

1987-88

## TABLE OF CONTENTS

	Paragraph	Page(s)
Prefatory remarks		(v)
Overview		(vii)-(xx)

### CHAPTER I

#### GENERAL

Summary of accounts	1.1	1—11
Comments on Accounts	1.2	11—14

### CHAPTER II

#### APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

General	2.1	15
Results of Appropriation Audit	2.2	15
Supplementary provision	2.2.01	15
Unnecessary/Excessive/Inadequate Supplement- ary provisions	2.2.02	15
Saving/Excess over provision	2.2.03	16
Unutilised provision	2.2.04	16—17
Significant cases of savings under Schemes	2.2.05	17—18
Persistent savings	2.2.06	19
Significant cases of excess	2.2.07	19—20
Injudicious re-appropriation	2.2.08	20
Surrender of savings	2.2.09	20—21
Reconciliation of departmental figures	2.2.10	22
Trend of recoveries and credits	2.2.11	22
Non-receipt of explanations for savings/ excesses	2.2.12	22
Irregular withdrawal of funds	2.2.13	22—23
Correlation of expenditure with physical progress	2.2.14	23

### CHAPTER III

#### CIVIL DEPARTMENTS

##### AGRICULTURE DEPARTMENT—

Shortage of fertilizers	3.1	24—25 8
-------------------------	-----	---------

##### CO-OPERATION DEPARTMENT—

Idle Cold Storage Plant	3.2	25—26 8
-------------------------	-----	---------

(ii)

Paragraph

EDUCATION DEPARTMENT—

Integrated Child Development Services (ICDS)

Scheme 3.3 26—40

Rescue homes and rehabilitation centres 3.4 40—46

Avoidable expenditure 3.5 46—47

Under-utilisation of photographic unit 3.6 47—48

FOOD AND CIVIL SUPPLIES DEPARTMENT—

Public Distribution System 3.7 48—58

HEALTH AND FAMILY WELFARE DEPARTMENT—

National Malaria Eradication Programme 3.8 58—73

Substandard medicines 3.9 73—76

PRINTING AND STATIONERY DEPARTMENT—

Avoidable expenditure due to defective planning 3.10 77—78

RURAL DEVELOPMENT DEPARTMENT—

Assistance to small and marginal farmers 3.11 78—87

Extra expenditure on sal posts 3.12 87—88

Non-acceptance of lowest tender 3.13 88—89

Grant of housing subsidy 3.14 89

SCIENCE, TECHNOLOGY AND ENVIRONMENT  
DEPARTMENT—

Non-utilisation of Computers and blockage  
of funds 3.15 89—92

CHAPTER IV

WORKS EXPENDITURE

LOCAL SELF-GOVERNMENT AND PUBLIC  
WORKS DEPARTMENT—

Urban water supply programme 4.1 93—113

Infructuous expenditure on bridge 4.2 114—115

Over payment of sales tax 4.3 115

Excess payment of Central Excise Duty 4.4 115—116

Avoidable expenditure 4.5 116—117

CHAPTER V

REVENUE RECEIPTS

General

Trend of revenue receipts 5.1 118

Analysis of revenue receipts 5.2 118—120

Variation between budget estimates and actuals 5.3 121

## (iii)

Paragraph	Page(s)
5.4	121—122
5.5	122
5.6	123—125
5.7	125—127
5.8	128
5.9	128
5.10	129—130

## SALES TAX

Results of Audit	5.11	130—131
Turnover escaping assessment	5.11.1	131—133
Under-assessment of turnover	5.11.2	133—134
Under-assessment of Tax	5.11.3	134
Under-charge of tax due to incorrect carry over of closing stock	5.11.4	134—135
Irregular deduction in respect of damaged goods in stock	5.11.5	135—136
Short levy of interest due to erroneous computation	5.11.6	136

## FOREST RECEIPTS

Results of audit	5.12	136—137
Loss of revenue due to issue of permit at lower rate	5.12.1	137—138
Shortage of cashew seeds	5.12.2	138—139
Loss in sale of cashew seeds	5.12.3	139—140
Shortage of timber	5.12.4	140
Non-realisation of fee on extension of permit	5.12.5	141
Sale of timber at lower rate	5.12.6	141

## REVENUE DEPARTMENT—

Interest Receipts	5.13	141—147
-------------------	------	---------

## LAND REVENUE—

Short assessment of premium	5.14	148
-----------------------------	------	-----

## CHAPTER VI

## FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

Grants	6.1	149
Utilisation Certificates	6.2	149—150

## LOCAL SELF-GOVERNMENT DEPARTMENT—

Integrated Development of Small and Medium Towns	6.3	150—159
--	-----	---------



(iv)

CO-OPERATION DEPARTMENT—	Paragraph	Page
Financial assistance to Co-operative Societies	6.4	159—164
INDUSTRIES DEPARTMENT—		
Idle outlay and unfruitful expenditure	6.5	164—165

## CHAPTER VII

### GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

General	7.1	166
Government Companies—		
General view	7.2	166—167
INDUSTRIES DEPARTMENT—		
Tripura Small Industries Corporation Limited	7.3	168—187
Statutory Corporation—		
General aspects	7.4	187
Departmentally-managed Government Commercial and <i>quasi</i> -commercial Undertakings	7.5	187—188
Miscellaneous topics of interest	7.6	188—193

## APPENDICES

2.1 Excess over grants/appropriations requiring regularisation	2.2.03	197
2.2 Injudicious re-appropriation of funds	2.2.08	198—200
6.1 Utilisation Certificates outstanding (at the end of September 1988)	6.2	201—202
6.2 Details for towns selected, project reports prepared etc.	6.3.5	203
7.1 Statement showing particulars of paid-up capital, outstanding loans, working results, etc., of the companies	7.2.2	204—205
7.2 Summarised financial results of Government companies for the year for which accounts were finalised upto 31st March 1988	7.2.3	206—207



## OVERVIEW

## 1. GENERAL

The transactions on Revenue Account ended with a surplus of Rs. 19.86 crores. However, the net Public Debt of Rs. 40.82 crores raised during the year, together with the revenue surplus of Rs. 19.86 crores was not adequate to meet the capital expenditure of Rs. 80.73 crores and the net outgo of Rs. 1.95 crores under Loans and Advances by Government, resulting in reduction of closing Cash Balance by Rs. 22.00 crores.

(Paragraph 1.2.01)

The non-plan expenditure under Revenue exceeded the budgetary projection by about 11 *per cent*. The Capital expenditure under plan exceeded the budgetary projection by 20 *per cent*, while non-plan expenditure exceeded the budget provision by about 10 *per cent*.

(Paragraph 1.2.04)

The Central assistance for State Plan Schemes, Centrally Sponsored Schemes and Central Plan Schemes increased by 19 *per cent* over the assistance for 1986-87.

(Paragraph 1.2.06)

The actual revenue surplus was Rs. 19.86 crores against the budgetary anticipation of Rs. 38.36 crores.

(Paragraph 1.2.08)

The net interest burden of the Government was Rs. 21.35 crores which constituted 157 *per cent* of the tax revenue and 7 *per cent* of total revenue receipts of the State.

(Paragraph 1.2.10)

The total investment of Government in Statutory Corporations, Government Companies and Co-operative Bank and societies as on 31st March 1988 was Rs. 34.05 crores. No dividend or interest was received during the year on such investments.

(Paragraph 1.2.11)

The liability of the Government on account of guarantee given for loan by Statutory Corporation etc., on 31st March 1988 was Rs. 38.96 crores against which the amount outstanding was Rs. 13.78 crores.

(Paragraph 1.2.13)

## 2. Appropriation Audit and Control over expenditure

— During 1987-88, Rs. 472.73 crores were spent against total grants and appropriations of Rs. 478.88 crores, resulting in a net saving of Rs. 6.15 crores. The saving was the net result of saving of Rs. 34.29 crores and excess of Rs. 28.14 crores. Excess over grants/appropriations require regularisation under the article 205 of the Constitution.

(Paragraphs 2.1 and 2.2.03)

— Supplementary provision of Rs. 3.28 crores under 19 grants was wholly unnecessary.

(Paragraph 2.2.02)

— In 14 grants/appropriation, there were shortfalls in expenditure by more than Rs. 25 lakhs and also by more than 10 per cent of the total provision.

(Paragraph 2.2.04)

— Non-implementation and slow implementation of 18 Schemes resulted in saving of Rs. 21.78 crores.

(Paragraph 2.2.05)

— There were persistent savings exceeding 10 per cent of the provision and Rs. 25 lakhs in 6 grants during the years 1985-86, 1986-87 and 1987-88.

(Paragraph 2.2.06)

— Injudicious re-appropriations were noticed in 14 grants.

(Paragraph 2.2.08)

— In 15 cases, amount of savings exceeding Rs. 50 lakhs each remained un-surrendered and in 6 cases amounts were surrendered far in excess of saving.

(Paragraph 2.2.09(b)(c)(d))

— 17 Controlling Officers had not done reconciliation of Rs. 49.06 crores.

(Paragraph

## CHAPTER I

### GENERAL

#### 1.1 *Summary of accounts*

The summarised position of the accounts of the Government of Tripura emerging from the Finance Accounts for the year 1987-88 is indicated in the statements following.



I—Statement of financial position of the Government  
(Rupees in crores)

Amount as on 31.3.1987	LIABILITIES	Amount as on 31.3.1988
73.03	Internal Debt (Market loans, Loans from Life Insurance Corporation and others)	84.62
95.72	<i>Loans and Advances from Central Government</i>	109.08
27.15	(i) Pre-1984-85 Loans	25.65
40.11	(ii) Non-Plan loan	48.04
28.75	(iii) Loans for State Plan Schemes	33.74
0.66	(iv) Loans for Central Plan Schemes	0.69
2.17	(v) Loans for Centrally Sponsored Plan Schemes	3.80
0.85	(vi) Ways and Means Advances	0.48
1.03	(vii) Loans for Special Schemes	1.68
32.92	<i>Small Savings, Provident Funds, etc.</i>	46.32
9.73@	<i>Over draft from the Reserve Bank of India.</i>	...
211.40		240.02

@ Represented *minus* deposits with the

of Tripura as on 31st March 1988.

( Rupees in crores )

Amount as on 31. 3. 1987	ASSETS	Amount as on 31.3.1988
410.67	<i>Gross Capital Outlay on Fixed Assets</i>	491.40
29.10	(i) Investment in Shares of Companies, Corporations, etc.	34.05
381.57	(ii) Other Capital Outlay	457.35
28.79	<i>Loans and Advances</i>	30.74
23.26	(i) Other Development Loans	25.04
5.53	(ii) Loans to Government Servants and Miscellaneous loans	5.70
0.33	<i>Civil Advances</i>	0.54
6.86	<i>Suspense and Miscellaneous Balances</i>	13.67
26.11	<i>Remittance Balances</i>	27.99
<u>472.76</u>		<u>564.34</u>

Reserve Bank of India

(Rupees in crores)

Amount as on 31.3.1987	LIABILITIES	Amount as on 31.3.1988
b/f 211.40		b/f 240.02
35.79	<i>Deposits</i>	47.16
0.50	<i>Contingency Fund</i>	0.50
257.37	<i>Surplus on Government Accounts</i>	277.23
	(i) Opening balance	257.37
	(ii) <i>Add current year's surplus</i>	19.86
<u>505.06</u>		<u>564.91</u>

\* Does not include deposit with the Reserve Bank of India liability side in the previous year's statement.

(a) Figure as per Finance Accounts for 1987-88 is Rs. 1,353



(Rupees in crores)

Amount as on 31.3.1987	ASSETS	Amount as on 31.3.1988
b/f 472.76		b/f 564.34
32.30* <i>Cash Balance</i>		0.57
	(i) Cash in Treasury	Nil(a)
	(ii) Departmental cash balance including permanent advances	0.76
	(iii) Cash balance in- vestment	2.81
	(iv) Deposits with the R.B.I.	(—)3.00
<u>505.06</u>		<u>564.91</u>

((—) 9.73 crores) which was shown as overdraft on the only.

## II—ABSTRACT OF RECEIPTS AND

*(Rupees in crores)*

## RECEIPTS

## SECTION A—REVENUE

I. *Revenue Receipts* 314.19

(i) Tax Revenue	13.58
(ii) Non-Tax Revenue	14.98
(iii) State's share of Union Taxes	96.97
(iv) Non-Plan Grants	44.09
(v) Grants for State Plan Schemes	121.24
(vi) Grants for Centrally Sponsored Schemes/ Central Plan Schemes	14.29
(vii) Grants for Special Plan Schemes (NEC)	9.34

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314.19

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## DISBURSEMENTS FOR 1987-88

(Rupees in crores)

## DISBURSEMENTS

## SECTION A—REVENUE

## I. Revenue Expenditure 294.33

Section	Non-Plan	Plan	Total
(i) General Services	71.87	0.23	72.10
(ii) Social Services	80.43	47.06	127.49
(iii) Economic Services :—			
(a) Agriculture and Allied Activities	14.04	24.06	38.10
(b) Rural Development	3.56	14.93	18.49
(c) Special Areas Programmes (NEC)	...	2.29	2.29
(d) Irrigation and Flood Control	2.90	3.79	6.69
(e) Energy	10.72	...	10.72
(f) Industry and Minerals	1.91	4.66	6.57
(g) Transport	5.76	0.01	5.77
(h) Communication	1.14	...	1.14
(i) Science, Technology and Environment	...	0.56	0.56
(j) General Economic Service	0.88	0.40	1.28
(iv) Grants-in-aid and Contributions	3.13	...	3.13
	196.34	97.99	294.33

## II. Revenue Surplus Carried over to Section B

19.86

314.19



(Rupees in crores)

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 RECEIPTS
 

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## SECTION B—OTHERS

III. Opening cash balance including Permanent Advance and Cash Balance investment	22.57
IV. Recoveries of Loans and Advances	0.48
(i) From Government Servant	0.35
(ii) From others	0.13
V. <i>Revenue Surplus brought down</i>	19.86
VI. <i>Public Debt Receipts</i>	40.17
(i) Internal Debt other than Ways and Means Advances	15.54
(ii) Loans and Advances from Central Government	24.63
VII. <i>Public Account Receipts</i>	297.79
(i) Small Savings and Provident Fund, etc.	21.81
(ii) Suspense and Miscellaneous	21.69
(iii) Remittances	162.67
(iv) Deposit and Advances	19.62

91.62

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 380.87
 

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(Rupees in crores)

## DISBURSEMENTS

## SECTION B—OTHERS

III.	Opening overdraft from the Reserve Bank of India		Nil
IV.	<i>Capital Outlay</i>		80.73
	(i) General Services	3.20	
	(ii) Social Services	16.14	
	(iii) Economic Services :—		
	(a) Agriculture and Allied Activities	7.01	
	(b) Social Areas Programme	5.58	
	(c) Irrigation and Flood Control	8.26	
	(d) Energy	18.98	
	(e) Industries and Minerals	2.48	
	(f) Transport	18.02	
	(g) General Economic Services	1.06	
V.	<i>Loans and Advances Disbursed</i>		2.44
	(i) To Government Servants	0.52	
	(ii) To Others	1.92	
VI.	<i>Repayment of Public Debt</i>		15.21
	(i) Internal Debt other than Ways and Means Advances	3.94	
	(ii) Ways and Means Advances	...	
	(iii) Repayment of Loans and Advances to Central Government	11.27	
VII.	<i>Public Account Disbursement</i>		281.92
	(i) Small Savings, Provident Funds, etc.	8.41	
	(ii) Suspense and Miscellaneous	28.50	
	(iii) Remittances	164.55	
	(iv) Deposit and Advances	80.46	
VIII.	<i>Cash Balance at end</i>		0.57
	(i) Cash in Treasury	Nil	
	(ii) Departmental Cash balance including permanent advance	0.76	
	(iii) Cash Balance investment	2.81	
	(iv) Deposits with the Reserve Bank of India	(—)3.00	
			<u>380.87</u>

## III— Sources and Application of Funds for the year 1987-88

(Rupees in crores)

## I. Sources

1. Revenue Receipts	314.19
2. Increase in Public Debt, Small Savings, Deposit and Advances and Ways and Means Advances	49.51

Total	<u>363.70</u>
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## 3. Adjustments

Less Reduction in Suspense balance (13.67—6.86)	6.81
Less Effect on Remittance balance (27.99—26.11)	1.88
	(—)8.69
Decrease in cash balance (22.57—0.57)	(+)22.00

Total	<u>377.01</u>
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## II. Application

Revenue expenditure	294.33
Capital Outlay	80.73
Lending for development and other programme (30.74—28.79)	1.95

Total	<u>377.01</u>
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### *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. Although a part of the revenue expenditure and loans is used for capital formation by recipients, its classification in the accounts of State Government remains unaffected by end use.
5. There was an unreconciled difference of Rs. 6,91.84 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 1989).

### **I.2 Comments on Accounts**

1.2.01 The year 1987-88 ended with a revenue surplus of Rs. 19.86 crores against Rs. 45.38 crores in the preceding year. The net accretion of debt transactions (as adjusted by the effect of Deposit with Reserve Bank of India, remittances and suspense balances) during 1987-88 aggregated Rs. 40.82 crores. Against this, Rs. 80.73 crores were utilised for capital expenditure and Rs. 1.95 crores for net disbursement under loans and advances for development and other programmes. The resource gap of Rs. 41.86 crores was met partly by the revenue surplus of Rs. 19.86 crores and the balance by drawing down cash balance of Rs. 22.00 crores.

1.2.02 While the non-plan revenue expenditure increased by about 34 *per cent* over that of 1986-87, the growth in collection of tax revenue as well as in the State's share of Union Taxes was about 18 *per cent* in both the cases. No return was, however, received on investment 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. 95.72 crores in 1986-87 to Rs. 109.08 crores which constituted the largest component (45 *per cent*) of the State Government's total debt of Rs. 240.02 crores as on 31st March 1988. The total market loans bearing interest as on 31st March 1988 was Rs. 50.82 crores as against Rs. 43.57 crores as at the end of previous year. The small savings collected during the year were Rs. 21.81 crores against the corresponding amount of Rs. 12.32 crores in 1986-87.

1.2.03 Apart from the normal growth, the following factors mainly contributed to increase (Rs. 49.70 crores) in non-plan revenue expenditure over that of 1986-87.

- increase in expenditure on General Education (Rs. 14.51 crores)
- increased interest burden on growing debt (Rs. 8.78 crores)
- increased pensionary liabilities (Rs. 1.61 crores)
- increased expenditure on Medical and Public Health (Rs. 2.63 crores)
- increased expenditure on Welfare of Schedule Castes, Scheduled Tribes and other Backward classes including Social Security and Welfare (Rs. 3.88 crores)
- increased expenditure on Administrative Services (Rs. 4.99 crores)

1.2.04 The over all Plan expenditure under the revenue heads was Rs. 97.99 crores against the budgetary projection of Rs. 98.70 crores. The non-plan expenditure (Rs. 196.34 crores) exceeded the budgetary projection (Rs. 177.30 crores) by about 11 *per cent*. The capital expenditure (Rs. 74.30 crores) under plan exceeded the budgetary projection (Rs. 61.78 crores) by 20 *per cent* while non-plan expenditure (Rs. 6.43 crores) exceeded the budget provision (Rs. 5.87 crores) by about 10 *per cent*.

1.2.05 The increase over 1986-87 (Rs. 2.07 crores) in tax revenue was mainly due to increase in collections from Sales Tax (Rs. 1.69 crores) and Power (Rs. 0.43 crore). Collection from tax revenue was anticipated at Rs. 12.01 crores at the budget stage against which the collection was Rs. 13.58 crores registering an increase of Rs. 1.57 crores. The major increase was in collection of Stamps and Registration fees (Rs. 0.30 crore), State Excise (Rs. 0.21 crore) Sales Tax (Rs. 0.59 crore) and taxes on Professions, Trades, Calling and Employment (Rs. 0.45 crore).



The non-tax revenue increased marginally by Rs. 0.22 crore from Rs. 14.76 crores in 1986-87 to Rs. 14.98 crores in 1987-88. Receipts (Rs. 285.63 crores) from the Government 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. 36.99 crores over those of 1986-87.

1.2.06 Central assistance for State Plan Schemes, Centrally Sponsored Schemes and Central Plan Schemes during the year amounted to Rs. 144.87 crores against Rs. 122.17 crores in the previous year resulting in an increase of 19 *per cent* over the assistance for 1986-87.

1.2.07 The budget provision for revenue and capital expenditure including loan and public debt was Rs.432.51 crores (gross) which was augmented to Rs. 478.88 crores (gross) by obtaining supplementary grant of Rs. 46.37 crores (gross). The actual expenditure was, however, Rs. 472.73 crores, (Revenue : Rs. 327.34 crores, Capital : Rs. 127.74 crores, Public Debt : Rs. 15.21 crores and Loans and Advances : Rs. 2.44 crores) indicating net savings of Rs. 6.15 crores (gross).

1.2.08 At the budget stage, a revenue surplus of Rs. 38.36 crores for the year was anticipated (Receipts : Rs. 314.35 crores and expenditure (net) Rs. 275.99 crores). The actual surplus at the end of the year, however, worked out to Rs. 19.86 crores (Receipts : Rs. 314.19 crores and expenditure Rs. 294.33 crores). Taking into accounts the transactions on Revenue and Capital Accounts, there was an overall surplus of Rs. 6.73 crores in 1987-88 against an overall deficit of Rs. 5.18 crores in 1986-87 and an overall deficit of Rs. 1.66 crores anticipated in the budget for 1987-88.

1.2.09 At the end of 1986-87, the balance under Loans and Advances by Government was Rs. 28.79 crores. During 1987-88, Government paid Rs. 2.44 crores and recovered Rs. 0.48 crore under Loans and Advances. The balance at the end of the year stood at Rs. 30.75 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 1988 was Rs. 2.74 lakhs (Principal : Rs. 1.22 lakhs ; Interest : Rs. 1.52 lakhs), the main defaulter being the Agartala Municipality.



Information regarding arrears in recovery of loans, the detailed accounts of which are maintained by the departmental officers, has not been received from any of the departments (March 1989).

1.2.10 The interest paid by the Government on debt and other obligations during the year was Rs. 22.93 crores as against Rs. 14.15 crores in 1986-87. Interest recovered during the year was Rs. 1.58 crores which comprised interest on investment of cash balance (Rs. 1.52 crores) and that on Loans and Advances (Rs. 0.06 crore) given by the Government.

No interest was, however, received from the departmental commercial undertakings, while Government investment in shares and debenture as on 31st March 1988 was Rs. 34.05 crores.

The net burden was thus, Rs. 21.35 crores (7 per cent) of the total revenue receipts and 157 per cent of the tax revenue of the State.

1.2.11 With the fresh investment of Rs. 5.13 crores during the year in Statutory Corporations (Rs. 1.15 crores), Government Companies (Rs. 3.24 crores) and Co-operative Bank and Societies (Rs. 0.74 crore), the total investments of the Government in shares and debentures on 31st March 1988 was Rs. 34.05 crores. No dividend and interest were received during the year on such investments.

1.2.12 Mention was made in paragraph 1.2.13 of the Report of the Comptroller and Auditor General of India for the year 1986-87 about the financial results of 5 Companies out of eight in which Government had made substantial investments. The position has remained the same as it was on 31st March 1987.

1.2.13 The contingent liability for guarantee given by the State Government for repayment of loan etc., by Statutory Corporations, Government Companies and Co-operative Societies etc., on 31st March 1988 was Rs. 13.78 crores (as against the maximum amount of Rs. 38.96 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 guarantee 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 guarantee nor has it set up any fund for meeting the liabilities which may arise on invocation of the guarantee. 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 1987-88 against provision is as follows :—

	Original Grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Variation Saving (—) Excess (+)
(Rupees in crores)					
I. Revenue Voted	277.07	32.87	309.94	303.87	(—)6.07
Charged	18.51	6.14	24.65	23.47	(—)1.18
II. Capital Voted	120.50	4.86	125.36	127.74	(+)2.38
Charged	...	...	...	...	...
III. Public Debt Charged	9.61	1.56	11.17	15.21	(+)4.04
IV. Loans and Advances Voted	6.82	0.94	7.76	2.44	(—)5.32
Grand Total	432.51	46.37	478.88	472.73	(—)6.15

## 2.2 Results of Appropriation Audit

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

## 2.2.01 Supplementary provision

Supplementary provision obtained during the year worked out to 10 per cent of the original budget provision, as against 9 per cent in the preceding year.

## 2.2.02 Unnecessary/Excessive/Inadequate Supplementary provision

Supplementary provision of Rs. 3.28 crores obtained in 19 grants during February and March 1988 proved wholly unnecessary in view of the final saving in each grant being more than the supplementary provision. In 11 other grants, against supplementary grant aggregating Rs. 19.19 crores, the actual utilisation of fund was only Rs. 12.30 crores, resulting in a saving of more than Rs. 25 lakhs in each case. In 6 cases, though supplementary provision totalling Rs. 12.35 crores was obtained, the provision proved insufficient by more than Rs. 25 lakhs each leaving an aggregate uncovered excess expenditure of Rs. 15.68 crores.



### 2.2.03 *Saving/Excess over provision*

There was an overall saving of Rs. 34.29 crores in 58 grants/appropriations. In 12 grants/appropriations as detailed (Appendix 2.1), there was an overall excess of Rs. 28.14 crores. The excess requires regularisation under the Article 205 of the Constitution.

Excess over grants/appropriations to the tune of Rs. 89.28 crores relating to preceding years also remains to be regularised as detailed below :—

Year	Number of cases		Amount of excess (Rupees in crores)	
	Voted	Charged appropriation	Voted	Charged appropriation
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
			64.98	24.29

### 2.2.04 *Unutilised provision*

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

Serial number	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)			
I. 9	Chief Minister's Secretariat and Administration Department	29.87 (11)	Reasons for saving have not been intimated (February 1989).
II. 23	Family Welfare	95.68 (36)	-do-
III. 27	Welfare of Schedule Castes Department	30.91 (12)	-do-
IV. 32	Industries Department	107.68 (13)	-do-
V. 37	Forest Department	112.43 (11)	-do-
VI. 39	Rural Development Department—Water Supply and Sanitation	131.42 (39)	-do-



Serial number	Number and name of grant	Amount of savings (in lakhs of rupees) and its percentage to the provision (in bracket)	Main reasons for saving
VII. 44	Stationery and Printing Department	40.43 (25)	Savings was due to non-filling up of vacant posts and non-adjustment of value of paper received through Director General of Supplies and Disposals.
VIII. 45	Finance Department	415.94 (42)	Reasons for saving have not been intimated (February 1989).
IX. 49	Horticulture Department	95.71 (16)	-do-
CAPITAL SECTION (VOTED)			
X. 13	Co-operation Department	159.59 (55)	Reasons for saving have not been intimated (February 1989).
XI. 26	Tribal Welfare Department	49.97 (99.9)	-do-
XII. 23	Food and Civil Supplies Department	622.32 (13)	-do-
XIII. 33	Industries Department Capital Outlay on Housing, Investment in Financial Trading Institutions and Loans to Co-operative Societies	29.91 (40)	-do-
XIV. 46	Finance Department (Capital)	235.36 (85)	Saving was mainly due to change of classification of expenditure on account of payment of festival advances from loan head to respective service heads of the concerned departments from 1987-88.

### 2.2.05 Significant cases of savings under Schemes

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

Serial number	Number and name of grant	Name of Schemes	Amount of savings (rupees in lakhs) and its percentage of provision (in bracket)
REVENUE SECTION (VOTED)			
i. 13	Co-operation Department	Assistance to credit Co-operatives	25.67 (86)
ii. 23	Family Welfare (Revenue)	1) Maternity and child health programme	33.85 (71)
		2) Provision for voluntary sterilisation facilities in rural and semi-rural areas	43.00 (100)

Serial Number	Number and name of grant	Name of Scheme	Amount of saving (rupees in lakhs) and its percentage of provision (in bracket)
iii.	26 Tribal Welfare Department	Other expenditure (CSS) : Welfare of Scheduled Castes, Scheduled Tribes and other Backward classes	36.99 (93)
iv.	27 Welfare of Scheduled Castes Department	Welfare of Scheduled Castes Education (CSS)	80.90 (100)
v.	30 Fisheries Department	Inland Fisheries (CSS)	43.00 (100)
vi.	35 Agriculture Department	Scheme for dry land/rain fed farming	35.00 (100)
vii.	37 Forest Department	Afforestation of catchment areas	28.32 (63)
viii.	38 Rural Development Department—Community Development	Scheme for providing Central Assistance to the small and marginal farmers for increasing Agricultural production (CSS)	78.00 ( 92)
ix.	38 Rural Development Department—Community Development	National Rural Employment Programme (Autonomous District Council (CSS)	38.40 (100)
x.	39 Rural Development Department—Water Supply and Sanitation	Rural water supply, sinking of tube wells—Execution (Rural Engineering Division, Udaipur)	38.83 (103)
<b>CAPITAL SECTION (VOTED)</b>			
xi.	13 Co-operation	Loans to Credit Co-operatives	34.87 (69)
xii.	16 Public Works Department Roads and Bridges —do—	1) Investment in Housing Board 2) District and other Roads—North Eastern Areas	40.00 (100) 579.70 (99.94)
xiii.	17 Electricity Department —do—	1) Other Expenditure—Gas Thermal Project (North Eastern Areas) 2) Other Expenditure (Gas supply in Agartala for domestic use)	133.74 (61) 502.00 (100)
xiv.	19 Irrigation and Flood Control Department (Capital)	Accelerated Water Supply Scheme Construction (CSS)	72.96 (17)
xv.	20 Education Department (General)	Elementary Education/Upgradation of standard of Administration as per award of the 8th Finance Commission	132.00 (100)
xvi.	26 Tribal Welfare Department	Investment in Public Sector and other Undertakings	50.00 (100)
xvii.	27 Welfare of Scheduled Castes Department	Investment in Public Sector and other Undertakings	50.00 (100)
xviii.	34 Industries Department—Consumers Industries, etc.	Handloom Industries (CSS)	101.20 (29)



### 2.2.06 Persistent savings

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

Serial Number	Number and name of grant	Amount of savings (Rupees in lakhs) percentage of saving (in bracket)		
REVENUE SECTION (VOTED)				
		1985-86	1986-87	1987-88
1.	23 Family Welfare	52.99 (35)	96.58 (42)	95.68 (35)
2.	32 Industries	73.23 (10)	115.22 (16)	107.68 (13)
3.	45 Finance Department (Revenue)	1263.63 (82)	700.39 (63)	415.94 (42)
CAPITAL SECTION (VOTED)				
4.	13 Co-operation Department	77.89 (30)	107.66 (42)	159.59 (55)
5.	35 Agriculture Department	69.81 (15)	88.57 (18)	65.30 (13)
6.	46 Finance Department	88.63 (31)	106.58 (35)	285.36 (85)

### 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.

Serial Number	Number and name of grant	Amount of excess and (in lakhs of rupees) its percentage of provision (in bracket)	Reasons for excess
REVENUE SECTION (VOTED)			
1.	14 Public Works Department	792.22 (25)	Reasons for excess have not been intimated (February 1989).
CAPITAL SECTION (VOTED)			
2.	15 Public Works Department	608.96 (94)	-do-
3.	17 Electricity Department	591.52 (32)	-do-



## CAPITAL SECTION (CHARGED)

4. 46 Finance Department (Capital)

403.52  
(36)

Excess of Rs. 335.12 lakhs was attributed to certain adjustments relating to 1986-87 due to late receipt of terms and conditions of repayment of Loans and Advances from the Government of India.

2.2.08 *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 deficit 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 which resulted in unnecessary saving/excess are as detailed in Appendix 2.2.

2.2.09 *Surrender of savings*

(a) The rules require that all anticipated savings should be surrendered as soon as the possibility of saving is envisaged. Out of the overall saving of Rs. 34.29 crores, only Rs. 12.28 crores were surrendered at the fag end of the year (March 1988).

(b) In the following grants savings exceeding Rs. 50 lakhs each remained un-surrendered.

Serial Number	Name and number of grant and head of account	Total grant	Total saving	Un-surrendered saving and its percentage on total saving (in bracket)
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(Rupees in lakhs)

## REVENUE SECTION (VOTED)

1.	11 Home (Police) Department	2772.33	194.62	194.62 (100)
2.	17 Electricity Department	1158.40	64.11	64.11 (100)
3.	21 Education Department (Social)	110.02	88.66	88.66 (100)
4.	23 Family Welfare	266.24	95.68	95.68 (100)
5.	26 Tribal Welfare Department	2417.67	58.09	6.46 (11)

Serial Number	Name and number of grant and head of account	Total grant	Total saving	Un-surrendered saving and its percentage on total saving (in bracket)
(Rupees in lakhs)				
6.	32 Industries Department	838.70	107.68	43.18 (40)
7.	37 Forest Department	1048.74	112.43	78.67 (70)
8.	39 Rural Development Department—Water Supply and Sanitation	335.15	131.42	131.42 (100)
9.	49 Horticulture Department	615.70	95.71	95.71 (100)

## REVENUE SECTION (CHARGED)

10.	45 Finance Department	2402.37	109.01	109.01 (100)
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## CAPITAL SECTION (VOTED)

11.	13 Co-operation Department	291.20	159.59	17.02 (11)
12.	20 Education Department (General)	132.00	132.00	132.00 (100)
13.	28 Food and Civil Supplies Department	5006.00	629.32	629.32 (100)
14.	35 Agriculture Department	501.00	65.30	65.30 (100)
15.	46 Finance Department (Capital)	337.00	285.36	219.16 (77)

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

Serial Number	Number and name of grant	Total saving	Amount surrendered	Amount surrendered (in excess)
(Rupees in lakhs)				

## REVENUE SECTION (VOTED)

1.	45 Finance Department (Revenue)	415.94	575.93	159.99
2.	16 Public Works Department (Roads and Bridges)	111.39	123.45	12.06

(d) In the following grants/appropriations amounts were surrendered though no fund was available for such surrender :—

Serial Number	Number and name of grant	Total Saving	Amount surrendered	Amount surrendered (in excess)
(Rupees in lakhs)				

## REVENUE SECTION (VOTED)

1.	14 Public Works Department	Nil	18.45	18.45
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## CAPITAL SECTION (VOTED)

2.	15 Public Works Department (Buildings)	Nil	89.12	89.12
3.	17 Electricity Department	Nil	15.00	15.00
4.	19 Irrigation and Flood Control Department	Nil	15.00	15.00



### 2.2.10 *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 the Accountant General. In 1987-88, out of 171 Controlling Officers, 17 Controlling Officers had not done the reconciliation involving Rs. 49.06 crores. The matter was reported to the Government in August 1988.

### 2.2.11 *Trend of recoveries and credits*

During 1987-88, recoveries to be adjusted in accounts, as reduction of expenditure, were estimated at Rs. 76.44 crores (Revenue : Rs. 18.00 crores and Capital : Rs. 58.44 crores) against which actual recoveries were Rs. 80.02 crores (Revenue : Rs. 33.01 crores and Capital : Rs. 47.01 crores). In the revenue section the excess recovery was mainly in grants No. 14 Public Works (Rs. 10.32 crores), 18 Water Supply and Sanitation (Rs. 2.48 crores) and 18 Minor Irrigation (Rs. 2.01 crores) and 17 Power (Rs. 0.20 crore); in the Capital Section there was shortfall (Rs. 11.63 crores) under 28 Capital Outlay on Food, Storage and Ware Housing.

### 2.2.12 *Non-receipt of explanation for savings/excesses*

After the close of each financial year, the detailed appropriation accounts showing the final grant/appropriation, the actual expenditure and the resultant variation are sent to the Controlling Officers, requiring them to explain the variation in general and those under important sub-heads in particular. It is, however, seen that for the Appropriation Accounts 1987-88, explanation for variations are yet to be received (April 1989) from 139 out of 171 Controlling Officers.

### 2.2.13 *Irregular withdrawal of funds*

According to financial rules, (i) any portion of a grant remaining unspent during the year should not, on any account, be reserved or appropriated by transfer to a deposit or any other head in order to prevent it from lapsing and use it after the end of the year, (ii) no attempt should be made to prevent lapse of a grant by undue rush of expenditure during March and (iii) money should not be drawn from treasury far in advance and/or excess of immediate requirement.



A test check (February 1989) revealed that out of Rs. 217.71 lakhs shown to have been spent against the major head 2435—Other Agricultural programme under grant No. 35—Agriculture Department, Rs. 108.52 lakhs remained actually unspent and were transferred to the Personal Ledger Accounts of the Superintending Engineer Agriculture on 31st March 1988. Similarly, out of the expenditure of Rs. 84.45 lakhs shown against the major head 6851—Loans for Village and Small Industries under the grant No. 34—Industries Department, Rs. 68 lakhs were transferred to the Tripura Handloom and Handicraft Development Corporation (implementing agency) and Rs. 2 Lakhs kept in the Personal Ledger Account of the Director of Industries.

#### 2.2.14 Correlation of expenditure with physical progress

Test check of available records of Public Works Department disclosed that physical progress of the following schemes was not commensurate with the progress of expenditure in respect of the following works :—

Serial Number	Name of Scheme	Physical Target	Progress Achievement percentage (in bracket)	Financial Target	Progress Achievement percentage (in bracket)
(Rupees in lakhs)					
1.	Kumarghat Monpui Vangum (Mizoram Border Road)	17 KM	7 KM (41)	40.50	22.60 (56)
2.	Damcherra Kheda cherra Road	19.76 KM	2.76 KM (14)	45	14.51 (32)
3.	Pachartal Fatikroy Halahali Chebri Road	42.24 KM	17 KM (40)	180.25	126.61 (70)

## CHAPTER III

## CIVIL DEPARTMENTS

## AGRICULTURE DEPARTMENT

3.1 *Shortage of fertilizers*

Mention was made in paragraph 3.4 of the Report of the Comptroller and Auditor General of India for 1978-79 about loss of fertilizers over the permissible limit of 5 *per cent* fixed by the Government (February 1967). The Public Accounts Committee in its 36th meeting, held in August 1982, recommended occasional investigation into such losses by the department which could act as a caution to the village level workers and also minimise the shortage. The persistence of this phenomenon was again pointed out in paragraph 3.1 of the Report of the Comptroller and Auditor General of India for 1984-85 showing loss ranging from 6 *per cent* to 20 *per cent* during 1983-84.

A test check of the records relating to distribution of fertilizers in six out of seventeen Agricultural Sub-Divisions was conducted in April—May 1988. It was found that there was no improvement in the situation and shortage of fertilizer ranged from 6 *per cent* to 26 *per cent* for the years 1984-85 and 1985-86 involving a loss of Rs. 3.72 lakhs.

The extent of shortages during 1986-87 and 1987-88 could not be ascertained as no physical verification was conducted after March 1986. The following are the further deficiencies noticed.

(i) Out of 132 godowns in use, 72 were in a dilapidated condition since 1980-81. No action has been taken so far (July 1988) for their repairs.

(ii) There were 17 cases of theft during the year 1986-87 and 1987-88. These cases were reported to Police but no investigation report has been received. Proper watch and ward arrangements do not exist.

(iii) Procurement of fertilizers was in excess of the actual requirement. As for example, though Sonamura Sub-Division had a stock of 147.84 tonnes of Urea on 1st April 1985, allotment during the year was 1133.93 tonnes against the sale of 803.78 tonnes leaving a closing balance of 477.93 tonnes.



Similarly, 75.99 tonnes of Rock-phosphate was allotted to the same Sub-Division in 1985-86 when the opening balance was 68.38 tonnes. Total issue was only 69.91 tonnes.

The matter was reported to Government in October 1988. No reply has yet been received (January 1989).

## CO-OPERATION DEPARTMENT

### 3.2 *Idle Cold Storage Plant*

Government released (February 1983 to October 1984) Rs. 74.20 lakhs to a marketing co-operative society for erection of a 2000 tonne cold storage plant along with generator at Badharghat to provide storage and marketing facilities (potato and seed). The amount included a loan of Rs. 37.24 lakhs which carried interest at the rate of 10.75 per cent per annum and was refundable in 14 equal instalments commencing from September 1983. The Government also fixed (February 1983) the storage rent at the minimum of Rs. 250 per tonne per season.

The plant, procured from a Calcutta based firm, was erected by the Department of Agriculture at a cost of Rs. 59.95 lakhs and a trial run was conducted in March 1986. The plant, however, could not be put into operation due to some defects in one of the motors. In January 1987, the department requested the Public Works Department to provide the services of an Assistant Engineer for rectification of the plant and to make it operational. The Assistant Engineer provided by the Public Works Department rectified the defect in October 1987 when the plant was handed over to the Society. Thus, inability of the Department of Agriculture to arrange for the services of an Assistant Engineer to rectify the initial defect at the time of installation in March 1986 and lack of co-ordination between the two departments left the project inoperative for 19 months. The delay in operation of the plant deprived the neighbouring regions of the benefit of adequate storage facilities and compelled them to avail of the storage facility at the higher market rate of Rs. 890 per tonne instead of the lower rate of Rs. 250 per tonne which otherwise would have been available had the plant been operational. Besides, the timely operation of the storage plant could have earned annual rent of Rs. 5 lakhs at its full capacity

and made the project economically viable. The principal and the interest due for payment from the co-operative at the end of March 1989 worked out to Rs. 26.55 lakhs.

