 66/33 KV transformer was disconnected from the circuit in Udaipur sub-station for its reinstallation at Bagafa in March 1988 but could not be reinstalled till date of audit (July 1990) as it met with an accident during shifting (September 1988) and want out of order. The Divisional Officer stated in August 1990 that the matter had been taken up with the contractor and it was expected that the work would be completed in three months time. But this had not been completed so far (May 1991).

Reasons for delay (3 years) in completion of the work were attributed (June 1989 and February 1990) by the Department to non-engagement of engineers and supervisory staff at site by the firm as required under agreement. Penalty recoverable from the firm due to non-enforcement of agreemental clause amounted to Rs. 0.72 lakh (July 1990). The Department stated in August 1990 that the amount would be recovered but no information about actual recovery had been furnished (May 1991).

7.9.7.4 *Supply,erection and commissioning of 33/11 KV, 2×1.6 MVA sub-station at Kumarghat*

With a view to ensuring steady power supply at newly developing industrial area of Manu barrage at 82 miles and also in the feeder under Kanchanpur and Vangmoon areas of North Tripura District, 7th Five-Year Plan envisaged supply, erection and commissioning of a 33/11 KV, 2×1.6 MVA sub-station at Kumarghat at an estimated cost of Rs. 17.12 lakhs.

The work was awarded (August 1987) to a Calcutta based firm at a cost of Rs. 17.74 lakhs. The work was scheduled to start in August 1987 and to be completed in December 1988. The work was, however, commenced only in January 1989 and was in progress as at the end of July 1990.

It is, however, noticed that till April 1990 no clear site for erection of 11 KV out going feeder and a filteration plant, required for energisation of transformers, was made abailable by the Department to the firm. Meanwhile, an amount of Rs. 16.83 lakhs had been paid to the firm (March 1990).

Thus, delay (3 years) in handing over a clear site, resulted in delay in completion of work and an expenditure of Rs. 16.83 lakhs (upto March 1990) remained unproductive as it failed to give any relief to the consumers of low voltage zone at Manu barrage, Kanchanpur and Vangmoon areas.

7.9.7.5 *Extra expenditure due to lack of control over issue of materials to contractor*

The work of "erection and commissioning of 66 KV transmission line from Rokhia to Sonamura" was awarded to a contractor for a total sum of Rs. 44.93 lakhs (19.5 *per cent* above the estimated cost of Rs. 37.60 lakhs) in March 1986 with the stipulated date of completion of 18 months (September 1987). The contractor executed work worth Rs. 18.80 lakhs till March 1988 and left the work.

The contractor had been issued stores materials such as cement, MS rod etc., worth Rs. 4.25 lakhs between September 1986 and March 1988. Of these, materials worth Rs. 2.08 lakhs only were utilised by the contractor in the work. The contract was rescinded owing to failure of the contractor to complete the work. The balance materials worth Rs. 2.17 lakhs which were not utilised in the work were not returned by the contractor. The final bill was prepared in June 1990 showing an amount of Rs. 4.21 lakhs recoverable from the contractor on account of unused materials calculated at double the issue rate (except one item *viz.,* stub setting template). The amount had not yet been recovered from the contractor. A sum of Rs. 0.92 lakh only was available in the deposit of the contractor.

It was noticed in audit that materials were issued to the contractor far in excess of immediate requirement, 3,3997 tonnes of Mild Steel was issued to the contractor between September 1987 to January 1988 though the contractor used only 15.634 tonnes till March 1988. 100 bags of cement was issued to the contractor even in January 1989 though the contractor had stopped work in March 1988. Out of 68 sets of stub and cleat were issued till May 1987 only 40 sets were used, but no attempt was made to get the balance returned before payment of the 7th R.A. bill in March 1988.

A part of the balance work (estimated cost: Rs. 14.31 lakhs) was allotted in December 1989 to another firm at 87.38 *per cent* above the estimated cost after calling for tender in September 1989. The extra cost involved works out to Rs. 9.71 lakhs, under the provision of the agreement the amount was recoverable from the first contractor (contractor 'A'). But no arrangement had been made to recover the amount.

It was noticed that Contractor 'A' was never keen in completing the work in due time and the department had earlier rescinded the contract once in October 1987, but revoked the order of rescision in

January 1988. But no appreciable improvement in the pace of the work was observed.

Thus, injudicious delay in taken a firm step in this regard led to inordinate delay in getting the work done and consequent extra cost of Rs. 13.92 lakhs (9.71 + 4.21)

7.9.7.6 One 3 MVA transformer installed in January 1983 at Udaipur sub-station, developed a series of defects immediately after its installation. The Divisional Officer, Electrical Division No. IV, Udaipur accepted (January 1983) the installation provisionally. Again in April 1984, the transformer develop some major faults necessitating its lifting to the suppliers works at Naini. The transformer was finally commissioned in February 1986, and an amount of Rs. 0.64 lakh (transformer oil: Rs. 0.56 lakh and transportation cost: Rs. 0.08 lakh) was paid (January 1987) to the firm.

As per warranty clause of the agreement the firm was required to replace/repair at their cost any defective workmanship/materials that may need replacement/repair within twelve months from the date of commissioning. The final commissioning of the transformer was done in February 1986 and the guarantee period was extended upto February 1987.

Thus, payment of Rs. 0.64 lakh made beyond the scope of the agreement resulted in an undue favour to the contractor.

7.9.7.7 *Election and commissioning of 66 KV transmission line from Badharghat to Rokhia*

The above work was awarded (March 1986) to a Calcutta based firm at a cost of Rs. 58.07 lakhs. The work was commenced in March 1986 and was scheduled for completion in September 1987. As at the end of June 1990 the work was in progress and the expenditure incurred upto March 1990 was Rs. 60.73 lakhs.

Delay in completion of the work was attributed (February 1990) mainly to way leave and route clearances, non-availability of forest clearances, non-supply of line hardware fittings and accessories.

7.9.8 *Idle outlay*

In order to evacuate more power and cater to the increasing load of Sonamura its adjoining areas, Seventh Plan envisaged construction of a 66 KV line from Badharghat to Sonamura via Rokhia Gas Thermal Project and construction of a 1×6.3 MVA, 66/11 KV sub-station Sonamura. The work relating to supply of electrical materials for erection and commissioning of a 66 KV sub-station at Sonamura was awarded in February 1986 to a Calcutta based firm at Rs. 51.42 lakhs. The work was actually completed at a cost of Rs. 67.47 lakhs in August 1988.

However, the work of laying line was started in March 1986 and was to be completed in September 1987. At the end of Seventh Plan, only 24 kilometers of line (against a target of 48 kilometers length) work was completed at a cost of Rs. 18.80 lakhs.

Thus, as the construction of sub-station work was not synchronised with the line work, the investment of Rs. 67.47 lakhs made in the sub-station construction had remained unproductive for over two years (September 1990) and would continue to remain so till the line work (24 Km) is completed due to lack of proper planning and control over execution of work.

