

**Report of the
Comptroller and Auditor General of India
on
Social, Economic and Revenue Sectors
for the year ended 31 March 2020**



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

GOVERNMENT OF TRIPURA

Report No. 2 of 2022

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Auditor General of India
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PREFACE

1. This Report for the year ended March 2020 has been prepared for submission to the Governor of Tripura under Article 151 of the Constitution of India.
2. This Report contains significant results of the performance and compliance audit of the departments of the Government of Tripura under Social, Economic and Revenue Sectors including the departments of Urban Development, Agriculture & Farmers' Welfare, Power, Finance, Public Works (Roads & Buildings) and Forest Departments.
3. The cases mentioned in this Report are those which came to notice in the course of test audit during the year 2019-20 as well as those which came to notice in earlier years but could not be dealt with in the previous Reports. Matters relating to the period subsequent to 2019-20 have also been included, wherever necessary.
4. The audits have been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

OVERVIEW

OVERVIEW

Chapter-I

Introduction

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from the performance audits and test audit of transactions of various departments of the Government of Tripura pertaining to Social, Economic and Revenue Sectors. The primary purpose of this Report is to bring to the notice of the State Legislature, significant results of audit.

During 2019-20, total 186 auditee units out of 1,680 units, were planned for audit after carrying out risk assessment and keeping in view the available manpower, of which 63 units were actually audited during 2019-20. This Report *inter alia* contains three Performance Audits titled “Efficacy of Implementation of 74th Constitutional Amendment Act”, “Development and Promotion of Horticulture in Tripura” and “Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) and Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) schemes”, one Subject Specific Compliance Audit on “Processing of Refund claims under GST in Tripura” and three Compliance Audit paragraphs.

Chapter-II

Social Sector

Performance Audit

Urban Development Department

Efficacy of Implementation of 74th Constitutional Amendment Act

The 74th Constitutional Amendment came into effect on 1 June 1993 and empowered Urban Local Bodies (ULBs) to perform 18 functions listed in the 12th Schedule of the Constitution of India. The Government of Tripura through enactment of Tripura Municipal Act, 1994 transferred all the 18 functions to ULBs. In practice, functions like fire service, creation and maintenance of water supply were discharged by the State Government departments. Non-functioning of Ward Committees and District Planning Committees affected the effective implementation of devolved functions by ULBs.

Although the State Property Tax Board was constituted, it remained non-functional. The ULBs, thus, lacked technical guidance for assessment and revision of Property Tax. They also lacked adequate manpower to carry out efficient delivery of services. Vacancies ranging from 14 *per cent* to 57 *per cent* among the various categories affected the functioning of the ULBs. Non-constitution of second SFC, non-submission of the third SFC report and non-acceptance of fourth SFC report by the State Government was a constraint in strengthening ULBs which also defeated the very purpose of the institution.

The ULBs lacked adequate resources of their own which affected service delivery to the citizens. Powers pertaining to the rates and revision of taxes thereof, procedure of collection and method of assessment were vested with the State Government, which eroded the autonomy of ULBs in generating their own revenue.

Paragraph 2.2

Chapter-III

Economic Sector

Performance Audit

Agriculture and Farmers' Welfare Department

Development and Promotion of Horticulture in Tripura

Horticulture is defined as the science of growing and management of fruits, vegetables including tubers, ornamental, aromatic and medicinal crops, spices, plantation crops and their processing, value addition and marketing. The horticulture crops include fruits, vegetables, spices, plantation crops and flowers. Crops like mushroom, bamboo and bee keeping (helps in improving crop productivity) are also important components of horticultural development. Over the past two decades, the horticulture sector has emerged as a prominent sector in the Indian agricultural scenario contributing to the overall economic growth. Besides providing nutritional and health benefits, this sector has given wide variety of products that are available round the year. The sector also provides a wide range of options for sustainable rural economy through diversification. In order to provide impetus to horticulture sector, Government of India has undertaken several initiatives. The Major scheme – Mission for Integrated Development of Horticulture (MIDH) is being implemented in the country by adopting an end to end approach for increasing production of horticulture crops and reducing post-harvest losses.

Tripura is characterised by hilly terrain consisting of parallel hills and ridges alternated with narrow valleys, deep fertile soil, sub-tropical humid climate with abundance of rainfall, offering immense scope for development of horticultural sector. In the State, the area under horticultural crops has declined from 1,23,268 ha in 2015-16 to 1,21,160 ha in 2019-20 with marginally increase in production from 14,55,215 MT to 14,58,245 MT.

The Directorate of Horticulture & Soil Conservation is implementing an umbrella of schemes for development of horticulture in the State. Mission for Integrated Development of Horticulture (MIDH) was the biggest scheme among all the schemes. The State Horticulture Mission (SHM) and the district level Missions were constituted under the MIDH in 2014 and the MIDH programme has been implemented in the State from 2014-15. Audit noticed that Annual Action Plans (AAPs) for 2015-16 to 2019-20 were prepared without following the bottom up approach contrary to GoI

guidelines. Audit noticed that a major supply of seedlings and plants were made from private nurseries. Production of quality planting material was not ensured by the Department before distribution to the beneficiaries. The area under cultivation in respect of vegetables, fruits, nuts, spices and potato declined marginally in 2019-20 as compared to 2015-16 whereas there was a marginal increase in production during the same period.

There was substantial shortfall in creation of Water Harvesting Structures, Integrated Nutrient Management (INM), Integrated Pest Management (IPM) activities and creation of marketing infrastructure. Initiatives under post harvest management aimed at reducing post harvesting losses and improving marketability of horticulture produce were largely ineffective as creation of cold storage facilities were very limited and these were mostly non-functional. Establishment of food processing industry in the State was also not very impressive as only seven units came up during 2015-20. Monitoring activities were inadequate and independent impact evaluation was not done by the Department. Further, despite creation of separate wing of Horticulture under the Department of Agriculture and Farmers' Welfare way back in 1985, full-fledged infrastructure is yet to be developed for horticulture in the State.

Paragraph 3.2

Compliance Audit Paragraphs

PUBLIC WORKS (Roads and Building) DEPARTMENT

Unauthorised expenditure

The Department unauthorisedly utilised Central Road Fund of ₹ 2.43 crore on an unapproved road project in violation of Central Road Fund (State Roads) Rules, 2014 and also falsely reported to Government of India about utilisation of Central Road Fund.

Paragraph 3.3

Extra expenditure

The Department incurred extra expenditure of ₹ 0.68 crore towards payment of price variation due to delay in handing over clear site to the construction agency.

Paragraph 3.4

FOREST DEPARTMENT

Unfruitful expenditure

There was unfruitful expenditure of ₹ 2.36 crore on creation of eco-park under MGNREGS funds as the park was lying unused due to non-availability of funds for maintenance.

Paragraph 3.5

Chapter-IV

Economic Sector (State Public Sector Undertakings)

Functioning of Public Sector Undertakings

As on 31 March 2020, the State of Tripura had 16 PSUs (15 working and 1 non-working). Out of 15 working PSUs, 14 are Government companies and one is Statutory Corporation. As on 31 March 2020, the investment of the State Government (capital and long-term loans) in 16 PSUs was ₹ 1,714.35 crore consisting of 87.96 per cent (₹ 1,508.00 crore) towards capital and 12.04 per cent (₹ 206.35 crore) towards long-term loans.

Paragraph 4.1.1 and 4.1.2

As per the information furnished by the PSUs, during 2019-20 the State Government provided budgetary support of ₹ 133.71 crore in the form of capital (₹ 49.89 crore) and grants/ subsidy (₹ 83.82 crore).

Paragraph 4.1.4

As per the latest finalised accounts of PSUs as on 30 September 2020, the accumulated losses (*net of free reserves*) of four out of 15 working PSUs (₹ 429.76 crore) had completely eroded their paid-up capital (₹ 290.79 crore). During the year 2019-20, out of 15 working PSUs, six PSUs earned an aggregate profit of ₹ 20.65 crore, while nine PSUs incurred loss of ₹ 95.60 crore as per their latest finalised accounts.

Paragraph 4.1.9.2

Performance Audit

Power Department

Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY)/ Saubhagya

Deen Dayal Upadhyaya Gram Jyoti Yojana

With a view to address the problem of inadequate and unreliable power supply, strengthening of distribution network in rural areas and to complete the ongoing works of rural electrification under erstwhile Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) (launched in March 2005), Government of India (GoI) launched (December 2014) “Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)” subsuming the targets laid down under XII Five Year Plan (XII FYP 2012-17) for erstwhile RGGVY as a separate rural electrification sub-component by carrying forward the approved outlay for the RGGVY to the DDUGJY.

Performance Audit of Implementation of the RGGVY and DDUGJY revealed that the schemes were characterised by several instances of non-adherence to the scheme guidelines. RGGVY projects were planned without adequate survey work as DPRs were prepared on the basis of old data and had many discrepancies. There

were instances of inefficiencies in contract management, execution of works and violation of provisions of tripartite agreement by the State Government.

The materialisation of desired objectives of RGGVY, DDUGJY, Saubhagya had failed at the planning stage. To limit the expenditure within the sanctioned cost of Government of India (GoI), Tripura State Electricity Corporation Limited (TSECL) had to reduce the estimates. Due to reduction in scope of works various parameters had been reduced significantly ranging from two *per cent* to 83 *per cent*, which resulted in shortfall in laying of lines, construction of sub-stations, augmentation of existing sub-stations, non-providing of electric connection in public places and shortfall in providing service connection to BPL households. Consequently, the actual need of the State could not be fulfilled.

Further, DPRs of Saubhagya scheme were deficient in incorporating the status of electrification of urban household, number of economically poor urban household as per Socio Economic Caste Census (SECC), 2011 data for providing service connection under the scheme. In absence of information on these essential parameters in the DPRs desired objective of the schemes and progress of Physical and Financial milestones could not be monitored periodically which resulted in time and cost overrun of various works undertaken under different RE schemes.

Project implementation was beset with slow execution of works, idle investments, weak monitoring, delays in award of contracts and non-handing over/ charging of completed works. Lack of diligence was observed in management of financial resources. TSECL failed to lodge the claim to State Government for reimbursement of taxes paid from the scheme fund. Apart from that, non- preparation of audited accounts and Bank Reconciliation Statement, delay in furnishing of Utilisation Certificates, discrepancies in the audited accounts and fund utilisation reports revealed a weak internal control mechanism.

Against 7,96,000 Rural households as on October 2017, 1,06,635 (13.40 *per cent*) Rural households remained un-electrified in the State as on 31 March 2020. So, the objective of providing last mile connectivity and electricity connection to Rural households under the Saubhagya scheme could not be achieved.

Paragraph 4.2

Chapter-V

Revenue Sector

General

During the year 2019-20, the revenue raised by the State Government was ₹ 2,373.44 crore which was 21.57 *per cent* of the total Revenue Receipts. The balance 78.43 *per cent* of the Revenue Receipts during 2019-20 was received from the GoI in the form of State share of Union Taxes and Duties and Grants-in-Aid. The rate of growth of own revenue of the State declined during 2019-20 to 11.01 *per cent* compared to 11.62 *per cent* during 2018-19. The total Revenue Receipts of the State

also decreased by 8.56 *per cent* from ₹ 12,030.89 crore in 2018-19 to ₹ 11,001.59 crore in 2019-20 due to less receipts of Grants-in-aid from GoI during 2019-20.

Paragraph 5.1.1

The actual collection of revenue from SGST over the last three years from 2017-18 to 2019-20 was short of target as projected in the Revised Estimates for the respective years.

Paragraph 5.1.2(i)

The arrear of revenue increased from ₹ 34.17 crore at the end of March 2019 to ₹ 67.62 crore at the end of March 2020. The arrear of revenue outstanding for more than five years also increased from ₹ 18.86 crore to ₹ 42.34 crore during the same period.

Paragraph 5.1.3

During the last ten years, 25 paragraphs involving ₹ 54.20 crore featured in the Audit Reports, of which 22 paragraphs involving ₹ 47.76 crore had been accepted by the State Government. Out of this, only ₹ 1.93 crore (3.56 *per cent*) has been recovered (December 2020).

Paragraph 5.1.6.2

FINANCE DEPARTMENT

Subject Specific Compliance Audit on ‘Processing of Refund claims under GST in Tripura’

Taxes and Excise Organisation functioning under the Finance Department, Government of Tripura plays a very important and crucial role in mobilisation of financial resources in the State. The Commissioner of Taxes is responsible for administration of taxation measures and for general control and supervision over the implementation of Tax laws throughout the State. The introduction of Goods and Services Tax (GST) consolidates multiple taxes into one with effect from 1 July 2017. The levy and collection of GST is governed through the Sales Tax Charges (15) spread across the State. The charges are headed by the Superintendents of Taxes (ST).

Timely refund mechanism constitutes a crucial component of tax administration as it facilitates trade through release of blocked funds for working capital, expansion and modernisation of existing businesses. Goods and Services Tax (GST) laws aimed to streamline and standardise the refund procedures with the claim and sanctioning procedures contemplated to be completely online. Audit noticed certain cases where the Department did not adhere to the prescribed timelines leading to instances of delay in issuing of acknowledgement, sanction of refund orders and communicating refund orders to counterpart tax authority. In addition, issues such as non-conducting of post audit of refund claims and non-production of records, were also noticed.

Paragraph 5.2

Chapter-VI

Follow up of Audit observations

As of November 2020, 14 out of 17 departments did not submit explanatory notes on 65 Paragraphs (47 Paragraphs and 18 Performance Audit) out of 89 Paragraphs (63 paragraphs and 26 Performance Audits) of Audit Reports awaiting discussion by Public Accounts Committee (PAC) relating to the Audit Reports from the years 2001-02 and 2004-05 to 2017-18.

Paragraph 6.1.1(a)

As of November 2020, three departments did not submit explanatory notes on 10 paragraphs (seven paragraphs and three performance audits) out of 17 paragraphs (12 paragraphs and five performance audits) of Audit Reports awaiting discussion by Committee on Public Undertakings (COPU) relating to the Audit Reports from the years 2009-10 to 2017-18.

Paragraph 6.1.1(b)

Analysis of the position of outstanding IRs showed that 4,373 paragraphs included in 684 Inspection Reports (IRs) issued during the last five years up to 2019-20 were pending for settlement as of September 2020 of these, even the first reply had not been received in respect of 167 IRs in spite of repeated reminders.

Paragraph 6.3

There are 4,373 paragraphs involving ₹ 2,954.01 crore relating to 684 IRs issued during the last five years 2015-16 to 2019-20 which remained outstanding at the end of 30 September 2020 under Social, Economic, Revenue and General Sectors.

Paragraph 6.5

CHAPTER I: INTRODUCTION

CHAPTER I: INTRODUCTION

1.1 About this Report

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from the performance audits and test audit of transactions of various departments of the Government of Tripura pertaining to Social, Economic and Revenue Sectors.

The primary purpose of this Report is to bring to the notice of the State Legislature, significant results of audit. Auditing standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The findings of audit are expected to enable the Executive to take corrective action, to frame appropriate policies as well as to issue directives that will lead to improved financial management and contribute to better governance.

This chapter in addition to explaining the planning and coverage of audit, provides a synopsis of significant instances of non-compliance with applicable laws, rules, regulations, various orders and instructions issued by competent authorities.

1.2 Authority for Audit

This office functioned as a Branch Office of the Accountant General, Assam from 1967. Since 18 November 1974, it has been functioning as an independent office. Following a restructuring of cadres in 1984, the audit functions were entrusted to the office of the Accountant General (Audit), Tripura and the Accounts and Entitlement functions were entrusted to the Accountant General (A&E), Tripura.

Under the directions of C&AG, the Office of the Principal Accountant General (Audit), Tripura conducts audit of government departments, Public Sector Undertakings, Autonomous Bodies and other Institutions¹ under Social, Economic, Revenue and General Sectors, which are spread all over the State. The Accountant General (Audit) is assisted by two Deputy Accountants General.

The authority for audit is derived from Article 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (C & AG's (DPC) Act). Under Section 13 of the C & AG's (DPC) Act the Office of the Principal Accountant General (Audit) has been entrusted with the audit of all expenditure incurred from the Consolidated Fund of Government of Tripura. This office conducts audit of revenue receipts of Government of Tripura under Section 16 of the C & AG's (DPC) Act. This office conducts supplementary audit of the Balance Sheet of all State Government companies under Section 143 (6) (a) of the Companies Act, 2013. This office is responsible for audit of accounts of autonomous bodies and authorities falling under Section 14, 15, 19 (2), 19 (3) and 20 (1) of C & AG's (DPC) Act.

¹ Audit of World Bank assisted projects, Asian Development Bank assisted projects, etc.

Besides these, this office is also responsible for audit of accounts of Tripura Tribal Areas Autonomous District Council (TTAADC) constituted under the provision of Sixth Schedule of the Constitution. The Audit Report on the accounts of the Council is prepared separately for laying before the Council. The C&AG prescribes the principles and methodologies for various audits in the Auditing Standards and the Regulations on Audit and Accounts (Amendments), 2020.

1.3 Planning and conduct of Audit

Audit process commences with the assessment of risk of the departments based on the expenditure incurred, criticality/complexity of activities, priority accorded for the activity by the Government, level of delegated financial powers, assessment of internal controls, concerns of stakeholders, previous audit findings, *etc.* Based on this risk assessment, frequency and extent of audit are decided and an annual audit plan is formulated to conduct audit.

After completion of each audit, Inspection Report (IR) containing audit findings is issued to the Head of the unit with a request to furnish replies within one month of receipt of the IR. Wherever replies are received, audit findings are either settled or further action for compliance is advised. Significant audit observations pointed out in these IRs, which require attention at the highest level in the Government, are processed for inclusion in the Audit Report which are submitted to the Governor of Tripura under Article 151 of the Constitution of India for causing them to be laid on the Table of the State Legislature.

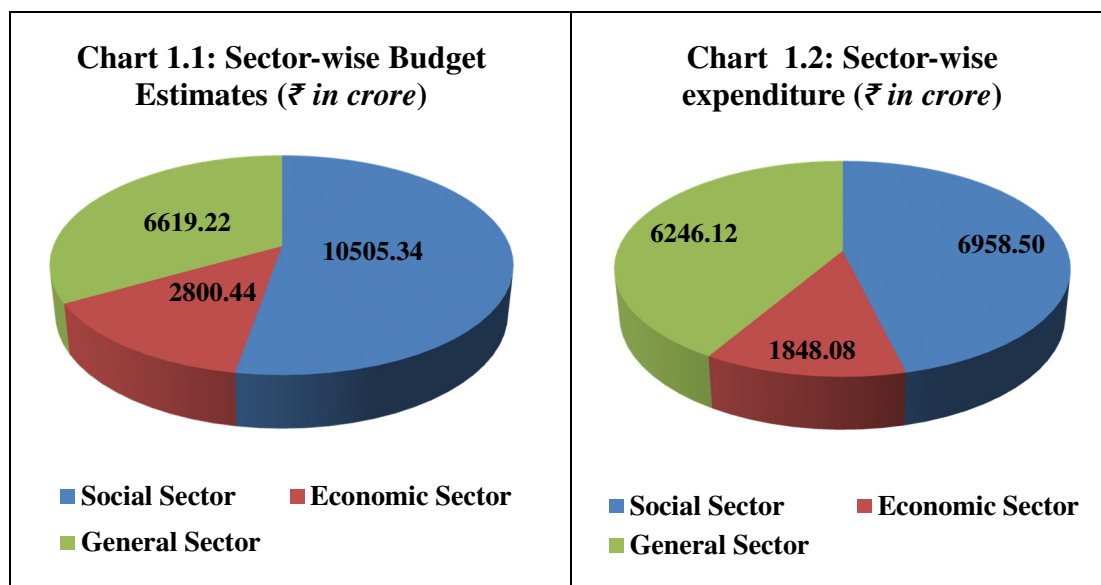
Audit Plan is prepared in such a way that it fits into the long term and short term goals of audit in consonance with the overall “Vision and Mission” of the Indian Audit & Accounts Department. It has been prepared after carrying out risk assessment and keeping in view the available manpower. Elements of the Audit Quality Management Framework (AQMF) *viz.* materiality, inputs from Voucher Level Computerisation (VLC), financial size of the units, data from various e-governance initiatives taken by government, flagship programme undertaken by auditees, press criticism/ electronic media coverage, expected audit impact and continuous improvement based on past experience, *etc.* were taken into account to the extent possible while framing out the plan. A sector wise analysis of government spending, investment policy of the government in infrastructure development, industrialisation and socio-economic activities alongwith due consideration of possible audit impact were taken into account in prioritising auditee units for preparing the audit plan.

Considering the availability of resources, focus has been given in areas of high financial risk than to thinly spreading out the resources throughout the Government activities. This would have better socio-economic impact and add value to

governance. Out of 1,680 auditee units², 186 units³ were planned for audit during 2019-20 after carrying out risk assessment and keeping in view the available manpower, of which 63 units⁴ were actually audited during 2019-20.

1.4 Significant Audit Observations

During the year 2019-20, the State Government had incurred an expenditure of ₹ 15,052.70 crore against the budget provision of ₹ 19,925.00 crore under Social, Economic and General Sectors. Sector wise expenditure is depicted in the **Charts 1.1** and **1.2**.



Source: Appropriation Accounts 2019-20

This Report *inter alia* contains three Performance Audits titled “Efficacy of Implementation of 74th Constitutional Amendment Act”, “Development and Promotion of Horticulture in Tripura” and “Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) and Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) schemes”, one Subject Specific Compliance Audit on “Processing of Refund claims under GST in Tripura” and three Compliance Audit paragraphs on major findings of audit from test check of the transactions of 63 units in the Social, Economic, Revenue and General Sectors involving an expenditure of ₹ 10,443.73 crore⁵. Significant audit findings are discussed in the respective succeeding chapters.

² As on 31 March 2020 {excluding Local Bodies (PRIs and ULBs), units under Central Government and Banks}

³ Social Sector: 38 units, Economic Sector: 70 units, Economic Sector (PSU): four units, Revenue Sector: 36 units and General Sector: 38 units

⁴ Social Sector: 21 units, Economic Sector: 10 units, Economic Sector (PSU): six units, Revenue Sector: 18 units and General Sector: eight units

⁵ Social Sector: ₹ 4,729.04 crore, Economic Sector: ₹ 258.88 crore, Economic Sector (PSU): ₹ 4,890.11 crore, Revenue Sector: ₹ 219.84 crore and General Sector: ₹ 345.86 crore

CHAPTER II: SOCIAL SECTOR

CHAPTER II: SOCIAL SECTOR

2.1 Introduction

This Chapter of the Audit Report deals with the findings of audit of Government units under Social Sector.

The total budget allocation and expenditure of the departments under Social Sector during the year 2019-20 are given in **Table 2.1.1**.

Table: 2.1.1: Details of allocation and expenditure under Social Sector

(₹ in crore)

Name of the Department	Budget allocation	Expenditure
Education (Higher)	247.12	204.69
Education (School)	1712.51	1542.16
Education (Social)	953.97	812.20
Elementary Education	924.32	852.22
Education (Youth Affairs and Sports)	75.03	68.91
Food, Civil Supplies and Consumer Affairs	145.14	70.26
Family Welfare and Preventive Medicine	490.32	445.69
Health	572.13	467.88
Labour Organisation	13.21	12.60
Panchayati Raj	361.50	329.90
Public Works (Drinking Water and Sanitation)	556.77	367.38
Relief and Rehabilitation	36.04	28.23
Rural Development	2726.20	796.57
Tribal Welfare (Research)	8.71	2.92
Kokborok and other Languages	0.89	0.79
Tribal Welfare	501.35	435.19
Tribal Rehabilitation in Plantation and Particularly Vulnerable Tribal	36.99	23.93
Urban Development	882.72	411.57
Welfare of Scheduled Castes	103.65	37.35
Welfare of Minorities	78.03	19.60
OBC Welfare	41.96	18.62
Skill Development	36.78	9.84
Total number of departments = 22	10505.34	6958.50

Source: Appropriation Accounts 2019-20

We audited 21 auditee units under this Sector covering expenditure of ₹ 4,729.04 crore (including of the previous year). This Chapter contains one Performance Audit titled “**Efficacy of Implementation of 74th Constitutional Amendment Act**” under the Urban Development Department.

URBAN DEVELOPMENT DEPARTMENT

2.2 Performance Audit of Efficacy of Implementation of 74th Constitutional Amendment Act

2.2.1 Introduction

The Constitution (Seventy Fourth Amendment) Act, 1992 (74th CAA) provides a constitutional status to Urban Local Bodies (ULBs). Article 243W of the Constitution authorises the State Legislatures to enact laws to endow local bodies with powers and authority to enable them to function as institutions of self-government and make provisions for devolution of powers and responsibilities. The Amendment empowers ULBs to function independently and to deliver services for economic development and social justice regarding 18 subjects listed in the twelfth Schedule of the Constitution of India (**Appendix 2.2.1**). The Government of Tripura enacted the Tripura Municipal Act, 1994 empowering ULBs to function as institutions of self-government to accelerate economic development in urban areas.

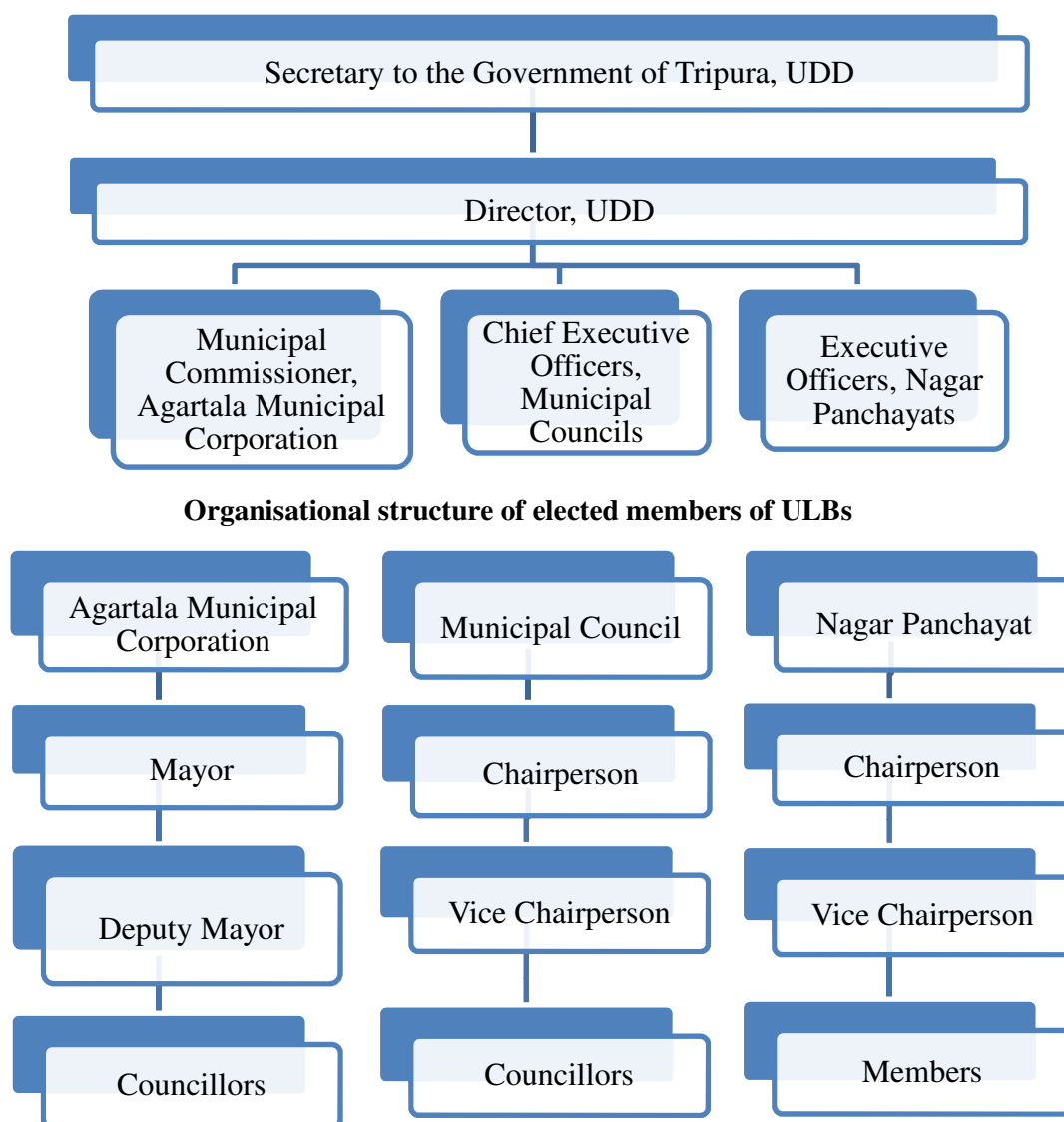
2.2.2 Profile of Urban Local Bodies in Tripura

Under Article 243 (M) of Constitution of India, the Scheduled areas referred to in clause (1), and the tribal areas referred to in clause (2), of Article 244 are exempted from Municipal areas.

In Tripura, there is one Municipal Corporation, 13 Municipal Councils and six Nagar Panchayats as of November 2021. The ULBs are governed by the Tripura Municipal Act, 1994. Each Municipal area has been divided into wards for the purpose of election of Councillors. The names of ULBs, area, population, *etc.* are shown in **Appendix 2.2.2**.

2.2.3 Organisational set-up of Urban Local Bodies

The Urban Development Department (UDD), headed by Secretary to the Government of Tripura is the nodal department for the governance of all ULBs in the State. The organisational structure with respect to functioning of ULBs in the State is shown in **Chart 2.2.1**.

Chart 2.2.1: Organisational structure of Urban Development Department

2.2.4 Scope of Audit

The Performance Audit (PA) covered the period from April 2015 to March 2020. The UDD, Government of Tripura being the nodal department was selected for scrutiny of records. Out of 20 ULBs in the State, 11 ULBs⁶ were selected through Simple Random Sampling Without Replacement (SRSWOR).

2.2.5 Audit objectives

The Performance Audit was conducted with the following Audit Objectives;-

- assess whether the ULBs have been empowered by the State Government to discharge their functions/ responsibilities effectively through creation of

⁶ i. Out of 13 Municipal Councils, seven Councils were selected (about 50 per cent).
 ii. Out of six Nagar Panchayats, three Nagar Panchayats were selected (50 per cent).
 iii. Agartala Municipal Corporation (AMC), being the lone Corporation in the State was selected.

- appropriately designed institutions/ institutional mechanisms and their function;
- evaluate the effectiveness of the functions stated to have been devolved;
- assess whether the ULBs were empowered to access adequate resources including sufficient resources for discharge of functions stated to be devolved to them.

2.2.6 Audit criteria

The following sources of audit criteria were adopted for the PA:

- Constitutional (74th) Amendment Act, 1992;
- Tripura Municipal Act, 1994;
- Tripura Municipal (Procedure and Conduct of Business) Rules, 1996;
- Tripura Municipal Accounting Manual, June 2011;
- Municipal (Water Supply, Levy and Collection of Water Charges) Rules, 2019;
- Tripura Property Tax Rules, 2016;
- Tripura Building Rules, 2017;
- Tripura Municipal (Delimitation of Constituencies) Rules, 1994;
- Central/ State Finance Commission Reports;
- Report of the Second Administrative Reforms Commission; and
- State Government's orders, notifications, circulars and instructions issued from time to time.

2.2.7 Audit methodology

The Performance Audit commenced with an Entry Conference held on 4 December 2020 with the Secretary, UDD and other officers of the UDD in which the audit methodology, scope, objectives and criteria were explained. This was followed by collection of relevant information through replies to audit queries/ memos, questionnaires and scrutiny of records. Draft audit findings were issued to the Government in August 2021 for response. Significant findings were discussed (13 August 2021) with the Secretary, UDD in an Exit Conference. The views and responses of the Government were duly incorporated appropriately.

2.2.8 Audit Findings

Audit Objective 1: To assess whether the ULBs have been empowered by the State Government to discharge their functions/ responsibilities effectively through creation of appropriately designed institutions/ institutional mechanisms and their function

2.2.8.1 Comparison with State level legislations with 74th CAA

The 74th CAA introduced certain provisions relating to municipalities *vide* Articles 243Q to 243ZG of the Constitution of India. The State Government *vide* Tripura Municipal Act, 1994 (TM Act) introduced provisions corresponding to the CAA provisions as indicated in **Table 2.2.1**.

Table 2.2.1: Comparison of State level legislations with the provisions of 74th CAA

Provision of Constitution of India	Requirement as per provision of Constitution of India	Provision of TM Act
Article 243Q	Constitution of Municipalities: It provides for constitution of three types of municipalities namely a Nagar Panchayat for transitional area, a Municipal Council for a smaller urban area and a Municipal Corporation for a larger urban area.	Section 10 of TM Act
Article 243R	Composition of Municipalities: All the seats in a Municipality shall be filled by direct elections and by persons with special knowledge in municipal administration nominated by Government. The Legislature of a State may by law, provide for representation to the Municipality, Members of Parliament and Legislative Assembly whose constituencies lie within the municipal area and Members of the Council of States and State Legislative Council who are registered as electors within the city.	Sections 11 and 12 of TM Act
Article 243S	Constitution and composition of Wards Committees: This provides for constitution of Wards Committees in all municipalities with a population of three lakh or more	Section 13 of TM Act
Article 243T	Reservation of seats: The seats to be reserved for Scheduled Caste (SC)/ Scheduled Tribe (ST), Women and Backward classes for direct election.	Section 18 of TM Act
Article 243U	Duration of Municipalities: The municipality has a fixed tenure of five years from the date of its first meeting and re-election to be held within the six months of end of tenure.	Section 19 of TM Act
Article 243V	Disqualifications for membership: A Person shall be disqualified for a member of a Municipality- If he is so disqualified by or under any law for the time being in force for the purposes of elections of the Legislature of the State concerned. If he is so disqualified by or under any law made by the Legislature of the State.	Sections 20 and 21 of TM Act
Article 243W	Powers, authority and responsibilities of the Municipalities: All municipalities would be empowered with such powers as may be necessary to enable them to function as effective institutions of self-government. The State Government shall entrust with such powers and authority to enable them to carry out the responsibilities in relation to the twelfth Schedule.	Section 96 to Section 139 of TM Act

Provision of Constitution of India	Requirement as per provision of Constitution of India	Provision of TM Act
Article 243X	Power to impose taxes by, and funds of the Municipalities: Municipalities would be empowered to levy and collect the taxes, fees, duties, <i>etc.</i> Grant-in-Aid would be given to the Municipalities from the State Constitution of funds for crediting and withdrawal of moneys by the Municipality	Section 192 of TM Act Sections 85, 86, 87, 88 and 89 of TM Act.
Article 243Y read with Article 243I	Finance Commission: State Government shall constitute Finance Commission for - reviewing the financial position of the Municipalities and taking such steps that help in boosting the financial condition of the Municipal bodies; - distributing between the State and the Municipalities of the net proceeds of the taxes, fees, tolls and duties that are charged by the State Government; - allotting the funds to the municipal bodies in the State from the consolidated fund of the State.	Section 269 of TM Act
Article 243Z	Audit of accounts of Municipalities: This provides provision for maintenance of accounts by the Municipalities and the auditing of such accounts.	Section 264 of TM Act
Article 243ZA read with Article 243K	Elections to the Municipalities: The superintendence, direction and control of all procedure of election of the Municipalities shall be vested in the State Election Commission (SEC).	Sections 49 to 71 of TM Act
Article 243ZD	Committee for District Planning: - Constitution of District Planning Committee at district level. - Composition of District Planning Committee. - Preparation of draft development plan and forwarded to the Government.	Section 270 of TM Act
Article 243ZE	Committee for Metropolitan Planning: Provision for constitution of Metropolitan Planning Committee (MPC) in every Metropolitan area with a population of 10 lakhs or more to prepare a draft development plan for the metropolitan area as a whole.	There is no Metropolitan city in Tripura.

Table 2.2.1 shows that the statutes are complied with the provisions of the 74th CAA. However, audit observed that the legal provisions were not backed by decisive action in which the spirit of the 74th CAA has not fructified. This was especially true in case of provisions pertaining to the devolution of functions and creation and functioning of appropriate institutional mechanisms for effective decentralisation, which are discussed in the subsequent paragraphs.

2.2.8.2 Actual status of devolution of functions

The 74th CAA sought to empower ULBs to perform functions and implement schemes in relation to 18 subjects specified in the twelfth Schedule of the Constitution of India.

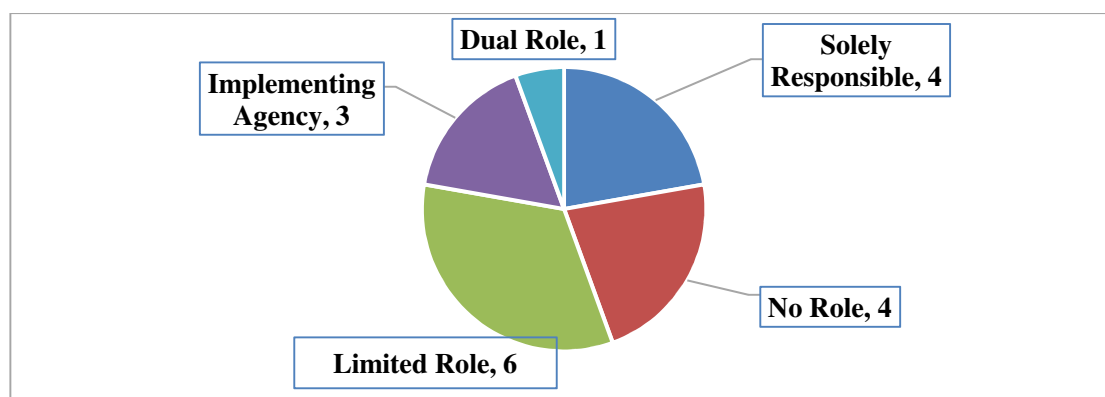
The Government of Tripura through enactment of TM Act, 1994 transferred all the 18 functions to ULBs. However, in practice, functions like fire services and water supply are still under the control of the State Government departments.

In the Exit Conference, the Department stated (August 2021) that due to lack of capacity of the municipalities, the function of fire service was being done by the Tripura Fire and Emergency Services. The function of water supply was being done by the State Public Works Department (Drinking Water and Sanitation), Government of Tripura.

Second Administrative Reforms Commission recommended (2009) that a process of activity mapping similar to the PRIs should be carried out for all ULBs. Activity mapping of functions by applying the principle of subsidiary is pre-requisite for comprehensive devolution. There should be corresponding funds and functionaries to make the process of decentralisation effective.

Audit noticed that there was no activity mapping in respect of different functions of ULBs. As a result, the devolved functions had overlapping areas between ULBs and the line departments/ agencies of the State Government. Although, the basic services viz. water supply, drainage, sanitation, solid waste management, construction and maintenance of roads are in the domain of ULBs as per the Constitutional mandate, the same were discharged by the line departments like Public Works Department, Urban Development Department, Forest Department, Education Department, Rural Development Department, *etc.* and the agency like Tripura Urban Development Authority. These line departments/ agencies were not accountable to the ULBs rather they were accountable to the State Government. Out of 18 functions, ULBs had full authority on four functions only; had no role in four functions; had limited role in six functions; they were mere implementing agencies in three functions; and in respect of one function, they had dual role with the State Public Works Department (PWD). Even Agartala Municipal Corporation was not given full powers as per the 74th CAA. The function-wise role of ULBs is depicted in **Chart 2.2.2** and **Table 2.2.2**.

Chart 2.2.2: Function-wise role of ULBs



The basic functions as prescribed under the Act of Municipalities exert tremendous pressure on the finances of the ULBs. An assessment of the status of such functions/ services by the various authorities and the overlap in discharge of the functions are

detailed in Table 2.2.2.

Table 2.2.2: Statement showing the actual status of implementation of functions

Sl. No.	Functions	Activities	Actual status of implementation
Functions where ULB has full jurisdiction			
1	Burials and burial grounds; cremations, cremation grounds	Construction, operation and maintenance (O & M) of crematoriums and burial grounds and electric crematoriums	ULBs were wholly responsible for discharging this function.
2	Vital statistics including birth and death registrations	Coordinating with hospitals/ crematoriums <i>etc.</i> for obtaining information Maintaining and updating database	ULBs maintained database of births and deaths. ULBs registered and issued certificates of birth and death.
3	Provision of urban amenities and facilities such as parks, gardens, playgrounds	Creation of parks and gardens Operation and Maintenance (O & M)	This function was done by ULBs. Creation and O&M of parks, gardens, playgrounds, installation of play and gymnasium equipment in parks were done by the ULBs.
4	Urban poverty alleviation	Identifying beneficiaries Livelihood and employment Street vendors	Selection of beneficiaries was done by the ULBs. Livelihood and employment were provided through Deendayal Antyodaya Yojana-National Urban Livelihoods Mission (DAY-NULM) and Tripura Urban Employment Programme (TUEP). ULBs were wholly responsible for discharging this activity.
Functions with no role for ULBs			
5	Cattle pounds; prevention of cruelty to animals	Catching and keeping strays Sterilisation and anti-rabies Ensuring animal safety	The ULBs had no cattle pounds and the activities under this function were not implemented by the ULBs.
6	Regulation of slaughter houses and tanneries	Ensuring quality of animals and meat Disposal of waste O&M of slaughter houses	The ULBs had no slaughter house. The goats, chickens, <i>etc.</i> were slaughtered in open places.
7	Slum improvement and upgradation	Identifying beneficiaries Affordable housing Upgradation	The slum improvement and upgradation was done by the Urban Development Department. The role of ULBs was limited to identification of beneficiaries only.
ULBs as mere implementing agencies or limited role			
8	Urban planning including town planning	Master planning/ Development Plans/ Zonal Plans Enforcing master planning	Tripura Urban Development Authority ⁷ (TUDA) was entrusted to prepare master plans. Master plan was not been prepared by TUDA for any ULB. Enforcement was done by TUDA.

⁷ a parastatal agency

Sl. No.	Functions	Activities	Actual status of implementation
		regulations	
		Enforcing building bye-laws and licenses	Enforcement was done by the UDD. ULBs role was limited to issue and renewal of building licenses.
		Group housing, Development of industrial areas	ULBs role was to identify the beneficiaries for group housing only.
9	Planning for economic and social development	Programme implementation for economic activities	Only selection of beneficiaries was done by the ULBs and the beneficiary list was furnished to the State Government departments/ offices.
		Policies for social development	
10	Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded	Identifying beneficiaries	Only Selection of beneficiaries was done by the ULBs and the beneficiary list was furnished to the State Government departments like SC welfare, OBC welfare, etc. Further, the State Government departments provided services to the weaker sections of society on the basis of the beneficiary list.
		Providing tools/ benefits such as tricycles	
		Scholarships	
		Housing programmes	One centrally sponsored housing scheme named 'Pradhan Mantri Awas Yojana (PMAY)' and one State sponsored scheme named 'Tripura State Government Housing Scheme (TSGHS)' were implemented by the ULBs.
Functions with dual role			
11	Roads and bridges	Construction and maintenance of roads	Municipal roads were being constructed and maintained by the ULBs. Major roads in ULBs were being constructed by the State PWD (Roads & Buildings) {PWD (R&B)}.
		Construction and maintenance of bridges, drains, flyovers and footpaths	
Functions with minimal role and/ or having overlapping jurisdictions with the State Government departments and/ or parastatals			
12	Regulation of land-use and construction of buildings	Regulating land use	This was being done by TUDA.
		Approving building plans/ high rises	This was done by the ULBs.
		Demolishing illegal buildings	
13	Water supply for domestic, industrial and commercial purposes	Distribution of water	This was done by State PWD (Drinking Water & Sanitation) {PWD (DWS)}.
		Providing connections	
		Operation & Maintenance (O&M)	
		Collection of charges	Water charges were collected by the ULBs.
14	Public health, sanitation conservancy and solid waste management	Maintaining hospitals, dispensaries	There was no hospital under the control of ULBs. State Health and Family Welfare Department (H & FWD) maintained hospitals and dispensaries and also undertake immunisation/ vaccination.
		Immunisation/ Vaccination	
		Registration of births and deaths	Registration of births and deaths was done by the ULBs.

Sl. No.	Functions	Activities	Actual status of implementation
		Cleaning and disinfection of localities affected by infectious disease	The ULBs were responsible for cleaning and disinfection of localities affected by infectious disease, solid waste management and control and supervision of public markets.
		Solid waste management	
		Control and supervision of public markets	
15	Urban forestry, protection of the environment and promotion of ecological aspects	Afforestation	ULB had no role in urban forestry.
		Greenification	Road side plantation of trees, bamboos and beautification of roads were done by the Forest Department.
		Awareness drives	
		Protection of the environment and promotion of ecological aspects	ULBs discharged this function.
		Maintenance of natural resources like water bodies, <i>etc.</i>	
16	Promotion of cultural, educational and aesthetic aspects	Schools and education	The Government of Tripura devolved (June 2007) powers, functions and functionaries of the primary education and literacy/ child welfare and pension to the ULBs. In practice, primary education was handled by the State Education (Elementary) Department. Literacy, child welfare and social pension were handled by the State Education (Social Welfare & Social Education) Department. There was no school under the jurisdiction of the ULBs in Tripura (except only one school which was functioning under the jurisdiction of Agartala Municipal Corporation). ULBs along with the State Government departments such as Information and Cultural Affairs Department undertook activities allied with public space beautification, organising fairs and festivals.
		Fairs and festivals	
		Cultural buildings/ institutions	
		Heritage	
		Public space beautification	
17	Public amenities including street lighting, parking lots, bus stops and public conveniences	Installation and maintenance of street lights	This was done by the ULBs through Energy Efficiency Services Limited (EESL) ⁸ .
		Creation and maintenance of parking lots	This was done by ULBs.
		Creation and maintenance of public toilets	These were implemented by the ULBs.
		Construction of Bus Stop	This was done by the State Transport Department.
Function devolved but not implemented			
18	Fire Services	Establishing and maintaining fire brigades	This function was vested with the State Fire and Emergency Services Department.
		Providing fire No Objection Certificate/ approval certificate in respect of high rise buildings	

⁸ A Joint Venture Company of PSUs under the Ministry of Power, Government of India

Recommendation: The State Government needs to take adequate steps to ensure that the ULBs enjoy full autonomy in respect of the functions assigned to them.