While admitting (July 1988) the fact, the Government stated that the plant could not be operated due to defects in the machine and lack of expertise in the Department of Agriculture. The plant, however, had been made operational since January 1988.

## EDUCATION DEPARTMENT

### 3.3 *Integrated Child Development Services (I.C.D.S.) Scheme*

#### 3.3.1 *Introduction*

Integrated Child Development Services (I.C.D.S.) Scheme was taken up by the Government of India in the Fifth Five Year Plan as a Centrally Sponsored Scheme in the year 1975-76 to provide integrated services to children below six years of age and also to expectant and nursing mothers which aims at welfare of the child. The programme was launched in the State in 1975-76 when one project was established in the Chaumanu Tribal Development Block (T.D.). Twelve more projects were started during 1978-79 to 1987-88.

The objectives of the scheme were

- (i) to improve the nutritional standard and health status/ condition of children below 6 years of age.
- (ii) to lay the foundation for proper psychological, physical and social development of the child.
- (iii) to reduce the incidence of mortality, morbidity, malnutrition and school dropouts.
- (iv) to achieve effective co-ordination of policy and implementation amongst the various departments to promote child development and
- (v) to enhance the capability of the mothers to look after the normal health and nutritional needs of the child through proper nutrition and health education.

The objectives were to be achieved through package of services of (a) supplementary nutrition (b) immunisation (c) health check up (d) referral services (e) nutrition and health education (f) non-formal education.

#### 3.3.1 (a) *Pattern of assistance*

It is a Centrally Sponsored Scheme with *cent per cent* central assistance (except for one of the services, viz.,



supplementary nutrition, funds for which are provided by the State Government under Minimum Needs Programme).

### 3.3.2 *Organisational set up*

The programme is implemented in the State through I.C.D.S. Projects. The Child Development Project Officer (C.D.P.O.) is incharge of each project. The projects are under the overall control and supervision of the Director of Social Welfare and Social Education (DSWSE), Tripura. The Health Department was to attend to the health and immunisation aspects of the programme through the State Co-ordinator (ICDS).

### 3.3.3 *Audit coverage*

Records maintained by the Director, Social Welfare and Social Education, Tripura and five projects (out of 13) viz., Matabari, Mohanpur, Takarjola, Kumarghat and Panisagar for the years 1984-85 to 1987-88 were test checked in Audit (June--July 1988). Results of test check are contained in the succeeding paragraphs.

### 3.3.4 *Highlights*

✓ —There was a shortfall in imparting training to I.C.D.S personnel and the Central assistance of Rs.4.28 lakhs remained unutilised.

(Paragraph 3.3.5)

—Though one district I.C.D.S Cell in North Tripura district was sanctioned by the Government of India in 1983-84 for effective implementation of the scheme, the Cell was not set up (August 1988).

(Paragraph 3.3.6(b))

✓ —There was an unauthorised expenditure of Rs. 8.49 lakhs from I.C.D.S fund towards payment of ex-gratia.

(Paragraph 3.3.7(b))

—Under the Supplementary Nutrition Programme, 100 per cent coverage of children and expectant and nursing mothers was not achieved as envisaged. Severely mal-nourished children were not provided with therapeutic (nutritious) food.

(Paragraph 3.3.10(ii))

✓ —Though under the scheme, special stress was to be given to the nutrition and health education to women, only one component (out of 6) viz., home visits by Anganwadi Workers was implemented.

(Paragraph 3.3.11(a))

—Safe drinking water was not available in 394 out of 536 Anganwadis.

(Paragraph 3.3.11(b))

—More than 60 *per cent* of the posts sanctioned for the health component of the scheme had not been filled up.

(Paragraph 3.3.12(a))

—Against the target of *cent per cent* immunisation of children below 6 years, the percentage of coverage in respect of DPT, Polio and BCG ranged from 4 to 24 *per cent*.

(Paragraph 3.3.13(b)(i))

—No child cards, weight charts and no records relating to health check up of the children were maintained in one project, and in other projects covered by test check, the health check up was inadequate. Vitamin 'A' solution (first and second dose) were given to 17 and 3 *per cent* of the children respectively.

(Paragraphs 3.3.13 (c) and (d))

—The programme had not been monitored by the Cell set up for the purpose. There was no effective evaluation of the scheme at the State level.

(Paragraph 3.3.14(c))

### 3.3.5 *Budget provision, expenditure and central assistance*

During 1984-85 to 1987-88, while total budget provision was Rs. 397.52 lakhs, Central assistance released was only Rs. 214.25 lakhs and against which an expenditure of Rs. 259.56 lakhs was incurred. Thus, 35 *per cent* of the total budget provision remained unutilised. Reasons for under-utilisation could not be stated by the department (August 1988). Expenditure relating to supplementary nutrition could not be ascertained as no separate accounts were maintained for this.

In addition, the Central Government released Rs. 8.46 lakhs for re-orientation and training of ICDS employees. Against this, the expenditure incurred was only Rs. 4.18 lakhs leaving an unutilised balance of Rs. 4.28 lakhs.

### 3.3.6 (a) *Coverage*

Upto 1987-88, 1,257 Anganwadis were established against the sanction of 1308 in 13 projects. Thus, 51 Anganwadis were not established as the posts of Anganwadi Workers were not filled.



(b) *Staffing pattern*

The staffing pattern comprised one Child Development Project Officer (CDPO) in each project and one supervisor/Mukhya Sevika for every twenty/seventeen Anganwadis in each rural/tribal project.

During test check of the records, it was, however, noticed that 3 posts of CDPOs (out of 13) and 13 posts of Supervisors/Mukhya Sevikas (out of 69) remained unfilled (December 1988). Further, one District ICDS Cell in North Tripura district was also sanctioned by the Government of India in 1983-84 for effective implementation and monitoring the ICDS programme. Though 11 posts of different categories including 1 programme officer and 1 Nutritionist were created by the State Government in December 1986, the ICDS Cell was not opened (December 1988) due to non-filling up of the posts sanctioned for the purpose. Reasons for non-filling up of the posts could not be stated by the department (December 1988).

(c) *Training*

It was noticed in Audit that 1171 (out of 1257) Anganwadi Workers were trained upto 1987-88. Out of effective strength of 56 Supervisors/Mukhya Sevikas, training was imparted to 48 upto 1987-88. No arrangement was, however, made for training of 86 Anganwadi Workers and 8 Supervisors/Mukhya Sevikas, although Central assistance of Rs. 4.28 lakhs remained unspent (December 1988) for the purpose.

(d) *Construction of houses for Anganwadis*

There was a provision for construction of houses for Anganwadis with a ceiling limit of Rs. 1500/- per Anganwadi. Provision was also made for utilisation of funds available under employment programme like NREP/SREP in addition to Rs. 1500/- per Anganwadi available under ICDS fund.

Test check of the records of Mohanpur and Kumarghat Projects revealed that between August 1985 and April 1986, 75 houses (Mohanpur 70, Kumarghat 5) were constructed by Block Development Officers (from ICDS fund at a cost of Rs. 2.18 lakhs) that is, at a cost of about Rs. 2,906 each against the ceiling of Rs. 1500/- each, resulting in an excess (93 per cent) expenditure of Rs. 1.05 lakhs.

(e) *Selection of Anganwadi Workers*

The focal point of delivery of ICDS package of services is an Anganwadi. As envisaged under the scheme, the Anganwadi Worker (Lady) was to be selected from the local village and acceptable to the local community. Scrutiny of the records of Takarjola and Panisagar Projects revealed that 10 Anganwadi Workers (Takarjola-5 ; Panisagar-5) were recruited from other villages located at a distance of 5 KM to 23 KM away from Anganwadi Centres without any effort being made to ascertain the availability of local candidates. Reasons as to why recruitment was not made from the local candidates were not available on record (August 1988).

3.3.7(a) *Diversion of funds*

Records of Takarjola Project showed that in 1984-85 expenditure of Rs. 0.40 lakh towards purchase of furniture and equipment for utilisation in Block Office (Takarjola) not connected with the implementation of the Scheme was met from the ICDS fund.

(b) *Unauthorised expenditure*

While there was no provision in the scheme for payment of ex-gratia to the staff working in ICDS Projects, expenditure amounting to Rs. 8.49 lakhs was incurred from ICDS fund on account of payment of ex-gratia (on the eve of Durga Puja festival) to the staff (including Anganwadi Workers and helpers recruited on honorarium basis) working in different ICDS Projects during 1984-85 to 1987-88.

3.3.8 (a) *Mahila Mandal*

As envisaged under the scheme, Mahila Mandals were to be established and organised in all the Anganwadi Centres to help the Anganwadi Workers in rendering various packages of services especially in non-formal pre-school education of children and health and nutrition education of women. No Mahila Mandals were established and organised in Matarbari, Mohanpur and Panisagar Projects (total 378 Anganwadis) (July 1988).

(b) *Supervision*

According to the instructions issued by the Government of India, Supervisors in ICDS Projects were to supervise the works of the Anganwadi Workers to guide them in



performing their duties properly and to check the correctness of the enlistment of beneficiaries for different package service. For this purpose, they were to visit each Anganwadi every month. The prescribed minimum of 12 visits per Anganwadi per year (based on minimum one visit a month per Anganwadi) was not conducted during 1987-88. A test check of the records revealed that visits by the Sector Supervisors Kumarghat, Matarbari, Panisagar, Mohanpur and Takarjola numbered 291, 576, 419, 1040 and 540 against the prescribed norms of 1152, 1728, 1200, 1608 and 744 during the year 1987-88, the percentage of shortfall in visits being 75, 67, 65, 35 and 27 respectively.

### 3.3.9 *Non-formal pre-school education*

(a) The scheme envisaged non-formal pre-school education to about 40 children in the age group of 3-5 plus years in each Anganwadi by organising pre-school activities for developing (in the children) desirable attitudes, values and behaviour patterns.

Test check of the records of Mohanpur and Panisagar projects revealed that non-formal pre-school education which was essential for all round development of the child, had not been started in 18 Anganwadis out of 231 (Children 1379) during 1987-88.

Records of the five projects covered by test check showed that in 101 Anganwadis there were less than 40 children per Anganwadi, the number of children on roll for pre-school education per Anganwadi ranged from 19 to 38 against the targeted number of 40 per Anganwadi.

According to the department, such low participation of the children in pre-school activities was mainly due to the lack of motivation on the part of the mothers.

(b) Test check of 9 Anganwadis of Matarbari and Mohanpur Projects revealed that the average percentage of children attendance in non-formal pre-school education ranged from 19 to 35 during 1987-88. The essential teaching equipments were also not supplied to these centres.

### 3.3.10 *Supplementary Nutrition Programme (SNP)*

The scheme provides for supplementary nutrition intake for malnourished children below six years and expectant and nursing mothers belonging to SC/ST and certain other



categories for 300 days in a year at the rate of 200 to 600 calories and 8 to 25 grams of protein per day according to the status of the beneficiary to be determined by clinical test. The SNP in ICDS projects in Tripura is directly implemented by the SNP Unit of the Tribal Welfare Department. The Anganwadi Workers organise the feeding centres under the supervision of the Anganwadi Supervisors and Child Development Project Officers (CDPOs) as nutrition is an integral part of the ICDS. Out of the 5 ICDS Projects test checked the programme was implemented in 4 projects (Mohanpur---August 1987 ; Takarjola---February 1985 ; Kumarghat---March 1986 ; Panisagar---March 1983. Test check of the records of the Director of Social Welfare and Social Education and the selected projects disclosed that :—

(i) the number of expectant/nursing mother and malnourished/severely malnourished children who are eligible for SNP, was not assessed from time to time by actual home visits. Records were also not maintained in a complete manner to assess the number of persons covered as compared to the number of eligible beneficiaries and whether the coverage was only of eligible persons.

(ii) Records maintained by the CDPOs (Mohanpur, Takarjola, Kumarghat and Panisagar) showed that out of 31,960 children registered for supplementary nutrition, only 20,656 children (65 per cent) were covered under the programme during 1987-88. In 1986-87, the coverage was only 64 per cent (13,816 out of 21,641 children) in three projects Takarjola, Kumarghat and Panisagar. Low coverage under SNP in Kumarghat project was attributed to lack of awareness among the parents regarding necessity of nutrition. As many as 333 children registered in Kumarghat and Panisagar Projects, as severely malnourished were not provided with therapeutic food as required under the programme. In Kumarghat and Panisagar projects, 2,275 expectant and nursing mothers out of 5,067, were not covered under the programme during 1987-88. No supplementary nutrition was provided to the expectant and nursing mothers enlisted in 196 Anganwadis in Mohanpur and Takarjola projects (expectant and nursing mothers 899).

(iii) As envisaged under the programme, the feeding was fixed for 300 days in a year in order to check malnutrition and under-nutrition amongst the children, expectant and nursing mothers.



It was, however, noticed that supplementary nutrition was provided for 151 to 157 days in 225 Anganwadis in Mohanpur and Panisagar Projects (1987-88). In 1986-87, it was provided only for 159 days in Panisagar Project.

In Takarjola and Kumarghat Projects, the supplementary nutrition was, however, provided for 251 to 266 days in 155 Anganwadis (1987-88).

In Matarbari Project, the SNP was not implemented (August 1988) although the project had started functioning with 144 Anganwadis with effect from March 1987. As a result, children (9,570), expectant/nursing mothers (1,382) were deprived of the benefit of supplementary nutrition. Non-starting of SNP was mainly due to non-appointment of helpers of the Anganwadis.

The shortfall in achieving the target (300 feeding days) was mainly due to irregular supply of food grains and commodities from Block Officers to the Anganwadi feeding centres.

(iv) It was also noticed that services of 5 helpers attached to 5 Anganwadis in Panisagar and Kumarghat projects for running the SNP had not been utilised for SNP or otherwise during the period from March 1986 to March 1988, because there were no Anganwadi workers attached to these 5 centres during the said period. As a result, the expenditure of Rs. 0.23 lakh for payment of honorarium to the helpers was not fruitful.

### 3.3.11 (a) *Nutrition and health education to women*

As per ICDS Programme, nutrition and health education was to be provided to all women in the age group of 15-45 years through (a) use of mass media and other forms of publicity (b) special campaigns at suitable intervals aimed at saturating the project area (c) home visits by Anganwadi Workers (d) specially organised short courses for about 30 women at a time (e) demonstration of cooking and feeding (f) utilisation of the health education and nutrition programme.

Test check of the records of 5 projects, viz., Matarbari, Mohanpur, Takarjola, Kumarghat and Panisagar revealed that except for home visits by Anganwadi Workers other aspects of the programme had not been organised. Though 8,179 women beneficiaries in four projects, i.e., Matarbari, Mohanpur, Kumarghat and Panisagar, were stated to have

been covered by home visits by Anganwadi Workers in 1987-88, the relevant records in support of coverage could not be made available by the CDPOs (July 1988). The CDPO, Takarjola, however, fixed a target of 549 women to be covered by home visits during 1987-88, but the relevant records regarding actual number of beneficiaries covered by home visits were not maintained (July 1988).

(b) *Availability of safe drinking water*

One of the basic requirements for effective implementation of the programme was to make arrangement for supply of safe drinking water in the locality covered by the ICDS Project. The selection of the project area was, therefore, to be co-ordinated with the programme of protected water supply as supplementary nutrition was unlikely to improve the health of the child if the child continued to be exposed to infection or unprotected drinking water supply. Scrutiny of records of the five projects showed that safe drinking water facilities were not available in 394 out of 536 Anganwadis in 1987-88.

No steps were taken by the department for providing protected drinking water supplies in the Anganwadis with the help of the Public Health Engineering Department as envisaged under ICDS Programme (July 1988).

### 3.3.12 *Health component of scheme*

The health component of the scheme comprised (i) Antenatal care of expectant mothers and post-natal care of nursing mothers and new born infants and (ii) care of children below 6 years of age. Out of the 5 projects covered by test check, the health component of the programme was implemented in 4 projects, viz., Mohanpur—April 1987; Takarjola—December 1985; Kumarghat—May 1985; Panisagar—February 1984.

(a) *Provision of health staff*

For implementation of the health services component under the project, medical and para-medical personnel and other inputs were to be provided to supplement the primary health services net work in the project area.



Scrutiny of records disclosed that as on 31st March 1988, 39 posts of Lady Health Visitors (LHV) Health Assistants Female (HAF) and 48 posts of Auxillary Nurse Midwives (ANMs)/Health Workers Female (HWF) constituting more than 60 per cent of the sanctioned strength (LHV/HAF : 56 ; ANMs/HWF : 82) were not filled up. According to the department, shortage of health staff was one of the main reasons impeding effective implementation of the ICDS scheme. The reason for not filling up the vacant posts was mainly due to non-availability of suitable candidates.

(b) As envisaged under the scheme, PHCs were to enumerate number of expectant and nursing mothers and children under 6 years of age and assess their immunisation and health status and also collect base line data on morbidity and mortality pattern in the Block and ascertain the prevalence of various patterns of diseases.

A test check of the records of Mohanpur and Takarjola PHCs revealed that no such assessment was made at PHC level. Instead, the enumeration of the children, pregnant and nursing mothers was done on the basis of children, pregnant/nursing mothers registered on the basis of field survey for supplementary nutrition in the Anganwadis.

### 3.3.13 (a) *Ante-natal and post-natal care*

Under the provisions of the ICDS scheme, health check up was to be done for all expectant mothers. The ante-natal care was to include complete physical examination and obstetrical examination of the expectant mothers, serial recording of weight, blood pressure, haemoglobin etc. The scheme also envisaged a minimum of 4 physical examinations of the expectant mother during her pregnancy. Of these, at least one visit should have been in the home of the pregnant women and one visit after 36 weeks of pregnancy. An ante-natal card was to be maintained for each pregnant women covered to keep record of ante-natal care and this was to be converted into a post-natal card. Regarding post-natal care of nursing mothers, the scheme provides visits to mothers in their homes twice within 10 days of delivery in villages where Public Health Centre (PHC) and sub centres are located near the villages. In other areas, at least one visit within the first month after delivery.

Records of 4 projects covered by test check (Mohanpur, Takarjola, Kumarghat and Panisagar) showed that 2493 expectant mothers and 4,473 nursing mothers were enrolled in the Anganwadis during 1987-88. The ante-natal or post-natal cards were not maintained in any of the Anganwadis/PHCs. In the absence of these cards, it could not be ascertained as to how far the physical examination of required periodicity (4 times of 2,493) or other prescribed medical tests and home visits etc., were conducted.

(b) *Immunisation of children and expectant mothers*

(i) *Immunisation of children*

In accordance with the provision of the scheme, immunisation of children was required to be so arranged through PHCs and dispensaries that a child before reaching one year of age should have received one dose of BCG, 3 doses of DPT and 3 doses of Polio Vaccines. Cent *per cent* coverage under immunisation was prescribed for all children before 6 years of age. The information regarding the targeted and the actual number of beneficiaries covered upto 1987-88 for the 4 projects test checked, are given below :—

Name of the Project	Estimated number of children to be covered (1987-88)	Actual coverage			Percentage of children immunised		
		DPT	Polio	BCG	DPT	Polio	BCG
		3 doses	3 doses	1 dose	3 doses	3 doses	1 dose
Mohanpur	3,581	410	534	453	11		13
Takarjola	9,00	218	218	408	24	24	21
	1,900 (BCG)						
Kumarghat	6,756	894	894	Nil	13	13	—
Panisagar	3,129	110	106	Nil	4	4	—

It would be seen that the percentage of coverage in respect of DPT and Polio ranged from 4 to 24. While the percentage in respect of BCG was nil for two projects *viz.*, Kumarghat and Panisagar, the BCG percentage in respect of other two projects *viz.*, Mohanpur and Takarjola was 13 and 21 respectively.



Explaining the low coverage in respect of DPT, Polio and BCG, the Health Department expressed their difficulties (January 1987) in carrying out the immunisation activities and other health programmes through Anganwadis mainly because of (i) non-availability of vehicles as per schedule (ii) lack of equipment like refrigerator for preserving the immunisation vaccine (iii) lack of co-ordination between the ICDS and PHC staff and (iv) lack of health personnel at field level. No remedial measures were, however, taken by the department to improve the position (July 1988).

(ii) *Immunisation of expectant mothers*

The scheme provides that all expectant mothers of the project area are to be immunised against tetanus. Two doses of the tetanus toxoid are to be given to the expectant mothers. The second dose is to be given at least two weeks before the expected date of delivery, the minimum interval between two doses being at least one month.

Records of the Kumarghat and Panisagar projects showed that the prescribed two doses were given only to 17 expectant mother out of 1,539 enlisted in the different Anganwadis of the said two projects during 1987-88. In respect of other two projects in Mohanpur and Takarjola, no records were maintained at Anganwadis/PHCs regarding particulars of expectant mothers immunised.

(c) *Health check-up of children below six years of age*

The scheme provides for general check up of all children below 6 years twice a year in order to detect diseases and other evidences of mal-nutrition and infection and to keep record of weight once in three months. A test check of the records maintained by the CDPO Kumarghat revealed that health check up of 11,773 children enlisted in 73 Anganwadis was not done during 1987-88. In Panisagar project, while no health check up was done in respect of children enlisted in 100 Anganwadis, during 1986-87, health check up of only 267 children out of 7,146, was done in 1987-88. In Mohanpur project, there was no record to show that health check up of the children (10,540) enlisted in 135 Anganwadis was done in 1987-88. In Takarjola project, health check up was not done in respect of 3,320 children enlisted in 25 Anganwadis during 1987-88.

In Takarjola project, out of 6,486 children, weight in respect of 2,503 children was not found recorded once in three months during 1987-88. No child cards and weight charts were maintained in respect of the children enlisted in 135 Anganwadis of Mohanpur project (10,540 children).

Thus, the periodical check up of the children with reference to weight charts was not done to assess the impact of the programme.

(d) *Vitamin A solution*

The scheme provides for giving vitamin 'A' solution twice a year to all the children in the age group of 6 months to 6 years for prevention of blindness. Records maintained by the CDPO, Panisagar showed that vitamin 'A' solution was given to only 4 (four) children during 1987-88 (total children 7,146). Records of other three projects test checked (Mohanpur, Takarjola and Kumarghat) showed that in 1987-88 only 17 and 3 per cent of children in the target group were given first and second dose respectively.

(e) *Referral services*

In the case of expectant mothers and children with problems requiring specialised treatment, the scheme envisaged referral services viz., such cases were to be referred to the upgraded PHC Sub-Division and district headquarter hospital. For this purpose, necessary records were to be maintained by the CDPO of the project. In none of the projects, (Mohanpur, Takarjola, Kumarghat and Panisagar) whose records were test checked in audit, such records were maintained.

3.3.14 (a) *Non-submission of monthly progress reports*

The Anganwadi constitutes an important responsibility centre in the ICDS programme. It is at the Anganwadi level non-formal pre-school education, health and nutrition education, services of supplementary nutrition etc., are provided to the children/mothers. For this purpose, the monthly progress reports are required to be submitted by the Anganwadi Workers to the CDPO before 5th of the following month. No such monthly progress reports were submitted by the Anganwadi workers (144 Anganwadi centres) of Matarbari project to the CDPO during 1987-88.



(b) *Co-ordination*

Co-ordination committee at State level was constituted in June 1979 and re-constituted once in April 1983 and again in December 1986. Though the State level Co-ordination Committee was to meet at least once a year to discuss various problems for proper and effective implementation of the ICDS scheme, the Committee met only once i.e., January 1987 after its re-constitution. No District level committee was set up.

The Block level co-ordination committee was to meet at least once a month to review the working of the ICDS projects for improving the delivery of package services. During 1987-88, while 8 block level meetings were held in Takarjola, 4 and 3 meetings were held in Panisagar and Kumarghat respectively. While 3 block level meetings were held in Matarbari during 1987-88, no meeting was held in Mohanpur. Thus, in five projects covered by test check, the prescribed minimum of 12 block level meetings a year was not achieved in 4 blocks and no meeting was held in 1 block.

(c) *Monitoring and evaluation*

(i) As envisaged under the scheme, the Medical Officer incharge of each PHC selected for delivery of health services to ICDS beneficiaries was required to prepare a monthly PHC level report covering all aspects of the health programme. No such monthly reports were compiled by Medical Officer in charge of PHC viz., Mohanpur, Takarjola, Kumarghat and Panisagar. Thus, the health component of the programme was not monitored adequately at the PHC level.

(ii) The monthly progress reports received from each of the ICDS projects, were not analysed by the ICDS Cell set up at State level, i.e., DSWSE. No details regarding targets and achievements relating to various activities of the programme were also compiled by the cell to assess the extent of coverage and effectiveness of the delivery of the various package services, to identify the reasons for shortfall and to take remedial action for overcoming the bottleneck in proper and effective implementation of the programme. Thus, there was no proper monitoring and effective evaluation of the programme at State level.

The points mentioned in the above mentioned paragraphs were referred to the Government in September 1988 ; reply has not been received (December 1988).

### 3.4 *Rescue homes and rehabilitation centres*

#### 3.4.1 *Introduction*

With a view to providing shelter, care, protection, education, training and rehabilitation to the destitutes and neglected children, affected girls and women, aged and infirm, the State Government took up schemes for establishment of children's homes from 1959-60, homes for orphan boys and girls and Mahila Ashrams for destitute women.

As on 31st March 1988, there were 20 children's homes with a capacity for accommodating 955 inmates. Of the 20 children's homes with 892 inmates as on 31st March 1988, 5 are run by the State and 15 by voluntary organisations (9 by the Notified Area Authorities, 2 by the Agartala Municipality and 4 by private bodies).

The three Mahila Ashrams, with 91 inmates, (as on 31st March 1988), are run by the State against capacity for 100 inmates.

In addition, there exists since June 1975, a State Foundling Home for babies upto 3 years of age at Narshingrah with a capacity of 25 inmates which was subsequently raised to 75 (August 1984). The latest addition is a protective home set up at Taranagar, West Tripura in May 1986, with a capacity of 50 inmates for rescue and rehabilitation of downtrodden and victimised girls and women.

#### 3.4.2 *Organisational set up*

At the State level, the entire rescue and rehabilitation operations are supervised by the Social Welfare Officer under Education Department. At the district level, there is an Assistant Social Welfare Officer for supervision of the operation in West District. No supervising Officers exist for North or South Tripura districts.

#### 3.4.3 *Audit coverage*

The records on implementation of rescue and rehabilitation schemes covering the period from 1980-81 to 1987-88 in



the Directorate of Social Welfare and Social Education, Office of the Assistant Social Welfare Officer, two Government homes at Agartala, the State foundling home for babies upto the age of 3 years at Narshingarh, four homes for children run by the voluntary organisations and the protective home at Taranagar, West Tripura were test checked by audit during August—September 1988. The highlights of the review are given below :

#### 3.4.4 Highlights

—The purpose of establishing the foundling home for abandoned babies was not realised although Rs.14.74 lakhs were spent during 1980-81 to 1987-88.

(Paragraph 3.4.6)

—Excess grant of Rs. 1.57 lakhs was released by the Government to the Agartala Municipality during 1985-86 to 1987-88 on account of maintenance cost of inmates of two homes.

(Paragraph 3.4.8)

—A home for tribal orphan boys, sought to be established in 1980-81, has not yet been set up despite spending Rs.4.80 lakhs on the building.

(Paragraph 3.4.7)

—Though Rs. 52.59 lakhs were spent during 1980-81 to 1987-88 on orphan homes, no steps have been taken for providing gainful employment to the grown up orphans who continue to stay in homes indefinitely.

(Paragraph 3.4.9(i))

—Records in support of expenditure for Rs.9.16 lakhs were not made available to audit.

(Paragraph 3.4.10)

—No monitoring or evaluation of the programme had been done.

(Paragraph 3.4.11)

#### 3.4.5 Financial outlay

The year-wise budget provision and the expenditure

incurred by the department are given below :

Year	Children's homes for boys and girls including home for foundling babies and homes run by voluntary organisation		
	Budget Provision	Actual expenditure	(—) Savings (+) Excess
			( Rupees
1980-81	12.60	14.91	(+)2.31
1981-82	16.61	20.24	(+)3.63
1982-83	25.91	21.73	(—)4.18
1983-84	29.96	25.60	(—)4.36
1984-85	37.84	30.82	(—)7.02
1985-86	36.91	40.51	(+)3.60
1986-87	52.89	29.37	(—)23.52
1987-88	48.02	35.47	(—)12.55
Total	260.74	218.65	(—) 42.09



Mahila Ashram/Home for destitute women			Protective home for downtrodden women and victimised girls		
Budget provision	Actual expenditure	(—)Savings (+)Excess	Budget provision	Actual expenditure	(—)Savings (+)Excess
<i>in lakhs )</i>					
1.84	0.15	(—)1.69	0.32	Nil	(—)0.32
5.54	7.16	(+)1.62	0.14	0.20	(+)0.06
6.94	6.17	(—)0.77	0.40	Nil	(—)0.40
7.63	3.57	(—)4.06	Nil	Nil	Nil
8.44	8.66	(+)0.22	1.20	0.56	(—)0.64
7.64	12.91	(+)5.27	0.70	0.69	(—)0.01
15.43	16.17	(+)0.74	0.44	5.17	(+)4.73
28.45	12.18	(—)16.27	1.94	6.93	(+)4.99
81.91	66.97	(—)14.94	5.14	13.55	(+)8.41

The reasons for excesses/savings of expenditure are yet to be intimated by the department (September 1988).

### 3.4.6 *Failure of the Scheme for abandoned babies*

The scheme provided admission of unclaimed and abandoned babies of age group 0—3 years to the foundling home as and when referred to them by the Police/Hospital authorities and thereafter the babies (children) were to be transferred to children's home on attaining the age of 6 plus. Scrutiny of records revealed that admission in respect of all the 70 inmates of the foundling home, during 1980-81 to 1987-88 was made based on applications received from parents/guardians. Hence they were not abandoned children referred by the Police/Hospital authorities. Further, the limitation of age (0—3 years) was not followed in admitting babies (children) except in one case.

Further, out of 60 inmates of the home as on roll in August 1988, 58 inmates of more than 6 years old (27 of 6--8 years and 31 of 8—11) were continued to be retained in the foundling home due to non-availability of accommodation in other existing homes for boys and girls in the State.

An expenditure for Rs. 14.74 lakhs incurred during the period from 1980-81 to 1987-88 did not, therefore, serve the purpose of abandoned babies for which the scheme was originally formulated.

### 3.4.7 *Delay in setting up a home for tribal orphan boys*

A home for tribal orphan boys with 60 inmates was to be established at Ampura in 1980-81. Funds for the building were allotted in January 1984 and the building was completed in January 1988 at a cost of Rs. 4.80 lakhs, but it was not taken over by the department till September 1988 due to bad workmanship. There had thus been a delay of over 8 years in setting up the home (September 1988).

### 3.4.8 *Homes run below the normal capacity*

(i) The Agartala Municipality was given grants-in-aid amounting to Rs. 1.97 lakhs in each of the years 1985-86 and 1986-87 and Rs. 2.74 lakhs in 1987-88 on account of the maintenance cost for food, clothing etc., for 100 inmates (boys and girls) of the two homes at the rate of Rs. 5.40 and Rs. 9.00 per inmate per day with effect from April 1985 and September



1987 respectively. On scrutiny of the attendance registers for the relevant years of the two homes it was noticed that boys and girls numbering 85, 82 and 72 only were present during the years 1985-86, 1986-87 and 1987-88 respectively against the capacity of 100 in each year. But 22 and 2 applicants were awaiting admission in 1985-86 and 1987-88 respectively. According to the attendance and scale of expenditure, a sum of Rs. 5.37 lakhs was justified for release as grants-in-aid during these 3 years against actual grant of Rs. 6.68 lakhs. As a result, a sum of Rs. 1.31 lakhs was retained in excess by the Municipality.

(ii) Similarly, grants-in-aid amounting to Rs. 0.43 lakh in each of the years during 1985-86, 1986-87 and 1987-88, being the house rent at the rate of Rs. 36.00 per month per child as per provision of the scheme was given to Agartala Municipality, for 100 boys and girls. But in view of the actual number of 85, 82 and 72 inmates during the year 1985-86, 1986-87 and 1987-88 respectively, the Municipality was entitled to a total grant of Rs. 1.03 lakhs only during the period 1985-86 to 1987-88 as against the actual receipt of Rs. 1.29 lakhs. Thus, a sum of Rs. 0.26 lakh was retained in excess by the Municipality. The scheme stipulated submission of audited statement of accounts by the Municipality in support of utilisation certificate and supervision of the organisations by the Government before release of grants. But in respect of the two homes, the excess release of grants to the tune of Rs. 1.57 lakhs could have been avoided if the Government ensured submission of audited accounts and made on the spot verification of the actual number of their inmates before releasing the grants.

### 3.4.9 *Non-rehabilitation of inmates*

(i) As on 31st August 1988, 48 (23 boys and 25 girls) inmates of the Government homes at Agartala, of the age group 17 to 22 years having academic qualification ranging from Class IV to Class X were awaiting rehabilitation. No provision could be made for their rehabilitation resulting in continuance of their stay in the homes. Though Rs. 52.59 lakhs were spent from 1980-81 to 1987-88 on orphan homes, no steps had so far (September 1988) been taken by the Government for providing gainful employment to the grown-up orphans with the result that fulfilment of the main objective of rehabilitation of the orphan boys and girls remained unrealised. While their number

was continually on the increase in all the homes, 425 fresh applications for admission in the homes were kept pending (September 1988) due to dearth of accommodation.

(ii) Similarly, out of 68 inmates of the two Mahila Ashrams at Agartala, as on 31st August 1988, 43 women had completed training in vocational trade during the period 1982-87.

With a view to creating avenues for their rehabilitation, a Weaver's Co-operative Society at Agartala consisting of the trained inmates was formed in May 1984. A sum of Rs. 0.33 lakh was granted by the Industries Department to the Society in June 1986. But the Society had not yet (September 1988) started functioning and the amount was lying unutilised in the State Co-operative Bank.

#### 3.4.10 *Non-production of records to Audit*

A sum of Rs. 9.16 lakhs was given as grants-in-aid to the Harijan Sevak Sangha, Tripura, a Voluntary Organisation during 1980-81 to 1987-88 for running and maintenance of a children's home for girls. But records in support of expenditure could not be produced to Audit by the grantee organisation (September 1988) despite the matter having been brought to the Notice of the Directorate of Social Welfare and Social Education.

#### 3.4.11 *Monitoring and Evaluation*

For monitoring and evaluation of the schemes, the Government created the posts of one Assistant Director (Gazetted) and one Technical Assistant in June 1986, but the post had not been filled in (September 1988). Besides, though the department laid down forms of monthly returns for the purpose of monitoring the programme, no report had been submitted by the field formations in this regard nor any evaluation has been done by the department so far (September 1988).

The above points were reported to the Government in November 1988; reply has not been received (January 1989).

### 3.5 *Avoidable expenditure*

Mention was made in paragraph 3.6.5 of the Report for the year 1976-77 and in paragraph 3.2 of the Report for the year 1984-85 about the payment of pay and allowances of



Rs. 9.54 lakhs and Rs. 39.13 lakhs to idle staff of the Craft Teachers' Training Institute, Agartala during the period from April 1973 to January 1978 and from September 1979 to December 1984 respectively.

The Public Accounts Committee in its 38th Report had commented upon the non-utilisation of the services of the craft teachers and expressed its concern over it. Government stated (June 1986) that there was a proposal to utilise the services of the instructors of the institute in Government College of Arts and Crafts.

However, a further expenditure of Rs. 16.75 lakhs was incurred on the pay and allowances of the idle staff for the period from January 1985 to March 1987.

Besides, machinery, tools, implements and raw materials worth Rs. 1.81 lakhs had been lying idle in the stores of the craft section since September 1979 due to non-functioning of the Institute. Physical verification of stores, as required under the rules, had also not been conducted beyond July 1979.

The matter was reported to the Government in April 1988 ; their reply has not yet been received (October 1988).

### 3.6 *Under-utilisation of photographic unit*

With a view to taking photographs of the social, cultural and religious characteristics of the tribal life for use in text books, work book studies and also for making audio-visuals, a photography unit was established in the Tribal Language Cell under the Directorate of Education. For the unit one photographer and one dark room assistant were appointed in November 1979 and June 1981 respectively.

During test check (January 1988), it was noticed that while the camera and its accessories were purchased in March 1984, the film rolls were purchased in June 1986 and only 327 photographs were taken by the photographer between June 1986 and March 1987. The total expenditure on this unit from November 1979 to March 1987 was Rs. 1.87 lakhs (Rs. 1.67 lakhs on account of pay and allowances and Rs. 0.20 lakh towards cost of materials). The full benefit of this expenditure, however, could not be achieved as the department could take only 327 photographs during the period of eight years.

It was further stated that services of the photographer and dark room assistant were utilised towards maintenance of library, drawing up of bills, disbursement of cash. The reply is not tenable because the cell already had one Accountant, one Upper Division Clerk and a Lower Division Clerk.

The expenditure of Rs. 0.59 lakh as pay and allowances till March 1984 and Rs. 1.87 lakhs on the photography unit failed to assist in the promotion of audio-visual education.

## FOOD AND CIVIL SUPPLIES DEPARTMENT

### 3.7 *Public Distribution System*

#### 3.7.1 *Introduction*

In pursuance to the decision of the Government of India in 1955, the Public Distribution System (PDS) was introduced in Tripura in 1956 to (i) ensure supply of essential commodities to people at reasonable prices particularly to the weaker sections of the society, (ii) control prices and (iii) ensure an equitable distribution of essential goods, e.g., wheat, rice, sugar, kerosene oil etc.

#### 3.7.2 *Organisational set up*

The PDS, in Tripura, is under the overall supervision of the Director of Food and Civil Supplies. At the district level, he is assisted by the District Magistrate and Collector in each of the three districts. In each district, there are 3 to 4 Sub-divisional Officers each of whom is assisted by Assistant Director of Food and Sub-divisional Controller of Food.

Rice and Wheat are procured from Food Corporation of India (FCI) by the Director of Food and Civil Supplies. Sugar is supplied to the FPS by Tripura Wholesale Consumers Co-operative Federation Ltd. (State nominee), which lifts the State quota of sugar from the Sugar Mills. Kerosene is obtained from the Oil Companies.

#### 3.7.3 *Audit Coverage*

A review of the implementation of PDS during 1980-81 to 1987-88 was conducted by Audit during April—July 1986, March 1987 and September 1988 in three districts (Tripura



North, Tripura West and Tripura South) besides a general scrutiny of records at the Directorate of Food and Civil Supplies.

#### 3.7.4 Highlights

—The population per ration shop in the urban areas varied between 3,093 and 3,406 against the norm of 2000 per shop.

(Paragraph 3.7.6)

—Quantity of rations (rice, wheat etc.) as per scale, could not be made available to consumers due to short drawal from FCI against allotment made by the Government of India mainly due to transport difficulty. In the case of sugar, the allotted quantity was substantially lower than required thereby negating the idea of price control under the system.

(Paragraph 3.7.9)

—Expenditure of Rs. 3.26 lakhs in the form of free-distribution of rice to tribal blocks could have been avoided had common rice instead of superfine rice been distributed among the tribal population.

(Paragraph 3.7.12)

—There was unintended financial benefit to dealers of Fair Price Shops due to payment of interest free loan.

(Paragraph 3.7.14)

—Rupees 4,371.80 lakhs were due to be recovered by the State Government from the Food Corporation of India as on 31st March 1988 on account of reimbursement of subsidy on levy sugar (Rs. 210.23 lakhs), balance of advances on wheat and rice (Rs. 4,006.67 lakhs) and payment of transportation cost (Rs. 154.90 lakhs).

(Paragraph 3.7.13)

The results of review are mentioned in succeeding paragraphs.

#### 3.7.5 Budget provision and expenditure

The following table shows the budget provision and expenditure on procurement of foodgrains etc., on capital accounts

and corresponding receipts on account of their sale from 1980-81 to 1987-88.

Year	Budget provision	Expenditure	Excess(+) Savings(-)	Receipts
( in lakhs of rupees )				
1980-81	1255.73	854.52	(- )401.21	605.32
1981-82	1407.00	1340.86	(- )66.14	1234.62
1982-83	1997.00	2090.84	(+ )93.84	1967.76
1983-84	2656.00	2023.63	(- )632.37	2070.30
1984-85	3641.20	2603.05	(- )1038.15	2473.59
1985-86	3656.00	3334.32	(- )321.68	2545.15
1986-87	4551.00	3493.06	(- )1067.94	3276.89
1987-88	5000.00	4376.29	(- )623.71	4078.68

Excess expenditure of Rs. 93.84 lakhs in 1982-83 was due to grant of double the normal quota of ration in tribal areas during the year.