7.9.9 *System losses*

Transmission at power over long distances generally involves some loss of energy at every stage, due to resistance and reactive losses in the long transmission and distribution lines.

The *percentage* of transmission and distribution loss of power to the total power available for sale during the last five years ended upto 1989-90 were 30.5 *per cent,* 29.5 *per cent,* 29 *per cent,* 28.5 *per cent* and 30 *per cent* respectively, and the loss of revenue due to loss of power in excess of the 15 *per cent* prescribed by the Central Water and Power Commission (April 1967) for the 5 years upto 1989-90 was Rs. 4.64 crores.

A mention was made in this regard in para 7.5.10 of the Comptroller & Auditor General's report for 1986-87. However, a further analysis of the factors leading to line losses disclosed the following:

(i) The increasing losses were mainly due to the slow progress in transmission works. As against a Seventh Plan target of 344 Kms for new transmission and distribution lines during 1985-86 to 1989-90, the progress achieved was only 170 Kms (50 *per cent*). Similarly, as against a proportionate target of 120.86 MVA capacity sub-station for the same period, the achievement was 53.96 MVA (55.35 *per cent*). The slow progress was attributed to inadequacy of funds, contractors' failure etc.

(ii) The details of the number of units handled by the system in the last three years of the plan as compared to the capacity of the transformers, the number of sub-stations and the length of the distribution lines are indicated below:

	1987-88	Percentage growth	1988-89	Percentage growth	1989-90	Percentage growth
1. Total units handled (MKWH)	130.16	(29.37)	150.27	(15.45)	183	(21.78)
2. Capacity of the transformer (MVA)	56.81	(0.06)	64.87	(0.07)	89.52	(38)
3. Sub-stations (Nos.)	1559	(9.79)	1662	(6.60)	1786	(7.46)
4. Lines (Km)	6658	(8.67)	70.5	(5.36)	7521	(7.21)

From the above details, it may be observed that expansion of the capacity of transformers and the length of the transmission and distribution lines was not commensurate with the growth rate of the units handled by the system. This seems to have been the main reason for the high percentage of the line loss.

(iii) No meters were fixed to detect the energy losses at each stage of distribution. The losses were taken as the difference between the power purchased/generated and power billed.

(iv) In most of the sub-stations, metering arrangements were not available to compute the transmission losses but even where they were available, records were not maintained properly.

(v) Theft and pilferage of energy, long length of lines, low density of consumers and low load factors were some of the reasons attributed by the Department to the higher line loss.

7.9.10 *Transformers*

Transformers form an important link between power generation and transmission system on one hand and between transmission system and distribution system on the other hand. Construction of power transmission and distribution lines over long distances from generating stations to load centres necessarily involves use of transformer for stepping up and stepping down voltages.

None of the six Divisions test checked have maintained the following records in respect of transformers.

(i) Records regarding the date of actual commissioning of both power and distribution transformers and their location,

(ii) Records regarding performance of transformers,

(iii) Records showing the period for which the transformer were lying idle and reasons for not sending them for repairs,

(iv) Records of damaged and unserviceable transformer lying in hand, and

(v) Movement of damaged transformer.

7.9.11 *Organisation and Manpower*

Mention was made in para 7.5.13 of the Report of the Comptroller and Auditor General of India for the year 1986-87 about disproportionate employment of staff to the actual requirement. The growth of staff in relation to the functional growth of the Department is indicated below:

	1985-86	1986-87	1987-88	1988-89	1989-90
(i) Number of employees	3,880	4,000	4,700	5,000	5,020
(ii) Number of consumers	59,402	66,386	72,400	77,453	84,953
(iii) Electricity sold (MKWH)	65.34	70.93	92.41	107.44	128.10
(iv) Length of Lines (Km)	5,554	6,127	6,658	7,015	7,521
(v) Gross Revenue (Rs. in lakhs)	334.4	370	412	577.1	658.4
(vi) Total Revenue expenditure (Rs. in lakhs)	664.5	915	1,050.9	1,574.8	2,192.4
(vii) Number of Consumer per employee	15.30	16.60	15.40	15.49	16.92
(viii) Number of Km. of lines per consumer	0.60	1.53	1.41	1.40	1.50
(ix) Gross Revenue per employee (Rupees)	8,618.55	9,250	8,765.95	11,542	13,115.53
(x) Gross expenditure per employee (Rupees)	17,126.20	22,875	22,359.57	31,496	43,673.30

On the basis of the average number of 25 employees per hundred circuit kilometres of transmission and distribution lines as adopted in major Electricity Boards, the staff requirement of the Power Department of Tripura for 1989-90 works out to 1,880 as against 5,020 actually employed representing an excess deployment of about 167 *per cent*. The gross expenditure per employee increased by 155 *per cent* as at the end of 1989-90 while the increase in gross revenue per employee for the same period was only 52 *per cent*. The number of employees employed for distribution of per MKWH of power was 39. Idle wages in excess staff worked out to Rs. 137.13 lakhs during 1989-90.

7.9.12 *Other topics of interest*

7.9.12.1 *Defective equipment*

In order to facilitate efficient communication, management and data transmission on 66 KV power transmission system between Udaipur and Manubazar via Bogafa, an work order was issued (June 1985) to a Madras based firm for supply, erection, testing and commissioning of Power Line Carrier Communication (PLCC) on the above line at a cost of Rs. 7.75 lakhs. The work was scheduled (June 1985) to be completed in December 1985. As at the end of July 1990, the work had not been completed and the firm was paid Rs. 6.43 lakhs (February-November 1986).

It was, however, noticed that equipment (cost: Rs. 6.97 lakhs) developed some faults since its installation (November 1987) and remained (July 1990) out of order. In January 1990, some parts (line grounding equipment, SETR etc.) of the equipment were, however, reported to have not been installed at all in the PLCC system. The guarantee period (18 months from the date of supply or 12 months from the date of commissioning) of the equipment had expired in November 1988. The firm also expressed (January 1990) their inability to do the repair work till their balance due is paid to them. Balance amount (Rs. 1.32 lakhs) had not been paid (July 1990).

Thus, purchase of a defective and incomplete equipment not only blocked Rs. 6.43 lakhs unproductively for almost 3 years but also affected the PLCC network of the State.

7.9.12.2 *Theft of tower member*

It was noticed that work relating to the construction of 66 KV transmission line from Udaipur to Manubazar via Bogafa was awarded to a local firm at a cost of Rs. 25.75 lakhs in November 1981. Although agreemental provision required that the contractor would be responsible for loss of materials at any stage during the construction, no recovery was effected till date (July 1990) for the materials (tower member) worth Rs. 1.63 lakhs which were found to have been stolen between July 1983 and October 1985).

The final bill submitted (November 1986) by the contractor was awaiting (July 1990) finalisation and amount of Rs. 0.70 lakh (Rs. 0.50 lakh as security deposit and Rs. 0.20 lakh as billed amount) was only available with the division for adjustment. Reasons for not adjusting (Rs. 1.63 lakhs) at an earlier stage were not on record.