2.2.8.3 Institutional mechanisms for empowerment of urban local bodies

As already discussed, the State Government stated to have transferred all 18 functions to the ULBs through enactment of TM Act, 1994. However, the discharge of these functions could be effective only when appropriate institutions were established and adequately empowered. The 74th CAA provides for establishment of such institutional mechanisms as can be seen from **Table 2.2.1**. The effectiveness of such institutional mechanisms are discussed in the succeeding paragraphs.

2.2.8.3 (i) Composition of Municipalities

Article 243R stipulates the composition of Municipalities. Section 11(1) of the TM Act, 1994 stipulates that all the seats in a Municipality shall be filled by persons chosen by direct election from the territorial constituencies in the Municipal area.

(2) Each Municipality may consist of-

- (a) the members elected under sub-section (1);
- (b) the persons having special knowledge or experience in Municipal Administration as may be nominated by the Governor:

Thus, Municipalities consist of elected Councillors and nominated Councillors. The nominated members do not have voting power. The Mayor/ Chairperson is elected from amongst the Councillors and is assisted by the Standing Committees. The councils of the ULBs were dissolved on completion of five years tenure in December 2020. The election of the Municipalities was held on 26 November 2021 *i.e.* after 12 months from the date of dissolution of elected bodies of the Municipalities. Therefore, in absence of elected body, the involvement of public representatives in decision making and implementation process was missing during this period.

2.2.8.3 (ii) Chairperson/ Mayor

Under Section 24(3), 32(3) and 40(4) of TM Act, the Chairpersons and Mayor are empowered to preside over every meeting of Council and Mayor-in-Council. The Chairperson/ Mayor should be the Chief Executive of a city or urban government and the city government should have the power to appoint all officials including the Commissioner and accountable to ULBs. However, the ULBs were not empowered to appoint all officials including the Commissioner, Chief Executive Officers, *etc.* Creation and abolition of posts were vested with the State Government.

The Government stated (August 2021) that empowering Municipalities to appoint all officials including Commissioner would create some administrative problems as well as financial burden to the State exchequer.

The reply is not acceptable as ULBs were still deprived of power to appoint all officials as per provisions of TM Act and also deprived of financial autonomy.

2.2.8.3 (iii) Ward Committees

As per Section 13 of TM Act, 1994, Ward Committees shall be constituted with one or more wards within the territorial area of a Municipality having population of three lakhs or more. Further, Second Administrative Reforms Commission as accepted by GoI, opined that Ward Committee members must have regular meetings with the citizens they represent, through Area Sabhas, to review programmes, their planning and implementation. There must also be regular meetings of the Committee with elected members from Area Sabhas.

Audit observed that Wards Committees were constituted only in six ULBs out of 11 sampled ULBs. The Committees were to discuss the developmental plans of the wards and to monitor implementation of different economic and social welfare programmes. This was not being followed in true spirit since they were not functional and except 67 meetings held in AMC no meetings were held in other five ULBs during 2015-20.

The Government accepted (August 2021) the audit observations.

Recommendation: The Ward Committees should convene regular meetings to facilitate community participation in decentralised governance.

2.2.8.3 (iv) District Planning Committee

Article 243 ZD of the Constitution mandates the establishment of a District Planning Committee (DPC) to consolidate the plans prepared by the Panchayats and Municipalities in the district and to prepare a draft development plan for the district as a whole.

Section 270 of TM Act, 1994 also provides for constitution of a DPC. The DPC was to prepare a comprehensive District Development Plan (DDP). The DDP was to be forwarded to the State Government through the Decentralised Planning and Development Committee (DPDC) for integration into the State plan.

Audit observed that the Government of Tripura constituted DPC in all the four districts⁹ in September 2008. In February 2012, State Government decided that the existing DPCs should also have jurisdiction over the newly created (January 2012) four districts. Audit noticed that the State Government did not re-constitute the DPCs for each district and did not make it an effective institution for development planning in local bodies.

The Government accepted the fact (August 2021).

Recommendation: The State Government should constitute DPC in each district to ensure preparation of consolidated District Plan for effective decentralised governance.

2.2.8.3(v) Property Tax Board

As per para 10.161 (vii) of the Thirteenth Finance Commission (TFC) Report, State Governments must put in place a State Level Property Tax Board for availing

⁹ West Tripura, South Tripura, Dhalai and North Tripura

performance grants under TFC (*i.e.* during 2010-15). The Board, *inter-alia*, shall review the property tax system in ULBs and provide them technical guidance for assessment and revision of property tax. Government of Tripura constituted Property Tax Board in May 2011. Audit noticed that the Board remained non-functional. In terms of Rule 6 Tripura Municipal (Assessment and Collection of Property Tax) Rules, 2016, State Property Tax Board was formed in August 2018. However, the Board remained non-functional since its formation in August 2018 as no recommendation of the Board was found on record. It was, thus, evident that the Property Tax Board was constituted only to fulfil the conditions for obtaining performance grants under Central Finance Commission's award and the purpose for which the Property Tax Board was constituted, had been defeated.

The Government replied (August 2021) that on the basis of the recommendations of the Property Tax Board Board, base rate of circle value had been increased from ₹ 50 to ₹ 60 vide notification dated 28 August 2019 issued by the UDD.

The reply is not acceptable as the above notification was not in accordance with recommendation of Property Tax Board because it was an executive order of the UDD.

Audit Objective 2: To evaluate the effectiveness of the functions stated to have been devolved

2.2.8.4 Parastatals, their role and functions

The objective of the 74th CAA was to entrust delivery of major civic functions to ULBs. But, functions such as urban/ town planning, regulation of land use, water supply & sanitation and slum development continue to be delivered by parastatals as already indicated in **Table 2.2.2**. These parastatals were controlled by the State Government and had their own governing bodies which did not include elected representatives of the ULBs. They were directly accountable to the State Government rather than ULBs. The system of assignment of functions to parastatals undermines the accountability to the people.

The role of parastatals and their functions are discussed in the subsequent paragraphs.

2.2.8.4 (i) Limited Role of Agartala Municipal Corporation in implementation of Atal Mission for Rejuvenation and Urban Transformation

The primary objectives under Atal Mission for Rejuvenation and Urban Transformation (AMRUT) are to provide basic services *viz.* water supply, sewerage, urban transport to households and build amenities in cities which will improve the quality of life for all, especially the poor and the disadvantaged.

Ministry of Urban Development, Government of India selected the capital city *i.e.* Agartala in the State for implementation of AMRUT.

As per para 8.1 of AMRUT guidelines, the projects should be implemented by the ULBs. In case the ULBs do not have adequate capacity to handle the projects, the

State Government may recommend in State Level Action Plan (SAAP), upon resolution passed by the ULBs, for execution of the projects by specialised parastatal agencies of the State or Central Governments. Such arrangements should necessarily be executed by way of a tripartite Memorandum of understanding (MoU) amongst the State Government, the specialised parastatal agencies and the concerned Municipality. It was noticed in audit that no tripartite MoU amongst the State Government, the parastatal agencies and the AMC had been made.

It was also seen in audit that major works (98 *per cent*) under AMRUT were being implemented by the UDD and State PWD (Drinking Water and Sanitation) and only a few minor works were being executed by AMC. The details status of implementation of the projects are shown in **Appendix 2.2.3**.

Thus, the major works were being executed by UDD and State PWD (DWS) without tripartite MoU in violation of AMRUT guidelines.

2.2.8.5 Human Resources of ULBs

2.2.8.5 (i) Recruitment of staff

As per Section 75(3) of TM Act 1994, the officers and employees of a Municipality shall be appointed by the Mayor or, as the case may be, by the Chairperson in such manner, on such terms and conditions including their conduct, discipline and control, as may be prescribed. However, it was noticed in audit that no appointment had been made by the ULBs in the regular post during 2015-16 to 2019-20. Further, the Second Administrative Reforms Commission recommended that the city government should have the power to appoint all officials including the Commissioner. It was noticed in audit that the State Government had accorded the approval to the creation of post of Ward Secretary and System Analyst in AMC during 2015 and 2016 though no appointment was made there against. Thus, the power of creation of post was retained by the State Government. Thus, the ULBs lacked autonomy in creation of post despite having provision in TM Act. This was also not in accordance with the recommendation of the Second Administrative Reforms Commission as accepted by the Government of India.

The Government while accepting (August 2021) the audit observations, stated that the above system might be continued to regulate financial discipline.

2.2.8.5 (ii) Insufficient staff in urban local bodies

The discharge of functions by the ULBs would be effective with an adequate staff position. Scrutiny of staff position of 11 sampled ULBs revealed vacancies ranging from 55 *per cent* (Group C) to 57 *per cent* (Group D) among the various categories as shown in **Table 2.2.3**.

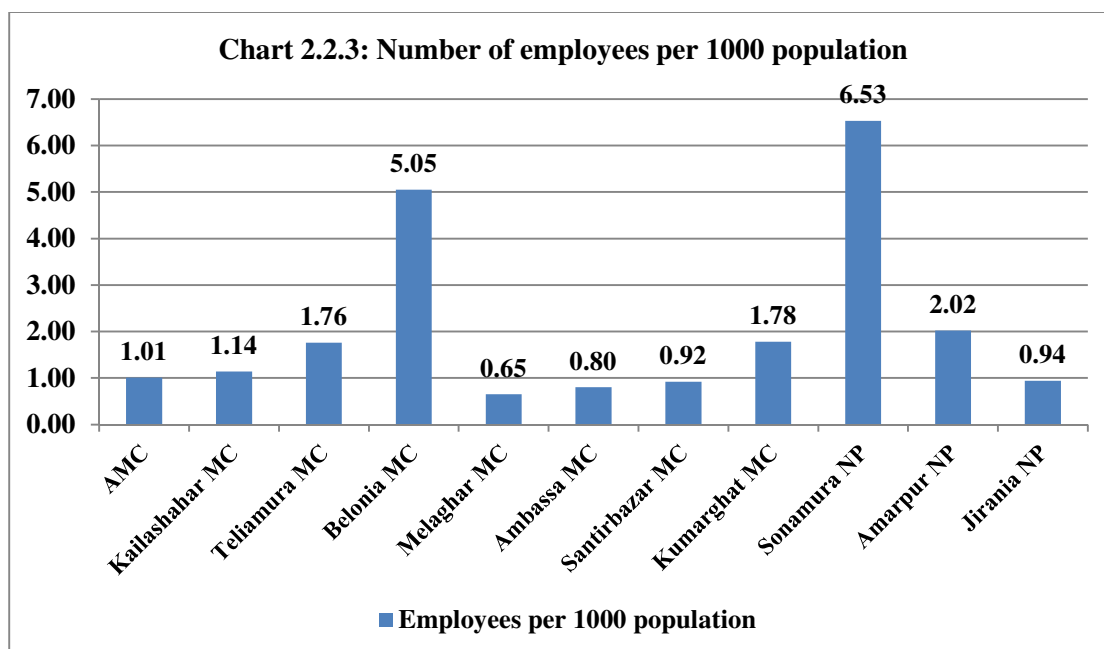
Table 2.2.3: Statement showing the staff position in 11 ULBs

Name of ULB	Category (A/B/C/D)	Sanctioned strength	Working strength			Vacancy	Percentage of vacancy
			Appointment	Deputation	Total		
Agartala Municipal Corporation	A	9	3	6	9	0	0
	B	39	20	4	24	15	38
	C	364	163	1	164	200	55
	D	366	316	0	316	50	14
Municipal Councils	A	14	2	10	12	2	14
	B	9	9	0	9	0	0
	C	108	65	1	66	42	39
	D	110	66	1	67	43	39
Nagar Panchayats	A	6	0	6	6	0	0
	B	2	1	1	2	0	0
	C	35	30	0	30	5	14
	D	83	34	2	36	47	57
Total		1145	709	32	741	404	35

Source: Information furnished by ULBs

It can be seen from **Table 2.2.3** that there was overall shortage of 404 staff (35 per cent) against the sanctioned strength of 1,145 staff in all the ULBs in the State. In AMC there were 38 per cent and 55 per cent vacancies under group B and C respectively. In MCs there was 39 per cent vacancies noticed under group C and D. Under NPs there was 57 per cent vacancies under Group D.

Analysis of available manpower in the 11 sampled ULBs revealed that the number of employees of ULBs per 1,000 population ranged between 0.65 and 6.53 as indicated in **Chart 2.2.3**.



It can be seen from **Chart 2.2.3** that the ULBs of Melaghar, Ambassa, Santirbazar and Jirania had less than one employee per 1,000 population under their jurisdiction. Further, the ULBs namely AMC, Kailashahar MC, Teliamura MC, Kumarghat MC

and Amarpur NP had between one and two employees for every 1,000 population. Evidently, the ULBs lacked adequate manpower to carry out efficient delivery of service. The Government stated (August 2021) that action was being taken for providing necessary manpower for implementation of Centrally Sponsored Schemes (CSS) through outsourcing.

Recommendation: Adequate manpower should be provided to ULBs for discharging functions effectively.

Audit Objective 3: To assess whether the ULBs were empowered to access adequate resources including sufficient resources for discharge of functions stated to be devolved to them.

2.2.8.6 Financial resources of Urban Local bodies

Sustainable financing is paramount to ensure discharge of any function. The devolved functions can be carried out effectively by the ULBs only when they are supported with sufficient financial resources. Predictable fiscal transfers to ULBs need to be ensured through a robust State Finance Commission mechanism and compliance with State and Central Finance Commissions' recommendations. Access to own sources of revenue includes both the power to levy and collect from specific revenue streams.

2.2.8.6 (i) Estimation of requirements of funds/ expenditure

Section 260 of TM Act, 1994 provides that the budget estimates of a Municipality for a year should be prepared in the prescribed form and presented before a meeting of the Municipality, specially convened for the purpose, not later than the tenth day of March every year and shall be adopted after discussion within two weeks of presentation and a copy of the budget estimates adopted by the Municipality should be sent to the State Government.

Scrutiny of records revealed that out of 11 sampled ULBs, only AMC had prepared Performance Budget and Outcome Budget during 2015-16 to 2019-20. The other ULBs incurred expenditure of ₹ 310.32 crore during 2015-16 to 2019-20 without any budget estimates.

The Government while accepting (August 2021) the audit observations, stated that on formation of new Municipal authorities, the matter would be brought to the notice of respective Municipalities.

2.2.8.6 (ii) Source of revenue

The details of revenue of ULBs in the State during the period from 2015-16 to 2019-20 is indicated in **Table 2.2.4**.

Table 2.2.4: Details of revenues of ULBs during the period 2015-16 to 2019-20*(₹ in crore)*

Year	Grants	Own Revenue	Assigned Revenue as recommended by the SFC	Total Revenue	Percentage of own revenue to total revenue
2015-16	259.64	38.78	Nil	298.42	13
2016-17	655.70	37.64	Nil	693.34	6
2017-18	352.88	28.93	Nil	381.81	8
2018-19	517.76	36.64	Nil	554.40	7
2019-20	404.89	42.04	Nil	446.93	10
Total	2190.87	184.03	Nil	2374.90	8

Source: Information furnished by UDD

It can be seen from **Table 2.2.4** that the percentage of own revenue to total revenue during 2015-16 to 2019-20 ranged between six *per cent* (2016-17) to 13 *per cent* (2015-16). The major source of revenue of ULBs in the State was grants from the State Government. The First State Finance Commission recommended for sharing of taxes/ assigned revenue between the State and ULBs, but these were not implemented. Thus, the ULBs did not receive any assigned revenue.

The Government accepted (August 2021) the fact and stated that necessary initiative would be taken up with the newly elected body of each Municipality after general elections to the Municipalities.

Recommendation: *The ULBs need to increase their own revenue for self-reliance to the extent possible and State Government should share some portion of assigned revenue with the ULBs.*

2.2.8.6 (iii) Devolution of funds to different ULBs

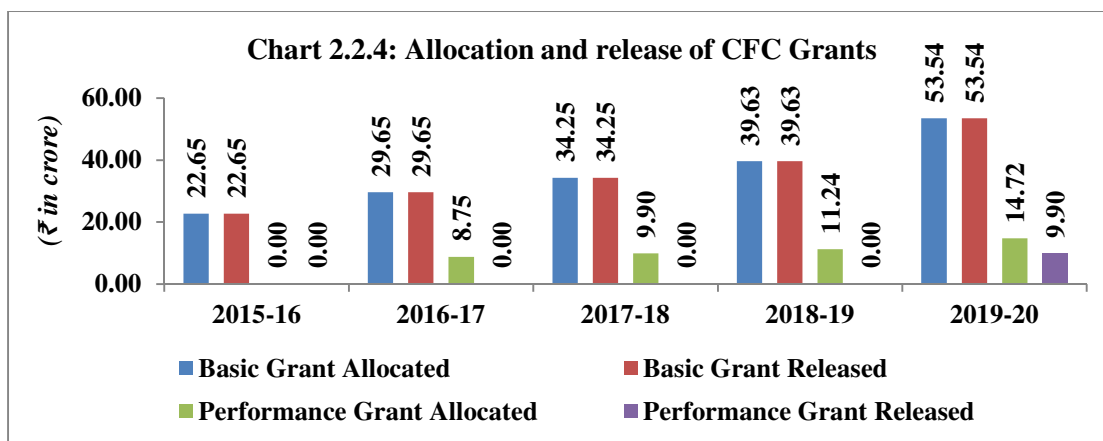
State Government devolved funds to ULBs during 2015-16 to 2019-20 based on the recommendation of Fourteenth Central Finance Commission in terms of population and area at the ratio of 90:10 as presented in **Appendix 2.2.4**.

It can be seen from **Appendix 2.2.4** that overall devolution of Central and State scheme funds to the ULBs in 2017-18 and 2019-20 decreased consecutively as compared to 2016-17 and 2018-19.

2.2.8.6 (iv) Central Finance Commission grants

Article 280(3) (C) of the Constitution mandates the Central Finance Commission (CFC) to recommend measures to augment the Consolidated Fund of a State to supplement the resource of Municipalities based on the recommendations of the respective State Finance Commissions. The Fourteenth Finance Commission (FFC) recommended basic grant and performance grant to ULBs as a percentage of divisible pool account.

Chart 2.2.4 depicts the allocation and release of CFC grants during the period from 2015-16 to 2019-20.



Source: Urban Development Department

It can be seen from **Chart 2.2.4** that the FFC recommended a total allocation of ₹ 179.72 crore under basic grants for the period 2015-20 and ₹ 44.61 crore under performance grants for the period 2016-20 for ULBs in the State. The State received the complete allocation of basic grants of ₹ 179.72 crore for the period 2015-20. It was observed that the State Government received the performance grants of ₹ 9.90 crore only out of ₹ 44.61 crore. Thus, there was short receipt of performance grants of ₹ 34.71 crore *inter-alia* due to non-fulfilment of the following conditions as envisaged in the paragraph 13 of FFC guidelines;

- (i) The ULBs will have to submit audited accounts that relate to year not earlier than two years preceding the year in which the ULBs seek to claim the performance grant.
- (ii) The ULBs will have to show an increase in their own revenues over the preceding year as reflected in the audited accounts.

Audit observed that due to non-preparation of annual accounts for the year 2013-14, the ULBs did not receive performance grants in 2015-16. Similarly, the ULBs did not receive performance grants in 2016-17, 2017-18 and 2018-19 due to non-preparation of annual accounts.

The Government accepted (August 2021) the audit observations.

2.2.8.6 (v) State Finance Commission

Article 243 I of the Constitution of India makes it mandatory for the State Government to constitute a Finance Commission within one year of the commencement of the Act and thereafter on expiry of every five years. The mandate of the State Finance Commission (SFC) is to review the financial position of the local bodies, to make recommendations to the Governor for devolution of funds and to suggest measures needed to improve the financial position of the local bodies. Section 269 of TM Act, 1994 provides for constitution of the SFC.

2.2.8.7 Status of constitution of the State Finance Commission

The State Government had constituted four State Finance Commissions. But, there were delays in constitution of SFCs as detailed in **Table 2.2.5**.

Table 2.2.5: Statement showing the delay in constitution of SFCs, etc.

SFC	To be constituted as per Constitutional Amendment Act	Actually constituted	Delay in constitution (in days)	Date of submission of reports by the SFCs	Date of acceptance of reports by the State Government	Delay in acceptance (in days)	Period covered
1 st SFC	By 31 May 1994	19 November 1998	1633	17 September 1999	27 November 2000	437	1998-99 to 2002-03
2 nd SFC	1999-2000	Not constituted	–	–	–	–	2005-06 to 2009-10
3 rd SFC	2004-05	27 January 2011	788	Not submitted	–	–	2012-13 to 2016-17
4 th SFC	2009-10	20 March 2013	–	11 January 2018	Not accepted	–	2017-18 to 2020-21
5 th SFC	2014-15	4 June 2020	796	8 February 2021	Under consideration of the Government	–	2021-22 to 2025-26

Source: UDD, Government of Tripura

The Government accepted the fact of delay in constitution of SFCs. However, it remained silent on non-constitution of second SFC, non-submission of the third SFC report and non-acceptance of fourth SFC report.

Recommendation: *Delay in constitution of SFCs should be avoided and the accepted recommendations of SFCs should be fully implemented.*

2.2.8.8 Own revenue of urban local bodies

ULBs do not have a large independent tax domain. The property tax on land and buildings is the mainstay of ULB's own revenue. The own non-tax revenue of ULBs comprises water charges, rent from commercial establishments, trade licences, fee for sanction of plans/ mutations, etc. The collection of own revenue of ULBs for the period 2015-16 to 2019-20 is shown in **Appendix 2.2.5**.

Section 192 of TM Act, 1994 stipulates that while the authority to levy, collect and appropriate certain taxes like property tax, advertisement tax, etc. vested with the ULBs; the extent, assessment and collection of such taxes shall be governed by the Acts and Rules made thereunder by the State Government.

It was noticed in audit that the powers pertaining to fixing the rates and revision thereof (Advertisement Tax), procedure of collection (Property Tax), method of assessment, exemptions, concessions (Property Tax, Advertisement Tax), etc. were vested with the State Government. The ULBs, thus, lacked complete autonomy in generating own revenue. Year-wise collection of tax revenue and non-tax revenue by the ULBs is shown in **Table 2.2.6**.

Table 2.2.6: Year-wise collection of tax revenue and non-tax revenue by the ULBs

(₹ in crore)

Sl. No.	Tax/ Non-tax Revenue	2015-16	2016-17	2017-18	2018-19	2019-20
1	Tax Revenue	9.95	11.70	10.89	14.55	15.23
2	Non-tax Revenue	28.83	25.94	18.04	22.09	26.81
3	Total	38.78	37.64	28.93	36.64	42.04

Source: Urban Development Department

The major source of revenue was Property Tax. During 2015-16 to 2019-20, the tax revenue increased marginally (except 2017-18). The sources of non-tax revenue are trade license, rent, *etc.* From **Table 2.2.6**, it can be seen that the non-tax revenue has decreased during 2016-17 to 2019-20 as compared to 2015-16. It was noticed in audit that the ULBs did not take any action against the defaulters for not depositing the property tax, trade license fees and outstanding rent from market stalls.

The Government accepted (August 2021) the fact.

2.2.8.8 (i) Property tax

The ULBs were empowered to levy property tax every year on land and buildings within their jurisdiction under section 193 of the TM Act. The notification issued in March 2016 by the Urban Development Department, Government of Tripura provides the rate of property tax on the basis of Annual Property Value effective from April 2016. The following shortcomings were noticed with regard to realisation of property tax:

- Annual Property Value system¹⁰ was introduced by the Urban Development Department in April 2016. It was observed that the system was not adopted by Sonamura Nagar Panchayat (April 2021). Amarpur Nagar Panchayat and Satirbazar Municipal Council introduced the system after three years of issuance of the notification *i.e.* in April 2019 and in August 2019 respectively;
- Survey of properties was not conducted by any of the sampled ULBs;
- All Central Finance Commissions have recognised the need to augment property tax revenue to improve municipal finances. The eleventh, twelfth and thirteenth Finance Commissions encouraged the use of Geographic Information System (GIS) in digitalise environment to improve property tax administration. Audit observed that GIS based system for mapping of properties was not introduced in any ULB (March 2021);
- Property Tax on telecommunication towers was not collected by any sampled ULB;
- Arrears in collection of property tax and non-maintenance of Demand, Collection and Balance (DCB) statements were noticed in the sampled ULBs. The accumulated arrears of property tax in 11 ULBs as of March 2020 was ₹ 127.23 lakh as shown in **Table 2.2.7**.

¹⁰ As per Letter No. F.14(2)-UDD/DUD/2013/10916-37 dated 16/03/2016, a Guidelines on implementation of Tripura Municipal (Assessment and Collection of Property Tax) Rules, 2016 was circulated by the Directorate of Urban Development for implementation in all Municipalities existed in Tripura. Subsequently a notification was issued by the Urban Development Department, Government of Tripura for the computation of the tax from 1 April 2016.

Table 2.2.7: Statement showing accumulated arrears of property tax in 11 ULBs

Sl. No.	Name of ULB	Accumulated arrears of property tax in the ULBs at the end of March 2020 (₹ in lakh)
1	Agartala Municipal Corporation	58.16
2	Kailashahar MC	2.94
3	Teliamura MC	1.01
4	Belonia MC	2.06
5	Melaghar MC	2.03
6	Ambassa MC	0.77
7	Santirbazar MC	9.54
8	Kumarghat MC	41.24
9	Sonamura NP	3.18
10	Amarpur NP	1.76
11	Jirania NP	4.54
Total		127.23

Source: 11 sampled ULBs

The Government accepted (August 2021) the audit observations and stated that this was noted for guidance.

2.2.8.8 (ii) Rent from market stalls

Section 183 of Tripura Municipal Act 1994 empowers the Municipalities to charge premium, stallage, rent or fee as may, from time to time, be fixed in this behalf for the occupation or use of any stall, shop, stand, shed or open space in Municipal markets or Municipal slaughter houses.

Scrutiny of records revealed that rent amounting to ₹ 6.91 crore was in arrears at the end of March 2020 in 11 sampled ULBs, which is shown in **Table 2.2.8**.

Table 2.2.8: Statement showing outstanding stall rents in 11 ULBs

Sl. No.	Name of the ULB	Total number of markets	Total number of Market stall Holder	No. of stalls renewed	Total collection of stalls rent as of 31 March 2020 (₹ in lakh)	Outstanding amount of stall rent as of 31 March 2020 (₹ in lakh)
1	AMC, Central Zone	14	3824	0	134.52	540.38
2	AMC, East Zone	1	141	0	5.16	1.76
3	AMC, North Zone	2	105	0	1.89	17.34
4	AMC, South Zone	4	223	0	2.12	1.37
5	Jirania Nagar Panchayat	3	112	0	1.62	1.11
6	Ambassa Municipal Council	11	171	117	6.67	1.08
7	Kailashahar Municipal Council	17	266	0	6.02	80.75
8	Kumarghat Municipal Council	3	231	0	13.81	10.84
9	Teliamura Municipal Council	2	162	0	3.47	10.63
10	Melaghar Municipal Council	5	46	0	0.39	0.75
11	Belonia Municipal Council	17	583	2	20.29	1.96
12	Amarpur Nagar Panchayat	16	326	2	17.15	17.76
13	Santirbazar Nagar Panchayat	5	65	0	3.21	4.47
14	Sonamura Nagar Panchayat	10	398	2	6.75	0.58
Total		110	6653	123	223.07	690.78

Source: 11 sampled ULBs

No stringent actions were taken by the ULBs to realise the outstanding rent. It was noticed in audit that the ULBs did not maintain Demand Registers. Though the

Collection Registers were maintained, but details regarding total number of stalls, number of stalls allotted, serial number of stalls, date of agreement, expiry date of agreement, *etc.* were not maintained in the Collection Registers.

Audit observed that no standard protocol was set by the ULBs for entering into agreements with the tenants stipulating the terms and conditions including conditions for revision of rent. Agreements were not renewed in 6,530 out of 6,653 cases in six ULBs out of 11 sampled ULBs and the shop keepers were running their businesses without renewal fees. The Government accepted (August 2021) the audit observations and stated that this was noted for guidance.

2.2.8.8 (iii) Trade license

As per Section 201 of TM Act, 1994 the amount of fees on licence and permits issued by a Municipality under this Act, shall be determined by the Municipality from time to time with the approval of the State Government. Such fees are to be paid at the time of obtaining or renewing licence or permits. Any profession, trade and employment or any other gainful activity in the Municipality area which require a licence or a permit under any other law shall also require a Municipal licence or permit to be obtained and renewal in such manner as may be provided in the regulation.

Scrutiny of the records showed that arrears in collection of trade licence fees of ₹ 6.01 crore and total number of trade licences due for renewal was 21,175 as of March 2020 in 11 sampled ULBs, which is shown in **Table 2.2.9**.

Table 2.2.9: Statement showing outstanding stall rents in 10 ULBs

Sl. No.	Name of the ULB	Total number of trade license (TL) issued (upto 31.03.2020)	Total number of TL due for renewal as of 31.03.2020	Total amount of TL fees due as of 31.03.2020 (₹ in lakh)	Total amount of TL fees collected during 2019-20 (₹ in lakh)	Outstanding amount of TL fees as of 31.03.2020 (₹ in lakh)
1	Agartala Municipal Corporation	24207	15616	760.26	211.10	549.16
2	Jirania NP	1004	376	3.06	3.04	0.02
3	Santirbazar MC	763	389	6.06	1.95	4.11
4	Kumarghat MC	1964	1413	38.76	4.90	33.86
5	Kailashahar MC	1428	338	3.75	2.91	0.84
6	Ambassa MC	1353	803	6.52	4.07	2.45
7	Amarpur NP	395	127	2.65	1.89	0.76
8	Melaghar MC	657	259	7.04	4.73	2.31
9	Belonia MC	2009	637	7.56	3.38	4.18
10	Teliamura MC	2947	761	10.13	7.84	2.29
11	Sonamura NP	698	456	4.92	3.87	1.05
Total		37425	21175	850.71	249.68	601.03

Source: 10 sampled ULBs

No mechanism existed for monitoring the renewal of trade licences and failure to renew trade licences resulted in an approximate loss of revenue of ₹ 6.01 crore to the 11 sampled ULBs.

The Government accepted (August 2021) the audit observations.

Recommendation: The ULBs should be vested with complete autonomy in generating own revenue through amendment of TM Act, 1994.

2.2.8.8 (iv) Imposition of penalties/ fines under Solid Waste Management Rules

Solid Waste Management (SWM) is one of the key functions of the ULBs. In exercise of the power conferred on UDD by Rule 6(24) and Rule 7(8.1) of the Tripura Municipal Solid Waste (Management and Handling) Cleanliness and Sanitation Rules, 2019, UDD notified (July 2019) the rates of penalties/ fines to be imposed by ULBs for violation of the said Rules as shown in **Appendix 2.2.6**.

Audit observed that AMC had implemented Rule 5(8) of the Tripura Municipal Solid Waste (Management and Handling) Cleanliness and Sanitation Rules, 2019 on demolition waste only. The other sampled ULBs did not implement any of the said Rules. Thus, the purpose for framing the Rules for maintenance of cleanliness and sanitation, had been defeated. On the other hand, the ULBs could have generated potential revenue had the Rules been implemented.

The Government accepted (August 2021) the audit observations.

2.2.8.8 (v) Tapping of various sources of revenue by ULBs

The ULBs levied and collected non-tax revenue such as building plan fees, fees on licence and permits, trade licence, rent from shops/ markets/ commercial establishments, *etc.* But the following sources of non-tax revenue were not tapped in spite of having provisions in Tripura Municipal (TM) Act, 1994 as shown in **Table 2.2.10**.

Table 2.2.10: Statement showing revenue sources not tapped by the ULBs

Sl. No.	Source of revenue	Provision in TM Act
1	Tolls from bridges	Section 200
2	Entry fee on passenger vehicles	Section 206
3	Levy on congregation	Section 207
4	Levy of surcharge on property tax for commercial, industrial or such other non-residential purposes	Section 208

The Government accepted (August 2021) the fact.

2.2.8.9 Expenditure pattern of urban local bodies

The expenditure of ULBs can be categorised into five major categories such as expenses on human resources, administrative expenses, operation and maintenance expenses, interest and finance expenses and expenses on implementation of programmes. The details of expenditure incurred by 20 ULBs in the State during the period from 2015-16 to 2019-20 are exhibited in **Table 2.2.11**.

Table 2.2.11: Details of expenditure incurred by 20 ULBs in the State*(₹ in crore)*

Year	2015-16	2016-17	2017-18	2018-19	2019-20	Total expenditure	Expenditure in per cent
Expenses on human resources	17.28	22.83	18.57	19.58	18.74	97.00	9.79
Administrative expenses	15.98	21.34	14.02	9.54	10.38	71.26	7.19
Operation and maintenance expenses	14.16	15.71	11.96	9.45	6.47	57.75	5.83
Interest & Finance expenses	0.29	0.67	0.06	0.23	0.20	1.45	0.15
Expenses on implementation of programmes/ schemes	188.02	166.28	155.16	151.45	102.10	763.01	77.03
Total	235.73	226.83	199.77	190.25	137.89	990.47	

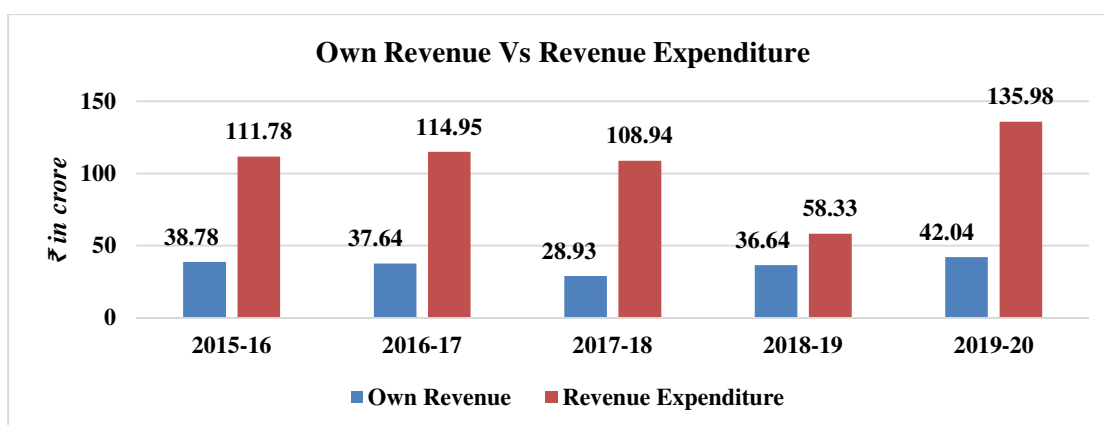
Source: Information furnished by ULBs

The overall operation and maintenance expenses and interest & finance charges constituted about 5.83 *per cent* and 0.15 *per cent* respectively of the total expenditure. A major portion of expenses was incurred on human resources and administrative expenses *i.e.* 17 *per cent*.

The Government accepted (August 2021) the fact and stated that the matter would be brought to the notice of the newly elected body of each Municipality after the general elections to Municipalities.

2.2.8.10 Resource-expenditure gap

The ULBs were able to generate own resources only to the extent of 35 *per cent* of the revenue expenditure during the period from 2015-16 to 2019-20. A comparison of the own revenue to revenue expenditure showed large gaps as depicted in **Chart 2.2.5**, which needs to be addressed by ULBs.

Chart 2.2.5: Resource-expenditure gap in ULBs

Source: Urban Development Department and Urban Local Bodies

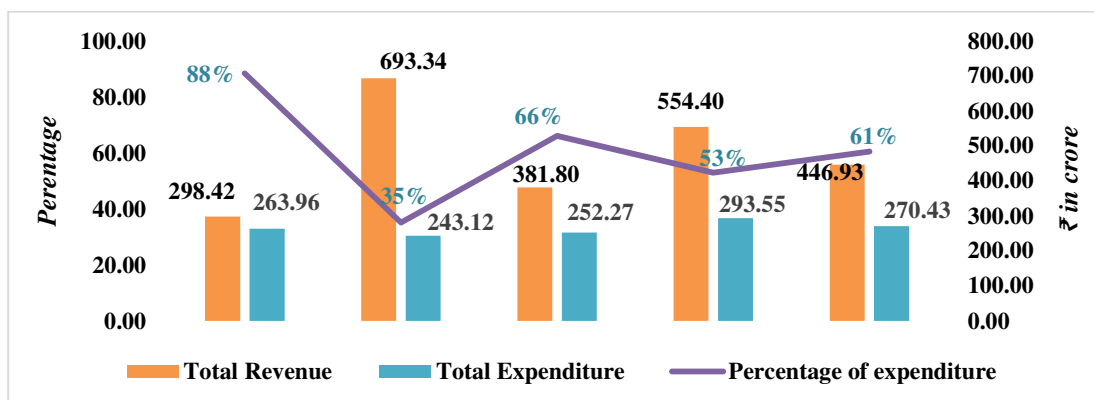
The major portion of Grants-in-aid and funds transferred for implementation of schemes were utilised under revenue expenditure.

The Government accepted (August 2021) the fact.

2.2.8.11 Extent of utilisation of funds

A comparison of the total expenditure with total revenue for the period from 2015-16 to 2019-20 showed that ULBs had been able to utilise on an average about 61 *per cent* of the available funds each year as depicted in **Chart 2.2.6**.

Chart 2.2.6: Extent of utilisation of funds



Source: Urban Development Department and Urban Local Bodies

From **Chart 2.2.6**, it can be seen that the ULBs were able to utilise 35 *per cent* to 88 *per cent* of the available funds only during 2015-16 to 2019-20 due to non-preparation of annual action plan, non-execution of various development works owing to site dispute, shortfall in generation of man-days in implementation of works under TUEP, *etc.*

The Government accepted (August 2021) the above facts.

2.2.8.12 Accounting reforms

Based on the recommendations of Eleventh Finance Commission, the Ministry of Urban Development, Government of India (GoI) in consultation with Comptroller and Auditor General of India developed the National Municipal Accounts Manual (NMAM) which was based on double entry accrual based system of accounting. The Urban Development Department (UDD), Government of Tripura had drafted (June 2010) the 'Tripura Municipal Accounting Manual' based on the NMAM. The Manual was finalised in 2011.

The UDD instructed all ULBs to switch over to the accrual based double entry accounting system from April 2011. The accrual based double entry accounting system was being implemented in AMC. However, the other Municipal Councils and Nagar Panchayats had not introduced the same due to lack of expertise.

Thus, due to non-maintenance/ irregular maintenance of accounts, the true and fair annual position of the ULBs could not be ascertained.

2.2.13 Conclusion

The Government of Tripura through enactment of Tripura Municipal Act, 1994 transferred all the 18 functions to ULBs. In practice, functions like fire service, creation and maintenance of water supply were discharged by the State Government departments. Non-functioning of Ward Committees and District Planning Committees affected the effective implementation of devolved functions by ULBs.

Although the State Property Tax Board was constituted, it remained non-functional. The ULBs, thus, lacked technical guidance for assessment and revision of Property Tax. They also lacked adequate manpower to carry out efficient delivery of services. Vacancies ranging from 14 *per cent* to 57 *per cent* among the various categories affected the functioning of the ULBs. Non-constitution of second SFC, non-submission of the third SFC report and non-acceptance of fourth SFC report by the State Government was a constraint in strengthening ULBs which also defeated the very purpose of the institution.

The ULBs lacked adequate resources of their own which affected service delivery to the citizens. Powers pertaining to the rates and revision of taxes thereof, procedure of collection and method of assessment were vested with the State Government, which eroded the autonomy of ULBs in generating their own revenue.

2.2.14 Recommendations

The following recommendations are proposed;

- 1. State Government should devolve all 18 functions listed in the twelfth Schedule of the Constitution of India to all Urban Local Bodies in the State;*
- 2. Ward Committee should convene regular meetings to facilitate community participation;*
- 3. State Government should check the violation of provisions on implementation of Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and strictly follow the GoI guidelines on implementation of the scheme;*
- 4. State Property Tax Board needs to be made functional to provide technical guidance to the ULBs for assessment and periodical revision of property tax;*
- 5. ULBs need to increase their own revenue for self-reliance to the extent possible and take action to recover arrears of revenue;*
- 6. Delay in constitution of SFCs should be avoided and the accepted recommendations of SFCs should be fully implemented;*
- 7. All ULBs in the State should switch over to accrual based accounting system as per the Tripura Municipal Accounting Manual.*

CHAPTER III: ECONOMIC SECTOR

CHAPTER III: ECONOMIC SECTOR

3.1 Introduction

This Chapter deals with the findings of audit on the State Government units under Economic Sector.

The details of the total budget allocation and expenditure of the Departments under Economic Sector during the year 2019-20 are given in **Table 3.1.1**.

Table 3.1.1: Details of allocation and expenditure under Economic Sector (Non-PSUs)

(₹ in crore)

Name of the Department	Total budget allocation	Expenditure
Co-operation	35.88	32.08
Public Works (Roads & Buildings)	1068.54	652.66
Power	136.84	136.45
Public Works (Water Resource)	197.80	100.14
Information and Cultural Affairs	44.01	42.39
Industries & Commerce	121.10	104.50
Industries & Commerce (Handloom, Handicrafts & Sericulture)	42.07	33.98
Fisheries	87.68	72.83
Agriculture	566.95	335.13
Horticulture	155.55	90.71
Animal Resources Development	124.98	104.81
Forest	188.56	123.30
Science, Technology and Environment	6.82	5.73
Factories and Boilers Organisation	3.06	2.97
Information Technology	16.60	6.73
Tourism	4.00	3.67
Total number of Departments = 16	2800.44	1848.08

Source: Appropriation Accounts, 2019-20

We audited 10 units under this Sector, covering expenditure of ₹ 258.88 crore (including expenditure of the previous year).

This Chapter contains one Performance Audit titled “**Development and Promotion of Horticulture in Tripura**” relating to the Agriculture & Farmers’ Welfare Development Department and three Compliance Audit paragraphs under Public Works (Roads & Building) and Forest Department involving money value of ₹ 5.47 crore.

Agriculture and Farmers' Welfare Department

3.2 Performance Audit on Development and Promotion of Horticulture in Tripura

3.2.1 Introduction

Horticulture is defined as the science of growing and management of fruits, vegetables including tubers, ornamental, aromatic and medicinal crops, spices, plantation crops and their processing, value addition and marketing. The horticulture crops include fruits, vegetables, spices, plantation crops and flowers. Crops like mushroom, bamboo and bee keeping (helps in improving crop productivity) are also important components of horticultural development. Over the past two decades, the horticulture sector has emerged as a prominent sector in the Indian agricultural scenario contributing to the overall economic growth. Besides providing nutritional and health benefits, this sector has given wide variety of products that are available round the year. The sector also provides a wide range of options for sustainable rural economy through diversification. In order to provide impetus to horticulture sector, Government of India has undertaken several initiatives. The Major scheme – Mission for Integrated Development of Horticulture (MIDH) is being implemented in the country by adopting an end to end approach for increasing production of horticulture crops and reducing post-harvest losses.

Tripura is characterised by hilly terrain consisting of parallel hills and ridges alternated with narrow valleys, deep fertile soil, sub-tropical humid climate with abundance of rainfall, offering immense scope for development of horticultural sector. In the State, the area under horticultural crops has declined from 1,23,268 ha in 2015-16 to 1,21,160 ha in 2019-20 with marginally increase in production from 14,55,215 MT to 14,58,245 MT. Status of horticultural crops in Tripura at the end of 2019-20



¹¹ are given in **Appendix 3.2.1**.

In the State, South Tripura District is leading in vegetable production in terms of production and Khowai District leads in productivity while Dhalai District leads in production and productivity of fruits and North Tripura in production and productivity of nuts. Detail position is given in **Table 3.2.1**.

¹¹ Horticulture Area Production Information System (HAPIS) data for the year 2019-20 provided by the Directorate of Health & Soil Conservation (DH&SC), Government of Tripura.