Savings during 1980-81 to 1981-82 and 1983-84 to 1987-88 were mainly due to less procurement of foodgrains from central pool than estimated.

### 3.7.6 Fair Price Shops

The number of ration cards and population increased from 4.18 lakhs and 21.96 lakhs in 1983-84 to 4.51 lakhs and 25.07 lakhs in 1987-88 respectively. The number of Fair Price Shops run by individuals and Co-operatives also rose from 614 and 319 in 1983-84 to 695 and 414 in 1987-88 respectively. During the period 1983-84 to 1987-88, the average population covered per Fair Price Shop varied between 2,126 and 2,245 in rural areas and between 3,093 and 3,405 in urban areas as against norm of 2,000 numbers per shop prescribed (1979) by the Government of India. The population per shop in urban areas thus exceeded the norm by more than 50 per cent.

A test check of records of Rationing Authority, Agartala revealed that 792 applications for ration cards comprising 3,962 consumers received during 1987-88 were pending enquiry

### 3.7.7 Procurement and supply

The details of rice and wheat procured against allotment made by the Government of India and issued to retail dealers



(Fair Price Shops and Co-operative Societies) for issue to registered consumers were as given below :—

Year	Commodity	Quantity of grains in tonnes		
		Allotted by Centre	Lifted by State	Issued to retail dealers
1980-81	Rice	97,000	61,999	59,202
	Wheat	8,100	3,055	3,095
1981-82	Rice	90,000	63,995	61,447
	Wheat	6,000	2,967	2,123
1982-83	Rice	94,000	89,951	90,378
	Wheat	16,000	5,926	5,493
1983-84	Rice	90,500	89,958	93,275
	Wheat	30,500	9,182	10,348
1984-85	Rice	96,000	89,924	91,520
	Wheat	30,000	8,046	8,231
1985-86	Rice	1,15,000	1,00,106	91,265
	Wheat	30,000	7,889	7,855
1986-87	Rice	1,59,640	1,29,044	1,31,248
	Wheat	30,820	11,419	11,392
1987-88	Rice	1,69,000	1,42,056	1,46,052
	Wheat	30,000	12,990	11,922

As stated by the Government, Food Corporation of India (FCI) units in Tripura are responsible for supply of rice and wheat stock to the State as per monthly allocation made by the Government of India from their depots within the State. As a matter of fact the local unit of FCI did not have so much storage capacity as was required for bulk storage of foodgrains atleast for three months. Even their existing storage capacity (including accommodation taken from the State Government for 4,000 M.T. capacity) could not cover storage of one month's allotted stock.

Short lifting of foodgrains was attributable mainly to absence of adequate transport facilities for transportation of foodgrains from godowns of FCI located at Bongaigoan, Guwahati and Silchar. Though the State Government tried to partially solve the problem by arranging its own transport, wherever feasible, the position is still far from satisfactory. The quantity issued to retail dealers during 1982-83, 1984-85 and 1986-87 to 1987-88 happened to be more than the quantity lifted due to carry-over of closing stock of previous years.

A test check of records of three Block areas (Mohanpur, Bishalgarh and Jirania) including 14 FPS for the period from 1985-86 to 1987-88 revealed that wheat was neither

drawn nor distributed to registered consumers as there was very little demand for wheat in those areas. Consequently, the combined scaled quantity of 2.500 Kgs of rice and wheat per head per week could not be made available to consumers under the PDS. Assuming that the entire quantity of rice issued to dealers was distributed to the population covered by ration cards, the quantity of rice issued to dealers per head per week worked out to 82 grams in 1983-84 and 112 grams in 1987-88 and thus, only 3 to 4 per cent of the standard requirement of 2.500 Kgs of grains per head per week. The persistent wide gap between requirement and supply was responsible for steady upward trend in the market price of rice and thus nullified the effect of price control.

### 3.7.8 Kerosene oil

The yearwise procurement of kerosene oil against the allotment made by the Government of India was as shown below :—

Year	Quantity in Kilo-litre		Off-take
	Allotted	Drawn	
1981-82	16,980	13,986	13,986
1982-83	17,578	13,687	13,687
1983-84	18,948	16,794	16,794
1984-85	18,706	16,321	16,321
1985-86	21,939	18,235	18,235
1986-87	23,396	20,683	20,683
1987-88	25,443	23,855	23,855

Short drawal of Kerosene oil was due to inadequate transport facilities.

A test check of records of 4 Fair Price Shops under Bishalgarh Block areas and 2 Fair Price Shops under Jirania Block areas revealed that distribution of Kerosene oil to consumers during 1987-88 was less than the requirement as detailed below :—

Name of Block	Name of FPS	Card strength	Requirement as per scale	Distribution
(In Kilo-litres)				
Bishalgarh	Jangalia	799	48	41.2
	Shekerkot	823	49	31
	Purathal	297	17.8	13.4
	Madhya Laxmi Bill	401	24	20.2
Jirania	Jirania Purba Bazar	678	41.8	18.5
	Bridhinagar	520	31.2	13.4



### 3.7.9 Sugar

The allotment, lifting and distribution of sugar *vis-a-vis* the requirement of sugar as per scaled quantity of 250 gms and 125 gms per head per week in urban and rural areas respectively during the last three years was as follows :—

Year	Requirement as per scale	Allotment (in tonnes)	Lifting	Distribution
1985-86	16,423	12,862	12,862	12,007
1986-87	16,998	14,263	11,451	10,865
1987-88	18,444	12,681	12,578	10,893

It would be seen from above that while the allotment of sugar fell short of the requirement by 16 to 31 *per cent.*, the distribution fell short of lifted quantity by 5 to 13 *per cent*. The big gap between requirement and allotment of levy-sugar was responsible for steady increase in the market price of sugar and the situation was further aggravated due to inability on the part of the department firstly to lift the full quantity as per allotment due to transport difficulty and secondly to distribute the full quantity so lifted.

### 3.7.10 Salt, Rapeseed oil and Palm oil

The particulars of procurement and off-take of salt, rapeseed oil and palm oil for the period from 1980-81 to 1984-85 could not be made available to Audit. However, the year-wise allotment, lifting and off-take of salt, rapeseed oil and palm oil during 1985-86 to 1987-88 were as follows :—

Year	Commodity	Allotment (in M.T.)	Lifting	Off-take
1985-86	Salt	17,560	17,560	12,862
	Rapeseed oil	1,340	397	397
	Palm oil	420	10	10
1986-87	Salt	13,760	12,492	12,263
	Rapeseed oil	2,260	458	458
	Palm oil	1,180	87	87
1987-88	Salt	17,200	12,012	14,536
	Rapeseed oil	3,060	1,653	1,653
	Palm oil	1,940	224	224

Though the Government of India made allotment of edible oil on the demand placed by the State, the department did not lift the full quantity mainly due to the lack of popularity

of rapeseed oil and palm oil as cooking media. However, the off-take increased sufficiently in 1987-88 compared to earlier two years. Short lifting of salt was due mainly to non-availability of adequate storage facilities both in urban and rural areas. The registered consumers, therefore, had to purchase salt from open market at a higher price. Excess off-take of salt over quantity lifted in 1987-88 was due to carry-over of closing stock of previous years.

### 3.7.11 *Avoidable expenditure*

During March to August 1986, Government distributed 47,600.37 quintals common boiled rice and 3,622.48 quintals super fine rice at Rs. 250 per quintal and Rs. 340 per quintal respectively to the most economically backward classes (*Jhumias*) of 7 blocks under a special scheme of credit sale. Eventually, the entire expenditure of Rs. 124.02 lakhs incurred under this scheme had to be converted into out-right grant in March 1987 as the hard pressed *Jhumia* population were not in a position to repay the money. The Government could have, however, reduced this expenditure on free distribution of rice in the form of grant to the tune of Rs. 3.26 lakhs had it supplied 3,622.48 quintals of common boiled rice instead of super fine rice to *Jhumia* population of 3 block areas (Teliamura, Kanchanpur and Chaumanu) as done in respect of the other 4 block areas (Satchand, Amarpur, Salema and Dumburnagar). While the Government stated (March 1989) that super fine rice had to be supplied as the FCI did not supply common boiled rice as per requirement, no mention was made why available common boiled rice was not supplied under this special scheme.

### 3.7.12 *Dues outstanding from FCI*

#### (a) *Advance payment on levy sugar*

The State Government entrusted (December 1979) the Tripura State Consumers Co-operative Federation Ltd., with the distribution of the State quota of levy sugar through Fair Price Shops (FPS). The sugar was to be lifted by the nominee either from the sugar factories or from the godowns of the FCI at his arrangement. The FCI was to pay monthly to the nominee dealer's commission, marginal profit and transportation charges for distribution of sugar. The FCI however, takes couple of months towards release of dues to the nominee



causing financial hardship. The Federation was also entrusted with the lifting and the distribution of State quota of salt through FPS. To meet the cash requirement of the Co-operative Federation the department of Food and Civil Supplies provided (in 1980) for a lump-sum interest free advance payment to the Federation. The actual monthly expenditure incurred was to be adjusted by the Federation against the advance under intimation to the Food department by way of submission of adjustment accounts. According to information furnished by the Federation to Audit, Rs. 599.02 lakhs and Rs. 715.14 lakhs in respect of levy sugar and salt respectively was adjusted upto January 1989 against interest-free advance of Rs. 1,424.04 lakhs received during the period from 1980-81 to 1987-88. It however, revealed that the amount of advance paid to the Federation in each year was far in excess of involved expenditure. The nominee therefore, derived unintended benefit by retention of interest free amounts ranging from Rs. 37.16 lakhs in 1983-84 to Rs. 109.88 lakhs in 1988-89.

The Food department took up the responsibility of obtaining reimbursement of dues on levy sugar direct from the FCI against the amounts advanced to the nominee. The department has so far (March 1988) preferred claims for reimbursement of Rs. 460.23 lakhs on levy sugar deal for the period from February 1980 to October 1986 against which the FCI has paid Rs. 250 lakhs on ad-hoc-basis. The balance amount of Rs. 210.23 lakhs has not been reimbursed by the FCI as the claim was computed by the department at higher rate of dealer's commission of Rs. 3 per quintal from August 1981 and marginal profit of Rs. 10.55 per quintal from November 1983 against rate of Rs. 2.00 and Rs. 6.79 respectively approved by the Government of India. The matter regarding approval of enhanced rates is under correspondence with the Government of India.

(b) *Advance payment of wheat and rice*

Payments for wheat and rice allotted monthly for distribution under PDS are made in advance by the Director of Food and Civil Supplies to the FCI. During the period from 1982-83 to 1987-88, Rs. 139,58.32 lakhs were advanced by the State Government to the FCI. However, no adjustment was made in any of the years for the supplies made by the FCI. As the actual lifting of foodgrains was always less than the quantity allotted to the State due to transport difficulty,



the continued non-adjustment of this huge advance has resulted in substantial blocking up of State Government funds. In the absence of details, the amount of capital thus blocked up could not be worked out. However, on the basis of quantity of wheat and rice short lifted, the amount due from FCI on this account can be estimated at Rs. 4,006.67 lakhs (29 per cent). The estimated blocking of capital related to the period from 1982-83 to 1987-88.

(c) *Transportation cost*

The FCI being unable to lift regularly the monthly quota of rice and wheat from its depots situated outside the State to its depots in Tripura due to transport difficulty, the department of Food and Civil Supplies undertook the responsibility of arranging 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. Against the claim for transportation cost amounting to Rs. 368.24 lakhs pertaining to the period from 1978 to 1988, the FCI have so far reimbursed Rs. 213.34 lakhs leaving a balance of Rs. 154.90 lakhs.

The FCI thus owes more than Rs. 4,371.80 lakhs to State Government out of a total advance payment of Rs. 1,47,86.79 lakhs made over the years 1978 to 1988 for procurement of levy sugar, wheat and rice and meeting transportation costs. Scrutiny of records showed that the department made routine correspondences with the FCI from time to time for settlement of the outstanding advances but it has not so far made any effort to sort out the matter at any high-level meeting.

3.7.13 *Interest free loan to needy dealers of FPS*

During 1986-87, Government drew up a scheme for giving financial assistance in the form of interest free loan equivalent to value of one week's ration to needy FPS dealers. The loan is recoverable in 20 equal instalments from the month following the calendar month during which the loan is paid to dealers of FPS on drawal of formal agreement. There was, however, no stipulation in the agreement regarding recovery of interest from defaulters. Out of Rs. 6.80 lakhs paid to 72 dealers during March 1987 to January 1988 in seven Sub-Divisions, 56 dealers repaid Rs. 0.79 lakh against Rs. 2.06 lakhs due from them as on 31st March 1988. The remaining



16 dealers failed to repay any amount though Rs. 0.65 lakh was due for repayment from them as on 31st March 1988 out of the loan amount of Rs. 1.99 lakhs. As there was no provision in the agreement for recovery of interest from defaulters, the recovery of the balance of total loan amounting to Rs. 6.01 lakhs was likely to be indefinitely delayed leading to unintended financial benefit to the dealers. The records regarding details of outstanding amount of loan of Rs. 2 lakhs in respect of another two Sub-Divisions were not furnished to audit.

#### 3.7.14 *Training of Officials and organisations related to PDS*

The Government of India, intimated (May 1987) the State Government that cent *per cent* financial assistance upto Rs. 25,000 per course would be provided by the centre for one training course of one week duration for State Government Officials etc., connected with the PDS. But the State Government could not arrange for training its officials etc., and thus failed to avail of the benefit of this training course. No reasons were furnished for not availing of the training schemes.

#### 3.7.15 *Functioning of Fair Price Shops*

A test check of records produced to Audit by the department in September 1988 of 14 FPS located in areas under the Mohanpur, Jirania and Bishalgarh Block revealed the following points :

(A) (i) Though requisition was given for production of records *viz.*, ration card register, stock and distribution register, sales register, cash memos etc., none of these FPS could produce any records for the years 1985-86 and part of 1986-87 as they did not preserve these records.

(ii) Despite instructions from the Directorate for weekly inspection of FPS by Inspector of Food, especially after issue of delivery orders for lifting of foodgrains which took place twice or thrice in a month, inspection was done only monthly. Inspection of FPS located in far-flung areas were not done even monthly.

(B) The Sub-divisional Officer, Sadar reported in September 1986 that card holders of Takarjola FPS could not draw

their quota of rice for the month of July 1986 due to alleged misappropriation of 4.5 tonnes of rice drawn against delivery order No. 256 of 19th July 1986. The Managing Director of FPS (Co-operative Society) intimated that as per resolution (August 1986) of Executive Committee, a FIR was lodged against their staff. Further development has not been intimated (September 1988).

There was no distribution of sugar from any of these 14 FPS during 15 days in a month and the quantity of sugar actually supplied during a month hardly met 3 weeks quota.

The matter was reported to Government in November 1988. The Government intimated in March 1989 that they have in general accepted the observations made by Audit.

## HEALTH AND FAMILY WELFARE DEPARTMENT

### 3.8 *National Malaria Eradication Programme*

#### 3.8.1 *Introduction*

Following the National Programme to Control Malaria (NMEP) launched in 1953, the National Malaria Eradication Programme (NMEP) was introduced as a Centrally aided programme in 1958. In view of the rise in the incidence of malaria, a modified plan of operation (MPO) was introduced from 1st April 1977 to prevent deaths due to malaria and to keep malaria morbidity effectively under check instead of total eradication as envisaged earlier. Under the MPO, there were two-fold activities, viz., (i) promoting public awareness by imparting health education, enlisting public Co-operation, stepping up research work and distribution of anti-malaria drugs and (ii) effectively curbing the incidence by selective insecticidal spray in areas where the annual parasite index (API) (the number of positive cases noticed per 1000 population) was two and above, fortnightly collection of blood smears from fever cases, and treatment of fever/malaria cases with anti-malaria drugs and anti-larval operation in urban areas.

This is a Centrally Sponsored Scheme, the expenditure being shared on 50:50 basis between the Centre and the State Government.



### 3.8.2 *Organisational set up*

At the State level, Deputy Director of Health Services (NMEP) is in overall charge of the programme. At the district level, the DMO is responsible for execution of the programme under the control and supervision of the Chief Medical Officer (CMO) of the respective district. At the PHC level, there is the Malaria Inspector who is primarily responsible for supervision of all NMEP activities, both surveillance and DDT Spraying, under the Control and guidance of the Medical Officer in charge of the PHC areas.

### 3.8.3 *Audit coverage*

Records maintained by the Deputy Director of Health Services (NMEP), Tripura three District Malaria Officers (DMOs), West, South and North and 12 Primary Health Centres (PHCs) out of 46 pertaining to the period from 1981-82 to 1987-88 were test checked in audit (March—May 1988).

### 3.8.4 *High lights*

✓ —Although the annual expenditure on the Programme increased steadily from Rs. 79.37 lakhs in 1981-82 to Rs. 161.39 lakhs in 1987-88, the annual Parasite Index remained much above the desired limit of 2.7 in all the years.

(Paragraphs 3.8.5 and 3.8.14)

—Adequate remedial measures were not taken to reduce the high incidence of cerebral (PF) cases (80 to 88 per cent) during 1981-82 to 1987-88.

(Paragraph 3.8.14)

✓ —While the expenditure was 86 per cent of the targeted amount during 1981 to 1987, the physical achievement was only 46 to 41 per cent in terms of coverage of population under spraying operations leading to excess expenditure of Rs. 31.19 lakhs.

(Paragraph 3.8.6 (a))

—There was poor collection of blood smears, delay in examination of slides. Radical treatment was also not provided to 8,848 cases.

(Paragraphs 3.8.7 and 3.8.9)

—There was no entomological work in the State and insecticides were used without Susceptibility Study of the Parasite carrier.

(Paragraph 3.8.6(c))

—There was an excess issue of anti-malarial drugs worth Rs. 10.24 lakhs.

(Paragraph 3.8.10)

—There was an additional expenditure of Rs. 4.76 lakhs on entertainment of staff and excess issue of larvicides worth Rs. 3.19 lakhs on urban malaria scheme.

(Paragraph 3.8.13)

—Materials and equipment worth Rs. 8.39 lakhs and 3.80 lakhs anti-malarial tablets were not accounted for.

(Paragraphs 3.8.10 and 3.8.15)

—There was an excess issue of DDT costing Rs. 57.60 lakhs.

(Paragraph 3.8.15)

—Although the programme envisaged research on chloroquine resistance for effective application of anti-malarials, no such research was undertaken by the department.

(Paragraph 3.8.12)

No monitoring or evaluation of the Programme was done.

(Paragraph 3.8.16)

—Results of test check are given in succeeding paragraphs.

### 3.8.5(a) *Expenditure on the programme*

Expenditure incurred on the programme in the State during the period 1981-82 to 1987-88 was as under :—

Year	Expenditure on establishment/contingencies incurred by the State Government	Value of materials and equipment including insecticides and anti-malarials/drugs supplied by the Government of India	Total
<i>(In lakhs of rupees)</i>			
1981-82	40.28	36.63	76.91
1982-83	63.01	27.64	90.65
1983-84	66.33	42.22	108.55
1984-85	68.40	44.62	113.02
1985-86	71.62	42.30	113.92
1986-87	89.64	48.38	138.02
1987-88	108.00	48.39	156.39
(Provisional)			
Total	507.28	290.18	797.46



In addition, an expenditure of Rs. 25.82 lakhs was incurred by the State Government under the Urban Malaria Scheme in Tripura as non-plan expenditure during 1981-82 to 1987-88.

(b) *Re-imburement of expenditure*

The State Government received cash grant of Rs. 30 lakhs (1983-84 : Rs. 10 lakhs, 1985-86 ; Rs. 20.00 lakhs) from the Government of India for expenditure upto 1984-85 in addition to Central assistance (in kind) of Rs. 151.11 lakhs (Rural : 150.37 lakhs, Urban : Rs. 0.74 lakh) during the said period 1981-82 to 1984-85.

The audited statements of expenditure for the years 1981-82 to 1984-85 were submitted by the State Government to the Government of India (June 1986) for finalisation of claim on 50:50 basis. The audited statements of expenditure for the subsequent years (1985-86 to 1987-88) are yet to be submitted (January 1989).

### 3.8.6 *Coverage under spraying operations*

(a) *Regular round of spray*

Spray operation constitutes a vital aspect of the programme and aims at, interruption of transmission from the malaria positive cases through vector mosquito to other members of the community. Under MPO, all areas with Annual Parasite Index (API) 2 and above were to be covered with insecticidal spray of two rounds of DDT. However, the Government of India decided (1977) that for Tripura, the entire State excluding Agartala urban area, was to be covered under spraying operations in view of its epidemiological situation and special geographical location irrespective of the API. The Chief Co-ordinator attached to NMEP Directorate, New Delhi, observed in May 1986 that in high risk *malarious* area like Tripura, the coverage under spray programme must reach 75 to 80 *per cent* otherwise the incidence of malaria would continue to remain high. The population actually covered under spraying

operation during the period from 1981 to 1987 was as under :—

Year	Total sprayable population in the State as per records of the department	Population Covered		Percentage shortfall	
		1st round (March to May)	2nd round (July to September)	1st round	2nd round
1981	18.95	10.30	12.79	46	32
1982	19.95	12.12	11.48	39	42
1983	19.95	11.15	11.21	44	44
1984	20.62	10.74	8.13	48	61
1985	20.62	9.70	9.48	53	54
1986	22.43	10.79	13.63	52	39
1987	22.89	14.24	13.66	38	40

It would be seen that there was a shortfall in achievement of targets ranging from 38 to 53 per cent in 1st round and 32 to 61 per cent in 2nd round during the years 1981 to 1987. The reason for shortfall was mainly due to lack of supervision at the field level due to non-availability of malaria Inspectors in each PHC. Due to persistent shortage of staff, each malaria Inspector had to supervise 2 PHCs or more simultaneously. As against the total targeted expenditure of Rs. 100.53 lakhs on account of services of field staff employed on "no-work no-pay" basis for spray of the entire population during the period 1981 to 1987, the actual expenditure incurred worked out to Rs. 86.73 lakhs representing 86 per cent of the targeted amount, though in terms of physical achievement only 46 per cent to 61 per cent of the entire population was covered during the same period the proportionate expenditure of which worked out to Rs. 55.54 lakhs. This resulted in excess expenditure of Rs. 31.19 lakhs during the period 1981 to 1987.

#### (b) *Mopping up operations and focal spray*

Under mopping up operations, the households which were kept outside the purview of regular round of spray on account of refusal by the householders, were to be covered by another round of spray after motivating the householders successfully through local voluntary agencies elected bodies etc. A focal spray was to be conducted whenever there was an outbreak of malaria at any locality to prevent its further spreading.

The department did not compile any systematic records from which the year-wise number of refusals, mopping up operations and focal sprays along with indication of localities involved could be ascertained.



### (c) *Entomological work*

Though the spraying operation was done entirely with DDT, it was necessary to determine different types of insecticides to be used depending on the susceptibility status of the parasite carrier by entomological data in different areas. For this purpose, one post of Assistant Entomologist and one post of Insect Collector were approved by the Director, NMEP, New Delhi for Tripura. But the posts have not been filled up so far (August 1988). Meanwhile, the State Government approached (February 1985) the Regional Director, Health and Family Welfare, Calcutta to conduct entomological study in the State. Further development in the matter has not been intimated (January 1989).

Thus, no entomological work was undertaken in the state and only one variety (DDT) of insecticide was used without any susceptibility study of the parasite carrier.

### 3.8.7 *Surveillance operations*

There were two types of surveillance, i.e., (i) active surveillance, which was to be carried out by the regular workers of the department and (ii) passive surveillance, which was the search of malaria cases by static agencies like hospitals, PHCs, dispensaries etc.

#### (a) *Collection and examination of blood smears.*

Both under active surveillance and passive surveillance, in accordance with the norm laid down under the M.P.O., the department fixed the Target for collection of annual blood examination rate (ABER) at 10 per cent, atleast 100 blood smears per 1000 population every year for examination with a view to assessing the incidence of malaria in the State effectively.

Test check of the records revealed that blood smears were being collected once a month by the surveillance workers, Multi-purpose workers (MPWs) instead of once a fortnight as per standing instruction. The details of collection and

examination of blood smears from 1981 to 1987 are indicated below :

Year	Number of population (In lakhs) as targeted by the Department	Number of blood smears collected/ examined (in lakhs)	Number of blood smears collected/ examined per 1000 population
1981	20.48	1.21	59(6)
1982	21.47	1.89	88(9)
1983	21.47	2.02	94(9)
1984	22.15	2.25	102(10)
1985	22.15	1.73	78(8)
1986	23.95	1.53	64(6)
1987	24.07	1.65	69(7)
		12.28	

It would be seen from above that against the required collection of 15.57 lakhs blood smears during 1981 to 1987 (10 per cent of population each year), blood smears to the extent of 12.28 lakhs only were collected and examined resulting in a shortfall of 3.29 lakhs blood smears. Thus atleast 3.20 lakhs of targeted population were left from the scope of presumptive treatment which was based immediately on collection of blood smears (fever cases) pending blood examination report. In none of the years except 1984, the targeted rate (100 blood smears per 1000 population) could be achieved. This was mainly due to the shortfall in visits by the surveillance staff. For reliable estimate of population above or below API 2 and effective remedial measures, it was necessary to ensure collection and examination of blood smears annually as per prescribed level (ABER 10 per cent). No positive action was, however, taken in the matter (July 1988).

The Government stated (November 1988) that the shortfall in collection was due to non-availability of the MPWs and action was being taken to improve the situation. But the fact remains that the situation has not improved.

#### (b) *Passive surveillance*

The department issued instructions (July 1983) to ensure collection and examination of blood smears from atleast 15 per cent of the total number of fever cases reported to out-patient departments (OPDs) of hospitals/PHCs/dispensaries

(Figures in bracket indicate ABER)



working as passive surveillance agencies. But no records indicating total number of cases reported to OPDs and total number of cases from which blood smears were collected and examined could be produced to Audit so as to verify whether the prescribed percentage for collection and examination was adhered to.

(c) *Delay in examination of slides*

The maximum time permissible between collection and examination of blood smears was 7 to 10 days. It was observed during test-check of the records of 11 PHCs that out of 2,583 blood smears found positive during microscopical examination in 1987, only 316 blood smears were examined within a period of 10 days. The delay in the examination of slides (2,267) ranged from 11 to 70 days. Such delays led to escalating centres of focal outbreaks with high incidence of cerebral types (*P. falciparum*). Further in none of the 11 PHCs test checked was there any record of findings of the laboratory technicians having been confirmed by the Medical Officer as per the prescribed procedure.

3.8.8 *Mass contact and public awareness*

(a) *Anti-malaria campaign/activities*

In order to involve people in combating malaria, the scheme envisaged an extensive anti-malaria campaign throughout the State by.

(i) issue of pamphlets in local languages on protective measures.

(ii) selecting volunteers at block and panchayat levels

(iii) circulating posters in the periphery and

(iv) forming of Co-ordination Committee from district level to village level for arranging group discussions/ group meetings etc. The scheme also envisaged that Drug Distribution Centres (DDCs)/Fever Treatment Depots (FTDs) should be opened for extending anti-malaria activities in remote and inaccessible areas so that mortality due to malaria could be checked.

A test-check of the records revealed that very little action was taken to rouse public awareness against malaria. As regards opening of DDCs/FTDs, it was seen that no records

relating to functioning of DDCs/FTDs in the State were maintained by the department from January 1985 onwards. Records so far maintained up to December 1984 showed that total number of DDCs decreased from 319 in 1981 to 185 in 1984.

Reasons as to why records relating to the period from January 1985 onwards were not maintained could not be stated (June 1988).

(b) *People's participation and health education*

Health education was included as an important component in MPO. The basic objectives of health education were (i) to motivate people to get their houses sprayed with DDT etc., and to take measures to prevent mosquito breeding (ii) to report all fever cases to surveillance staff/MPWs and (iii) to take complete treatment if blood test is found positive for malaria. It was noticed that no programme whatsoever was drawn up for health education.

In February 1984, the State Government issued instructions to all the Medical Officers of the PHCs to attend all Block Development Committee (BDC) meetings in their respective area to educate people on anti-malaria measures.

During scrutiny of the records of PHCs covered by test-check, it was noticed that no records relating to BDC meetings were maintained by the Medical Officers in charge of PHCs (June 1988).

(c) *Treatment*

From the records, it was noticed that in respect of 65,257 positive cases detected during 1981 to 1987 (West Tripura 11,260, South Tripura 43,428, North Tripura 10,569) radical treatment was not provided to 8,848 cases (14 per cent) (West Tripura 2,510) (22 per cent), South Tripura 4,197 (10 per cent), North Tripura 2,141 (20 per cent).

While admitting the fact the Government stated (November 1988) that the reason for not providing radical treatment in some cases was non-traceability of the patients at their address and non-receipt of reports from the PHCs in time.



### 3.8.9 *Excess issue of anti-malarial drugs*

During the scrutiny of records, it was noticed that anti-malaria drugs were issued without assessing the requirement properly. As per the prescribed procedure, all the fever cases noticed through active/passive surveillance were to be given presumptive treatment at the prescribed dosage of three 4-Amino quinoline (4-A.Q) tablets or three chloroquine tablets on an average. During January 1981 to December 1987, 12.27 lakh cases were given presumptive treatment for which 115.95 lakh 4-A.Q chloroquine tablets were shown to have been issued against 36.81 lakh tablets required resulting in excess issue of 79.14 lakh tablets (valued at Rs. 9.54 lakhs).

Besides, presumptive/treatment, radical treatment of administering prescribed dosage of 8-A.Q. primaquine tablets, i.e. 6, tablets of 2.5 mg each or 2 tablets of 7.5mg each per day for 5 days was also required to be given to all cases found positive. During the period from January 1981 to December 1987, it was seen that 25.17 lakh primaquine (7.5 mg) and 9.91 lakh primaquine (2.5 mg) tablets had been issued against the requirement of 6.50 lakh primaquine (7.5 mg) or 19.50 lakh primaquine (2.5 mg) tablets for 0.65 lakh people found positive, resulting in excess issue of 18.67 lakh primaquine (7.5 mg) and 9.91 lakh primaquine (2.5 mg) tablets (valued at Rs. 0.70 lakh).

Out of the excess of 79.14 lakh 4-A.Q/chloroquine tablets, 3.80 lakhs of chloroquine were either found short or not entered in the stock register. However, the excess issue could have been substantially reduced if the monthly drug consumption statements had been furnished by subordinate agencies to the NMEP Directorate. Not a single case of receipt of drug consumption statement could, however, be noticed in the course of test-check.

The Government stated (November 1988) that anti-malarials were also supplied to some other agencies (except active and passive ones) as per their requirement. But it did not indicate which were these "other agencies" and how many anti-malarials were supplied to them nor could it show any records in support of the statement.

### 3.8.10 *Shortage of staff*

#### (a) *Laboratory Technicians/Malaria Inspectors*

Under the MPO scheme, there should be one Laboratory Technician in each PHC for examination of blood smears



efficiently. With the increase in work load, the total number of PHCs was raised from 27 in 1981-82 to 46 in 1987-88. There were, however, 27 Laboratory Technicians in position during 1981-82 to 1985-86 and 26 during 1986-87 to 1987-88 against the sanctioned strength of 30. Thus, there was a shortage of Laboratory Technicians ranging from 25 to 44 *per cent* during 1985-86 to 1987-88 against the requirement of 36 to 46 during the said years. Similarly, one Malaria Inspector was required to be provided at each PHC for effective implementation of the programme. There were 27 to 46 PHCs during 1981-82 to 1987-88, but only 14 Malaria Inspectors were posted during the said period against the sanctioned strength of 16. Thus, more than 50 *per cent* of the required posts were not filled up. No action was, however, initiated by the department to reduce the persistent shortage of Laboratory Technicians and Malaria Inspectors (July 1988).

The Government stated (November 1988) that action for filling up of the posts was being taken.

(b) *Multipurpose workers (MPWs)*

As many as 46 Surveillance Inspectors and 221 Surveillance Workers sanctioned under the MPO scheme were engaged exclusively for malaria activities till 1984. With introduction of MPWs scheme in 1984, the Surveillance Inspectors and Surveillance Workers were required to function as multipurpose Supervisors and multipurpose workers respectively, under general health care programme including public health, family welfare, universal immunisation etc., along with NMEP. In effect this resulted in diversion, of the services of 44 *per cent* of the Surveillance Inspectors and 56 *per cent* of Surveillance Workers exclusively meant for malaria work, to other multipurpose activities. This adversely affected the implementation of the programme.

### 3.8.11 *Research and training*

(a) *Research*

One of the important aspects of MPO was that research in malaria activities should be strengthened to achieve the objectives of the programme. The research work was required to be conducted on two aspects i.e., (i) Studies on monitoring the sensitivity of *P. Falciparum* (PF) to chloroquine and (ii) Efficacy of alternate drugs or combination of drugs in chloroquine



resistant strains of P.F. There was, however, no research work undertaken by the department.

In the absence of any research work, it is not known whether vector resistance to insecticides and resistance of *P. Falciparum* to anti-malarial drugs reduced the efficacy of the tools available to the programme.

#### (b) *Training*

All the Medical Officers working in PHCs were required to be trained in clinical aspects and epidemiology of malaria. Out of 142 Medical Officers attached to 46 PHCs (position as on 31st March 1988), only 14 Medical Officers completed their training in August 1988. Out of 3 DMOs, only 2 DMOs (DMOs, West and South) completed their training in malariology course.

#### 3.8.12 *Urban Malaria Scheme*

The urban malaria scheme, introduced in November 1971, was adopted in the State in April 1977. The basic objective of the scheme was (i) to reduce vector densities to out transmission of malaria and (ii) to reduce positive cases (anti-larval operation).

##### (a) *Poor anti-larval operation*

Records showed that during 1981 to 1987, the department issued for use, larvicides (508 litres of bay tex, 950 Kgs of parisgreen, 170 litres of pyrethrum and 250 litres of temephos/abate) in excess of the requirement (462 litres of bay tex sufficient to cover 1.32 lakhs population of Agartala). The cost of larvicides issued for use in excess during 1981 to 1987 worked out to Rs. 3.19 lakhs. On the other hand, while the coverage by anti-larval operation was 99.54 lakhs running metres in 1981, it decreased to 44.09 lakhs running metres in 1982 and to 11.99 lakhs running metres in 1987. The reasons for excess issue of larvicides *viz-a-viz* decrease in coverage by anti-larval operation were not available on records.

Moreover, though anti-larval operation included other measures like deweeding, cleaning, introductions of gambusia or guppies (larvaeating fishes) in water areas as prescribed under the scheme, there was no record showing any work done in this respect. The department did not also make any attempt to

identify the mosquito breeding sources other than drains for necessary treatment.

(b) *Excess entertainment of staff*

Mention was made in paragraph 3.3.8 of the Report of the Comptroller and Auditor General of India for the year 1980-81 regarding excess entertainment of staff. There were 8 Superior Field Workers and 42 to 44 Field Workers in position during 1981 to 1987 in Agartala Municipal Area (15.81 square kilometres) against the requirement of 6 Superior Field Workers and 18 Field Workers as per norm fixed under the programme. The excess entertainment resulted in additional expenditure of Rs. 4.76 lakhs on account of pay and allowances (computed with reference to minimum of the respective time scale).

3.8.13 *Impact of the programme*

There is a rising trend of incidence of malaria in Tripura specially plasmodium falciparum (P.F.) cases, i.e., cerebral type of malaria which is dangerous to the community. The position for the year 1981 to 1987 is indicated below :—

Year	Number of blood slides found positive	Number of PF cases	Percentage of PF cases	Number of death cases	Number of positive cases per thousand population (A.E.I.)
1981	6182	5280	85	12	3.0
1982	10596	8545	81	17	4.9
1983	10174	8122	80	13	4.7
1984	13126	11581	88	25	5.9
1985	8334	6932	83	8	3.8
1986	9318	8090	87	11	3.9
1987	7527	6533	87	5	3.1

From the above, it would be seen that incidence of malaria cases has not declined (1981 : 6182, 1987: 7527). The P.F. percentage were also high, ranging between 80 to 88 per cent during 1981 to 1987. The API factor also remained at a high level above 3 and could not be brought down to the target of 2.7 in 1985 as fixed under the 6th plan. This was mainly due to (i) inadequate anti-malarial campaign, (ii) absence of vigorous efforts to promote active community participation and health education and (iii) deficiency in spraying operation.



The Government stated (November 1988) that all efforts were being made to keep the malaria mortality and morbidity under control with special care towards the highly vulnerable areas. But the fact remained that the incidence of malaria cases had not declined since 1981.

#### 3.8.14 *Other topics of interest*

(1) Materials and equipment worth Rs. 8.39 lakhs, supplied by the Government of India between January 1981 and March 1986 were not entered in the central stock register maintained (categorywise) by the department. The reason for non-accountal could not be stated by the department (June 1988).

(2) 10,000 vials of chloroquine injection (cost : Rs 0.23 lakh) received in September 1987 from Calcutta Central National Depot were not issued to the various field units for utilisation and their validity period expired in November 1987. The entire stock became time-barred and useless.

(3) 1.02 MTs of DDT 75 *per cent* (cost : Rs. 0.10 lakh) had been lying in stock since 1981 and could not be used during the warranty period of 2 years. The reason for non-utilisation within the warranty period could not be stated. In Santir-bazar PHC, as many as 8,962 Kgs of DDT 50 *per cent* (cost : Rs. 1.68 lakhs) were rendered useless due to expiry of the warranty period in 1987. Reason as to why these were not used before expiry of warranty period could not be stated (June 1988).

(4) 1,368 MTs of DDT 50 *per cent* had been issued for use during 1982-83 to 1987-88 against the actual requirement of 1,000.65 MTs for spray purpose during the said years. As a result, 367.35 MTs of DDT 50 *per cent* (cost : Rs. 57.60 lakhs) were issued in excess of actual requirement. The reason for

such excess issue could not be stated by the department (June 1988).

(5) For the purpose of fogging of endemic areas with insecticide, one fog generating machine (cost : Rs. 0.04 lakh) and another Tiga Thermal Power Fogging machine were received through NMEP Directorate, New Delhi, by the department in September 1980 and January 1986 respectively. Both the machines had been kept idle in the store due to non-availability of trained personnel to operate the machines (June 1988).

(6) It was also noticed that materials and equipment worth Rs. 2.39 lakhs supplied by the Government of India through Railways during 1983 to 1985 had not been received by the department (July 1988). The claims for these indicating the dates on which the claims were preferred, could not be made available to audit.

(7) Records showed that the department so far received 14 vehicles from the Government of India (dates of receipt could not be made available) and another 5 vehicles (cost : Rs. 6.03 lakhs) were purchased by the department during April to September 1987 for supervision of NMEP work. Out of the said 19 vehicles, only 9 had been placed with the NMEP unit and the remaining 10 vehicles were being utilised by other units of the department for other purposes not connected with the implementation of NMEP activities.

According to the Deputy Director of Health Services (NMEP), Tripura the supervision work in the field was hampered due to non-availability of vehicles by the Medical Officers in the PHC.

### 3.8.15 *Monitoring and Evaluation*

The programme envisaged regular monitoring at the



Directorate, District and PHC level regarding monthwise achievements of the various components of the programme such as insecticidal coverage of population under spray programme, case detection under surveillance operation etc., in relation to the targets fixed for the purpose. In July 1983, the Director of Health Services, Tripura, issued necessary instructions for monitoring the programme at the PHC and District level regarding performance of the staff concerned in order to achieve targets. But, no such monitoring was conducted at the District and PHC level (June 1988).

Under MPO, the programme was to be assessed by the Independent Appraisal Teams to be constituted by the Government of India annually or at such duration as might be considered necessary. It was, however, seen that no Evaluation Team visited the State.

### 3.9 *Substandard medicines*

The purchase of medicines for all hospitals and health centres in the State is centralised in the office of the Director of Health Services. This, as an apex body, consisting of 5 doctors and representatives of concerned departments, selects the suppliers, prepares and approves the list of medicines for supply. In terms of the supply orders, the suppliers were liable to take back rejected medicines and replace them as per the required quality and specification at their own cost but no mention in this respect was there in the notice inviting tender. In the course of test check (February 1988) of the records of the Central Stores and the Govinda Ballav Pant Memorial Hospital it was found that large quantities of different types of medicines shown in the following statement were declared substandard after testing. In all the cases, the substandard medicines had already been consumed by the hospitals/centres by the time the results of test were known and no action could be taken by the department against the suppliers for replacement or compensation.