It was also noticed that tower member worth Rs. 6.71 lakhs were stolen during the period April 1985 to March 1990 for which although F.I.Rs. were lodged with the Police authority from time to time, the matter had neither been effectively persued nor recovery had been made (July 1990). Departmental pursuation to effect the recovery was found to be not sufficient. No vigilance squad had also been formed by the department to check the number of thefts till date of audit (July 1990).

7.9.12.3 *Loss of materials*

At the request (July 1983) of the Oil and Natural Gas Commission (ONGC) authority, Badharghat, the power supply connection was disconnected from their Rokhia unit by the electrical Division No. VIII, Bishalgarh but the materials at site (Rs. 0.91 lakh) were not dismantled and shifted, which were subsequently (March 1985) found to have been stolen. The Power Department preferred (April 1985) a claim for Rs. 1.25 lakhs with the ONGC authority for the value of the materials stolen. No recovery had been made (June 1990).

7.9.12.4 *Construction of 132 KV single circuit transmission line from Agartala to Kumarghat via Khowai and Kamalpur*

An agreement was executed with a Calcutta based firm in October 1986 for construction of the above mentioned transmission line. The agreement provided that the line would be drawn over 225 A Type towers, 75 B Type towers and 40 C Type towers. The tower members were to be supplied by the firm by the end of April 1987 for which payment would be made at the rate of Rs. 13,387 per metric tonne. Accordingly, the firm supplied 1,023.306 MT of tower members till June 1990 for which a total sum of Rs. 136.99 lakhs was paid to the firm.

It was noticed in Audit (July 1990) that the assessment of the number of towers required for stringing the line had not been based on actual survey nor was the alignment of the line fixed before execution of the agreement.

Actual survey of the alignment was completed by the same firm as an item of the same agreement only in February 1989 and the requirement of towers was found as follows:

A Type	163
B Type	122
C Type	42

As a result, out of 339.235 M.T. of tower members received for A Type towers 30.024 M.T. valued Rs. 4.02 lakhs was rendered surplus.

In May 1989 the Department assessed the cost of conversion of the members to suit the requirement of Type B towers by refabrication and regalvanisation at Rs. 2.22 lakhs (at the rate of Rs. 7,400 per tonne quoted by the same contractor).

Thus, as a result of lack of Project Planning and purchase of tower members before completion of survey, the department had to incur an extra expenditure of Rs. 2.22 lakhs.

7.9.12.5 *Purchase of PCC poles*

With a view to meeting up the high demand of PCC poles in different places of West District and South District during 1986-87, the Department entered (September 1986) into an agreement with an Agartala based firm for supply of 2,500 poles of 8 metre length at Rs. 418 each and 2,500 poles of 9.5 metre length at Rs. 554 each and two Udaipur based firms for 500 poles of 7.5 metre length, 2,000 poles of each of 8 metre and 9.5 metre length at Rs. 272, Rs. 380 and Rs. 496 each respectively at a cost of Rs. 48.36 lakhs. The supply was to be completed by March 1987.

Till December 1986, the Agartala based firm supplied 2,943 poles of 8 metre length and 261 poles of 9.5 metre length while the two Udaipur based firms supplied 1,756 poles of 8 metre length only. It was, however, noticed that during January 1987, at the request of the firm, the Supply Advisory Board, the highest purchase committee of the Government, ordered for premature closure of the above agreements and execution of fresh agreements with the above three firms at revised rates on the ground of increase in prices of cement and that the above three firms were S.S.I. Units. Agreements were executed (January 1987) afresh with the above 3 firms (1 Agartala based and 2 Udaipur based) at revised enhanced rates (Agartala based firm: Rs. 550 each for 8 metre long poles and Rs. 733 each for poles of 9.5 metre length; Udaipur based firm: Rs. 437, Rs. 564 and Rs. 750 each for poles of 7.5 metres, 8 metres and 9.5 metres length respectively.

The agreemental clauses provided imposition of penalty for delay in executing the supply (maximum 10 *per cent* of the estimated cost) and empower the Divisional Officer to cancel the agreement at the risk and cost of the contractor. But this was not enforced.

The Department's contention that the above three firms were small service institute registered units requiring the Department to make good any loss that might arise in the process of execution of work was neither covered by the agreements for it was a recognised commercial principle of the Government to protect such units from any loss.

The Government while admitting the loss (Rs. 14.39 lakhs) due to premature closure of agreements and allowing revised enhanced rates requested (February 1987) the Finance Department to initiate the write-off proposal. The Finance Department, however, treated (February 1987) the amount (Rs. 13.39 lakhs) as avoidable expenditure.

7.9.13 *Maintenance of accounts and records*

The Department had compiled *proforma* accounts for the year ending 1985-86. The basic records like Register of works, contractor's ledger, works abstract have not been maintained in any of the Divisions (6) test checked. Materials at site accounts were in heavy arrears in almost all the Sub-Divisions and Divisions.

7.9.14 *Monitoring and evaluation*

There exists no arrangements to collect, compile, process monitor and evaluate the data/information regarding progress of the works undertaken, performance of transmission and distribution lines, sub-station and transformers. Periodical reports showing the progress of works were also not available with the Divisional Officers. No system for submission of any periodical returns by the field offices to the apex authority also exists. As a result, substantial differences in cost, non-utilisation of funds, non-fulfilment of physical targets remained undetected and unattended.

The above matters were reported to Government in December 1990; their replies had not been received (July 1991).

7.10 Short realisation of revenue due to erroneous billing and irregular allowances of rebate

(i) According to the provisions of the Tripura Electric Supply Conditions 1985 when a meter of a particular consumer is found defective and remains inoperative for a particular period the electricity consumption bill for the period shall be prepared on the basis of average consumption of electricity during the preceding three months.

During the course of test check of records in January 1990 of the Electrical Sub-Division (consumer) Bordowali, Agartala it was noticed that in respect of a consumer whose meter was found defective on 28th February 1986 bills for the period from 1.3.86 to 28.2.1989 were preferred at minimum monthly rate for the minimum units on the basis of connected load instead of at the average consumption of the preceding three months. As a result, a short demand for sum of Rs. 0.76 lakh was made during the 36 months resulting in loss of revenue on short realisation to that extent.

(ii) In terms of clause 17(c) of the Tripura Electric Supply Conditions 1985 no rebate was admissible if the bill for energy consumed was not paid within the prescribed date.

It was, however, noticed that rebate was allowed by the same Electrical Sub-Division to 17 consumers for energy consumption between August 1988 and December 1989 though the payment was not made within the stipulated period. The unauthorised allowance of rebate resulted in loss of revenue of Rs. 0.51 lakh.

(iii) It was noticed (July 1990) in Audit that in the case of a consumer (Irrigation and Water Works) pertaining to Sub-Divisional Officer (Electrical), Teliamura an energy bill for 10 months from May 1989 to February 1990 was preferred for 22,566 units taking 80 units per day for 233 days and 80.12 units per day for 49 days without any basis and revenue of Rs. 7,968 was realised. The monthly average energy consumption during preceding 5 months (December 1988 to April 1989) was 15,180 units which was not considered, resulting in loss of revenue of Rs. 0.45 lakh due to under billing.