Table 3.2.1: Production and productivity rank of district of different horticulture items in the State during 2015-16 to 2019-20

Sl. No.	Particulars of Horticulture Products	Highest producing district	Highest productivity
1.	Vegetables	South Tripura	Khowai
2.	Fruits	Dhalai	Dhalai
3.	Nuts	North Tripura	North Tripura
4.	Spices	South Tripura	North Tripura
5.	Potato	South Tripura	North Tripura

Source: Five years data on horticulture area and production from 2015-16 to 2019-20 provided by the Directorate of Horticulture and Soil Conservation, Government of Tripura (details shown in Appendix 3.2.2)

Production of vegetables, fruits, nuts and spices in Tripura during 2015-16 and 2019-20 is given in **Table 3.2.2**.

Table 3.2.2: Production of different horticulture items in the State during 2015-16 and 2019-20

Sl. No.	Name of the product	Production during (in thousand MT)	
		2015-16	2019-20
1	Vegetables	765.51	776.50
2	Fruits	552.77	543.77
3	Nuts	35.19	37.55
4	Spices	33.40	32.70

Source: Horticulture production data for Tripura 2015-16 and 2019-20 provided by the Directorate of Horticulture and Soil Conservation, Government of Tripura

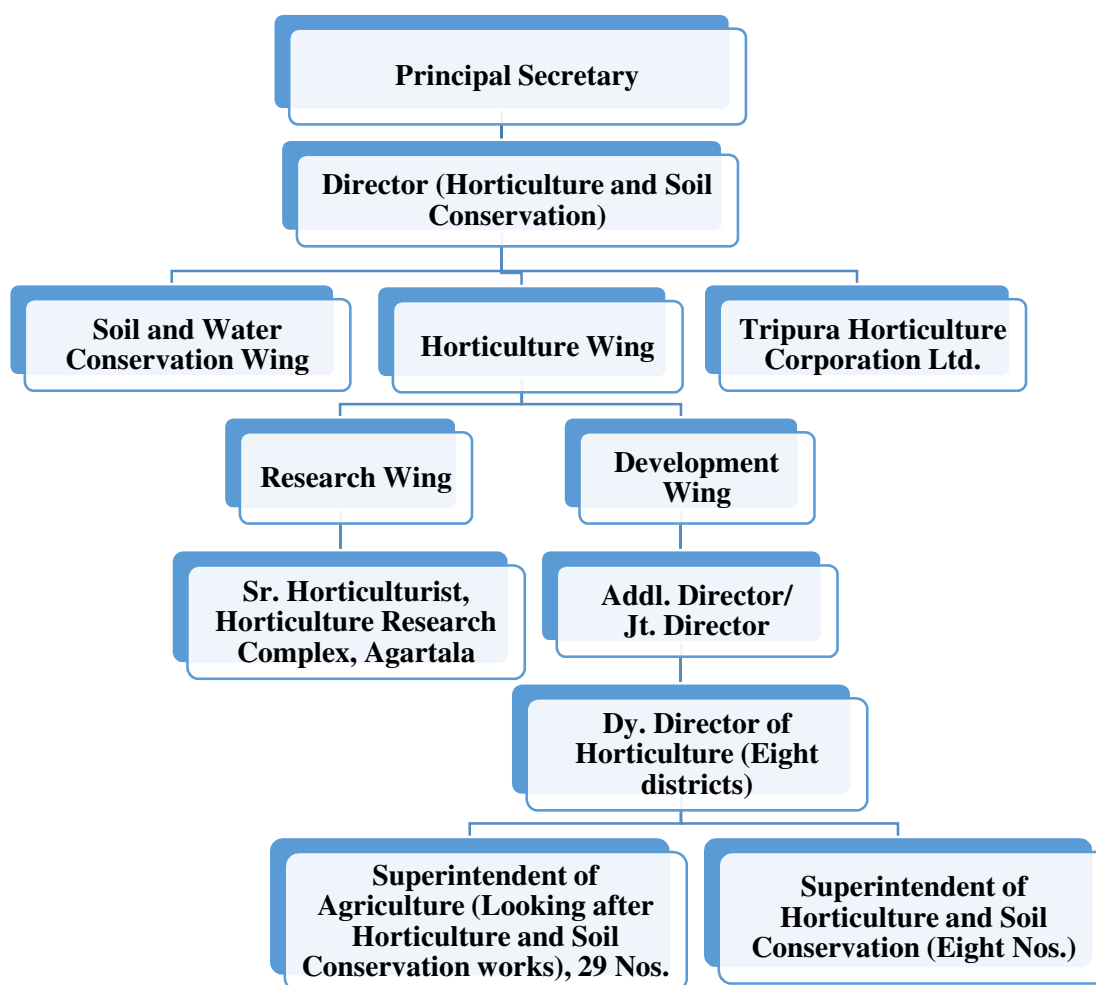
3.2.2 Organisational set-up

The Directorate of Horticulture and Soil Conservation (H&SC) at the State level is a wing under the Agriculture and Farmers' Welfare Department, Government of Tripura, which is headed by the Principal Secretary. Directorate of H&SC is assisted at the district level by eight Deputy Director level officers. At the sub-divisional level 36 Superintendent of Agriculture/ Horticulture are implementing the departmental programmes and the schemes. Below the Superintendent of Agriculture/ Horticulture, the field level functionaries like Agri. Sector Officers (ASO) and Village Level Workers (VLWs) work at Agri Circle and Gaon Panchayat/ Village Council levels, respectively. Tripura Horticulture Corporation Limited (THCL)¹² procures power tillers, seeds, seedlings, manures, *etc.* on behalf of the Directorate while the College of Agriculture, Tripura (CAT) and Tripura Khadi and Village Industries Board (TKVIB) implement programmes¹³ for the Directorate.

¹² A government owned corporation

¹³ Implemented programmes under National Bee Board funds

Chart 3.2.1: Organisational Set- up



3.2.3 Audit objectives

The Performance Audit was conducted to ascertain whether:

- effective planning process was in place fixing priorities for the State/ different districts/ regions in consonance with the diverse agro climatic features and various schemes/ projects for increase of production area as well as productivity of horticulture crops were planned effectively;
- implementation of the schemes/ projects and provision and utilisation of funds was efficient and effective and had resulted in increased acreage of horticultural crops and diversification of horticultural production as envisaged;
- the promotion of technology, extension, post-harvest management, processing and marketing for holistic growth of horticulture sector in consonance with comparative advantage each State/ region;
- the skills of the local youth had been developed to create employment opportunities in the horticulture sector; and
- monitoring and evaluation system including internal controls were adequate and effective.

3.2.4 Audit Scope and methodology

Audit covered the period from 2015-16 to 2019-20 and examined the expansion of coverage (both in terms of area and productivity), rejuvenation, production of seeds and planting materials, creation of infrastructure, capacity building, undertaking of innovative projects in the area of horticulture development, post-harvest management, processing and marketing and skill development.

Performance Audit (PA) covered all the components of works under Mission for Integrated Development of Horticulture (MIDH), implementation of works with spill over funds of erstwhile Technology Mission (TM), Horticulture Mission for North East and Himalayan States (HMNEH), funds received from National Bee Board (NBB), National Bamboo Mission (NBM), Special Central Assistance (SCA) to Tribal Sub Scheme (TSS) funds, funds from Coconut Development Board (CDB) and State Plan funds utilised by the State Horticulture Mission¹⁴ (SHM) and the Directorate of H&SC under the Department of Agriculture and Farmers' Welfare, Government of Tripura during the period from 2015-16 to 2019-20. Entry Conference was held on 2 December 2020 with the Secretary, Department of Agriculture and Farmers' Welfare, Government of Tripura wherein audit objectives, scope, criteria and methodology of Performance Audit were discussed. Samples¹⁵ were selected on Simple Random Sampling Without Replacement (SRSWOR) method. Physical verification was undertaken where funds had been spent on creation or acquisition of asset(s) to assess the actual benefits. Exit Conference was held with the Secretary to Government of Tripura, Agriculture and Farmers' Welfare Department on 6 December 2021 where audit findings were discussed. Replies (January 2022) of the Government and views expressed during Exit Conference were suitably incorporated in the PA at appropriate places.

3.2.5 Audit criteria

Audit findings were benchmarked against the criteria derived from the following sources:

- a. Operational Guidelines of MIDH and other relevant scheme/project guidelines;
- b. Annual Action Plans, Outcome Budget;
- c. Central Treasury Rules (CTR); Delegation of Financial Power Rules, Government of Tripura (DFPRT); 2017 (Amended in 2019).
- d. Tripura Horticultural Nurseries (Regulation) Act, 2013;
- e. Departmental Manual/ Rules/ Policies, *etc.*;

¹⁴ State Horticulture Mission (SHM), Tripura was responsible for implementation of programmes under the MIDH scheme where Director of H&SC acts as State Mission Director (SMD) and the Deputy Directors in the districts act as District Mission Director (DMDs).

¹⁵ Superintendents of Agriculture (SAs), Dukli, Jirania, Mandwi, Mohanpur and Hezamara of West Tripura District; SAs, Ambassa and Salema and Superintendent of Horticulture (SH), Manu in Dhalai District; SH, Kumarghat in Unakoti District; Deputy Director (Vegetable), Horticulture Research Complex (HRC), Nagichera

- f. Guiding Manual of Horticultural Crop Statistics for the Field Staff, Government of Tripura;
- g. Guidelines, Circulars, Notifications and various orders issued by the Government of India (GoI)/ State Government from time to time.

Acknowledgement

Audit acknowledges the co-operation and assistance extended by the Agriculture and Farmers' Welfare Department as well by its field offices during the conduct of the Performance Audit.

Audit findings

3.2.6 Planning

As per Mission for Integrated Development of Horticulture (MIDH) guidelines, there shall be a State Horticulture Mission (SHM) in every State which shall prepare perspective/ strategic plan and road map for overall development of horticulture in the State. This will form the basis for preparing Annual Action Plans. SHM shall also organise baseline survey in districts to determine status of horticulture production, potential and demand, so as to arrive at the assistance required and incorporate the same in the Action plans.

The SHM in the State was formed and registered as a Society under the Societies Registration Act, 1860 in November 2014. Except for the MIDH and State Plan funds, no plan document was prepared by the Department for other components of funds¹⁶. Audit noticed the following deficiencies in planning for implementation of the programme.

3.2.6.1 Perspective Plans

Mission for Integrated Development of Horticulture (MIDH) guidelines (para 5.1) stipulate that State level agency shall prepare Strategic/ Perspective and annual State Level Action Plan (SLAP) in consonance with Mission's goals and objectives in close co-ordination with Technical Support Group (TSG), State Agriculture Universities (SAUs), ICAR institutes and oversee its implementation.

Audit noticed that SHM, Tripura did not prepare a Perspective Plan for the horticulture development in the State as was envisaged in the Guidelines.

The Government stated (January 2022) that the Department had formulated a three-year Action Plan 2020-21 to 2022-23 for the overall development of horticulture sector in Tripura and the Annual Action Plan of MIDH had been framed to fulfil the targets of the three-year Perspective Plan.

¹⁶ Special Central Assistance to Tribal Sub Plan Scheme, National Bamboo Mission, National Bee Board Fund, Coconut Development Board Fund and Un-spent funds under Technology Mission and Horticulture mission

3.2.6.2 Annual Action Plans

According to para 5.3 of the MIDH guidelines, for preparation of annual plan and activities, the Ministry of Agriculture will communicate the tentative outlay for the year to each State which in turn, will indicate sector-wise/ district-wise allocation. The district level agencies¹⁷ will prepare Annual Action Plan (AAP) keeping in view their priority and potential and submit the plan to State Horticulture Mission. State Horticulture Mission (SHM) in turn will prepare a consolidated proposal for State as a whole, get it vetted by the respective Board of Management and submit the same to Ministry of Agriculture (MoA), Government of India (GoI) for consideration by National Level Executive Committee (EC).

Audit noticed that on receipt of tentative allocation from the MoA, GoI, SHM itself prepared the AAP in contravention of what was envisaged in the scheme guidelines. Therefore, the bottom-up approach of planning was not followed and need based targets as per local demand were not set. It was also noticed that the AAP prepared by SHM was not placed before the Board of Management of the Society¹⁸ for approval during 2015-16 to 2019-20 rather sent directly to Government of India. No meeting of the Board was convened during the audit period though as per the mandate¹⁹, the Board of Management was to meet at least once in a quarter to discuss *inter alia* the Annual Budget and Work Plan of the Society, issue guidelines for implementation of various activities and programmes, consider and approve Annual Reports, etc.

While accepting the fact, Government stated (January 2022) that Annual Action Plans were sent to the Government of India without approval of the Board.

3.2.7 Financial management

3.2.7.1 Sources and application of funds

The Department received funds from nine different sources for horticulture development in the State, which includes funds from Coconut Development Board (CDB), National Bee Board (NBB), National Bamboo Mission (NBM), Special Central Assistance to Tribal Sub Schemes (SCA to TSS), Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Mission for Integrated Development of Horticulture (MIDH), State Plan funds, and spill over funds of Technology Mission (TM)²⁰ and Horticulture Mission for North East and Himalayan States (HMNEH)²¹. The salary and other regular establishment expenditure are met by the State Government while scheme related administrative expenditure are met from the MIDH under the 'Mission Management' component.

¹⁷ District Horticulture Mission offices as per the MIDH guidelines

¹⁸ As per the Bye-Laws of the Tripura State Horticulture Mission (SHM), there is no State Level Executive Committee (SLEC), rather Board of Management exists which consists of 13 members under the Minister of Agriculture, who is the President of the Mission.

¹⁹ Articles of Association of the SHM, Tripura

²⁰ Technology Mission was launched by the Government of India in 1987 with five basic objectives of immunisation of pregnant women and children, improvement in telecommunication services, literacy, oil seed production and drinking water facility.

²¹ HMNEH is a part of MIDH scheme which was implemented for overall development of horticulture in NE and Himalayan States.

The funds from the CDB, NBB and NBM were meant for specific intervention for horticultural development in terms of coconut plantation and programmes, bamboo plantation and rearing of bees and bee hives for helping the farmers in artificial pollination as well as income generation from honey. The funds under the SCA to TSS and MGNREGS were mainly the funds by the Tribal Welfare and the Rural Development Departments, Government of Tripura respectively, for implementation of plantation programmes in the fields of selected beneficiaries. The MIDH funds were the main source of funds in the sharing pattern of 90:10 between the Central and the State Governments which catered to, apart from the plantation activities, horticulture mechanisation, human resource development, integrated post-harvest management, establishment of marketing infrastructure, *etc.* Audit noticed that the Directorate of H&SC had spill over funds of ₹ 25.61 crore and ₹ 2.24 crore under the erstwhile programmes of TM and HMNEH respectively at the beginning of 2015-16. Total receipts and expenditure for horticulture development in the State during 2015-16 to 2019-20 is given in **Table 3.2.3**.

Table 3.2.3 Fund availability and expenditure for horticulture programme in the State during 2015-16 to 2019-20

(₹ in crore)

Year	Opening Balance	Receipts	Other receipts ²²	Total funds	Expenditure	Closing balance (per cent to Total Funds)
2015-16	14.87	62.05	14.14	91.06	54.43	36.63 (40)
2016-17	36.63	55.04	4.15	95.82	42.54	53.28 (56)
2017-18	53.28	25.87	22.97	102.12	37.52	64.60 (63)
2018-19	64.60	18.39	3.89	86.88	52.36	34.52 (40)
2019-20	34.52	36.61	11.98	83.11	51.38	31.73 (38)
Total		197.96	57.13		238.23	

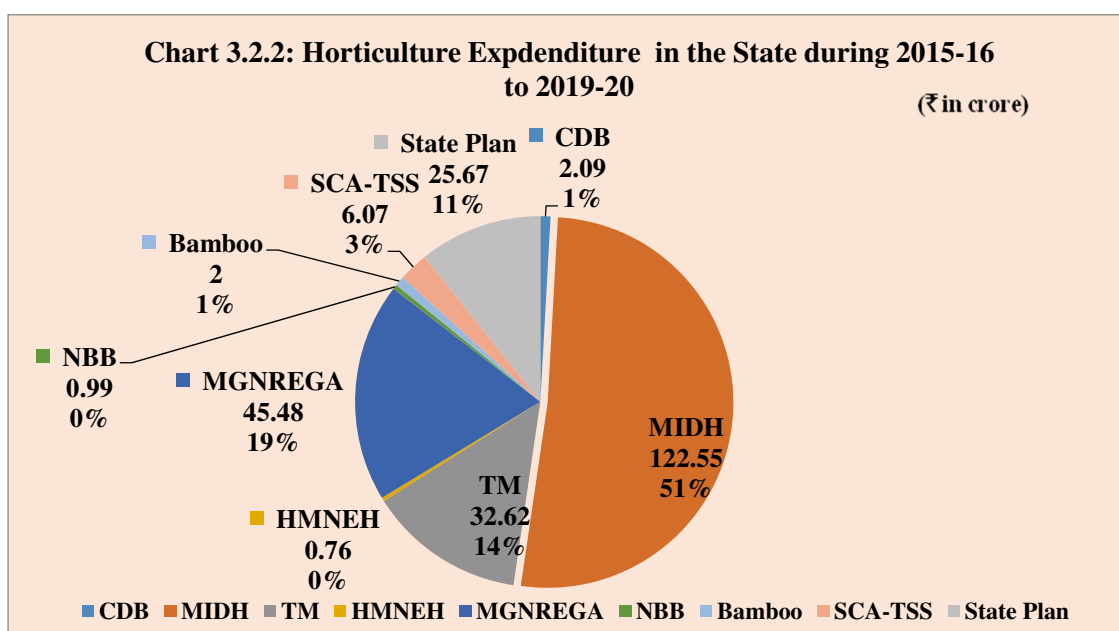
Source: Directorate of Horticulture and Soil Conservation.

It could be seen from **Table 3.2.3** that year wise unspent funds varied from 38 *per cent* to 63 *per cent*. Audit also noticed that out of ₹ 122.55 crore of MIDH funds, ₹ 43 crore²³ were released in March by the Government of India that also formed a major part of the unspent balance with the Directorate of H&SC.

²² Interest and refunds

²³ ₹ 14 crore in 2015-16, ₹ 7 crore in 2016-17, ₹ 12 crore in 2018-19 and ₹ 10 crore in 2019-20.

Chart 3.2.2: Fund position with percentage during 2015-16 to 2019-20



It can be seen from **Chart 3.2.2** that total expenditure for horticulture development in the State during 2015-16 to 2019-20 was ₹ 238.23 crore while the MIDH alone accounted for ₹ 122.55 crore (51 per cent) while State plan funds had a share of 11 per cent. Details of receipts are given in **Appendices 3.2.3 to 3.2.10**.

3.2.7.2 Delay in release of MIDH funds

According to Rule 6.1 of the MIDH guidelines, funds will be released to the State Governments by GoI. State Government will release funds to the SHMs/ State Level Implementing Agencies, who in turn will make funds available to District Mission Committees (DMCs)/ District Implementing Agencies. The detail fund position is given in **Table 3.2.4**.

Table 3.2.4: Fund position of MIDH during 2015-16 to 2019-20

(₹ in crore)

Sl. No.	Year	Share details	1 st Instalment	2 nd Instalment	Total Amount
1.	2015-16	GoI	18.75	14.00	32.75
2.		State	1.88	1.76	3.64
3.	2016-17	GoI	16.50	7.00	23.50
4.		State	1.83	0.78	2.61
5.	2017-18	GoI	10.00	0.00	10.00
6.		State	1.11	0.00	1.11
7.	2018-19	GoI	12.00	0.00	12.00
8.		State	1.33	0.00	1.33
9.	2019-20	GoI	10.00	10.00	20.00
10.		State	1.11	1.11	2.22
Total			74.51	34.65	109.16

Source: Departmental figures and fund sanction memos

Audit noticed that during 2017-18, the first instalment of fund from GoI was received in September 2017 and during 2018-19, the first instalment was received in

March 2019. There was delay²⁴ in release of Central share by the State Government which ranged from seven days to 49 days during 2015-16 to 2019-20. As regards the release of State Share, the delay ranged from 17 days to 160 days (**Appendix 3.2.11**).

The Government stated (January 2022) that the delay occurred as the State Finance Department required some time for processing of release of funds which had been minimised since 2017-18. The Government assured that maximum efforts would be taken, henceforth, for reducing any avoidable delay for release of Central share and corresponding State share by State Government.

3.2.7.3 Receipt of 2nd instalment of funds

The financial sanction under the MIDH is guided by the conditions that the grants shall be utilised and disbursed in accordance with the MIDH operational guidelines, approved Annual Action Plan, maintenance of proper accounts of the expenditure incurred and submission of audited accounts and utilisation certificates in time.

It can be seen from **Table 3.2.4** that the State did not get the second instalment of funds on two successive occasions during 2017-18 and 2018-19. It was seen from the records that the Department sent the proposal for 2nd instalment of funds for 2017-18 only in the month of March 2018²⁵ after receiving a reminder from the Ministry of Agriculture, Government of India. Non- submission of Utilisation Certificates for the previous year and delayed submission of proposals for the current year led to non-receipt of 2nd instalment of funds under MIDH during 2017-18 and 2018-19. Non-receipt of funds were ₹ 23.00²⁶ crore in 2017-18 and ₹ 32.00²⁷ crore in 2018-19, respectively.

The Government accepted the facts and stated (January 2022) that delay in submission of Utilisation Certificates and Audited statements, non-submission of proposals in time which were the major impediments in timely release of Central assistance, had been taken care of and expenditure had been geared up.

3.2.7.4 Non-maintenance of records

As per Rule 77(ii) of the Central Treasury Rules (CTR), as adopted by Government of Tripura, all monetary transactions shall be entered in the Cash Book as soon as they occur and shall be attested by the Head of Office in token of check. During 2015-16 to 2019-20, an expenditure of ₹ 238.23 crore was incurred for horticulture development in the State. Audit noticed the following discrepancies on non-maintenances of records by the sampled offices including the Directorate of H&SC.²⁸:

- i) Cash Book was not maintained properly as expenditure of ₹ 45.48 crore incurred during 2015-16 to 2019-20 under Mahatma Gandhi National Rural

²⁴ Delay was calculated from the date of release by the GoI to the date of release by the State Finance Department after allowing seven days normal transaction time.

²⁵ 6 March 2018

²⁶ The proposal was for ₹ 33.00 crore and fund receipt was ₹ 10.00 crore

²⁷ The proposal was for ₹ 44.00 crore and fund receipt was ₹ 12.00 crore

²⁸ Directorate implemented the commercial floriculture project and provided assistance for post-harvest management activities.

Employment Guarantee Scheme (MGNREGS) was not entered in the Cash Book;

- ii) Consolidated records were not maintained by the sampled offices. As a result, work-wise and component-wise release of funds and achievements there against could not be verified in audit;
- iii) Master Data file for keeping the recommendations of Panchayati Raj Institutions (PRIs) against the selected beneficiaries were not maintained.

Thus, due to non-maintenance of vital records by the sampled offices, timely and proper implementation of the programme and resultant target and achievement report submitted by the respective offices remained un-verified in audit.

The Government accepted (January 2022) the facts and stated that all the offices under the Department were instructed to maintain project registers henceforth.

3.2.7.5 Erratic use of photographic evidences for releasing assistance to the beneficiary

Execution of intermediary works like land preparation, sowing of seeds or planting of saplings, weeding, mulching and related expenditure thereof by the beneficiary for claiming assistance from the Government under the horticultural schemes, could not be verified in audit as the Department did not fix any specific criteria for release of assistance to the beneficiaries under the horticultural schemes. On many occasions, no photographs were used but on some occasions, a single stage photograph at the completion stage was used for release of payments to the beneficiaries. It is pertinent to mention that under the scheme guidelines of MGNREGS, three stage photographs are mandated to prevent the risk of fraudulent drawal of scheme benefits.

No reply was received from the Government (March 2022).

3.2.7.6 Irregularities in raising of credit bills against the Government

To facilitate implementation of Area Expansion Programme of Vegetables under Government approved schemes including MIDH during 2019-20, the farmers in the State were allowed to procure seeds as per their choice from the licensed vegetable seed supplier/ distributors/ dealers in the State. Bills were to be raised by the agencies against the supply of seed to the farmers which were to be settled as per the certification by the farmers and concerned field officials. Related payment was to be made directly to the account of the supplier.

Test check of records of the sampled units under Directorate of H&SC, Government of Tripura revealed that the Department accepted and settled bills amounting to ₹ 2.94 crore²⁹ during 2019-20 in favour of the seeds' suppliers and nursery owners which were raised by the firms on the certification by the field level officials of the Department.

²⁹ Deputy Director of Horticulture (DDH), Unakoti: ₹ 12.79 lakh; SA, Salema: ₹ 15.00 lakh; SH, Kumarghat: ₹ 90.54 lakh; SH, Manu: ₹ 44.59 lakh, SA, Mohanpur: ₹ 61.80 lakh; SA, Mandwi: ₹ 9.30 lakh; SA, Jirania: ₹ 24.00 lakh; SA, Hezamara: ₹ 12.27 lakh; SA, Dukli: ₹ 15.21 lakh and SA, Ambassa: ₹ 8.91 lakh

Scrutiny of the vouchers revealed that (i) name, father's/ husband's name and address of the farmers were not properly recorded for proper identification of the farmer (ii) multiple payments were released to the firm in a single voucher/ invoice with the legend '**only one farmer and 5 others**', '**only one farmer and 4 others**', *etc.* and all these invoices were certified by the departmental officers and payments were released. Thus, the entire expenditure was doubtful due to non-availability of details in the vouchers.

The Department failed to take adequate measures in the order to safeguard fraudulent raising of credit bill by the firms which resulted in submission and acceptance of bill without the farmers' details, claim for multiple payments in a single invoice without even recording the name of farmers, *etc.*

No specific reply was received from the Government (March 2022).

3.2.7.7 Idle fund under NMMI Scheme

National Mission on Micro Irrigation (NMMI) was a Centrally Sponsored Scheme for implementation of drip irrigation system in respect of small and marginal farmers. The expenditure of the scheme would be in the ratio 50:10:40 between Central Government, State Government and the beneficiary. Though, the scheme was to be implemented in the State from the year 2010-11, work orders were issued for installation of drip irrigation system in the orchards of 254 beneficiaries under Deputy Director of Horticulture (DDH), West Tripura in March 2014.

Records related to NMMI scheme under DDH, West Tripura revealed that the office had received funds amounting to ₹ 428.25 lakh as Central Share, State Share from the State Government in instalments during the period from 2010-11 to 2014-15. Out of 254 beneficiaries (314.62 hectares) for which work orders were issued, works pertaining to only 62 beneficiaries (102.02 hectares) were completed with an expenditure of ₹ 52.22 lakh. Interest amounting to ₹ 88.27 lakh was accrued (upto February 2021) on the un-utilised fund of ₹ 374.54 lakh. Implementation of the scheme was stopped and no expenditure was incurred after January 2018. NMMI Scheme fund amounting to ₹ 462.81 lakh along with interest was lying idle in the bank as on February 2021.

The Government stated (January 2022) that delay/ non-implementation of NMMI scheme fund in the State was mainly due to reluctance by the beneficiaries to contribute high rate of beneficiaries' share which was nearly 50 *per cent* as per the schematic norms. Presently, a number of schemes were available where farmers' share had come down between 12 *per cent* and 15 *per cent*. It was also stated that, Department was in contact and seeking approval from the Government for diversion of NMMI scheme into useful devices/implements for irrigation like pump sets/solar pumps.

The Government should return the unutilised fund to Government of India or to take approval to use the fund for implementation of other scheme.

3.2.8 Programme implementation

3.2.8.1 Non-availability of farmers' database

Audit noticed that farmers' database with their name, address, name of the village and land holding, class of land *viz.* Khas land, Allotted land, Jote land, *etc.* falling under the jurisdiction of the offices were not maintained by the Department. As such, assistance made under different horticulture schemes to the eligible farmers on the basis of the land area of the respective crops remained un-verified. The beneficiaries were selected on the basis of the recommendation of the Panchayati Raj Institutions (PRIs).

The Government accepted the fact and stated (January 2022) that beneficiary management system (BMS) had been introduced for all major schemes like MIDH only from 2020-21 onwards where the legacy data of the beneficiaries like name, address, AADHAR number, ration card number, area and schematic assistance were uploaded in the Government portal from the base year 2018-19. Presently the uploading of beneficiary legacy data was under process.

3.2.8.2 Infrastructure development

3.2.8.2 (i) Establishment of Nurseries

Para 7.5 of the MIDH guidelines stipulates that production and distribution of good quality seeds and planting material will receive top priority. States will have a network of nurseries for producing planting material, which was established through Central or State assistance. To meet the requirement of planting material (for bringing additional area under improved varieties of horticultural crops and for rejuvenation programme for old/ senile plantations), assistance will be provided for setting up of new hi-tech nurseries and small nurseries under the public as well as private sectors. Assistance to be given for public sector was 100 *per cent* and 50 *per cent* for private sector. SHM was required to assess the area-wise requirement of planting materials taking into account the availability, additional requirement in view of area expansion, rejuvenation, *etc.* and sanction new nurseries.

As per the target and achievement report of MIDH during 2015-16 to 2019-20, the Department established eight small nurseries and six high-tech nurseries in the public sector. Though the Department established eight nurseries during 2018-19 and 2019-20 at the cost of ₹ 1.20 crore (@ ₹ 15 lakh per nursery), Audit noticed that major supply of seedling and plants were made by private nurseries as discussed in **Paragraph 3.2.8.2(ii)**. Physical verification of the plants and seedlings supplied by the private nurseries revealed that specifications³⁰ of the plants and seedlings were not complied with by the private nurseries and distributed to the beneficiaries. **Photographs 3.2.1** and **3.2.2** will substantiate the audit observation.

³⁰ Minimum 90 cm height, age-12 to 18 months having more than five good leaves or branches with live shoots



Photograph 3.2.1



Photograph 3.2.2

Photographs 3.2.1 and 3.2.2: Seedlings and plants of same species of plants in different size supplied by private nurseries kept in the Bhagabannagar Sub-Seed Store under Unakoti District for distribution to the beneficiaries

The Government stated (January 2022) that only eight nurseries had been assisted under MIDH programme and additional six high tech nurseries were shown wrongly in the target and achievement report. The Government stated that the production level of these orchards had been raised significantly but their impact could not be ascertained due to non-maintenance of proper records by the orchard in charge.

However, no reply was furnished regarding non-adherence to the specifications of plants and seedlings by the private nurseries while supplying to the Horticulture Offices (March 2022).

3.2.8.2 (ii) Status of private nurseries in the State

Tripura Horticultural Nurseries (Regulation) Act, 2013, which came into force in October 2013, stipulates that the owner of every horticultural nursery and every person carrying on business or sale of horticultural plants should obtain license under the Act and follow the rules and regulations formulated therein.

There were 87 private nurseries in the State during the audit period. It was noticed that the Superintendent of Horticulture and Superintendent of Agriculture (SH and SA) offices in the sampled districts purchased seedlings/ plantlets for ₹ 2.84 crore during the audit period from the private nurseries while seedlings/ plantlets valuing ₹ 7.07 lakh were purchased from Government orchards during 2015-20. The details of seeds and seedlings/plantlets purchased from private firms and government nursery is given in **Appendix 3.2.12**.

Verification of eight³¹ private licensed nurseries in the sampled districts revealed that none of the nursery followed the prescribed stipulations regarding maintenance of source records of root stock and scion used for propagation, plant protection operation, number of plants raised and sold, performance of the crop, sale records, cash memos, inspection of the nursery by the Licensing Authority, etc. as per the

³¹ SA Salema-Prantar SHG; SH-Kumarghat-Parwine Nursery; SA Hezamara-Mailuma Nursery and Radha Madhab Nursery, SA Jirania-Chakraborty Nursery & Biotech, SA Mohanpur- Baba Agro, Sriza Small Nursery and New Green Park Nursery.

licensing conditions. The officials of the Department did not adequately inspect the nurseries to either enforce the licensing conditions or to cancel the license. Thus, availability of quality plants and seedlings by the licensed private nurseries in the State were not ensured.

No reply was received from the Government (March 2022).

3.2.8.2 (iii) Seed infrastructure in the State

Tripura is not suited for quality vegetable seed production due to prevalence of high humidity and high acidic nature of the soil. Thus, the State has no seed production infrastructure and no target for production of seeds was kept in the AAP of MIDH during 2015-16 to 2019-20. The seeds were mostly procured from private seed firms on the basis of the approved seed list by the Department which was prepared on the basis of seed trial for adaptability, production and productivity of the seeds by the State Horticulture Research Complex, Agartala. A number of deficiencies were noticed in the seed trial process in audit, particularly with regard to, identity of seed producing firm which should have been kept a secret for an independent and fair trial. However, at the instance of audit the procedure was modified and sealed cover procedure was adopted.

It was noticed that firms supplied seeds to the Department without mentioning the batch number, packaging date and the best before date, as required under the terms and conditions of the supply order. The Department accepted the supply in violation of the conditions of the supply order and distributed such seeds among the farmers in the State. It was noticed that seeds valuing ₹ 9.02 crore were purchased from private nurseries while seeds valuing ₹ 7.60 lakh were purchased from Government orchards during 2015-20 by the SA and SH offices in the sampled districts (**Appendix 3.2.12**).

The sampled units released full amount of the suppliers' bill without retaining 20 *per cent* as reserve till receipt of performance report from field and germination report from the Seed Testing Laboratory. Thus, distribution of seeds to the farmers with good germination status and performance parameter was not ensured in audit.

The Government while accepting the facts, stated that in future complete information regarding the batch number, manufacturing/ packaging date and the expiry date of seeds as mentioned in the supply order would be properly recorded.

3.2.8.2 (iv) Status of Government orchards

There are 47 orchards (**Appendix 3.2.13**) under the administrative control of the Directorate of H & SC, Government of Tripura. These orchards were developed for demonstration of new technologies and introduction of new crops/ varieties to the farmers for improvement in production and productivity. The State Government has decided (April 2020) to constitute 'Tripura Farms & Orchards Research and Demonstration Society' with six large Agricultural Firms and nine Orchards declaring them as of 'State importance' for efficient farm management and improvement of effectiveness in the field.

Audit noticed that except for the Mushroom Spawn Production and True Potato Seeds (TPS) Production Units under Horticulture Research Complex (HRC), Nagicheera which was the biggest State level Research Complex, no other production units could achieve the annual production target during 2015-16 to 2019-20. The reasons for non-achievement of the target were attributed by the Department to non-availability of adequate number of mother plants, lack of pure genetic materials for initiation and multiplication, old plantation and high rate of mortality. The basis for fixing the annual target was also not available on record. Shortfall in achievement is given in **Table 3.2.5**.

Table 3.2.5: Non-achievement of targets by the Horticulture Research Centre, Nagicheera

(in numbers)

Sl. No.	Name of the Unit	Name of the Crop	Target for Production	Achievement	Shortfall (in per cent)
1.	Tissue Culture Unit	Banana Sucker	94,500	6,258	93
2.	Tissue Culture Unit	TPS Parental Lines	1,65,000	95,394	42
3.	Cashew Nut Unit	Cashew Nut Plantlets	45,000	13,940	69
4.	Spices Unit	Spices Plantlets and Rhizomes	25,000	17,200	31

Source: Information furnished by the HRC, Nagicheera.

It can be seen from **Table 3.2.5** that Government orchard could not provide the desired outputs in providing seedlings and plantlets to the farmers in the State for horticulture development and promotion.

Verification of the records of sampled selected orchard³² records revealed that there were 1.92 lakh³³ damaged or over-aged seedlings which could not be utilised for plantation works. Detail position is given in **Appendix 3.2.14**.

The Government while accepting the facts, stated (January 2022) that necessary steps had been undertaken to gear up the production and utilisation of planting material in Government orchards. Regarding damaged or over-aged seedling, the Government stated that lack of fencing and source of irrigation, lack of infrastructure, less strength of labourer, *etc.* had contributed to such damages of the said planting materials. From the replies it appears that the Department failed to take adequate measures to prevent seedling from damage in selected Government orchards.

3.2.8.3 Establishment of new gardens and plantations

3.2.8.3 (i) Target and achievement at the State level under MIDH Scheme

Para 7.18 of the MIDH guidelines envisages coverage of area under improved varieties of horticultural crops. Area expansion will be done in conjunction with Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) under which cost on labour component of work such as digging, fencing, *etc.* could be

³² Gurupada Government orchard, Baram Government Orchard, Tarabancheera Government Orchard, Karamcheera Government Orchard.

³³ 1,91,897

met with. Cost of raising new plantations varies from crop to crop which will be taken into consideration while providing assistance to the beneficiary. Assistance for creation of new plantations under the MIDH was provided to the beneficiaries for creation of new gardens under the components of fruits, vegetables, setting up of mushroom spawn units, flowers, spices, *etc.* subject to the cost limits under the Scheme. The beneficiaries were selected by PRIs.

Audit noticed that the State could not achieve the target for creation of new plantations under the components of fruits, vegetables, flowers, spices, costal plantations, setting up of mushroom spawn units, *etc.* during 2015-20 and the shortfall ranged from 29 *per cent* to 100 *per cent*.

The detail position of target and achievement for creation of new plantations in the State and maintenance/ rejuvenation of old and senile plantations during 2015-16 to 2019-20 in the State is given in **Table 3.2.6**.

Table 3.2.6: State level target and achievement for creation, maintenance and rejuvenation of new gardens under MIDH during 2015-16 to 2019-20

Sl. No.	Name of item	Unit	2015-16		2016-17		2017-18		2018-19		2019-20		Shortfall of 2015-16 to 2019-20 (per cent)
			T	A	T	A	T	A	T	A	T	A	
Creation of New Plantation under MIDH scheme during 2015-16 to 2019-20													
1.	Fruit	Ha	1595	534	0	0	788	524	815	460	252	212	1720 (50)
2.	Vegetables	Ha	3751	1791	2000	2000	1560	1060	2270	2035	5057	3557	4195 (29)
3.	Mushroom	No.	4	1	1	1	0	0	3	0	16	10	12 (50)
4.	Flowers	Ha	289	64	107	107	179	139	148	105	288	268	328 (33)
5.	Spices	Ha	360	0	0	0	0	0	0	0	564	244	680 (74)
6.	Costal Horticulture ³⁴	Ha	0	0	0	0	0	0	1004	4	0	0	1000 (100)
Maintenance of plantation under MIDH scheme during 2015-16 to 2019-20													
7.	Fruit	Ha	977	0	0	0	0	0	1000	500	261	191	1547 (69)
8.	Costal Horticulture	Ha	0	0	0	0	0	0	0	0	1000	400	600 (60)

T-Target and A-Achievement

Source: State level target and achievement report

Note: The data include the achievement with the spill over funds too in respect of annual targets

As regards the utilisation of funds, the Department could not utilise 42 *per cent* of the available funds on establishment of new gardens. Analysis of reasons for shortfall was not done by the Department.

The situation in the three selected districts mirrored the above position and the shortfall ranged from 20 *per cent* to 100 *per cent*.

The Government stated (January 2022) that during 2015-16, the shortage in Area Expansion Programme under MIDH was due to simultaneous implementation of

³⁴ Cashew Nut is included under Costal Horticulture

programme under MGNREGS where the entire cost of cultivation was covered and farmers were benefited more. The Government attributed the shortfall in achievement against physical target to non-receipt of 2nd instalment during 2017-18 and 2018-19.

The reply is not acceptable as the Department failed to submit Utilisation Certificates for previous year and submit proposals on time which led to non-receipt of 2nd instalment of funds for the year 2017-18 and 2018-19.

3.2.8.4 Status of horticulture mechanisation in the State

Para 7.43 of the MIDH guidelines provides for horticulture mechanisation which is aimed to improve farm efficiency and reduce drudgery of farm work force. Assistance in horticulture mechanisation is for activities such as procurement of power operated machines & tools, besides import of new machines and is available to grower associations, farmer groups, self help groups, women farmer groups having at least 10 members, who are engaged in cultivation of horticultural crops.

In Tripura, the component 'Horticulture Mechanisation' under the MIDH, was mainly implemented by distribution of power tillers (8 bhp³⁵ and above) to the selected beneficiaries at the subsidised rate. A subsidy of ₹ 0.75 lakh per beneficiary was provided from the MIDH while balance amount for procurement of power tiller was borne by the beneficiary. Beneficiaries were selected by the PRIs.

State level target and achievement as well the status for the sampled districts in distribution of power tillers are given in **Table 3.2.7**.

Table 3.2.7: The target and achievement for distribution of power tillers during 2015-16 to 2019-20

Name of the Unit	Target and Achievement			
	Target		Achievement (Shortfall in <i>per cent</i>)	
	Physical (in Nos.)	Financial (₹ in lakh)	Physical (in Nos.)	Financial (₹ in lakh)
State	5901	4425.75	4701 (20)	3525.75 (20)
West Tripura	871	653.25	722 (17)	534.75 (18)
Dhalai	342	132.75	151 (56)	74.25 (44)
Unakoti	437	264	154 (65)	18 (93)

Source: Target and achievement report submitted by the State and the sampled district offices

It can be seen from **Table 3.2.7** that 20 *per cent* of the targeted distribution of power tillers could not be achieved by the State during 2015-16 to 2019-20 while the shortfall in the sampled districts varied between 17 *per cent* and 65 *per cent*, with the major non-achiever being the Unakoti District. Financial achievement in Unakoti District was only seven *per cent* in comparison to the Physical achievement of 35 *per cent* which indicates that either achievement was exaggerated or payment of subsidy to the Power Tiller firms was not released.

Scrutiny of the records of the units at the sampled districts revealed that:

³⁵ bhp- brake horse power

- i. Land records of the beneficiaries were not obtained by the offices before distribution of Government subsidised power tiller. Physical verification of the power tillers distributed to the beneficiaries was not done by the offices at regular interval.
- ii. Record indicating in details about the beneficiary, model name and brand name of the power tiller, date of sanction of power tiller and payment of the subsidy, engine number and chassis number of the power tiller was not maintained by any of the sampled offices.
- iii. DDH, Dhalai made payment to Private Firms³⁶ for an amount of ₹ 2.15 crore as Government Subsidy component for purchase of Power Tillers by the farmers during 2015-20. However, DDH, Dhalai could produce the vouchers for ₹ 1.73 crore and vouchers for balance amount of ₹ 42.00 lakh was not produced to Audit. Scrutiny of vouchers revealed a number of irregularities *viz.*, payment of subsidy bills without the copies of delivery challan, payment of bills on the photocopy of delivery challans, non-matching of engine number and chassis number with the bill copy and challan copy, *etc.* Detail position is given in the **Appendix 3.2.15.**

The Government stated (January 2022) that the reasons for less physical and financial achievements not been commensurate with physical achievement under Unakoti District would be investigated and the factual report would be submitted. Regarding distribution of power tillers, Government assured that land records of the beneficiaries are to be ensured at the time of submission of application. However, the Government has not furnished reply for non-production of vouchers for payment of subsidy of ₹ 42 lakh for purchase of power tillers by the Deputy Director of Horticulture, Dhalai District. Moreover, irregularities noticed during scrutiny of vouchers were also not addressed (March 2022).

3.2.8.5 Creation of water harvesting structure

According to para 7.23 of the MIDH guidelines, assistance will be provided for creating water sources through construction of community tanks, farm ponds/reservoirs with plastic/ RCC lining to ensure life saving irrigation to horticulture crops. Further, para 7.24 of the MIDH guidelines provides that assistance will also be provided for creating water source through construction of farm ponds/ tube wells/ dug wells for individuals. Maintenance of the asset will be the responsibility of the beneficiaries.

The physical and financial target for creation of water resources in the State as well as in the sampled districts are given in **Tables 3.2.8.**

³⁶ M/s Balaji Enterprise, M/s Dutta Machinery Stores, M/s J-Deep Chemicals & Fertilizer, M/s Krishi Shilpa Udyog, Agartala, M/s Tapas Chakraborty, Bengal Tools Ltd, Agt, M/s MB Agriculture & Machinery and Shri Nikunja Debnath

Table 3.2.8: The physical target and achievement for creation of water sources during 2015-16 to 2019-20 in the State and selected districts*(in numbers)*

Name of the Unit	Target and Achievement			
	Target		Achievement (Shortfall in per cent)	
	Physical (in Nos.)	Financial (₹ in lakh)	Physical (in Nos.)	Financial (₹ in lakh)
State	250	225	141 (44)	127 (56)
West Tripura	40	36	15 (63)	14 (38)
Dhalai	20	18	10 (50)	9 (50)
Unakoti	20	18	11 (45)	10 (56)

Source: Target and achievement report submitted by the State and the selected district offices

It can be seen from **Table 3.2.8** that 44 per cent of the targeted works could not be achieved by the State during the audit period. As regards the performance of the sampled districts, shortfall ranged between 45 per cent to 63 per cent.

The Government stated (January 2022) that during 2016-19, no target for creation of Water Harvesting Structure (WHS) was fixed for horticulture purposes by Government of India. In 2015-16, though target was fixed for 235 WHS but no funds were placed, thus target could not be achieved. It was also stated that the target fixed for 2019-20 was achieved during 2019-20 and 2020-21.

The reply is not acceptable as the State Government had sufficient funds for creation of water sources during 2015-20.

3.2.8.5 Non- execution of community tanks at sampled districts

The Superintendent of Horticulture (SH), Manu placed funds amounting to ₹ 6.30 lakh in December 2015 to the Executive Engineer (EE) (Agriculture), Dharmanagar, North Tripura for excavation of seven community tanks with the instruction to submit Utilisation Certificates (UCs) at an early date. It was, however, noticed (August 2021) that Executive Engineer did not submit UCs in this regard to SH, Manu. No record regarding completion of work was available with the SH, Manu though five years and seven months had elapsed from the date of placement of funds.