Serial Number	Name of the medicines	Batch Number	Quantity	Value	Date of receipt
1.	Poly Vitamin Tablet	PV55	2 lakhs	Rs. 9,880	15.6.1985
2.	Poly Vitamin Tablet	PV 52	10 lakhs	Rs. 49,400	14.3.1985
3.	Ampicillin Capsules	CAM 99	3 lakhs	Rs. 2,05,296	9.8.1985
4.	Diazepam Injection	85250	10,000 ampoules	Rs. 6,057	4.3.1986
5.	Clofasizine Capsules	CCF 21 CCF 29	15,000	Rs. 15,000	26.9.1985
6.	Halazone Tablets	1020-A	10 lakhs	Rs. 19,708	13.2.1987
Total				Rs. 3,05,341	



Date of despatch of sample to Drug Labo- ratory, Cal- cutta/ Ghaziabad	Date of receipt of test report	Remarks
20.12.1985	6.1.1987	Lacking in the content of vitamin A, Vitamin-B2 and Calcium Pantothenate.
6.3.1986	7.5.1987	Lacking in content of Vitamin A.
6.3.1986	27.10.1986	Failed in respect of "ASSAY" which was only 81.56 per cent of the claim. The standard claim varies from 55 per cent to 105 per cent.
28.5.1986	8.9.1986	Not conforming to HP with respect to Extractble volume. The injection was ineffective on guineapigs.
March, 1986	6.5.1987	Not conforming to HP with respect to "ASSAY".
22.7.1987	Not yet received (April 1988)	Preliminary test conducted by the Drug Control Department of the State Government in July 1987 showed that drug content of a tablet was almost nil.

These substandard medicines, valued at Rs. 3.05 lakhs were utilised by the various hospitals/public health centres throughout the State, could have been rejected and replacement effected if appropriate facilities had been created for their immediate testing after purchase and before consumption. It transpired that the same suppliers had supplied these medicines for the last many years. The aggregate value of 4 of these medicines (poly vitamin tablets, Ampicillin Capsules Diazepam Injection and Halazone tablets) consumed during the years 1984-85 to 1987-88 worked out to Rs. 32.06 lakhs. There was delay ranging from 2 months to one year between date of receipt of medicine and date of despatch of its sample for test at Calcutta. This delay was stated (April 1988) to be due to non-availability of appropriate packing material. The time lag between date of despatch of a sample and date of receipt of test report varied from 7 months to 14 months and this was mainly due to delay on the part of the referral laboratories viz., Central Drug Laboratories at Calcutta and Ghaziabad which were statutory appellate Laboratories of Central Government and were over burdened with appellate cases.

Though the State Drug Controllers office was set up in October 1981, the decision to set up a drug testing laboratory guard against the procurement and use of such substandard medicines was taken only in June 1987.

The matter was reported to Government in May 1988. Government stated in January 1989 that it is not envisaged under rules to stop use of medicine pending receipt of the test reports unless there is specific doubt about the quality of any medicine. However, with a view to checking the quality of medicines, it was stated, "a miniature Drug Testing Laboratory has since been set up with experienced personnel. A new clause binding the manufacturers/suppliers to replace the substandard medicines is also reported to have since been added in the subsequent tender notices.



## PRINTING AND STATIONERY DEPARTMENT

### 3.10 *Avoidable expenditure due to defective planning*

In order to cope with the increase in printing work due to progressive nationalisation of text books, the State Government decided (May 1981) to purchase one single colour offset machine alongwith plate making equipment at a cost of Rs. 8.04 lakhs from Hindustan Machine Tools (HMT) since the practice of printing the text books by "Letter Press Method" was considered inadequate and involved huge (Rs. 24.60 lakhs in 1985-86 to 1987-88) payment of overtime allowance. It was, however, only in January 1986 that a committee was set up by the Government for selection of one offset printing machine. Meanwhile the requirement of nationalised text books went up from 3.09 lakh copies in 1980 to 6.70 lakh copies in 1985. The Committee decided to purchase a sheet-fed two coloured offset printing machine from HMT at a cost of Rs. 17.07 lakhs. The reason why the Committee decided to go for a sheet-fed two coloured machine in supersession of earlier decision was not explained.

The offset printing machine was received in April 1986 and was installed in October 1986 as the space meant for the machine could not be vacated till then. A vertical camera which was essential for its operation was procured only in February 1987. The camera was not installed till March 1988 as the required dust-proof airconditioned room was not constructed. Hence, the offset machine could not be put into operation till date of audit (August 1987).

In the meantime (April 1986 to July 1987), the department paid Rs. 10.30 lakhs as overtime to its employees in the press on printing of text books and other routine works like printing of budget, Audit Reports etc. Since the capability of one offset machine is equivalent to those of ten conventional machines of the press, it could, if brought into operation, increase the capacity of press by more than fifty per cent and

installation of machine with proper planning could save an avoidable expenditure of Rs. 10.30 lakhs.

## RURAL DEVELOPMENT DEPARTMENT

### 3.11 *Assistance to small and marginal farmers*

#### 3.11.1 *Introduction*

With a view to alleviating the lot of the poorer sections and bringing prosperity to the farming community through economic development, the Government of India launched in 1983-84 a Centrally Sponsored Scheme "Assistance to small and marginal farmers for increasing agricultural production (SMFP)" in all blocks. The SMFP aimed at increasing the agricultural yields of the small and marginal farmers. The farmers were to be indentified for this purpose by the District Rural Development Agencies (DRDAs). According to the programme, a farmer whose land holding was two hectares or less but more than one hectare was a small farmer and a farmer whose land holding was one hectare or below was a marginal farmer.

The above objectives were sought to be achieved through the following activities.

(I) To provide assured source of irrigation water by which productivity of small and marginal farmers would be increased (Minor Irrigation).

(II) Distribution of minikits of seeds and fertilisers for oil seeds, pulses and coarse grain crops to encourage the use of improved varieties of seeds among the small and marginal farmers.

(III) Land development and

(IV) Fuel and fruit tree plantation on the fields.

In Tripura, the scheme was introduced for implementation in all the 17 blocks since 1983-84.



### 3.11.2 *Organisational set up*

The Rural Development Department (RD) at the State level was to supervise, co-ordinate and monitor the programme besides monitoring arrangement at the district and block level. The District Rural Development Agency (DRDA) in each district headed by Project Director, was entrusted with the responsibility of implementation of the programme (SMFP) in the State through Blocks and other departments of the State Government such as Minor Irrigation and Flood Control, Agriculture and Forest in association with Block Development Committee (BDCs).

### 3.11.3 *Audit Coverage*

The implementation of the scheme relating to the period 1983-84 to 1987-88 was reviewed in Audit (July-August 1988) with reference to the records maintained by the 3 Minor Irrigation and Flood Control Divisions, 3 District Rural Development Agencies (DRDAs) set up in each of the three districts of Tripura, 3 Forest divisions (Sadar, Teliamura and Udaipur) out of 9, 4 Superintendents of Agriculture (SAs) and 4 Block Development Officers (BDOs) Jirania, Mohanpur, Teliamura and Matarbari out of 17.

### 3.11.4 *Highlights*

—Rupees 325.30 lakhs (including the quantum of Central assistance of Rs. 126.96 lakhs released) were spent during 1983-84 to 1987-88 on implementaton of the scheme. But no evaluation study was conducted by the State Government with a view to seeing whether the basic objective of the scheme viz., increase in agricultural production, was achieved.

(Paragraphs 3.11.5 and 3.11.14)

—No training programme was undertaken to educate the small and marginal farmers about techniques for raising crops etc.

(Paragraph 3.11.7)

—No effective steps were taken by DRDAs to obtain adjustment vouchers for Rs. 105.53 lakhs from different implementing Officers.

(Paragraph 3.11.5)

—There was an unfruitful expenditure of Rs. 20.66 lakhs on minor irrigation component of the scheme.

(Paragraph 3.11.8(ii))

—Records relating to irrigation potential created and utilised for 8 MI schemes (expenditure Rs. 25.66 lakhs) were not made available to Audit by 2 MIFC Divisions.

(Paragraph 3.11.8(i))

—SMFP fund of Rs. 32.83 lakhs was diverted for other purposes not connected with the implementation of SMFP scheme.

(Paragraphs 3.11.8(ii) and 3.11.11(iii))

—There was no stock entry in respect of material worth Rs. 7.17 lakhs. Materials worth Rs. 2.10 lakhs remained un-utilised in one block since November 1986.

(Paragraph 3.11.8(iv))

—No follow up action as to the proper utilisation and performance of 948 number of pump sets issued to farmers on subsidy basis (Rs. 26.63 lakhs) had been taken.

(Paragraph 3.11.8(v)(c))

—There was an excess reporting of Rs. 13.79 lakhs on distribution of minikits.

(Paragraph 3.11.9(i))

—There was an extra avoidable expenditure of Rs. 9.95 lakhs on fuel and fruit tree plantation.

(Paragraph 3.11.11(i))

—There was no organisational system at State level/district level/block level for monitoring and controlling the process on implementation of the scheme at various stages.

(Paragraph 3.11.13)

### 3.11.5 *Provision and expenditure*

(a) The scheme envisaged an annual outlay of Rs. 5 lakhs per block to be shared between the Central and the State on 50 : 50 basis. Against the over all allocation of 425 lakhs during 1983-84 to 1987-88 (Rs. 85 lakhs per year), the



expenditure incurred under the programme was Rs. 325.30 lakhs as shown below :

Year	Grant released by		Total	Expenditure
	Central Government	State Government (in lakhs of rupees)		
1983-84	23.46	61.54	85.00	53.32
1984-85	46.06	30.19	76.25	68.32
1985-86	21.50	72.25	93.75	58.07
1986-87	13.50	71.50	85.00	85.51
1987-88	22.44	62.56	85.00	60.08
	126.96	298.04	425.00	325.30

Under the programme, credit linked subsidies were to be provided to the beneficiaries for minor irrigation and land development components. The rate of subsidy on capital cost was 25 per cent for small farmers, 33½ per cent for marginal farmers and 50 per cent for scheduled tribe farmers limited to Rs. 3000, Rs. 4000 and Rs. 5000 respectively. From 1985-86, the ceiling limits in respect of individual minor irrigation works, had been abolished. The programme also envisaged that community irrigation works could be taken up and expenditure incurred directly without linking the subsidy with loans from financial institutions.

#### (b) Delay in adjustment of advances

During scrutiny of the records maintained by the 3 DRDAs (West, South and North) it was noticed that an amount of Rs. 392.96 lakhs was advanced during 1983-84 to 1987-88 to different implementing officers for implementation of the programme. Of this, adjustment vouchers to the extent of Rs. 287.43 lakhs were received till 31st March 1988, leaving an unadjusted amount of Rs. 105.53 lakhs. No effective steps were taken by the DRDAs to obtain the wanting vouchers and utilisation certificates (Rs. 105.53 lakhs) from the implementing officers.

#### 3.11.6 Targets and achievements

As envisaged under the scheme, year-wise/component wise targets were not prepared at the district level. As such, achievements under the various components of the scheme could not be verified in audit with reference to the targets. Besides, annual action plan for the State/districts was required to be prepared and got approved in time. There was, however, no record to indicate that any action had been taken in this

respect at the State level/district level, though the programme had been taken up since 1983-84.

### 3.11.7 *Training*

As envisaged under the scheme, training was to be organised to educate the small and marginal farmers about operation of pump sets, construction of water storage structures, techniques for raising crops, use of fertilisers, etc., but there was no record to indicate that any training was organised to educate the small and marginal farmers.

### 3.11.8 *Minor irrigation*

During the five years 1983-84 to 1987-88, Rs. 257.74 lakhs had been spent against a total outlay of Rs. 297.50 lakhs (at the rate of Rs. 3.50 lakhs per block per year) on different minor irrigation schemes by different implementing Officers. Out of the total expenditure of Rs. 257.74 lakhs, Rs. 198.04 lakhs were spent by the Executive Engineers of 3 Minor Irrigation and Flood Control Divisions (MIFC) of the State for execution of 81 community minor irrigation schemes (36 Deep tube wells (DTWs) ; 44 Lift Irrigation (LI) schemes and 1 River Diversion scheme).

Test check of the records maintained by the 3 MIFC Divisions, 3 DRDAs and 4 Blocks disclosed the following points :—

#### (i) *Irrigation potential created/utilised*

The minor irrigation scheme envisaged co-ordinated development of canals, distributories, field channels, land development etc., along with the construction of the irrigation works with a view to ensuring full utilisation of potential created. Scrutiny of the records maintained by the Executive Engineer MIFC Division II revealed that 15 schemes (4 DTWs and 11 LI) taken up between 1983-84 and 1985-86, were completed at a cost of Rs. 51.80 lakhs in 1987-88. Out of the said 15 scheme, irrigation potential of 308 hectares of area in respect of 3 schemes (cost : Rs. 10.49 lakhs) were created but no records were maintained regarding utilisation of the potential area so created, In respect of the remaining 12 schemes, (3 DTWs and 9 LI) costing Rs. 41.31 lakhs, the irrigation potential created and utilised to the end of March



1988 were 844 hectares and 485.5 hectares respectively. Thus, only 58 *per cent* of the potential area created was utilised up to 1987-88 covering 447 beneficiaries against the target of 1,439 (beneficiaries). Reasons for non-utilisation of 358.5 hectares of irrigation potential created (42 *per cent* of 844 hectares) could not be clarified to Audit by the Executive Engineer, MIFC Division II (August 1988).

Records relating to the irrigation potential created and utilised in respect of 8 schemes (3 DTWs and 5 LI) completed at a cost of Rs. 25.66 lakhs by the Executive Engineer, MIFC Division I and Executive Engineer, MIFC Division III could not be made available to Audit by the said Executive Engineers. Thus, it could not be ascertained by audit to what extent the small and marginal farmers had been benefitted although an amount of Rs. 25.66 lakhs was spent.

(ii) *Unfruitful expenditure*

(a) *Schemes abandoned*

Four schemes (three deep tube wells at Chulubasti, Dhancherra and Ampura and one lift irrigation at Hackcherra), taken up between 1983-84 and 1984-85, had been abandoned after incurring an expenditure of Rs. 2.46 lakhs upto 1984-85. Reasons for abandonment were, however, not available on records. Thus, the expenditure of Rs. 2.46 lakhs became unfruitful.

(b) *Non-operation of schemes after commissioning*

Expenditure totalling Rs. 18.20 lakhs incurred by the Executive Engineer, MIFC Division III for execution of 8 schemes (4 DTW and 4 LI schemes) during 1983-84 to 1987-88 became unfruitful after commissioning due to insufficient water discharge, defects in pump sets and inadequate electric supply.

(iii) *Diversion of fund*

Rupees 31.12 lakhs were spent during 1983-84 to 1987-88 by 3 MIFC Divisions and 2 BDOs for the River Diversion Schemes, training of rural youth for self employment and development of women and children in rural areas etc., which were in no way connected with the implementation of the scheme.

(iv) *Stores and stock*

Materials (pipes, strainers etc.) worth Rs. 19.99 lakhs were purchased by the Project Director, DRDA, West Tripura during 1986-87 and 1987-88 for execution of SMFP scheme, but stock entries in respect of materials worth Rs 7.17 lakhs were not made. Further, it was seen that materials (G.I. pipes and Strainers) worth Rs. 2.10 lakhs remained un-utilised with the BDO, Teliamura since November 1986.

(v) *Subsidy on pump sets issued to small and marginal farmers*

As envisaged in the scheme, pump sets were to be given to the beneficiaries against loans to be sanctioned to them by the financial institutions. Subsidy at specified rates was then to be released by the DRDAs to the financial institutions towards the loans sanctioned. During scrutiny of the records, it was noticed that 396 pump sets were delivered during 1984-85 to 1987-88 through financial institutions for which subsidy to the extent of Rs. 10.45 lakhs had been released by 3 DRDAs. It was also noticed that 552 pump sets were given directly to the identified farmers by MIFC Divisions without involving the financial institutions, on subsidy basis (Rs. 16.18 lakhs) during 1984-85 to 1987-88.

The following observations are made in this connection :

(a) Receipts/acknowledgements from the farmers in token of pump sets having been issued were not available on records maintained by the DRDAs/MIFC Divisions.

(b) No follow-up action as to the proper utilisation/performance of the pump sets issued to the beneficiaries for which subsidy to the extent of Rs. 26.63 lakhs was paid since 1984-85, was taken by the DRDAs/MIFC Divisions as envisaged in the scheme.

(c) No records were maintained by the DRDAs/MIFC Divisions regarding total area brought under irrigation through issue of said 948 number of pump sets to the farmers during 1984-85 to 1987-88 as envisaged in the scheme.



### 3.11.9 *Distribution of minikits*

During the five years 1983-84 to 1987-88, expenditure of Rs. 47.24 lakhs was reported to the Government of India by the State Government (R.D. Department) against the allotment of Rs. 44.89 lakhs for the distribution of minikits in all the 17 blocks in the State through Agriculture Department.

In this connection the following points were noticed :

#### (I) *Excess reporting*

During 1983-84 to 1987-88, although the department incurred an expenditure of Rs. 33.45 lakhs for distribution of 49,186 minikits to the beneficiaries, an expenditure of Rs. 47.24 lakhs was reported to the Government of India. Reasons for reporting an inflated figure are not on record.

(II) Acknowledgements in support of distribution of 10,589 Kgs of seeds to the identified farmers (Value: Rs. 1.18 lakhs) were not made available to audit by the Superintendent of Agriculture, Jirania and Teliamura.

(III) No records were maintained by the Implementing Officers covered by test check (S.A. Jirania, Teliamura, Mohanpur and Matarbari) regarding (a) village wise registers for recording the name, land holding, type of beneficiary identified, (b) providing extension support and technical advice to the farmers and (c) evaluation on the impact on increasing production and productivity under the scheme as stipulated in the scheme.

### 3.11.10 *Land development*

Against a total allotment of funds of Rs. 42.40 lakhs during 1983-84 to 1987-88, Rs. 41.36 lakhs were spent by the Agriculture Department for the activities of land development including construction of water reservoir, peripheral channel, drainage etc.

Test check of the records of 4 Superintendents of Agriculture (SAs) revealed that (I) no records were maintained as to whether the land development works on community basis were under-taken only in such watersheds where more than 50 per cent of the land holders belonged to small and marginal farmers and they owned not less than 25 per cent of the land as envisaged under the scheme.

(II) According to the revised guidelines of the Government of India for implementation of the scheme, the average unit cost for land development per hectare was limited to the maximum of Rs. 1000. It was, however, noticed that excess expenditure of Rs. 2.42 lakhs was incurred by the 3 Implementing Officers (S.A., Mohanpur, Jirania and Matarbari) during 1983-84 to 1987-88 for development of 122.92 hectares of land.

### 3.11.11 *Fuel and fruit tree plantation*

As envisaged under the scheme, fuel and fruit plants were distributed to the small and marginal farmers free of cost for plantation on their land holdings for which expenditure of Rs. 15.62 lakhs was incurred against the allotment of Rs. 17 lakhs during 1983-84 to 1984-85. The scheme was, however, discontinued by the Government of India with effect from April 1985.

Test check of the records maintained by the DRDAs and 3 Forest Divisions disclosed that (I) the component of the fuel and fruit tree distribution has been dropped from the purview of the scheme with effect from the year 1985-86. It was, however, noticed that an expenditure of Rs. 9.95 lakhs was incurred for raising and distribution of fuel and fruit trees during 1985-86. Thus, expenditure of Rs. 9.95 lakhs was avoidable.

(II) In Kanchanpur Forest Division, Rs. 0.58 lakh was incurred during 1983-84 and 1984-85 for raising 0.55 lakh fuel seedlings against the target of 1.60 lakhs seedlings which resulted in excess expenditure of Rs. 0.38 lakh.

(III) Rupees 1.71 lakhs were spent by the DFO, Teliamura Forest Division on raising 11.05 lakhs of fuel seedlings during 1983-84 to 1984-85 from the fund of SMFP scheme, but the seedlings were distributed under Social Forestry Scheme which was not connected with the implementation of SMFP scheme. Reasons for diversion of fund were not available on record (August 1988).



### 3.11.12 *Physical verification of assets*

There was no record to indicate that any procedure, format and administrative arrangement had been made for undertaking the task of physical verification of assets created under the scheme.

### 3.11.13 *Monitoring*

In April 1983, the Government of India requested the State Government to constitute a co-ordination committee at the State level for implementation and monitoring the scheme. Further, the Government of India, in June 1983 emphasised that flow of credit with reference to the targets fixed and achievements made in respect of each participating Bank/Agency will have to be monitored at block level/district level/State level. It was, however, seen that no co-ordination committee was constituted at State level for monitoring etc. No arrangement had also been made for monitoring the flow of credit with reference to the targets fixed and achievements made at district level/block level as stated above.

### 3.11.14 *Evaluation*

There was no machinery in the State to undertake concurrent evaluation of the scheme with a view to assessing the impact on the implementation of the scheme.

The matter was reported to Government in September 1988. No reply has been received (July 1989).

## 3.12 *Extra expenditure on sal posts*

While auditing (June 1986) the records of the Block Development Officer, Kumarghat Block, it was found that the Block Development Officer purchased 1038.42 metres of sal posts in two lots in March/April 1986. The 1st lot of 409.67 metres was purchased in March 1986 from a contractor at a cost of Rs. 0.61 lakh at a rate of Rs. 150 per metre. The 2nd lot of 628.75 metres was purchased in April 1986 from the Forest Department at a cost of Rs. 0.44 lakh at the rate of

Rs. 70.20 per metre. As a result of splitting up the purchases, the department incurred an extra expenditure of Rs. 0.33 lakh. The department stated in December 1988 that sal posts were purchased from a private contractor by inviting quotations to avoid lapse of funds. As per the records, the need for the immediate purchase of the sal posts in March 1986 was not established since the piles remained un-utilised till the date of audit (June 1986).

The matter was reported to the Government in April 1988 but no reply has been received (June 1989).

### 3.13 *Non-acceptance of lowest tender*

For the implementation of Special Nutrition Programme, the Block Development Officer (BDO), Kumarghat block invited (March 1986) quotations for supply of 5,850 pieces of stainless steel dishes and an equal number of glass tumblers. Five tenders were received with rates varying from Rs. 75 to Rs. 147 per set of one dish and one tumbler. No stipulation for production of samples was made in the notice inviting quotations.

However, the BDO in a letter dated 18th March 1986 asked the tenderers to produce the samples by the very next day i.e., 19th March 1986. The BDO's letter dated 18th March 1986 to the 1st lowest tenderer was handed over to the highest tenderer for the aforesaid deal. No record regarding despatch/receipt of BDO's letter dated 18th March 1986 by the 2nd and 3rd lowest tenderer could be made available.

Only the highest tenderer quoting Rs. 147 per set could produce the sample within such a short notice (one day) and his quotation was accepted with the observation that the other four tenderers failed to produce their samples. The BDO thus, incurred an extra expenditure of Rs. 0.62 lakh which could have been avoided if the stipulation for production of samples had been incorporated in the original notice inviting quotation or a notice allowing a longer period had been given to all the tenderers for production of samples.



The matter was reported to the Government in April 1988. No reply has been received (June 1989).

### 3.14 *Grant of housing subsidy*

Under the Minimum Needs Programme introduced by the Government in 1980 (October), persons with annual family income not exceeding Rs. 2500, who did not own any house sites or houses, were eligible for free allotment of *khas* land measuring 0.20 acre and financial assistance of Rs. 750 per beneficiary. The amount of financial assistance was raised to Rs. 1000 with effect from 1st April 1987. It was noticed in the course of test audit (September 1987) of the records of Agartala Sub-Division, that out of Rs. 19.80 lakhs paid to 2400 beneficiaries during April 1986 to August 1987. Rupees 11.33 lakhs were paid to 1270 beneficiaries whose annual family income exceeded the limit of Rs. 2500.

The department while admitting (February 1988) the fact stated that benefits were extended to persons having an annual income of more than Rs. 2500 considering their economic condition. In the process, however, the possibility of more needy persons with annual family income less than Rs. 2500 being deprived of the benefits of the scheme could not be ruled out.

The matter was reported to Government in April 1988. No reply has been received.

## SCIENCE, TECHNOLOGY AND ENVIRONMENT DEPARTMENT

### 3.15 *Non-utilisation of Computers and blockage of funds*

Five Computers were procured by four organisations of the Government of Tripura between January 1982 and

January 1987 at a total cost of Rs. 27.06 lakhs, as detailed below :

Serial Number	Name of the organisations	Type/level of computers
1.	Directorate of Statistics and Evaluation	HORIZONTAL-III M/S Hindustan Corporation Ltd.
2.	Department of Science Technology and Environment.	
3.	Tripura Engineering College	i) MICRO-78 Electronics Corporation of India Ltd.
4.	-do-	ii) O-LEVEL P.S.I. Data System (P) Ltd.
5.	Polytechnic Institute	MICRO-32 E.C.I. Ltd. Hyderabad



Purpose	Cost (in lakhs of rupees)	Date of receipt	Date of installation operation
For quick processing of statistical data	12.71	November 1986	December 1986. (Not in operation)
To impart training to scien- tific and other personnel	1.50	January 1987	February 1987. In opera- tion since February 1987
For setting up of "Compu- ter facilities and Electronics Laboratory".	2.71	January 1982	March 1983 (Not in opera- tion)
	6.64	November 1985	March 1986 (Not in opera- tion).
For introduction of a Polytech- nic Computer Corner.	3.50	October 1986	Not yet installed.

In addition to the above cost, a total sum of Rs. 6.33 lakhs were paid in respect of three units (Sl. No. 1, 3 and 4) towards Technical Services (rendering pre-sales support, site preparation guidance and continuous system support). But the Government could not derive any benefit on this account due to non-operation of Computers. The Directorate of statistics and evaluation also paid (December 1987) Rs. 1.10 lakhs on account of annual maintenance charges to the supplier for the second year of installation (December 1987—December 1988) although the Computer was not in operation.

Excepting the Computer installed by the Department of Science, Technology and Environment (Sl. No. 2) none of the other four Computers could be put to any use since their date of receipt due to the following reasons.

(i) Due to frequent loadshedding and voltage fluctuations in the locality (Sl. No. 1).

(ii) Due to the memory system and matrix sprinters not conforming to the required specifications (Sl. No. 3).

(iii) Due to dustproof airconditioned room having not been constructed (June 1989). (Sl. No. 4).

As a result, a total sum of Rs. 32.99 lakhs remained unutilised for the period ranging from four to six years.



## CHAPTER IV WORKS EXPENDITURE

### LOCAL SELF-GOVERNMENT AND PUBLIC WORKS DEPARTMENT

#### 4.1 *Urban water supply programme*

##### 4.1.1 *Introduction*

For providing safe drinking water to urban population, the first water supply scheme under the Urban Water Supply Programme was taken up for execution in Agartala Town in August 1959 and commissioned in July 1966. 9 other urban water supply schemes were taken up between 1972-73 and 1981-82 covering all the 9 Sub-divisional towns.

On 1st April 1981, Government of India launched through out the country the 'International Decade Programme on water supply and sanitation' which sought to make available safe drinking water and basic sanitation by the end of March 1991 to 100 per cent of the population living in both urban and rural areas.

##### 4.1.2 *Organisational set up*

The programme was implemented through the Irrigation, Flood Control and Public Health Engineering (IFC and PHE) wing of the Public Works Department (PWD). The wing is headed by a Chief Engineer and has a separate Public Health Engineering Circle with 4 executing divisions to look after the work. The Ministry of Urban Development (formerly, the Ministry of Works and Housing) plays a co-ordinating role for the programme.

Planning, executing and maintenance of the Agartala Water Supply Scheme was carried out by the PWD as a 'deposit work' on behalf of the Agartala Municipality which in turn was financed for the purpose by loans from financial institutions like Life Insurance Corporation of India (LIC) and loans/grants from 'Local Self-Government' (LSG) Department.

All the 9 others schemes being implemented in the areas of Notified Area Authorities, have so far been treated as departmental works and financed from the PWD budget of the State Government.

### 4.1.3 *Audit coverage*

Records of the Public Works Department, the Local Self-Government Department, the Agartala Municipality and 10 Water Supply Schemes in 3 districts were test checked in audit during July to October 1988. Results of test check are set out in the succeeding paragraphs.

### 4.1.4. High lights

—There was no planned attempt to mobilise and utilise resources according to the cost and time frame work. The Projected requirement of funds during Seventh Five Year Plan was Rs. 45.77 crores against which Rs. 3.55 crores could be mobilised.

(Paragraph 4.5.1)

—9 out of 10 schemes remained incomplete, though under execution for 6 to 15 years, which resulted in cost over-run of 73 per cent.

(Paragraph 4.1.7)

—Non-completion and non-implementation of the schemes resulted in less coverage of population and less per capita availability of water.

(Paragraphs 4.1.8 and 4.1.11.4)

—Rupees 38.36 lakhs were paid as interest on unutilised loan money.

(Paragraph 4.1.10)

—An augmentation scheme was taken in 1978-79 but abandoned in 1985-86 after incurring an expenditure of Rs.15.02 lakhs.

—The department could not finalise an important contract relating to augmentation of water supply at Agartala even after a lapse of 6 years owing mainly to its failure to evolve techno-commercial parameters.

(Paragraphs 4.1.11.2 and 3)

—There was unfruitful expenditure of Rs. 1.43 lakhs being the cost of equipment etc.

(Paragraph 4.1.11)



—The performance of PHC Laboratories was poor being understaffed. As a result, standard for safety condition for supply of drinking water could not be maintained.

(Paragraph 4.1.14)

—Excess use of bleaching powder for disinfection of drinking water resulted in extra avoidable expenditure of Rs.2.42 lakhs as well as exposure of consumers to potential danger of Cancer.

(Paragraph 4.1.15)

—Removal of stopcocks from public hydrants by the miscreants and defective design of Iron removal plants resulted in excessive of water.

(Paragraph 4.1.17)

—Defective aeration and sedimentation due to faulty design of Iron removal plants and also irregular change of charcoal were the causes for non-removal of the iron contents to the permissible limit resulting in high incidence of amoebiasis and gall stone diseases. 'Very soft' and 'soft' water supplied was also contributing to cardiovascular diseases of the consumers.

(Paragraph 4.1.19)

—Despite introduction of the programme, water-related diseases still continued to be major cause of morbidity and mortality among the population.

(Paragraph 4.1.28)

#### 4.1.5. Outlay and expenditure

Upto 1979-80, Rs. 123.34 lakhs were spent on Agartala water supply scheme and Rs. 73.48 lakhs on the schemes for 5 other urban areas executed till then. Year-wise plan outlay, budget allocation including loans from the Life Insurance Corporation on the programme during 1980-81 to 1987-88 are tabulated below :—

Year	Plan outlay	Budget allotment	LIC loan	Total	Expenditure
		<i>(In lakhs of rupees)</i>			
1980-81	38.00	38.00	...	38.00	51.49
1981-82	93.00	90.00	...	90.00	57.85
1982-83	55.00	55.00	...	55.00	84.26
1983-84	70.00	70.00	42.00	112.00	76.46
1984-85	65.00	65.00	...	65.00	99.99
1985-86	90.00	90.00	...	90.00	66.45
1986-87	125.00	125.00	...	125.00	100.58
1987-88	125.00	140.00	...	140.00	103.41
Total	661.00	673.00	42.00	715.00	640.49

The target for providing safe drinking water to 100 per cent urban population within 1991 was fixed in April 1981 under the International Decade Programme on Water Supply, execution of which was to be suitably spread over both the Sixth and Seventh plan periods. But the department did not project the exact requirement of funds to achieve the target or phasing of the programme over the years, nor did it make any special drive to mobilise the additional funds required (during 1981-85, the department spent Rs. 3.19 crores against the provision of Rs. 3.22 crores).

As estimated in the draft seventh five-year plan document, the department was to mobilise Rs 45.77 crores during 1985-90 if it was to achieve the target within the stipulated period. Against this, during the first three years of the seventh plan (1985-88), the actual provision was Rs. 3.55 crores which constituted only 8 per cent of the projected requirement. The department also failed to prepare and send the detailed project reports showing year-wise programme for urban water supply as called for in December 1985 by the Government of India to enable them to make available a sizeable assistance from the World Bank.

Lack of timely and planned attempt on the part of the department to mobilise the additional resources required for achieving the target resulted in a serious delay in the implementation of the programme.

#### 4.1.6 *Delay in completion of schemes*

The department took up new schemes without completing the ongoing ones. This resulted in inadequate allotment of funds (except for Agartala, for which loans were obtained from the L.I.C.) due to resource constraints thereby staggering the construction schedule of both the new and ongoing scheme. As on 31st March 1988, 9 out of 10 schemes taken up for execution remained incomplete.

Out of the 9 schemes, target dates for completion of 3 (Dharmanagar, Udaipur and Kailashahar) taken up between 1972-73 and 1974-75 could not be ascertained for non-availability of records. The remaining 6 schemes (Belonia, Kamalpur, Khowai, Sonamura, Amarpur and Sabroom) taken up between 1979-80 and 1981-82 were targeted to be completed within periods ranging from 6 months to 2 years against which



these have been under execution for 6 to 8 years. All the 9 schemes were, however, partially commissioned (the last one at Kamalpur in March 1983) without giving the full benefit to the people.

#### 4.1.7 *Cost overrun*

Against the total estimated cost of Rs. 277.51 lakhs in respect of the 9 schemes sanctioned between 1972-73 to 1981-82 and under execution for 6 to 15 years, the total expenditure upto 1987-88 was Rs. 479.40 lakhs, constituting increase of 73 *per cent*, even though the schemes were incomplete. The major components which are yet to be taken up for execution include three I-MGD surface water treatment plants at Sonamura, Khowai and Kamalpur at a total estimated cost of Rs. 56.81 lakhs. In none of the cases (except phase II of Water Supply Scheme at Sonamura) revised estimates were prepared and sanctioned. The estimate for Water Supply Scheme at Sonamura (Phase II) for construction of a I-MGD surface water treatment plant (original estimates sanctioned in 1981-82 for Rs. 18.70 lakhs) were revised in 1986-87 to Rs. 35 lakhs, the increase in cost was attributed to increase in scope of work as well as escalation of prices. But the work has not yet been taken up (August 1988).

Public Health Engineering Division II, which was entrusted with the execution of 8 schemes upto 1979-80, and thereafter 5 schemes upto 1985-86 never maintained any register of works. Posting of registers by the other divisions was lacking in details. As a result, the items of work in the sanctioned estimate on which expenditure exceeded the sanctioned provisions and the extent of such increase item-wise were not identifiable from the departmental records.

#### 4.1.8 *Benefits derived*

Each of the schemes was formulated for a design period of 30 years ahead and envisaged availability of a minimum quantity of water per head per day on the basis of the projected population increases from year to year in the scheme areas. The water supply facilities were to be made available to the 100 *per cent* population of the area. As per norms fixed by the department, there would be 50 users for a street hydrant and 6 users for a residential connection.

It was noticed in audit (vide annexure) that against the population of 1,14,859 targeted to be covered by 1988, facilities were provided to cover only 60,374 (53 per cent).

The facilities were lowest in Belonia and highest in Kailashahar. The shortfall in the facilities provided was, *inter-alia*, due to non-completion of some major items of work (e.g., surface water treatment plants at Sonamura, Kamalpur and Khowai), defective design of the overhead service reservoir (OHSR) (Kamalpur), schemes being run with less number of deep tubewells (DTWs) due to non-construction as well as non-replacement of defunct ones (Dharmanagar and Udaipur), less discharge rate of pumps than originally envisaged (Amarpur), non-remodelling of distribution lines (Sabroom), non-construction of requisite number of OHSR (Belonia) and leakage through damaged OHSR (Kailashahar). Daily supply hours ranged from 2 to 8 hours and in 7 schemes (out of 9) supply could not be maintained upto for 8 hours a day owing to shortfall in availability of water.

#### 4.1.9 High cost of establishment

Against the norm fixed at the maximum of 10 per cent for establishment cost to total expenditure, the rate in respect of the 9 urban Water Supply Schemes, expenditure of which was being incurred through the departmental budget ranged from 13 (1980-81) to 53 per cent (1985-86) as detailed below :—

year	Cost of establishment	Works expenditure	Total expenditure	Percentage of cost of establishment to total expenditure
(In lakhs of rupees)				
1980-81	6.19	41.47	47.66	13
1981-82	8.81	29.61	38.42	23
1982-83	14.79	35.91	50.70	29
1983-84	29.00	29.85	58.85	49
1984-85	38.65	30.77	64.42	52
1985-86	30.10	27.13	57.32	53
1986-87	22.41	60.66	83.07	27
1987-88	21.64	61.43	83.03	26

The steady increase in the rate of establishment cost upto 1982-83 in respect of the Water Supply Schemes as well as the related Schemes on public health and sanitation was also commented upon Finance Commission. The State Government agreed to look into the matter and furnish the justification. No follow-up action was taken by the Government though there was steady increase in expenditure upto 1985-86, nor was any justification furnished to the Commission.



Reasons for the inordinate increase in the establishment cost during 1983-84 to 1985-86 were also not available on record.

#### 4.1.10 *Under-utilisation of available resources and payment of interest*

The mobilisation of resources by the Agartala Municipality for the Agartala Water Supply Scheme and their ultimate utilisation during the period from 1980-81 to 1987-88 are as under :—

Year	Unspent balance carried over from previous year	Grants received from LSG department	Loans from LIC	Funds available with the Municipality	Funds made over to PWD	Expenditure incurred by PWD	Unspent balance end at the of the year
(In lakhs of rupees)							
1980-81	50.38	8.00	...	58.38	16.00	3.83	54.55
1981-82	54.55	18.00	...	72.55	30.00	19.43	53.12
1982-83	53.12	10.00	...	63.12	13.34	33.56	29.56
1983-84	29.56	25.00	42.00	96.56	17.72	17.61	78.95
1984-85	78.95	25.00	...	103.95	30.00	35.57	68.38
1985-86	68.38	40.00	...	108.38	30.00	9.22	99.16
1986-87	99.16	45.00	...	144.16	20.00	17.51	126.65
1987-88	126.65	45.00	...	171.65	25.00	20.34	151.31

During the course of audit it was noticed that (i) Out of a loan of Rs. 42.50 lakhs obtained from the LIC in 1975-76 and 1977-78 for augmentation of the existing Water Supply Schemes at Agartala, there was an unspent balance of Rs. 27.48 lakhs (with PWD—Rs. 2.98 lakhs ; with Municipality—Rs. 24.50 lakhs) as a result of abandonment (1985-86) of the scheme after incurring an expenditure of Rs. 15.02 lakhs. The Municipality had to pay Rs. 20.56 lakhs as interest on the unspent balance upto May 1988. The Municipality could not state (September 1988) whether the balance amount was lying with it, nor could it furnish any justification for obtaining the loan while the major portion of it could not be utilised for the specified purpose.

(ii) While Rs. 27.48 lakhs of the previous loan remained unutilised, the Municipality obtained (1983-84) a further loan of Rs. 42.00 lakhs from the LIC for construction of a new 2-MGD treatment plant at Agartala, the work for which was yet to be taken up (September 1988). During the period from 1983-84 to 1987-88, the unspent balance at the end of the year excluding the loan amount increased from Rs. 36.95 lakhs to Rs. 109.31 lakhs (1987-88). As a result, the Municipality

had to pay till May 1988 a further sum of Rs. 17.80 lakhs by way of interest to the LIC on Rs. 42.00 lakhs. Thus, the total interest paid upto May 1988 worked out to Rs. 38.36 lakhs (Rs. 20.56 lakhs *plus* Rs. 17.80 lakhs).

(iii) The Municipality also could not clarify how the utilisation certificates for the grants received upto 1985-86 from LSG Department could be furnished from time to time upto August 1987 while the grants remained unutilised.

(iv) Utilisation of funds made over to the PWD under Agartala Water Supply Scheme was also not being watched by the Municipality. As a result, Rs. 36.74 lakhs were found to have been lying unutilised with the PWD at the end of 1987-88 without any knowledge of the Municipality.

#### 4.1.11 *Augmentation of sources for supply of water*

##### 4.1.11.1 *Inadequate planning*

The original scheme of Agartala urban water supply sanctioned in August 1959 and commissioned in July 1966 did not take into consideration the projected population increase during the next 30 years. As a result, in 1971, when the population increased to 1 lakh, pushing the total minimum demand of water to 28 lakh gallons per day, the daily output of the 1.6 MGD treatment plant drawing raw water from the river *Haora* was considered inadequate. Consequently, the department started constructing deep tubewells for pumping out underground water in all the 3 supply zones of the urban area of Agartala in a piecemeal manner and not as a part of any comprehensive plan.