(iv) It was noticed (June 1990) in Audit of the records of the Sub-Divisional Officer (Electrical) Kailasahar that the two energy meters of consumer 'A' and 'B' were found stopped from 30th August 1989 and 6th October 1988 respectively. Energy bills for the period from 30th August 1989 to 8th May 1990 (consumer 'A') and from 6th October 1988 to 30th March 1990 (consumer 'B') were preferred considering monthly average consumption as 8,411 Kwh and 3,000 Kwh respectively. The actual average monthly consumption according to the three bills preceding immediately were 12,315 Kwh and 6,111.11 Kwh respectively. The erroneous computation has, thus, resulted in short billing of energy charges amounting to Rs. 0.43 lakh.

The Department stated in April 1991 that supplementary bills had been sent to consumer 'A' and consumer 'B'. But the amounts were yet to be received.

The matter was reported to the Government in December 1990; their reply had not been received (July 1992).

7.11 Excess consumption of fuel

Mention was made in para 8.4.1(3) of the Report of the Comptroller and Auditor General of India for the year 1978-79 regarding wide variations in consumption of High Speed Diesel (HSD) oil for generation of power. Although the Department constituted (July 1982) a committee to investigate into the reasons for wide variations in consumption of HSD oil for generating per unit of energy at power stations and determine yardstick of consumption, no norm for consumption of fuel per unit of generation was fixed (March 1990) by the Department.

The Proforma Accounts of Tripura Electric Supply for the year 1984-85 showed that the fuel consumed per unit generated at 14 diesel power houses of the State varied from 0.36 litres in 1982-83 to 0.45 litres in 1984-85, as detailed below:

		1982-83	1983-84	1984-85
1.	No. of power houses	12	13	14
2.	(a) Installed capacity (in KW)	6,875	6,429	6,606
	(b) Energy generation capacity (in MKWH)	60.23	57.37	57.87
3.	Gross energy actually generated (in MKWH)	1.77	1.44	1.99
4.	Fuel consumed (in lakh litres)	5.29	4.97	6.36
5.	Fuel consumed per unit generated (in litre)	0.36	0.42	0.45

The actual consumption of oil was much in excess of the norm of 0.25 litre of High Speed Diesel (HSD) oil per unit of generation fixed (December 1973) by the West Bengal State Electricity Board followed in the State. Cost of oil consumed in excess of norms during the three years i.e., 1982-83 to 1984-85 amounted to Rs. 11.95 lakhs. Proforma Accounts beyond 1984-85 have not been compiled (March 1990).

An analysis of fuel consumption in the 14 power houses during 3 years ending 1984-85 also revealed that there were wide fluctuations from power house to power house ranging from 0.10 to 0.95 litres per unit of generation. Reasons for excess consumption of oil as well as wide fluctuations in the rate of consumption from year to year and from power house to power house were not on records.

The matter was reported to the Government in February 1990. The Government stated in December 1990 that comparative study with reference to Diesel sets of West Bengal was not a technically acceptable proposition since characteristic varies setwise and attributed reasons for high consumption of fuel mainly to the installation of most of the sets in pre 1960 period and sets other than of Agartala could not be stabilised in load as they were put to use casually.

But the reasons for wide fluctuation in the rate of consumption from year to year and from power house to power house could not be furnished with justification.

7.12 Erroneous computation of energy consumption

A particular type of panel meter installed in a factory under Kumarghat Electrical Sub-Division records one-tenth of energy (in KWH) actually consumed from two sources, *viz.,* supplied by the Electrical Department and generated by the factory own generator. In addition, the factory installed another meter which records actual consumption (KWH) of energy generated and consumed through its own generator only. In order to arrive at actual consumption of energy supplied by the Department, the units recorded in the departmental panel meter is first multiplied by ten and then recorded units of the factory's own meter is deducted.

But it was noticed in Audit in June 1990 that while preparing the bill in respect of the factory for the month of June 1988 the Department first deducted the units recorded in meter owned by the factory from those recorded in the departmental panel meter and then the difference was multiplied by ten. This resulted in less realisation of revenue of Rs. 0.84 lakh.

While admitting the wrong calculation, the Chief Engineer (Electrical) stated in April 1991 that according to an investigation of the case, present meter reading of the "panel meter" as computed earlier is found wrong. The same has since been rectified and a supplementary bill for the short realisation of Rs. 0.20 lakh raised. Collection of the amount was awaited (May 1991). It has, however, not been explained how the meter reading of June 1988 as recorded earlier was subsequently found incorreect at a distant date and that too after replacement of the old meter by a new one in September 1988.

The matter was reported to Government in December 1990; their reply had not been received (July 1992).

TRIPURA ROAD TRANSPORT CORPORATION

7.13 Extra expenditure

In response to notice inviting tenders (November 1985) for fabrication (to be completed within 90 days) of all aluminium district type bus bodies on thirty chassis, 12 firms (8 Calcutta based, 3 Jamshedpur based and 1 Guwahati based) offered rates (January 1986) ranging between Rs. 1.05 lakhs and Rs. 1.50 lakhs per body. The purchase committee short listed (February 1986) 8 firms on the basis of rates upto Rs. 1.30 lakhs per body. A sub-committee visited (February 1986) the workshops of five Calcutta based firms (the lowest, the 2nd, 4th, 6th and 7th lowest tenderers) and found that the firms were not adequately equipped to fabricate more than 10 Bus bodies at a time.

The purchase committee rejected two Jamshedpur based firms (3rd lowest and 5th lowest) on the ground that the past performance of one firm (3rd lowest) in fabricating steel bodies in 1982-83 was not satisfactory and the other firm 5th lowest) did not adhere to delivery schedule in the past. The committee accepted (March 1986) the rate (Rs. 1.30 lakhs per body) quoted by a Jamshedpur based firm 'A' (8th lowest) considering that the fabrication of bus bodies of the firm in 1982-83 was satisfactory. Accordingly, work order was issued in April 1986.

During audit (January 1989) it was noticed that while quoting (January 1986) rates (Rs. 1.30 lakhs per body), firm 'A' (8th lowest) had stated (January 1986) that they would deliver only 10 buses per month but they actually delivered between February and May 1987, 10 buses after two months from the date of receipt of chassis, 5 buses after three months, 8 buses after four months and 7 buses after more than four months of the receipt of the chassis.

Thus, rejection of the tenders of Calcutta based firms, particularly the 2nd lowest (firm 'B') Rs. 1.09 lakhs per body, on the ground of their incapability in fabricating more than 10 Bus bodies at a time was not justified and selection of a firm (firm 'A': 8th lowest) quoting higher rate of Rs. 1.30 lakhs per body in preference to another (firm 'B': 2nd lowest) having identical capacity which had quoted a lower rate Rs. 1.09 lakhs per body resulted in extra expenditure of Rs. 6.30 lakhs. Even if the offer of the 3rd lowest a Jamshedpur based firm (whose rejection was without any valid reasons) was accepted the Corporation could have avoided extra expenditure of Rs. 6 lakhs $(1.30–1.10\times30)$.