It was further noticed that office of the DDH, Dhalai placed ₹ 76.75 lakh³⁷ to the (EE) (Agriculture), Dharmanagar, North Tripura and DDH, West placed ₹ 75.00 lakh³⁸ to EE (Agriculture), West District for construction of seven water sources through construction of community tanks, farm ponds/ reservoirs with plastic/ RCC lining to ensure irrigation to horticulture crops at different places but no work status report, completion report, utilisation certificate/ adjustment was found in records and without these documents construction of community tanks could not be ensured by Audit.

³⁷ ₹ 25 lakh vide Cheque No. 111792 dt. 30.12.2015, ₹ 34.50 lakh vide Cheque No. 364479 dt. 31.12.2015 and ₹ 17.25 lakh vide Cheque No. 426810 dt. 14.11.2019

³⁸ ₹ 50.00 lakh in December 2015 and ₹ 25 lakh in October 2018

During beneficiary survey in the Mainama Village Council³⁹ under SH, Manu, it was stated by all 10 beneficiaries that they faced a lot of hardship in growing up of plants due to scarcity of water and had to depend on rain water only. Beneficiaries also stated that many seedlings received from the Department had died due to scarcity of water.

Thus, it was observed that community tanks were not constructed on time and the ensuing benefits, to generate more resources for their livelihood, could not be availed by the communities.

No reply has been furnished by the Government (March 2022).

3.2.8.6 Observation on promotion of Integrated Nutrient Management (INM) and Integrated Pest Management (IPM)

With a view to discourage indiscriminate use of nutrients and pesticides by farmers, component of 'promotion of INM and IPM' was implemented through technology dissemination. Assistance was also given for developing of vermin-compost facilities.

Audit noticed that only 55 *per cent* of the targeted area could be achieved by the State during 2015-16 to 2019-20.

The situation in the sampled districts was very grim, no work was carried in the sampled districts and the achievement was 'Nil' though targets of covering of 100 ha, 550 ha and 375 ha was fixed in the districts of West Tripura, Dhalai and Unakoti Districts, respectively during 2015-16 to 2019-20.

No analysis of shortfall was done either at the State or the district level.

The Government stated (January 2022) that the target for 2019-20 could not be achieved due to release of funds at the fag end of the financial year by the GoI.

3.2.8.7 Creation of plantations under MGNREGA Scheme

Chapter 7 of the Operational Guidelines of the MGNREGA, 2013 provides a list of permissible works, the work drought proofing including afforestation and tree plantation is a permissible work under the list. The guidelines further stipulate that priority of work shall be determined by each Gram Panchayat. The Project Implementing Agencies (PIA) can be line departments of the Central or State Governments. For implementation of horticultural programmes under the MGNREGS, administrative approval and work sanction are done by the District Programme Coordinator⁴⁰ and works are executed by respective Superintendent of Horticultures (SH) and Superintendent of Agriculture (SA) in the districts. At the time of sanction of work, funds allocation are communicated to the SAs/ SHs and payments are made by the SAs/ SHs using Fund Transfer Order (FTO).

Detail position of targets and achievement under MGNREGS works in the State under the horticulture component during 2015-16 to 2019-20 are given in **Table 3.2.9**.

³⁹ The village and the beneficiaries were selected on random basis.

⁴⁰ District Magistrate and Collector of the District

Table 3.2.9: State level physical and financial achievements under MG-NREGA

Sl. No	Financial Year	Physical Target (Ha)	Physical Achievement (Ha)	Shortfall (in Ha) (per cent)	Financial Target (₹ in lakh)	Financial Achievement (₹ in lakh)	Shortfall (₹ in lakh) (per cent)
1.	2015-16	NA	* ⁴¹	NA	3929	1723	2206 (56)
2.	2016-17	2696	2424	272 (10)	4214	1234	2980 (71)
3.	2017-18	588	395	193 (33)	4214	2007	2207 (52)
4.	2018-19	2166	1474	692 (32)	2480	808	1672 (67)
5.	2019-20	1763	1311	452 (26)	6067	1114	4953 (82)
Total⁴²		7213	5604	1609 (22)	20904	6886	14018 (67)

Source: Data provided by the Directorate of H&SC, Government of Tripura

NA-Not available

The Physical and Financial targets were not achieved. While the shortfall in Physical achievement ranged from 10 *per cent* to 33 *per cent* during 2016-17 to 2019-20, the Financial achievement fell short by 52 *per cent* to 82 *per cent* during 2015-20.

Audit noticed that none of the sampled implementing units maintained any Project Register recording in details of the works so undertaken, date of sanction, date of commencement, date of completion, area coverage, *etc.* Thus, target and achievement at the SA/ SH level remained un-verified in audit.

Audit further noticed that none of the sampled units recorded the MGNREGS expenditure in Cash Book of the office in violation of the Rule 77(ii) of the Central Treasury Rules (CTR) which provides that all monetary transactions should be entered in the Cash Book as soon as they occur and attested by the Head of Office in token of check.

Test check of the completed works (**Photographs 3.2.3** and **3.2.4** downloaded from the MGNREGS Website as specimen photographs) revealed that no plantation was visible against two arecanut plantation works undertaken in the Unakoti Village Council during 2018-19 at the cost of ₹ 1.29 lakh each. Similar status of mango plantation work undertaken in the Bhagaban Nagar Gaon Panchayat during 2017-18 was noticed. Thus, the Department failed to implement the works under MGNREGS in true spirit for the benefit of the beneficiary.

⁴¹ Physical achievement was 2128 Ha but the target could not be submitted by the DH&SC.

⁴² Only four year figures have been taken into consideration since full data for 2015-16 was not available.



Photograph 3.2.3



Photograph 3.2.4

Photographs 3.2.3 and 3.2.4 shows arecanut plantation in the Unakoti Village under Unakoti District. However, no arecanut plantation is visible in both the photographs.

The Government stated (January 2022) that in few cases, poor maintenance of created plantation under MGNREGS from 2nd year onwards by the farmers was the main constraint in horticulture plantation.

The reply of Government was not acceptable as the photographs were downloaded from MGNREGA website which appeared to be newly created plantations only.

3.2.8.8 Execution of works under SCA to TSS and National Bamboo Mission

The Department received ₹ 6.07 crore and ₹ 2.50 crore from the Tribal Welfare Department, Government of Tripura under SCA to TSS and the Tripura Bamboo Mission, respectively during 2018-19 and 2019-20.

The funds under the SCA to TSS component were placed for implementation of horticulture based programme for the Scheduled Tribe (ST) beneficiaries in the State while the funds from the Bamboo Mission were placed for creation of High Density Bamboo plantations in 2019-20.

No progress and achievement report was available with the Directorate of H&SC for both the schemes. No Register of Works was maintained by the field level units, as such implementation of these schemes at field level also could not be assessed and verified.

Audit physically verified (August 2021) three Government Orchards at Durgacherra, Karamcherra and Balaram. Verification of Durgacherra and Karamcherra⁴³ Orchards revealed that both the orchards were stated to have raised bamboo plantations with 12,000 bamboo seedlings, at the cost of ₹ 12.98 lakh during 2019-20 and 2020-21. However, no bamboo plantation was found during physical verification (August 2021) at Karamcherra Orchard while in Durgacherra Orchard, it was noticed that only few bamboo plants were available and those were covered by dense bushes and other plants. The In-charge of the Karamcherra Orchard stated (August 2021) that the plants were destroyed by cattle. In Balaram Orchard, out of 2,500 bamboo seedlings which were raised at the cost of ₹ 2.09 lakh, only six seedlings were found

⁴³ Durgacherra Tribal Colony Orchard and Karamcherra Tribal Colony Orchard

during physical verification (February 2021). An expenditure of ₹ one lakh was incurred for procurement of plantation guard but despite incurring expenditure, the bamboo seedlings were destroyed.

Audit observations have been substantiated with **Photographs 3.2.5** and **3.2.6**.



Photograph 3.2.5: Karamcherra Orchard



Photograph 3.2.6: Durgacherra Orchard

The reasons for non-availability/ less availability of bamboo plantations in the Karamcherra, Balaram and Durgacherra Orchards during physical verification in audit were not stated (January 2022) by the Government (March 2022).

3.2.8.9 Programme execution under National Bee Board funds

In order to make available the infrastructure needed for integrated development of bee keeping in the State of Tripura, particularly at the farmers level, the facilities including availability of bee hives and other equipment, quality queen bees, bee colonies, honey processing facilities, *etc.* a proposal for setting up of Integrated Beekeeping Development Centre (IBDC) was prepared (July 2017) with the project cost of ₹ 2.30 crore by the College of Agriculture, Government of Tripura (CAT) and sent to the National Bee Board, Government of India with the objective of (i) Queen Bee Multiplication and Nucleus Stock Development, (ii) Setting up of Information Centre, (iii) Honey Bee Disease diagnostic laboratory, (iv) Testing of Quality Control of Honey and Hive Products and (v) Establishment of Bee Garden.

The National Bee Board, Government of India released and placed (March 2018) funds of ₹ 1.15 crore to the Director of H&SC in 2017-18. The funds were placed with the implementing agencies⁴⁴ by the Directorate in September 2018 with the delay of nearly five months.

Audit noticed that, a large chunk of funds⁴⁵ remained unutilised with the Directorate of H&SC while no expenditure was made by the Tripura Khadi and Village Industries Board (TKVIB) till the end of March 2020. The expenditure (upto September 2021) at the CAT stood at ₹ 60.94 lakh with the balance fund of ₹ 20.06 lakh. Thus, due to delay utilisation of funds the project objectives were frustrated.

⁴⁴ ₹ 81.00 lakh to the College of Agriculture, Tripura (CAT), ₹ 15.00 lakh to the Tripura Khadi and Village Industries Board (TKVIB) and ₹ 19.00 lakh to the Director of H&SC, Government of Tripura

⁴⁵ ₹ 15.73 lakh out of ₹ 19.00 lakh

The Government stated that slow progress of work and under-utilisation of funds were mainly attributed to Covid-19 pandemic situation by the CAT. Non-utilisation of the first instalment of funds also led to non-release of second instalment by the National Bee Board.

The reason attributed by the CAT is not acceptable as the funds were placed with the unit in September 2018 which is 18 months before the Covid-19 lockdown.

No specific reply was received from the Government (March 2022).

3.2.8.10 Programme execution with the spill over funds of Technology Mission (TM) and HMNEH

Objective of Technology Mission (TM) launched by the Government of India in 1987 *inter alia* includes oil seed production and drinking water facility while HMNEH is a part of MIDH scheme which was implemented for overall development of horticulture in NE and Himalayan States. After launch of MIDH in 2014-15, no funds under TM were released by Government of India.

Audit noticed that the Department had spill over funds of ₹ 35.39 crore under TM during 2015-20. The major activities undertaken with the funds include (i) commercial floriculture in the State, (ii) setting up of Cold Storage, (iii) initiative for organic farming in the State and (iv) setting up of Centre of Excellence at Horticulture Research Centre at Nagicheria, Agartala. Apart from these, regular plantation activities were also undertaken from these two schemes but no target and achievement report was prepared by the Directorate and also could not be made available to Audit.

The Government stated (January 2022) that the unspent balance funds had been utilised under various beneficiary oriented programmes. Without divulging the details, it was stated that the compiled report on progress of various plantation activities undertaken with HMNEH fund with effect from 2015-16 was maintained at the State level.

Reply of the Government was not acceptable as at the end of 2019-20, the spill over funds of TM stood ₹ 10.79 crore which should have been refunded.

3.2.8.11 Implementation of commercial floriculture project

Considering the huge demand for assistance under exotic flower component, the Department, with the approval of the State Supply Advisory Board (SAB)⁴⁶, had undertaken execution of exotic flower under the component of Commercial Floriculture in protected poly/ shade net structure mode, during 2016-17 at the project cost of ₹ 14.17⁴⁷ crore. Anthurium (114 units), Orchid (111 units) and Gerbera (102 units) plants were selected by the Department for implementation in the field of the selected beneficiaries with the 100 *per cent* assistance from the Government. The

⁴⁶ SAB is the highest body in the State to consider and approve the purchase proposals made by the Government Departments in the State.

⁴⁷ 122 units of Anthurium: ₹ 5.19 crore, 25 units of Orchid: ₹ 1.04 crore and 180 units of Gerbera: ₹ 7.94 crore.

projects were implemented by engaging firms⁴⁸ which dealt with such type of works and selection was done through invitation of tender. The projects were centrally implemented by the Directorate of H&SC, Tripura.

Verification of the records relating to execution of the works revealed that:

The Directorate did not maintain any Project Register containing the detail information of all the projects, with the name of the beneficiary, date of selection, progress of work at different stages with the date of commencement and date of completion and release of payments to the executing firms.

Each project work was to be executed in Turn-key Mode by the selected firm and to be handed over to the selected beneficiary. However, copy of the work order, which contained the details of works to be done by the firm and supplies to be made or successful completion of each project, were not shared with the beneficiaries which was required as per terms and conditions of the contract with the firms. As a result, the beneficiaries were not aware of the project details and the projects were taken over by them without knowing the full details of the project. No formal selection letter was also issued by the Department in favour of the selected beneficiaries.

The firms were paid interest free advance of ₹ 4.25 crore as 30 *per cent* of the total project cost as per the terms and conditions of the agreement. Agreements were signed with the respective firms in September 2016 and in May 2017 and the projects were supposed to be completed within nine months from the date of agreement. However, 11 projects remained incomplete despite an expenditure of ₹ 11.19 crore (December 2020). Project wise completion details were not available with the Department and could not be verified in audit.

Total 37 projects in the field of beneficiaries were selected on random basis and verified in audit (August/ September 2021). On verification, it is noticed that in 14 out of 37 projects, most of the seedlings were damaged, beneficiaries could not be traced out, marketing infrastructure were not available, *etc.* Details are given in **Appendix 3.2.16.**

Government stated (January 2022) that the project register would be maintained henceforth and copy of the work order and the items of the projects would be made available to the beneficiaries. It was also stated that the respective firms had executed handing-over memos with the beneficiaries, thus they were aware of the project details. The Government further stated that implementing process of 327 units could not be completed in time due to repeated changes in the list of beneficiaries from the field level, rejection of beneficiaries due to technical problems, *etc.* Regarding non-utilisation of floriculture projects by the beneficiaries, the Government stated that the average life span of these projects is three years and most of the projects had already crossed their economic life span. As a result, instances of non-utilisation of floriculture projects in the field were noticed. It was also stated that the farmers earned good income from the projects during peak season.

⁴⁸ Florance Flora, Bangalore (218 projects) and North Bengal Floritech, Siliguri (109 projects)

However, the fact remains that basic aim of the projects to provide sustainable source of income to the farmers and make them self-reliant by cultivation of exotic commercial floriculture remained frustrated due to non-availability of marketing infrastructure and the floriculture cultivation could not be sustained.

3.2.8.12 Failure in implementation of Centre of Excellence for fruits at Horticulture Research Centre, Nagicherra

In accordance with the approval of the Government, Directorate of H & SC had submitted (January 2014) an additional action plan of ₹ 19.16 crore to the Ministry of Horticulture, Government of India (GoI) under HMNEH programme for the year 2013-14. With a target to develop Citrus and Mango fruits for their good prospects in the State, a Centre of Excellence for Fruits (CEF) was proposed in the additional action plan. A stretch of land of 12 hectare (Ha) had also been identified (March 2015) for this purpose in the Horticulture Research Complex (HRC), Nagicherra. Ministry of Agriculture, GoI had conveyed (24 March 2014) Administrative Approval & Expenditure Sanction of ₹ 15.79 crore for implementation of the project.

Mission Director, HMNEH released⁴⁹ the funds of ₹ five crore in favour of the Deputy Director of Horticulture, West Tripura in two instalments for implementation of CEF. However, the funds were kept un-utilised. Reason for not-taking up the work was not available on record.

The Government stated (January 2022) that funds earmarked for CEF at Horticulture Research Complex, Nagicherra were being utilised for Centre of Excellence for vegetables at Birchandra Manu after necessary approval from the Chairman, SLEC and Government. Funds were being utilised for horticultural components only, taking into consideration the cultivation of vegetables as a potential tool to support livelihood support system of Tripura's farmers. The project was under implementation.

Despite the Government reply, the fact remains that the Centre of excellence for fruits which was conceptualised at the Horticulture Research Complex, Nagicherra to develop Citrus and Mango fruits in the State remained unachieved.

3.2.8.13 Failure in adoption and certification of organic farming

Department of Agriculture and Farmers' Welfare, Government of Tripura decided to set up organic farming of Horticulture Crops with the estimated cost of ₹ 20.00 crore for 10,000 ha in the State from 2014-15.

Accordingly, the Director of H&SC invited (July 2014) Notice Inviting Tender (NIT) for adoption and certification of organic farming with market linkage and facilitation of export and domestic retail chain in fruits like pineapple, citrus, banana, *etc.* and vegetables of Tripura at farmers' level and related activity with the available funds under the HMNEH for the same component. The Sikkim State Co-operative Supply & Marketing Federation Limited (SIMFED), Gangtok was selected (April 2015) for execution of the work at an estimated cost of ₹ one crore and a Work Order was issued (15 March 2016) in favour of SIMFED. SIMFED was allotted 500 ha area in

⁴⁹ In March and April 2014

Hezamara Block of West Tripura District and Nalchar Block of Sepahijala District covering 250 ha area each for adoption of organic farming of fruits, vegetables and spices in Tripura, at the rate of ₹ 9,555 per hectare. According to the terms of the MoU, the SIMFED was paid ₹ 19.11 lakh being 1st instalment in September 2017 on completion of 1st phase *i.e.* selection of beneficiaries, *etc.* SIMFED had submitted monthly progress reports up to June 2017 and thereafter no progress reports were submitted till date (August 2021). As a result, in absence of progress reports and other records, status of the project could not be ascertained.

The Government accepted the fact and stated (January 2022) that overlapping of areas was observed due to introduction of Mission Organic Value Chain Development (MOVCD) scheme for organic farming of vegetables led to an observation on technical infeasibility due to transfer of chemicals from the field which was not under organic certification process. Thus, earlier scheme was considered non-feasible.

Thus, improper planning and lack of proper sensitisation among the farmers about the benefit of organic farming led to wastage of Government money of ₹ 19.11 lakh.

3.2.9 Impact of the Horticulture Development Schemes in the State

Horticulture cultivation area, production and productivity in the State during 2015-20 were shown in **Table 3.2.10**. The total cropped area of the State in 2015-16 was 1.23 lakh ha which decreased to 1.21 lakh ha in 2019-20. Nearly 77 *per cent* of the cropped area was under vegetable and fruits in the State during 2015-20.

Table 3.2.10: Area, production and productivity of selected crops in the State

Name of the crop	Status in 2015-16			Status in 2019-20		
	Area(Ha)	Production (MT)	Productivity (MT/Ha)	Area(Ha)	Production (MT)	Productivity (MT/Ha)
Vegetable	39201	683837	17.44	39119	688268	17.59
Fruits	55570	552768	9.95	54160	543774	10.04
Nuts	12708	35183	2.77	12468	37545	3.01
Spices	8105	44915	5.54	7363	42792	5.81
Potato	7684	138512	18.03	8050	145866	18.12
Total	123268	1455215		121160	1458245	

Source: Records of Directorate of H&SC and SHM

The areas under cultivation declined marginally in 2019-20 as compared to 2015-16 whereas there was marginal increase in the productivity during 2019-20 as compared to 2015-16.

The situation in the State is mirrored in selected districts also as shown in **Table 3.2.11**.

Table 3.2.11: Areas under cultivation in the three sampled districts*(in Ha)*

Name of the crop	West Tripura		Dhalai		Unakoti		Total	
	2015-16	2019-20	2015-16	2019-20	2015-16	2019-20	2015-16	2019-20
Vegetable	5849	5769	4835	4639	2921	2820	13605	13228
Fruits	6598	6392	11716	11543	3452	3704	21766	21639
Nuts	1355	1329	1898	1975	781	908	4034	4212
Spices	980	834	1283	1184	484	454	2747	2472
Potato	422	377	1037	996	575	1083	2034	2456
Total	15204	14701	20769	20337	8213	8969	44186	44007

Source: Horticulture Area Production Information System (HAPIS) data, Ministry of Agriculture, Government of India

In West Tripura and Dhalai Districts the area under cultivation decreased while in Unakoti District the area under cultivation increased during 2019-20 as compared to 2015-16.

Impact on production of horticultural crops in the sampled districts has been discussed in **Table 3.2.12**.

Table 3.2.12: Total production in the three sampled districts*(in MT)*

Name of the crop	West Tripura		Dhalai		Unakoti		Total	
	2015-16	2019-20	2015-16	2019-20	2015-16	2019-20	2015-16	2019-20
Vegetable	97940	95813	83157	78906	53659	50617	234756	225336
Fruits	61165	59545	124497	124887	36051	38926	221713	223358
Nuts	4041	4018	6144	6374	2361	2892	12546	13284
Spices	5564	4943	5140	6423	3120	2873	13824	14239
Potato	7580	6831	18666	18048	10400	19624	36646	44503
Total	176290	171150	237604	234638	105591	114932	519485	520720

Source: Horticulture Area Production Information System (HAPIS) data, Ministry of Agriculture, Government of India

It can be seen from **Table 3.2.12** that the production decreased in the West Tripura and Dhalai Districts during 2019-20. At the same time, production increased in Unakoti District.

3.2.10 Non-maintenance of source records for horticultural crop statistics in the State

The Directorate of H&SC under the Department of Agriculture and Farmer's Welfare, Government of Tripura published (August 2016) the 'Guiding Manual for Horticultural Crop Statistics for the Field Staff'. While giving the detail procedure for collection and verification of data of horticultural area in the field and the quantum of production, the manual impressed upon the need for reliable statistics about the area and production for setting realistic target for production and its achievement. Guidelines further stipulates that it is the foremost duty of the staff/ officers working in the field of Horticulture to collect reliable data, record it properly and analyse it systematically to get an authentic picture with respect to assessing horticultural area, production and productivity of the State.

In order to verify the district level Horticulture Crop Statistics data submitted by the DDH, West Tripura and Unakoti Districts, audit requisitioned the basic records for the

statistical data as mentioned in the guidelines. However, both the offices could not submit any basic records for data compilation by the VLWs/ AAs and verification of the records prepared by the VLWs/ AAs at the respective level of ASO, SH and DDH. Thus, authenticity of the horticulture statistics data could not be verified in audit.

The Government stated (January 2022) that basic records for horticulture statistics data (area and production) were compiled by the village level workers/ agri assistant at field level. However, concerned Superintendents of Horticulture/ Superintendents of Agriculture (SH/SA) had been instructed to keep the basic records for horticulture statistics data (area and production).

3.2.11 Post-harvest management

Post-harvest management includes packing, grading, transportation, curing, ripening of horticulture produce and setting up of cold storage units. These facilities are essential for increasing the marketability of agriculture products adding value to the produce, increasing profitability and reducing losses. The State Horticulture Mission (SHM) provides subsidy of 50 *per cent* of the estimated cost for post-harvest management activities as per the provisions under the MIDH.

3.2.11.1 Marketing infrastructure

The marketing programmes under the MIDH include strengthening of existing markets and investment from the private and co-operative sectors in the development of market infrastructure. Audit noticed that 94 *per cent* of marketing infrastructure works could not be completed in the State. Out of the targeted 156 marketing infrastructure, only 10 works were completed. State incurred only ₹ 1.50 lakh out of the earmarked funds of ₹ 7.74 crore during 2015-16 to 2019-20. Thus, it was observed that there was a serious mismatch between the planning and the execution at the field.

No reply has been furnished by the Government (March 2022).

3.2.11.2 Setting up of cold storage units and Integrated Pack House

(a) Wasteful expenditure

Para 7.46 of the MIDH guidelines provides for setting up of cold storage units under the component of post-harvest management, which includes projects relating to establishment of pre-cooling units @ ₹ 25.00 lakh/ unit with capacity of six MT.

Audit noticed that the Department set up three solar power operated cold storage units under the public sector with the capacity of six MT each at three districts⁵⁰ at the cost of ₹ 56.16 lakh⁵¹ during 2019-20.

Joint physical verification (September 2021) of two cold storage units and scrutiny of records of the Directorate of H&SC revealed that the cold storage unit at West Tripura District at Horticulture Research Complex (HRC), Nagicheera commissioned in May 2019, functioned only for a brief period and remained non-functional from

⁵⁰ West Tripura, Dhalai and Gomati Districts. The Gomati District was not in the sample, thus not visited in audit.

⁵¹ At the rate of ₹ 18.72 lakh each

November 2020 *i.e.* after expiry of warranty⁵² period and the cold storage⁵³ unit at the Dhalai District at Bilashcheera, Kamalpur Sub Division commissioned in September 2019 was located at nearly five Km away from the nearest market with only access by village roads and no regular transport system, hence it also remained non-functional. Thus, the entire expenditure of ₹ 37.44 lakh (₹ 18.72 lakh per unit) on construction of two cold storage units at Nagicheera and Bilashcheera was wasteful.

The Government stated (January 2022) that the Solar Based Cold Chamber was operational at Horticulture Research Centre, Nagicherra after necessary measures taken up by the executing firm. Government further stated that appropriate measures were being taken in regards to Cold Chamber at Bilashcherra.

(b) Integrated Pack House

The Department initiated action for setting up of an Integrated Pack House at the Horticulture Research Complex (HRC) at Nagicheera, Agartala during 2018-19. After completion of initial works *viz.*, feasibility study, preparation of Detailed Project Report (DPR), invitation of tender, selection of suitable agency, *etc.* the work for establishment of Integrated Pack House at HRC, Nagicheera was awarded to a firm in August 2020 at the tendered cost of ₹ 2.73 crore. The work was in progress (October 2021).

3.2.11.3 Setting up of food processing unit

It was seen that the Department regularly invited expression of interest (EoI) through open advertisement during 2015-16 to 2019-20 from the interested entrepreneurs of the State and outside the State for setting up of food processing industries in the State utilising the horticultural produces in the State and by availing of the subsidy component under the MIDH. Audit noticed that, in response of the EoI, only seven entrepreneurs expressed their willingness during 2015-16 to 2019-20 and all the cases were considered by the Department and provided subsidy under MIDH (**Appendix 3.2.17**) for setting up of food processing units. Audit noticed that all the units were operational during the period of audit.

3.2.12 Delay in formulation of strategy to implement Agriculture Export Policy

Government of India introduced a comprehensive Agriculture Export Policy (AEP) in December 2018, with the following objectives:

- i. to diversify our export basket, destinations and boost high value and value added agricultural exports, including focus on perishables;
- ii. to promote novel, indigenous, organic, ethnic, traditional and non-traditional agri products exports;
- iii. to provide an institutional mechanism for pursuing market access, tackling barriers and dealing with sanitary and phyto sanitary issues;
- iv. to strive to double India's share in world agri-exports by integrating with global value chains; and

⁵² Commissioned in May 2019 and the warranty expired in April 2020

⁵³ Commissioned in September 2019

- v. enable farmers to get benefit of export opportunities in overseas market.

The Government of India requested (December 2018) the State to initiate action as envisaged in the Agri Export Policy. The State Government declared (August 2020) the Directorate of H&SC, as the Nodal Agency and the Director of H&SC as the Nodal Officer for the State Agriculture Export Policy nearly after a delay of two years.

Audit noticed that State Level Monitoring Committee was constituted in December 2020 and the strategy to implement Agriculture Export Policy (AEP) in Tripura, approved by the State Government, was sent to the Government of India in August 2021. Thus, there was inordinate delay in formulation of Export Policy of the State. Reason for the delay was not found on record. Due to delay in formulation of AEP creation of export oriented infrastructure *viz.* creation of cold chain set-up, setting up of export oriented linkage through road, railway and airway network, packaging establishment, capacity building of farmers through training and exposure visits, *etc.* were delayed as were envisaged in the AEP.

Audit further noticed that horticultural exports of 890.04 MT valued ₹ 70.63 lakh during 2017-18 to 2019-20 (**Appendix 3.2.18**) to Bangladesh was recorded in the Agri Export Policy of the State.

The Government stated (January 2022) that draft policy jointly prepared by Directorate of H&SC and APEDA, New Delhi, had been submitted to APEDA during August 2021 after necessary approval from State Government.

3.2.13 Capacity building

As per para 7.33 of the MIDH guidelines, under the HRD programme, training of farmers, entrepreneurs, field level workers and officers will be taken up. Programme for providing appropriate training to farmers for adoption of high yielding varieties of crops and farming system at State level and outside the State. Programme for training of officials concerned with implementation field level workers who will in turn train/guide farmers will also be taken up.

SHM did not utilise the opportunities available under the MIDH for training of farmers as well as for the departmental officials during 2015-16 to 2019-20.

As against a target of 7,849 farmers and gardeners, training was provided to 2,669 farmers/ gardeners during 2015-20. The shortfall in training of farmers stood at 66 *per cent*, utilising ₹ 48.29 lakh against the target of ₹ 2.32 crore. Similarly, as against the target of 1,380 officials to be trained during 2015-20, SHM imparted training to only 480 members (35 *per cent*) indicating lack of focus on training of staff too with ₹ 3.05 lakh was spent against the target of ₹ 47.20 lakh.

As regards development of skills of local youths, no information was furnished by the Directorate of H&SC.

No reply was received from the Government (March 2022).

3.2.14 Monitoring and Evaluation

According to paragraphs 4.8 and 4.9 of the MIDH guidelines, the State Level Executive Committee (SLEC) and the District Level Committees were to review and monitor the implementation of the programmes at the State and district levels. The Technical Support Group (TSG) of the Mission was to carry out concurrent monitoring of programmes. Further, as per the Memorandum of Association, the SHM should hold the General Body Meeting of all its members at least once in every year and the Board of Management (BoM) of the Society should meet at least once in a quarter.

However, it was noticed in audit that neither the SHM at the State level nor the DHM at the district level maintained any consolidated records *viz.* Meeting Register to arrange the agenda notes with the minutes of the meetings in chronological manner.

As a result, exact number of meetings held at the respective levels could not be ascertained. Except the first meeting of the General Body after formation of the Society⁵⁴, held in November 2014, no record regarding holding of subsequent meetings was made available to audit. Similarly, no record regarding holding of BoM meeting was made available to audit.

This indicates absence of proper monitoring at the State and district levels, which resulted in non-implementation or delays in completion of projects and inclusion of non-viable schemes in successive annual plans.

Further, the Department did not undertake an evaluation study during 2015-20 by engaging an independent agency to assess the impact of implementation of different horticulture programmes in the State.

No reply was received from the Government (March 2022).

3.2.15 Conclusion

The Directorate of Horticulture & Soil Conservation is implementing an umbrella of schemes for development of horticulture in the State. Mission for Integrated Development of Horticulture (MIDH) was the biggest scheme among all the schemes. The State Horticulture Mission (SHM) and the district level Missions were constituted under the MIDH in 2014 and the MIDH programme has been implemented in the State from 2014-15. Audit noticed that Annual Action Plans (AAPs) for 2015-16 to 2019-20 were prepared without following the bottom up approach contrary to GoI guidelines. Audit noticed that a major supply of seedlings and plants were made from private nurseries. Production of quality planting material was not ensured by the Department before distribution to the beneficiaries. The area under cultivation in respect of vegetables, fruits, nuts, spices and potato declined marginally in 2019-20 as compared to 2015-16 whereas there was a marginal increase in production during the same period.

⁵⁴ Society was registered on 7 November 2014

There was substantial shortfall in creation of Water Harvesting Structures, Integrated Nutrient Management (INM), Integrated Pest Management (IPM) activities and creation of marketing infrastructure. Initiatives under post harvest management aimed at reducing post harvesting losses and improving marketability of horticulture produce were largely ineffective as creation of cold storage facilities were very limited and these were mostly non-functional. Establishment of food processing industry in the State was also not very impressive as only seven units came up during 2015-20. Monitoring activities were inadequate and independent impact evaluation was not done by the Department. Further, despite creation of separate wing of Horticulture under the Department of Agriculture and Farmers' Welfare way back in 1985, full-fledged infrastructure is yet to be developed for horticulture in the State.

3.2.16 Recommendations

- 1. State Government may consider to prepare Perspective Plan and prepare Annual Action Plans as per the guidelines of the MIDH.*
- 2. Department should take initiatives to increase production of seedlings in government orchards and ensure availability of quality planting material from State owned orchards and private nurseries. It should enforce the provisions of Tripura Horticultural Nurseries (Regulations) Act, 2013 strictly.*
- 3. Department should ensure to increase areas under cultivation and rejuvenation of old and senile plantations in the State to increase production and productivity.*
- 4. Monitoring of programme implementation may be strengthened and independent evaluation study may be considered to assess the implementation of horticulture programmes in the State.*

PUBLIC WORKS (Roads and Building) DEPARTMENT

3.3 Unauthorised expenditure

The Department unauthorisedly utilised Central Road Fund of ₹ 2.43 crore on an unapproved road project in violation of Central Road Fund (State Roads) Rules, 2014 and also falsely reported to Government of India about utilisation of Central Road Fund.

As per Rule 7 and 8 of Central Road Fund (State Road Rules) 2014, the Central Government shall accord administrative approval of the identified individual works on the basis of proposal forwarded by the State Government. There shall not be any change in scope of work from those as per administrative approval. The revised estimates shall not be considered by the Central Government.

Ministry of Road Transport and Highway (MoRTH), Government of India (GoI) accorded (January 2015) administrative approval of ₹ 6.47 crore for the work 'Improvement and upgradation of the road from Chandrapur to Chaturdas Devata Temple⁵⁵ via Baldakhal (Length=3.831 Km.)' under Central Road Fund (CRF).

Test check (August-September 2019) of records of the Executive Engineer (EE), Jirania Division, Public Works Department (Roads and Building) {PWD (R&B)} revealed that the location of the road work proposed under CRF had already been proposed (February 2013) under Pradhan Mantri Gram Sadak Yojana (PMGSY). The road work under PMGSY was started in February 2015 and completed in July 2019 at the cost of ₹ 3.42 crore.

Though the same stretch of road work was under execution from PMGSY, the Department ignored the fact and invited (May 2015) tender for the road work under CRF. With the approval (November 2015) of Work Advisory Board (WAB), the work under CRF was awarded (November 2015) to the lowest tenderer⁵⁶ at his tendered value of ₹ 5.28 crore (i.e. 14.69 *per cent* below the estimated cost of ₹ 6.19 crore) with the stipulated completion time of 12 months. As the road work at the location approved by MoRTH was already executed under PMGSY, the Department decided (February 2016) to execute another road work⁵⁷ from the funds sanctioned by the MoRTH, GoI for road project approved under CRF. The Department assigned the work at the new location to the same contractor who was awarded the work approved under CRF, without preparation of fresh estimates for the work at the new location and calling of tender. The Department had only obtained an undertaking from the contractor that he would execute the work at the rate approved by the WAB against the agreement for the work sanctioned by MoRTH, GoI under CRF. The road work (length-2.631 Km) at new location⁵⁸ commenced in May 2016 and was completed in March 2019. Beyond that, no further execution was made due to non-availability of

⁵⁵ Situated at old Agartala, 6 (six) Km. away from the capital city, Agartala

⁵⁶ Sri Arun Kumar Dey

⁵⁷ Bypass to Assam para Railway bridge (Length=3.831Km.)

⁵⁸ Bypass to Tolakona Panchayat Office (Length= 2.631 Km.)

land. The two road works at the approved and changed locations are shown in **Appendix 3.3.1**.

The contractor was paid (upto March 2019) ₹ 2.43 crore from the CRF against the total value of work done for ₹ 2.84 crore up to third Running Account (RA) and Final bill.

Thus, the Department in violation of Rule 7 of CRF (State Roads) Rules, 2014 executed another road work⁵⁹ from the funds sanctioned by MoRTH, GoI for road project approved under CRF. Moreover, while furnishing the proposal to MoRTH for funding of the road work under CRF, the Department falsely certified that the project had not been proposed for funding under any other source/ Centrally Sponsored Schemes. Further, while furnishing (January 2017, March 2017, October 2017 and January 2020) the UCs and progress reports to the MoRTH, GoI, the Department concealed the diversion and did not inform about the execution of another road from CRF instead of originally approved work 'Improvement and upgradation of the road from Chandrapur to Chaturdas Devata Temple⁶⁰ via Baldakhal (Length=3.831Km.)'.

Therefore, the Department had not only unauthorisedly utilised Central Road Fund of ₹ 2.43 crore on an unapproved road project in violation of Central Road Fund (State Roads) Rules, 2014 but also falsely reported to the Government of India about utilisation of CRF.

On being pointed out by audit, the Department admitted (March 2021) that the CRF had been utilised on a road at another location as the road work at the location approved by the MoRTH, GoI under CRF, had already been taken up under PMGSY.

The matter was reported to the State Government (July 2021); reply had not been received (March 2022).

PUBLIC WORKS (Roads and Building) DEPARTMENT

3.4 Extra expenditure

The Department incurred extra expenditure of ₹ 0.68 crore towards payment of price variation due to delay in handing over clear site to the construction agency.

Paragraph 15.1 (2) of CPWD Works Manual, 2007 as adopted by the State PWD provides that before approval of Notice Inviting Tender (NIT), availability of clear site, structural drawings and lay out plan, *etc.* were desirable.

Mention was made in paragraph 4.5.11.4 (i) under the Performance Audit of **“Utilisation of Thirteenth and Fourteenth Finance Commission”** of the Report of Comptroller and Auditor General of India Report on Social, Economic and Revenue Sector, Government of Tripura for the year 2017-18 (Report No.2 of 2019) regarding

⁵⁹ Bypass to Assam para Railway bridge (Length=3.831 Km.)

⁶⁰ Situated at old Agartala, 6 (six) Km away from the capital city, Agartala

failure of the Public Works Department to complete construction of 8th Tripura State Rifles Headquarters even after a lapse of nine years from the date of commencement (January 2010) of the work due to delay in handing over of clear site to the construction agency⁶¹.

Further, scrutiny (July-August 2019) of the records of the Executive Engineer, Longtharai Valley Division, Public Works Department (Roads and Buildings) (EE) revealed that the project 'Construction of the 8th BN Tripura State Rifles Headquarter at Lalcherra comprising of 14 work components⁶², was awarded (January 2009) to the agency on cost plus percentage basis (at the rate of 23.69 *per cent* above the Tripura Schedule of Rates (TSR), 2008). A Memorandum of Understanding (MoU) was also concluded (January 2009) between the EE and the agency to complete the works of the project within the stipulated completion time of 24 months from the date of approval of Detailed Project Report or handing over of clear site, whichever is later. Clause 16 of MoU provides that, if during the progress of the works the price of construction materials and/or wages of labour increases and if such increase exceeds 10 *per cent* of the price and/or wages of the quoted rate (*i.e* 23.69 *per cent* above the TSR, 2008) and the agency pays in respect of that material such increased price and/or in respect of labour engaged on execution of the work such increased wages then the amount of the contract shall accordingly be varied, provided that any increase so payable is not attributable to delay in execution of the contract within the control of the agency.

The agency commenced the project in January 2010 with construction of the boundary wall. However, after completion of 3,240 metre (out of 3,423 metre) of boundary wall, the work was stopped (June 2010) by the Forest Department as the proposed location of the project falls under forest land. The work of boundary wall resumed after the Department handed over (June 2014) clear site to the agency and eight⁶³ out of the remaining 13 components⁶⁴ (excluding boundary wall) also commenced between July 2014 to October 2015. Out of nine components being executed by the agency as stated above, only seven⁶⁵ components were completed (between March 2017 and September 2019) and execution of the remaining two components (*i.e.*, Admn. Building and 100 men Barrack-I) were in progress (March 2021). Five components of the project (*viz.*, Commandant's quarter, wireless centre, store building, watch tower and officer's mess) were not started (March 2021) even after lapse of more than 10 years from the date of award of the project in spite of

⁶¹ M/s National Projects Construction Corporation Limited, a Central Public Sector Undertaking

⁶² Boundary wall, Magazine building, MT Office, MT Garage, 100 men Barrack-I, 100 men Barrack-II, Quarter guard, Admn. Building, Wireless centre, Store building, Watch Tower, Officer's Mess, SOS Mess and Commandant's quarter

⁶³ Magazine building, MT Office, MT Garage, 100 men Barrack-I, 100 men Barrack-II, Quarter guard, Admn. Building and SOS mess

⁶⁴ Magazine building, MT Office, MT Garage, 100 men Barrack-I, 100 men Barrack-II, Quarter guard, Admn. Building, Wireless centre, Store building, Watch Tower, Officer's Mess, SOS Mess and Commandant's quarter

⁶⁵ Boundary wall, Magazine building, MT Office, MT Garage, 100 men Barrack-II, Quarter guard, and SOS mess

availability of fund in the Division. The agency was paid ₹ 11.04 crore (upto March 2021) against the total value of work done for ₹ 11.10 crore.

In addition to the above payment, the agency claimed (March 2017) price variation of ₹ 0.99 crore as per clause 16 of MoU due to hike in price of the materials⁶⁶ utilised in seven components⁶⁷ of the project which had been taken up during July 2014 to January 2017. Against the agency's claim, the Department had paid ₹ 0.68 crore as the price escalation cost to the agency (upto March 2021).

The awarding of work without ensuring the clear site, commencement of various components of the project were delayed and for that, the Department had borne extra expenditure of ₹ 0.68 crore towards price variation on the seven components which were executed after more than four years from the scheduled commencement dates of these components. The possibilities of further extra expenditure on price variation could not be ruled out as the work of five components had not been started and two components were in progress⁶⁸ (March 2021).

While admitting the fact, the EE stated (27 August 2019) that due to non-diversion of forest land, work could not be started and therefore, price variation had been paid beyond the stipulated time frame of the work.

The matter was reported to the Government (July 2021); reply is awaited (March 2022).

FOREST DEPARTMENT

3.5 Unfruitful expenditure

There was unfruitful expenditure of ₹ 2.36 crore on creation of eco-park under MGNREGS funds as the park was lying unused due to non-availability of funds for maintenance.

The Ramchandra Para Joint Forest Management Committee (JFMC), in its general meeting held on 2 January 2015, had decided to create an eco-park in Ramchandra Para under MGNREGS through Forest Department.

The Chief Executive Officer⁶⁹, Gomati Forest Development Agency (DFO⁷⁰, Gomati) had accorded (in December 2015, February 2016 and May 2016) administrative approval and expenditure sanction (AA & ES) under Mahatma Gandhi National Rural Employment Guarantee scheme (MGNREGS) fund for creation of different assets (detail in **Annexure 3.5.1**) of ₹ 1.60 crore against Action Plan of Operation (APO) of

⁶⁶ TMT bar, Labour, reinforcement and cement

⁶⁷ MT Garage, MT Office, Admn. Building, 100 men Barrack-I, 100 men barrack II, quarter guard and SOS mess

⁶⁸ Due to fund constraints as reported by the EE

⁶⁹ Chief Executive Officer (CEO) is the head of the State Employment Guarantee Mission (SEGM) established by the State Government with adequate operational flexibility and autonomy to support the Panchayati Raj Institutions and other implementing agencies.

⁷⁰ District Forest Officer

2015-16 and ₹ 0.76 crore against APO of 2016-17 at Ramchandra Para under East Manikya Dewan ADC Village and Lebachara ADC Village under Karbook range of Karbook RD Block.

Accordingly, the SDFO⁷¹, Karbook had incurred expenditure of ₹ 1.60 crore during 2015-16 and 2016-17 on 10⁷² components of works against the APO of 2015-16 and ₹ 0.76 crore on eight⁷³ components of works against the APO of 2016-17 as detailed in **Appendix 3.5.1**. The execution of works for creation of eco-park commenced between May 2015 and April 2016 and were completed by March 2016 and March 2017.

Scrutiny (November 2019) of records⁷⁴ of the SDFO, Karbook and joint physical verification (on 31 October 2019 and 15 November 2019) with the departmental officers, it was noticed that the park was lying closed and abandoned. The complete park was covered with weeds, rose garden, ornamental plantation, floriculture plantation, hedge plantation and palm plantation created at a cost of ₹ 57.45 lakh as shown in **Appendix 3.5.1** were found almost damaged. Further, the remaining assets constructed at a cost of ₹ 1.79 crore were lying unused. The park was not inaugurated till July 2021 though an expenditure of ₹ 2.36 crore was incurred. Reason for not opening the park for public use was not found on record.

On being pointed out in audit, SDFO, Karbook stated (November 2019) that no fund had been received for maintenance of the park. As a result, park was covered with weeds. The reply was not acceptable as the SDFO had not sent any proposal to the Department seeking fund for maintenance work.

On the issue of opening the eco-park for the public, the SDFO has not furnished any specific reply (March 2022).

Therefore, the infrastructure created for creation of eco-park under MGNREGS was also lying unused due to non-availability of funds for maintenance. Thus, the park was not opened for public use and the whole plantations in the park were covered with weeds due to non-maintenance. This resulted in unfruitful expenditure of ₹ 2.36 crore.

The Department should take initiative to open the park for public use and allocate funds for its maintenance.