##### 4.1.11.2 *Abandonment of scheme*

Since the ad-hoc measures proved in-effective in solving the problem of water scarcity, an augmentation scheme, at an estimated cost of Rs. 51.07 lakhs, was sanctioned to increase the capacity of the existing treatment plant from 1.6 to 3.6 MGD. The scheme also provided for sinking of 7 new deep tubewells along with construction of pump houses, construction of 3 OHRs and laying of pipe lines. As already mentioned in para 4.1.10 a loan of Rs. 42.50 lakhs was obtained from the LIC for financing the scheme. The scheme scheduled to be completed within 1977-78, was taken up in 1978-79 and abandoned in 1985-86 after incurring an expenditure of



Rs. 15.02 lakhs mainly on capital repair and replacement work in the existing plant (Rs. 10.06 lakhs).

According to the department (July 1988) the non-execution of the scheme was due to the decision (1978) taken by the Municipality to have a Master Plan prepared by the Calcutta Metropolitan Development Authority (CMDA) and follow its recommendation. The Master Plan (interim report prepared in March 1980, followed by final report in November 1983) covered a period of 30 years in 3 phases of 10 years each from 1981 to 2011 to ensure 30 gallons of water per head per day to the projected population of Agartala urban area. The plan estimated at Rs. 635.84 lakhs envisaged construction within 1983-84 a 2-MGD treatment plant in the South zone with provision for phase-wise augmentation of its capacity to 6-MGD, remodelling of 11 Km long pipe lines, replacement of old flocculator and construction of a clear water reservoir (CWR). The department failed to construct the new 2-MGD treatment plant within the stipulated period. Rupees 15.99 lakhs were spent on replacement of old flocculator (Rs. 9.45 lakhs) and on improvement of pipe lines (Rs. 6.54 lakhs).

#### 4.1.11.3 *Abnormal delay in finalisation of tender*

The work of 2-MGD treatment plant (estimated cost : Rs. 20 lakhs which were revised to Rs. 70 lakhs and further revised to Rs. 125 lakhs) was scheduled to have been taken up in 1981-82. The work has not yet been taken up (November 1988) owing to failure of the department in finalisation of contract since February 1982, although from October 1981 to June 1987, there were altogether 5 calls of tenders for the work.

#### 4.1.11.4 *Decrease in water supply*

Non-implementation of augmentation schemes in a proper way since 1975-76 had an adverse impact on the quantum of water supplied by Agartala Water Supply Scheme. Against the envisaged daily supply of 48.78 lakh gallons (at the rate of 30 gallons per head) for a projected population of 1.63 lakhs in 1988, the actual supply was only 34.40 lakh gallons ; the per head availability was 21 gallons (i.e., 70 per cent of the envisaged availability). In fact, the daily supply of water

decreased from 37.20 lakh gallons in 1984-85 to 34.40 lakh gallons in 1987-88 as a result of decrease in number of deep tubewells from 18 to 16 due to non-replacement of defunct tubewells. With 5,427 residential connections and 500 street hydrants, water could be made available to meet the requirements of 0.58 lakh persons i.e., only 36 per cent of the projected population could be covered by the scheme.

#### 4.1.11.5 *Unfruitful expenditure*

For the augmentation of Agartala Urban Water Supply Scheme, the department procured (February 1978) 34 items of equipment valued at Rs. 1.25 lakhs and also incurred (February 1979) an expenditure of Rs. 0.18 lakh on the relevant design and drawing. As the scheme was abandoned, it was decided (September 1980) that the equipment would be utilised in the new 2-MGD treatment plant envisaged under the Master Plan. In May 1987 it was again decided to go in for a 4-MGD plant instead of 2-MGD. As a result, the items of equipment suitable only for a 2-MGD plant are still lying unutilised and the entire amount of Rs. 1.43 lakhs proved unfruitful.

#### 4.1.12 *Release of water supply connections*

Release of water supply connections is controlled by the Agartala Municipality in respect of Agartala Water Supply Scheme through the agency of the Public Health Engineering Division.

As on 31st August 1988, 2,951 applications for new connections received upto March 1988 were pending for periods ranging from less than 1 year to more than 4 years as indicated below :—

Number of applications	Period for which pending
931	Less than 1 year.
665	1 year and above but less than 2 years.
568	2 years and above but less than 3 years.
485	3 years and above but less than 4 years.
302	4 years and above.
<hr/> 2951	



Between April 1986 and August 1988, 1,360 new connections with an effective demand for 2.45 lakh gallons of water per day were released without making any arrangement for simultaneous increase in the availability of water. This resulted in lower per capita availability of water and inadequate pressure at which water was available. Despite the fact that the Municipality had no constraint of funds, it failed to stem the widening gap between demand and supply.

#### 4.1.13 *Geophysical survey*

Against the normal design period of 15 years for a deep tubewell, 4 deep tubewells at Agartala (DTW 14, DTW 11, Rampur and Palace Compound) and 1 deep tubewell at Udaipur (near Dakbanglow) constructed at a total cost of Rs. 12.50 lakhs and commissioned between 1974 and 1984 were abandoned or replaced within 4 to 8 years of their commissioning owing to either stoppage of discharge or inadequate discharge of water. It was noticed that before sinking the deep tubewells, the department did not conduct the requisite geophysical survey of underground water layers as the expertise required for this was not available with the department. A Centrally Sponsored Scheme, drawn up in 1979-80 and sanctioned in 1981-82, to set up a geophysical unit for providing the expertise at an estimated cost of Rs. 6.56 lakhs was not implemented by the department for want of qualified personnel as reported (September 1988) by it.

#### 4.1.14 *Poor performance of Public Health Engineering Laboratory*

During 1980-81 to 1987-88, the number of bacteriological tests conducted annually by the PHE laboratory set up under Agartala Water Supply Scheme ranged from nil to 27 against the prescribed minimum number ranging from 156 to 192. Similarly, the number of chemical tests conducted annually ranged from nil to 9 against the prescribed minimum number ranging from 24 to 40 during the same period.

Moreover, out of 21 compulsory items of various prescribed tests only 11 items were being conducted by the laboratory, although it was fully-equipped to conduct all such tests.

The laboratory was also responsible for conducting necessary tests for 9 other urban Water Supply Schemes. But,



during 1980-81 to 1987-88, bacteriological tests were conducted for none of these schemes and chemical tests were conducted only for 6. But the number of chemical tests conducted actually ranged from 1 to 5 against the prescribed minimum number of these tests ranging from 14 to 42.

The extremely poor performance in conducting the requisite tests without which the set standards for safety condition in supply of drinking water could not be maintained was, *inter-alia*, due to understaffing of the laboratory. While the recommended strength of the technical staff for the laboratory was 11, the actual strength was only 3. Even the post of Bacteriologist was lying vacant (October 1988). Reasons for non-filling up of the posts were not available on records.

#### 4.1.15 *Water treatment plant*

4.1.15.1 Against the maximum annual requirement of 19,712 MT bleaching powder of 30 *per cent* chlorine content (the maximum prescribed dose : 9.9 mg per litre of water ; the maximum annual output of the plant : 19,911.48 lakh litres of water), the consumption of bleaching powder for disinfection in the water treatment plant of Agartala ranged from 29.940 to 32.250 MT annually during 1983-84 to 1987-88. This resulted in extra avoidable expenditure of Rs. 2.42 lakhs on 52.507 MT bleaching powder consumed in excess during these years. Apart from this, the excess consumption posed a potential danger to public health as research revealed that intake of chlorine in high dose causes cancer in human body.

4.1.15.2 With the replacement of an old clariflocculator in 1986-87 at a cost of Rs. 9.45 lakhs, the capacity of the treatment plant was increased from 16 lakh gallons to 20 lakh gallons per day.

But the plant output never exceeded 12 lakh gallons per day, the constant under-utilisation of the capacity since 1966-67 was attributed (September 1988) by the department mainly to inadequate storage arrangement.

#### 4.1.16 *Losses due to idle installations*

(a) Owing to non-availability of additional water from the treatment plant of Agartala, 3.5 Km rising mains extending from the Central to the North Zone (cost : Rs. 1.20 lakhs)



constructed in 1967-68 remained unutilised (August 1988), although connected at the receiving end with a clean water reservoir (CWR) (cost : Rs. 1.32 lakhs) constructed in July 1974. This resulted in idle investment of Rs. 1.20 lakhs on which loss of interest was Rs. 1.44 lakhs upto 1987-88. The department had to spend Rs. 0.72 lakh on repair and replacement of damaged and stolen parts of the CWR which was left abandoned upto 1985-86 when feeding of water into it from a nearly deep tubewell started.

(b) In Kailashahar Water Supply Scheme, 2.5 Km pipe lines were laid underground during 1980-81 at a cost of Rs. 1.63 lakhs in Kubjar area. But owing to non-availability of the additional water, the pipe lines remained unutilised, resulting in an idle investment of Rs. 1.63 lakhs on which loss of interest was Rs. 0.68 lakh upto 1987-88.

#### 4.1.17 *Excessive loss of water*

(a) As per the prescribed norms, loss of water beyond 5 to 7 *per cent* was to be considered as unsatisfactory and remedial measures to reduce it within the normal limit were to be taken positively. For Agartala, the loss through 500 public hydrants without stopcocks was estimated (April 1988) by PHE Division I to be 10 to 15 *per cent* of the water fed into the distribution system.

As reported by the PHE Division I and II in April 1988 and September 1988 respectively, 100 *per cent* of the public hydrants of Agartala and 70 *per cent* of Dharmanagar and Kailashahar were having no stopcocks as they were either stolen or removed by the miscreants.

(b) The defective design of iron removal plants (IRPs) also contributed to a substantial loss of water. The National Environmental Engineering Research Institute (NEERI) estimated in November 1987 that 30 to 40 *per cent* of water was being lost during spray aeration in course of iron removal through the IRPs. The loss on this account for Agartala during 1987-88 worked out to 6.30 lakh gallons per day on an average before the water was injected into the distribution system through 13 IRPs.

#### 4.1.18 *Operation and maintenance*

(a) Although after execution the schemes were to be handed over to the respective local bodies, none of the schemes were so handed over (September 1988) as the bodies did not evolve separate set up for operation and maintenance (O & M) of the schemes. No separate accounts for expenditure incurred and met from the non-plan budget by the department on O & M of the schemes were maintained, except for Agartala. Out of Rs. 227.20 lakhs spent by the department on O & M of the scheme for Agartala during 1969-70 to 1987-88, only Rs. 35.64 lakhs were reimbursed by the Municipality upto 1977-78. The Government exempted (March 1979) the Municipality from paying the cost of O & M to the PWD, though a joint meeting (May 1982) between the Government and the Municipality resolved that it was wrong not to hand over even the current collection of water rates by the Municipality to the PWD.

(b) Test check revealed that 433 and 358 working hours were lost on account of power failure during 1986-87 and 1987-88 respectively at the water treatment plant of Agartala curtailing the supply of water. A scheme for establishment of an emergency power supply unit for the treatment plant at a cost of Rs. 6.32 lakhs prepared in September 1986 was still awaiting clearance from the Municipality (September 1988). The reasons for the inordinate delay were not available on record.

#### 4.1.19 *Safety factors in supply of water*

The objective of the programme was to supply safe drinking water to the urban population. The programme has not, however, elaborated on what is called 'safe' water. As defined in Preventive and Social Medicine, a 'safe' water is one that cannot harm the consumer even when ingested over prolonged periods.



#### 4.1.19.1 *Iron content*

As per chemical test in the PHE laboratory, raw water from the DTWs at Agartala and other urban areas contained dissolved iron to the extent of 10 to 200 times (1 mg to 20 mg per litre) the desirable limit of 0.1 mg per litre fixed by the WHO. The National Environmental Engineering Research Institute observed (November 1987) that the IRPs constructed by the department were not capable of removing more than 60 to 80 *per cent* of the iron owing to defective aeration and sedimentation procedures. The estimated maximum normal carry-over of iron (i.e., the iron left over in water after the water is processed) was, thus, 15 to 60 times the desirable limit. But the actual carry-over exceeds the normal estimate if the charcoal in the IRP is not changed at least every 3 months. Test check revealed that the total number of charcoal changes at Agartala required to be taken up annually during 1980-81 to 1987-88 ranged from 40 to 72, while the number of changes actually taken up annually ranged from nil to 4 (except during 1985-86 when it was 10).

The resultant high concentration of iron in drinking water supplied made it quite unsafe, as a study sponsored (1986-87) by the Science, Technology and Environment Department and conducted by the Chief Advisor (Surgery) and Special Secretary (Health) to the State Government, revealed that the high concentration of iron in water not only contributes to the incidence of amoebiasis but also is directly responsible for the high incidence of gall-stone disease in the State. During 1966 to 1986, approximately 10,000 patients were admitted in hospitals with gall-stone of which 93 belonged to the pediatrics age group and the incidence of gall-stone in children is seen to be the highest in the world. The study also revealed that the patients with gall-stone beyond the age of 40 years invariably develop cancer of the gall-bladder.

#### 4.1.19.2 *Hardness*

As per chemical test in the PHE laboratory, the water supplied in the urban areas was to fall under either 'very soft' or 'soft' category (the hardness ranging from 15 to 86 mg per litre in terms of  $\text{CaCO}_3$ , against the norm of the lowest desirable limit of 200 mg per litre fixed by the WHO). Extensive researches in Western Europe showed that regular ingestion of soft drinking water was responsible for a significantly higher prevalence of cardio-vascular diseases among consumers. The trend was also noticeable in the Agartala urban area where such diseases were the second single major cause for deaths (106 deaths out of 1,279 in 1986 and 175 deaths out of 1,095 in 1987 were from such diseases as per the Municipal statistics).

The department did not take any remedial measures on the results of chemical test to improve the hardness of water before supply.

#### 4.1.19.3 *Flouridation*

Although the raw water under Agartala Water Supply Scheme was lacking flouride as per chemical test and for safeguarding the population against dental caries, the WHO recommended (1969) flouridation of water in such cases, the department has not taken up any scheme for flouridation of the raw water of Agartala (September 1988). Flouride content of water in other urban areas was not even studied systematically.

#### 4.1.19.4 *Intermittent supply and low pressure*

The WHO recommended (1965) avoidance of intermittent supply and low pressure service (i.e., service at a pressure lower than 7 metres at the ferrule point) as both of them contribute to contamination of water. But the supply of



water was made intermittent in all the schemes and the minimum residual pressure was not being ensured by means of systematic pressure charts in any of them. A pressure test report (May 1985) from the South Zone of Agartala revealed that 50 *per cent* of the points were having residual pressures below 7 metres and 22 *per cent* a zero pressure. But no action was taken by the department to improve the pressure condition on receipt of the report.

#### 4.1.19.5 *Disinfection of distribution system*

While the distribution system as a whole was to be disinfected atleast every 4 months as a routine measure to minimise the chance of contamination of water, the distribution system at Agartala was disinfected in October 1985 and then in August 1988 (i.e., after a gap of nearly 3 years).

#### 4.1.20 *Impact of the programme on incidence of water-related diseases*

Test check of statistical data collected and compiled by the Directorate of Health Services revealed that water-related diseases still continued to be the single major cause for both morbidity and mortality in the urban areas despite implementation of the programme. The programme should have lowered the incidence of such diseases to a fairly negligible level, if not completely wiped out. In Kamalpur Hospital, 18,580 cases out of 29,823 treated in 1984 and 16,226 cases out of 32,255 treated in 1985 were gastro-enteric and other water-related diseases, constituting 62 and 50 *per cent* of the total cases treated in the respective years. Again, in Udaipur Hospital, 15,690 cases out of 52,575 treated in 1985 were shared by this group of diseases constituting 30 *per cent* of the total cases treated during the year. Statistics compiled by the Municipality for the urban area of Agartala revealed that gastro-enteric and other water-related diseases were directly responsible for 181 deaths out of 1,279 in 1986 and 211 deaths out of 1,095 in 1987, constituting 14 and 19 *per cent* of the total deaths in the respective years.

#### 4.1.21 *Other topics of interest*

(1) The construction of an RCC overhead reservoir (OHSR) of 60,000 gallon capacity at 60 feet staging height under Kamalpur Water Supply Scheme was completed in April 1984 at a cost of Rs. 6.62 lakhs, but it could not be put to use (September 1988). The OHSR was 1.03 Km away from the deep tubewell and it was beyond the capacity of the vertical turbine pump of the tubewell to attain the requisite head for negotiating the distance and raising the water to the height of the OHSR. This made the expenditure of Rs. 6.62 lakhs on the OHSR infructuous.

(2) Under Kailashahar Water Supply Scheme, an RCC OHSR of 40,000 gallon capacity (constructed in 1981-82 at a cost of Rs. 2.12 lakhs), in 1983-84 within two years of construction, developed a large crack. Clear water was leaking through it and being allowed to be wasted, apart from contributing to the possibility of crumbling down of the whole structure at any time causing an accident. The reasons for non-repair of cracks since 1983-84 were not available on records (September 1988).

(3) During June 1980 to March 1988, PHE Division I made advances of Rs. 193.49 lakhs on 46 occasions to 12 organisations/firms towards supply of bleaching powder, alumina ferric, lead, pipes, spare parts for rigs, air compressors etc., for use in urban and accelerated rural water supply programmes. On being asked (September 1988), the division could show neither the adjustments nor any records to indicate receipt of supply against which the advances were made. It could not even furnish any reply (February 1989) in explanation of the lapses.

(4) For disinfection of underground water, 18 chlorinators were purchased at a cost of Rs. 0.80 lakh and installed (December 1985) in all the DTW pump houses at Agartala. But the use of chlorinators was stopped within 3 months as, according to the department, the pump operators were not accustomed to their operation. The department did not arrange for any training to make the pump operators accustomed and the chlorinators remained idle since then (October 1988), resulting in an unproductive expenditure of Rs. 0.80 lakh on them.



(5) An IRP at Agartala, constructed at a cost of Rs. 0.93 lakh in October 1983, suddenly collapsed within 4 months. Both the Assistant Engineer and the Executive Engineer attributed (January 1984), the incident to rising water in the IRP tank beyond the permissible limit due to continuous running of both the VT and booster pumps for  $7\frac{1}{2}$  hours by the Khalasi posted at the pump house and less diameter of the over flow pipes than actually required. But the Superintending Engineer ruled out (April 1984), the possibility of rising water as both the pumps were of the same capacity of 20,000 gallons per hour. This points established that the actual reasons for collapse was sub-standard work done by the contractor. The matter was not investigated further to fix the responsibility. An additional expenditure of Rs. 0.27 lakh had to be incurred (August 1984) for repairing of IRP.

(6) Under Sabroom Urban Water Supply Scheme, an IRP constructed at a cost of Rs. 1.10 lakhs has been lying abandoned since 1984-85 shortly after its commissioning as water started leaking through its bottom. Responsibility was not fixed for the failure nor was any action taken for its repair and recommissioning (November 1988). This resulted in an unfruitful expenditure of Rs. 1.10 lakhs and denial of the projected benefit of iron-free water to the population.

#### 4.1.22 *Monitoring and Evaluation*

A State Level Action Committee to be chaired by the Chief Secretary was to be set up in each State to monitor the progress of implementation of the International Decade Programme on water supply and sanitation and co-ordinate the activities of various departments in achieving the goal. The committee has not yet been set up and monitoring operation has so far continued to remain neglected (September 1988) although the Conference wanted the organisational set up for monitoring to be strengthened and reoriented. Evaluation of the programme has also never been attempted since its inception. Lack of monitoring and evaluation, *inter-alia* contributed to delay in execution of schemes, unplanned mobilisation of resources, idle investment, extra expenditure, wasteful or unproductive expenditure, deficiency in performance etc., as brought out in the above paragraphs.

The above points were referred to the Government in December 1988 ; their reply has not been received (May 1989).

Name of scheme	Population to be covered by 1988	Daily supply of water	Envisaged availability of water per head per day (in gallons)	(Reference : Actual availability of water per head per day
Sonamura	7,847	50,000	22	6
Kamalpur	4,536	40,000	22	9
Dharmanagar	25,591	2,75,000	22	11
Kailashahar	15,914	2,00,000	26	13
Udaipur	20,054	3,40,000	22	17
Amarpur	8,795	1,80,000	22	20
Khowai	13,188	2,00,000	22	15
Belonia	14,826	1,60,000	23	11
Sabroom	4,108	80,000	22	19

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1,14,859



Paragraph 4.1.8)

Percentage of actual availability to envisaged availability	Number of supply points provided for users		Number of users covered as per norm	Percentage of population covered as per norm to total population
	Street hydrants	Residential connections		
27	60	35	3,210	41
41	27	...	1,350	30
50	375	32	18,942	74
50	260	18	13,108	82
77	175	107	9,392	47
91	50	10	2,560	29
68	113	1	5,656	43
39	65	1	3,256	22
86	58	...	2,900	71
			60,374	53

## 4.2 *Infructuous expenditure on bridge*

With a view to replacing the existing semi-permanent timber bridges over the Kulaicherra (45.65 metre span) and the Katalutmacherra (25.65 metre span) by permanent ones on the Ambassa—Kamalpur Road, the Public Works Department decided (February 1977) to purchase two sets of quadricone pre-fabricated steel truss bridges from a Bombay based firm at a cost of Rs. 5.86 lakhs (Rs. 4.25 lakhs for 45.65 metre span and Rs. 1.61 lakhs for 25.65 metre span) without call of tender. The rates obtained by negotiation were, however, cleared by the Supply Advisory Board and the firm was telegraphically (March 1977) ordered to supply the components of 45.65 metre span bridge by March 1977 and the bridge components for 25.65 metre span by April 1977. The firm was paid in full between March 1977 and October 1978 on receipt of full supply. The erection of the bridge over the Katalutmacherra was completed, after 6 years, in April 1984 by another agency at a cost of Rs. 0.61 lakh.

The bridge, however, collapsed in December 1984 when a loaded truck tried to cross the bridge, even though the same was not opened for vehicular traffic.

The department constructed (May 1986) a Bailey bridge at a cost of Rs. 34.35 lakhs over the Kulaicherra (the other bridge) while fabricated quadricone materials, already purchased in October 1978 at a cost of Rs. 4.25 lakhs, were lying unutilised.

The case regarding the collapse of the bridge alongwith records were handed over to the Vigilance (Police) in September 1985. No report was received (August 1988). No departmental enquiry had also been made.

According to the department, the bridge collapsed due to the truck being heavily loaded. It further added that the quadricone bridge being economical was launched purely on experimental basis to test its suitability in Tripura. As the bridge was procured purely on a trial basis, the expenditure of Rs. 4.25 lakhs incurred simultaneously on the purchase of fabricated structures for bridge at Kulaicherra was premature and could have been avoided.



The quadricone fabrications (Rs. 4.25 lakhs) as well as the salvaged superstructure of the bridge which collapsed had been lying unutilised since October 1978 and January 1985 respectively.

The matter was reported to Government in February 1988. Reply has not been received (November 1988).

#### 4.3 *Overpayment of sales tax*

The Chief Engineer, Electrical, Agartala executed an agreement (November 1980) with a local firm for supply of different categories of conductors to the Executive Engineer, Electrical Division, Kumarghat. According to the terms of the contract, the supplier was to pay Tripura Sales Tax initially to the Sales Tax Department and the same reimbursed from the Electrical department on production of documentary evidence.

During test check of records of the Electrical Division, Kumarghat it was noticed (April 1986) that an amount of Rs.2.72 lakhs was paid (November 1982) to the firm on account of Tripura Sales Tax at the rate of 10 per cent of gross value of the goods supplied between October 1981 and November 1982 without any reference to proof of payment of sales tax. As the sales tax was payable at the rate of 8 per cent *advalorem*, upto June 1984 and thereafter at the rate of 10 per cent *advalorem* the payment of sales tax at the rate of 10 per cent instead of at the rate of 8 per cent resulted in overpayment to the tune of Rs. 0.54 lakh.

The department admitted (February 1987) the over payment. Particulars of recovery were awaited (March 1988).

The matter was reported to Government in June 1986. Reply has not been received (November 1988).

#### 4.4 *Excess payment of Central Excise Duty*

A firm was engaged by the Public Works Department in October 1982 for design, manufacture, supply and erection of vertical gates for barrage over river Gumti at a tendered value of Rs. 48.04 lakhs. Apart from claiming escalation on the increased value of materials as per price variation clause, Central Excise Duty was also claimed by the firm from time to

time, on the escalated value of labour and materials incorporated in the works at the erection site and the department paid it through the running account bills. Neither did the firm produce any proof of payment of Central Excise Duty, thus, claimed on the escalated value of labour and materials nor the department demand it at any stage as there was no stipulation in the supply contract regarding production of proof of payment of Central Excise Duty. Reasons for absence of such a stipulation in the contract, though generally made in such cases, could not be ascertained.

However, cross verification of the relevant records of the firm lying with Central Excise Collectorate at Calcutta showed that the firm actually paid Rs. 4.09 lakhs as Central Excise Duty in respect of escalated price on vertical gates materials cleared from its Calcutta factory between March 1985 and May 1986 though the department paid to the firm Rs. 5.17 lakhs as claimed by it. Thus, the department made to the firm an excess payment of Rs. 1.08 lakhs on account of Central Excise Duty.

The matter was reported to the Government (May 1988) ; reply has not been received (March 1989).

#### 4.5 *Avoidable expenditure*

(a) The Public Works Department (Electrical) awarded (September 1984) on the basis of lowest tenders, contracts to firm 'X' and 'Y' for manufacture and supply of P.C.C. poles of length 7.5 metres, 8 metres and 9.5 metres at the rate of Rs. 272, Rs. 380 and Rs. 495 per pole respectively for erection in South Tripura under the Rural Electrification Programmes. Work order was issued to both the firms in September 1984. Firm 'X' was required to supply 1500 numbers each of the three categories of poles by May 1986 and Firm 'Y' 500 numbers each by April 1986.

None of the firms, could supply any quantity within the stipulated date(s) of completion. Extensions were, however, allowed from time to time, to firm 'X' for seven months and firm 'Y' for ten months. Even after extension of time, firm 'X' and 'Y' could deliver only 1500 and 256 respectively of 8 metre poles. Out of the total number of 6,000 of poles of all categories i.e., only 29 per cent of the total requirement. No penalty was, however, imposed on any of those firms for late



delivery. From the records it transpired that the two firms were not having financial soundness. The department also did not make any periodical assessment on the progress of the factory work.

The department, however, *suo moto* terminated (January 1987) the existing agreements with the firms and entered into new agreements with each of them, without call of fresh tenders, for supply of the balance quantity of P.C.C. poles at the enhanced rates (exclusive of taxes) of Rs. 437, Rs. 564 and Rs. 750 per P.C.C. pole of 7.5 metre, 8 metre and 9.5 metre respectively effective from 13th January 1987, thus, unilaterally enhancing the rates by 48 to 61 *per cent* over a period of 28 months. The delayed action taken by the department in January 1987 resulted in escalation of cost and eventual fixation at such higher rates. The liability for extra expenditure on account of the enhanced rate on the supply of 4,244 number of poles out of 6,000 numbers under the earlier agreement worked out to Rs. 8.83 lakhs out of which extra expenditure of Rs. 3.58 lakhs had already been incurred on the supply of 2,258 P.C.C. poles till March 1988.

(b) A contract for supply of 2500 poles each of 8 metres and 9.5 metres long P.C.C. poles in West Tripura was awarded by the department to another firm in February 1982 at the rate of Rs. 418 and Rs. 554 respectively. In terms of agreement rates were inclusive of all taxes and duties. However, while making payments to the firm in March 1987 the rates were treated as exclusive of taxes resulting in over payment of Rs. 1.48 lakhs.

The matter was reported to Government in December 1988 ; reply has not been received (March 1989).

## CHAPTER V

### REVENUE RECEIPTS

#### *General*

#### 5.1 *Trend of revenue receipts*

The total receipts of the Government of Tripura for the year 1987-88 were Rs. 31419.34 lakhs as against the anticipated receipts of Rs. 314,34.77 lakhs. Of the total receipts of Rs. 314,19.34 lakhs, Rs. 2855.54 lakhs represented revenue raised by the State Government (Tax Revenue : Rs. 1357.47 lakhs and Non-Tax Revenue : Rs. 1498.07 lakhs). Receipts from Government of India (Rs. 28563.80 lakhs) accounted for 91 *per cent* of total receipts.

#### 5.2 *Analysis of revenue receipts*

(a) An analysis of the receipts during 1987-88 and the corresponding figures for the preceding two years are given below :

	1985-86	1986-87	1987-88
	(In lakhs of rupees)		
I. Revenue raised by the State Government			
(a) Tax Revenue	977.13	1151.14	1357.47
(b) Non-Tax Revenue	1186.78	1475.82	1498.07
Total-I	2163.91	2626.96	2855.54
II. Receipts from the Government of India			
(a) State's share of net proceeds of divisible Union Taxes	5798.52	8170.68	9667.15
(b) Grants-in-aid	15168.73	16693.95	18896.65
Total-II	20967.25	24864.63	28563.80
III. Total receipts of the State Government (I+II)	23131.16	27491.59	31419.34
IV. Percentage of I to III	9	10	9



(b) *Tax revenue raised by the State*

Receipts from tax revenue during 1987-88 constituted 48 per cent of the State's own revenue receipts. An analysis of tax revenue for the year 1987-88 and the preceding two years is given below :

	1985-86	1986-87	1987-88	Percentage Increase(+) / Decrease(—) in 1987-88 over 1986-87
	(In lakhs of rupees)			
1. Taxes on Agricultural Income	25.41	10.14	3.51	(—)65
2. Other Taxes on Income and Expenditure	81.16	95.13	119.02	(+)25
3. Land Revenue	31.65	34.16	22.21	(—)35
4. Stamps and Registration Fees	97.50	116.82	119.12	(+) 2
5. State Excise	67.30	87.83	113.59	(+)29
6. Sales Tax	566.18	690.04	858.91	(+)24
7. Taxes on Vehicles	53.82	60.33	63.95	(+) 6
8. Taxes and Duties on Electricity	0.24	0.22	0.19	(—)14
9. Other Taxes and Duties on Commodities and Services	52.87	56.47	56.97*	(+) 1
Total :	977.13	1151.14	1357.47	(+)18

The shortfall of 65 per cent under 'Agricultural Income Tax' was due to less collection of tax.

The increase of 25 per cent under 'Other Taxes on Income and Expenditure' was due to realisation of more professional taxes.

The decrease of 35 per cent under 'Land Revenue' was due to less receipts under the sub-head 'Other Receipts'.

The increase of 29 per cent under 'State Excise' was due to more realisation of duty on country fermented liquers.

The increase of 24 per cent under 'Sales Tax' was due to normal growth in collection of taxes.

The decrease of 14 per cent under 'Taxes and Duties on Electricity, was due to less collection of fees for electrical inspection of cinemas.

\* This includes Rs. 0.02 lakh on account of Taxes on Goods and Passengers.

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

Non-Tax revenue receipts of the State constituted 52 per cent of the revenue raised by the State during 1987-88. An analysis of non-tax revenue under the principal heads for the year 1987-88 and the preceding two years is given below :

	1985-86	1986-87	1987-88	Percentage Increase(+) / Decrease(-) in 1987-88 over 1986-87
	(In lakhs of rupees)			
1. Public Works	36.34	43.91	51.97	(+)18 ✓
2. Other Administrative Services	28.61	37.10	43.23	(+)17 ✓
3. Education, Sports, Art and Culture	39.90	41.72	53.81	(+)29 ✓
4. Social Security and Welfare	9.56	17.86	14.31	(-)20 ✓
5. Agriculture/Crop Husbandry	52.07	66.95	91.37	(+)36 ✓
6. Dairy Development	0.21	0.14	0.06	(-)57 ✓
7. Fisheries	6.87	8.18	25.57	(+)213 ✓
8. Forestry and Wild Life	332.79	396.70	386.27	(-)3 ✓
9. Power	338.41	378.78	421.78	(+)11 ✓
10. Village and Small Industries	23.39	18.00	14.67	(-)19 ✓
11 Others	*318.63	*466.48	395.03	(-)15 ✓
Total :	1186.78	1475.82	1498.07	(+) 2

The increase of 18 per cent under 'Public Works' was due to increased receipts under the sub head 'Other Receipts'.

The increase of 17 per cent under 'Other Administrative Services' was due to more receipts of fees for Government Audit.

The increase of 29 per cent under 'Education' was due to more receipts under Elementary Education and Secondary Education receipts.

The decrease of 20 per cent under 'Social Security and Welfare' was due to less receipts under the sub-head 'Other Receipts'.

The increase of 36 per cent under 'Agriculture/Crop Husbandry' was due to increased receipts from Horticulture and Vegetable crops and also 'Other Receipts'.

The increase of 213 per cent under 'Fisheries' was due to increase in 'Other Receipts'.

The increase of 11 per cent under 'Power' was due to increase in sale of power.

\* The figures under the head 'others' for the years 1985-86 and 1986-87 are inclusive of Miscellaneous General Services.



### 5.3 Variation between budget estimates and actuals

The figures of Budget estimates and actuals for the year 1987-88 in respect of some of the important heads of revenue are given below :

Heads of revenue	Budget estimates	Actuals	Variation Increase(+) / Decrease(-)	Percentage of variation
(In lakhs of rupees)				
1. Sales Tax	800.00	858.91	(+)58.91	7
2. State Excise	93.00	113.59	(+)20.59	22
3. Taxes on Vehicles	55.00	63.95	(+) 8.95	16
4. Other Taxes on Income and Expenditure	74.00	119.02	(+)45.02	61
5. Land Revenue	22.00	22.21	(+) 0.21	1
6. Taxes on Agricultural Income	3.00	3.51	(+) 0.51	17

(a) The increase of 22 *per cent* under 'State Excise' was mainly due to release of full quota of spirit by the Government of India.

(b) The increase of 16 *per cent* under 'Taxes on Vehicles' was mainly due to increase in the number of vehicles which resulted in increased collection of composite fees and other related fees.

(c) The increase of 61 *per cent* under 'Other Taxes on Income and Expenditure' was due to conduct of survey in certain markets.

(d) The increase of 17 *per cent* under 'Taxes on Agricultural Income' was due to completion of assessment on production of income tax assessment order by the assesseees.

### 5.4 Cost of collection

Expenditure incurred in collecting the major revenue receipts during the year 1985-86 to 1987-88 is 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	1985-86	26.41	0.37	1
	1986-87	10.14	0.31	3
	1987-88	3.51	0.37	11
2. Other Taxes on Income and Expenditure	1985-86	81.16	1.19	1
	1986-87	95.13	1.88	2
	1987-88	119.02	2.75	2

Head of account	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection
(In lakhs of rupees)				
3. Stamps and Registration Fees	1985-86	97.50	12.99	13
	1986-87	116.82	17.82	15
	1987-88	119.12	15.78	13
4. State Excise	1985-86	67.30	5.96	9
	1986-87	87.83	7.23	8
	1987-88	113.59	8.28	7
5. Sales Tax	1985-86	566.13	11.74	2
	1986-87	690.04	18.99	3
	1987-88	858.91	15.77	2
6. Taxes on Vehicles	1985-86	53.82	4.28	8
	1986-87	60.33	5.34	9
	1987-88	63.95	7.07	11
7. Other Taxes and Duties on Commodities and Services	1985-86	52.87	1.46	3
	1986-87	56.47	1.93	3
	1987-88	56.97*	2.31	4

### 5.5 Analysis of collection

The break up of total collection of Sales Tax and Taxes on Agricultural Income during the year 1987-88, as per records made available by the departments is given below :—

	Sales Tax	Taxes on Agricultural Income
(In lakhs of rupees)		
(a) Amount collected at pre-assessment stage	791.35	1.07
(b) Amount collected on regular assessment	47.57	2.46
(c) Amount refunded	Nil	Nil
(d) Net collection of tax	838.92**	3.53**

\* This includes Rs. 0.02 lakh on account of Taxes on Goods and Passengers.

\*\* Differs from the figures shown in the Finance Accounts. The discrepancy is under reconciliation with the departments.



### 5.6 Assessment in arrears

The number of assessments due for disposal, assessment finalised and assessment pending finalisation at the end of March 1988, as well as figures for the preceding year, as per records made available by the Sales Tax and Agricultural Income Tax Departments are indicated below :

Year	Number of assessment for disposal	Number of assessment completed	Number of assessment pending at the end of the year	Percentage of assessments pending (Col. 4 to 2)
1	2	3	4	5
(a) Sales Tax				
1986-87				
Arrear cases	3322	3032	290	9
Current cases	2462	1413	1049	43
Remand cases	179	79	100	56
Total	5963	4524	1439	24
1987-88				
Arrear cases	1339	1268	71	5
Current cases	2447	1035	1412	58
Remand cases	198	174	24	12
Total	3984	2477	1507	38
(b) Agriculture Income Tax				
1986-87				
Arrear cases	227	73	154	68
Current cases	37	7	30	81
Remand cases	97	1	96	99
Total	361	81	280	78
1987-88				
Arrear cases	184	38	146	73
Current cases	82	7	75	91
Remand cases	100	Nil	100	100
Total	366	45	321	88

Year-wise details of pending cases as at the end of 1986-87 and 1987-88 were not furnished by the departments.

### 5.6.1 *Delay in assessment of sales tax*

(i) Assessment of a dealer of Agartala 'West District' for the years 1981-82 to 1986-87 was finalised between January 1984 and October 1987 creating a demand for Rs. 1.47 lakhs. Recovery could not be made as the dealer had closed down his business in 1986. Realisation is awaited (January 1989) inspite of institution of certificate cases between April 1985 and August 1988.

(ii) In another case of a dealer of the same district assessment for the years 1976-77 to 1979-80 was finalised in June 1984 creating a demand for Rs. 1.05 lakhs. Assessment in respect of the same dealer for the year 1980-81 and 1981-82 were completed in February 1983 and December 1983 creating demands for Rs. 1.18 lakhs and Rs. 1.04 lakhs respectively. The matter was reported to the Certificate Officer in February 1986. Recovery has not been made so far (January 1989).

(iii) Assessment of another dealer, West District for the years 1980-81 to 1982-83 was finalised ex-parte in January 1984 creating a demand for Rs. 0.93 lakh. The dealer had closed down the business in June 1987. Certificate cases were instituted in October 1984. Rupees 0.25 lakh had been recovered between February 1985 and August 1986. Further recovery is yet to be effected (January 1989).

(iv) Assessment of a dealer for the years 1978-79 to 1981-82 was finalised in March 1983 creating a demand for Rs. 0.93 lakh. Certificate cases for recovery were instituted between November 1984 and July 1985. Rupees 0.34 lakh had been recovered upto November 1987. The dealer had closed down the business (brick field) in 1985-86 and started another brick field in the same year. Further demand for Rs. 0.53 lakh for the assessment year 1986-87 is also outstanding (January 1989).



(v) Assessment of a dealer of West district, Agartala for the years 1981-82 and 1982-83 was finalised in January 1984 creating a demand for Rs. 0.62 lakh. Assessments of the same dealer for the years 1983-84 to 1985-86 were made in February 1987 creating a demand for Rs. 0.85 lakh. In July 1987 and June 1980 further demands for Rs. 0.70 lakh and Rs. 0.38 lakh were raised for the assessment year 1986-87 and 1987-88. The dealer had closed down his business in June 1987. Certificate cases for recovery in respect of demands for 1981-82 and 1982-83 were instituted in September 1984 and Rs. 0.03 lakh only realised (April 1987). Further recovery is awaited (January 1989).

(vi) Assessment of a dealer of West district Agartala for the years 1981-82 and 1982-83 was finalised in January 1984 creating a demand for Rs. 0.24 lakh. Assessments of the same dealer for the years 1983-84 to 1985-86 and for 1986-87 were completed in March 1987 and March 1988 creating demands for Rs. 0.58 lakh and Rs. 1.20 lakhs respectively. The dealer had closed down his business in March 1987. Rupees 0.10 lakh was, however, recovered in December 1988 in respect of the demand for 1986-87. No steps were taken to recover the outstanding amounts (January 1989).

(vii) Assessment of a dealer of Kailashahar (North District) for the years 1981-82 to 1984-85 was finalised between December 1982 and March 1987 creating demand for Rs. 1.10 lakhs. The dealer had closed down his business in 1985. Rupees 0.02 lakh were recovered in February 1984 in respect of demand for the year 1981-82. Recovery of the outstanding amount has not been made (January 1989).

### 5.7 *Uncollected revenue*

The details of amounts outstanding as on 31st March 1987 and 31st March 1988 in respect of some of the principal sources of revenue as reported by the departments are given below :—

Sources of revenue	Amount pending collection as on	
	31st March 1987	31st March 1988
	(In lakhs of rupees)	
1. Sales Tax	183.80	233.44
2. Agricultural Income Tax	7.02	14.29
3. Land revenue	N.A.	32.60
4. Taxes on Vehicles	N.A.	N.A.
5. Forest	N.A.	0.22
6. Electricity Duty	167.71	167.71
		448.26

N.A. : Not available.