Further, as per terms of the agreement the fabricated body built buses were to be delivered by the firm within clear 90 days from the date of receipt of chassis. Of the 15 chassis received by the firm for fabrication on 27th January 1987, 8 numbers were delivered on 25th May 1987 and 7 numbers on 28th May 1987, as against delivery date on 26th April 1987, i.e. after a delay of 28 days for 8 buses and 31 days for 7 buses, respectively. Although the firm was liable to pay penalty of Rs. 0.66 lakhs (Rs. 150×441 bus days) as per terms of the agreement, no penalty was levied by the Corporation.

Marak

(J. M. R. MARAK)
Accountant General (Audit)
Tripura

AGARTALA,
The 23 JUL 1993

Countersigned

(C. G. SOMIAH)
Comptroller and Auditor General
of India

NEW DELHI,
The 10 AUG 1993

APPENDICES

APPENDIX 1

(*Reference:* Paragraph 2.2.03 at page 16)

Excess over provision requiring regularisation

Sl. No.	Number and name of the grant/appropriation	Total grant/ appropriation Rs.	Expenditure Rs.	Excess Rs.
	Revenue Section (Voted Grants)			
1.	14—Public Works Department	39,42,23,000	40,36,05,444	93,82,444
2.	18—Irrigation and Flood Control Department (Revenue)	18,95,45,000	20,48,18,340	1,52,73,340
3.	24—Information, Cultural Affairs and Tourism	2,73,22,000	2,82,13,057	8,91,057
4.	35—Agriculture Department	18,56,46,000	19,31,04,359	74,58,359
	Capital Section (Voted Grants)			
5.	15—Public Works Department (Building)	5,63,27,000	7,69,39,660	2,00,12,660
6.	16—Public Works Department (Roads and Bridges)	24,19,83,000	29,99,57,588	5,79,74,588
7.	17—Electricity	32,98,00,000	34,44,22,261	1,46,22,261
8.	19—Irrigation and Flood Control Department (Capital)	16,53,05,000	17,71,12,254	1,18,07,254
	Revenue Section (*Charged* Appropriation)			
9.	1—Department of Parliamentary Affairs	*2,88,000*	*3,18,917*	*30,917*
10.	3—Law Department	*21,71,000*	*21,93,640*	*22,640*
	Capital Section (*Charged* Appropriation)			
11.	46—Finance Department	*13,06,43,000*	*87,71,49,484*	*74,65,06,484*
	Grand Total:	172,32,53,000	260,78,35,004	88,45,82,004

APPENDIX 2

(*Reference*: Paragraph 2.2.09 at page 22-23)

Injudicious re-appropriation of funds

Sl. No.	Number and name of grant and head of account	Provision Original (O) Supplementary (S)	Re-appropriation	Total grant	Actual expenditure	Excess (+) Savings (–)
1	2	3	4	5	6	7
1.	5—Revenue Department—Social and Community Services					
	2245—Relief on Account of Natural Calamities					
	02—Flood/Cyclones					
	101—Gratuitious Relief Cash Doles	O— 150.00	(–)74.70	75.30	37.87	(–)37.43
2.	6—Revenue Department Administrative Services					
	(i) 2053—District Administration	O— 134.07				
	094—Other Expenditure	S— 12.87	1.54	148.48	99.39	(–)49.09
	(ii) 093—District Establishment	O— 127.74 S— 7.67	(–)1.54	133.87	166.78	(+)32.91
3.	11—Home (Political) Department					
	2055—Police					
	107—Home Guards—Home Guards Organisation	O— 384.82	(–)36.82	348.00	322.61	(–)25.39

4. 14—Public Works Department					
(i) 2059—Public Works					
80—General					
001—Direction and Administration	O— 1,107.59 S— 1.54	12.86	1,121.99	1,182.71	(+)60.72
(ii) 3054—Roads and Buildings —Rural Roads	O— 181.51 S— 1.30	71.73	254.54	341.53	(+)86.99
(iii) 2059—Public Works					
052—Machinery and equipment	O— 13.20	(–)8.20	5.00	(–)41.82	(–)46.82
(iv) 799—Suspense	O— 1,925.00	(–)138.21	1,786.79	1,514.48	(–)272.31
5. 16—Public Works Department (Roads and Bridges)					
(i) 4216—Capital Outlay on Housing					
01—Government Residential Buildings					
106—General Pool Accommodation—General Services	O— 65.00	(–)7.68	57.32	134.88	(+)77.56
(ii) 800—Other Expenditure—Provision for upgradation of standard of Administration as per award of 8th Finance Commission	O— 123.58	(–)6.58	117.00	145.86	(+)28.86
6. 17—Electricity					
2801—Power					
(i) 800—Other Expenditure (Gas Power)	O— 403.95	9.75	413.70	288.69	(–)125.01
(ii) 05—Transmission and Distribution	O— 412.56	7.19	593.30	452.21	(–)141.09
001—Direction and Administration	S— 173.55				
(iii) 01—Hydel Generation					
001—Direction and Administration	O— 55.48	2.52	58.00	235.40	(+)177.40
(iv) 04—Diesel/Gas Power Generation					
800—Other Expenditure (Diesel)	O— 28.40	(–)11.10	17.30	467.33	(+)450.03

APPENDIX 2 *(Contd.)*

(Reference: Paragraph 2.2.09 at page 22-23)

Injudicious re-appropriation of funds

Sl. No.	Number and name of grant and head of account	Provision Original (O) Supplementary (S)	Re-appropriation	Total grant	Actual expenditure	Excess (+) Savings (–)
1	2	3	4	5	6	7
7.	18—Irrigation and Flood Control Department					
	2215—Water Supply and Sanitation					
	01—Water Supply					
	(i) 102—Rural Water Supply Schemes	O— 21.88	(–)1.88	20.00	46.46	(+)26.46
	(ii) 2702—Minor Irrigation					
	01—Surface Water					
	102—Lift Irrigation Maintenance of completed schemes	O— 325.79	(–)2.00	323.79	437.39	(+)113.60
	(iii) 80—General					
	001—Direction and Administration	O— 194.93	6.76	201.69	236.51	(+)34.82
8.	19—Irrigation and Flood Control Department					
	4215—Capital Outlay on Water Supply and Sanitation					
	—Rural Water Supply Scheme (State Plan—M.N.P.) Works	O— 124.50	(–)4.50	120.00	—	(–)120.00