The matter was reported (September 2021) to the State Government; reply is awaited (March 2022).

⁷¹ Sub-Divisional Forest Officer

⁷² (i) Construction of boundary fencing 1,500 mtr., (ii) Construction of one approach gate, (iii) Construction of chequered tiles soling, (iv) Construction of five passenger shed, (v) Construction of toilet block, (vi) Construction of brick soling: 450 mtr., (vii) Construction of tree protection guard structure, (viii) Construction of pipe line connection over 2,500 mtr., (ix) Construction of five labour shed and (x) Construction of check dam.

⁷³ (i) Construction of overhead tank, (ii) Construction of two submersible pump, (iii) Construction of one storehouse, (iv) Creation of rose garden plantation, (v) Creation of ornamental plantation, (vi) Creation of floriculture plantation, (vii) Creation of hedge plantation and (viii) Creation of plum plantation

⁷⁴ Sanction Order, Work Order, Fund Transfer Order register, MGNREGA website and adjustments submitted by the IOs

CHAPTER IV: ECONOMIC SECTOR

(State Public Sector Undertakings)

CHAPTER IV: ECONOMIC SECTOR

(STATE PUBLIC SECTOR UNDERTAKINGS)

4.1 Functioning of State Public Sector Undertakings

4.1.1 Introduction

The State Public Sector Undertakings (PSUs) consist of State Government Companies and Statutory Corporations. The PSUs are established to carry out activities of commercial nature and occupy an important place in the State economy. As on 31 March 2020, there were 16 PSUs in Tripura. The details of the PSUs in Tripura as on 31 March 2020 are given in **Table 4.1.1**.

Table 4.1.1: Total number of PSUs as on 31 March 2020

Type of PSUs	Working PSUs	Non-working PSUs ⁷⁵	Total
Government Companies ⁷⁶	14	1	15
Statutory Corporations	1	-	1
Total	15	1	16

Source: Finance Accounts 2019-20, Statement -19

None of these PSUs were listed on the Stock Exchange. During the year 2019-20, one new PSU – Tripura Power Generation Limited⁷⁷ was included, and no existing PSU was closed down.

4.1.2 Investment in PSUs

4.1.2.1 State Government's investment in PSUs

The State's investment in its PSUs was by way of share capital/ loans and special financial support by way of revenue grants.

As on 31 March 2020, the investment of the State Government (capital and long-term loans) in 16 PSUs was ₹ 1,714.35 crore⁷⁸ as per details given in **Table 4.1.2**.

Table 4.1.2: Details of State's investment in PSUs

(₹ in crore)			
Year	Equity Capital	Long term Loans	Total
2019-20	1508.00	206.35	1714.35
2015-16	1285.85	129.71	1415.56

The State Government investment as on 31 March 2020 consisted of 87.96 per cent towards capital, 12.04 per cent in long-term loans as against 90.84 per cent (capital) and 9.16 per cent (long-term loans) as on 31 March 2016. A graphical presentation of

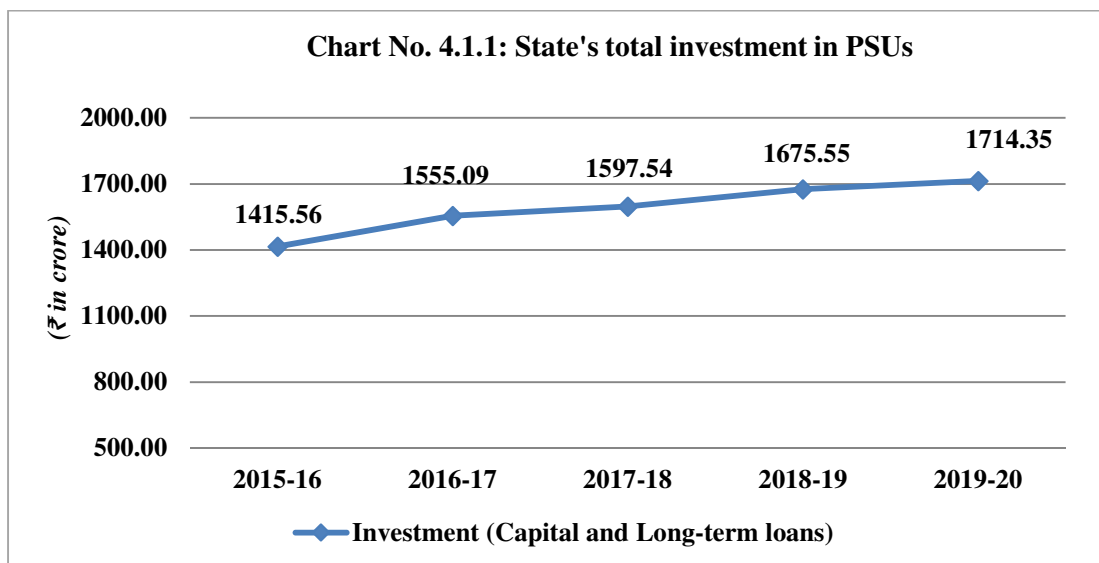
⁷⁵ Non-working PSUs are those which have ceased to carry on their operations.

⁷⁶ Government companies include Other Companies referred to in Section 139(5) and 139(7) of the Companies Act, 2013.

⁷⁷ Incorporated on 28 January 2015

⁷⁸ Investment figures are provisional and as provided by the PSUs excepting two PSUs (Sl. No. A.6 and A.14 of **Appendix 4.1.1**), investment figures for which have been adopted from their finalised accounts for 2019-20.

State Government investment in PSUs during last five years (2015-16 to 2019-20) has been given in **Chart 4.1.1**.



As can be seen from **Chart 4.1.1** that, the State Government's investment in PSUs during last five years showed an increasing trend. The State's investment grew by 21.11 *per cent* from ₹ 1,415.56 crore in 2015-16 to ₹ 1,714.35 crore in 2019-20.

During 2019-20, out of 14⁷⁹ working PSUs where State Government had made direct investment, nine PSUs incurred loss and only five PSUs earned profit (₹ 2.03 crore) as per their latest finalised accounts (**Appendix 4.1.1**). None of the five profit making PSUs had declared any dividend. There was no recorded information about the existence of any specific policy of the State Government regarding payment of minimum dividend by the PSUs.

The State Government's investment (historical value) in PSUs had eroded by 3.58 *per cent* in 2019-20, and the losses (*net of free reserves*) of four PSUs (accumulated losses of ₹ 429.76 crore) had completely eroded the State's investment in their paid-up capital (₹ 290.79 crore), as per their latest finalised accounts.

4.1.2.2 Total Sector-wise investment in PSUs

Total investment of State Government and Other Stakeholders (Central Government, Holding Companies, Banks, Financial Institutions, *etc.*) in PSUs under various important sectors at the end of 31 March 2016 and 31 March 2020 has been given in **Table 4.1.3**.

⁷⁹ Excluding Tripura Natural Gas Company Limited, which had no direct investment from the State Government.

Table 4.1.3: Sector-wise details of total investments in PSUs*(₹ in crore)*

Name of Sector	Government/ Other Companies		Statutory Corporations		Total Investment	
	2015-16	2019-20	2015-16	2019-20	2015-16	2019-20
Power	665.75	1078.78	0.00	0.00	665.75	1078.78
Manufacturing	297.02	427.04	0.00	0.00	297.02	427.04
Financing	144.62	144.62	0.00	0.00	144.62	144.62
Service	88.09	161.39	160.01	163.85	248.10	325.24
Agriculture & Allied	61.37	76.25	0.00	0.00	61.37	76.25
Miscellaneous	14.77	30.00	0.00	0.00	14.77	30.00
Total	1271.62	1918.08	160.01	163.85	1431.63	2081.93

Source: PSUs data

It can be seen from **Table 4.1.3** that as compared to 2015-16, the combined investment of State Government and Other Stakeholders increased significantly during 2019-20 in the Power sector (₹ 413.03 crore), Manufacturing sector (₹ 130.02 crore) and Service sector (₹ 77.14 crore).

The increase in investment under the Power sector was mostly due to loan availed from various sources (₹ 412.82 crore⁸⁰). In Manufacturing sector, the increase in investment was mainly due to equity contribution of ₹ 130.02 crore provided by the State Government to Tripura Jute Mills Limited (₹ 113.12 crore) and Tripura Small Industries Corporation Limited (₹ 16.90 crore) over the period of four years (2015-19). In Service sector, the increase in investment was mainly due to equity contribution of ₹ 73.20 crore provided by the State Government to Tripura Handloom and Handicrafts Development Corporation Limited (₹ 61.03 crore) and Tripura Tourism Development Corporation Limited (₹ 12.17 crore).

4.1.3 Reconciliation with Finance Accounts

The figures in respect of equity and loans provided by the State Government as per the records of PSUs should agree with the corresponding figures appearing in the Finance Accounts of the State. In case of differences in the figures, the PSUs concerned and the Finance Department should carry out reconciliation of differences. The position in this regard as on 31 March 2020 is given in **Table 4.1.4**.

Table 4.1.4: Equity, loans, guarantees outstanding as per the Finance Accounts vis-à-vis records of PSUs*(₹ in crore)*

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
Equity	1439.13	1508.00	68.87
Loans	56.75	206.35	149.60
Guarantee	359.57 ⁸¹	200.00	159.57

Source: Finance Accounts 2019-20 and PSUs records

⁸⁰ State Government = ₹ 76.59 crore, Central Government = ₹ 242.79 crore and Others = ₹ 93.44 crore

⁸¹ This represented the Guarantees outstanding against the Loans availed by Tripura State Electricity Corporation Limited (₹ 159.57 crore) and Agartala Smart City Limited (₹ 200.00 crore).

As on 31 March 2020, there were unreconciled differences in the figures of equity (₹ 68.87 crore), loan (₹ 149.60 crore) and guarantee (₹ 159.57 crore) as per two sets of records. The differences in equity occurred in respect of 12 PSUs⁸² (three PSUs under the Agriculture and Allied sector, four PSUs under the Service sector, two PSUs each under the Manufacturing sector and Power sector and one PSU under the Finance respectively). The difference in guarantee figures related to Tripura State Electricity Corporation Limited.

As regards Loan figures, the Finance Department disburses the loans to various Departments of the State Government for different sectoral activities and booked the amount sector-wise in the Finance Accounts. In turn, the Departments disburse these loans to respective PSUs functioning under their administrative control. Hence, PSU-wise figures of State Government loans provided to various PSUs not available in the State Finance Accounts. The State Government loan figure (₹ 56.75 crore) booked in the Finance Accounts pertained to one power sector PSU⁸³.

Though the Principal Secretary, Finance Department, Government of Tripura as well as the Management of the PSUs concerned were appraised regularly about the differences impressing upon the need for early reconciliation, no significant progress was noticed in this regard.

The State Government and the PSUs concerned may take concrete steps to reconcile the differences in a time-bound manner. The Government should correct the system of financing the PSUs and the Finance Accounts be updated.

4.1.4 Special support and guarantees to PSUs during the year

The State Government provides financial support to PSUs in various forms through annual budgetary allocations. The summarised details of budgetary outgo towards equity, loans and grants/ subsidies in respect of PSUs for the three years ended 2019-20 are given in Table 4.1.5.

Table 4.1.5: Details regarding budgetary support to PSUs

(₹ in crore)

Particulars	2017-18		2018-19		2019-20	
	No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
Equity capital outgo from budget	5	30.53	4	34.81	5	49.89
Loans given from budget	-	-	-	-	-	-
Grants/ subsidy from budget	5	77.35	3	70.77	4	83.82
Total Outgo⁸⁴	9	107.88	7	105.58	9	133.71
Guarantees issued	-	-	1	200.00	-	-
Guarantee commitment	-	-	-	-	-	-

Source: PSUs records

⁸² PSUs at Sl. Nos. A.1, A.2 and A.4 to A.12 and B.1 of Appendix 4.1.1

⁸³ Tripura State Electricity Corporation Limited

⁸⁴ Actual number of PSUs, which received equity, loans, grants/subsidies from the State Government

It can be seen from **Table 4.1.5** that, the budgetary support provided by State Government to PSUs increased from ₹ 107.88 crore in 2017-18 to ₹ 133.71 crore in 2019-20. The major beneficiaries of budgetary outgo during 2019-20 were Agartala Smart City Limited (grant/ subsidy: ₹ 50.00 crore), Tripura Jute Mills Limited (equity: ₹ 29.80 crore), Tripura State Electricity Corporation Limited (grant/subsidy: ₹ 19.25 crore), Tripura Road Transport Corporation (grant/ subsidy: ₹ 13.29 crore) and Tripura Handloom and Handicrafts Development Corporation Limited (equity: ₹ 12.45 crore).

4.1.5 Accountability framework

The audit of the financial statements of a Company in respect of financial years commencing on or after 1 April 2014 is governed by the provisions of the Companies Act, 2013 (Act) and audit of the financial statements in respect of financial years that commenced earlier than 1 April 2014 continued to be governed by the Companies Act, 1956. The new Act has brought about increased Regulatory Framework, wider Management responsibility and higher Professional Accountability.

4.1.5.1 Statutory Audit/ Supplementary Audit

Statutory Auditors appointed by the Comptroller and Auditor General of India (C&AG), audit the financial statements of a Government Company. In addition, C&AG conducts the Supplementary Audit of these financial statements under the provisions of Section 143 (6) of the Act.

Audit of Statutory Corporations is governed by their respective Legislations. The State of Tripura had only one Statutory Corporation (Tripura Road Transport Corporation), which was working. The C&AG is the sole auditor for this Corporation.

4.1.5.2 Role of Government and Legislature

The State Government exercises control over the affairs of these PSUs through its administrative departments. The Government appoints the Chief Executive and Directors on the Board of these PSUs.

The State Legislature also monitors the accounting and utilisation of State Government investment in the PSUs. For this purpose, the Annual Reports of State Government Companies together with the Statutory Auditors' Reports and comments of the C&AG thereon are to be placed before the Legislature under Section 394 of the Act. Similarly, the Annual Reports of Statutory Corporations along with the Separate Audit Reports of C&AG are required to be placed before the Legislature as per the stipulations made under their respective governing Acts. The Audit Reports of C&AG are submitted to the Government under Section 19A of the C&AG's (Duties, Powers and Conditions of Service) Act, 1971.

4.1.6 Arrears in finalisation of accounts

Financial statements of the Companies are required to be finalised within six months from the end of the relevant financial year *i.e.* by end of September in accordance with the provisions of Section 96 (1) of the Companies Act. Failure to do so may

attract penal provisions under Section 99 of the Act. Similarly, the accounts of Statutory Corporations, are to be finalised, audited and presented to the Legislature as per the provisions of their respective Acts.

Timely finalisation of accounts is important for the State Government to assess the financial health of the PSUs and to avoid financial misappropriation and mismanagement. Persistent delay in finalisation of accounts is fraught with the risk of fraud and leakage of public money going undetected apart from violation of the provision of the Companies Act, 2013.

Table 4.1.6 provides the details relating to finalisation of accounts by working PSUs as of 30 September 2020.

Table 4.1.6: Position relating to finalisation of Accounts of working PSUs

Sl. No.	Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
1.	Number of working PSUs	13	13	14 ⁸⁵	14	15 ⁸⁶
2.	Number of Accounts finalised during the year	16	13	12	16	16 ⁸⁷
3.	Number of Accounts in arrears	20	20	23 ⁸⁸	21	24
4.	Number of Working PSUs with arrears in Accounts	12	11	13	12	13
5.	Extent of arrears (number in years)	1 to 2 years	1 to 3 years	1 to 4 years	1 to 4 years	1 to 4 years

The accounts of only two⁸⁹ out of 15 working PSUs were up-to-date as on 30 September 2020. Remaining 13 working PSUs had a backlog of 24 accounts for periods ranging from one to four years. The oldest Accounts in arrears was since 2016-17 (four Accounts), which related to ‘Tripura Horticulture Corporation Limited’ as detailed in **Appendix 4.1.1**.

The administrative departments concerned have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalised and adopted by the PSUs within the stipulated period.

The Accountant General (Audit), Tripura had been taking up the matter regularly with the Chief Secretary and the administrative departments concerned for liquidating the arrears of accounts of PSUs. However, the State Government and the PSUs concerned could not address the issue to clear pendency of accounts of the PSUs in a time bound manner.

4.1.7 Placement of Separate Audit Reports

Timely placement of SARs in the State Legislature is important to ensure timely reporting on the functioning of the Corporation to the stakeholders and fix accountability of the Management for its performance.

⁸⁵ Includes Agartala Smart City Limited which was incorporated on 18 November 2016

⁸⁶ Includes Tripura Power Generation Limited which was incorporated on 28 January 2015

⁸⁷ Includes four accounts of Tripura Power Generation Limited (2015-16 to 2018-19)

⁸⁸ Includes two accounts of Agartala Smart City Limited (2016-17 and 2017-18)

⁸⁹ Tripura Natural Gas Company Limited and Tripura Jute Mills Limited

Tripura Road Transport Corporation (TRTC) was the only Statutory Corporation. Separate Audit Reports (SARs) of the C&AG on their accounts was issued upto 2016-17 (as on 30 September 2020) which was placed in the State Legislature (23 March 2020).

Recommendations:

- a. *The State Government may set up a special cell to oversee the clearance of arrears of accounts and set the targets for individual PSUs, which may be monitored by the cell;*
- b. *The State Government may ensure that existing vacancies in the accounts department of PSUs are timely filled up with persons having domain expertise and experience; and*
- c. *The PSUs may get the figures of equity and loans reconciled with the State Government Departments and arrear of accounts are cleared.*

4.1.8 Investments made by State Government in PSUs whose accounts are in arrears

The State Government had invested ₹ 27.00 crore in four PSUs (equity: ₹ 27.00 crore and loans: Nil) during the years for which these PSUs had not finalised their accounts as detailed in **Table 4.1.7**.

Table 4.1.7: Investment by State Government in PSUs having accounts in arrears

(₹ in crore)

Sl. No.	Name of PSU	Accounts finalised upto	Accounts pending finalisation	Investment by State Government during the period of arrears	
				Equity	Loans
1	Tripura Horticulture Corporation Limited	2015-16	2016-17 to 2019-20	3.15	0.00
2	Tripura Tea Development Corporation Limited	2018-19	2019-20	3.00	0.00
3	Tripura Small Industries Corporation Limited	2016-17	2017-18 to 2019-20	8.40	0.00
4	Tripura Handloom and Handicrafts Development Corporation Limited	2016-17	2017-18 to 2019-20	12.45	0.00
Total				27.00	0.00

In the absence of accounts and their subsequent audit, it could not be verified if the investments made and the expenditure incurred have been properly accounted for and the purpose for which the amount was invested was achieved or not.

The Government may consider not giving further financial assistance to the PSUs having backlog of Accounts until the accounts are made as current as possible.

The Government may consider setting up a special cell under the Finance Department to oversee the expeditious clearance of arrears of accounts of PSUs. Where there is lack of staff expertise, Government may consider outsourcing the

work relating to preparation of accounts and take punitive action against Company Management responsible for arrears of accounts.

4.1.9 Performance of PSUs as per their latest finalised accounts

The financial position and working results of working PSUs as per their latest finalised accounts as on 30 September 2020 are detailed in **Appendix 4.1.1. Table 4.1.8** provides the comparative details of working PSUs turnover and State GSDP for a period of five-year ending 2019-20.

Table 4.1.8: Details of working PSUs-turnover vis-à-vis GSDP

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Turnover ⁹⁰	706.39	869.27	1011.51	1,024.88	1289.82
GSDP ⁹¹	35,938	39,479	43,716	49,845	55,358
Percentage of Turnover to GSDP	1.97	2.20	2.31	2.06	2.33

As can be seen from **Table 4.1.8**, the turnover of the working PSUs showed a continuous growth during 2015-16 to 2019-20. Except during 2018-19, the year-wise percentage of State PSU-turnover to GSDP had also appreciated in all years during 2015-20. The contribution of PSU-turnover to GSDP during 2018-19 decreased as the growth of the PSU-turnover was not commensurate with the pace of increase in the GSDP during 2018-19. The increase in State PSU-turnover during 2016-17 (₹ 162.88 crore), 2017-18 (₹ 142.24 crore) and 2019-20 (₹ 264.94 crore) was mainly driven by the corresponding growth in the turnover of the power sector company (TSECL) during 2016-17 (₹ 167.85 crore), 2017-18 (₹ 110.43 crore) and 2019-20 (₹ 215.32 crore).

4.1.9.1 Key parameters

Some other key parameters of PSUs performance as per their latest finalised accounts as on 30 September of the respective year are given in **Table 4.1.9**.

Table 4.1.9: Key Parameters of PSUs

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Debt	350.86	296.73	298.96	299.50	491.01
Turnover ⁹²	706.39	869.27	1011.51	1,024.88	1289.82
Debt/ Turnover Ratio	0.50:1	0.34:1	0.30:1	0.29:1	0.38:1
Interest Payments	0.69	1.62	1.43	1.21	6.97
Accumulated losses	762.48	773.39	969.73	1,028.84	1120.93

⁹⁰ Turnover of working PSUs as per their latest finalised accounts as on 30 September of respective year

⁹¹ GSDP figures as released by the Ministry of Statistics and Programme Implementation (MoSPI)

⁹² Turnover of working PSUs as per their latest finalised accounts as on 30 September of the respective year

Debt-Turnover Ratio

A low debt-to-turnover ratio (DTR) demonstrates a good balance between debt and income. Conversely, a high DTR can signal of having too much of debt against the income of PSUs from core activities. Thus, the PSUs having lower DTR are more likely to comfortably manage their debt servicing and repayments.

PSU Debt

During the period from 2015-19, the PSUs debt had registered an overall decrease of ₹ 51.36 crore (14.64 *per cent*) from ₹ 350.86 crore (2015-16) to ₹ 299.50 crore (2018-19). However, during 2019-20, the outstanding debts of PSUs increased by 63.94 *per cent* as compared to previous year (2018-19). This was mainly due to increase in the debts of Tripura State Electricity Corporation Limited by ₹ 196.60 crore. Major portion of PSU debts during 2019-20 (98.84 *per cent*) pertained to Tripura State Electricity Corporation Limited (₹ 356.88 crore) and Tripura Industrial Development Corporation Limited (₹ 128.41 crore).

From **Table 4.1.9**, it can be seen that during 2015-19, the PSU Turnover had registered a growth of ₹ 318.49 crore (45.09 *per cent*) from ₹ 706.39 crore (2015-16) to ₹ 1,024.88 crore (2018-19). As a result, the DTR had shown a decreasing trend during the period from 2015-19. However, during 2019-20, due to significant increase (122.66 *per cent*) in the debt position of Tripura State Electricity Corporation Limited, the overall DTR had increased to 0.38:1, which indicated that the position of PSUs to service their long-term debts had deteriorated as compared to previous years.

The accumulated losses of PSUs had registered an overall increase of 47.01 *per cent* (₹ 358.45 crore) from ₹ 762.48 crore (2015-16) to ₹ 1,120.93 crore (2019-20) mainly due to increase of ₹ 269.90 crore in the accumulated losses of two PSUs⁹³ during the same period.

4.1.9.2 Erosion of capital due to losses

The aggregate paid-up capital and accumulated losses of 15 working PSUs as per their latest finalised accounts as on 30 September 2020 were ₹ 1,475.76 crore and ₹ 1,120.93 crore respectively (**Appendix 4.1.1**).

Analysis of investment and accumulated losses of these PSUs revealed that the accumulated losses (*net of free reserves*) of four working PSUs (₹ 429.76 crore) had completely eroded their paid-up capital (₹ 290.79 crore) as detailed in the **Table 4.1.10**.

⁹³ Tripura State Electricity Corporation Limited (₹ 131.99 crore) and Tripura Jute Mills Limited (₹ 137.91 crore).

Table 4.1.10: PSUs with erosion of paid up capital

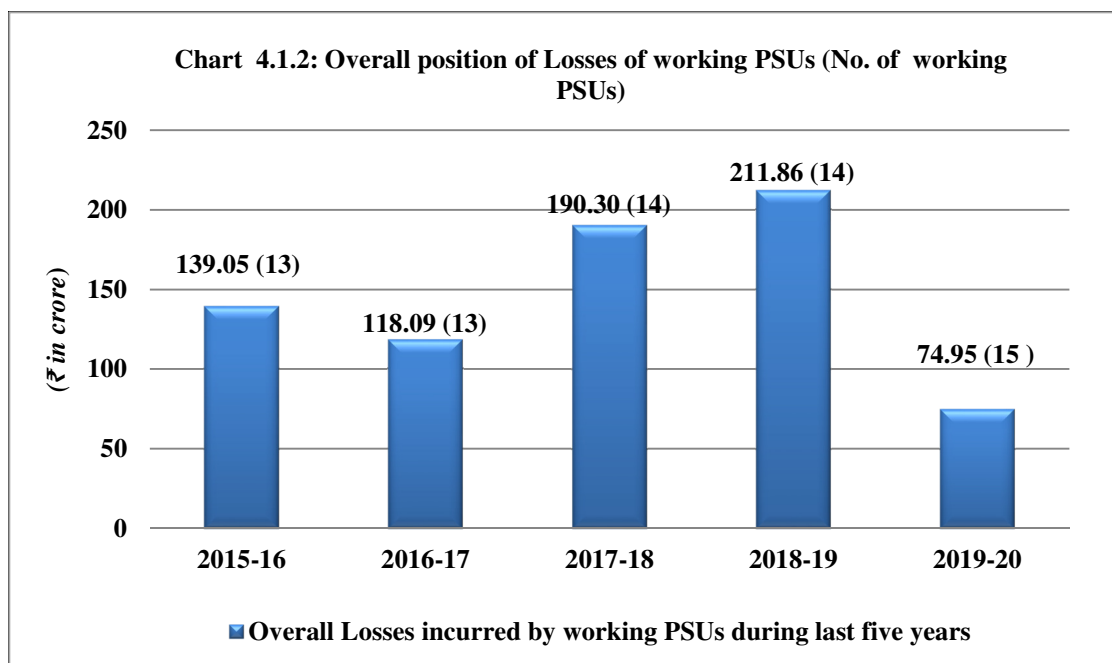
(*₹ in crore*)

Name of PSU	Latest finalised accounts	Paid up capital	Accumulated losses*
Tripura Rehabilitation Plantation Corporation Limited	2018-19	4.58	10.58
Tripura Industrial Development Corporation Limited	2018-19	16.17	25.71
Tripura Handloom and Handicrafts Development Corporation Limited	2016-17	107.09	120.02
Tripura Road Transport Corporation	2016-17	162.95	273.45
Total		290.79	429.76

*net after adjusting 'free reserves'

Accumulation of huge losses by these PSUs had eroded public wealth, which is a cause of serious concern and the State Government needs to review the working of these PSUs to either improve their profitability or close their operations.

The overall position of losses⁹⁴ incurred by working PSUs during 2015-16 to 2019-20 are depicted in **Chart 4.1.2**.



(Figures in brackets show the number of working PSUs in respective years)

From **Chart 4.1.2**, it can be seen that the working PSUs incurred losses during all the five years under reference. These losses of working PSUs during the period from 2015-19 were mainly attributable to heavy losses incurred by the power sector PSU during these years, which ranged between ₹ 79.96 crore (2016-17) and ₹ 156.96 crore (2018-19). Compared to previous year, during 2019-20 the losses of working PSUs decreased significantly (64.62 per cent) mainly due to decrease of ₹ 133.25 crore (84.89 per cent) in the loss incurred by the power sector PSUs from ₹ 156.96 crore (2018-19) to ₹ 23.71 crore (2019-20).

⁹⁴ As per the latest finalised accounts of working PSUs as on 30 September of the respective year

During the year 2019-20, out of 15 working PSUs, six PSUs earned an aggregate profit of ₹ 20.65 crore, while nine PSUs incurred loss of ₹ 95.60 crore. The details of major contributors to overall profits and losses of working PSUs are given in **Table 4.1.11**.

Table 4.1.11: Major contributors to profits and losses of working PSUs

(₹ in crore)		
Name of PSU	Latest finalised accounts	Profit (+)/ loss (-)
Tripura Natural Gas Company Limited	2019-20	(+) 18.62
Tripura Jute Mills Limited	2019-20	(-) 31.62
Tripura State Electricity Corporation Limited	2016-17	(-) 23.71
Tripura Industrial Development Corporation Limited	2018-19	(-) 15.23

4.1.9.3 Return on Capital Employed

Return on Capital Employed (ROCE) is a profitability metric that measures the long term profitability and efficiency of the total capital employed by a company. Companies create value when they generate returns on the capital employed. ROCE is an important decision metric for long term lenders. ROCE is calculated by dividing a company's earnings before interest and taxes (EBIT) by the capital employed⁹⁵.

During 2019-20, the overall Capital Employed in 15 working PSUs as per their latest accounts was ₹ 919.80 crore while the ROCE of the PSUs ranged from (-) 1082.88 *per cent* (Tripura Jute Mills Limited) to (+) 19.07 *per cent* (Tripura Natural Gas Company Limited). Further, out of 15 working PSUs, Only five PSUs⁹⁶ had positive ROCE (**Appendix 4.1.1**).

4.1.10 Return on Investment on the basis of Present Value of Investment

The Rate of Real Return (RORR) measures the profitability and efficiency with which equity and similar non-interest bearing capital have been employed, after adjusting them for the time value. To determine the Rate of Real Return on Government Investment (RORR), the investment of State Government⁹⁷ in the form of equity, interest free loans and grants/ subsidies given by the State Government for operational and management expenses *less* disinvestments (if any) has been considered, and indexed to their Present Value (PV) and summated. The RORR is then calculated by dividing the 'profit after tax' (PAT) by the sum of the PV of the Government investment.

During 2019-20, out of 15 working PSUs, 9 PSUs incurred loss (₹ 95.60 crore) and only six PSUs earned profits⁹⁸ (₹ 20.65 crore) (**Appendix 4.1.1**). On the basis of return on historical value, the State Government investment eroded by 3.58 *per cent* during 2019-20. On the other hand, the Rate of Real Return where the present value

⁹⁵ Capital employed = Paid up share capital + free reserves and surplus + long term loans – accumulated losses - deferred revenue expenditure

⁹⁶ PSUs at Sl. No. A.1., A.2., A.11., A.12. and A.14. of **Appendix 4.1.1**

⁹⁷ As per the records of PSUs

⁹⁸ As per the latest finalised accounts of working PSUs as on 30 September 2019

of investment is considered, the State Government investment eroded by 1.47 *per cent* as shown in **Appendix 4.1.2**. This difference in the percentage of investment erosion was on account of adjustments made in the investment amount for the time value of money.

4.1.11 Winding up of non-working PSUs

As on 31 March 2020, there was only one non-working PSU (*viz.* Tripura State Bank Limited), which had been non-functional since 1971. The said PSU was in the process of liquidation under Section 248 of the Companies Act, 2013. Since the non-working PSU was neither contributing to the State economy nor meeting the intended objectives, the liquidation process to wind up this PSU needs to be expedited.

Recommendations

In view of the facts above on accumulated losses, erosion of capital and negative return on capital employed, the State Government needs to either revamp the working of these PSUs or wind them up in public interest.

4.1.12 Impact of Audit Comments on Annual Accounts of PSUs

During October 2019 to September 2020, 11 working Companies had forwarded 16 accounts to the Accountant General (Audit), Tripura. 14 accounts of 10 Companies were selected for Supplementary Audit during the year. Non-Review Certificates (NRC) were issued against remaining two accounts of two Companies. The audit reports of Statutory Auditors appointed by the C&AG and the Supplementary Audit conducted by the C&AG indicated that the quality of maintenance of State PSU accounts needs to be improved substantially. The details of aggregate money value of comments of Statutory Auditors and the C&AG are given in **Table 4.1.12**.

Table 4.1.12: Impact of audit comments on working Companies

(₹ in crore)

Sl. No.	Particulars	2017-18		2018-19		2019-20	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	1	4.64	1	11.01	0	0.00
2.	Increase in loss	3	2.84	2	18.85	3	4.25
3.	Non-disclosure of material facts	3	32.85	0	0.00	0	0.00
4.	Errors of classification	1	0.29	2	41.72	2	217.51

During the year, the Statutory Auditors had given qualified certificates on all 16 accounts. The compliance of companies with the Accounting Standards (AS) remained poor as there were four instances of non-compliance with the Accounting Standards in four accounts during the year. The audit comments were based mainly on the non-compliance with AS-2 (Valuation of inventories), AS-5 (Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies), AS-15 (Employee Benefits), AS-22 (Accounting for taxes on income) and IND AS-116 (Leases).

The only Statutory Corporation in the State (*viz.* Tripura Road Transport Corporation) for which the C&AG is the sole auditor, had not forwarded any accounts during the reporting period to Principal Accountant General (Audit), Tripura. The Accounts of the Corporation have been audited and Separate Audit Report (SAR) issued for the accounting year upto 2016-17.

4.1.12.1 Gist of some of the important comments of the statutory auditors and CAG in respect of accounts of the PSUs are as under:

Tripura Jute Mills Limited (2018-19)

- Tripura Industrial Development Corporation Limited (TIDC) (another State PSE) constructed 20 Staff Quarters on the Land owned by the Company and handed over to the Company for resettlement of the occupants of the Dormitories, which were demolished by TIDC for construction of 'Agartala International Fair Ground and Exhibition Centre'. The above transaction, which was effected between TIDC and the Company without any financial consideration, remained unaccounted in the books of the Company and TIDC.

The monetary impact of this transaction on the value of the Fixed Assets of the Company could not be quantified in absence of proper documentation and non-maintenance of Fixed Assets Register by the Company.

Tripura Urban Transport Company Limited (2018-19)

- The Company has not accounted the outstanding bills of ₹ 1.98 crore payable against the supply orders (June 2014) placed on Suppliers for delivery of 100 Buses under JNNURM. The bills remained unpaid due to shortage of JNNURM funds and non-release of Additional Central Assistance from the Government. This has resulted in understatement of 'Other Current Liabilities' and 'Fixed Assets' by ₹ 1.98 crore each.

Tripura State Electricity Corporation Limited (2016-17)

- The Company wrongly capitalised the expenditure of revenue nature (₹ 2.80 crore) relating to IT billing system under 'Capital Works in Progress (CWIP)', resulting in overstatement of 'CWIP' and understatement of 'Loss for the year' by ₹ 2.80 crore each.
- The Company wrongly accounted the value of completed projects amounting to ₹ 70.10 crore (including project assets costing ₹ 67.66 crore partially financed out of Government Grants) under 'Capital Work-in-Progress' instead of the 'Tangible Assets' (Property, Plant and Equipment). Non-charging of depreciation on completed assets resulted in understatement of 'Depreciation' by ₹ 4.80 crore, understatement of 'Other Income' (Adjustment of Depreciation for Grant Assets) and overstatement of 'Reserves and Surplus' (Capital Grant) by ₹ 3.83 crore each with corresponding understatement of 'Loss for the year' by ₹ 0.97 crore.

Tripura Industrial Development Corporation Limited (2018-19)

- The Company did not account for the expenses (₹ 0.39 crore) incurred during the year towards Operation and Maintenance of ‘Common Effluent Treatment Plant’ (₹ 0.30 crore) and Security & Hiring of vehicles (₹ 0.09 crore) resulting in understatement of ‘Other Current Liabilities’ as well as ‘Loss for the year’ to the same extent.
- The Company did not account lease rent receivable from 78 Industrial Units (IUs) for the year 2018-19 resulting in overstatement of ‘Loss for the year’ by ₹ 0.99 crore with corresponding understatement of ‘current assets’ (trade receivables) to the same extent.

4.1.13 Follow up action on Audit Reports

4.1.13.1 Submission of Explanatory notes

The Reports of the C&AG represent the culmination of the process of audit scrutiny. It is, therefore, necessary that they elicit appropriate and timely response from the executive. The Finance Department, Government of Tripura issued (July 1993) instructions to all administrative departments to submit replies/ explanatory notes to paragraphs/ performance audits included in the Audit Reports of the C&AG within a period of three months of their presentation to the Legislature, in the prescribed format without waiting for any questionnaires from the Committee on Public Undertakings (COPU). The position of receipt of replies/ explanatory notes to paragraphs/ performance audits pending to be received from the State Government/ administrative departments concerned is given in **Table 4.1.13**.

Table 4.1.13: Explanatory notes not received (as on 30 September 2020)

Year of the Audit Report (Commercial/ PSUs)	Date of placement of Audit Report in the State Legislature	Total performance audits and paragraphs included in the Audit Report		Number of performance audits/paragraphs for which explanatory notes were not received	
		Performance audits	Paragraphs	Performance audits	Paragraphs
2014-15	23-03-2016	1	2	Nil	2
2015-16	15-03-2017	1	Nil	1	Nil
2016-17	23-11-2018	1	1	1	1
2017-18	30-08-2019	1	4	1	4
Total		4	7	3	7

From **Table 4.1.13**, it can be seen that out of 11 paragraphs/ performance audits, explanatory notes to 10 paragraphs/ performance audits in respect of three departments, which were commented upon, were awaited (September 2020).

4.1.13.2 Discussion of Audit Reports by COPU

The status as on 30 September 2020 of performance audits and paragraphs relating to PSUs that appeared in the State Audit Reports and discussed by the COPU was as given in **Table 4.1.14**.

Table 4.1.14: Performance audits/ paragraphs featured in State Audit Reports vis-à-vis discussed by COPU as on 30 September 2020

Period of Audit Report	Number of performance audits/paragraphs			
	Appeared in Audit Reports		Paragraphs discussed	
	Performance audits	Paragraphs	Performance audits	Paragraphs
2012-13	1	3	1	2
2013-14	1	3	Nil	Nil
2014-15	1	2	Nil	Nil
2015-16	1	Nil	Nil	Nil
2016-17	1	1	Nil	Nil
2017-18	1	4	Nil	Nil
Total	6	13	1	2

4.1.13.3 Compliance to Reports of COPU

Action Taken Notes (ATNs) to 49 recommendations pertaining to latest ten reports of the COPU presented to the State Legislature between November 2010 and February 2015 have not been received (September 2020) as indicated in **Table 4.1.15**.

Table 4.1.15: Compliance to COPU reports

Sl. No.	COPU Report Number	Date of Placement in the State Assembly	Based on Audit Report for the year	Total no. of recommendations in COPU report	No. of recommendations where ATNs not received
1	41	01.11.2010	2000-01	5	5
2	42		2006-07	3	3
3	43		2002-03	8	8
4	44		1989-90	9	-
5	45	06.03.2012	2006-07	8	8
6	46		2007-08	5	5
7	47		2007-08	1	1
8	48		On spot study tour by COPU at TFDPC	5	5
9	49	25.02.2014	2008-09	10	10
10	50	20.02.2015	2004-05	4	4
Total	10			58	49

The above reports of COPU contained recommendations in respect of compliance audit paragraphs pertaining to five departments of the State Government, which appeared in the reports of the CAG for the years 1989-90 to 2008-09.

Recommendations

State Government should review and revamp the mechanism of responding to audit observations. It may ensure that explanatory notes to audit paragraphs/ performance audits and ATNs on the recommendations of COPU are provided as per the prescribed time schedule and the loss/outstanding advances/ overpayments flagged in audit recovered within the prescribed period to enable accountability for public finances.

POWER DEPARTMENT

4.2 Performance Audit of Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) Schemes

4.2.1 Introduction

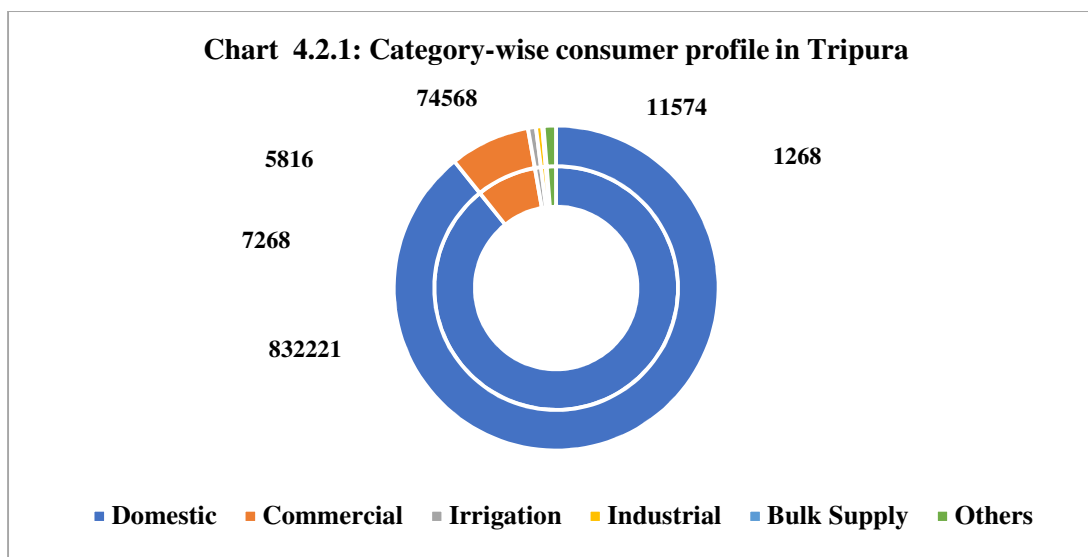
(a) Deen Dayal Upadhyaya Gram Jyoti Yojana/ Saubhagya schemes

With a view to address the problem of inadequate and unreliable power supply in rural areas and strengthening the distribution network in rural areas and to complete the ongoing work of rural electrification under erstwhile Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) (launched in March 2005), Government of India (GoI) launched (December 2014) “Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)” subsuming the targets laid down under XII Five Year Plan (XII FYP 2012-17) for erstwhile RGGVY as a separate rural electrification sub-component by carrying forward the approved outlay for the RGGVY to the DDUGJY. Two additional objectives were framed, viz., (i) separation of agriculture and non-agriculture feeders, and (ii) strengthening and augmenting the sub-transmission and distribution infrastructure in rural areas, including metering at distribution transformers, and at feeders and consumers’ end. As far as implementation of Schemes/projects sanctioned prior to launch of DDUGJY are concerned; the operational guidelines/ standard documents/ procedures of RGGVY shall continue to prevail.

As per definition adopted by the Ministry of Power (MoP) (revised in 2004), a village was considered as electrified only if:

- ‘Basic infrastructure such as distribution transformer and distribution lines were provided in the inhabited locality as well as the dalit-basti/ hamlet where it exists. (For electrification through non-conventional energy sources, a distribution transformer may not be necessary);
- Electricity was provided to public places like schools, panchayat offices, health centres, dispensaries, community centres, *etc*; and
- The number of households electrified was at least 10 *per cent* of the total number of the households in the villages.’

There were 9.33 lakh consumer in the State. Out of this 89 *per cent* of the consumer are categorised as domestic consumer. Though DDUGJY (New) emphasised on segregation of agricultural and non-agricultural feeders, but there was no segregation of agricultural and non-agricultural feeders in the State as there was no large-scale dependence on electricity for agricultural irrigation (less than one *per cent*), rather, the irrigation was mainly carried out through natural downhill streams, rainwater and minor irrigation canals. The category-wise consumer in Tripura is shown in Chart 4.2.1.



(b) Saubhagya Scheme

Keeping in view the role of electricity in the human and socio-economic development, GoI launched (October 2017) “Pradhan Mantri Sahaj Bijli Har Ghar Yojana” (Saubhagya) to achieve universal household electrification in the country. The objective of the Saubhagya Scheme is:

- Providing last mile connectivity and electricity connections to all un-electrified households in rural areas;
- Providing Solar Photovoltaic (SPV) based standalone system for un-electrified households located in remote and inaccessible villages/ habitations where grid extension is not feasible or cost effective; and
- Providing last mile connectivity and electricity connections to all remaining economically poor un-electrified households in urban areas. Non-poor urban households are excluded from this scheme.

4.2.2 Implementing Agencies

In Tripura, the erstwhile RGGVY was implemented by Tripura State Electricity Corporation Limited (TSECL) being the State PSU in six districts⁹⁹ and by North Eastern Electric Power Corporation (NEEPCO) in two districts¹⁰⁰ while DDUGJY was implemented by TSECL in all eight districts. TSECL implemented the Saubhagya scheme in six districts and in remaining two districts (Sepahijala and South Tripura) the scheme was being implemented by NEEPCO being the Central PSU utility.

4.2.3 Funding pattern for the schemes

For implementation of the RGGVY Scheme, the Government of India (GoI) grant was 90 *per cent* of the eligible project cost. The remaining 10 *per cent* of the project cost

⁹⁹ West Tripura, Dhalai, Gomoti, North Tripura, Unakoti and Khowai

¹⁰⁰ Sepahijala and South Tripura

would be contributed by the State Governments from their own resources (or) by availing loan from financial institutions including Rural Electrification Corporation (REC).

In DDUGJY and Saubhagya schemes, the GoI grant was 85 *per cent* of the total outlay, while State Government contribution and loan components were pegged at five and 10 *per cent* respectively. The DISCOM (TSECL) was eligible to receive an additional grant of 50 *per cent* of loan component (*i.e.* conversion of five *per cent* of the total outlay from loan to grant) from GoI on achievement of prescribed milestones. The loan component would be provided by REC or by other Financial Institutions (FIs)/ Banks.