Amount of arrears outstanding for more than 5 years as on		Remarks
31st March 1987	31st March 1988	
1.20	8.60	Recoveries for Rs. 152.32 lakhs had been stayed by Courts and Government. Demand amounting to Rs. 47.37 lakhs had been certified for recovery as arrears of land revenue. Arrear of Rs. 32.43 lakhs are under various process of recovery.
7.02	7.02	Demand of Rs. 6.96 lakhs had been certified for recovery as arrears of land revenue. Recovery of Rs 1.51 lakhs had been stayed by Government. Arrear of Rs. 5.32 lakhs are under various process of recovery.
N.A.	N.A.	Detailed break up of the arrear and the stages of recovery process could not be furnished by the department.
N.A.	18.92	Demand for Rs. 10.67 lakhs (as on 31st March 1980) had been certified for recovery as arrears of land revenue. The department could not furnish for the total amount of arrear as on 31st March 1988.
N.A.	0.81	Out of 14 Forest Divisions, the department furnished information 7 divisions only. Demand for Rs. 0.22 lakh had been certified for recovery as arrear of land revenue.
167.71	167.71	The position of arrear of revenue prior to 1978-79 and from 1984-85 to 1987-88 were not made available to audit. This position is from 1978-79 to 1983-84. No action had been taken by the department for recovery of the dues.
202.26		

### 5.8 *Frauds and evasions*

The details of cases of frauds and evasions of sales tax detected, finalised and pending at the end of 31st March 1988, as reported by the department are as below :

	Number of cases	Amount involved (In lakhs of rupees)
A. (i) Cases pending as on 1st April 1987	4	1.19
(ii) Cases detected during the period 1st April 1987 to 31st March 1988	568	81.72
B. Cases in which investigation/ assessments were completed during 1987-88	568	81.72
C. Cases which were pending as on 31st March 1988	4	1.19

Out of 568 cases, Superintendent of Taxes, Agartala Charge I completed assessment in respect of 159 cases. The amount of tax assessed and penalty imposed were Rs. 21.74 lakhs and Rs. 1.23 lakhs respectively. The amount of penalty leviable on the tax assessed at the minimum rate of 10 *per cent* works out to Rs. 2.17 lakhs. There was thus, less penalty levied to the extent of Rs. 0.94 lakh (Rs. 2.17—Rs. 1.23 lakhs). Similarly in 5 cases penalty levied by Superintendent of Taxes, Kailashahar for Rs. 6,635 was less than 10 *per cent* of the assessed tax of Rs. 2.36 lakhs. The shortfall works out to Rs. 0.17 lakh.

### 5.9 *Write-off, waiver and remission of revenue*

The table below indicates the details of revenue waived and remitted by some departments.

Revenue Heads	Number of cases	Amount written off/ waived (In lakhs of rupees)	Reasons for written off
Land Revenue	N.A.	5.00	The Government by notification (June 1987) granted a general exemption from payment of land revenue in respect of family unit which possesses area not exceeding 4 standard acres including home stead. No reason for such exemption was, however, mentioned in the said notification.
Sales Tax	N.A.	8.18	The Government by notification (June 1987) waived Sales Tax alongwith interest on the sale of pesticides etc., by the Agriculture Department. The Revenue department stated (February) that the waiver was for improvement of Agriculture in the State.

N. A. : Not available.



### 5.10 Outstanding local audit reports and audit objections

Irregularities in assessment of revenue and defects in the accounting of revenue receipts noticed in audit and not settled on the spot are communicated to Heads of Offices and to departmental authorities through local audit reports. The more important and serious irregularities are reported to the Government. In addition, statements indicating the number of objections outstanding for over six months/ one year are also sent to Government for expediting their settlement.

At the end of June 1988, in respect of local audit reports issued upto December 1987, 1,306 audit objections were still to be settled as per details given below. The corresponding position in the earlier two years has also been indicated alongside.

	As at the end of		
	June 1986	June 1987	June 1988
Number of outstanding local audit reports	318	368	384
Number of outstanding audit objections	1108	1261	1306
Amount of receipts involved ( in lakhs of rupees )	282.94	354.13	360.10

Year-wise break up of the outstanding local audit reports, audit objections and amount involved as at the end of June 1988, is given below :-

Year	Number of local audit reports	Number of outstanding objection	Amount of receipts involved
Upto			( In lakhs of rupees )
1985-86	318	1108	289.94
1986-87	50	153	71.19
1987-88	16	45	5.97
	384	1306	363.10

The receipt-wise break up of outstanding local audit reports, audit objections and amount involved therein, as on 30th June 1988, is indicated below :—

Name of receipts	Number of outstanding local audit reports	Number of outstanding audit ob- jections	Amount of receipts involved  (In lakhs of rupees)
1. Sales Tax	50	189	44.44
2. State Excise Duties	18	58	36.43
3. Motor Vehicle Taxes	4	29	19.68
4. Stamps and Registration	9	21	0.34
5. Land Revenue	152	335	49.99
6. Forest Receipts	49	312	100.82
7. Amusement Tax	4	49	0.99
8. Professional Tax	6	5	6.87
9. Electricity Duty	90	295	92.26
10. Taxes on Agri- cultural Income	2	13	8.28
	<hr/> 384	<hr/> 1306	<hr/> 360.10

## SALES TAX

### 5.11 Results of Audit

The test check of sales tax assessment and other records of 8 units, conducted in audit during the year 1987-88, revealed



under-assessment of tax amounting to Rs. 13.89 lakhs in 48 cases, which broadly fall under the following categories :—

	Number of cases	Amount (In lakhs of rupees)
1. Turn over escaped assessment	10	7.84
2. Under assessment of tax	29	4.87
3. Non-levy/short-levy of penalty	6	0.52
4. Under charge of interest	2	0.06
5. Others	1	0.60
Total	48	13.89

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

#### 5.11.1 *Turnover escaping assessment*

In one case (Agartala, West Tripura) involving under assessment due to turnover (estimated at Rs. 2.23 lakhs) escaping assessment, an amount of tax of Rs. 25,627 was recovered on being pointed out (May 1987) in audit. A few other cases are mentioned below :—

(i) Under the Tripura Sales Tax Act, 1976 sale means any transfer of property in goods for cash or deferred payment including transfer of property in goods involved in the execution of a contract.

In Agartala, West Tripura a firm (defunct since December 1984) had supplied 4.81 lakhs bricks (1983-84) and 6.05 lakhs bricks (1984-85) to Government under a contract executed in October 1983, but tax was omitted to be levied on these sales. This resulted in non-levy of tax amounting to Rs. 38,010

On this being pointed out in audit (May 1987), the department stated (August 1987) that as the contract in question was executed prior to the amendment effective from 12th July 1984, the sale during 1983-84 and part of 1984-85 were excluded from levy of sales tax. The reply is not tenable since the transfer of

property in goods in the execution of a contract had all along been defined as 'sale' under the Tripura Sales Tax Act, 1976, and therefore, the amendment made in July 1984 does not come into picture and the exclusion of the sale prior to 12th July 1984 was irregular. Incidentally, the supply of bricks to Government during 1981-82 executed under an earlier contract by the same firm were assessed to tax.

On the matter being reported (July 1987) ; the Government confirmed the views of the department (April 1988).

(ii) A dealer started manufacturing bricks from the year 1978-79 onwards. His turnover of bricks for the four assessment years 1978-79 to 1981-82 was assessed (June 1986) at Rs. 8.95 lakhs on 24.13 lakhs bricks sold, out of the total production of 42.29 lakhs bricks during the said period.

Scrutiny of the records, showed that at the end of 1981-82, the dealer had closing stock of 12.44 lakhs bricks, which was carried over and assessed for the assessment year 1982-83. Therefore, after excluding this closing stock, the total number of bricks sold during 1978-79 to 1981-82 worked out to 29.85 lakhs (42.29 lakhs *minus* 12.44 lakhs). Assessment ought to have been made on 29.85 lakhs of bricks sold instead of on 24.13 lakhs. As a result, sale of 5.72 lakhs of bricks (29.85 lakhs *minus* 24.13 lakhs) escaped assessment leading to short-levy of tax for Rs. 26,312.

On this being pointed out in audit (May 1987), the department stated (August 1987) that the reassessment for 1982-83 was in progress.

The Government to whom the matter was reported, stated (April 1988) that reassessment was under process. Further report has not been received (January 1989).

(iii) The turnover of a firm dealing in bricks was assessed (December 1984) at Rs. 35,000 being sale of 60,000 bricks out of stock of 12.10 lakhs of bricks during the assessment year 1983-84. The firm was dissolved in May 1984.

Scrutiny of the records showed (January 1986) that during 1983-84 the dealer had opening stock of 12.10 lakhs of bricks, there was no production during the year and closing stock was 4.50 lakhs of bricks (Assessed to tax during 1984-85). During 1983-84 the quantity of bricks sold should have been 7.60 lakhs



(12.10—4.50) instead of 60,000 bricks. This resulted in non-levy of tax amounting to Rs. 35,640 on a turnover of 7.00 lakhs bricks.

On this being pointed out in audit (May 1986), the department stated (January 1987) that the quantity of bricks lying as closing stock at the end of 1982-83 and not assessed to tax was 14.00 lakhs instead of 12.10 lakhs and added that this would be assessed in the subsequent year. As the firm was dissolved May 1984 and ceased to be a licensee, and the assessment for 1984-85 had already been completed on the basis of dealer's closing stock of 4.50 lakhs of bricks there was no scope for the department to start reassessment proceedings in the absence of a demand having been issued in this regard.

The Government stated in June 1988 that the reassessment was in progress. Further report has not been received (January 1989).

#### 5.11.2 *Under-assessment of turnover*

The turnover of a dealer in bricks was assessed (September 1984) at Rs. 6.87 lakhs for the assessment year 1983-84. The dealer, being aggrieved with the assessment, appealed (February 1985) before the Tribunal which set aside the assessment and remanded (March 1985) the case for fresh assessment. Consequent on this, the turnover was re-assessed (June 1985) at Rs. 4.39 lakhs.

Scrutiny of the relevant records, however, showed that the dealer had supplied 4.32 lakhs of bricks and 2427.463 Cums of bats during 1983-84 to the Government under nine contracts executed between the dealer and the Government and received a total sum of Rs. 6.18 lakhs on this account during the same year. Therefore, the turnover of the dealer ought to have been assessed at Rs. 6.18 lakhs instead of at Rs. 4.39 lakhs. As a result, the turnover of Rs. 1.79 lakhs (Rs. 6.18 lakhs minus Rs. 4.39 lakhs) escaped assessment leading to short levy of tax of Rs. 17,973.

On this being pointed out in audit (May 1986), the department confirmed (January 1987) that the dealer had received Rs. 6.18 lakhs but added that all those supplies were not made during 1983-84. The reply was not, however, factually correct since all the relevant records showed that both the agreements as well as the supplies were made during 1983-84 and



payment were also completed during the same year. The factual discrepancy had also been pointed out (April 1988) to the Commissioner of Taxes.

The Government to whom the case was reported, stated in June 1988 that re-assessment was in progress. Further report has not been received (January 1989).

#### 5.11.3 *Under-assessment of tax*

Under the Tripura Sales Tax Act, 1976 in the event of concealment of turnover and evasion of tax, penalty shall be paid by a dealer of an amount not exceeding one and a half times of the tax.

A dealer started manufacture of bricks from 1981-82 onwards. His turnovers for the assessment years 1981-82 and 1982-83 were reassessed on the basis of an Appellate order of February 1985 which, provided also for levy of penalty at the rate of 10 *per cent* for concealment of tax and for further investigation into clandestine sales.

Scrutiny of the records, however, showed that neither any penalty was levied nor the assessment was made correctly in accordance with the appellate order. During 1981-82 the assessee had, as per records available, produced 11.66 lakh green bricks. After allowing 5 *per cent* for damages and for closing stock of 1.07 lakh bricks for 1981-82 on it, the net turnover of the assessee worked out to 10.01 lakh bricks. The assessing authority had, however, determined the out-turn at 5.24 lakh bricks based on the quantity issued by the dealer to a Public Works Division in 1981-82, instead of 10.01 lakh bricks. The mistake resulted in short levy of sales tax amounting to Rs. 39,070 inclusive of penalty and interest leviable.

On this being pointed out in audit (March 1987) and followed by reminders issued (June 1987), Government stated (May 1988) that *ex parte* reassessment following the principle of best judgement assessment has been made and additional demand for Rs. 27,938 for the assessment year 1981-82 and Rs. 17,062 for the assessment year 1982-83 had been issued. Report on realisation has not been received (January 1989).

#### 5.11.4 *Under-charge of tax due to incorrect carry over of closing stock*

In Dharmanagar, North Tripura turnover of a dealer in bricks for the assessment year 1984-85 was assessed (October



1986) at Rs.4.95 lakhs on 12.24 lakhs bricks sold during the period.

Scrutiny of the assessment records (December 1986), however, showed that while the closing stock at the end of 1984-85 was correctly worked out to 10.76 lakhs, the closing stock at the end of 1983-84 (i.e., opening stock of 1984-85) stood at 16.16 lakhs as per assessment records of that year instead of 13.08 lakh bricks taken to account. On the basis of opening stock of 16.16 lakh of bricks the total sales during 1984-85 would work out to 15.32 lakhs (opening stock 16.16 lakhs *plus* production 9.92 lakhs less closing stock 10.76 lakhs) instead of 12.24 lakhs. This incorrect carry over of closing stock for 1983-84 resulted in escapement of assessment of 3.08 lakh bricks (15.32 lakhs less 12.24 lakhs) with tax effect of Rs. 22,394.

On this being pointed out in audit (March 1987), the department stated (August 1987) that the reassessment had been taken up. Further report has not been received (January 1989).

Government to whom the case was reported in March 1987, stated (May 1988) that the result of reassessment would be intimated in due course. Further report has not been received (January 1989).

#### 5.11.5 *Irregular deduction in respect of damaged goods in stock*

As per the Tripura Sales Tax Act, 1976, turnover means the aggregate of the amounts of sales prices receivable, or, if a dealer so elects, actually received by the dealer, in respect of any sale of goods made during any prescribed period in any year after deducting the amount of sale price, if any refunded by the dealer to a purchaser in respect of any goods purchased and returned by the purchaser within the said period.

In Udaipur, South Tripura, gross turnover of a dealer for the year 1391 BS. (1984-85) was Rs. 14.78 lakhs. The assessing authority while making assessment (June 1986) determined his taxable turnover at Rs. 1.54 lakhs after deducting Rs. 9.56 lakhs being the value of non-taxable and tax paid goods and Rs. 3.68 lakhs being the value of damaged goods stated to have been lying in stock since 1981 and assessment was completed accordingly. Under the Act, no deduction on

account of damaged goods is contemplated. Allowance of irregular deduction thus resulted in short levy of tax amounting to Rs. 25,791.

On this being pointed out in audit (June 1987), the Government stated (April 1988) that the re-assessment was under process. Further report has not been received (January 1989).

#### 5.11.6 *Short levy of interest due to erroneous computation*

Under the Tripura Sales Tax Act, 1976 as amended from time to time if a registered dealer does not pay into a Government Treasury the full amount of tax due from him on the basis of return or his account books, simple interest at the prevalent rates ranging from 6 *per cent* to 25 *per cent* per annum from the first day of the month next following the said date shall be payable by the dealer upon the amount by which the tax so paid falls short of the amount of tax payable as per his return or account books.

On scrutiny of the records of re-assessment made (June 1985) by the Superintendent of Taxes, Charge III, Agartala, erroneous computation of interest of Rs. 0.26 lakh (leviable Rs. 0.46 lakh *minus* levied Rs. 0.20 lakh) was detected (January 1986) in audit.

On this being pointed out in audit (June 1986) and followed by reminders issued (June 1987) the department admitted the mistake (June 1988) and issued demand notice for the said amount against which certificate proceedings had been initiated.

Government to whom the case was reported stated (August 1988) that the dealer has preferred an appeal against the order of re-assessment. Further developments have not been received (January 1989).

## FOREST RECEIPTS

### 5.12 *Results of audit*

The test check of records in the departmental offices conducted during 1987-88 and earlier years revealed short recovery and non recovery of forest receipts to the extent of



Rs. 33.93 lakhs in 13 cases, which may be broadly categorised under the following heads :—

	Number of Cases	Amount  (in lakhs of rupees)
1. Loss of revenue due to issue of permit at rate lower than the approved rate	4	29.29
2. Under assessment of capitalised value of Forest produce	3	3.62
3. Loss of revenue due to sale of timber on Permit system instead of by departmental operation	1	0.96
4. Other irregularities	5	1.06
	<hr/> 13	<hr/> 33.93

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

#### 5.12.1 *Loss of revenue due to issue of permit at lower rate*

On receipt of application from the intending buyer for extraction of trees of different species in a particular area the Divisional Forest Officer (DFO) issues permit quoting the species-wise number of trees allowed to be extracted and rate thereof. Copy of such permit is simultaneously forwarded to the concerned permit holder/Range Officer/Beat Officer. The Range Officer/Beat Officer realises the value of timber on actual measurement and deposits the revenue into the treasury. A consolidated statement of such receipts indicating challan number and date and amount is sent monthly by the Range Officer to the DFO. The monthly return does not contain any information indicating the permit-wise realisation of revenue as per approved rates and the actual volume of timber extracted which would enable the DFO to detect cases of short realisation/defalcation.

In Gumti Division scrutiny of the records of Range Officer/Beat Officer revealed that 40 permits for extraction of trees of different species were issued by the D.F.O during the period 9th December 1982 to 16th August 1983 at a rate below the approved rate resulting in loss of revenue amounting to Rs. 1.48 lakhs.

On this being pointed out in audit between November/December 1983 and February 1985, the department stated (June 1986) that 23 permits were false and the matter reported to the Police (January 1984). The issue of false permits in those 23 cases involving loss of revenue of Rs. 0.81 lakh had been possible as there was no system of submitting a detailed statement indicating collection of revenue permit-wise rate etc., to the D.F.O. by the concerned Range Officer/Beat Officer. Reply for the remaining 17 permits has not been received (January 1989).

The matter was reported to Government (June 1988) ; their reply has not been received (January 1989).

#### 5.12.2 *Shortage of cashew seeds*

At para 6.3 of the Report of Comptroller and Auditor General for the year 1979-80 a case of shortage was reported regarding 2,616 kilograms of cashew nuts seeds valued Rs.12,007 found short between June and September 1978 in respect of one Range under Udaipur Forest Division. Similar shortages of 4,109 kilograms were noticed in November 1981 valued at Rs. 24,367 which were sold during the years 1979-80 and 1980-81 at the rate of Rs. 4.58 and Rs. 7.65 per kilogram respectively.

Scrutiny of records of Direction Division showed (October 1984) that four forest divisions transported 18,905 kilograms of cashew seeds after dehydration to the office of the Chief Conservator of forest at Agartala in June-July 1988 but 18,172 kilograms of seeds only were found entered in the stock register. This resulted in shortage of 733 kilograms of seeds. Again out of 18,172 kilograms of seeds entered into stock register 623 kilograms were shown as storage loss. This resulted in shortage of 1356 kilograms of cashew seeds valuing Rs. 9,722 at the rate of 7.17 per kilogram. The department had however allowed 10 per cent loss for dehydration at the green stage before the seeds are packed into bags.



After bagging of the dry seeds the scope for dehydration and loss in weight, however, did not exist. Thus, there was an aggregate loss of Rs. 34,089.

The matter was reported to Government (August 1982 and February 1985) and followed by reminders issued (August 1985) ; Government stated (November 1988) that the shortage of 1356 kilograms of seeds might be due to further drying and consequent loss in weight in the process of prolonged storage.

### 5.12.3 *Loss in sale of cashew seeds*

Agartala Forest Department had no special arrangement for storage of cashew seeds, and the delay in their disposal through auction led to its deterioration and sharp fall in prices. The price per kilogram fetched by the Department by sale of ungraded cashew seeds through auction varied between Rs. 7.17 and Rs. 9.00 during the four years 1980-81 to 1983-84. Cashew seeds auction during 1982-83 and 1983-84 were 8,219 kilograms and 17,349 kilograms out of 9,767 kilograms and 18,172 kilograms respectively collected during the period, the balance of 2,371 kilograms being declared as deteriorated.

Further scrutiny of the records of Divisional Forest Officer (DFO) showed (October 1986) that against the tender (July 1984) for sale of ungraded cashew seeds for the year 1984-85 six offers varying between Rs. 9.15 and Rs. 4.21 per kilogram were received. The highest tenderer, however, backed out (August 1984) on ground of erroneous quotation of rates. The second highest tenderer then agreed (September 1984) to buy the cashew seeds at his quoted rate (Rs. 7.77 per kilogram) while the fifth tenderer offered (September 1984) revised rate of Rs. 7.82 per kilogram, against his original rate of Rs. 6.55 per kilogram. The Department instead of accepting the offer of 5th tenderer who had revised his offer to Rs. 7.82 per kilogram approached (October 1984) the second highest bidder to accept the rate of Rs. 7.82 per kilogram on the one hand and on the other invited a short tender notice (November 1984). The highest rate, this time, being Rs. 6.25 per kilogram only, being very low, was rejected by the Department and a re-tender was made (August 1985) as a result of which highest rate of Rs. 4.65 per kilogram was accepted (December 1985) by the Department. Accordingly, out of 10,549 kilograms of ungraded cashew seeds collected during 1984-85, 6400 kilograms were sold (December 1985) at the rate of Rs. 4.56 per



kilogram and 2,568 kilograms at the rate of Rs. 5.25 per kilogram (December 1985) after a delay of one year and six months taken to finalise the sale which led to steep fall in the price of cashew seeds and a consequent partial loss of Rs. 0.26 lakh. The balance quantity of 1,581 kilograms was lost in storing, re-storing and further dehydration. This resulted into a further loss of Rs. 0.12 lakh.

The matter was reported to Government in February 1987. While admitting the facts the Government stated (November 1988) that the offered rate of Rs. 7.82 per kilogram had not been accepted as the tenderer was a man of doubtful integrity and very prone to commission of mischief and litigation. But it has not been stated why such person was allowed to offer rate at the first instance and revised rate on negotiation.

#### 5.12.4 *Shortage of timber*

In the Forest Division, Kailashahar the recorded stock of timber, extracted departmentally during the period 1983-84 to 1985-86, was 189,840 Cums as on 31st December 1985. Out of this 158,836 Cums were sold during April 1985 to December 1985 and 2,333 Cums issued in September 1985 for departmental work. The residual balance, therefore, worked out to 28,671 Cums, as on 26th December 1985 but only 2,216 Cums of wood was shown as balance in the register. Thus, there was shortage of 26,455 Cums of timber in stock, valued at Rs. 20,404.

In another Forest Division, Kanchanpur a stock of 120,719 Cums of timber was seized December 1984 by the department on the ground of unauthorised extraction. Out of which, 31,859 Cums were sold during May 1986 and 20,000 Cums (worth Rs. 11,220) were shown as stolen. The remaining balance of timber in stock as on November 1986 was shown as 5,000 Cums instead of 68,860 Cums. Thus, there was shortage of 63,860 Cums of timber valued at Rs. 35,764. The department did not detect these shortages and thus Government suffered a loss of Rs. 56,168.

The shortages were reported to the department in May 1986 and to the Government in February 1987. The Government in their reply (June 1988) stated that the loss of 26,455 Cums of timber was due to shrinkage in size and shortage of 63,860 Cums of seized timber was due to damage on account of prolonged exposure.



### 5.12.5 *Non-realisation of fee on extension of permit*

As per existing instructions issued (December 1968) by the Forest Department, extension fee at the rate 5 per cent of royalty shall be charged if a permit holder fails to collect the produce within the time limit (not exceeding 2 months) indicated in the permit.

In a Forest Division, Kanchanpur, it was noticed (November 1986) that forest produces were collected by the permit holders beyond the time limit but no extension fee was realised. This resulted in loss of revenue to the extent of Rs. 11,504.

On the matter being reported in February 1987, Government stated (June 1988) that the realisation of extension fee was being pursued. Report on progress of realisation has not been received (January 1989).

### 5.12.6 *Sale of timber at lower rate*

In Dasda, Damcherra, Noth Tripura, the Conservator of Forest, Northern Circle fixed (June 1983) the rate for sale of trees of different species on permits from outside the Reserve forests.

Scrutiny of records of a forest division showed (October 1983 and September 1985) that during July and August 1983 permit were issued at a rate lower than that fixed by the Conservator of Forest which resulted in loss of revenue to the extent of Rs. 31,733.

On this being pointed out in audit (January 1984 and December 1985) and followed by reminders issued (October 1986), the Government accepted the point and issued write-off orders (January 1988) for Rs. 8,691. Action taken in respect of loss of Rs. 23,042 has not been intimated (January 1989).

## REVENUE DEPARTMENT

### 5.13 *Interest Receipts*

#### 5.13.1 *Introduction*

Interest receipt is one of the sources of non-tax revenue of the State. Interest bearing loans are granted to the Commercial Undertakings, Local Bodies, Co-operative Societies, Cultivators, Government Servants, Private Parties etc.

The review was conducted with a view to evaluate the interest realisable, demanded, actually realised and action taken in case of defaulting loanees with reference to the loans sanctioned by the departments.

The Government of Tripura has no financial code or manual regulating grant of loan. The departments of the Government are sanctioning loans directly to various Commercial Undertakings, Local Bodies, Cultivators, Government Servants and Private Parties etc., on the basis of funds released by the Finance Department under the powers delegated to them.

Further, the State Government has no machinery to watch the performance of the various Departments for the timely recovery of principal and interest and review the adequacy of actions taken by them in cases of defaulting loanees.

The amounts of interest due were not worked out by 2 departments (Industries and Public Works Department) out of 3 departments test checked in any of the years.

The terms and conditions for the grant of loan were not uniform. The rates of interest varied from  $52\frac{1}{2}$  per cent per annum to 9 per cent per annum. In a few cases, penal interest at the rate of  $2\frac{1}{2}$  per cent per annum over the normal rate of interest was charged on overdue instalments of principal. The amount of instalments and period of recovery varied but in many cases there was a period of moratorium ranging from 2 years to 8 years.

#### 5.13.2 *Scope of audit*

Review was conducted from May 1988 to July 1988 covering the period 1983-84 to 1986-87. Sanctions received centrally from the various departments from time to time were scrutinised on a selective basis. In addition, records of three departments, viz., Public Works, Industry and Co-operation were also test checked.

#### 5.13.3 *Organisational set up*

The Government in the concerned departments sanctioned the loans. The responsibilities to watch recovery of principal and interest rest with the respective heads of the department like, Director of Industries, Chief Engineer P.W.D. and Registrar of Co-operative Societies.



#### 5.13.4 Highlights

(i) In 168 number of cases involving grant of loan of Rs. 37.86 lakhs no demand for payment of interest was raised.

(Paragraph 5.13.5 (c))

(ii) There was delay ranging from 2½ months to 15 months in releasing loan to a loanee after drawal from treasury resulting in loss of interest of Rs. 1.20 lakhs.

(Paragraph 5.13.6 (iii) (a))

(iii) Out of Rs. 5.00 lakhs received by an undertaking for distribution to loanees, Rs. 0.77 lakh was actually disbursed and the balance was retained by the undertaking.

(Paragraph 5.13.6 (iii) (b))

(iv) A Government Jute Mill utilised loan of Rs. 28.51 lakhs for other purposes in violation of terms.

(Paragraph 5.13.6 (iv))

(v) Loan of Rs. 8.90 lakhs paid to 28 Co-operative Societies for construction of rural godowns during 1976-77 to 1986-87 remained unutilised (May 1988).

(Paragraph 5.13.6 (v) (a))

(vi) Against a total loan of Rs. 101.55 lakhs paid to three enterprises during 1974-75 to 1985-86, principal of Rs. 27.47 lakhs and interest of Rs. 37.00 lakhs upto March 1987 became due for recovery but no amount was recovered (May 1988).

(Paragraphs 5.13.6 (v)(b) and (vi)(a) (b))

(vii) The Department of Finance had no system of feed back on the extent of default in repayment of loan and recovery of interest.

(Paragraph 5.13.7)

5.13.5 Financial rules require that the sanctions to loans should specify fully the purpose of such loan, terms and conditions relating to realisation of interest and instalments of principal and shall include a provision empowering the Government to impose penalty in case of violation of such terms and conditions.

Test check of records of three departments disclosed the following irregularities :

(a) Loan for Rs. 155.00 lakhs was paid to Tripura Housing Board in 1984-85 to 1986-87 but the terms and conditions of repayment of loan, rates of interest etc., were not indicated in the sanction. No agreement stipulating the terms and conditions was executed even subsequently.

(b) In three cases involving loan of Rs. 40.00 lakhs issued to State Government undertakings during 1972-73, 1978-79 and 1986-87, the purpose of loan was not mentioned in the sanction.

(c) In 168 numbers of cases involving loan of Rs. 37.86 lakhs granted to Co-operative Societies during the period from 1973-74 to 1981-82, the rates of interest were not specified. As such, demand for payment of interest could not be raised by the department.

(d) A temporary advance of Rs. 30.00 lakhs was sanctioned by the Industries Department in 1978-79 to Tripura Jute Mills Limited with the condition that the amount would be paid back to Government with interest at normal rate within three months on receipt of finance from financial institutions. Such vague terms resulted in non-recovery of the whole amount and interest to the extent of Rs. 16.50 lakhs accrued thereof till to date (December 1988).

#### 5.13.6(i) *Non-maintenance of Ledger*

No loan ledger was opened by Public Works Department. The loan ledger maintained by Industries Department was not complete as there was no provision for any column for recording the principal and interest due. The outstanding position of loans and interest due could not, therefore, be ascertained in respect of these two departments.

#### (iii) *Poor realisation of interest*

From the ledger maintained by the Registrar of Co-operative Societies upto the period ending March 1987, it was found that on the total loan of Rs. 495.35 lakhs disbursed upto 1986-87, Rs. 177.42 lakhs accrued as interest, of this only a sum of Rs. 12.40 lakhs had been realised till May 1988.

Thus, only 7 per cent of the interest already accrued upto 31st March 1987 was realised by the department. There was no



record in any of the registers indicating that the department took any action including legal proceedings against the defaulters or imposed penal interest on them.

(iii) *Loss of interest due to delay in disbursement of loan*

(a) In course of disbursement of Central loan of Rs. 97.35 lakhs during 1980-81 to 1986-87 for setting up of a Mechanised Dye House in North Tripura the Department of Industries drew the instalments of Rs. 8.00 lakhs and Rs. 25.00 lakhs in March 1985 and March 1986 respectively but released the amounts to the loanee institution viz., Tripura Handloom and Handicraft Development Corporation, after lapse of  $2\frac{1}{2}$  months to 15 months resulting in loss of interest of Rs. 1.20 lakhs.

(b) Under the Central Scheme for providing loans to industrial entrepreneurs to enable them to expand their activities and thereby increase the employment opportunities a loan of Rs. 5.00 lakhs was granted to Tripura Small Industries Corporation (TSIC) in March 1978. The amount of Rs. 5.00 lakhs was drawn by the Director of Industries in March 1978 but only Rs. 0.77 lakh was disbursed to the beneficiaries upto May 1988. The balance of Rs. 4.23 lakhs was retained by the TSIC, which was otherwise required to be refunded into the Government account but this was not done till May 1988.

Thus, the very purpose of Central Scheme was defeated and has also resulted in loss of interest (@  $5\frac{1}{2}$  per cent) to the tune of Rs. 2.32 lakhs to the Government (upto May 1988).

(iv) *Loss due to absence of penal provision in the sanction*

During 1978-79 to 1985-86, Central Loan of Rs. 37.79 lakhs and grant of Rs. 18.88 lakhs were paid to Tripura Government Jute Mill for construction of its quarters under 'Integrated Subsidised Housing Scheme for Industrial Workers'. The loanee was required to keep the loan in a separate banking account and was not permitted to utilise it for any other purpose. It was, however, noticed that though the Jute Mill opened (December 1976) a separate bank account both for receipts under loan and grant for the purpose, it utilised at least 28.51 lakhs for other purposes meeting day to day business expenses, pay and allowances of staff etc., violating the conditions of loan. The irregular diversion of fund was resorted to due to non-existence of any working capital of the Mill. No provision making the Mill liable to pay penal interest for such diversion was made in the terms and conditions governing the loan.



Out of the loan of Rs. 37.79 lakhs, principal amounting to Rs. 6.07 lakhs along with interest of Rs. 15.48 lakhs became due for payment by the end of March 1987 but nothing had been paid so far (May 1988). The department did not take any action against the Mill for realisation of the overdue principal and interest as well as for violation of the terms and conditions of loan. Payment of penal rate of interest on overdue instalments was not stipulated in the terms and conditions.

(v) *Non-recovery of interest*

(a) A total amount of loan of Rs. 8.90 lakhs was paid to 28 Co-operative Societies during the period from 1976-77 to 1986-87 for construction of 27 rural godowns and one marketing godown. 22 Societies, though required under terms and conditions of the loan, had not acquired any land for the purpose and, therefore, failed to make any construction. In the remaining six cases no construction have been made so far (May 1988). Neither the principal nor the interest amounting to Rs. 2.53 lakhs accrued thereon were recovered from the defaulting Societies.

(b) A sum of Rs. 33.63 lakhs was paid to Tripura Apex Marketing Co-operative Society Limited, Agartala, during 1982-83 to 1984-85 as loan for establishing 2000 tonnes capacity Cold Storage at Agartala. The loan carried interest at the rate of 10 $\frac{1}{2}$  per cent per annum and was refundable in 14 equal annual instalments commencing from the 5th September subsequent to the date of sanction. By March 1987, principal of Rs. 7.82 lakhs along with interest of Rs. 12.52 lakhs became overdue for payment but nothing was paid so far (May 1988). The department did not take any action to realise the amounts.

(vi) *Non-levy of interest*

(a) A loan of Rs. 34.92 lakhs was paid to Tripura State Co-operative Bank Limited Agartala, in March 1975. The loan carried interest at the rate of 7.25 per cent per annum and was refundable in 35 equal monthly instalments.

The Bank refunded Rs. 22.00 lakhs by September 1980 and the balance was converted into share capital contribution under Government orders in October 1980. No action was taken by the department to realise the interest of Rs. 8.27 lakhs.

(b) A Central loan of Rs. 33.00 lakhs was disbursed to Tripura Handloom and Handicraft Development Corporation



during the period 1976-77 to 1985-86 for development to handloom products for export. The loan was repayable in ten equal annual instalments commencing from the 1st anniversary of receipt of loan with interest at the rate of  $5\frac{1}{2}$  per cent per annum. By the end of March 1987 principal of Rs. 18.65 lakhs and interest of Rs. 15.21 lakhs became due for payment but nothing had been paid so far (May 1988). No action was taken by the department for recovery of loan/interest.

(vii) *Loss of interest due to absence of any provision in the agreement*

A sum of Rs. 30.00 lakhs was paid to Tripura Whole Sale Consumers Co-operative Stores Limited for lifting of the State quota of levy sugar in January 1980 as interest free loan fully repayable by March 1980. No agreement was executed by the department with the Co-operative Stores. The amount has not been returned by the Stores (May 1988). No action to realise the amount from the party has been taken by the Government. As a result there was a loss of interest to the extent of Rs. 18.20 lakhs calculated at the minimum rate of interest together with penal interest which would have been payable by the Stores on their failure to repay the loan by the end of March 1988, had there been formal agreement executed as per rules.

### 5.13.7 *Monitoring*

The department of Finance has not issued any executive instructions or prescribed any *pro forma* for submission of periodical returns by the grantee departments in respect of reviewing of loans and progress of follow up action. There is also no system of inspection of departmental records by the Finance Department or of the verification of loanees records by the grantee departments. Thus, the Government has no means to assess the magnitude of the extent of principal and interest in arrears, recoverable from the loanees.

The matter was reported to the department and Government in April 1988 and reminder issued in January 1989 ; their reply has not been received (March 1989).

## LAND REVENUE

5.14 *Short assessment of premium*

In terms of Tripura Land Revenue and Land Reforms Act, 1960 and the Rules made thereunder, an allottee of land (not previously cultivated) for agricultural purpose is liable to pay premium at thirty times the annual land revenue assessed thereon.

In the course of test check of records (December 1988) of a Tehsil Katchari, it was noticed that the premium of land was assessed by the Director, Settlement and Land Records at ten times the annual land revenue (Rs. 10,085) instead of at thirty times. This resulted in short assessment of premium of Rs. 20,170.

On this being pointed out (April 1979) and followed by reminders issued (June 1985), the department accepted (May 1986) the short assessment and issued instructions to the Sub-Divisional Officer concerned for effecting recovery. The report of realisation has not been received (February 1988).

The matter was reported to Government (April 1979) ; their reply has not been received (January 1989).



## CHAPTER VI

### FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

#### 6.1 Grants

During 1987-88, Rs. 34,83.65 lakhs (11.84 *per cent* of the revenue expenditure during the year) were paid as grants as shown below :

	Amount (in lakhs of rupees)
Educational Institutions (including universities)	513.77
Panchayat Samities	499.31
Individuals (persons belonging to Scheduled Castes/Scheduled Tribes, <i>Jhumias</i> and new migrants	175.94
Co-operative Societies	232.55
Village and Small Industrial Units	359.62
Agartala Municipality	268.84
Autonomous District Council	1321.56
Food and Nutrition	4.18
Health and Family Welfare	11.95
Others	95.93
Total	<u>3483.65</u>

#### 6.2 Utilisation Certificates

Under the rules, whenever conditions are attached to the grants, utilisation certificates to the effect that the grants had been utilised for the purpose for which they had been paid are required to be furnished by the grantees to the departmental officers who are required to verify and accept them and forward the certificates to the Accountant General within a period of 18 months from the date of the payment of grants.

At the end of September 1988, 1298 certificates for grants amounting to Rs. 3,174.10 lakhs upto 31st March 1987 were not

furnished. Of these, 969 certificates (Rs. 532.06 lakhs) relate to the grants paid upto March 1985. The remaining 329 certificates (Rs. 2642.04 lakhs) relate to the grants paid during the period April 1985 to March 1987. The department-wise and year-wise details of certificates outstanding are given in Appendix 6.1.

In the absence of utilisation certificates, it is not possible for the department or the Accountant General to know whether and to what extent the grants were utilised for the purpose for which they were given.

## LOCAL SELF-GOVERNMENT DEPARTMENT

### 6.3 *Integrated Development of Small and Medium Towns*

#### 6.3.1 *Introduction*

With a view to increasing the rate of growth of small and medium towns so as to equip them to act as growth and service centres for the rural hinterland and to reduce the migration to urban areas by increased investments on provision of infrastructure and essential facilities the Centrally Sponsored Scheme for Integrated Development of Small and Medium Towns was taken up by the Government in 1980-81.

The objectives of the Scheme were :

- (i) to reduce the rate of migration from the rural areas to the urban areas especially large towns,
- (ii) to locate economic activities and job opportunities in such a way as to promote even and balanced population dispersal,
- (iii) to develop small and medium towns which can act as counter magnets to the large towns area and subserve rural development and
- (iv) to take special efforts to tackle the problem of slums on a more enduring basis.

In Tripura, the scheme is implemented in three towns (two district towns viz., Udaipur and Kailashahar and one Sub-Divisional Town, Dharmanagar which were approved by the Government of India during 1980-81, 1983-84 and 1987-88 respectively.



As against the total project cost of Rs. 263.04 lakhs, Rs. 129.08 lakhs were released by the State Government (Rs. 61.40 lakhs as Central assistance and Rs. 67.68 lakhs as State assistance) to the implementing agencies during the period from 1980-81 to 1987-88 out of which Rs. 96.61 lakhs were spent (Udaipur : Rs. 69.21 lakhs and Kailashahar : Rs. 27.40 lakhs).

### 6.3.2 *Organisational set up*

The scheme was implemented through the Notified Area Authority (NAA). There are 9 nominated members including the Chairman at the apex. The Sub-Divisional Officer, Udaipur is the ex-officio Member-Secretary functioning as the drawing and disbursing officer.

### 6.3.3 *Audit coverage*

The review in audit covers the period from 1980-81 to 1987-88 on the financial and operational results and includes the results of test check in audit. One small town viz., Udaipur was taken up for intensive study for the purpose of review.

The highlights of the review are given below :—

### 6.3.4 *Highlights*

—Although the Scheme was taken up in 1980-81, out of 12 components envisaged in the project report the work relating to 7 components was not taken up till June 1988.

(Paragraph 6.3.6.1)

—Though the Scheme envisaged that the Central assistance (Rs. 31.00 lakhs) should be given as loan to the implementing agency, the Government released the same as grants without recorded reasons.

(Paragraph 6.3.6.2)

—Though Rs. 69.21 lakhs were actually spent during 1980-81 to 1987-88 the implementing agency showed Rs. 72.16 lakhs as spent during the period in the progress report submitted to the Government.

(Paragraph 6.3.6.2)

—The implementing agency though advanced Rs. 3.00 lakhs to the Executive Engineer, Southern Division I, Udaipur in 1982-83 for improvement of roads and drains, the latter did not submit any report about the progress of the work.