9. 20—Education (General)					
2202—General Education					
(i) 01—Elementary Education					
104—Inspection	O— 263.00	(–)66.29	196.71	147.22	(–)49.49
(ii) 02—Secondary Education					
109—Government Secondary Schools	O— 3,460.67	(–)471.56	2,989.11	3,278.61	(+)289.50
800—Other Expenditure— Government Secondary Schools (C.C.S.)	O— 104.23	(–)19.90	84.33	30.34	(–)53.99
(iv) 03—University					
102—Assistance to University	O— 85.15	10.64	95.79	66.00	(–)29.79
(v) 107—Scholarships	O— 69.75	9.00	78.75	52.80	(–)25.95
(vi) 2204—Sports and Youth Services					
101—Physical Education	O— 86.38	(–)7.44	78.94	46.55	(–)32.39
(vii) 2236—Nutritions					
02—Distribution of Nutritions Food and Beverages					
102—Mid-day-meals	O— 395.13	(–)5.65	389.48	214.19	(–)175.29
(viii) 2202—General Education					
01—Elementary Education					
106—Teachers and other Services— Government Primary Schools	O— 3,042.72 S— 33.64	389.03	3,465.39	3,109.48	(–)355.91
(ix) 02—Secondary Education					
110—Assistance to Non-Government Secondary Schools	O— 375.80	106.68	482.48	525.83	43.35
(x) 03—University					
103—Government Collages and Institutions	O— 345.36 S— 145.52	(–)16.93	473.95	499.45	25.50

APPENDIX 2 *(Contd.)*

(*Reference:* Paragraph 2.2.09 at page 22-23)

Injudicious re-appropriation of funds

Sl. No.	Number and name of grant and head of account	Provision Original (O) Supplementary (S)	Re-appropriation	Total grant	Actual expenditure	Excess (+) Savings (–)
1	2	3	4	5	6	7
10.	21—Education Department (Social)					
	2235—Social Security and Welfare					
	02—Social Welfare					
	102—Child Welfare— Services for children in need care and protection (C.S.S.)	O— 175.87	(–)30.40	145.47	117.43	(–)28.03
11.	22—Medical Department					
	2210—Medical and Public Health					
	03—Rural Health Services—Allopathy (i) 103—Primary Health Centres	O— 350.42 S— 17.48	33.85	401.75	320.22	(–)81.53
	(ii) 01—Urban Health Services Allopathy	O— 952.03				
	110—Hospital and Dispensaries	S— 159.51	(–)10.04	1,101.50	1,186.51	(+)85.01
12.	26—Tribal Welfare Department					
	2225—Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes					
	02—Welfare of Scheduled Tribes					
	102—Economic Development—Land Revenue	O— 81.07	(–)2.67	78.40	50.93	(–)27.47

13.	28—Food and Civil Supplies Department					
	(i) 2408—Food, Storage and Warehousing					
	01—Food	O— 166.40				
	001—Direction and Administration	S— 40.85	5.43	212.68	173.16	(–)39.52
	(ii) 4408—Capital Outlay on Food, Storage and Warehousing					
	01—Food					
	101—Procurement Supply Purchase of Food Grain from Central Pool	O— 4,700.00	(–)400.00	4,300.00	4,178.22	(–)121.78
	800—Other expenditure	O— 824.00	(–)405.78	418.22	12.47	(–)405.75
14.	30—Fisheries Department					
	2405—Fisheries					
	101—Inland Fisheries	O— 298.61	(–)7.76	299.85	199.39	(–)91.46
15.	31—Panchayat Department					
	2515—Other Rural Development Programme					
	101—Panchayat Raj	O— 616.30	21.09	595.21	520.27	(–)74.44
16.	34—Industries Department					
	(i) 4885—Other Capital Outlay on Industries and Minerals					
	01—Investments in Industrial Financial Institutions					
	200—Other Investments—Share Capital Contribution to Tripura Industrial Development Corporation	O— 500.00	(–)291.16	208.84	120.00	(–)88.84
	(ii) 6851—Loans for Village and Small Industries					
	102—Small Scale Industries	O— 15.00	16.50	31.50	1.15	(–)30.35

APPENDIX 2 *(Contd.)*

(*Reference:* Paragraph 2.2.09 at page 22-23)

Injudicious re-appropriation of funds

Sl. No.	Number and name of grant and head of account	Provision Original (O) Supplementary (S)	Re-appropriation	Total grant	Actual expenditure	Excess (+) Savings (–)
1	2	3	4	5	6	7
17.	35—Agriculture Department					
	2401—Crop Husbandry					
	(i) 001—Direction and Administration	O— 687.52 S— 53.06	46.10	786.68	959.65	(+)172.97
	(ii) 109—Extension and Farmers Training—Farmers training Education in H.Y.V. Programme	O— 81.90	38.74	120.64	168.24	(+)47.60
	(iii) 2408—Food, Storage and Warehousing					
	02—Storage and Warehousing					
	101—Rural Godown Programme	O— 70.00	42.00	112.00	180.03	(+)68.03
	(iv) 2552—North Eastern Areas Scheme for Joint Inputs Testing Laboratory	O— 15.00	(–)0.10	14.90	42.33	(+)27.43
	(v) 2401—Crop Husbandry					
	105—Manures and Fertilizers Scheme for distribution of Fertilizers and Manures	O— 185.00	(–)20.00	165.00	130.15	(–)34.85
	(vi) 4407—Capital Outlay on Crop Industry					
	113—Agricultural Engineering	O— 2.00	(–)2.00	—	52.44	(+)52.44
18.	37—Forest Department					
	2406—Forestry and Wild Life					
	01—Forestry					
	102—Social and Farm Forestry	O— 298.85	0.45	299.30	239.29	(–)60.01

19.	38—Rural Development Department						
	Community Development						
	2501—Special Programme for Rural Development						
	01—Integrated Rural Development Programme						
	101—Subsidy to District Rural Development Agencies Scheme for Development of Women and Children in Rural Areas (State Share)—Grants-in-Aid	O—	7.00	(–)7.00	—	92.73	(+)92.73
20.	39—Rural Development Department						
	(i) 2215—Water Supply and Sanitation						
	01—Water Supply						
	102—Rural Water Supply— Sinking of Tube-wells Execution (Rural Engineering Division Agartala)	O—	140.05	117.44	257.49	225.86	(–)31.63
	(ii) 102—Rural Water Supply— Sinking of Tube-wells Execution (Rural Engineering Division, Kumarghat)	O—	40.00	16.12	23.88	56.40	(+)32.52
21.	45—Finance Department (Revenue)						
	2071—Pension and Other Retirement Allowances						
	01—Civil						
	101—Superannuation and Retirement Allowance	O—	320.00	185.00	505.00	839.91	(+)334.91
	(ii) 102—Commuted Value of Pension	O—	55.00	45.00	100.00	131.71	(+)31.71
	(iii) 104—Gratuities	O—	100.00	59.50	159.50	323.80	(+)164.30
	(iv) 105—Family Pension	O—	153.50	46.50	200.00	226.48	(+)26.48
	(v) 2049—Interest Payments						
	01—Interest on Internal Debt						
	200—Interest on Other Internal Debts	O—	380.01	18.26	361.75	188.85	(–)172.90
	(vi) 101—Interest on Market Loans	O— S—	575.19 7.05	18.89	601.13	662.33	(+)61.20

APPENDIX 2 *(Concld.)*

(*Reference:* Paragraph 2.2.09 at page 22-23)