4.2.4 Role of major stakeholders

The role of various authorities in formulation, approval and implementation of the Scheme are shown in **Table 4.2.1**.

Table 4.2.1

Authorities	Roles
Ministry of Power (MoP), Government of India (GoI)	• Formulation and approval of Scheme. • Formulation of Scheme guidelines. • Appointment of REC (February 2013) as Nodal Agency for implementation of the Scheme.
Rural Electrification Corporation (REC)	• Responsible for overall implementation of Scheme. • Scrutinising the Detailed Project Reports (DPRs) received from the Project Implementing Agency (Company) as recommended by the State Level Standing Committee for final approval of the Monitoring Committee of MoP, Government of India. • Monitoring of Scheme implementation. • Release of funds on behalf of GoI.
Government of Tripura (GoT)	• Appointment of the Company as Scheme Implementing Agency • To provide the land required for Scheme works (<i>e.g.</i> construction of sub-stations, <i>etc.</i>) and facilitate obtaining statutory clearances (right of way issues, forest clearances, <i>etc.</i>) • Setting up of State Level Committee to examine DPRs prepared by the implementing agency. • Setting up of Higher Tender Committee to oversee the tendering process for Scheme works.
Utilities {Tripura State Electricity Corporation Limited (TSECL) and North Eastern Electric Power Corporation Limited (NEEPCO)}	• Preparing DPRs based on detailed survey. • Submission of DPRs for the approval of GoM and also to GoI through REC for final approval. • To execute works of electrification as per the approved DPRs and guidelines.

4.2.5 Audit objective

The Performance audit was undertaken to ascertain whether:

- (i) electrification of complete village was carried out as per the scheme guidelines;

Sub-objectives:

- (a) Strengthening and augmentation of sub-transmission and distribution system in rural areas including metering of distribution transformer/ feeders/ consumers were achieved.
- (ii) electrification of households was achieved as per the scheme guidelines; and

Sub-objectives:

- (a) Providing last mile connectivity and electricity connections including free connections to all remaining economically poor un-electrified households was achieved;
- (b) Providing Solar Photo Voltaic (SPV) based standalone systems for un-electrified households located in remote and inaccessible villages/ habitations where grid extension is not feasible or cost effective, were installed.
- (iii) households connected with power were in a position to use it and derive the benefits of development.

4.2.6 Audit Scope and methodology

The performance audit was carried out covering the period 2014-15 to 2019-20 to review the implementation of DDUGJY and Saubhagya in the State. Audit scope covered the examination of records of Tripura State Electricity Corporation Limited (TSECL) being the State PSU/ Utility, NEEPCO being the Central PSU/ Utility and Project Divisions. Out of eight districts/ projects in the State, four districts¹⁰¹/ projects were selected for audit scrutiny. A total of nine blocks were selected from these four selected districts/ projects.

Records of the TSECL were scrutinised at the Corporate Office and Division levels while beneficiary survey was carried out in villages in at least five villages per block were selected for beneficiary survey. Only in case of two blocks (Lefunga and Tepania), the total number of existing villages were less than five in which case all the existing villages were selected for beneficiary survey. A total of 46 villages were selected by this method from the nine selected blocks. A total of 460 beneficiaries were selected for survey taking 10 from each sampled village.

4.2.7 Audit criteria

The main sources of audit criteria for the performance audit were:

- Electricity Act 2003;
- Rural Electrification Policy 2006;

¹⁰¹ West Tripura, Dhalai, Gomati and Sepahijala

- Scheme guidelines issued by Ministry and additional guidelines issued by Rural Electrification Corporation (REC) regarding Quality control and Procurement of Goods and services, *etc.*;
- Bipartite/ Tripartite/ Quadripartite agreement among REC, State Government, State Power Utilities and Central Public Sector Undertakings (CPSUs);
- Minutes of the Monitoring Committee (MC) meetings;
- Sanctions for payment of capital subsidy of Ministry of Power (MoP) along with Utilisation Certificates;
- Instructions/ circulars/ orders issued by MoP and REC regarding the scheme;
- Approved Detailed Project Reports (DPRs) along with vetting comments in REC;
- Applicable General Financial Rules (GFR), *etc.*; and
- Contract Agreements.

4.2.8 Acknowledgement

The Audit acknowledges the co-operation and assistance extended by the officials of the Company at the Corporate Headquarter as well as at their field offices during the conduct of the Performance Audit.

Audit findings

4.2.9 Deficiencies in planning

Audit observed the following deficiencies in planning:

4.2.9.1 Non- preparation of Need Assessment Document

As per RGGVY guidelines, utilities were to prepare Need Assessment Documents (NADs) to substantiate the proposed work and cost estimates. Audit observed that TSECL did not prepare NADs for implementation of the RGGVY.

TSECL in its reply (November 2021) accepted the failure for submission of NAD during submission of DPR to REC.

4.2.9.2 Deficiencies in Detailed Project Reports

Audit observed the following deficiencies in preparation of the Detailed Project Reports (DPRs):

- All eight DPRs¹⁰² in respect of RGGVY and DDUGJY were not prepared on the basis of detailed field survey;
- In case of all eight projects under RGGVY and DDUGJY, consultation with public representatives including members of parliament and certification were not done while preparing the DPRs;
- Details of the dedicated team for implementation of projects were not included in the DPRs for RGGVY and DDUGJY;

¹⁰² DPRs for four sampled Districts *i.e.* West Tripura, Dhalai, Gomati and Sepahijala

- No single line diagram of each village showing all habitations with existing and proposed infrastructure was submitted along with the project proposals; and
- Augmentation of two number of existing sub-stations in Gomati District and Dhalai District out of four sampled districts were proposed in the DPRs under RGGVY; for which no justification was included in the DPRs.

TSECL in its reply (November 2021) stated that detailed field survey was not conducted before preparation of DPR. The DPR was prepared by collecting the information from district level offices which were sent to Headquarter office i.e to TSECL corporate office where the data were compiled before submission of DPR.

Regarding deficiencies in preparation of DPRs against RGGVY, TSECL in its reply (October 2021) stated that: (i) Single line diagrams of each village of each district showing existing and proposed electrical infrastructures were submitted to REC in hard copies in the form of spirally bound books. These were hand-made diagrams and therefore, no copy could be made available to audit; (ii) Regarding justification for augmentation of substations, it was submitted as per provision of the DPR only i.e as per the prescribed format provided for online submission.

The reply is not acceptable since TSECL could not produce any records (February 2022) in support of their reply though called for (January 2022).

4.2.10 Financial management

As per the fund disbursement guidelines of DDUGJY issued by the REC, the pattern of release of capital subsidy to implementing agencies by REC is given in Table 4.2.2.

Table 4.2.2: Pattern of release of capital subsidy to implementing agencies by REC

Instalment No.	Condition for release	Release of grant component of GoI (in per cent)
1	(i) Approval of Projects by the Monitoring Committee (ii) Bipartite/Tripartite agreement amongst Utilities, State Government & REC (on behalf of MoP)	10
2	Placement of Letter of Award (LoA) by the Utility	20
3	Utilisation of 90 per cent of 1st & 2nd installment and 100 per cent release of Utility contribution	60
4	After completion of works	10
Total		100

The date of completion as mentioned in the Project Completion Certificate shall be within the execution period of 24 months from date of award in case of turn-key execution and 30 months from date of communication of sanction in case of partial turn-key/ departmental execution, or as extended by the Monitoring Committee to become qualified for the release of final tranche of 10 per cent. The expenditure as per the Project Completion Certificate or award cost or the cost approved by the

Monitoring Committee whichever is lower shall be considered as the final cost of the project for the release of the last installment of 10 per cent, after adjusting any excess release made earlier (to limit the subsidy amount to 60 per cent of the completed project cost).

In case of timely completion of the project, utilities shall submit all the documents and information in the prescribed format for availing additional grant as per the DDUGJY guidelines.

Summary of fund sanctioned to the State, fund released to the State and expenditure up to 31 March 2020 under RGGVY and DDUGJY is detailed in **Table 4.2.3**.

Table 4.2.3: Position of fund sanctioned, released and expenditure under RGGVY and DDUGJY and as on 31 March 2020

(₹ in crore)											
Year	Sanctioned project cost		Released under RGGVY			Released under DDUGJY				Expenditure incurred	
	RGGVY	DDUGJY	GoI	State	Total	GoI	State	Loan (REC)	Total	RGGVY	DDUGJY
2014-15	316.16	₹ 73.75 (Excluding the Project Management Agency (PMA) charge of ₹ 0.37 crore)	48.19	0.00	48.19	0.00	0.00	0.00	0.00	0	0
2015-16			42.99	7.77	50.76	0.00	0.00	0.00	0.00	67.19	0
2016-17			77.63	4.80	82.43	0.00	0.00	0.00	0.00	80.08	0
2017-18			55.51	8.60	64.11	6.31	0.00	0.00	6.31	111.53	4.09
2018-19			21.82	1.89	23.71	7.79	3.71	0.00	11.49	29.96	12.80
2019-20			0.00	6.27	6.27	13.23	0.00	3.56	16.80	7.50	11.60
Total			246.14	29.33	275.47	27.33	3.71	3.56	34.60	296.26	28.49

Source: Data from TSECL and NEEPCO

From the above table it can be seen that during 2014-15 to 2019-20 the GoI released ₹ 246.14 crore and the State Government released ₹ 29.33 crore under RGGVY. Against the total release of ₹ 275.47 crore an expenditure of ₹ 296.26 crore was incurred for implementation of the scheme up to 31 March 2020.

Under DDUGJY the GoI released ₹ 27.33 crore and the State Government released ₹ 3.71 crore during the 2017-18 to 2019-20. The State Government contribution was 'Nil' under DDUGJY during 2017-18 and 2019-20. An expenditure of ₹ 28.49 crore was incurred for implementation of the scheme during the same period.

Monitoring Committee, Ministry of Power (MoP), Government of India, sanctioned ₹ 417.53 crore for implementation of Saubhagya in the State. The scheme was implemented in all the eight districts¹⁰³ of the State by the two Programme Implementing Agencies (PIA), TSECL and North Eastern Electric Power Corporation Limited (NEEPCO) being the Central PSU. The detail of the fund released by the REC/ MoP during 2018-20 is given in **Table 4.2.4**.

¹⁰³ By TSECL- West Tripura, North Tripura, Dhalai, Unakoti, Khowai and Gomati; By NEEPCO- Sepahijala and South Tripura

Table 4.2.4: Fund position under Saubhagya

(& in crore)

TSECL								
Year	Opening Balance	Funds Received from			Total fund received during the year	Total fund available during the year	Fund Utilised	Unspent/ closing Balance
		GoI	State	REC (Loan)				
2018-19	0.00	69.70	0.00	0.00	69.70	69.70	37.83	31.87
2019-20	31.87	0.00	13.92	0.00	13.92	45.79	45.42	0.37
Total		69.70	13.92	0.00	83.62		83.25	0.37
NEEPCO								
2018-19	0.00	51.26	0.00	0.00	51.26	51.26	27.61	23.65
2019-20	23.65	8.10	3.02	0.00	11.12	34.77	34.52	0.25
Total		59.36	3.02	0.00	62.38		62.13	0.25

Apart from the above during 2018-19, REC also released ₹ 115.70 crore to Rural Electrification Corporation Power Development and Consultancy Ltd. (RECPDCL) for the supply of materials out of which ₹ 115.34 crore was utilised.

Therefore, during 2018-2020, REC released total amount of ₹ 244.76 crore and ₹ 16.94 crore was contributed by the State as State share. An amount of ₹ 260.73 crore was utilised against the available fund.

4.2.10.1 Advance payment booked as utilised under Saubhagya scheme

Audit noticed that TSECL paid ₹ 3.41 crore to different Electrical Divisions (EDs) from 2018-19 to 2019-20 as advance for providing service connection to beneficiaries under Saubhagya scheme. The entire amount of ₹ 3.41 crore booked against divisions had been shown as utilised in the Utilisation Certificates sent to the Government of India for the years 2018-19 and 2019-20.

Scrutiny of records revealed that out of the total advance of ₹ 3.41 crore, an amount of ₹ 0.60 crore had only been utilised for providing service connection under Saubhagya scheme. However, no adjustment for the balance amount of ₹ 2.81 crore had been submitted by ED-Ambassa, ED-Bishalgarh and ED- Amarpur till August 2021. It was noticed that Deputy General Manager (DGM), Commercial & Tarrif (C&T), West Tripura could not utilise the fund of ₹ 1.10 crore and refunded the entire amount to TSECL. As a result, total amount of ₹ 2.81 crore had been lying unutilised. Details of advance given to different EDs are given in **Table 4.2.5**.

Table 4.2.5: Details of Advance and actual Utilisation

(& in lakh)

Electrical Division	Name of the District	Advance booked against ED	Actual amount utilised	Unspent balance
DGM, ED-Ambassa	Dhalai	80	0	80
DGM, ED-Bishalgarh	Sepahijala	40	0	40
DGM, Commercial & Tarrif (C&T), TSECL	West Tripura	60.60	60.02	0.58
DGM, ED-Amarpur	Gomati	50	0	50
DGM, C&T, TSECL	West Tripura	110.28	0	110.28 ¹⁰⁴
Total		340.88	60.02	280.86

¹⁰⁴ Refunded to TSECL and lying unspent with TSECL

TSECL in its reply (February 2022) stated that the advance was made for payment to petty agencies for providing service connections. The reply of the TSECL is not acceptable as the fact remained that an amount of ₹ 0.60 crore only was utilised for providing service connections and the ₹ 1.10 crore was refunded by DGM, C&T, TSECL.

4.2.10.2 Other financial management issues

4.2.10.2 (a) Utilisation Certificates

As per para 7 of Chapter IV of DDUGJY guidelines and para 5 of Chapter V of the Saubhagya scheme guidelines, utility shall submit Utilisation Certificates (UCs) for the fund released during the financial year and utilisation thereof in the prescribed format latest by 30 April of succeeding year. The UC shall provide the physical progress/ achievements also apart from the financial utilisation. Release of further fund will be subject to submission of UCs in prescribed format. Audit observed that in respect of eight projects, UCs were not submitted by the PIAs as of 30 April 2020 for two years (2018-19 and 2019-20). However, expenditure statement of progress of work were not accompanied with the UCs submitted.

Audit noticed that there were delays ranging from 22 days to 479 days in submission of UCs in respect of funds released under the scheme

TSECL stated in its reply (April 2021) that the delay in submission of UCs was due to slow progress of work and the UCs for 2018-19 and 2019-20 were not submitted as the closure proposals were pending.

The reply is not acceptable as submission of UCs is a time bound process as per the guidelines.

4.2.10.2 (b) Audited Accounts relating to receipts of funds

Guidelines stipulate that utility will ensure audit of funds received by the utility from REC and expenditure incurred there against during the financial year by an independent Chartered Accountant (CA) and furnish a report to REC latest by 30 June of succeeding year. Audit observed that utilities had not submitted the Audit reports to REC in respect of RGGVY XII¹⁰⁵ Plan projects for four years (2014-15, 2015-16, 2018-19 and 2019-20). It was also noticed that the accounts under Saubhagya scheme had been audited by the CAs, however, audited accounts were not submitted to the REC as required under para 5 of Chapter V of the Saubhagya guidelines.

TSECL in its reply (April 2021) stated that the audited Receipts and Payments accounts would be submitted to Audit, but the same were yet to be received (February 2022). In respect of Saubhagya scheme, TSECL and NEEPCO stated that audit of accounts of Saubhagya had been carried out and forwarded to REC as and when asked for submission. However, the documents in support of forwarding the audited accounts to REC were not produced to audit.

¹⁰⁵ Same criteria for RGGVY is mentioned in the 'Guidelines for release of funds for 12th Plan projects'

Thus, the TSECL violated the provision of the scheme guidelines by not submitting the accounts to REC.

4.2.10.2 (c) Loss of interest due to non-availing CLTD facility

Para 6 of Chapter V of RGGVY guidelines and para 2.3.2 of Chapter IV of DDUGJY guidelines stipulate that utility shall enter into tripartite agreement to fix the roles and responsibility of Bank. The guidelines envisaged that the bank should ensure that all fund exceeding ₹ five lakh in programme account shall automatically be transferred to fixed deposit at the prevailing rate of interest.

Further, para 2.3.2 of Chapter IV of DDUGJY guidelines stipulate that the utility shall open a separate dedicated bank account in a nationalised bank and the nature of the account shall be current account with CLTD facility. Similar provision is also provided under Saubhagya guidelines.

Audit observed that TSECL did not avail the CLTD facility in the different bank accounts operating for implementation of RGGVY, DDUGJY and Saubhagya schemes for the period July 2015 to March 2020. As a result, TSECL had to incur loss of interest of ₹ 2.26 crore as detailed in **Table 4.2.6**.

Table 4.2.6: Loss of interest due to non-opening of a separate dedicated bank account with CLTD facility

(₹ in crore)

Name of bank	Account no. of bank account	Period for which CLTD could not be availed	Interest Lost*
State Bank of India	xxxxxxx459 (RGGVY–Programme A/c)	April 2015 to March 2020	1.61
Canara Bank	xxxxxxxxx195 (DDUGJY)	July 2017 to March 2020	0.26
Canara Bank	xxxxxxxxx277 (Saubhagya)	October 2018 to March 2020	0.39
Total			2.26

*Source: <https://sbi.co.in/web/interest-rates/interest-rates/old-interest-rates-last-10-years>

TSECL in its reply (April 2021) stated that it did not have any proper instruction from REC, GoI, for availing the CLTD facility. The reply is not acceptable since the guidelines, *inter alia*, were clear on availing CLTD facility for better fund management by PIA.

4.2.10.2 (d) Deduction of tax at source by the banks on interest earned

Para 5 of Chapter V of RGGVY guidelines and para 6.4 of Chapter IV of DDUGJY guidelines require that utilities have to take necessary steps to seek exemption from Income Tax Department (ITD) regarding deduction of Tax at Source by the bank on interest accrued on balance fund under DDUGJY. Similar provision was also provided under Saubhagya guidelines. Audit observed that TSECL did not take up the matter with the ITD for exemption from TDS on the interest earned on the subsidy funds resulting in TDS of ₹ 0.08 crore during 2018-19 to 2019-20. Further, TSECL did not file claim for refund with the ITD.

TSECL in its reply (October 2021) accepted the audit observation and stated it would approach the ITD to claim refund of TDS already deducted by the bank and seek exemption from TDS.

4.2.10.2 (e) Unclaimed State taxes/local taxes

As per scheme guidelines, the State and Local Taxes are not admissible under RGGVY, DDUGJY and Saubhagya and to be borne by the State Government. Audit observed that while making payments to the contractors from Scheme funds, TSECL deducted and deposited Tripura Value Added Tax (TVAT), State GST (SGST), and Work Contract Tax (WCT) to the tune of ₹ 10.78 crore to Government of Tripura during 2014-20. Out of this amount, TSECL had lodged claim for ₹ 0.86 crore towards the reimbursement of SGST only from the State Government. Details are given in **Table 4.2.7**.

Table 4.2.7: Local Tax due to be reimbursed from State Government*(₹ in crore)*

Name of the Scheme	Local Tax due to be reimbursed from State Government		
	SGST	WCT	Total
RGGVY	2.03	1.54	3.57
DDUGJY	1.78	NA	1.78
Saubhagya	4.57	NA	4.57
Total	8.38	1.54	9.92

TSECL accepted (June 2021) the audit observation and assured to claim the unclaimed State taxes. In respect of reimbursement of WCT, TSECL replied that WCT was not eligible for re-imbursement.

The reply is not acceptable since the guidelines spell out that the State taxes and duties are to be borne by the State Government and WCT is a part of State taxes.

4.2.11 Implementation of RGGVY and DDUGJY

During 2014-15 to 2019-20 numerous works were proposed for electrification in the State under RGGVY and DDUGJY schemes. Summary of the item-wise estimated cost approved under different works/ heads is detailed in **Table 4.2.8**

Table 4.2.8: Summary of estimated cost

Sl. No.	Items of works proposed	Number of items	Amount (₹ in crore)
RGGVY (XII Plan)			
1	Feeder Separation/ new feeder	Nil	Nil
2	33 KV/ 66 KV line (CKM)	131.70	9.79
3	Sub-station works (33 KV/ 66 KV) New substation	13	29.23
4	Sub-station works (33 KV/ 66 KV) augmentation of existing substation	4	4.49
5	Distribution Transformers (DTRs)	2256	30.23
6	11 KV lines (new)	2287.87	103.86
7	LT Infrastructure works	3116.28	97.22
8	Metering at feeders, Distribution Transformers and consumers end	Nil	Nil
9	Establishing Missing Link of optic fiber	Nil	Nil
10	PMA charges	Nil	Nil
	Sub-Total		274.82

Sl. No.	Items of works proposed	Number of items	Amount (₹ in crore)
11	Cost of electrifying villages including one habitation	Not available with PIA/ DISCOM	
12	Cost of electrifying habitations above 100 population		
13	Cost of providing free connections to BPL house holds	89604	26.88
14	Cost of DDG Projects in XII plan		
15	Agency charges	1	14.46
	Sub-Total		41.34
	Total		316.16
DDUGJY			
1	Feeder Separation/ new feeder	Nil	Nil
2	33 KV/ 66 KV line (CKM)	Nil	Nil
3	Sub-station works (33 KV/ 66 KV) New substation	Nil	Nil
4	Sub-station works (33 KV/ 66 KV) augmentation of existing substation	Nil	Nil
5	11 KV line DTRs	144	4.51
6	11 KV lines	95.82	6.71
7	11/22 kv lines augmentation	236.55	8.53
8	LT Infrastructure works	215.10	16.57
9	Metering at feeders, Distribution Transformers and consumers end	165414	36.59
10	Establishing Missing Link of optic fiber	Nil	Nil
11	PMA charges	1	0.37
	Sub-Total		73.28
12	Cost of electrifying villages including one habitation	Not available with PIA/ DISCOM	
13	Cost of electrifying habitations above 100 population		
14	Cost of providing free connections to BPL house holds	2816	0.84
15	Cost of DDG Projects in XII plan	Nil	Nil
16	Agency charges	Nil	Nil
	Sub-Total		0.84
	Total		74.12

4.2.11.1 Time overrun

RGGVY and DDGJY guidelines stipulate that in case of turn-key implementation, the project shall be completed within 24 months from the date of issue of letter of award (LoA) by the utility. Whereas in case of partial turn-key/departmental basis, approved by the Monitoring Committee (MC), project shall be completed within 30 months (24 months for implementation and six months for placement of awards for supply and services i.e. erection) from date of communication of the approval by the MC.

Audit observed that there were delays ranging from one day to 792 days in completion of 46 works¹⁰⁶ under RGGVY in four sampled districts as detailed

¹⁰⁶ Total 61 LoAs were issued to different contractors for execution of works in three districts (except Sepahijala District). Execution of RGGVY (XII Plan) in Sepahijala District was entrusted to NEEPCO and separate LoA was issued to the turn-key contractor.

(Appendix 4.2.1). Details of completion of RGGVY and DDUGJY works¹⁰⁷ in sampled districts are given in Table 4.2.9.

Table 4.2.9: Details of completion of RGGVY and DDUGJY works

Name of District	Date of award of Project	Target date of completion of Project ¹⁰⁸	Actual Date of Completion (mentioned in the Project Completion Certificate)*	Delay in completion of work (in months)
RGGVY				
West Tripura	30.08.2014	14.09.2016	27.09.2018 ¹⁰⁹	24
Dhalai	22.12.2015	06.07.2018	13.04.2018 ¹¹⁰	Nil
Gomati	22.12.2015	06.07.2018	01.01.2021	29
Sepahijala	18.09.2014	03.10.2016	18.08.2017	10
DDUGJY				
West Tripura	04.07.2017	19.01.2020	31.01.2019	Nil
Dhalai	04.07.2017	19.01.2020	07.02.2019	Nil
Gomati	04.07.2017	19.01.2020	07.08.2018	Nil
Sepahijala	04.07.2017	19.01.2020	06.02.2019	Nil

*The dates of completion of the projects are excluding the metering part. Metering for all the eight projects was completed on 28.02.2021.

Due to delay in completion of projects the beneficiaries were deprived of the intended benefits of the scheme.

TSECL in its reply (February 2022) accepted the fact that there was considerable delay in completion of the various works under RGGVY scheme.

4.2.11.2 Status of Electrification of Villages under RGGVY and DDUGJY

In Tripura, total number of villages as per 2011 census was 901 out of which 26 villages were unelectrified (UE) and 875 villages were Partially Electrified (PE). GoI sanctioned 26 UE villages for electrification and 786 Partially Electrified (PE) villages for further intensive electrification for implementation of RGGVY under 12th plan (2012-17). The status of rural electrification in Tripura such as number of UE/PE villages as on 31 December 2014, prior to the launch of the RGGVY scheme and after implementation of the scheme is tabulated in Table 4.2.10.

¹⁰⁷ Total nine NITs were invited and four LoAs were issued to different contractors for execution of erection works in four districts and four LoAs were issued for procurement of materials. One contract was cancelled due to failure in quality inspection.

¹⁰⁸ 24 months from the date of award of Project and 30 months from award in case of partial turn-key/departmental execution)

¹⁰⁹ As per Project Completion Report

¹¹⁰ As Project Completion Report was not available for any project except RGGVY (XII Plan) – West Tripura, so the date of completion of the last work was considered as the completion date of project for the other seven projects.

Table 4.2.10: Number of UE and PE villages sanctioned and electrified under RGGVY

Total Villages as per 2011 census	Number of UE villages as on December 2014	Number of PE Village as on December 2014	Number of UE Village sanctioned under RGGVY	Number of PE Village Sanctioned under RGGVY for intensive electrification	Total villages sanctioned under RGGVY	Balance	Number of UE villages partially electrified as on 31 st March 2020	Total number of PE village as on 31 st March 2020
901	26	875	26	786	812	89	26	901

Source: Departmental records

For implementation of RGGVY, TSECL prepared DPRs with an estimated cost of ₹ 556.00 crore and submitted to REC for approval. However, REC curtailed the estimates by 43 *per cent* and sanctioned ₹ 316.16 crore. Consequently, TSECL had to revise the DPR to limit the estimates within the sanctioned cost by reducing the scope of work. Due to reduction of scope of work none of the PE village was fully electrified under RGGVY.

The works sanctioned under RGGVY could not be completed within the stipulated time¹¹¹ and got several extensions and finally it was extended upto October 2020. TSECL and NEEPCO could complete the project only in six districts¹¹² as on date of audit (August 2021). As on 31st March 2020, all the 901 villages in the State were converted into PE villages.

GoI rolled out DDUGJY project for strengthening and augmentation of sub-transmission & distribution (ST&D) infrastructure in rural areas, including metering at distribution transformers, feeders and consumers end. Out of the 901 PE villages, GoI sanctioned 251 villages for implementation of DDUGJY scheme out of which 245 villages spilled over from RGGVY and six villages were freshly sanctioned from remaining 89 villages which were not covered under RGGVY. Details are given in **Table 4.2.11**.

Table 4.2.11: Number of UE and PE villages sanctioned and electrified under DDUGJY

Total Villages as per 2011 census	Number of PE Villages sanctioned under DDUGJY spilled over from RGGVY scheme	Number of PE Village freshly Sanctioned under DDUGJY scheme	Total PE villages sanctioned under DDUGJY scheme	Total villages covered under RGGVY	Total villages covered under RGGVY and DDUGJY	Villages not covered under RGGVY and DDUGJY
901	245	6	251	812	818	83

¹¹¹ 24 months from the date of sanction (January 2014) in case of turnkey contract and 36 months in case of Departmental execution

¹¹² Closure report submitted for Sepahijala and South Tripura- January 2019 (implemented by PIA NEEPCO) and West Tripura-September 2019, Dhalai RGGVY (12th Plan) project -June 2020, North Tripura and Khowai-August 2020

Under DDUGJY, TSECL submitted DPR for ₹ 903.02 crore. However, REC sanctioned only ₹ 74.12 crore. Accordingly, TSECL reduced different parameters and some of the works like augmentation of 11 KV line/ LT line/ distribution Transformer, construction of 33/11 KV Sub-station, *etc.* could not be taken up. As a result, none of the PE villages could be fully electrified.

4.2.11.3 Strengthening and augmentation of sub-transmission and distribution system in rural areas including metering of distribution transformers

Strengthening and augmentation of sub-transmission and distribution infrastructure along with adequate metering arrangements are essential components to ensure reliable and quality power supply in rural areas and to complete the process of village electrification. The summary of requirements of the State, sanctions accorded by Ministry of Power (MoP) against the requirements and achievements of the State against each component are detailed in **Table 4.2.12**.

Table 4.2.12: Summary of requirement, MoP's sanction and achievements against each component

Name of component	Requirements of States as per DPR/State Plan (RGGVY and DDUGJY)	Sanctioned by MoP under RGGVY	Achievement	Shortfall against the sanction (<i>per cent</i>)
Laying of 33 KV/ 66 KV lines (Ckm)	265.70 ¹¹³	135.70	54.77	59.64
Construction of new sub-stations (Nos.)	22 ¹¹⁴	13	5	61.53
Augmentation of existing sub-stations (Nos.)	21 ¹¹⁵	4	2	50
Metering (Nos.)	165414 ¹¹⁶	165414	161728	2.23

From **Table 4.2.12**, it can be seen that the GoI sanctioned for laying of 135.70 Ckm of 33/66 KV lines, construction of 13 new substations, augmentation of four sub-stations under RGGVY. Audit noticed that the State could lay only 54.77 Ckm of 33/66 KV lines, construct five sub-stations, carry out augmentation of two existing sub-stations and install 1,61,728 meters. Thus, the State could not achieve the target sanctioned by MoP under RGGVY and there was shortfall ranging from 2.23 *per cent* to 61.53 *per cent* reasons for which has been discussed in **Paragraph 4.2.11.5**.

Under-achievement of the planned targets was attributable to various inadequacies in planning, implementation, monitoring.

4.2.11.4 Non-providing of connectivity in public places

RGGVY guidelines proposed for connectivity of public places like schools, panchayats, hospitals, *etc.* Scrutiny of closure report revealed that no public places were provided connectivity under the schemes though proposed in the DPRs as detailed in **Table 4.2.13**.

¹¹³ For all eight districts: RGGVY – 135.70 Ckm; DDUGJY – 130 Ckm

¹¹⁴ For all eight districts: RGGVY – 13; DDUGJY – 9

¹¹⁵ For all eight districts: RGGVY – 4; DDUGJY – 17

¹¹⁶ Consumer Meter-1,62,628 *plus* DTR Meter-2,786

Table 4.2.13: Public places where electricity connection provided under the scheme

District	Number of public places proposed to be given access to electricity under the scheme	Number of public places where electricity connection provided under the scheme
West Tripura	1047	Nil
Sepahijala	1038	Nil
Gomati	655	Nil
Dhalai	519	Nil
Total	3259	Nil

It can be seen from **Table 4.2.13** that electricity connections could not be provided in 3,259 public places (1,195 Schools, 276 Panchayats, 167 Health centres and 1,621 others) despite having provisions under the RGGVY scheme.

TSECL in its reply (October 2021) stated that, due to curtailment of project cost estimated in the DPRs as well as non-receiving the sanction for the same from REC, the proposed connectivity to the public places could not be provided under the RGGVY.

4.2.11.5 Implementation of RGGVY.

As discussed in **Paragraph 4.2.11.3**, the actual implementation of laying of lines/ construction of sub-stations, household connection, installation DTR meters, construction of new sub-station and augmentation of sub-stations fell short of targets by 2.23 *per cent* to 61.53 *per cent* in the State under RGGVY.

The inadequacies noticed in implementation of RGGVY in four sampled districts, *viz.* West Tripura, Sepahijala, Gomati and Dhalai are discussed in the subsequent paragraphs.

4.2.11.5 (a) Inadequacy in implementation of RGGVY

For implementation of RGGVY, TSECL prepared DPRs with an estimated cost of ₹ 556 crore based on Tripura Schedule of Rates (SoR), 2013 and submitted (January 2014) to REC for its appraisal. The DPR includes 1,03,217 BPL household electricity connections and creation of infrastructure like laying of 3,257.65 Ckm new 11 KV line, 4,100.31 Ckm new LT line, 135.70 Ckm new 33 KV line, installation of 3,223 DTRs, construction of 13 new 33/11 KV sub-stations and augmentation of four existing 33/11 KV sub-stations.

It was noticed that REC curtailed the estimated cost of ₹ 556 crore by 43 *per cent* and sanctioned ₹ 316.16 crore. The amount sanctioned by REC did not adhere to the estimates which was prepared by TSECL based on Schedule of Rates (SoR), 2013. However, the REC directed the State to limit the expenditure within the sanctioned cost.

The original and sanctioned DPR cost of four sampled districts is given in **Table 4.2.14**.

Table 4.2.14: Original and sanctioned DPR cost of four sampled districts

(₹ in crore)

Name of the District	Original DPR Cost	Sanctioned By REC
West Tripura	₹ 57.52	₹ 33.66
Dhalai	₹ 84.45	₹ 48.33
Gomati	₹ 52.88	₹ 31.28
Sepahijala	₹ 74.46	₹ 40.84

The electrification works under RGGVY include construction of new sub-transmission and distribution network including service connections to BPL households and construction of 33/11 KV sub-stations with double storied control room cum office building, equipment foundation, boundary wall and land development for rural electricity infrastructure and rural household electrification.

Out of the four sampled RGGVY projects/ districts, TSECL awarded the electrification works of Sepahijala District and West Tripura District to two contractors¹¹⁷ on turn-key basis. For implementation of RGGVY in remaining two sampled projects viz. Dhalai and Gomati Districts, no responsive bidders were available for electrification works despite inviting of tenders repeatedly. Thus, with the approval (August 2015) of REC, TSECL decided to execute the electrification work departmentally wherein TSECL procured major materials and awarded erection works through open tender.

The irregularities noticed in implementation of the departmentally executed project are discussed in subsequent paragraphs.

4.2.11.5 (b) Reduction in the scope of work

As per RGGVY guidelines, the GoI sanction shall be restricted to 90 *per cent* of the sanctioned cost and under no circumstances, there will be upward revision of GoI grant component as approved by the Monitoring Committee. In case upward variation of project cost is necessary, the State Government may use its own resources or approach the REC for additional loan. In case, the State Government is not willing to utilise its own resources or take additional loan from REC, then it may recast the DPRs by reducing the scope of work (Bill of Quantities) and restricting the award cost within the sanctioned cost. The State Government may reduce the coverage, if, it becomes absolutely necessary. In this case the State Government would have to bear the responsibility to cover left out villages/ habitations and BPL households in future at its own cost.

Scrutiny of records¹¹⁸ revealed that TSECL prepared estimates (February 2014) of ₹ 32.17 crore, ₹ 46.18 crore and ₹ 29.97 crore for West Tripura District, Dhalai District and Gomati District respectively by reducing scope of work to limit the DPR

¹¹⁷ M/s Everest Infra Pvt. Ltd and M/s Bhattacharjee Construction in Sepahijala and West Tripura respectively

¹¹⁸ The tendering process for the RGGVY works in respect of Sepahijala District could not be checked as records pertaining to the tendering process could not be made available to audit by NEEPCO.

cost within the sanctioned cost approved by REC. Audit noticed that the lowest prices offered by bidders in response to the tender were 42 *per cent* to 83 *per cent* above the estimated cost put to tender. TSECL further, reduced estimates of the three projects by 40 *per cent* to 42 *per cent* and prepared (August 2014) fresh estimates for ₹ 19.30 crore, ₹ 27.71 crore, ₹ 18.73 crore for West Tripura, Dhalai and Gomati Districts respectively to limit the overall expenditure within the sanction of GoI.

Due to reduction of estimates various parameters had been reduced significantly ranging from two *per cent* to 83 *per cent*. Further, some major works like construction of new 33/11 KV sub-stations¹¹⁹, laying of 10 Ckm new 33 & 66 KV lines, augmentation of 33/11 KV existing sub-stations¹²⁰, laying of 11 KV feeder lines were excluded by TSECL while awarding the works. Due to reduction of scope of work there was adverse effect on implementation of the scheme like shortfall in laying of lines, construction of sub-stations, augmentation of existing sub-stations, non providing of electric connection in public places and shortfall in providing service connection to BPL households as discussed at **Paragraphs 4.2.11.2, 4.2.11.3, 4.2.11.4 and 4.2.11.5 (c)**. Details of sanctioned and awarded components are given in **Appendix 4.2.2**.

Audit observed that the State had shown the high dependency on central grants in implementation of scheme. The State did not utilise its own resources to complete the left out works as envisaged in the guidelines. Further, in spite of having provisions for availing loan from REC with extended relaxations¹²¹, the State Government did not avail the loan. Thus, the State did not fulfil its requirement in providing improved electricity infrastructure so as to avoid the additional financial burden on it.

TSECL in its reply (October 2021) accepted the audit observation and stated that Tripura being a small State was unable to bear the additional financial burden that would have come upon if the same was regularised. Even taking loan from any financial institution or REC as per provision seemed to be tough as repayment had to be done for the same in crores. TSECL then became bound to reduce the scope further so that the quoted rates of bidders did not exceed the sanctioned values to avoid the additional financial burden which resulted shortfall in electrification of villages under the scheme as discussed at **Paragraph 4.2.11.2**.

4.2.11.5 (c) Shortfall in providing service connection

As a result of curtailment of estimated cost of the projects as stated in **Paragraph 4.2.11.5 (a)**, scope of works for providing service connection to BPL household was reduced by 13 *per cent* to 42 *per cent*. Details are given in **Table 4.2.15**.

¹¹⁹ Construction of new sub-stations at Durgachowmuhani in Dhalai District and at Tepania in Gomati District

¹²⁰ at Salema in Dhalai District and Kakraban (Rani) in Gomati District. Construction of 33/11 KV sub-station at Tepania had been carried out by separate work order through turkey contract but could not be completed as on March 2020.

¹²¹ like minimum interest and long repayment tenure with five years moratorium facilities on the principal amount

Table 4.2.15: BPL connections provided under RGGVY scheme

(in Number)

District/ Project	Actual as per DPR	Achievement	Shortfall	Shortfall (in per cent)
West Tripura	8620	6500	2120	25
Dhalai	14226	12416	1810	13
Gomati	15328	8871	6457	42
Sepahijala	11924	7462	4462	37
Total	50098	35249	14849	30

TSECL in its reply (October 2021) accepted the observation and stated that due to curtailment of sanctioned cost by the GoI, TSECL had to reduce the scope of work which resulted in shortfall of achievement of target set in the recast DPRs.

4.2.11.5 (d) Villages left out without sufficient reasons

Scrutiny of closure report of RGGVY submitted to REC revealed that one village¹²² in West Tripura District and 11 villages¹²³ in Dhalai District that were left out during execution of work without any reasons. Consequently, 1,214 rural households¹²⁴ were deprived of electrification and 352 BPL households¹²⁵ did not get electricity connections in West Tripura District and Dhalai District though the amount was sanctioned for electrification of those villages. As per agreement, the State Government had to bear the responsibility to cover left out villages/ habitations and BPL households in future at its own cost, electrification of these villages had not been carried out till September 2021.

TSECL in its reply (October 2021) accepted the audit observation and stated that the electrification work of those villages could not be taken up due to interior terrain location, however, it would be covered under DDUGJY (Addl infra) scheme.

4.2.11.6 Inadequacy in implementation of DDUGJY

TSECL acted as the PIA in all the eight districts of Tripura. The works were awarded district-wise to contractors on partial turn-key basis. TSECL decided to procure the major/ high-value materials like DTRs, Aluminium Conductor Steel-Reinforced (ACSR) cables, LT Aerial Bunched (AB) cables, *etc.* in a centralised manner through the Materials Management Division (MMD), while all the other materials were to be procured by the partial turn-key contractors. The works were awarded to the contractors in July 2017 with a stipulated completion time of 24 months.

The irregularities noticed in implementation of the scheme are discussed in the subsequent paragraphs.

¹²² Dumrakari Dak

¹²³ Lalchhara, Kanchanpur, Srirampur, Duraichhara, Bishnupur, Ultachhara, Mainama, Ghagrachhara, Sonapur, Sadhujan Para, Purba Nalichhara (Total 701 rural households and 233 BPL households)

¹²⁴ 513 rural household in West Tripura District and 701 households in Dhalai District

¹²⁵ 119 BPL households in West Tripura District and 233 BPL households in Dhalai District

4.2.11.6 (a) Probable loss of additional grant

Aggregate Technical and Commercial (AT&C) loss is one single key performance indicator that reveals the efficiency level of the DISCOM at a glance. AT&C losses is a combination of energy loss (technical loss *plus* theft *plus* inefficiency in billings) and commercial loss (default in payment *plus* inefficiency in collection). AT&C losses means ratio between quantum of power the Company injects into the supply area in given period and the quantum of power it manages to raise bill for (denoted as billing efficiency) and the ratio of amount the Company is able to collect from the supply area with respect to the amount billed for a given period (denoted as collection efficiency). Expressed as a formula, it denotes:

$$\{1 \text{ minus (Billing Efficiency X Collection Efficiency)}\} \times 100$$

Source: National Power Portal

The quantum of power is measured in million units (MU) where unit denotes one kilo watt hour (kwh).

As per the DDUGJY guidelines, the DISCOM was required to prioritise the scope of work to ensure reduction of AT&C losses as per the DISCOM wise trajectory finalised by the MoP in consultation with the States. The release of additional grant of 50 *per cent* of loan component under the scheme (*i.e.* five *per cent* of total outlay) was also contingent upon achievement of this AT&C loss reduction trajectory.

The year-wise AT&C loss targets set by the MoP in consultation with the State Government, and actual AT&C loss figures from 2014-15 to 2019-20 is given in **Table 4.2.16**.

Table 4.2.16: Year-wise AT&C loss targets and actual AT&C loss

(in percentage)

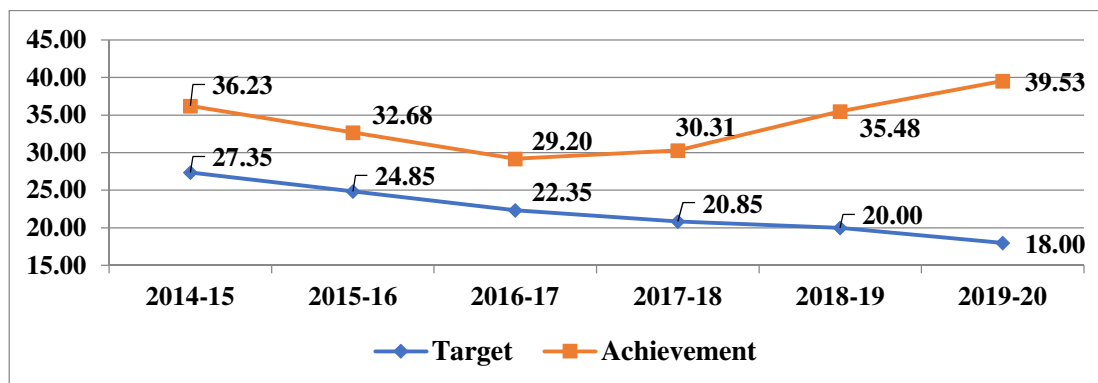
Year	Targets (maximum admissible loss)	Actual AT&C loss at the end of the year	Shortfall
2014-15	27.35	36.23	8.88
2015-16	24.85	32.68	7.83
2016-17	22.35	29.20	6.85
2017-18	20.85	30.31	9.46
2018-19	20.00	35.48	15.48
2019-20	18.00	39.53	21.53

Source: Targets - DDUGJY guidelines; Achievement – Power Finance Corporation (PFC) data (for 2014-15 to 2018-19), TSECL data (for 2019-20)

It can be seen from **Table 4.2.16** that, TSECL did not achieve the year-wise AT&C targets during 2014-15 to 2019-20. Although the losses came down marginally during 2014-15 to 2016-17, it has been on an upward trajectory since then and the gap between the AT&C loss targets and the actual losses has been widening every year as detailed in **Chart 4.2.2**.

Chart 4.2.2: Aggregate Technical and Commercial loss targets and achievement

(in percentage)



Thus, the implementation of the scheme did not bring out the desired outcomes in terms of reduction in AT&C losses which was envisaged as one of the major objectives for implementation of the scheme. This may lead to loss of additional grant of ₹ 3.69 crore (five *per cent* of project cost of ₹ 73.75 crore).

In reply (October 2021), TSECL accepted the audit observation and stated that to reduce the AT&C losses, considerable amount of renovation/ augmentation/up-gradation of the existing infrastructure was required. Further, due to insufficiency of fund under the scheme for strengthening of system, it could not go as per the plan to strengthen the electrical system of the State to reduce the AT&C losses.

4.2.11.6 (b) Probable loss of final tranche due to discontinuation of Project Management Agency

As per para 1.2 of the guidelines of DDUGJY, Project Management Agency (PMA) is to be appointed to assist PIA in project formulation, bidding process, monitoring the physical and financial progress of the scheme. The main function of the PMA is to assist utility in project management and ensure timely implementation of the project. Appointment of PMA is a pre-requisite for release of funds from Nodal Agency under the scheme. As per para 2.4.4 of the scheme guidelines, recommendation of the PMA regarding achievement of stipulated objectives is mandatory to avail final tranche (10 *per cent*) of the eligible grant. The tenure of PMA shall be 33 months¹²⁶. In case, the works under the project is executed beyond 24 months, the services of PMA shall be suitably extended by the utility. However, the extent of grant shall be limited as per the provision. GoI will provide 100 *per cent* financial assistance towards expenditure incurred on engagement of PMA subject to 0.5 *per cent* of approved project cost or award cost, whichever is lower. The utility has to bear any cost beyond the provision from its own resources for deployment of PMA.