(Paragraph 6.3.6.2)

—While Rs. 38.25 lakhs were advanced by the NAA to the Tripura Housing Board during 1982-83 to 1985-86 for construction of Super Market, no accounts have been submitted by the latter till June 1988.

(Paragraph 6.3.6.2)

—The Government was deprived of the Central assistance during the year 1981-82 owing to non-submission of utilisation certificates to the Central Government.

(Paragraph 6.3.12)

—There was diversion of funds of Rs. 0.87 lakh to other works not in any way connected with the scheme.

(Paragraph 6.3.7)

—Expenditure of Rs. 3.65 lakhs for construction of a booking office and a passenger waiting room for private buses proved unfruitful.

(Paragraph 6.3.8)

—Rupees 8.73 lakhs being the cost of land handed over to the Tripura Housing Board in January 1984 has not been recovered by the NAA (June 1988)

(Paragraph 6.3.6.4(e))

—No records were maintained for the assets created from Central/State Government assistance.

(Paragraph 6.3.11)

The details of the review are given in the succeeding paragraphs.

### 6.3.5 *Planning and Co-ordination*

For implementation of the Scheme, 3 project reports were prepared by the State Government for Udaipur, Kailashahar, being the district towns and Dharmanagar, being the Sub-Divisional town (details in Appendix 6.2). Selection of the towns was made in accordance with the criteria laid down by the Central Government from time to time. While implementing the scheme, the ability of the implementing agency the NAA was considered by the State Government. So far as rendition of annual plans to the Central Government is considered these are prepared by the State Government and submitted to the State Planning Department and no integrated plan for development of towns based on long term master/development plan except for 3 towns as mentioned above was prepared by the State Government.

The State Government has passed Town and Country Planning Act in 1975 for preparation and statutory approval of the Master Plan but the Act has not been implemented so far



(June 1988). The Local Self Government Department is co-ordinating the implementation of the scheme.

#### 6.3.6. *Implementation of the scheme*

A study of the records relating to the implementation of the scheme in Udaipur town disclosed the following points :—

##### 6.3.6.1 *Project report*

The project report prepared by the State Government in December 1980 (project cost : Rs. 180.06 lakhs) and approved by the Government of India in February 1981 comprised the following components :

##### (a) *Under Central Assistance*

- (1) Sites and services schemes for the proposed Housing Colony at Fulkumari (Rs. 16.60 lakhs).
- (2) Sites and services schemes for the proposed Housing Colony at Khilpara (Rs. 46.12 lakhs).
- (3) Development of a Regional Bus Terminal for Tripura Road Transport Corporation (TRTC) (Rs. 4.64 lakhs).
- (4) Development of a Regional Bus Terminal for Private Buses (Rs. 4.21 lakhs).
- (5) Construction of an outer ring road 80/R.W (Rs. 29.57 lakhs).
- (6) Improvement of some existing roads with construction of side drains (Rs. 4.75 lakhs).
- (7) Development of a shopping complex for unemployed youth (Rs. 8.25 lakhs).
- (8) Development of Super market (Rs. 25.86 lakhs)
- (9) Renovation and extension of the existing Industrial estate (Rs. 15.96 lakhs).

##### (b) *Under State Plan*

- (1) Development of a stadium (Rs. 12.00 lakhs)
- (2) Development of a central park (Rs. 5.61 lakhs)
- (3) Construction of a Town Hall (Rs. 6.47 lakhs)

Although the project was taken up in 1980-81, the NAA, which was empowered by the Government to implement the scheme, could take up only 5 components till June 1988. The reasons for shortfall could not be explained by the NAA.

A scrutiny of records, however, revealed that due to the lack of planning and dearth of requisite technical staff, the NAA could not take up the works of all the components of the project. Thus, the objectives of the scheme was not achieved to the extent of 58 *per cent*.

Of the 5 components, works relating to 2 components *viz.*, Development of a regional bus terminal for TRTC and Development of a regional bus terminal for private buses were completed in January 1986 under Central assistance incurring expenditure of Rs. 2.28 lakhs and Rs. 3.65 lakhs respectively and one component *viz.*, construction of Town Hall completed in May 1984 at an expenditure of Rs. 6.87 lakhs from the Non-plan grants received from the State Lotteries. The works relating to development of super market and improvement of existing roads with side drains were in progress (June 1988).

#### 6.3.6.2 *Funding of the scheme*

Between 1980-81 and 1987-88, the NAA Udaipur received Rs. 81.68 lakhs from the State Government including Central share of Rs. 31.00 lakhs and spent Rs. 69.21 lakhs.

Scrutiny of records revealed that while Rs. 32.00 lakhs were received by the State Government as Central assistance in the shape of loan from the Central Government, only Rs. 31.00 lakhs were passed on to the NAA as grants. Available records did not indicate the reasons for releasing the amounts as grant instead of loan. The State Government stated (August 1988) that it decided to release the amounts as grant instead of loan. From a study of relevant files, it was noticed that there was nothing on record to indicate the circumstances leading to the conversion of Central assistance loans as grant to the implementing agency. The reasons for non-release of Rs. 1.00 lakh were attributed to shortage of budget provision.

It was also noticed that while Rs. 69.21 lakhs were spent during the above period, the NAA in their progress report submitted to Government showed an expenditure of Rs. 72.16 lakhs. The difference of Rs. 2.95 lakhs though shown as expenditure was not actually expended during the said period but kept in the savings bank account of the NAA from time to time. Of Rs. 69.21 lakhs, Rs. 3.00 lakhs were



advanced to the Executive Engineer (E.E) Southern Division I, Udaipur in 1982-83 for construction and improvement of roads and drains and Rs. 38.25 lakhs were advanced to the Tripura Housing Board during 1982-83 to 1985-86 for construction of a Super Market at Udaipur. The Executive Engineer has not submitted any report regarding progress of work and the NAA also has not pursued the matter either. No records relating to the works executed by the E.E could also be made available to audit. For construction of Super Market, the NAA acquired 1.63 acres of land at a cost of Rs. 3.09 lakhs during 1981-82 to 1982-83 and advanced Rs. 38.25 lakhs to the Tripura Housing Board during 1982-83 to 1985-86. Though the construction was completed in all respects in January 1988 as intimated by the Housing Board with a request to the NAA to take over possession of the Super Market but the same is yet to be taken over (June 1988). The reasons for not taking over possession of the Super Market have not been intimated by the NAA. This has resulted in recurring loss of revenue in the shape of rent (which is yet to be fixed) to the NAA. Moreover, the Housing Board did not submit any accounts as well as any records relating to the work for production to audit.

#### 6.3.6.3 *Under-utilisation of grants*

The NAA could not utilise the fund received from the Central/State Government to the full extent.

As on 31st March 1988, there was a balance of Rs. 12.47 lakhs in the P.L account of the NAA. Of this, Rs. 3.22 lakhs were transferred to its savings bank account by the NAA between March 1982 and February 1988.

#### 6.3.6.4 *Targets and achievements*

No year-wise targets and achievements either physical or financial have ever been fixed by the NAA, in absence of which it has not been possible in audit to analyse the extent of shortfall and reasons thereof. The NAA has not submitted the progress report to the Government regularly as envisaged in the scheme.

The physical and financial achievements upto the end of 1987-88 were as under :

(a) Regional bus terminal at Rajarbag for TRTC was completed and inaugurated in January 1986 at an expenditure of Rs. 2.28 lakhs.

(b) Regional bus terminal at Rajarbag for private buses was completed in January 1986 after incurring an expenditure of Rs. 3.65 lakhs.

(c) For improvement of some existing roads with construction of side drains an expenditure of Rs. 9.69 lakhs (excluding Rs. 3.00 lakhs advanced to the E.E.) has been incurred during 1982-83 to 1984-85 towards earth filling (2.7 K.M) bricksoling (1.2 K.M) and construction of pucca drains (1.2 K.M).

(d) An amount of Rs. 3.09 lakhs was spent towards the cost of land for construction of super market during 1981-82 to 1982-83 and Rs. 38.25 lakhs were advanced during 1982-83 to 1985-86 to the Tripura Housing Board for construction of the super market building. Though the building was completed in January 1988, the same has not yet been taken over by the NAA (June 1988).

(e) For construction of a stadium and playfield at Rajarbag land measuring 7.05 acres were purchased by the NAA at a cost of Rs. 8.73 lakhs in 1982-83 but no construction was done as the land was not sufficient for construction of a stadium and playfield as per the view of the experts. The Committee of the NAA decided (January 1984) to utilise the said land for LIG and HIG Housing Scheme and the land was handed over to the Tripura Housing Board in January 1984.

(f) Though the component of construction of Town Hall has been shown under state plan in the project report, but the construction of the Town Hall has been made (inaugurated in May 1984) from the Non-Plan grants received from the State Lotteries.

#### 6.3.7 *Diversion of funds*

During 1983-84, an amount of Rs. 0.57 lakh was spent for construction of one sanitary latrine (Rs. 0.22 lakh) and two rickshaw stands (Rs. 0.35 lakh) though these items were not included in the project. Moreover, in June 1987, an



amount of Rs. 0.30 lakh was drawn from the P.L Account for construction of youth hostel at Udaipur, which is also not an item of the project. However, after a lapse of 8 months the amount was deposited to the savings bank account by the NAA.

#### 6.3.8 *Infructuous expenditure*

For development of a regional bus terminal for private buses at Udaipur, the NAA constructed a booking office and a passengers' waiting room at Rajarbag at an expenditure of Rs. 3.65 lakhs (including cost and development of sites—Rs. 1.53 lakhs) for offering the same to the Tripura Bus Syndicate, Udaipur on rental basis. Though the work was completed in January 1986, the same remained unutilised (June 1988) as the Syndicate was not willing to take over possession of the same even though the construction was made at its request. But the Syndicate ultimately held that the selection of the site was made without consulting them. The matter was not further persuaded by the NAA and thus, the entire expenditure of Rs. 3.65 lakhs has proved infructuous.

#### 6.3.9 *Loss of revenue*

As per provisions contained in Section 194 (c) of the Income Tax Act, 1961, a deduction of 2 per cent of the total value of work done should be made as income tax from the contractor's bill exceeding Rs. 10,000. A test check of records of as many as 46 items of works revealed that no deduction was made towards income tax from any of the contractor's bill in respect of the works mentioned above resulting in a loss of revenue of Rs. 0.16 lakh.

#### 6.3.10 *Improvement of roads with construction of side drains*

A test check of records disclosed the following points :

(a) there was delay in completion of works which ranged between one month to six months ;

(b) the work orders were split up to avoid technical sanction ; and

(c) the measurements as recorded in the measurement books were not test checked by the superior authority as required under rules.

### 6.3.11 *Infrastructure/assets created and their maintenance*

The NAA has not maintained any records for assets created out of Central/State Government assistance.

### 6.3.12 *Utilisation certificates*

Though subsequent instalments of Central assistance was to be released by the Central Government on receipt of utilisation certificates of previous instalments it was noticed during audit that the NAA did not submit the utilisation certificates regularly to the State Government for onward transmission to the Central Government. As a result, the State Government could not obtain Central assistance for the year 1981-82. However, Central assistance of Rs. 8.00 lakhs was released during 1983-84 and Rs. 15.00 lakhs during 1985-86 although the utilisation certificates were sent by the NAA to the State Government only in March 1987.

### 6.3.13 *Inspection by Central team*

Though the scheme envisaged periodical inspection of the projects by officers of the Government of India, but no Central team has visited the State for inspection of towns taken up for development under the scheme.

### 6.3.14 *Monitoring and evaluation*

The implementation of the Scheme is being monitored by the State Level Committee comprising Principal Secretary to Government as Chairman, Secretary, Local Self-Government Department as Member—Secretary, Chief Engineer, PWD and Town and Country Planner as members. This Committee has been made responsible for formulation of general policy, directions, monitoring and review of the progress of implementation of the scheme.

A review on the impact of the implementation of the scheme was conducted by the Town and Country Planner



in April 1988. According to the evaluation report, the implementation of the scheme has created some impact on the town. The scheme will provide some unemployed youth with self employment. Road accidents, traffic congestion, water and other pollution will be minimised to a great extent. The housing schemes will provide organised housing for some people. Environment of the Town will be improved when shifting of the bus terminals and construction of road side drains are completed.

The above points were referred to Government in September 1988 ; reply has not been received (March 1989).

## CO-OPERATION DEPARTMENT

### 6.4 *Financial assistance to Co-operative Societies*

#### 6.4.1 *Investment in share capital*

Government has been rendering financial assistance to the Co-operative Societies in the form of share capital, loans, grants and subsidies. The investment by Government in their share capital at the close of each of the three years ending 31st March 1987 was as under :—

Year	Number of Societies	Amount (in lakhs of rupees)	Dividend received
1984-85	693	512.41	Nil
1985-86	746	557.06	Nil
1986-87	784	605.81	Nil
1987-88	640	361.96	Nil

#### 6.4.2 *Loans and grants*

The loans, grants and subsidies paid by Government to the Co-operative Societies during the three years ending 31st March 1987 were as under :—

*Due for repayment*

Year	Balance at the end of the previous year	Advanced during the year	Principal
<i>( In lakhs</i>			
1984-85	387.84	94.05	128.08
1985-86	480.88	145.87 }	168.45
1986-87	501.55	91.44 }	



Interest	Repaid during the year	Balance at the end of the year	Grants and subsidies paid during the year	Unutilised grants and subsidies
<i>of rupees)</i>				
104.69	NIL	481.90	89.57	294.52
176.94	NIL	627.77	93.26	358.68
		719.21	119.60	444.53

( Upto March 1986 )

No steps were taken by the department to realise the overdue principal of interest.

#### 6.4.3 *Dividend from Co-operative Societies*

No dividend was received during the years 1984-85 to 1986-87 against the total investment of Rs. 605.81 lakhs as on 31st March 1987. Government stated in January 1989 that most of the Societies had not earned any profit during those years. The few societies that had earned profits could not pay any dividend as the accounts had not been audited.

#### 6.4.4 *Societies in liquidation*

According to the Registrar of Co-operative Societies, 338 Societies had gone into liquidation till the end of March 1987.

Of the 338 Societies under liquidation, 333 Societies went into liquidation to end of 1982-83. The department has not made arrangement either for revitalisation or realisation of share capital invested and loan paid.

The information in respect of the amount involved in share capital, loan, grant and interest due from them has not been furnished by the department (January 1989).

Government stated (January 1989) that a special cell had been set up under the supervision of an experienced officer to expedite the cases.

#### 6.4.5 *Delay in completion of audit*

Out of the 746 Societies to which the Government has extended financial assistance in the share capital upto 1985-86, audit by the Registrar of Co-operative Societies in respect of the 652 Societies was in arrear at the end of June 1987 as indicated below :—

Number of Societies	Period for which accounts had not been audited
265	5 years and more
88	4 years and more
77	3 years and more
86	2 years and more
136	1 year and more

The Registrar attributed (April 1989) the delay to the dearth of staff.



Government in their reply stated (January 1989) that a specific programme had been chalked out to intensify the audit operation.

#### 6.4.6 *Audit fees*

As per provisions of Rule 76 of the Tripura Co-operative Societies Rules, 1976, every Co-operative Society is required to pay to Government a fee for audit of its accounts for each Co-operative year (July to June). During the three years ending 1986-87, fees amounting to Rs. 0.69 lakh were levied. Out of which Rs. 0.11 lakh was realised upto 1986-87. Rs. 1.97 lakhs (cumulative) were the unrealised audit fees to end of 1986-87.

Government stated in January 1989 that a good progress had already been achieved by intensifying the attempts to realise the arrears. The actual progress achieved was not, however, been stated.

#### 6.4.7 *Review of audited accounts*

##### (a) *Tripura Scheduled Tribe Co-operative Development Corporation Limited, Agartala*

While the Society has sufficient capital of its own (Rs. 94.40 lakhs and Rs. 146.50 lakhs as fixed deposit) it obtained interest bearing loan of Rs. 75.00 lakhs to use as capital from the United Bank of India, Agartala during the Co-operative year 1985-86 against which the Society has incurred an expenditure of Rs. 1.64 lakhs by way of interest which effected the net profit of the year.

##### (b) *Tripura Co-operative Land Development Bank*

Upto the end of June 1985, the investment of Government as share capital was Rs. 13.00 lakhs. The cumulative loss at the end of 1984-85 was Rs. 46.59 lakhs. It was further noticed in the course of review that at the end of June 1985, Rs. 44.31 lakhs and Rs. 19.02 lakhs were overdue as principal and interest respectively from the loanees.

##### (c) *Tripura State Co-operative Bank Limited, Agartala*

Upto the end of June 1985, the investment of Government as share capital was Rs. 43.41 lakhs. It was noticed in the course of review that at the end of June 1986, Rs. 189.65 lakhs and Rs. 134.64 lakhs were overdue as principal and interest respectively from loanees.

(d) *Jampajala Large Size Agriculture Multipurpose Society Limited, Sadar Tripura*

Upto the end of June 1985, the investment of Government as share capital was Rs. 0.85 lakh. The cumulative loss at the end of 1984-85 was Rs. 1.34 lakhs. It was noticed in course of review that at the end of June 1985, Rs. 8.06 lakhs and Rs. 1.56 lakhs were overdue as principal and interest respectively from the loanees.

(e) *Tripura Apex Weavers' Co-operative Society Limited, Agartala*

Upto the end of June 1986, the investment of Government as share capital was Rs. 64.05 lakhs. The cumulative loss at the end of 1985-86 was Rs. 3.50 lakhs. It was noticed that at the end of June 1986, there was loss in stock due to theft in 1984-85 involving Rs. 2.76 lakhs and shortage in stock valuing Rs. 4.99 lakhs.

Government stated (January 1989) that the Societies were being reminded to repay the overdue instalments of loan and interest.

## INDUSTRIES DEPARTMENT

### 6.5 *Idle outlay and unfruitful expenditure*

The annual requirements of splints (30,000Kg) and veneers (40,000 gross each of inner and outer box) for the ten departmentally run cottage match units in Tripura are procured by the Khadi and Village Industries Board from Assam Small Industries Development Corporation. The practice was found unsuitable owing to the irregular supply and inferior quality of materials supplied. The Board, therefore, prepared (October 1977) a scheme to set up a splint and veneer manufacturing unit at Barjala at a total capital cost of Rs. 2.63 lakhs. It was proposed to procure soft wood (1837 cubic metre per year) from Tripura Forest through the Forest Development Corporation (a Government of Tripura undertaking) and from Meghalaya and Arunachal Pradesh. The financial benefit to be derived was not worked out in the scheme, nor was the target date to commence production at the mill.

The Board received (1978-79 and 1983-84 ) Rs. 2.44 lakhs as grant and Rs. 1.82 lakhs as loan from the Khadi and Village Industries Commission for the purpose. The unit was set up in February 1983 at a total cost of Rs. 3.61 lakhs. A trial run was organised in February 1983. But the unit could not be



put into operation as the Board could not procure any raw material (soft wood) (July 1988).

Though the Forest Department had assured (December 1977) the availability of the required quantity of soft wood in Tripura Forest, the Board could not make any arrangement for extraction of timber from the forests on the basis of permits to be issued by the Forest Department, due to the absence of adequate infrastructure for the purpose. No assurance for the supply of soft wood had, however, been received from Meghalaya or Arunachal Pradesh. No attempt was also made to obtain the same from those States. In July 1987, tenders for extraction and supply of 180 cubic feet (5 cubic metre approximately) per quarter were called for by the Board. A total quantity of 135 cubic feet (4 cubic metre) of soft wood (roughly one day's requirement) was received through the selected contractor in December 1987. The Tripura Forest Development Corporation was not contacted at any stage. After protracted correspondence with the Forest Department the matter was discussed in a meeting and it was decided (April 1987) that :—

(i) The Chief Conservator of Forest would issue instruction to all concerned to keep the species reserved in outlying Forest depots for the Board which will make arrangement for collection from those depots, and (ii) the Board should build up its own source by way of plantation of the species. No action has so far been taken (July 1988) by the Board in this regard.

Meanwhile, the Board appointed one Manager and one Operator in September 1981 and a second Operator in September 1985 to run the plant. A sum of Rs. 2.00 lakhs was spent on pay and allowances of these staff upto the end of March 1988.

Thus, as a result of establishment of the unit without advance planning for procurement of raw materials, the Board had to incur an expenditure of Rs. 2.00 lakhs in addition to an idle outlay of Rs. 3.61 lakhs.

The Board was to pay interest at the rate of four *per cent* on the loan received. Rupees 0.17 lakh was paid in 1980-81 and 1981-82 as interest. No further payment of interest or repayment of principal was made thereafter.

The matter was reported to the Government and to the Board in July 1988. No reply has yet been received (December 1988).

## 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
- a Departmentally—managed Government Commercial and *quasi*-Commercial Undertakings.

Paragraph 7.2 gives a general view of the Companies, paragraph 7.3 contains a review on Tripura Small Industries Corporation Limited, paragraph 7.4 deals with general aspects relating to the Statutory Corporation, paragraph 7.5 deals with the departmentally-managed Government Commercial and *quasi*-Commercial Undertakings and paragraph 7.6 deals with Miscellaneous Topics of Interest containing two cases relating to Public Works Department (Electrical wing) and Industries Department.

#### 7.2 Government Companies—General view

7.2.1 There were eight Government companies in the State as on 31st March 1988, including Tripura State Bank Limited which is under liquidation since 1970-71. The position was the same as on 31st March 1987.

7.2.2 Appendix 7.1 gives the particulars of upto 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) The aggregate paid-up capital as on 31st March 1988 stood at Rs. 18.27 crores (including the paid-up capital of Rs. 0.38 crore of Tripura Tea Development Corporation Limited as on 31st March 1987) as against the aggregate paid-up capital of Rs. 14.86 crores in these companies as on 31st March 1987. The investment in Tripura State Bank Limited at the end of both those years was Rs. 3.75 lakhs.



(b) The balance of long term loans outstanding in respect of 6 companies as on 31st March 1988 was Rs. 12.16 crores as against Rs. 10.80 crores outstanding in respect of 6 companies as on 31st March 1987.

7.2.3 A synoptic statement showing the financial results of the eight companies based on the accounts finalised upto 31st March 1988 is given in Appendix 7.2.

None of the companies has finalised its accounts for the year 1987-88.

The position of arrears of accounts of these companies is summarised below :

Extent of arrears	Number of years involved	Number of companies involved	Investment by Govern- ment as on 31st March 1988		Reference to serial number of Appendix 7.1
Capital Loans (Rupees in lakhs)					
1979-80 to 1987-88	9	2	198.36	343.58	1 and 2
1980-81 to 1987-88	8	1	38.00(a)	...	6
1982-83 to 1987-88	6	2	1260.03	834.69	3 and 5
1984-85 to 1987-88	4	1	106.78	31.72	7
1986-87 and 1987-88	2	1	220.50	6.00	4
(Under liquidation since 1970-71)	...	1	3.75	...	8

The position of arrears in finalisation of accounts was last brought to the notice of the Government in May 1989.

In the absence of final accounts of these companies, the productivity of the investment of Rs. 30.43 crores (State Government : Rs. 29.34 crores, Central Government : Rs. 0.33 crore and Others : Rs. 0.76 crore) could not conclusively be vouchsafed.

(a) The position was upto end of March 1987 Capital invested during 1987-88 was not furnished by the department.

## INDUSTRIES DEPARTMENT

*7.3 Tripura Small Industries Corporation Limited**7.3.1 Introduction*

The Tripura Small Industries Corporation Limited was incorporated on 30th August 1965 as a wholly owned Government Company with the main object to finance, protect and promote the interests of the small scale industries in the State.

The Company engaged in procurement and distribution of industrial raw materials since May 1969 and of automobile spare parts since May 1981. It took over the management of the Fruit Canning unit with assets valued Rs. 2.61 lakhs from the Department of Agriculture in 1970 and also started manufacturing operations by setting up a sugar factory in 1974, a timber plant in 1977, brick kilns in 1979, a semi-mechanised brick kiln in 1985 and a Cement plant in 1987.

*7.3.2 Organisational set up*

The affairs of the Company are managed by a Board of Directors. The Managing Director of the Company is the Chief Executive Officer. As on 31st March 1987 there were eight members in the Board of Directors nominated by State Government.

*7.3.3 Scope of Audit*

The records of the Company including some of its manufacturing units were test checked in audit during April 1988 to August 1988 covering the period from 1979-80 to 1986-87 and results thereof are set out in the succeeding paragraphs.

*7.3.4 Highlights*

Against authorised capital of Rs. 1 crore the paid-up capital as on 31st March 1987 was Rs. 84.92 lakhs while it had received financial assistance of Rs. 82.18 lakhs from the State Government by way of grants and loans and the amount outstanding as on 31st March 1988 against cash credit availed by the Company was Rs. 131.58 lakhs. The Company incurred interest liability of Rs. 61.09 lakhs against the cash credit and other loans upto March 1987. The accounts of the Company are in arrears from 1979-80.



The performance of the Company in respect of some of its manufacturing and trading activities was as follows :—

The cumulative loss sustained by the Fruit Canning unit upto March 1987 was Rs. 37.10 lakhs (provisional) and was mainly due to under utilisation of the production capacity to the extent of 65 to 79 *per cent* excess consumption of raw materials valuing Rs. 6.29 lakhs, damage of Pineapple products worth Rs. 5.65 lakhs due to prolonged storage for want of demand, loss of Rs. 17.69 lakhs in its export deal and undue financial benefit of Rs. 1.13 lakhs to a particular firm.

The production capacity of Khandasari Sugar Factory remained unutilised during 1974-75 to 1982-83 to the extent of 91.32 to 99.72 *per cent*, mainly due to non-availability of a adequate quantity of sugar cane of required quality. The unit sustained net cumulative loss of Rs. 15.12 lakhs (provisional) upto March 1983 when the unit was closed.

The cumulative loss sustained by its pharmaceuticals unit upto March 1987 was Rs. 29.26 lakhs (provisional). The continuous losses were mainly due to under utilisation of production capacity ranging from 49 to 98 *per cent*, lack of production planning, shortfall in production, high cost of production, lack of quality control, lack of proper storage system, excess unemployment of workers etc.

The cumulative loss sustained by the Brick Kiln project upto 31st March 1987 was Rs. 119.39 lakhs (provisional) in respect of 13 brick kilns. The continuous losses were mainly due to under utilisation of the production capacity ranging from 42 to 62 *per cent*, excess consumption of coal etc. Production was taken up without assessing the demand and without any sales forecast, with the result the sales were always far less, than production leading to accumulation of huge stocks of bricks year after year. The stock of bricks as on 31st March 1987 represented the position after taking into account the sales of eight years since 1979-80. These closing stocks were not physically verified at any time and their physical existence was, thus, not ensured.

No system of internal audit and costing could be introduced by the Corporation in any of the manufacturing units so far (August 1988).

Though the Board of Directors regularly met in its quarterly meetings during the period 1979-80 to 1986-87, neither any

effective review nor any action was taken for amelioration of the Sick Units.

### 7.3.5 Finance

#### (i) Share Capital

The authorised capital of the Company was raised from Rs. 10 lakhs to Rs. 1 crore in September 1984. The paid up capital as on 31st March 1987 was Rs. 84.92 lakhs, wholly subscribed by the State Government.

#### (ii) Borrowings and grants

##### (a) Government loans

The Company received loans of Rs. 10.00 lakhs from the State Government during March/July 1973 and November 1978 for timber and yarn processing etc. Due to non-payment of instalments of loan including interest on due dates ; the Company was liable to pay till March 1987 penal interest of Rs. 4.50 lakhs.

##### (b) Bank loans

##### (i) Term loans

The Company has not repaid Rs. 4.70 lakhs being the principal and interest in respect of loan of Rs. 2.34 lakhs obtained from Bank (1974-75) against mortgage of fixed assets of its Khandasari Sugar Plant (August 1988).

##### (ii) Cash credit facilities

The Company availed regular cash credit facilities from United Bank of India and State Bank of India from 1982-83 onwards (maximum limit : Rs. 82.80 lakhs) for purchase of Sugar Cane, procurement of raw materials and for setting up of brick fields. A sum of Rs. 131.58 lakhs was outstanding to be paid to the Banks as on 31st March 1988 due to accumulation of arrears.

(c) The Company received through the State Government Rs. 8.08 lakhs as Central grant during 1982-83 to 1986-87 for setting up a food processing and nutrition centre and also Rs. 26.00 lakhs as grant from North Eastern Council (NEC)



for setting up a cement factory at Kumarghat. The NEC also paid Rs. 38.10 lakhs as grant during 1983-84 to 1985-86 for setting up a semi-mechanised brick kiln at Jirania.

### 7.3.6 *Annual Accounts*

The accounts of the Company from the year 1979-80 and onwards have not yet been finalised. Compilation of accounts for various years was still in progress (August 1988).

As per accounts finalised upto 1978-79, the Company sustained cumulative loss of Rs. 22.72 lakhs and as per provisional accounts for 1979-80 and 1980-81, net loss sustained was Rs. 2.27 lakhs and Rs. 2.37 lakhs respectively. Thus, cumulative net loss upto 1980-81 was Rs. 27.36 lakhs (provisional).

7.3.7 The results of test check of records of various units run by the Company are discussed below :

#### 7.3.7.1 *Fruit Canning Unit*

##### (a) *Capacity utilisation*

The Company invested (upto 31st March 1987) Rs. 5.18 lakhs in the fixed assets of the unit and successively increased its annual capacity from 100 tonnes (1970) to 200 tonnes (1978-79) and again to 400 tonnes (1982-83). The actual production varied between 141 tonnes and 84 tonnes during the period 1982-83 to 1986-87 resulting in under-utilisation of installed capacity to the extent of 79 to 65 per cent. Prior to 1982-83 the under-utilisation was around 25 per cent. While capacity thus, remained substantially under-utilised, the Company engaged a private firm during the period from 1980-81 to 1985-86 (excepting in 1983-84) for processing its fruit production on payment of processing charges aggregating Rs. 1.02 lakhs.

The reasons for low utilisation of the capacity were stated (October 1986) to be mainly due to unwillingness of workers engaged to work and old and obsolete machines inherited from the Agriculture Department.

##### (b) *Profitability*

The Public Accounts Committee in its twenty first Report recommended (1976-77) that in Tripura, fruit canning

industry was very prospective and the Company should nourish the industry suitably for improvement in the near future.

However, the working results of the unit for the six years upto 1978-79 disclosed that the unit had earned net profit of Rs. 0.31 lakh and Rs. 0.38 lakh during 1973-74 and 1974-75 respectively and sustained an aggregate loss of Rs. 5.40 lakhs during 1975-76 to 1978-79. The unit sustained loss of Rs. 32.39 lakhs (provisional) during the period 1979-80 to 1986-87.

Thus, the cumulative loss sustained by the unit works out to Rs. 37.10 lakhs (provisional).

The continuous losses sustained by the Company from 1975-76 were mainly due to :—

- (a) Under-utilisation of production capacity.
- (b) Excess consumption of raw materials.
- (c) Damage of fruit products due to accumulation of huge closing stock.
- (d) Inadequate measures for sales promotion.

The Company had thus, not made required efforts in order to achieve improvement in the industry in the direction recommended by PAC. It did not also have any long term plan for the growth of the fruit industry.

#### (c) *Consumption of materials*

As per norms fixed by the management (November 1981) consumption of raw materials i.e., Pineapples for every tonne of Pineapple products should be 2 tonnes for juice and jam and 2.5 to 3 tonnes for slices and tit bits. However, it was seen that actual consumption of Pineapples was in excess of these norms during the period from 1981-82 to 1986-87 as detailed below :—

	(Tonnes)
1. Pineapple products manufacture	808.75
2. Pineapple required as per norm	1,856.78
3. Actual consumption of Pineapple	2,860.78
4. Excess consumption of Pineapple	1,004.00

The cost of Pineapple consumed in excess of norms during the above period was Rs. 6.29 lakhs.



Reasons for excess consumption were not analysed by the Company.

(d) *Purchase of Pineapples*

(i) The management decided (May 1980) to purchase Pineapples through the Co-operative Society at support prices fixed by the Government from time to time. Accordingly the society supplied Pineapples worth Rs. 7.37 lakhs during the period from 1984-85 to 1986-87. The Company, however, paid Rs. 2.89 lakhs upto November 1987. Due to non-payment of dues in time, the Society claimed interest of Rs. 2.86 lakhs (upto April 1988) on the outstanding balance of Rs. 4.48 lakhs which had remained unpaid so far (August 1988).

(e) *Damaged fruit products*

Though the unit never attained its installed capacity, heavy closing stock of Pineapple products had been lying in the godown unsold every year. This was mainly due to unplanned production and lack of proper marketing organisation. As a result, 65.767 tonnes of Pineapple products valuing Rs. 5.65 lakhs manufactured during 1974-75 to 1987-88 representing about 5 per cent of the quantity sold became unfit for human consumption due to prolonged storage and was certified/ordered for destruction by the management during the period from 1979-80 to 1987-88. Responsibility for the loss has not been fixed (August 1988). The Company had also not strengthened its sales organisation so far.

(f) *Export of fruit products*

(i) In order to export canned Pineapple products to U.S.S.R. during the period from 1983-84 to 1985-86 the Company entered into contracts with State Trading Corporation and other private exporters through North Eastern Regional Agricultural Marketing Corporation Limited (NERAMAC), a Government of India undertaking acting as a nodal agency, for marketing of agro-horticulture products of North Eastern Region. Accordingly 6 contracts were executed between August 1983 and May 1985.

According to agreement, the Company had to supply 935 tonnes of Pineapple products during the period from 1983-84 to 1985-86 but it could supply only 255 tonnes and failed to reach the target by 73 per cent.

Main reason for failure to supply the contractual quantity was lack of proper production planning. Even in respect of the supply of 255 tonnes for export, the Company sustained loss of Rs. 17.67 lakhs during the period from 1983-84 to 1985-86. The loss was mainly due to high overhead cost on account of underutilisation of capacity and lack of control on input-output ratio.

(ii) NERAMAC supplied inputs (containers, packing materials etc.,) for export during 1983-84 and 1984-85 valuing Rs. 16.07 lakhs and advanced Rs. 1.04 lakhs as post-shipment credit. NERAMAC charged interest including penal interest of Rs. 2.36 lakhs on the investment made in the Company for default in payment. As per terms of contract it also levied penalty of Rs. 0.97 lakh for non-fulfilment of contract and commission charges at the rate of 4.5 per cent in respect of the quantity which Company failed to supply. While finalising the account, NERAMAC claimed (April 1987) Rs. 4.59 lakhs after adjustment of export realisation amounting to Rs. 14.55 lakhs. The matter is still to be settled (August 1988).

(iii) The Company entered into an agreement (April 1982) with a private exporter to supply 150 tonnes of Pineapple products (value : Rs. 11.87 lakhs) to U.S.S.R. and supplied (December 1982) 50.004 tonnes of Pineapple products valued at Rs. 3.08 lakhs. The exporter received (April 1983) draw back of Rs. 0.46 lakh on behalf of the Company. Of Rs. 3.36 lakhs excluding transit loss at 1 per cent (Rs. 0.03 lakh) and exporter's commission at 5 per cent (Rs. 0.15 lakh) to be paid to the Company, the exporter paid Rs. 2.65 lakhs (June 1983 : Rs. 2.12 lakhs ; April 1984 : Rs. 0.53 lakh). Out of the balance of Rs. 0.71 lakh, a sum of Rs. 0.39 lakh was still (August 1988) due from the exporter after adjustment of expenses of Rs. 0.32 lakh.

(iv) On the basis of export agreement (December 1982) made with another private firm, the Company supplied (December 1982) 29.950 tonnes of food products valuing Rs. 2.38 lakhs which were duly exported by the exporter to U.S.S.R. The exporter also received draw backs and cash incentives amounting to Rs. 0.78 lakh on behalf of the Company. The Company, however, could get payment of only Rs. 0.85 lakh and failed to recover the balance amount of Rs. 1.30 lakhs from the firm. The matter is stated to be sub-Judice (August 1988).



(g) *Undue financial benefit to a distributor*

The Company appointed 'firm A' of Calcutta as its distributor to sell its fruit products in the State of West Bengal. The fruit products manufactured in 1985 and delivered to this firm during August 1985 to June 1986 were invoiced at rates lower by 12 *per cent* to 15 *per cent* than the rates fixed by the Company for its 1985 production which came into effect from 3rd August 1985. The basis for charging such lower rates to this particular firm was not on record. The firm was allowed a financial benefit of Rs. 0.64 lakh thereby.

The distributor intimated (September 1986) that they had 18.360 tonnes of stock of Pineapple products (1985 production) valuing Rs. 1.90 lakhs which could not be sold because of inferior quality and requested a forty *per cent* discount on the price already agreed to. The Board of Directors allowed (December 1986) as a special case a discount of 25 *per cent* over the ex-factory price of 1985-86 for sale of the entire unsold stock of 1985 production. Accordingly, the distributor was entitled to get Rs. 0.48 lakh as discount. The distributor, however, claimed (April 1987), Rs. 0.97 lakh being the discount value at the rate of 25 *per cent* on the entire stock of 1985 production lifted by them and invoiced at Rs. 3.88 lakhs. The Chairman approved (April 1988) the claim overruling the decision of the Board resulting in an excess payment of Rs. 0.49 lakh. The Company, thus, in effect sold the products at a discount of 37 to 40 *per cent* of prevailing price instead of 25 *per cent* on the ex-factory price resulting in an undue benefit of Rs. 1.13 lakhs (Rs. 0.64 lakh plus Rs. 0.49 lakh) to the distributors.

7.3.7.2 *Khandasari Sugar Factory--Bagafa*

The Khandasari Sugar Factory established at Bagafa at a cost of Rs. 8.88 lakhs went into commercial production in 1974-75. The sugar cane crushed during the period from 1974-75 to 1982-83 (except 1977-78 and 1979-80) ranged between 40.971 tonnes and 1354.052 tonnes as against the installed crushing capacity of 7200 tonnes of sugarcane resulting in under-utilisation of the installed crushing capacity to the extent 81.19 to 99.43 *per cent*.

The under-utilisation of the capacity of the factory was mainly due to non-availability of adequate quantity of sugarcane.



The estimated requirement of sugarcane as envisaged in the project report was 36,000 tonnes. However, the targeted requirement of sugarcane could never be procured by the factory. During the first year of operation management noticed the cultivators were not coming forward to supply sugarcane to the factory. The cane that was supplied was also diseased and of inferior quality; the average recovery rate of which was 2.5 per cent against the norm of 7 per cent. This indicated that the project report was not a realistic one.

At the request of the Company an expert from National Sugar Institute, Kanpur visited (February-March 1976) the factory and the adjoining sugarcane fields and reported (March and June 1976) that the existing varieties of cane were not suitable to the factory as these ripened early and also suggested introduction of improved varieties viz., mid-ripening and late ripening so that there would be no problem of sugarcane to run the factory, but no effort was made for improvement in this respect. The production of the factory suffered due to non-availability of sugarcane and no effective steps were taken by the Government to augment production of sugarcane and make the factory a viable unit. Instead, it was decided (13th February 1983) by the Government to close down the factory and handover the entire complex at Bagafa to another Government Company for better use thereof by opening Service and Training Centre for handloom and handicrafts products.

Accordingly, the store room, godown and office room were handed over to the Tripura Handloom and Handicrafts Development Corporation Limited on 16th August 1984, the value of which is still to be assessed by the Public Works Department (August 1988). The realisable value of the plant and machinery costing Rs. 3.17 lakhs was assessed by a firm of Cost Accountants in October 1984 at Rs. 3.36 lakhs which was accepted by the Board in February 1985. These are yet to be disposed of (August 1988).

Since the closure of the factory in June 1983 the Company had incurred Rs. 1.18 lakhs during the period from 1983-84 to 1986-87 on pay and allowances of the employees and other expenses of the factory. Of the five regular employees in employment on the date of closure three were transferred to other units/terminated leaving two employees still in service on 31st August 1988.



The project report envisaged that at full production level the factory would earn a net profit of Rs. 0.49 lakh annually. However, the factory had never reached the full production level and had continuously been incurring losses since inception; the losses accumulated upto 1982-83 being Rs. 15.12 lakhs (provisional).

The continuous losses sustained by the unit were mainly due to (a) under-utilisation of the production capacity because of the non-availability of adequate quantity of sugarcane and (b) the resultant high cost of production.

### 7.3.7.3 *Tripura pharmaceutical unit*

The drug manufacturing unit established at a cost of Rs. 8.88 lakhs (upto 31st March 1987) has three main sections commonly known as (i) Bottle Section, (ii) Ampoule Section and (iii) Capsule Section engaged in the manufacture of (i) large volume parenterals (transfusion fluids), (ii) Injectables in ampoules and (iii) oral capsules respectively). The bottle section and ampoule section went into operation in February 1978 while the capsule section started production in November 1983.