Injudicious re-appropriation of funds

Sl. No.	Number and name of grant and head of account	Provision Original (O) Supplementary (S)	Re-appropriation	Total grant	Actual expenditure	Excess (+) Savings (–)
1	2	3	4	5	6	7
22.	46—Finance Department (Capital)					
	7610—Loans to Government Servants, etc.					
	800—Other Advances	O— 343.00	(–)30.50	312.50	221.26	(–)91.24
23.	49—Horticulture Department					
	2552—North Eastern Areas					
	02—Agriculture					
	(i)—Regional Coconut Seed Garden	O— 10.00	(–)6.00	4.00	31.31	(+)27.31

APPENDIX 3

(*Reference:* Paragraph 6.1.2, page 131-132)

Utilisation Certificate outstanding at the end of September 1990

(Amount in lakhs of rupees)

Department	Year in which grants were paid	Utilisation Certificates					
		Outstanding as on 1st October 1989		Receipts upto 30th September 1990		Outstanding as on 30th September 1990	
		Number	Amount	Number	Amount	Number	Amount
Co-operation	1978-79	17	7.00	17	7.00	—	—
	1980-81	4	5.00	4	5.00	—	—
	1986-87	3	89.95	3	89.95	—	—
	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	1978-79	3	2.00	3	2.00	—	—
	1986-87	20	341.15	16	167.54	4	173.61
	1987-88	35	539.27	15	141.79	20	397.48
	1988-89	95	597.25	15	104.90	80	492.35
	1989-90	170	1068.80	—	—	170	1068.80
General Administration	1988-89	6	0.07	—	—	6	0.07
Industry	1981-82	2	1.00	2	1.00	—	—
	1986-87	6	234.35	6	234.35	—	—
	1987-88	41	391.22	—	—	41	391.22
	1988-89	94	531.29	—	—	94	531.29
	1989-90	70	247.56	—	—	70	247.56
Local Self Government (Municipality)	1987-88	81	268.84	81	268.84	—	—
	1988-89	90	268.07	—	—	90	268.07
	1989-90	190	410.55	—	—	190	410.55

APPENDIX 3 *(Contd.)*

(Reference: Paragraph 6.1.2, page 131-132)

Utilisation Certificate outstanding at the end of September 1990

(Amount in lakhs of rupees)

Department	Year in which grants were paid	Utilisation Certificates					
		Outstanding as on 1st October 1989		Receipts upto 30th September 1990		Outstanding as on 30th September 1990	
		Number	Amount	Number	Amount	Number	Amount
Health and Family Welfare	1980-81	4	0.05	4	0.05	—	—
	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
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	1978-79	6	11.00	5	11.00	—	—
	1979-80	10	10.00	10	10.00	—	—
	1980-81	9	66.60	9	66.60	—	—
	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
Directorate 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
Food and Nutrition	1987-88	15	4.18	—	—	15	4.18
	1988-89	11	15.50	—	—	11	15.50
Agriculture	1989-90	74	169.90	—	—	74	169.90
North-East Area	1989-90	15	34.87	—	—	15	34.87
Social Security Welfare	1989-90	25	76.35	—	—	25	76.35
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
	Total:	2,035	10,947.64	191	1,110.02	1,844	9,837.62

APPENDIX 4

(*Reference:* Paragraph 7.2.2, at page 143-144)

Statement showing particulars of paid-up capital, outstanding loans, working results, etc., of the companies as on 31.3.1990

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 account were finalised				Remarks
		State Govern-ment	Central Govern-ment	Others	Total				Year for which accounts were finalised	Paid up capital at the end of the year	Accumu-lated profit (+) loss (–)	Any excess or loss over paid up capital	
1	2	3(a)	3(b)	3(c)	3(d)	4	5	6	7(a)	7(b)	7(c)	7(d)	8
								(In lakhs of rupees)					
1.	Tripura Small Industries Corporation Limited, Agartala	163.41	—	—	163.41	186.50	75.00	—	1978-79	33.99	(–)22.72	—	—
2.	Tripura Handloom and Handicrafts Development Corporation Limited, Agartala	138.44	3.00	Nil	141.44	258.23	—	—	1979-80	31.44	(–)1.07	—	—
3.	Tripura Jute Mills Limited, Agartala	987.01	—	—	987.01	568.55	—	—	1982-83	448.00	(–)371.81	—	—
4.	Tripura Industrial Development Corporation Limited, Agartala	323.00	—	138.50	461.50	121.82	Nil	—	1985-86	68.00	(–)2.92	—	—
5.	Tripura Forest Development and Plantation Corporation Limited, Agartala	598.52	29.50	—	628.02	314.07	314.07	—	1982-83	134.02	(–)14.25	—	—
6.	Tripura Tea Development Corporation Limited, Agartala	62.50	—	—	62.50	—	—	—	1980-81 (1st accounts)	Nil	Nil	Nil	—
7.	Tripura Rehabilitation Plantation Corporation Limited, Agartala	221.73	—	—	221.73	56.85	—	—	1984-85	26.00	(–)3.73	—	—
8.	Tripura Horticulture Corporation Limited, Agartala	70.00	—	—	70.00	—	—	—	Re-certified accounts of the Corporation (incorporated on 7/4/87) for the year 1987-88 as revised were awaited.				—
9.	Tripura State Bank Limited (in liquidation)	3.75	—	—	3.75	—	—	—	—	—	—	—	Under liquidation since 1970-71.
	Total:	2,568.36	32.50	138.50	2,739.36	1,506.02	389.07	—	—	741.45	—	—	

APPENDIX 5

(*Reference:* Paragraph 7.2.3, at page 144-145)

Summarised financial results of Government Companies for the year for which accounts were finalised upto 31.3.1990

Sl. No.	Name of Company	Name of the Department	Date of incorporation	Period of accounts	Year in which finalised	Total capital invested at the end of the 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
1.	Tripura Small Industries Corporation Limited	Industry	30th April 1965	1978-79	1984-85	48.57	(–)2.38	0.72	0.61	(–)1.77	36.92	(–)1.66	—	—
2.	Tripura Handloom and Handicrafts 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	93.35	(–)0.27	—	—	(–)0.27	56.92	(–)0.27	—	—
5.	Tripura Forest Development and Plantation Corporation Limited	Forest	26th March 1976	1982-83	1988-89	191.83	(–)14.25	7.81	—	(–)14.25	182.62	(–)6.44	—	—
6.	Tripura Tea Development Corporation Limited	Industry	11th August 1980	1980-81	1988-89	Nil	—	—	—	—	—	—	—	—
7.	Tripura Rehabilitation Plantation Corporation Limited	Tribal Welfare	3rd February 1983	1984-85	1988-89	26.00	(–)3.73	—	—	(–)3.73	22.26	(–)3.73	—	—
8.	Tripura Horticulture Corporation Limited	Agriculture	7th April 1987	Re-certified accounts for the year 1987-88 as revised were awaited.										
9.	Tripura State Bank Limited (in liquidation)			Tender 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