TSECL was allocated an amount of ₹ 0.37 crore (0.5 *per cent* of sanctioned project cost of ₹ 74.12 crore) for engagement of PMA. Accordingly, TSECL engaged M/s N-Arch consultancy, a Delhi based firm, as PMA for DDUGJY with a contract

¹²⁶ Six months for completion of bidding process, 24 months for completion of works and three months for associated activities after completion of the works

value of ₹ 0.52 crore (*i.e.* 40.54 *per cent* higher than sanctioned cost of ₹ 0.37 crore¹²⁷). However, the contract value was revised to ₹ 0.59 crore after implementation of GST.

As per agreement with PMA, the contract period was from March 2016 to March 2019. However, the project was not completed within the stipulated period and extended upto March 2020 due to non-installation/ replacement of energy meters. The services of the PMA which was required to be extended as per the scheme guidelines, was not extended by TSECL.

Due to discontinuation of the engagement of PMA before completion of the projects, the recommendation of PMA on the achievement of stipulated objectives was not available in the closure report of the projects. The absence of PMA recommendation may deprive TSECL of the final tranche of ₹ 7.41 crore (10 *per cent* of the eligible grant of ₹ 74.12 crore).

TSECL in its reply (August 2021) accepted the audit observation and stated that it had discontinued the service of PMA due to fund constraints and to avoid additional financial burden on State. It also stated that the PMA had completed most of the works as per agreement except the “Metering” portion. However, TSECL approached the REC for getting additional fund to complete the left-out work, however, REC did not respond. TSECL again approached to REC (September 2020) for getting exemption of PMA service for the left out work so that the release of final tranche could not be hampered.

4.2.12 Irregularities pertaining to Contract Audit under RGGVY and DDUGJY

Audit observed following irregularities in the implementation of contracts:

4.2.12.1 Delay in award of the projects

As per RGGVY guidelines, works shall be awarded within 90 days from sanction of the project. Similarly, DDUGJY guidelines stipulate that works shall be awarded within six months (180 days) from the date of communication of the approval by the Monitoring Committee.

Out of the four sampled districts in the State, works for implementation of RGGVY in West Tripura and Sepahijala projects were awarded on turn-key basis. Whereas in Dhalai District and Gomati District, the works were executed departmentally wherein TSECL procured the major materials through open tender and supplied to the project divisions and erection works were carried out on partial turn-key mode. Total 63 LoAs were issued to different contractors for execution of works in three districts (except Sepahijala District). In Sepahijala District execution of RGGVY was entrusted to NEEPCO and separate LoA was issued to the turn-key contractor.

Similarly, DDUGJY works in four sampled districts were carried out on partial turn-key basis wherein major materials were procured by TSECL through open tender and supplied to the project divisions and erection works were carried out on partial

¹²⁷ 0.5 *per cent* of sanctioned cost of ₹ 74.12 crore

turn-key mode. Total four LoAs were issued to different contractors for execution of erection works in four districts and four LoAs were issued for procurement of materials.

Audit observed delays in award of projects in the sampled districts as detailed in **Table 4.2.17**.

Table 4.2.17: Details of approval, award of the projects

Sl. No.	Name of the Project	Date of approval of DPR by MC	Total Number of LoA issued	Date of award of the Project by PIA
RGVY				
1	West Tripura	10.01.2014	1	30.08.2014
2	Dhalai	10.01.2014	32	22.12.2015 ¹²⁸
3	Gomati	10.01.2014	27	22.12.2015 ¹²⁹
4	Sepahijala	10.01.2014	1	18.09.2014
DDUGJY				
5	West Tripura	17.09.2015	1	03.06.2017
6	Dhalai	17.09.2015	1	03.06.2017
7	Gomati	17.09.2015	1	03.06.2017
8	Sepahijala	17.09.2015	1	03.06.2017

Audit observed that out of 61 works awarded under RGVY, 19 works were awarded with the delays ranging between 94 days and 297 days, beyond 90 days from the stipulated completion date (*i.e.* 180 days) as detailed in **Appendix 4.2.3**.

In respect of DDUGJY scheme, there was delay in awarding ranging from 310 to 312 days beyond 180 days in all the four sampled projects as detailed in **Appendix 4.2.3**.

TSECL stated (February 2022) that the award of works in respect of RGVY scheme was delayed due to lengthy tendering process. In respect of works related to DDUGJY scheme, TSECL contended that there was delay only in case of metering works. However, the reply is not tenable as the delay in award has been calculated on award of supply and erection works.

4.2.12.2 Violation in award of contracts under DDUGJY

As per para 8 of chapter II of DDUGJY guidelines, award of contracts by PIAs was required to be as per Standard Bidding Documents (SBD) and technical specification provided by REC, contract award manual/ policy of PIA, *etc.* Audit observed deficiencies in appointment of Third-Party Inspection Agency and undue benefit in awarding of contracts.

Rule 184 of the General Financial Rules (GFR), 2005 and Rule 204 of the GFR, 2017 envisage that engagement of an agency for outsourcing of job through nomination by choice is allowed only in the exceptional circumstances. Further, Central Vigilance Commission (CVC) guidelines suggested that tendering process or public auction is a basic requirement for the award of contract by any Government agency as any other method, especially award of contract on nomination basis, would amount to a breach of fairness and equal opportunity, which implies right to equality to all interested parties.

¹²⁸ Date of issue of 1st LoA

¹²⁹ Date of issue of 1st LoA

Scheme guidelines did not have any provision for engagement of Project Management Consultancy (PMC). However, TSECL engaged Rural Electrification Corporation Power Development and Consultancy Ltd. (RECPDCL)¹³⁰ as PMC in three districts namely Dhalai District, Unakoti District and Gomati District without inviting any tender for assisting in various stages of rural electrification works like preparation of DPRs and bid documents, uploading and evaluation of tender documents, preparation of LoA, monitoring of delivery and erection schedule, project supervision, *etc.* The work was awarded (August 2015) to RECPDCL for 30 months (i.e. up to February 2018) at the cost of ₹ 1.66 crore *plus 14 per cent* service charge.

Scheme guidelines stipulate that the DISCOM requires to deploy Third-Party Inspection Agency (TPIA) through outsourcing by tendering process for carrying out Tier-I of Quality Assurance (QA) inspection. It was also noticed in audit that TSECL again engaged (January 2017) RECPDCL on nomination basis for conducting Tier-I stage of quality monitoring without inviting any tender.

Apart from that, TSECL extended the contract period of RECPDCL on several occasions¹³¹ upto March 2020 with the extension¹³² of project completion date of the RGGVY. The RECPDCL enhanced its rate by 10 *per cent* due to price escalation¹³³ on fixed monthly fees on existing agreement value of ₹ 1.66 crore. As such, the final contract price was increased to ₹ 2.88 crore. RECPDCL was paid ₹ 2.82 crore (up to 38th RA Bill, September 2020).

Thus, in violation of the financial rules and CVC guidelines, TSECL irregularly engaged RECPDCL on nomination basis. Thus, TSECL also denied market access to other consultancy services provider like Power Grid Corporation of India Ltd, National Thermal Power Corporation (NTPC), Electric Supply Company Ltd. and National Hydro Power Corporation Ltd. *etc.*

TSECL in its reply (June 2021) did not furnish any specific reason on engagement of PMC in violation of scheme guidelines

4.2.12.3 Avoidable expenditure

TSECL decided to execute the rural electrification work in Gomati District departmentally under RGGVY scheme. The Monitoring Committee (MC) has also allowed (August 2015) TSECL to execute the work departmentally in Gomati District. As per guidelines, the award of contract was required to be completed within 90 days from the date of sanction of the project.

¹³⁰ RECPDCL, a wholly owned subsidiary of REC, was incorporated with the objectives of (i) promoting, developing, constructing, owning, operating, distributing and maintaining 66 KV and below voltage class electrification/ distribution electric supply lines/ distribution systems; (ii) promoting, developing, constructing, owning and managing Decentralised Distributed Generation and associated distribution systems; and (iii) facilitating consultancy/ execution of the above for other agencies/ government bodies in India and abroad.

¹³¹ 1st extension- March 2018 to June 2018, 2nd extension-July 2018 to December 2018, 3rd extension-January 2019 to June 2019, 4th extension- July 2019 to December 2019, 5th extension- January 2020 to March 2020

¹³² RGGVY was extended up to December 2020.

¹³³ 1st escalation @10 *per cent* from July 18 (from 23rd RA bill), 2nd escalation @10 *per cent* from January 2020 (36th RA bill)

After introduction of GST, Excise duty, CST and local Sales Tax has been subsumed and replaced by GST. GST on Freight and Insurance and Erection work (in case of composite work) has been imposed at the rate of 18 *per cent*.

Audit noticed that while preparing the estimates of work under RGGVY, the TSECL excluded the construction work of 33/11 KV sub-station at Tepania block in Gomati District. It was further noticed in audit that NIT for construction of 33/11 KV sub-station work was floated in March 2017 *i.e.* 19 months after approval of the MC and the work was awarded (December 2017) to M/s Electric House¹³⁴. In the meantime, GST was rolled out (July 2017) and the Bill of Quantities (BOQ) quoted by the contractor increased from ₹ 4.82 crore¹³⁵ to ₹ 5.10 crore due to imposition of GST on Freight and Insurance and Erection work. This resulted in extra financial burden of ₹ 28 lakh to TSECL which would have been avoided if the work had been taken up earlier.

TSECL accepted (June 2021) the audit observation.

4.2.12.4 Excess expenditure on service connections

As per RGGVY guidelines, cost of providing free electricity to BPL households in village and habitation was ₹ 3,000 per connection.

The electrification works for Dhalai District was carried out departmentally which involved procurement of materials and execution of erection works through separate tenders. Scrutiny of closure proposal submitted by Dhalai District revealed that electricity connection to 12,416 BPL households was provided at a cost of ₹ 6.54 crore instead of sanctioned cost of ₹ 3.72 crore¹³⁶. This resulted in extra expenditure of ₹ 2.82 crore in providing service connections to 12,416 BPL households.

Audit noticed that REC also did not allow the excess expenditure of ₹ 2.82 crore in its approval of closure proposal for Dhalai District and communicated (April 2020) that extra expenditure of ₹ 2.82 crore would have to be borne by the State.

TSECL accepted (June 2021) the audit observation.

4.2.12.5 Extra expenditure due to excess consumption of materials

As per REC guidelines, contractor was directed to make every effort to minimise the breakage, losses and wastage of line materials (not exceeding one *per cent* against each item) supplied by the DISCOM during execution of erection works.

Electrification work in Dhalai District under RGGVY was carried out departmentally by TSECL wherein supply of major materials was done by TSECL itself and execution of erection works was taken up separately through tendering. Execution of erection work of HT lines and LT lines, installation of distribution sub-station and providing of BPL service connection at Ambassa Block in Dhalai District was

¹³⁴ Stood as L1 bidder

¹³⁵ including Excise Duty (ED), CST, Freight and Insurance (F&I) and Tripura VAT as extra

¹³⁶ ₹ 3,000 per BPL service connection

awarded (July 2016) to a contractor¹³⁷. TSECL procured the major materials like ACSR conductor, AB cables, *etc.* centrally for supplying materials to contractors for execution of erection work in different blocks.

Scrutiny of records revealed that against the requirement of 1,328.70¹³⁸ Km conductors, the contractor consumed 1,632.52 Km conductors. This resulted in excess consumption of 303.82 Km conductors as detailed in **Table 4.2.18**.

Table 4.2.18: Excess expenditure due to excess consumption of materials

Excess consumption of materials used under RGGVY in Dhalai District								
Materials	Line erected (in Kms)	Conductor required as per line erected (in Kms)	Allowed unaccountable wastage (1 per cent)	Total requirement of conductor (Km)	Conductor used (in Kms)	Excess consumption (in Kms)	Unit cost of material (in ₹)	Total cost of excess material (₹ in lakh)
New 11 Kv line on ACSR weasel	348.62	1045.86	10.46	1056.32	1241.26	184.94	19859.60	36.73
New LT line 1 ph AB cable	72.52	72.52	0.73	73.25	76.78	3.53	79922.70	2.82
New LT line 3 Ph 4 wire ACSR/AB cable	49.29	197.16	1.97	199.13	314.48	115.35	19888.40	22.94
Total	470.43	1315.54	13.16	1328.70	1632.52	303.82		62.49

It can be seen from **Table 4.2.20** that due to excess consumption of 303.82 Km conductors, there was excess expenditure of ₹ 62.49 lakh on execution of work of HT lines and LT lines.

TSECL in its reply (June 2021) accepted the audit observation and stated that during the approval of closure proposal, Monitoring Committee, GoI curtailed the total expenditure and allowed the expenditure as per approved unit cost only.

From the reply, it is evident that the State would have to bear the additional liability of ₹ 62.49 lakh.

4.2.12.6 Undue benefit to contractor

As per clause 4 of LoA, 50 *per cent* performance security (15 *per cent* of total contract price) shall be deposited in the shape of Bank Guarantee (BG) as per the format of bidding document in favour of TSECL in any nationalised bank and the balance 50 *per cent* performance security amount shall be deducted from running bills on pro-rata basis from each bill till full realisation of Contract Performance Guarantee (CPG) *i.e* 100 *per cent*. In addition to performance guarantee, 50 *per cent* additional performance security amount (15 *per cent* of total cost of meter and transformer) shall

¹³⁷ M/s Sri Sudhansu Bhattacharjee

¹³⁸ required quantity after allowing the unaccountable wastage of one *per cent*

be deposited in the shape of Bank Guarantee (BG) as per the format of bidding document in favour of TSECL on any nationalised bank and balance 50 *per cent* performance security amount shall be deducted from running bills on pro-rata basis from each bill till full realisation of CPG, *i.e.* 100 *per cent*.

The electrification works of West Tripura District under RGGVY was awarded (August 2014) to a contractor¹³⁹, on turn-key basis with the agreement value of ₹ 27.12 crore.

Accordingly, the contractor submitted (December 2014) the CPG of ₹ 2.03 crore and furnished (January 2015) additional performance security of ₹ 57.16 lakh. Both the CPG and additional performance security were valid up to November 2017.

Audit noticed that the work under RGGVY in West Tripura District commenced in August 2014 and was completed in September 2018 and accordingly, defect liability period was required to be extended up October 2019. But the contractor did not extend the CPG and Additional Performance Security after November 2017 and was allowed to carry out the work without any performance security.

TSECL accepted the fact and stated that the contractor would not escape the liability to rectify any defects that may arise within the defect liability period since TSECL had held up 50 *per cent* of the CPG and additional CPG from RA bills.

This had resulted in dilution of the CPG clause as the full amount of CPG was not available with TSECL as mandated by the agreement clause.

4.2.12.7 Avoidable expenditure due to lack of due diligence by PIA

As per the scheme guidelines, single contract is to be awarded in each district for execution of RGGVY work. In case of award of more than one contract is inevitable, then for proper accounting of project same bill of quantities, same rates and terms and conditions are to be used for all the contracts so awarded.

Comparative analysis of the rates of six major items supplied by the contractors under the RGGVY in two districts¹⁴⁰ with the LoA issued to the contractors for procurement of those items by the company revealed the following irregularities:

- a. **Different ex-factory rate on same items within the same district:** In Gomati District different ex-factory rates (excluding freight and insurance) were allowed for supply of the same materials with identical specification in all packages to different contractors. Justifications for accepting different rates on items with the same specification from different contractor were not found on record. The difference in unit rate went up to nearly seven *per cent* to 13 *per cent* with a total financial impact of ₹ 17.93 lakh as detailed in **Appendix 4.2.4(a)**.

¹³⁹ M/s Bhattacharjee Construction

¹⁴⁰ Dhalai and Gomati Districts

- b. **Different rate-different contractors-neighbouring district:** Comparative analysis of the rates of three major items¹⁴¹ supplied by contractors under the RGGVY in two districts¹⁴² with the LoA issued to the contractors for procurement of these items revealed that, while finalising the tender, TSECL did not compare the rates of standard items with the same capacity and specification quoted by different tenderers for similar works in the neighboring district. As a result, the rates allowed to the contractors under the LoA for supply of six major items were significantly higher than rates of those items allowed to the contractors of the neighbouring districts. The higher price allowed on three major items ranged from one *per cent* to 39 *per cent* and resulted in avoidable expenditure of ₹ 76.16 lakh as detailed in **Appendix 4.2.4(b)**.

Thus, absence of proper analysis on cost of the materials put to tender, led to avoidable expenditure of ₹ 94.09 lakh on procurement of material under the scheme.

- c. **Unreasonable price variations in similar erection works under DDUGJY scheme:** Scrutiny revealed that the rates quoted for the same item of erection work in sampled districts varied appreciably even though the works were awarded on the same day, as detailed in the **Appendix 4.2.5**. This resulted in avoidable extra expenditure of ₹ 85.95 lakh. The justifications for wide variation in cost of similar erection works between adjacent districts were not found on record. TSECL had also not performed any exercise to rationalise the rates quoted for different work components.

TSECL in its reply (October 2021) accepted the audit observation and stated the variation of rates for supplying of different items and to different locations and execution of erection works in different locations was due to remote and terrain locations of the places. The reply is not acceptable since audit considered the ex-factory rate only while calculating the price variations.

4.2.12.8 Procurement of materials from un-authorised/un-approved vendors

Rural electrification works under RGGVY scheme for West Tripura District was awarded to a contractor¹⁴³ on turn-key basis. Scrutiny of record revealed that the agency procured various materials including Village Electricity Infrastructure (VEI) materials like Distribution Transformer, Overhead Conductor, PVC cable amounting to ₹ 4.25 crore from unauthorised vendors which were not included in the approved vendor list of TSECL. Details are given in **Appendix 4.2.6**.

Thus, the procedure followed by TSECL did not follow the vendor approval policy stipulated in the guidelines to ensure the level-zero Quality Assurance Mechanism (QAM) during course of the project execution.

¹⁴¹ ASCR wheasel conductor 6/1/2.59, Steel Tubular Poles, 8 mtr. long (IS Designation 410 SP-15) ISS: 2713 (P-I, P-II), 1980 and Steel Tubular Poles, 9 mtr. long (IS Designation 410 SP-32) ISS: 2713 (P-I, P-II), 1980

¹⁴² Dhalai and Gomati Districts

¹⁴³ M/s Bhattacharjee Construction

TSECL in its reply (August 2021) accepted the fact and said that it did not have any approved vendor list for supplying of materials in different RE schemes.

4.2.13 Providing last mile connectivity and electricity connection to rural households under Saubhagya

As per the information furnished by the by the State to the Ministry of Power (MoP), Government of India (October 2017), total 2.16 lakh rural and 0.20 lakh urban households were un-electrified in the State. However, only 1,41,623 rural households were proposed to be electrified under Saubhagya Scheme by the State, which included 1,38,024 rural grid and 3,599 rural off grid connections. Further, Audit noticed that 0.20 lakh urban households were also electrified under Saubhagya Scheme. However, there was no projection for providing connections to the urban households in the DPR submitted by the State Government for implementation of the scheme. Details of household electrification in the State under Saubhagya from 11 October 2017 to 31 March 2020 is stipulated in **Table 4.2.19**.

Table 4.2.19: Details of household electrification under Saubhagya/ DDUGJY

(in Number)

Total Rural Households as on 10.10.2017 as per details given by the State	Electrified Rural Households as on 10 October 2017	Balance Unelectrified Rural Households as on 10 October 2017	Rural Household electrified from 10 October 2017 to 31 December 2018 (when saturation was reported by the State) (a)	Additional Rural Households electrified from 1st January 2019 onwards due to special campaign till 31 March 2020 (b)	Total Progress (a+b)	Balance Un-electrified Rural Households	Rural Household not electrified as on 31.03.2020 (in percentage)
7,96,000	5,80,000	2,16,000	1,06,683	2,682	1,09,365 ¹⁴⁴	1,06,635	13.40

It is evident from **Table 4.2.19** that out of total 7,96,000 rural households as on 10 October 2017, 1,06,635 households (13.40 *per cent*) remained un-electrified in the State as on 31 March 2020. However, it was noticed that the State furnished (November 2018) the saturation certificate regarding 100 *per cent* electrification of all the households to REC/ MoP.

In reply, TSECL stated (February 2022) that the balance un-electrified household as on 10 October 2017 was not based on any survey figure of that period. However, the actual scenario of the un-electrified households in the State was clarified after detailed foot survey conducted in the State during 2017-18 in the State. It further stated that the figures of approved guidelines of MoP is not reflecting the actual figure of un-electrified households.

The reply is not acceptable. As per the approved guidelines of the Saubhagya Scheme, status of un-electrified household as of 10 October 2017 was furnished to the MoP by the respective States. Any correspondence/ corrigendum issued by the MoP regarding

¹⁴⁴ Grid – 1,05,764; Off-grid – 3,601

acceptance of change in number of figures of un-electrified households was not available on record and were not furnished by the TSECL with the reply.

Further, the TSECL did not furnish specific reasons for declaring the State as 100 *per cent* electrified despite shortfall in achievement.

Under-achievement of the planned targets was attributable to inadequacies in planning, implementation, monitoring as discussed in subsequent paragraphs.

4.2.13.1 Inadequacies in Planning

4.2.13.1 (a) Non-documentation of detailed field survey before preparation of DPR

Saubhagya Scheme guidelines envisage that, during implementation of the projects, implementing agencies shall carry out field survey for identification of beneficiaries and village-wise/ habitation-wise details of households. Scheme guidelines also envisage for proper documentation of base line data, background papers like field survey report for identification of intended beneficiaries, Need Assessment Document in the Ministry's prescribed format, basis of estimation {Schedule of Rates (SOR)} and Programme Evaluation and Review Technique (PERT) chart. Documentation of base line data will help in assessing the broad scope of works as well as formulating a Detailed Project Report (DPR).

Audit observed that no survey was conducted as per the guidelines before preparation of DPR.

TSECL in its reply (August 2021) stated that district level officers collected data from field as well as from blocks and panchayats and sent to TSECL Corporate office, Agartala after compilation. The reply is not acceptable as TSECL Corporate office did not furnish the compiled data/ survey report received from the district level offices to Audit.

4.2.13.1 (b) Delay in submission of DPRs on Saubhagya DPR portal

As per para 11 of Chapter II of Saubhagya Scheme guidelines, States were required to submit DPRs by 6 November 2017. Audit observed that TSECL submitted DPRs for eight districts/ projects on 7 April 2018 after the delay of 152 days.

Reasons for delay in submission of DPRs on Saubhagya DPR portal were not furnished by the TSECL, though called for (December 2021) in audit.

4.2.13.1 (c) Submission of DPRs without approval of State Level Standing Committee

As per para 5 of Chapter II of Saubhagya guidelines, DPRs were to be approved by the State Level Standing Committee (SLSC) before sending to REC/ MoP. Audit observed that DPRs in respect of four sampled projects¹⁴⁵ in the State were submitted to REC without the approval of SLSC.

¹⁴⁵ Gomati, Khowai, Dhalai and North Tripura Projects

TSECL while replying (February 2022) accepted the audit observation and stated that approval of SLSC was not taken prior to the submission of DPR due to the urgency and emergency in submission of DPR.

Therefore, TSECL violated the provisions of the guidelines.

4.2.14 Implementation of Saubhagya

Audit noticed the several deficiencies in implementation of Saubhagya scheme in the State which are discussed in subsequent paragraphs.

4.2.14.1 Shortfall in achievement of electrification of economically poor households

As per the DPRs submitted by the TSECL to REC/ MoP, 72,770 Below Poverty Line (BPL) households were to be provided free electricity connections by 31 December 2019 in the State. Details of electrification of BPL households is given in **Table 4.2.20**.

Table 4.2.20: Details of electrification of BPL households

(in number)

Households Planned for electricity connections through grid as per DPR	Households sanctioned by Monitoring Committee for providing electricity connection through grid	Households actually electrified by 31 March 2019
72,770	67,044	61,651

It can be seen from **Table 4.2.20** that the Monitoring Committee, MoP sanctioned 67,044 BPL households for electrification against 72,770 BPL households proposed by the State. Further, the State provided electricity connections to 61,651 BPL households against the sanction of 67,044 resulting in shortfall of 5,393 (eight *per cent*) households. Thus, TSECL failed to provide household connections to all BPL families within the target date as approved by the Monitoring Committee.

Reasons for shortfall in providing electricity connections to BPL households were not furnished by the TSECL, though called for (February 2022).

4.2.14.2 Delay in completion of the projects by TSECL

As per the Saubhagya Scheme guidelines, if the State completes 100 *per cent* electrification by 31 December 2018, the State was eligible for additional grant of five *per cent* i.e. 50 *per cent* of loan component was convertible to grant. Due to non-completion of the work, the REC extended the deadline for completion of work in the State to 31 December 2020. The works were completed in December 2020. However, TSECL submitted the closure proposal of the scheme only in August 2021. Therefore, there was a delay of 21 months in completion of eight projects from the deadline stipulated in the scheme guidelines as detailed in **Table 4.2.21**.

Table 4.2.21: Delay in completion of projects

District	Date of award of Project	Actual target date of completion of Project (31 March 2019)	Actual Date of Completion	Delay in completion of projects (in months)
West Tripura	15-10-2018	31-03-2019	31-12-2020	21
North Tripura	31-08-2018	31-03-2019		
Dhalai	20-09-2018	31-03-2019		
Unakoti	31-08-2018	31-03-2019		
Gomati	31-08-2018	31-03-2019		
Khowai	20-09-2018	31-03-2019		
Sepahijala	27-07-2018	31-03-2019		
South Tripura	27-07-2018	31-03-2019		

TSECL stated (February 2021) that the delay was due to rain/ stormy weather Right of Way (ROW), poor road connectivity in interior areas and communication and other local issues.

The delay in completion of the projects may lead to loss of ₹ 20.87 crore being five *per cent* of loan component as additional grant as described in **Paragraph 4.2.16**.

4.2.14.3 Shortfall in achievement of additional infrastructure works

Saubhagya scheme had the components of additional infrastructure comprising of DTRs, LT and 11 KV lines. The achievement of these components under the scheme is detailed in **Table 4.2.22**.

Table 4.2.22: Component wise details of requirement, sanction and achievement of works executed under Saubhagya

Components of works	Unit	Requirement as per Saubhagya DPR	Sanctioned	Achievement	Shortfall in achievement of work against sanction	Shortfall in percentage
DTR (New)	Nos	2991	742	629	113	15.23
LT line (New)	Ckm	6214.98	3305.39	3139.19	166.20	5.03
11 KV line (New)	Ckm	2809.70	573.13	405.26	167.87	29.29

It can be seen from **Table 4.2.22** that there was shortfall of 15.23 *per cent* in installation of DTRs, 5.03 *per cent* in laying of LT lines and 29.29 *per cent* in laying of 11 KV lines. The shortfall in creation of infrastructure resulted in delay in providing electricity to all rural households within the target date.

TSECL accepted (February 2022) the fact of shortfall in achievement.

4.2.15 Irregularities pertaining to Contract Audit

Audit observed following irregularities in the implementation of contracts:

4.2.15.1 Wasteful expenditure on Distribution Transformers due to improper storage

RECPDCL placed supply orders between August 2018 and November 2018 to Absolute Projects India Ltd., GEPDEC Infratech Ltd, Power Tech Engineers and

UPRNNL¹⁴⁶ for procuring and supplying 16 KVA, 25 KVA and 63 KVA and 100 KVA Distribution Transformers to TSECL under Saubhagya in six districts. As per supply orders, the DTRs were to be supplied during November 2018 to January 2019 with warranty period of 18 months from the date of supply. Accordingly, the warranty period would end between June 2020 and July 2020.

Scrutiny of records revealed that RECPDCL supplied total 1,318 DTRs valued at ₹ 17.03 crore to the two District stores *i.e.* Ambassa (Dhalai District) and Jirania (West Tripura District). It was noticed that out of 1,318 DTRs of different capacities, 261 DTRs were found defective as those were not able to transfer the current and load due to low insulation resistance. Further, TSECL communicated the matter to RECPDCL within the warranty period regarding poor quality and poor functioning of the transformers and requested RECPDCL for rectification of defects. However, suppliers rectified only 49 DTRs and denied to rectify the remaining 212 DTRs citing poor storage conditions and improper handling of transformers at stores.

As per the tripartite agreement between TSECL, REC and RECPDCL, TSECL was responsible for proper stacking and storage of the material safely with all necessary measures to protect them from external factors such as rain, storm, theft, *etc.* However, Audit noticed that the DTRs were not stored properly as per the agreement. **Photograph 4.2.1** depicts the poor storage and stacking of DTRs.

Photograph 4.2.1: Poor storage and stacking of DTRs



Transformers lying at open space, muddy surface, covered with bushes at Ambassa Store yard in Dhalai District

Thus, due to improper storage of DTRs, the warranty services could not be availed of from the concerned suppliers and expenditure on 212 DTRs valued ₹ 2.74¹⁴⁷ crore became wasteful as shown in **Appendix 4.2.7**.

¹⁴⁶ Uttar Pradesh Rajkiya Nirman Nigam Limited

¹⁴⁷ average value calculated since the Divisions did not furnish the capacity wise different DTRs

TSECL in its reply (October 2021) accepted the audit observation and stated that due to lack of infrastructure the transformers were stacked over one another. The seepage of moisture further led to deterioration of the transformers. In its reply, TSECL stated that electricity is being ensured by sharing load from existing DTRs. From the reply it appears that overloading of the existing DTRs would have adversely affected the voltage of the service areas.

4.2.15.2 Idle expenditure on procurement of materials

TSECL engaged RECPDCL during 2018-19 to procure and supply the required material against fresh erection contracts for six districts¹⁴⁸. As per the supply orders, RECPDCL would supply material at two stores located under West Project Division and Dhalai Project Division for further distribution to different work sites.

It was noticed in audit that out of the total material received amounting to ₹ 69.82 crore during 2018-19, material valued ₹ 37.18 crore was only utilised for execution of work under Saubhagya. Remaining material valued ₹ 32.64 crore was lying idle in the store yard at Dhalai Project Division, Ambassa as on August 2021.

Test check of records relating to consumption of some major materials like Transformers, single and three phase AB cables, LT Distribution Boxes, AB Cable Tie, Polymer Pin Insulator, *etc.* revealed that utilisation of these materials was less than 90 *per cent* which led to blockade of fund of ₹ 32.64 crore as detailed in the **Appendix 4.2.8**. Reasons for material remaining unutilised were not found on record.

The TSECL in its reply stated that the materials were procured in anticipation of utilising the same in DDUGJY scheme.

4.2.15.3 Idle expenditure on providing of service connections kits

Service connection kit is one of the major material which is required for providing service connections to the un-electrified households. It includes various items like meter board, switch board, holder and other accessories.

Scrutiny of records and information furnished by West Tripura and Dhalai project divisions revealed that TSECL had procured a total of 40,000 service connection kits valued ₹ 4.89 crore¹⁴⁹ through open tender from two different agencies. It was noticed that different materials and accessories valued at ₹ one crore were not utilised by the project divisions in the two sampled districts (Dhalai and West Tripura) and were lying idle in the stores though the works had been completed. Details are given in **Appendix 4.2.9**.

TSECL accepted the audit observation and stated (October 2021) that the service connection kits were procured for providing service connections against the partial turn key LoAs issued by fresh tendering. However, less connections were provided under the fresh contracts than the targeted ones, therefore, some of the material procured by TSECL as part of the service connection kits, remain un-utilised.

¹⁴⁸ Khowai, West Tripura, Gomati, Unakoti, North Tripura and Dhalai

¹⁴⁹ West Tripura – ₹ 2.42 crore, Dhalai District - ₹ 2.47 crore

4.2.16 Probable loss of additional grant

As per para 2.5.9 of the Saubhagya Guidelines, there was a scope to convert five *per cent*¹⁵⁰ loan component¹⁵¹ to grant by GoI subject to achievement of 100 *per cent* household electrification of all willing households by 31 December 2018.

Monitoring Committee sanctioned ₹ 417.53 crore for implementation of Saubhagya in Tripura out of which ₹ 41.75 crore (10 *per cent* of the total project cost of ₹ 417.53 crore) was loan component which was availed by TSECL (December 2019) from REC. As per guidelines, there was a scope of conversion of loan component of ₹ 20.87 crore (50 *per cent* of loan amount) as grant from GoI subject to completion of the project in all respect within the stipulated time.

TSECL could not provide 100 *per cent* service connections even after due date of completion (December 2018) and there was shortfall of 24.63 *per cent* against 1,41,623 connections sanctioned by REC as on March 2019 which led to loss of additional grant of ₹ 20.87 crore from GoI by the way of conversion of the loan component.

TSECL in its reply (August 2021) stated that all eligible households were given service connection under the scheme, on the basis of which Government of Tripura declared the State as 100 *per cent* electrified on 27 November 2018. Accordingly, they had communicated the matter to REC in December 2018, however, no formal approval had been received from REC in this regard.

Regarding loss of grant, TSECL replied that it had made claim for the fourth and subsequent instalment by proposing 90 *per cent* of the total fund received, as subsidy, against the criteria of 85 *per cent* as per guidelines, and REC had released the fund accordingly.

It was further stated that the loan of ₹ 41.75 crore (@ 10 *per cent*) had been sanctioned by REC against which an amount of ₹ 32.65 crore had already been released by REC, whereas actual requirement of loan was five *per cent* i.e. ₹ 20.87 crore and balance ₹ 9.10 crore will be adjusted in final closure of the scheme.

The reply is not acceptable being purely presumptive as no approval for conversion of 50 *per cent* loan component to subsidy had been given by REC (September 2021). Further, TSECL could not achieve the target of 100 *per cent* service connections within the stipulated time (December 2018).

¹⁵⁰ five *per cent* for special category State and 15 *per cent* for other category of States

¹⁵¹ As per funding pattern of the scheme 85 *per cent* of the approved project cost is to be provided as grant from Government of India (GOI), five *per cent* of the approved project cost is to be provided by the State Government and balance 10 *per cent* of the approved project cost is to be arranged by the DISCOM/ utility as Loan from Financial Institutions. Guidelines also provide the scope of conversion 50 *per cent* loan component as grant subject to achievement of 100 *per cent* household electrification of all willing households by 31 December 2018.

4.2.17 Inadequacies in Monitoring and Evaluation

4.2.17.1 Deficiencies in monitoring under RGGVY

As per guidelines of RGGVY, projects shall have three tiers Quality Assurance Mechanism (QAM). Under tier I monitoring, Third Party Inspection Agency (TPIA) would carry out inspection of 50 *per cent* of the villages covered in the projects in two stages. Under tier II monitoring, REC will carry out inspection through outsourced independent agencies. Under tier III of monitoring, Ministry of Power, Government of India shall enforce QAM.

Audit noticed irregularities in engagement of TPIA without inviting tender which is discussed at **Paragraph 4.2.12.2**. Further, the agency did not verify RGGVY works in 50 *per cent* villages in Gomati and Dhalai Districts. The details is given in **Appendix 4.2.10**. In eight projects Project Implementing Agency (PIA) did not prepare comprehensive Quality Assurance Plan as required under RGGVY guidelines.

4.2.17.2 Ineffective/ defective quality assurance mechanism under DDUGJY and Saubhagya

As per guidelines of DDUGJY and Saubhagya, the PIA shall be solely responsible and accountable for assuring quality of work. Audit noticed that PIA did not formulate comprehensive quality assurance plan. Management Information Systems (MIS) data prepared by TSECL and uploaded on the MIS portal of REC did not contain complete details pertaining to physical and financial progress of the projects and other fields as required as per DDUGJY guidelines.

Para 5 of the chapter IV of the Saubhagya guidelines stipulates that the State Level Standing Committee (SLSC) under the Chief Secretary of the State constituted under the DDUGJY, shall also monitor implementation of the scheme regularly and resolve issues impeding the progress of implementation of the schemes. Audit observed that State Level Standing Committee (SLSC) met only once in May 2018. Therefore, SLSC was not involved in regular monitoring of implementation of sanctioned projects under Saubhagya *viz.* allocation of land for sub stations, right of way, forest clearance, railway clearance, safety clearance, *etc.* which indicates ineffectiveness of SLSC.

Saubhagya Scheme guidelines envisage that the monitoring mechanism as followed in DDUGJY shall be followed. The guidelines envisage that PIA and Turnkey Contractor shall strictly ensure QA checks during the day-to-day course of project execution.

Scrutiny of records revealed that M/s Everest Infra Energy Limited issued Notification of Award (NOA) to TPS Electro Links, Kolkata for supplying of 124 Nos. 25 KVA three phase DTRs for use in Saubhagya project in Sepahijala District.

As per guidelines, the PIA was required to carry out pre-dispatch inspection for all the 124 DTRs. Audit noticed that out of 124 transformers, NEEPCO authorities inspected 72 transformers before dispatch and did not carry out pre-dispatch inspection of 52 DTRs since General Manager (GM), Electrical and Mechanical, NEEPCO, Monarchak waived the condition for pre-dispatch inspection for the same.

NEEPCO while replying to audit (September 2021) stated that the pre-dispatch inspection was waived considering the urgency of completion of work.

The reply is not acceptable as by waiving the condition, the GM, Electrical and Mechanical, NEEPCO, Monarchak violated the provisions of the guidelines of Quality Assurance.

4.2.18 Beneficiary Survey

Audit conducted beneficiary survey in the 46 villages under the four sampled projects/districts to ascertain the extension of benefit of rural electrification schemes to the targeted beneficiaries, impact on the society and changes on their social and economic life. The findings of the beneficiary survey are detailed in subsequent paragraphs.

As per para 2.4 of Saubhagya guidelines, the electricity connection includes provision of service line cable, energy meter, single point wiring, Light Emitting Diode (LED) lamp and erection of pole.

Households' survey conducted by Audit revealed that 49¹⁵² beneficiaries out of 460 sampled beneficiaries were not provided energy meter and 41¹⁵³ beneficiaries were not provided LED/ Compact Fluorescent Lamps (CFL).

Only four¹⁵⁴ out of 460 beneficiaries stated that there was reduction in the monthly expenditure due to reduction in the use of diesel generator sets, diesel pumps, *etc.* All the 460 beneficiaries surveyed stated that they were using consumer durables like television, fridge, fan, *etc.*

337¹⁵⁵ out of 460 beneficiaries were not able to get extended study hours due to non-availability of continuous power supply in evening or at night.

Survey of the 46 sampled villages revealed that there was no significant improvement in mobility/ security at night because streetlights were either not installed or non-functional. Only 18¹⁵⁶ out of 460 beneficiaries stated that there was improvement in mobility/ security at night. During survey, no household reported that power supply was erratic and for less than 12 hours per day.

4.2.19 Conclusion

Implementation of the 'Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)' and 'Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)' schemes were characterised by several instances of non-adherence to the scheme guidelines. RGGVY projects were planned without adequate survey work as DPRs were prepared on the basis of old data and had many discrepancies. There were instances of inefficiencies in contract management, execution of works and violation of provisions of tripartite agreement by the State Government.

¹⁵² West Tripura – 43; Dhalai – 5; Sepahijala – 1

¹⁵³ West Tripura – 27; Dhalai – 1; Gomati – 2; Sepahijala – 11

¹⁵⁴ West Tripura District

¹⁵⁵ West Tripura – 88; Dhalai – 119; Gomati – 55; Sepahijala – 75

¹⁵⁶ West Tripura District

The materialisation of desired objectives of RGGVY, DDUGJY, Saubhagya had failed at the planning stage. To limit the expenditure within the sanctioned cost of Government of India (GoI), Tripura State Electricity Corporation Limited (TSECL) had to reduce the estimates. Due to reduction in scope of works various parameters had been reduced significantly ranging from two *per cent* to 83 *per cent*, which resulted in shortfall in laying of lines, construction of sub-stations, augmentation of existing sub-stations, non-providing of electric connection in public places and shortfall in providing service connection to BPL households. Consequently, the actual need of the State could not be fulfilled.

Further, DPRs of Saubhagya scheme were deficient in incorporating the status of electrification of urban household, number of economically poor urban household as per Socio Economic Caste Census (SECC), 2011 data for providing service connection under the scheme. In absence of information on these essential parameters in the DPRs desired objective of the schemes and progress of physical and financial milestones could not be monitored periodically which resulted in time and cost overrun of various works undertaken under different RE schemes.

Project implementation was beset with slow execution of works, idle investments, weak monitoring, delays in award of contracts and non-handing over /charging of completed works. Lack of diligence was observed in management of financial resources. TSECL failed to lodge the claim to State Government for reimbursement of taxes paid from the scheme fund. Apart from that, non-preparation of audited accounts and Bank Reconciliation Statement, delay in furnishing of Utilisation Certificates, discrepancies in the audited accounts and fund utilisation reports revealed a weak internal control mechanism.

Against 7,96,000 Rural households as on October 2017, 1,06,635 (13.40 *per cent*) Rural households remained un-electrified in the State as on 31 March 2020. So, the objective of providing last mile connectivity and electricity connection to Rural households under the Saubhagya scheme could not be achieved.

4.2.20 Recommendations

- 1. Tripura State Electricity Corporation Limited (TSECL) needs to carry out extensive field surveys before preparation of DPR to target the economically poor and BPL households, as also to measure the infrastructure facilities required to be created for providing electricity connections;*
- 2. State should manage its financial resources effectively for funding its share for implementation of scheme;*
- 3. State needs to exercise greater control over scope of work and related estimates by devising suitable formats of Monitoring Reports which would help ensure that projects are being implemented keeping pace with the framed timelines and financial estimates.*
- 4. State needs to take necessary action to rectify the deficiencies in monitoring the implementation of the scheme.*

CHAPTER V: REVENUE SECTOR

CHAPTER V: REVENUE SECTOR

5.1 GENERAL

5.1.1 Trend of Revenue Receipts

The Tax and Non-tax Revenue raised by Government of Tripura during the year 2019-20, the net proceeds of State's share of Union Taxes and Duties assigned to the State and Grants-in-aid received from the Government of India (GoI) during the year and the corresponding figures for the preceding four years are given in **Table 5.1.1**.

Table 5.1.1: Trend of revenue receipts

(₹ in crore)

Sl. No.	Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
I.	Revenue raised by the State Government					
	Tax Revenue	1,332.25	1,422.01	1,422.02	1,765.91	2101.79
	Non-tax Revenue	262.60	218.85	493.48	372.20	271.65
	Total	1,594.85	1,640.86	1,915.50	2,138.11	2373.44
	<i>Increase over previous year (%)</i>	<i>16.42</i>	<i>2.88</i>	<i>16.74</i>	<i>11.62</i>	<i>11.01</i>
II.	Receipts from the GoI					
	Net proceeds of State Share of Union Taxes and Duties	3,266.02	3,909.12	4,322.08	4,888.95	4211.78
	Grants-in-aid	4,565.87	4,095.48	3,830.37	5,003.83	4416.37
	Total	7,831.89	8,004.60	8,152.45	9,892.78	8628.15
III.	Total Revenue Receipts of the State Government (I and II)	9,426.74	9,645.46	10,067.95	12,030.89	11001.59
IV.	Percentage of I to III	16.92	17.01	19.03	17.77	21.57

Source: Finance Accounts

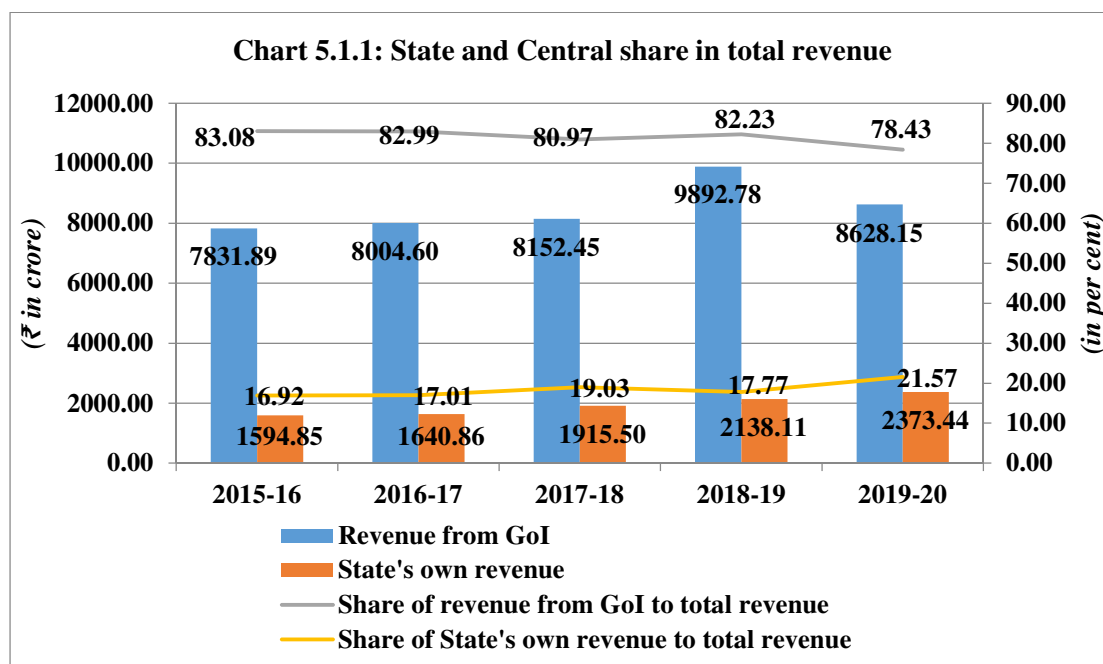


Table 5.1.1 and **Chart 5.1.1** indicates that during the year 2019-20, the revenue raised by the State Government was ₹ 2,373.44 crore which was 21.57 per cent of the total Revenue Receipts. The balance 78.43 per cent of the revenue receipts during

2019-20 was received from the GoI in the form of State share of Union Taxes and Duties and Grants-in-Aid. The rate of growth of own revenue of the State declined during 2019-20 to 11.01 *per cent* (₹ 235.33 crore) compared to 11.62 *per cent* during 2018-19 over the previous year. The total Revenue Receipts of the State also decreased by 8.56 *per cent* from ₹ 12,030.89 crore in 2018-19 to ₹ 11,001.59 crore in 2019-20 due to less receipts of Grants-in-aid from GoI during 2019-20.