In bottle section, as against installed capacity of 1.00 lakh bottles annually, the actual production during 1980-81 to 1986-87 ranged from 0.51 to 0.21 lakh bottles resulting in under-utilisation of installed capacity to the extent of 49 to 79 per cent. The Company was, however, purchasing empty bottles from outside parties to meet the demand in its pharmaceutical unit. Similarly in ampoule and capsule section also, under-utilisation of the installed capacity ranged from 72 to 98 per cent and 95 to 98 per cent respectively.

The shortfall in production was due to frequent power failure, improper maintenance and non-repairing of machines in time, shortage of raw materials and empty bottles, heavy rejections in bottle section, sub-standard quality of ampoules, non-utilisation of automatic sealing machine and rejection due to damage/leakage/separation of particles from bottles.

The working results of the unit for the six years upto 1986-87 disclosed a net loss of Rs. 25.80 lakhs (provisional) and the cumulative loss sustained by the unit upto 1986-87 works out to Rs. 29.26 lakhs (provisional). The continuous losses sustained by the unit were mainly due to :

- (a) Lack of proper production planning,

- (b) shortfall in production,
- (c) high production costs,
- (d) inadequacy of quality control,
- (e) lack of proper storage system and
- (f) excess employment of workers.

The following further points were noticed :

(a) *Bottle Section*

(i) *Rejection*

As per norms rejections due to damage, leakage etc., including loss for testing and quality control should not exceed 17.7 per cent.

During the period from 1980-81 to 1986-87, 4.30 lakh bottles were charged for production, of which 2.55 lakh good bottles were produced, the average rejections during the period being 41 per cent as against the permissible limit of 17.7 per cent.

The heavy rejections were mainly due to defective bottle washing procedure, defective steam input design of autoclave machine causing rejection of bottle during sterilisation, use of bottles for the second time and use of sub-standard bottles.

(ii) *Defective supply of materials*

The management purchased from a private firm in January 1985, 10,000 U.S.P type bottles for its pharmaceutical unit (bottle section) at a cost of Rs. 0.30 lakh. The purchase was made without inviting any tenders/quotations. After taking delivery of the goods, the whole lot was found to be defective/sub-standard quality. The management approached the supplier (April 1985) to replace the same but no replacement has been made as yet (August 1988).

(iii) *Bottle used second time*

Pharmacopia does not approve re-use of bottles in production.

During the period from 1979-80 to 1986-87, 3.26 lakh of bottles were used in the manufacturing section for production, of which 1.59 lakh of old bottles were collected from different sources and recycled in production. The percentage of old bottles issued over the total number consumed work out to 48.7 per cent. Government of India, issued (June 1985) instructions to discontinue the practice of re-use of bottles but the unit violated the instructions and continued to recycle old bottles in production.



(b) *Ampoule Section*(i) *Consumption of raw materials*

Pethidine hydrochloride, an excisable item is required for preparation of pethidine injection (2 ml.). It was noticed that against the production of 1.23 lakhs of ampoules of pethidine injection, consumption of raw materials i.e., pethidine hydrochloride was in excess of standard consumption prescribed as shown below :—

Name of the products	Quantity produced	Standard consumption	Actual consumption	Excess consumption
	(in number)		(in miligram)	
Pethidine Injection (2 ml.)	1.23 lakhs	13,408.73	15,450.00	2041.27

The loss due to excess consumption is estimated at Rs. 0.07 lakh which could yield 0.14 lakh of finished product valuing Rs. 0.21 lakh. It could not be ascertained whether the excessive dose of pethidine hydrochloride in an ampoule posed any health hazard or not.

(ii) *Dead Stock*

Lack of production schedule resulted in accumulation of dead stock of raw materials, chemicals and finished products. It was noticed that raw materials and chemicals worth Rs. 0.19 lakh and finished product worth Rs. 0.10 lakh are lying in stock (as on 31st March 1987) unutilised for more than five years. Due to lack of proper storage facilities these old raw materials and medicines (Rs. 0.29 lakh) became unsuitable for future use.

(c) *Capsule Section*(i) *Idle wages*

The production of the Capsule Section was started in November 1983 with ten workers between November 1983 and July 1988 (1,311 working days). After working for only 28 days (i.e., 26 days in 1983-84 and 2 days in 1985-86), the production of Capsules was stopped for want of supply order, despite potential demand for the capsules like tetracycline and oxytetracycline in the State both by Government and private sector.

Due to lack of proper appraisal and planning for production the Company had to pay Rs. 2.07 lakhs as idle wages to the workers who were kept idle during the period.

Further even the small quantity of production of tetracycline capsules (0.32 lakh) and oxytetracycline (0.50 lakh) became life expired and damaged due to long storage resulting in loss of Rs. 0.33 lakh. Similarly, oxycycline (0.10 lakh) manufactured by the unit could not be marketed by the management though there was potential demand for the product, and became life expired.

(ii) *Loss due to long storage*

*Empty Capsules*

The Company purchased 11.00 lakhs of empty capsules upto 31st March 1984, out of which only 3.50 lakhs of empty capsules could be utilised in the production. Thus, there remained huge stock of 7.50 lakhs of empty capsules valued Rs. 0.37 lakh lying unused for more than 4 years in a deteriorated condition.

7.3.7.4 *Brick kiln project*

(a) *Establishment of brick kilns*

During the period from 1979-80 to 1986-87 thirteen conventional brick kilns (3 kilns of 60 lakhs capacity and 10 kilns of 30 lakhs capacity) were established by the Company at a cost of Rs. 58.93 lakhs.

Proper soil test was not done in any case at the time of opening the kilns (except in case of one) and three kilns opened during 1980-81 to 1981-82 were closed during 1982-83 to 1983-84, as these kilns were found unproductive due to improper selection of site and bad quality of earth. The Company sold these kilns to private parties on negotiation basis at a loss of Rs. 0.62 lakh.

(b) *Production performance*

The table below indicates the installed capacity and the actual production of bricks during eight years from 1979-80 to 1986-87 :



	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
Installed capacity	90.00	210.00	420.00	390.00	330.00	330.00	360.00	360.00
Actual production (Number in lakhs)	48.38	102.72	241.86	192.95	188.28	126.95	183.35	203.61
Percentage of pro- duction to installed capacity	53.76	48.91	57.58	49.47	57.05	38.47	50.93	56.56

Thus, there was shortfall in production in each year ranging from 42.42 to 61.53 *per cent*. The shortfall was stated to be due to natural calamities, cloudy sky etc., damages varying between 3 and 4 *per cent* during loading and unloading paucity of funds, non-arrival of migrant labourers in time, inefficiency of local workers and difficulty in procuring coal.

### (c) Profitability

The provisional accounts compiled by the management disclosed that the units had earned a profit of Rs. 0.46 lakh only in 1979-80 and thereafter sustained an aggregate loss of Rs. 13.61 lakhs.

The total loss sustained by the units upto 1986-87 works out to Rs. 119.39 lakhs (provisional).

The continuous losses sustained by the unit were mainly due to (a) shortfall in production and (b) excessive expenditure incurred on fuel and wages.

The estimated and actual expenditure were as follows :

### Cost per one lakh of bricks (in Rupees)

Capacity of Kiln (Number of Kilns)	Fuel		Labour	
	Estimate	Average (actual)	Estimate	Average (actual)
60 lakhs (3)	5,000	11,000	12,333	19,000
30 lakhs (10)	10,000	14,000	8,067	18,000

Reasons for such variation of expenditure on fuel and labour were not available on records.

(d) *Semi-Mechanised brick kiln*

Government entrusted (1985) the Company with the task of setting up a semi-mechanised brick kiln with production capacity of 60 lakhs bricks annually on a scheme sanctioned by the North Eastern Council (NEC), Shillong during 1983-84. The NEC paid Rs. 38.18 lakhs against estimated cost of Rs. 35.78 lakhs during the period from 1983-84 to 1985-86, while the Company has incurred an expenditure of only Rs. 17.61 lakhs upto March 1987. The project started commercial production in October 1985. During the period 1985-86 and 1986-87, 20.23 lakhs and 20.36 lakhs of bricks respectively were produced representing about 1/3rd of the capacity.

The capacity of the plant could not be fully utilised due to irregular power supply mechanical defects in the machines and bad weather.

(e) *Consumption of coal*

The project report envisaged that consumption of coal to produce one lakh of bricks would be 25 tonnes for kilns of 60 lakhs capacity and 20 tonnes for kilns of 30 lakhs capacity. The actual consumption of coal during the period 1979-80 to 1986-87 was, however, in excess of norm by 9.6 *per cent* and 30.45 *per cent* in respect of 60 lakhs kiln and 30 lakhs kilns respectively. The aggregate value of excess consumption of coal in all the kilns worked out to Rs. 18.14 lakhs as detailed below :—

Period	Total actual consumption	Total standard consumption as per project report	Excess consumption	Value
	(in tonnes)	(in tonnes)	(in tonnes)	(Rupees in lakhs)
1979-80 to 1986-87	25,352.35	21,328.48	4,030.87	18.14

The reasons for excess consumption of coal were into analysed by the management.



(f) *Accumulation of bricks*

There was huge stock of bricks at the end of each year. The table below shows the production, sales as well as the closing stock of bricks at the end of each year upto 1986-87 :

Year	Production (at cost price excluding depreciation of interest)	Sales (at actuals)	Value of closing stock (at cost price) as at the end of the year	Percentage of closing stock to cost of Production
<i>(In lakhs of rupees)</i>				
1979-80	15.88	3.79	12.48	78.59
1980-81	45.78	13.26	32.59	71.19
1981-82	83.66	51.72	61.17	73.12
1982-83	68.33	33.69	38.15	55.83
1983-84	71.29	29.57	64.99	91.16
1984-85	36.15	32.74	55.34	153.04
1985-86	83.24	35.41	91.17	109.53
1986-87	116.63	29.31	158.84	142.29
	520.91	229.49		

Such huge stock piling in various brick fields was mainly due to defective planning in production. The Company should have at least restricted its production with reference to the previous years' sales. The demand was not assessed before taking up production programme and no sales forecast was prepared. The stock at the kilns was not physically verified in the absence of which the existence or otherwise of stocks was not known.

The Government stated (March 1989) that the end of March was the middle of the production season. Bulk of the production was sold to the Public Works Department which obtained delivery after execution of contracts, selection of site etc. At the end of the season almost all the saleable quantities were delivered.

This argument of the Government was not tenable as closing stock of bricks increased year after year.

(g) *Avoidable expenditure*

The Company took on lease 50 Kanis of land from a private party in South Tripura District to open a brick kiln there to cater to the needs of the Public Works Department (PWD). The Company paid (October 1982) Rs. 1.25 lakhs to the owner as premium at Rs. 25,000 per year for five years. Due to lack of demand from PWD the Company could not operate the kiln before October 1985. Thus, absence of proper assessment mechanism resulted in payment of Rs. 0.75 lakh as dead rent for 3 years.

(h) *Theft of bricks*

The management supplied 7.30 lakhs of bricks to PWD at North Tripura District during the period from July 1981 to May 1982. The PWD, however, took measurement of the bricks after lapse of 5 to 8 months and 0.75 lakhs of bricks were found short. The management lodged complaint (October 1982) with the Police authorities alleging theft of the materials. The matter has not yet been settled (August 1988). This could have been avoided by ensuring immediate measurement after the completion of supply.

(i) *Engagement of carrying contractor*

During the period from 1980-81 to 1985-86, the management advanced Rs. 20.86 lakhs from time to time to a contractor engaged for carrying bricks etc., without executing any formal agreement. The Contractor submitted bills for Rs. 19.92 lakhs during the period from July 1983 to March 1986 against the amount advanced to him. The Contractor discontinued (March 1986) carrying company's materials unilaterally.

The management did not take any action to recover the balance amount of Rs. 0.94 lakh from the Contractor (August 1988).

(j) *Extra expenditure*

The Company engaged thirteen contractors during the period from April 1980 to July 1980 for carrying 30 lakhs of bricks. They lifted 11.19 lakhs of brick and were paid carrying charges at the rate of Rs. 65 per thousand. Another contractor was, however, engaged (February 1980) by the Company without executing any formal agreement. He lifted 11.41 lakhs of brick and was paid carrying charges at the rate of Rs. 82.25 per thousand resulting in an extra expenditure of Rs. 0.25 lakh.

7.3.7.5 *Automobile Spare Parts Depot*(a) *Opening of the depot*

On being advised by the Government the Company opened (April 1981) an automobile stores depot to cater mainly to the needs of Government departments/organisations. The



spare parts are to be procured from the manufacturers and the depot was to be financed by cash credit from bank.

But contrary to the decision, spare parts valuing Rs. Rs. 4.29 lakhs and Rs. 3.50 lakhs were purchased locally during 1981-82 and 1984-85 respectively. The records for other years are not available.

(b) *Credit sales*

(i) During the period from 1982-83 to 1986-87 Company sold spare parts for Rs. 67.69 lakhs of which spare parts valuing Rs. 65.32 lakhs were sold on credit and Rs. 2.37 lakhs for cash. Management ordered (July 1984) for supply of spare parts to the departments/organisations of the State Government without obtaining any formal supply order. Due to adoption of such defective procedure the Company could not raise bills against the various departments/organisations of Government to whom goods were supplied through 538 delivery challans during the period 1982-83 to 1985-86. Test check revealed (July 1988) that the management failed to realise Rs. 4.73 lakhs lying outstanding with four departments upto 1986-87.

The management requested (November 1987) the concerned offices/organisations to place formal supply orders on the basis of its delivery challans for raising bills. In reply, the Manager, Industrial Estate, to whom spare parts valuing Rs. 0.65 lakh were delivered through 90 delivery challans as per records of the Company denied (April 1988) acceptance of such goods. Replies from other offices are awaited (August 1988).

(c) *Fraudulent submission of paid vouchers*

The Company advanced Rs. 2.91 lakhs to the Manager, stores depot during the period from May 1981 to March 1984 for local purchases.

While adjusting the advance, the Manager, submitted duplicate copies of cash memos/bills worth Rs. 0.21 lakh. The same amount was adjusted by him previously by submitting original copies of cash memos/bills. Thus due to lack of proper check, the duplicate cash memos/bills also were accepted by the management for adjustments, resulting in double adjustment of the same amount.

No action was taken against the depot Manager and the amount of Rs. 0.21 lakh stands recoverable from him.

*(d) Dead stock and slow moving store*

The slow moving stores valuing Rs. 2.42 lakhs purchased mainly during 1981-82 and 1982-83 remained in stock undisposed.

The Company could not sell these for want of demand.

*7.3.7.6 Other points of interest*

*Financial Assistance to entrepreneurs*

The Company received (November 1978) a loan of Rs. 5.00 lakhs through State Government for implementation of scheme of financial assistance to entrepreneurs by way of margin or seed money introduced by the Government of India (November 1977).

Management could disburse only Rs. 0.77 lakh during the period from 1979-80 to 1983-84 to the entrepreneurs. The Company utilised the balance amount of Rs. 4.23 lakhs in various activities of the Company and thereby defeated the purpose for which the amount was received by the Company.

Reasons for such poor performance in advancing the seed/margin money to the entrepreneurs were not on record.

*7.3.7.7 Internal audit and costing system*

No system of internal audit and costing has been introduced by the Company for any of its manufacturing units (August 1988).

*7.3.7.8 Monitoring*

The management had no monitoring system to review the working of the various enterprises mentioned above. Board of Directors met in its quarterly meeting 29 times during 1979-80 to 1986-87 but no specific and detailed examination was made for improvement of the sick units. However, in the quarterly meeting held in September 1984 mention was made about the unsold accumulated stock of the bricks and medicines and also a suggestion was made to replace the pro-



duction executive of the Fruit Canning unit by one fruit technologist having adequate technical and managerial ability to run the unit independently. But the Board's suggestion of September 1984 is yet to be implemented. One post of sales executive was created for the Company by the Board of Directors in February 1985 but the Officers was appointed after a lapse of 2 years only in September 1987. Thus, neither any effective review nor any concrete action was taken by the Board during this period of eight years to rehabilitate the units and make them commercially viable.

#### *7.4 Statutory Corporation—General aspects*

7.4.1 As on 31st March 1988, there was one Statutory Corporation in the State viz., Tripura Road Transport Corporation.

7.4.2 The Corporation was established on 23rd October 1969 under the Road Transport Corporations Act, 1950 with a view to providing a co-ordinated system of economic and efficient road transport service and it 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 Pencharthal (31 Kilometres), road transport is the principal means of public transportation in the State.

As on 31st March 1988, the State Government had contributed Rs. 10.33 crores towards the capital of the Corporation. The contribution of the Government of India (Railways) towards the capital of the Corporation to end of March 1988 was Rs. 3.64 crores.

The annual accounts of the Corporation had been finalised only upto the year 1982-83 ; the accounts for the year 1983-84 and onwards were in arrears. The delay in compilation of accounts was last brought to the notice of the State Government in July 1988.

The accounts for 1982-83 disclosed a net loss of Rs. 1.50 crores. The cumulative net loss of the Corporation upto 31st March 1983 was Rs. 7.07 crores.

#### *7.5 Departmentally-managed Government Commercial and quasi-commercial Undertakings*

As on 31st March 1988, there was one Departmentally-managed Commercial Undertaking viz., Electric Supply

Undertaking. Mention was made in paragraph 7.5 of the Report of the Comptroller and Auditor General of India for the year 1986-87 about non-compilation of the *pro forma* accounts of the undertaking for the year 1984-85 and onwards. The department intimated (January 1989) that the compilation of accounts for the year ending 1984-85 had been completed. The cumulative loss of the undertaking at the end of 1984-85 as reported by the department stood at Rs. 18.69 crores.

The Government capital invested at the close of 1984-85 was Rs. 71.53 crores and net fixed assets were Rs. 63.66 crores including works-in-progress (Rs. 15.95 crores).

## 7.6 *Miscellaneous topics of Interest*

### 7.6.1 PUBLIC WORKS DEPARTMENT (Electric supply wing)

#### *Collection of duty on electricity*

Test check of records relating to levy and collection of energy charges in 16 Sub-Divisions of the Public Works Department (Electricity Wing) during the period 1982-83 to 1987-88 revealed under assessment and loss of revenue aggregating Rs. 98.57 lakhs. The irregularities are mainly due to poor maintenance/non-maintenance of records and absence of correlation between the various related records. As for example, it was noticed in the course of test check that no consumers' ledger was maintained in respect of 300 cases, and the entries made in another 51 cases were incomplete. In 6 cases though receipts were noted in the ledger, they could not be traced in the Receipt Book or Daily Collection Register. Connections were given in 21 cases without installation of meters. In 685 cases, defective meters could not be replaced over period ranging from September 1983 to March 1987 due to partly non-posting of meter testers by the department and partly due to non-availability of new meters. The various types of irregularities occurring as a result of the combined effect of these procedural lapses over years, despite having been pointed out in test audit, are summarised below :-

- (i) *Wrong categorisation of consumers leading to under billing of energy charges*

Mention was made in paragraph 8.7 of the Report of the Comptroller and Auditor General of India for the year 1986-87



about wrong categorisation of consumers leading to under billing of energy charges.

According to the conditions of supply of electricity to consumers, the charges for consumption of electric energy are based on the category of consumers viz., domestic, commercial, industrial, Tea gardens etc.

During test check (April 1982—April 1987) of the accounts of five electrical Sub-Divisions (Agartala, Dharmanagar, Belonia, Kumarghat and Kailasahar) it was noticed that during the period April 1981 to March 1987 there was under assessment to the tune of Rs. 3.78 lakhs involving 53 cases due to wrong categorisation of consumers.

No recovery had been made by the department so far (August 1988) excepting small amount of Rs. 385 covering 5 cases.

- (ii) *Short realisation due to non-computation of energy charges on an average basis* ✓

In the case of stoppage of meter and dispute on meter readings, bills were required to be prepared with reference to average meter readings of three months previous to the month in question. It was, however, noticed that the Sub-Divisions did not follow the procedure of billing on the basis of average units consumed in such cases. Instead they arbitrarily adopted some lower figure of another month.

This resulted in short realisation of revenue to the extent of Rs. 26.42 lakhs involving 136 cases in respect of twelve Sub-Divisions. Out of 136 cases, demands amounting to Rs. 14,275.20 in respect of 8 cases were raised in February and July 1986. Particulars regarding realisation of this amount and action taken, if any, in respect of the remaining 128 cases were awaited (August 1988).

- (iii) *Loss due to irregular allowance of rebate*

In terms of notifications issued in August 1982 and October 1984 no rebate was admissible if the bill was not paid within 15 (fifteen) days from the date of their presentation.

It was noticed that the rebate was allowed to the consumers though the payment was not made within the stipulated period

Part  
Repl.  
for  
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and there were delays ranging between 15 days and 60 days in all the cases. The unauthorised allowance of rebate resulted in loss of revenue of Rs. 4.10 lakhs in 675 cases in 15 Sub-Divisions. Demands amounting to Rs. 14,219.75 in respect of 30 cases were raised between April 1985 and December 1987. Particulars of realisation of this amount and action taken, if any, in respect of the remaining cases were awaited (August 1988).

(iv) *Non-imposition of penalty*

Apart from forfeiture of rebate for delayed payment, the notification of August 1982 referred to above, also imposed a penalty of five paise per unit per 30 days or part thereof against each defaulter beyond 30 days from the due date of payment.

It was noticed that though payment was made beyond the stipulated period, penalty was realised in a very few cases. This resulted in loss of revenue of Rs. 1.58 lakhs in 320 cases in 15 Sub-Divisions. A sum of Rs. 771.70 in respect of 9 cases had been realised (July 1984 to September 1987) and demands amounting to Rs. 1,094.00 in respect of 19 cases raised (February 1986 to February 1987). Particulars of realisation and action taken, if any, on the remaining cases were awaited (August 1988).

(v) *Loss of revenue*

(a) Delay ranging from 1 year to 9 years in issue of first bill after service connection during the period from 1978-79 to 1986-87 resulted in postponement of realisation of revenue of Rs. 47.71 lakhs in 7,888 cases. The interest foregone by the Board due to delayed realisation for the minimum period of one year alone at 18 per cent worked out to Rs. 8.59 lakhs.

(b) Due to reconnection given without realisation of outstanding energy charges, Government sustained a loss of revenue to the tune of Rs. 0.53 lakh in respect of 1 (one) case.

(vi) *Wrong computation of energy charges*

Arithmetical mistakes in calculation of energy charges were noticed in 919 cases involving short realisation of Rs. 14.35 lakhs. A sum of Rs. 3,312.90 in respect of 33 cases



was realised. Particulars of realisation of demands amounting to Rs. 12,643.10 in respect of another 40 cases raised during April 1985 to December 1987 were awaited. Action taken, if any, on the remaining items has not been intimated by the department so far (August 1988).

(vii) *Arrears in collection*

The year-wise progressive figures of arrears of revenue were as follows :—

Year	Rupees in lakhs
1978-79	36.29
1979-80	67.23
1980-81	72.21
1981-82	64.48
1982-83	115.16
1983-84	167.71

The position of arrears of revenues 1984-85 to 1987-88 were not made available to audit. No realisation registers were maintained and no effective action was taken by the department for recovery of past dues from consumers while collecting the charges from the current bills. Though a column was provided in the bill form for recording the arrears payable by the consumer, no entry was made in the column. The department did not also take any action for disconnection of supply in cases of such defaulters.

## 7.6.2 TRIPURA TEA DEVELOPMENT CORPORATION LIMITED

### *Infructuous expenditure due to abandonment of site*

The Tripura Tea Development Corporation Limited, incorporated in August 1980, received from the North Eastern Council (NEC) grants-in-aid aggregating Rs. 134.15 lakhs, out of an approved outlay of Rs. 268.00 lakhs, released in varying annual instalments during the period September 1981 to December 1987, for setting up a tea processing factory with an installed capacity of 10 lakhs Kgs. of black tea at Machmara (Singharambari) in North Tripura. The project

was intended to extend manufacturing facilities at the neighbouring tea plantations which did not have factories of their own and also to ensure full utilisation of green leaf from small farmers. The site for establishing the factory, spread over an area of over 50 acres at machmara, was selected in 1983 as per suggestion of a consultant-Andrew Yule and company limited, a Government of India undertaking, which also prepared the lay-out and design of the factory in 1984. The detailed plan of the factory, as prepared by the Architect, Public Works Department, Agartala was also approved by NEC during 1985-86. The Company spent Rs. 2.11 lakhs between October 1984 and May 1985 on preparation of the lay-out plan (Rs. 0.10 lakh) and resettlement of 18 evacuee families (Rs. 2.01 lakhs) from the proposed site at Machmara. The Company also incurred an expenditure of Rs. 52.13 lakhs during the period from 1980-81 to December 1987 on account of establishment expenses. The expectation in 1985 was that the Machmara project would be in a position to produce about 47,000 Kgs. of black tea in the year 1986.

The work, however, did not progress and after having spent Rs. 2.20 lakhs on establishment etc., the Government decided in January 1987 to shift the site of the project to Durgabari in West Tripura on the grounds of unevenness of land and communication difficulties of the Machmara area, vicinity of the proposed site at Durgabari to Agartala and on the locational advantage of providing relief and support to the cluster of sick tea estates situated near Durgabari factory which, were known during 1981-82 when the Marchmara project was approved by NEC or during subsequent years when the lay-out plan and project reports were finalised. Due to wrong selection of site the expenditure of Rs. 2.11 lakhs incurred by the Company towards preparation of lay-out plan and resettlement of evacuee families became infructuous further, the company not having been involved in any other activity, had been almost dormant all these years and thus the expenditure of Rs. 49.93 lakhs incurred on its establishment was also infructuous. However, the lay-out plan of the proposed tea processing factory over 10 acres of land at Durgabari with a reduced installed capacity of 6 lakh Kgs. of black tea has not yet been finalised (April 1988). Thus the much needed relief to the small farmers and weak tea gardeners who produced green leaves but were unable to sell them or produce black tea, whether in North Tripura or in West Tripura had not accrued, besides substantial funds getting locked up over the years since 1981-82.



While admitting the facts (April 1988) the company stated that the abandoned site at Machmara was in possession of the corporation and would be utilised for extending tea plantation.

The Government stated in February 1989 that the expenditure was not infructuous as considerable quantities of green leaves were produced from Machmara area every year. The production of green leaves at Machmara was not, however, in any way relatable to the additional 50 acres where no plantation had been raised there till October 1988.



Agartala,  
The

(SAMAR RAY)  
Accountant General (Audit), Tripura





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## APPENDICES

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## APPENDIX 2.1

(Reference : Para 2.2.03 at page 16)

Excess over grants/appropriations requiring regularisation

Serial Number	Number and name of grant	Total grant Rs.	Expenditure Rs.	Excess Rs.
REVENUE SECTION (VOTED GRANTS)				
1.	14—Public Works Department	31,74,91,000	39,67,12,892	7,92,21,892 ✓
2.	18—Irrigation and Flood Control Department (Revenue)	11,84,31,000	12,87,41,338	1,03,10,338 ✓
3.	20—Education Department (General)	59,84,40,000	61,03,82,469	1,19,42,469 ✓
4.	24—Information, Cultural Affairs and Tourism	1,80,32,000	1,87,22,707	6,90,707 ✓
5.	29—Rehabilitation Department	4,87,11,000	5,12,23,823	25,12,823 ✓
6.	35—Agriculture Department	10,90,46,000	11,75,77,525	85,31,525 ✓
REVENUE SECTION (CHARGED)				
7.	14—Public Works Department	2,51,000	4,11,988	1,60,988 ✓
CAPITAL SECTION (VOTED GRANTS)				
8.	12—Transport Department	1,05,00,000	1,15,00,000	10,00,000 ✓
9.	15—Public Works Department	6,50,70,000	12,59,65,985	6,08,95,985 ✓
10.	17—Electricity Department	18,49,00,000	24,40,52,043	5,91,52,043 ✓
11.	19—Irrigation and Flood Control Department (Capital)	15,05,40,000	15,69,91,912	64,01,912 ✓
12.	37—Forest Department	80,00,000	82,45,408	2,45,408 ✓
CAPITAL SECTION (CHARGED APPROPRIATION)				
13.	46—Finance Department	11,17,37,000	15,20,88,550	4,03,51,550 ✓
GRAND TOTAL :		174,11,49,000	202,26,16,640	28,14,67,640 ✓

28,14,17,640  
 50,000  
 28,14,67,640

## APPENDIX 2.2

(Reference para 2.2.08 at page 20)

## Injudicious re-appropriation of funds

Serial Number	Number and name of grant and head of account	Provision (original plus supplementary)	Re-appropriation	Total grant	Actual expenditure	Excess(+) Saving(—)
<i>(Rupees in lakhs)</i>						
1.	13—Co-operation Department					
(a)	2425—Co-operation	14.54	(+)3.88	18.42	7.31	(—)11.11
	101—Audit of Co-operatives					
(b)	108—Assistance to other Co-operatives (CSS)	20.50	(+)3.00	23.50	13.25	(—)10.25
2.	14—Public Works Department					
	2202—General Education	1.58	(—)1.58	Nil	5.74	(+)5.74
	02—Secondary Education					
	105—Teachers' Training					
3.	15—Public Works Department Building					
(a)	4552—Capital Outlay on North Eastern Areas	10.00	(—)9.50	0.50	462.76	(+)462.26
	800—Other Expenditure Urban Health Services					
(b)	4202—Capital Outlay on Education, Sports, Art and Culture	41.00	(—)39.30	1.70	7.45	(+)5.75
	03—Sports, Youth Services and Sports Stadia					
	800—Other Expenditure					
4.	16—Public Works Department Roads and Bridges					
	5054—Capital Outlay on Roads and Bridges	450.00	(—)9.00	441.00	583.38	(+)142.38
	04—District and other Roads—District Roads					
5.	17—Electricity Department					
(a)	2801—Power	256.00	(+)6.70	262.70	136.79	(—)125.91
	04—Diesel/Gas Power Generation					
	800—Other Expenditure (Gas Power)					
(b)	4801—Capital Outlay on Power Project	517.00	(—)15.00	502.00	Nil	(—)502.00
	800—Other Expenditure (Gas supply in Agartala for domestic use)					



## APPENDIX 2.2—Contd.

(Reference para 2.2.08 at page 20)

## Injudicious re-appropriation of funds

Serial Number	Number and name of grant and head of account	Provision (original plus supplementary)	Re-appropriation	Total grant	Actual expenditure	Excess(+) Saving(—)
<i>(Rupees in lakhs)</i>						
6.	18—Irrigation and Flood Control 2702—Minor Irrigation	87.00	(+)3.00	90.00	71.83	(—)18.17
	01—Surface water other Minor Irrigation Scheme					
7.	19—Irrigation and Flood Control (Capital)					
	(a) 4701—Capital Outlay on Major and Medium Irrigation	352.00	(—)24.50	327.50	514.35	(+)186.85
	800—Other Expenditure					
	(b) 4215—Capital Outlay on Water Supply and Sanitation	76.00	(—)16.00	60.00	67.25	(+)7.25
	01—Water Supply					
	800—Other Expenditure					
8.	20—Education Department (General)					
	(a) 2203—Engineering/Technical Colleges and Insti- tutes	57.63	(+)6.51	64.14	39.26	(—)24.88
	(b) 2204—Sports and Youth Services Other Ex- penditure	13.00	(+)23.36	36.36	9.71	(—)26.65
9.	21—Education Department (Social)					
	(a) 102—Pension under Social Security Schemes	174.86	(+)22.11	196.97	149.93	(—)47.04
	(b) 2235—Social Security and Welfare	64.42	(—)3.00	61.42	81.98	(+)20.56
	02—Social Welfare					
	101—Welfare of Handi- capped					
	(c) 104—Welfare of aged Infirm and Destitute	48.04	(—)6.28	41.76	55.84	(+)14.08

## APPENDIX 2.2—Concl'd.

(Reference : Para 2.2.08 at Page 20)

## Injudicious re-appropriation of funds

Serial Number	Number and name of grant and head of account	Provision (original plus supplementary)	Re-appropriation	Total grant	Actual expenditure	Excess(+) Saving(—)
10. 26—	Tribal Welfare Department			<i>(Rupees in lakhs)</i>		
	2225—Welfare of Scheduled Castes, Scheduled Tribes and other Backward classes					
	80—General					
	800—Other Expenditure (CSS)	6.40	(+)33.39	39.79	2.80	(—)36.99
11. 32—	Industries Department					
	2875—Other Industries Large and Medium Industries other Industries	61.15	(—)19.05	42.11	75.41	(+)33.30
12. 37—	Forest Department					
	02—Environmental Forestry and Wild Life Development of Park and Garden	3.50	(—)1.53	1.97	9.65	(+)7.68
13. 38—	Rural Development Department					
	Community Development					
	(a) 2505—Rural Employment	10.00	(+)8.10	18.10	Nil	(—)18.10
	800—Other expenditure Construction of Sanitary Latrine (CSS)					
	(b) 701—National Rural Programme (CSS)	199.11	(—)14.10	185.01	292.90	(+)107.89
14. 45—	Finance Department (Revenue)					
	2070—Other Expenditure Provision for grants-in-aid/contribution and other expenditure distributable under functional major heads	647.00	(—)647.00	...	6.02	(+)6.02



## APPENDIX 6.1

(Reference : Paragraph 6.2, Pages 149-150)

Utilisation Certificates outstanding (at the end of September 1988)

Department	Year in which grants were paid	Utilisation certificates					
		Outstanding on 1st October 1987		Received upto 30th September 1988		Outstanding on 30th September 1988	
		Number	Amount	Number	Amount	Number	Amount
(amounts in lakhs of rupees)							
Co-operation upto	1972-73	4	0.15	...	...	4	0.15
	1973-74	1	0.38	...	...	1	0.38
	1976-77	2	0.03	...	...	2	0.03
	1977-78	5	1.18	5	1.18	...	...
	1978-79	39	21.42	2	4.18	37	17.24
	1979-80	4	0.88	4	0.88	...	...
	1980-81	25	25.28	...	...	25	25.28
	1982-83	4	2.86	2	1.83	2	1.03
	1986-87	11	112.80	8	22.85	3	89.95
Education upto	1972-73	4	1.24	...	...	4	1.24
	1973-74	1	2.00	...	...	1	2.00
	1974-75	1	1.28	...	...	1	1.28
	1975-76	15	2.13	...	...	15	2.15
	1976-77	36	6.26	...	...	36	6.26
	1977-78	31	2.18	...	...	31	2.18
	1978-79	63	10.36	...	...	63	10.36
	1980-81	189	24.57	...	...	189	24.57
	1981-82	3	30.41	...	...	3	30.41
	1986-87	27	402.17	7	61.02	20	341.15
Finance	1979-80	14	8.58	...	...	14	8.58
General Administration	1977-78	20	0.23	...	...	20	0.23
Industries	1976-77	1	0.23	...	...	1	0.23
	1977-78	14	3.49	...	...	14	3.49
	1978-79	8	4.27	...	...	8	4.27
	1979-80	18	26.78	...	...	18	26.78
	1981-82	5	2.48	...	...	5	2.48
	1986-87	6	234.35	...	...	6	234.35
Local Self-Government	1985-86	103	186.26	4	4.75	99	181.51
	1986-87	76	103.69	9	9.19	67	94.50

## APPENDIX 6.1 (Concl'd.)

(Reference : Paragraph 6.2, Pages 149—150)

Utilisation Certificates outstanding (at the end of September 1988)

Department	Year in which grants were paid	Utilisation Certificates					
		Outstanding on 1st October 1986		Received upto 30th September 1987		Outstanding on 30th September 1988	
		Number	Amount	Number	Amount	Number	Amount
(amounts in lakhs of rupees)							
Panchayat	1984-85	2	1.21	...	...	2	1.21
	1986-87	4	497.26	...	...	4	497.26
Tribal Welfare	1973-74	9	1.16	...	...	9	1.16
	1974-75	94	13.81	...	...	94	13.81
	1975-76	107	18.84	...	...	107	18.84
	1976-77	105	32.40	...	...	105	32.40
	1977-78	69	63.17	...	...	69	63.17
	1978-79	26	71.01	...	...	26	71.01
	1979-80	19	70.31	...	...	19	70.31
	1980-81	9	66.60	...	...	9	66.60
	1985-86	58	202.90	...	...	58	202.90
	1986-87	58	924.98	...	...	58	924.98
Director of State Lotteries	1979-80	14	8.58	...	...	14	8.58
	1982-83	21	14.35	...	...	21	14.35
Land Revenue	1985-86	2	1.75	...	...	2	1.75
Fisheries	1985-86	2	23.42	...	...	2	23.42
	1986-87	10	50.29	...	...	10	50.27
Total :		1339	3279.98	41	105.88	1298	3174.10



## APPENDIX 6.2

(Reference : Paragraph 6.3.5, Pages 152—153)

Details for towns selected, project reports prepared etc., (referred to in para 6.3.5)

Name of District	Name of towns selected	Category of towns	Date of sending project report to T.C.P.O	Date of clearance by T.C.P.O	Date of approval by the Central Government
1. South Tripura	Udaipur	District town	25.11.1980	11.12.1980	27.2.1981
2. North Tripura	Kailashahar	District town	7.5.1983	3.1.1984	24.11.1984
3. North Tripura	Dharmanagar	Sub-Divisional town	7.5.1983	23.7.1983	9.3.1988

## APPENDIX

Statement showing particulars of paid up capital, outstanding loans,  
(Referred to in Paragraph

Serial Number	Name of Company	Paid up capital at the end of current year				Loan outstanding at the close of the current year
		State Government	Central Government	Others	Total	
1	2	3(a)	3(b)	3(c)	3(d)	4
						(In lakhs)
1.	Tripura Small Industries Corporation Limited	90.92	...	...	90.92	136.90
2.	Tripura Handloom and Handicraft Development Corporation Limited	104.44	3.00	...	107.44	206.68
3.	Tripura Jute Mills Limited	762.01	...	...	762.01	643.76
4.	Tripura Industrial Development Corporation Limited	144.50	...	76.00	220.50	6.00
5.	Tripura Forest Development and Plantation Corporation Limited	468.52	29.50	...	498.02	190.93
6.	Tripura Tea Development Corporation Limited	38.00(a)	...	...	38.00	Nil
7.	Tripura Rehabilitation Corporation Limited	106.78	...	...	106.78	31.72
8.	Tripura State Bank Limited (in liquidation)	3.75	...	...	3.75	...
	TOTAL :	1718.92	32.50	76.00	1827.42	1215.99

(a) The position was upto end of March 1987. Capital invested during 1987-88 could



7.1

working results, etc., of the Companies

1.2.2, Pages 166-167)

Amount of guarantee given 1978-79	Amount of guarantee outstanding at the close of the year	Position at the end of the year for which accounts were finalised				Remarks
		Year for which accounts were finalised	Paid up capital at the end of the year	Accumulated profit (+) loss (—)	Any excess of loss over paid up capital	
5(a)	5(b)	6(a)	6(b)	6(c)	6(d)	7
<i>of rupees)</i>						
75.00	...	1978-79	33.99	(—)22.72	...	
Nil	Nil	1978-79	8.44	(+)0.52	...	
562.43	562.43	1981-82	373.00	(—)121.28	...	
0.03	Nil	1984-85	48.00	(—)2.66	...	
314.07	...	1981-82	103.50	(—)5.89	...	
Nil	Nil	...	...	...	...	First accounts from 11.8.80 are awaited
96.00	Nil	1983-84	13.50	(—)0.66	...	
...	...	...	...	...	...	Under liquidation since 1970-71

not be furnished by the department.

## APPENDIX

Summarised financial results of Government Companies for the year for which

Serial Number	Name of Company	Name of the department	Date of incorporation	Period of accounts	Year in which finalised	Total Capital invested at the end of year of accounts
1	2	3	4	5	6	7
<i>(Figures in columns 7 to 13)</i>						
1.	Tripura Small Industries Corporation Limited	Industry	30th April 1965	1978-79	1984-85	48.57
2.	Tripura Handloom and Handicraft Development Corporation Limited	Industry	5th September 1974	1978-79	1984-85	33.14
2.	Tripura Jute Mills Limited	Industry	10th October 1974	1981-82	1986-87	854.59
4.	Tripura Industrial Development Corporation Limited	Industry	28th March 1974	1984-85	1986-87	68.00
5.	Tripura Forest Development and Plantation Corporation Limited	Forest	26th March 1976	1981-82	1984-85	103.50
6.	Tripura Tea Development Corporation Limited	Industry	11th August 1980		First accounts	
7.	Tripura Rehabilitation and Plantation Corporation Limited	Tribal Welfare	3rd February 1983	1983-84	1984-85	13.50
8.	Tripura State Bank Limited				Under liquidation	

Note : —Capital invested represents paid-up capital *plus* long term loan and free reserves and Capital employed represents net fixed assets (excluding capital works in progress)