Abbreviations		*Expanded form*
1. ADC	..	Autonomous District Council
2. AIDS	..	Acquired Immune Deficiency Syndrome
3. ANM	..	Auxilary nursing-cum-midwifery
4. BDO	..	Block Development Officer
5. CBR	..	California Bearing ratio
6. CCI	..	Cement Corporation of India
7. CEO	..	Chief Executive Officer
8. CHC	..	Community Health Centre
9. CMO	..	Chief Medical Officers
10. CMS	..	Central Medical Stores
11. CRF	..	Central Road Fund
12. CST	..	Central Sales Tax
13. cu.m	..	Cubic metres
14. D&C Rules	..	Drugs and Cosmetics Rules
15. DGS&D	..	Director General of Supplies and Disposals
16. DIC	..	District Industries Centres
17. DPT	..	Diptheria Pertussis Tetanus
18. DRDA	..	District Rural Development Agency
19. DT	..	Diptheria tetanus
20. DWCRA	..	Development of Women and Children in Rural Areas
21. FCI	..	Food Corporation of India
22. FIR	..	First Information Report
23. FWP	..	Family Welfare Programme
24. GB	..	Gobinda Ballav
25. GCI	..	Galvanized Corrugated Iron
26. GNM	..	General nursing-cum-midwifery
27. GOI	..	Government of India
28. GT	..	Gas Turbine
29. GTPS	..	Gas Thermal Power Station
30. HFA	..	Health for All
31. HFL	..	High Flood Level
32. HPC	..	Hire Purchase Committee
33. HSD	..	High Speed Diesel
34. HUDCO	..	Housing and Urban Development Corporation
35. ICU	..	Intensive Care Unit
36. IDBI	..	Industrial Development Bank of India
37. IFC	..	Industrial Finance Corporation/Irrigation Flood Control

APPENDIX 6 *(Contd.)*

Glossary of abbreviations

Abbreviations		*Expanded form*
38. IGM	..	Indira Gandhi Memorial
39. IMR	..	Infant Mortality Rate
40. INS	..	Indian Nursing School
41. IRDP	..	Integrated Rural Development Programme
42. IREP	..	Integrated Rural Energy Programme
43. IRP	..	Iron Removal Plant
44. ITDP	..	Integrated Tribal Development Project
45. JRY	..	Jawahar Rozgar Yojana
46. Kg'	..	Kilogram
47. KL	..	Kiloliter
48. KW	..	Kilowatt
49. KWh	..	Kilowatt hour
50. MECON	..	Metallurgical and Engineering Consultants Limited
51. MMR	..	Meterial Mortality Rate
52. MPW	..	Multipurpose Workers
53. MSD	..	Medical Stores Department
54. MT	..	Metric Tonnes
55. MW	..	Megawatt
56. NAA	..	Notified Area Authority
57. NCDC	..	National Co-operative Development Corporation
58. NEC	..	North Eastern Council
59. NEEPCO	..	North Eastern Electric Power Corporation
60. NERAMAC	..	North Eastern Regional Agricultural Marketing Corporation
61. NESP	..	Non-Conventional Energy Source Programme
62. NHDC	..	National Handloom Development Corporation
63. NREP	..	National Rural Employment Programme
64. ONGC	..	Oil and Natural Gas Commission
65. OPD	..	Outpatient Department
66. OPV	..	Oral Polio Vaccine
67. PDU	..	Public Distribution Unit
68. PFA	..	Prevention of Food Adulteration
69. PHC	..	Primary Health Centre
70. PHE	..	Public Health Engineering
71. PLA	..	Personal Ledger Accounts
72. PLCC	..	Power Line Carrier Communication
73. PVC	..	Poly Vinyl Chloride

APPENDIX 6 *(Concld.)*

Glossary of abbreviations

Abbreviations		*Expanded form*
74. PWD	..	Public Works Department
75. RBI	..	Reserve Bank of India
76. SAB	..	Supply Advisory Board
77. SAIL	..	Steel Authority of India
78. SC	..	Scheduled Castes
79. SDH	..	Sub-Divisional Hospitals
80. SDO	..	Sub-Divisional Officer
81. SEP	..	Self-Employment Programme
82. SLSC	..	State Level Sanctioning Committee
83. ST	..	Scheduled Tribe
84. TFDPCL	..	Tripura Forest Development and Plantation Corporation Limited
85. THHDC	..	Tripura Handloom and Handicrafts Development Corporation
86. TIDC	..	Tripura Industrial Development Corporation
87. TJML	..	Tripura Jute Mills Limited
88. TSIC	..	Tripura Small Industries Corporation
89. TT	..	Tetanus Toxoid
90. TTDC	..	Tripura Tea Development Corporation
91. UIP	..	Universal Immunisation Programme
92. VHG	..	Village Health Guide

Report of the Comptroller and Auditor General of India for the year ended 31st March 1990 Government of Tripura

ERRATA

Page No.	*Reference to paragraph*	*For*	*Read*
(x)	8th line from top	loss those	loss of those
4	10th line from top	(b) Special Arrears Programme (NEC)	(b) Special Areas Programme (NEC)
29	4th line from bottom	paronteral	Perenteral
33	3rd line from bottom	tartiary	tertiary
34	3rd line from top	dias	dais
35	8th line from bottom	ANBM: 172),	ANM: 172),
36	14th line from top	padiatricians,	paediatricians,
46	16th line from top	neuotoxic	neurotoxic
46	18th line from bottom	"a blood disease (often fatal, in	a blood disease often fatal, in
46	15th line from bottom	succumbs	succumb
47	14th line from bottom	ficlet: 2,498	violet: 2,498
53	7th, 12th, 21st line from top	antisers	antigens
56	12th line from top	Three centres were erratic	Three centres were with erratic
58	6th line from top	siochemist	Biochemist
61	3rd line from bottom	changed to 8.8	changed to 0.8
64	11th line from bottom	dentiatry	dentistry
70	13th line from bottom	Percentage of growth of the outleft	percentage of growth of the outlet
78	17th line from top	transportation cast	transportation cost
85	17th line from top	rate of contact	rate of contract
89	8th line from top	stoves as tolarable	Stoves as tolerable
94	6th line from bottom	rion	iron
109	9th line from top	(Date of awared)	(Date of award)
111	17th line from top	"Addresses	"Addressee
127	2nd line from bottom	still interest	still interested
134	9th line from top	(DRAD)	(DRDA)
186	14th, 18th line from top	ampule	ampoule
187	19th line from top	ampule	ampoule
189	7th line from bottom	free time	free lime
201	5th line from top	want out	went out
203	3rd line from top	delay in taken a firm	delay in taking firm
203	16th line from bottom	Election	Erection
208	4th line from top	effectively persued	effectively pursued
213	4th line from bottom	found incorreect	found incorrect
235	Item No. 40	INS	INC
235	Item No. 40	Indian Nursing School	Indian Nursing Council
235	Item No. 51	Meterial Mortality Rate	Maternal Mortality Rate