5.1.1 (a) Tax Revenue

The details of the Tax Revenue raised during the period 2015-20 are given in Table 5.1.2.

Table 5.1.2: Components of Own Tax Revenue during 2015-20

(₹ in crore)

Sl. No.	Head of revenue	2015-16	2016-17	2017-18	2018-19	2019-20	Increase (+) or decrease (-) of actual in 2019-20 over 2018-19 (<i>per cent</i>)
1	Sales Tax/ Value Added Tax (VAT)	1,058.48	1,112.89	611.88	361.95	435.88	(+) 20.43
2	Goods and Service Tax ¹⁵⁷	--	--	479.71	977.44	1026.63	(+) 5.03
3	State Excise	143.57	163.19	186.96	214.35	231.70	(+) 8.09
4	Stamps and Registration Fees	42.49	41.83	40.16	51.32	61.67	(+) 20.17
5	Taxes on Vehicles	37.62	43.60	54.38	83.50	97.14	(+) 16.34
6	Other Taxes on Income and Expenditure	39.67	41.96	42.20	43.87	43.59	(-) 0.64
7	Land Revenue	5.97	13.32	4.46	5.29	12.98	(+) 145.37
8	Other Taxes and Duties on Commodities and Services	4.29	3.32	2.17	27.93	161.58	(+) 478.52
9	Others ¹⁵⁸	0.16	1.90	0.10	0.26	30.62	(+) 11676.92
Total		1,332.25	1,422.01	1,422.02	1,765.91	2101.79	(+) 19.02

Source: Finance Accounts

Goods and Service Tax (GST):-The reason attributed by the Finance (Excise & Taxation) Department for increase of collection of GST (5.03 *per cent*) over previous year was due to higher collection of SGST, IGST and advance IGST as compared to the previous year.

State Excise:-The reason attributed by the Finance (Excise & Taxation) Department for increase of collection of State Excise (8.09 *per cent*) was due to introduction of Maximum Retail Price (MRP) based Advalorem Excise Duty.

Land Revenue:-The reason attributed by the Revenue Department for increase of collection of Land Revenue (145.37 *per cent*) was due to collection of more premium (Nazar).

¹⁵⁷ Goods and Service Tax Act was passed in the Parliament on 29th March 2017 and came into effect on 1 July 2017

¹⁵⁸ Tax on Agriculture Income (₹ 0.08 crore), Taxes & Duties on Electricity (₹ 30.54 crore)

Other Taxes and Duties on Commodities and Services:- The increase in collection under Other Taxes on Income and Expenditure by 478.52 *per cent* over the previous was stated to be mainly due to revision of rate of Tripura Road Development Cess on Natural Gas from three *per cent* to 15.5 *per cent* during the year 2019-20.

Others:- The increase in collection under 'Others' by 11,676.92 *per cent* over the previous year was stated to be mainly due to collection of ₹ 30.39 crore after the implementation the Tripura Electricity Duty from 4 October 2019 under Tripura Electricity Duty Act, 2019.

The other departments (indicated in **Table 5.1.2**), despite being requested (October 2020), did not furnish the reasons for variations in Tax Receipts with respect to the previous year (February 2022).

5.1.1 (b) Non-tax Revenue

During 2019-20 collection of Non-tax revenue is decreased by ₹ 100.55 crore (27.02 *per cent*) over the previous year. The details of the Non-Tax Revenue raised during the period 2015-16 to 2019-20 are indicated in **Table 5.1.3**.

Table 5.1.3: Components of Non-tax Revenue during 2015-20

(₹ in crore)

Sl. No.	Head of revenue	2015-16	2016-17	2017-18	2018-19	2019-20	Increase (+) or decrease (-) of actual in 2019-20 over 2017-18 (<i>per cent</i>)
1	Interest Receipts	55.24	37.07	276.99	146.11	19.25	(-) 86.82
2	Industries	96.41	80.36	87.36	92.81	100.27	(+) 8.04
3	Police	40.50	48.07	60.11	71.77	65.13	(-) 9.25
4	Public Works	8.15	8.08	8.51	5.06	4.95	(-) 2.17
5	Forestry and Wildlife	11.86	11.01	9.76	11.96	13.82	(+) 15.55
6	Water Supply and Sanitation	1.76	2.45	2.36	1.88	1.25	(-) 33.51
7	Misc. General Services	6.48	7.25	8.88	6.18	20.44	(+) 230.74
8	Other Administrative Services	6.84	6.12	5.60	4.71	8.29	(+) 76.00
9	Medical and Public Health	6.01	2.42	1.51	3.97	8.94	(+) 125.19
10	Crop Husbandry	3.61	2.60	2.71	3.56	2.98	(-) 16.29
11	Animal Husbandry	2.42	1.84	1.79	2.07	2.05	(-) 0.97
12	Housing	1.82	1.85	2.08	2.07	2.16	(+) 4.35
13	Education, Sports, Art and Culture	2.30	2.29	1.48	1.78	1.05	(-) 41.01
14	Stationery and Printing	1.16	1.10	0.81	2.00	2.15	(+) 7.50
15	Others ¹⁵⁹	18.04	6.34	23.53	16.27	18.92	(-) 16.29
Total		262.60	218.85	493.48	372.20	271.65	(-) 27.02

Source: Finance Accounts

Crop Husbandry: The reason attributed by the Agriculture and Farmers Welfare Department for decrease (16.29 *per cent*) in collection of taxes over the previous year

¹⁵⁹ Comprising 19 Major Heads including dividends and profits

was mainly due to less collection of sale proceeds of Agri Farms/ Cold storage & selling of tender forms due to Pandemic in 2019-20.

The other departments (indicated in **Table 5.1.3**), despite being requested (October 2020), did not furnish the reasons for variations in Non-tax Revenue Receipts with respect to the previous year (February 2022).

5.1.2 Revenue and return filing trends

5.1.2 (i) GST Revenue of Government of Tripura: Comparison between budget estimates and actual receipts

The comparison of budget estimates and the corresponding actual collection of Goods and Service Tax (GST) during the period from 2017-18 to 2019-20 are shown in **Table 5.1.4**.

Table 5.1.4: Revenue from GST during 2017-18, 2018-19 and 2019-20

(₹ in crore)

Year	Budget Estimates (BE)	Revised Estimates (RE)	Actuals
	State GST	State GST	State GST
2017-18 ¹⁶⁰	-	504.00	479.71
2018-19	630.00	1008.54	977.44
2019-20	1149.74	1149.74	1026.63

Source: Information furnished by office of the Accountant General (A&E), Tripura

It could be seen from **Table 5.1.4** that, the actual collection of revenue from SGST over the last three years from 2017-18 to 2019-20 was short of the target as projected in the revised estimates for the respective years.

5.1.2 (ii) Bi-monthly compensation received from Union Government

The bi-monthly compensation received from Union Government under GST (Compensation to States) Act, 2017¹⁶¹ for the year 2019-20 is given in **Table 5.1.5**.

Table 5.1.5: Bi-monthly compensation received from Union Government for the year 2019-20

(₹ in crore)

Month	Provisional Compensation		Shortfall (+)/ Excess (-), if any
	Due	Received	
April-May	47.71	22.00	(+) 25.71
June-July	44.06	46.00	(-) 1.94
August-September	68.98	66.00	(+) 2.98
October-November	67.69	67.00	(+) 0.69
December - February	81.62	77.79	(+) 3.83
March	15.70	14.21	(+) 1.49
Total	325.76	293.00	(+) 32.76

Source: Information furnished by the Finance (Excise & Taxation) Department.

¹⁶⁰ GST data on Budget Estimates for the Financial year 2017-18 is not applicable as GST was implemented from July 2017

¹⁶¹ An act to provide compensation to the States for the loss of revenue arising on account of implementation of the GST in pursuance of the 101 Constitutional Amendment Act, 2016.

From **Tables 5.1.5**, it can be seen that there was overall shortfall in release of ₹ 32.76 crore compensation of SGST from the GoI for the year 2019-20.

5.1.2 (iii) Trends of Integrated GST apportionment to the State and its cross utilisation

The Integrated GST (IGST) collected will be apportioned between the Centre and the State where the goods or services are consumed. The revenue will be apportioned to the Centre at the CGST rate, and the remaining amount will be apportioned to the consuming State.

The trends of IGST apportionment to the State and its cross utilisation are given in **Table 5.1.6**.

Table 5.1.6: Integrated Goods and Services Tax

(₹ in crore)

IGST component	2017-18	2018-19	2019-20
IGST ¹⁶² apportioned to the State as per Section 17 of IGST Act, 2017	23.18	40.73	15.30
IGST provisionally/ ad-hoc apportioned to the State	35.00	128.07	32.52
IGST cross utilised between			
SGST ¹⁶³ as IGST	(-)13.41	(-)36.36	(-)30.90
IGST as SGST	(+)271.67	(+)549.45	(+)644.58

Source: Information furnished by office of the Accountant General (A & E), Tripura

5.1.2 (iv) Registration under GST

The total registration under GST as on 31 March 2020 were 19,978, of which normal taxpayers were 17,623 which accounted for 88.21 *per cent* and composition taxpayers were 1,234 which accounted for 6.18 *per cent*. The category wise registrations under GST is given in **Table 5.1.7**.

Table 5.1.7: Details of GST registrations upto 31 March 2020

Category of Registrant	No. of Registrants	Percentage of total
Normal taxpayers	17,623	88.21
Composition taxpayers	1,234	6.18
Tax Deductors at Source	915	4.58
Tax Collectors at Source	199	1.00
Input Service Distributors	-	-
Others (Casual, NRTP, OIDAR)	7	0.03
Total Registrants	19,978	100.00

Source: Information furnished by the Finance (Excise & Taxation) Department

¹⁶² IGST: It is a tax collected by the Central Government for an inter-State sale

¹⁶³ SGST: It is a tax collected by the State Government for an intra-State sale

5.1.2 (v) GST Return filling pattern of GSTR-1 and GSTR-3B

The trends of filling of GSTR-1¹⁶⁴ and GSTR-3B¹⁶⁵ as on 31 March 2020 for the period from April 2019 to March 2020, as compiled from the summary reports shared by GSTN, have been depicted in the **Table 5.1.8**.

The filling of GSTR-3B for April 2019 was 80 *per cent* while that of March 2020 was only 11 *per cent*. It was noticed that on an average 73.14 *per cent* tax payers filed their GSTR-3B returns during 2019-20. However, the GSTR-3B returns were being filed within the due date on an average of 56.82 *per cent* taxpayers while the remaining 16.32 *per cent* filed the returns after due date. GSTR-3B returns filed by the due date range between 54.99 *per cent* and 71 *per cent* during April 2019 to February 2020, while it was only 8.99 *per cent* in March 2020. Thus, while it was expected that compliance would improve as the system would stabilise with passage of time.

Table 5.1.8: Details of return filing (GSTR-1 and GSTR-3B) during 2019-20

Return Type	GSTR-1			GSTR-3B				
Months*	Due for filing	Return filed	Return filing <i>per cent</i>	Due for filing	Returns filed as on 31 March 2020	Return filing <i>per cent</i>	Returns filed by due date	Percentage of returns filed by due date
April 2019	23557	6628	28.14	23557	18902	80.24	12956	54.99
May 2019	23734	6664	28.08	23734	18979	79.97	14003	58.99
June 2019	24026	18730	77.96	24026	19080	79.41	14656	61.00
July 2019	24393	6767	27.74	24393	19264	78.97	15855	64.99
August 2019	24459	6818	27.88	24459	19375	79.21	14186	57.99
September 2019	24530	19206	78.30	24530	19467	79.36	13492	55.00
October 2019	24644	6907	28.03	24644	19481	79.05	15033	61.00
November 2019	24638	6970	28.29	24638	19507	79.17	15522	63.00
December 2019	24481	19176	78.33	24481	19490	79.61	13954	57.00
January 2020	24312	6957	28.62	24312	19217	79.04	17262	71.00
February 2020	23986	6814	28.41	23986	17333	72.26	16310	67.99
March 2020	24205	18289	75.56	24205	2763	11.41	2178	8.99

Source: Information furnished by the Finance (Excise & Taxation) Department

5.1.2 (vi) Revenue earning from top 10 commodities/ services

The details of the revenue earning from top 10 commodities/ services during 2019-20 are given in the **Table 5.1.9**.

¹⁶⁴ GSTR-1: It is a sales return that is required to be filed by every GST registered person

¹⁶⁵ GSTR-3B: It is a self-declared consolidated summary return of inward and outward supplies which is required to be filed by a registered person electronically on the GST common portal

Table 5.1.9: Revenue from top 10 commodities/ services during 2019-20*(₹ in crore)*

Sl. No.	Name of commodity	SGST collections	
		Total	Ranking
1	Automobiles	22.82	1
2	Cement & Cement Products	22.02	2
3	Tobacco & Tobacco Products	21.96	3
4	Electrical Energy	19.58	4
5	Food Item	9.95	5
6	Iron & Steel	8.44	6
7	Petroleum Products	6.73	7
8	Pharmaceutical & Medicine	5.98	8
9	Tyres & Tube	5.67	9
10	Rubber	3.73	10
Sl. No.	Name of Services	Total	Ranking
1	Works Contract	25.09	1
2	Insurance	8.66	2
3	Telecommunication & Postal/ Courier Services	5.28	3
4	Banking & financial Institutions	2.67	4
5	Health/Health Care	1.79	5
6	Entertainment	1.14	6
7	Manpower	1.10	7
8	Construction Services	0.87	8
9	Education & Related Services	0.84	9
10	Consultancy	0.78	10

*Source: Information furnished by the Finance (Excise & Taxation) Department***5.1.3 Analysis of arrears of revenue**

The arrears of revenue as on 31 March 2020 on account of Taxes/VAT and GST stood at ₹ 67.62 crore, of which, ₹ 42.34 crore was outstanding for more than five years, as detailed in **Table 5.1.10**.

Table 5.1.10: Arrears of revenue*(₹ in crore)*

Sl. No.	Head of revenue	Total amount outstanding as on 31 March		Amount outstanding for more than five years as on 31 March	
		2019	2020	2019	2020
1	Taxes/ VAT	33.72	65.49	18.86	42.34
2	GST	0.45	2.13	-	-
Total		34.17	67.62	18.86	42.34

Source: Information furnished by the Finance (Excise & Taxation) Department.

It can be seen from **Table 5.1.10** that arrear of revenue increased from ₹ 34.17 crore at the end of March 2019 to ₹ 67.62 crore at the end of March 2020. The arrear of revenue outstanding for more than five years also increased from ₹ 18.86 crore to ₹ 42.34 crore during the same period.

5.1.4 Evasion of tax detected by the department

The details of cases of evasion of tax detected by the Finance (Excise & Taxation) Department, cases finalised and the demands for additional tax raised as reported by the Department are given in **Table 5.1.11**.

Table 5.1.11: Evasion of tax

Head of revenue	Cases pending as on 31 March 2019	Cases detected during 2019-20	Total	Number of cases in which assessment/ investigation completed and additional demand with penalty, etc. raised		Number of cases pending for finalisation as on 31 March 2019
				No. of cases	(₹ in crore)	
Tax/ VAT	1,000	964	1,964	905	15.28	1,059

Source: Information furnished by the Finance (Excise & Taxation) Department

As on 31 March 2019, 1,000 cases of evasion of tax/VAT were outstanding. During 2019-20, 964 cases of evasion of tax had been detected under Sections 67 and 68 of Tripura VAT Act, 2004, taking the total pending cases to 1,964. Of these, assessments/ investigation of 905 (46.08 *per cent*) cases were completed and additional demand including penalty, etc. amounting to ₹ 15.28 crore was raised during the year 2019-20. Consequently, 1,059 cases were pending as on 31 March 2020.

Government should put in place a mechanism to expedite the disposal of cases pending for finalisation.

5.1.5 Pendency of refund cases

The details of the claims for refund received and refund made under GST, Sales Tax (VAT) & State Excise are shown in **Table 5.1.12**.

Table 5.1.12: Details of pendency of refund cases

(₹ in crore)

Sl. No.	Particulars	GST		Sales tax / VAT		State Excise		Total	
		No. of Cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1	Claims outstanding at the beginning of the year	-	-	-	-	-	-	-	-
2	Claims received during the year	-	-	-	-	3	0.21	3	0.21
3	Refunds made during the year	48	0.08	7	2.17	3	0.21	58	2.46

Source: Information furnished by the Finance (Excise & Taxation) Department

During 2019-20, the State Government refund ₹ 2.46 crore under GST, Sales Tax & State Excise in 58 cases. As per information received from the Commissioner of Taxes, it was seen that, 48 cases of GST amounting to ₹ 0.08 crore and seven cases of Sales Tax (VAT) involving ₹ 2.17 crore have been refunded during the year 2019-20 though no claim was received from the dealers concerned. However, three claims involving ₹ 0.21 crore in respect of State Excise were received & refunded during the year 2019-20.

5.1.6 Analysis of the mechanism for dealing with the issues raised by Audit

In order to analyse the effectiveness of the departments/ Government in addressing the issues highlighted in the IRs/ Audit Reports, the action taken on the paragraphs and performance audits featured in the Audit Reports of the last ten years by the Finance (Excise & Taxation) Department has been evaluated. The results are included in this Audit Report.

The succeeding **Paragraphs 5.1.6.1** and **5.1.6.2** explain the performance of the Finance (Excise & Taxation) Department with reference to cases detected in the course of local audit during the last ten years and the cases included in the Audit Reports for the years 2008-09 to 2017-18.

5.1.6.1 Position of Inspection Reports

The summarised position of the outstanding IRs during the last ten years, paragraphs included in those reports and their status as on 30 June 2020 in respect of Finance (Excise & Taxation) Department are tabulated in **Table 5.1.13**.

Table 5.1.13: Position of IRs

(₹ in crore)

Year	Inspection Report	Paragraphs	Money Value
2010-11	6	17	0.85
2011-12	9	14	3.94
2012-13	5	13	0.48
2013-14	14	46	3.56
2014-15	13	64	12.58
2015-16	17	48	8.48
2016-17	14	77	6.45
2017-18	11	60	6.78
2018-19	13	52	7.03
2019-20	10	62	5.76
Total	112	453	55.91

The age-wise break up of outstanding IRs and Paragraphs for 2010-11 to 2019-20 as on 30 June 2020 is shown in **Table 5.1.14**.

Table 5.1.14: Age wise break up of outstanding IRs

(₹ in crore)

Years	Inspection Report	Paragraphs	Money value
0-3 years	34	174	19.57
4-6 years	44	189	27.51
7-9 years	28	73	7.98
10 years	6	17	0.85
Total	112	453	55.91

It is evident from **Table 5.1.14** that between a range of zero to three years, 34 IRs and 174 paras remained outstanding, between four to six years, 44 IRs and 189 paras and between seven to nine years, 28 IRs and 73 paragraphs remained outstanding and six IRs and 17 paragraphs remained outstanding for more than 10 years as on 30 June 2020. This indicates the fact that the efforts taken by the Department for settlement of the outstanding IRs are rather slow and inadequate. Necessary steps may be taken to increase the pace of settlement in this regard.

5.1.6.2 Recovery in accepted cases

The position of paragraphs included in the Audit Reports of the last ten years, those accepted by the Department and the amount recovered during the year 2019-20 and the cumulative position of recovery of accepted cases as on 31 March 2020 are shown in **Table 5.1.15**.

Table 5.1.15: Position of recovery of accepted Audit paragraphs of Audit Reports

(₹ in crore)

Year of Audit Report	Number of paragraphs included	Money value of the paragraphs	Number of paragraphs accepted including money value	Money value of accepted paragraphs	Amount recovered during 2019-20	Position of recovery of accepted cases as of 31 March 2020
2009-10	3	1.74	2	1.16	Nil	0.60
2010-11	3 ¹⁶⁶	3.12	3	3.12	Nil	0.44
2011-12	1	0.87	1	0.87	Nil	0.07
2012-13	1	1.51	1	1.51	Nil	0.22
2013-14	3 ¹⁶⁷	11.17	3	6.06	Nil	0.24
2014-15	2	0.39	2	0.39	Nil	0.28
2015-16	2	0.46	2	0.46	Nil	Nil
2016-17	4 ¹⁶⁸	31.87	3	31.73	Nil	0.01
2017-18	3	1.77	3	1.77	Nil	0.01
2018-19	3	1.30	2	0.69	0.06	0.06
Total	25	54.20	22	47.76	0.06	1.93

It is evident from **Table 5.1.15** that the progress of recovery even in accepted cases was very slow. During the last ten years, 25 paragraphs involving ₹ 54.20 crore featured in the Audit Reports, of which 22 paragraphs involving ₹ 47.76 crore had been accepted by the State Government. Out of this, only ₹ 1.93 crore (3.56 per cent) was recovered (December 2020).

The Department should pursue and monitor prompt recovery of the dues involved in accepted cases within a specified timeframe, since it would not only enable better compliance with relevant rules, but would also augment Government coffers.

5.1.7 Action taken on the recommendations accepted by the departments/ Government

The draft Performance Audits (PAs) conducted by Accountant General (Audit) are forwarded to the concerned departments with a request to furnish the replies. These Performance Audits are also discussed in Exit Conference and the departments' views are incorporated/ considered while finalising the Audit Report.

Four performance audits on Finance (Excise & Taxation) Department, Transport Department and Revenue Department have featured in the last five years Audit Reports during 2014-15 to 2018-19. The number of recommendations and their status is given in **Table 5.1.16**.

¹⁶⁶ Including one Performance Audit

¹⁶⁷ Including one Performance Audit

¹⁶⁸ Including one Performance Audit

Table 5.1.16: Details of recommendations of PAs and their status

Year of Report	Name of the performance audit	No. of recommendations	Status (as on December 2020)
2014-15	IT Audit on Computerisation of Land Records.	3	The PA had not been discussed in PAC
2015-16	Collection of Revenue from outsourced Activities in Motor Vehicle Tax.	4	The PA had not been discussed in PAC
2016-17	System and Procedures in force in the Taxes and Excise Organisation regarding Excise Duty	3	The PA had not been discussed in PAC
	Border Area Development Programme (BADP)	3	The PA had not been discussed in PAC

Table 5.1.16 indicates that discussion of Performance Audits had not been made in PAC in timely manner which led to loss of importance of audit observations with the passage of time.

5.1.8 Results of audit

Position of local audit conducted during the year

Test-check of the records of 12 units of Sales Tax/VAT, State Excise, Registration, Professional Tax, Land Revenue, Forest, Motor Vehicles and other departmental offices conducted during the year 2019-20 revealed under-assessment/ short levy/ loss of revenue/ non-realisation of outstanding revenue aggregating ₹ 5.81 crore in 66 cases. Of these, the departments recovered ₹ 0.01 crore involving one case. During the year 2019-20, the departments concerned accepted under-assessment and other deficiencies of ₹ 5.81 crore involved in 66 cases which had been pointed out in audit.

FINANCE DEPARTMENT

5.2 Subject Specific Compliance Audit on ‘Processing of Refund claims under GST in Tripura’**5.2.1 Introduction**

Taxes and Excise Organisation functioning under the Finance Department, Government of Tripura plays a very important and crucial role in mobilisation of financial resources in the State. The Commissioner of Taxes is responsible for administration of taxation measures and for general control and supervision over the implementation of Tax laws throughout the State. The introduction of Goods and Services Tax (GST) consolidates multiple taxes into one with effect from 1 July 2017. The levy and collection of GST is governed through the Sales Tax Charges (15)¹⁶⁹ spread across the State. The charges are headed by the Superintendents of Taxes (ST).

Timely refund mechanism constitutes a crucial component of tax administration as it facilitates trade through release of blocked funds for working capital, expansion and modernisation of existing businesses. Goods and Services Tax (GST) laws aimed to streamline and standardise the refund procedures with the claim and sanctioning procedures contemplated to be completely online. However, in the initial phase of GST implementation, due to unavailability of electronic refund module on the GST Network (GSTN) portal, a temporary mechanism was followed where the applicants were required to file the refund applications in Form GST RFD-01A, take a printout of the same and submit it physically to the jurisdictional tax officer along with all the supporting documents. The procedure for the subsequent processing of the refund application by the Commercial Taxes Department continued to be manual.

Some of the circumstances where the GST refund cases arise include excess payment of tax made due to mistake or omission, dealer exporting goods/ services under claim of rebate or refund, ITC accumulation due to output being tax exempt or nil-rated, tax refund for international tourists, excess balance in Electronic Cash Ledger, *etc.*

The Electronic refund procedure came into effect from 26 September 2019, wherein submission and processing of refund claims under GST were brought online.

5.2.2 Audit objectives

Audit of refund cases under GST regime was conducted (December 2020-March 2021) to assess:

- (i) The adequacy of Act, Rules, notifications, circulars, *etc.* issued in relation to grant of refund;
- (ii) The compliance of extant provisions by the tax authorities and the efficacy of the systems in place to ensure compliance by taxpayers;

¹⁶⁹ Charge-I, Charge-II, Charge-III, Charge-IV, Charge-V, Charge-VI, Charge-VII, Charge-VIII Agartala, Bishalgarh Charge, Udaipur Charge, Belonia Charge, Teliamura Charge, Ambassa Charge, Dharmanagar Charge and Kailashahar Charge.

- (iii) Whether effective internal control mechanism exists to check the performance of the departmental officials in disposing the refund applications.

5.2.3 Audit scope and sample selection

Pan-India refund data was obtained from GSTN and out of the total 288 refund cases processed involving an amount of ₹ 5.75 crore, 84 refund cases¹⁷⁰ involving an amount of ₹ 2.85 crore during the period from July 2017 to July 2020 were selected for detailed examination by audit.

Prior to the commencement of audit, an Entry Conference was held on 7 January 2021 with the Commissioner of taxes and Excise, Government of Tripura (CT), wherein the objectives and scope of the audit were discussed. After the conclusion of the audit, an Exit Conference was held on 13 August 2021 with the CT, wherein audit findings were discussed. The draft Report was also sent (December 2021) to the Secretary, Finance Department for furnishing the views of the Government. The views of the Taxes and Excise Organisation and the State Government were obtained and incorporated in the report, wherever appropriate.

5.2.4 Audit criteria

The performance of the Taxes Organisation was benchmarked against the following audit criteria:

- (i) Central Goods and Services Tax Act, 2017
- (ii) Tripura State Goods and Services Tax Act, 2017
- (iii) Tripura State Goods and Services Tax Rules, 2017
- (iv) Integrated Goods and Services Tax Act, 2017

5.2.5 Audit findings

Table 5.2.1 brings out the extent of deficiencies noted during the audit of refund cases, selected for detailed audit.

Table 5.2.1: Extent of deficiencies noted during the audit

Nature of Audit Findings	Audit Sample	Number of deficiencies noticed	Deficiencies as percentage of Sample
Delay in sanction of refund orders	72	13	18.05
Delay in issue of acknowledgment	72	16	22.22
Delay in communicating refund orders to counterpart tax authority	31	13	41.94
Non-conducting of post audit of refund claims	84	84	100

Audit findings are included in the subsequent paragraphs:

¹⁷⁰ 43 cases pertain to pre-automation period wherein file records relating to 12 cases could not be produced to audit and 41 cases pertain to post-automation period.

5.2.5.1 Refund orders not sanctioned in time

Section 54(7) of Tripura SGST Act, 2017 stipulates that the proper officer shall issue the order under Sub-Section (5) within sixty days from the date of receipt of application complete in all respects. Further, Section 56 of the Act *ibid* provides that, if any tax ordered to be refunded under Sub-Section (5) of Section 54 to any applicant is not refunded within sixty days from the date of receipt of application under sub-Section (1) of that section, interest at such rate not exceeding six *per cent* as may be specified in the notification issued by the Government on the recommendations of the Council shall be payable in respect of such refund from the date immediately after the expiry of sixty days from the date of receipt of application under the said sub-section till the date of refund of such tax.

Audit observed that in 13 refund cases¹⁷¹, out of 84 cases¹⁷², there was delay in sanction of refunds ranging from six days to 191 days. Further, the Department did not pay interest amounting to ₹ 0.12 lakh [₹ 0.04 lakh {**Appendix 5.2.1(a)**} pertaining to the pre automation period and ₹ 0.08 lakh {**Appendix 5.2.1(b)**} pertaining to the post automation period].

The Commissioner of Taxes and Excise replied (December 2021) that sanction orders could not be issued on time as required documents were not submitted by the taxpayers within the stipulated time.

The Government replied (February 2022) that delay in processing of refund in certain cases were unavoidable due to non-co-operation of the taxpayers.

The replies are not acceptable as the officers concerned were required to serve the deficiency memos to the applicants on time; but either deficiency memos were not served or served with delay to the applicants {**Appendix 5.2.1(c)**}.

5.2.5.2 Delay in issue of acknowledgment

Rule 90(1) and (2) of Tripura SGST Rules, 2017 stipulate that the acknowledgment shall be issued by the proper officer within fifteen days of filing of refund claim, if the application is found complete in all respects.

Out of selected 84 refund cases, it was noticed that there was delay in issue of acknowledgement in 16 cases (19.04 *per cent*) from three days to 233 days. Thus, the Department failed to adhere to the timelines for issuing acknowledgements as prescribed in the rules *ibid* {**Appendices 5.2.2(a) & 5.2.2(b)**}.

The Commissioner of Taxes and Excise replied (December 2021) that acknowledgements could not be issued on time as required documents were not submitted by the taxpayers within the stipulated time.

The Government replied (February 2022) that delay in processing of acknowledgements in certain cases were unavoidable due to non-co-operation of the taxpayers.

¹⁷¹ Five cases pertain to pre-automation period and eight cases pertain to post automation period

¹⁷² 43 cases pertain to pre-automation period and 41 cases pertain to post automation period

The replies are not acceptable as the officers concerned were required to serve the deficiency memos to the applicants on time; but either deficiency memos were not served or served with delay to the applicants.

5.2.5.3 Delay in communicating refund orders to Counterpart Tax Authority

As per CBIC Circular No. 24/24/2017 GST dated 21 December 2017 as endorsed *vide* Office of the Chief Commissioner of Taxes, Government of Tripura Circular No.4/2018-GST (State), dated 28 March 2018, refund order issued either by Central Tax Authority or State tax/UT tax authority shall be communicated to the Counterpart Tax Authority concerned within seven working days for the purpose of payment of relevant sanctioned amount of tax or cess as the case may be. It was also reiterated to ensure adherence to the timeline specified under Section 54(7) and rule 91(2) of SGST Act and Rules respectively for sanction of refund orders.

While verifying the records of transmission of refund sanction orders, it was observed that 13 refund orders were forwarded to the Central Tax Authority (CTA) with delays ranging from one day to 114 days (**Appendix 5.2.3**).

The Commissioner of Taxes and Excise replied (December 2021) that delays in communicating refund orders to the CTA were due to non-submission or delayed submission of proper documents by the applicants.

The reply is not acceptable as the officers concerned were required to serve the deficiency memos to the applicants on time; but either deficiency memos were not served or served with delay to the applicants.

The Government did not furnish any specific reply to the audit observation.

5.2.5.4 Post audit of refund claims not conducted

The CBEC circular No. 17/17/2017-GST dated 15 November 2017 as endorsed *vide* Office of the Chief Commissioner of Taxes, Government of Tripura Circular No.4/2018-GST (State) dated 28 March 2018, elaborately laid down the procedure for manual processing of refunds of zero rated supplies. The circular *inter alia*, stipulates that, the pre-audit of manually processed refund applications is not required till separate detailed guidelines are issued by the Board, irrespective of amount involved. However, it was clarified that the post audit of refund order shall be continued as per the extant guidelines.

Audit noticed that none of the cases out of selected 84 refund cases was sent for post audit of refund claims. Thus, non-adherence to circular might also lead to possible loss of revenue to exchequer (**Appendices 5.2.4(a), 5.2.4(b) and 5.2.5**).

The Commissioner of Taxes and Excise did not furnish any reply to the audit observation. However, the Government replied (February 2022) that post audit had not been conducted due to non-constitution of the Internal Audit wing in the Taxes Organisation during that period.

5.2.5.5 Absence of Internal Audit Wing

Internal audit is an important Departmental/ Organisational control that helps to provide assurance that demands/ refunds are processed accurately through correct application of provisions of the Act and Rules.

Audit noticed that the Department did not have any internal audit wing of its own. The internal audit was being conducted by audit team deputed from the Directorate of Audit, Finance Department, Government of Tripura. The deputed team predominantly concentrated on subsidiary/ support functions viz. DDO functions, establishment, stocks, vehicle hiring, etc. rather than the core function of the Taxes Organisation and had not pointed out any observation related to GST refund cases.

The Commissioner of Taxes and Excise, while admitting the observation, intimated (August 2021) that Internal Audit Wing had been constituted (August 2021).

5.2.5.6 Non-production of records

During audit, the records relating to 12 (**Appendix 5.2.5**) out of 43 refund cases relating to pre-automation period could not be produced and hence, could not be examined. Moreover, date of actual credit of refund amount into the taxpayers' Bank accounts could not be furnished to audit.

Neither did the Commissioner of Taxes and Excise nor the Government furnish the reply to the audit observation.

5.2.5.7 Conclusion

Audit noticed certain cases where the Department did not adhere to the prescribed timelines leading to instances of delay in issuing of acknowledgement, sanction of refund orders and communicating refund orders to counterpart tax authority. In addition, issues such as non-conducting of post audit of refund claims and non-production of records, were also noticed.

5.2.5.8 Recommendations

Apart from the requisite action on the irregularities brought out by Audit as highlighted in the preceding paragraphs, the Department needs to take proactive steps to ensure that similar instances are not repeated in other cases. Moreover, the issues concerning conduct of post audit of refund claims and production of relevant records to audit need to be addressed.

CHAPTER VI: FOLLOW UP OF AUDIT OBSERVATIONS

CHAPTER VI

FOLLOW UP OF AUDIT OBSERVATIONS

6.1 Follow-up action on earlier Audit Reports

6.1.1 Explanatory notes not submitted

Finance Department of the Government of Tripura issued instructions (July 1993), to the Administrative Departments to initiate, *suo motu*, positive and concrete action in all audit paragraphs and reviews featuring in the Audit Reports of C&AG of India regardless of whether the cases are taken up for examination by Public Accounts Committee (PAC)/ Committee on Public Undertakings (COPU) or not and to furnish detailed notes indicating the corrective/ remedial action taken or proposed to be taken by them within a period of three months of the presentation of Audit Reports to the Legislature.

Serious irregularities noticed in audit are included in the Report of the Comptroller and Auditor General of India (C&AG) and presented to the State Legislature.

(a) Public Accounts Committee

As of November 2020, 14 out of 17 departments did not submit explanatory notes on 65 paragraphs (47 paragraphs and 18 Performance audits) out of 89 Paragraphs (63 paragraphs and 26 Performance Audits) of Audit Reports awaiting discussion by Public Accounts Committee (PAC) relating to the Audit Reports from the years 2001-02 and 2004-05 to 2017-18¹⁷³. The position of pendency of receipt of *suo motu* replies on paragraphs/ performance audits awaiting discussion by PAC during the last five years is shown in **Table 6.1.1**.

Table 6.1.1: Position of pending *suo motu* replies on paragraphs/ performance audits of Audit Reports awaiting discussion by PAC

Years	Total paragraphs/ performance audits awaiting discussion	Suo-motu reply received	Suo-motu reply not received
2013-14	4	2	2
2014-15	13	3	10
2015-16	7	-	7
2016-17	10	1	9
2017-18	13	1	12

Table 6.1.1 presents the position of *suo motu* replies received/ not received pertaining to paragraphs/ performance audits of Audit Reports pending discussion by PAC for the period from 2013-14 to 2017-18. The departments largely responsible for not submitting explanatory notes were Public Works (Roads & Buildings) Department (19), Agriculture and Farmers' Welfare Department (6), Finance Department (9), Public Works (Water Resource) Department (3), Rural Development Department (4) and Transport Department (8) amongst others.

The issue of pendency of furnishing of *suo motu* replies to audit paras was taken up (June 2018) with the Chairman, PAC, Tripura Legislative Assembly and Finance

¹⁷³ Audit Report for the year 2018-19 was forwarded to the State Government on 1 April 2021, and the same is placed in the Legislature in March 2022.

Department, Government of Tripura with the request to take steps so that the departments concerned furnish the *suo motu* replies and pendency can be reduced.

This issue was again taken up (November 2021) with the Chairman, Public Accounts Committee, Tripura Legislative Assembly.

(b) Committee on Public Undertakings

As of November 2020, three departments did not submit explanatory notes on 10 paragraphs (seven paragraphs and three performance audits) out of 17 paragraphs (12 paragraphs and five performance audits) of Audit Reports awaiting discussion by Committee on Public Undertakings (COPU) relating to the Audit Reports from the years 2009-10 to 2017-18. The departments largely responsible for not submitting explanatory notes on paragraphs were Power Department (3), Industries and Commerce Department (6), Forest Department (1) and Performance Audits were Industries & Commerce Department (2) and Power Department (1).

The issue of pendency of furnishing of *suo motu* replies to audit paras was taken up (June 2018) with the Chairman, Committee on Public Undertakings (COPU), Tripura Legislative Assembly and Finance Department, Government of Tripura with the request to take steps so that the departments concerned furnish the *suo motu* replies and the pendency can be reduced.

6.1.2 Action taken on the recommendations of the Public Accounts Committee (PAC)/ Committee on Public Undertakings (COPU)

The Administrative Departments were required to take suitable action on the recommendations made in the Reports of the PAC/ COPU presented to the State Legislature. Following the circulation of the Reports of the PAC/ COPU, Heads of Departments were to prepare comments on action taken or proposed to be taken on the recommendations of the PAC/ COPU and submit the same to the State Assembly Secretariat.

(a) Public Accounts Committee

As of November 2020, Action Taken Notes (ATNs) on 147 recommendations of the PAC made between 2010-11 and 2018-19 were awaited from the administrative departments concerned, of which, 54 pertained to Finance (Excise & Taxation) Department, 19 to Public Works (Roads & Building) Department, 11 to Social Welfare and Social Education Department, nine to Urban Development Department, six each to Education (Higher) Department, Industries & Commerce Department, Public Works (Drinking Water & Sanitation) Department and Education (School) Department, five to Health & Family Welfare Department, four to Fisheries Department and 21 ATNs to other departments. All these departments are required to expedite submission of ATNs to the PAC without further delays.

(b) Committee on Public Undertakings

As of November 2020 ATNs on 28 recommendations of the COPU made between 2011-12 and 2015-16 were awaited from the administrative departments concerned, of which, 13 pertained to Power Department (Tripura State Electricity Corporation Limited), 10 to Industries and Commerce Department (Tripura Jute Mills Limited: six, Tripura Small Industries Corporation Limited: four), three to Forest Department (Tripura Forest Development & Plantation Corporation Limited), and one each to

Transport Department (Tripura Road Transport Corporation) and Tribal Welfare (Tribal Rehabilitation in Plantation & Particularly Vulnerable Tribal Group) Department. There is need for all these departments/ companies to submit ATNs without further delays to take the things to their logical end.

6.2 Monitoring

The following committees had been formed at the Government level to monitor the follow up action on Audit Reports and PAC/ COPU recommendations.

6.2.1 Departmental Monitoring Committee

Departmental Monitoring Committees (DMCs) had been formed (April 2002) by all departments of the Government under the chairmanship of the departmental Secretaries to monitor the follow up action on Audit Reports and PAC/ COPU recommendations. The DMCs were to hold monthly meetings and to send progress reports on the issue every month to the Finance Department.

Details about meetings of the DMCs during 2019-20, though called for (September 2020), had not been furnished (November 2021) by the Finance Department.

6.2.2 Apex Committee

An Apex Committee was formed (April 2002) at the State level under the chairmanship of the Chief Secretary to monitor the follow up action on Audit Reports and PAC/ COPU recommendations.

Details about meetings of the Apex Committee during 2018-19, though called for (September 2019), had not been furnished (November 2021) by the Finance Department.

6.3 Outstanding Inspection Reports

The Principal Accountant General (Audit), Tripura conducts periodical inspections of Government Departments to test-check transactions and verify the maintenance of accounts and other records according to prescribed rules and procedures. Audit observations on financial irregularities and deficiencies in maintenance of initial accounts noticed during local audit and not settled on the spot are communicated to the audited entities and to the higher authorities through Inspection Reports (IRs). The more serious irregularities are reported to the Government. The Government had instructed (July 1993) that the first reply to the IRs should be furnished within one month from the date of receipt of IR.

Analysis of the position of outstanding IRs showed that 4,373 paragraphs included in 684 IRs issued during the last five years up to 2019-20 were pending for settlement as of September 2020 of these, even the first reply had not been received in respect of 167 IRs in spite of repeated reminders. The year-wise break-up of the outstanding IRs and the position of response thereto is given in **Table 6.3.1**.

Table 6.3.1: Position of Outstanding IRs where first reply have not been received

Years	No. of outstanding		No. of IRs for which even 1st reply had not been received
	IR	Paras	
2015-16	156	828	23
2016-17	173	1037	37
2017-18	144	949	35
2018-19	125	857	35
2019-20	86	702	37
Total	684	4373	167

As a result, the following important irregularities commented upon in those IRs had not been addressed as of September 2020.

Table 6.3.2: Irregularities not addressed

Nature of irregularities	Number of cases	Amount involved (₹ in crore)
Excess/ Irregular/ Avoidable/ Unfruitful/ Wasteful/ Unauthorised/ Idle expenditure	385	303.98
Blocking of funds	133	314.68
Non-recovery of excess payments/ overpayments	115	45.67
Under assessment	198	25.51
Loss of Revenue	193	195.12
Misappropriation/ Suspected misappropriation	38	1.56
Others	3840	1865.08
Total	4902	2751.60

It is evident from **Table 6.3.2** that 4,902 cases for ₹ 2,751.60 crore involving audit observations on loss of revenue, overpayments, excess payments, under assessment, *etc.* remained unaddressed by the departments concerned, which is a matter of serious concern.

6.4 Departmental Audit Committee Meetings

As per the Office Memorandum dated 14 July 1993 issued by the Government of Tripura the Departmental Audit Committees (DACs) are required to be constituted by each Department with the Secretary of the Department as Chairman, Head of the Department as Member and one Officer of the rank of Deputy Secretary from the Finance Department as Member and Deputy Accountant General, Tripura as Convenor. The DACs were to monitor the progress in disposal of the outstanding audit paras and Inspection Reports issued by the Accountant General (Audit), Tripura. Five Audit Committee Meetings were held during 2019-20 wherein 10 IRs and 83 paragraphs were discussed and 34 paragraphs were settled.

6.5 Response of the Government/ departments towards audit

The Principal Accountant General (Audit), Tripura conducts periodical inspection of the government departments to test-check the transactions and verify the maintenance of important accounts and other records as prescribed in the rules and procedures. These inspections are followed up with Inspection Reports (IRs) incorporating irregularities detected during the inspection and not settled on the spot, which are issued to the heads of the offices inspected, with copies to the next higher authorities for taking prompt corrective action. The heads of the offices/ Government are required to promptly comply with the observations contained in the IRs, rectify the defects and omissions and report compliance through initial reply to the Principal Accountant General (Audit) within one month from the date of issue of the IRs. Serious financial irregularities are reported to the heads of the departments and the Government.

There are 4,373 paragraphs involving ₹ 2,954.01 crore relating to 684 IRs issued during the last five years 2015-16 to 2019-20 which remained outstanding at the end

of 30 September 2020 under Social, Economic, Revenue and General Sectors. Year-wise position of outstanding IRs, paragraphs and money value involved for the last five years as on 30 September 2020 are given in **Table 6.5.1**.

Table 6.5.1: Details of pending IRs

Position of IRs	Outstanding as of September 2020					Total
	2015-16	2016-17	2017-18	2018-19	2019-20	
Number of IRs pending for settlement	156	173	144	125	86	684
Number of outstanding audit observations	828	1,037	949	857	702	4,373
Money value involved (₹ in crore)	498.28	827.72	516.08	530.43	581.50	2,954.01

The details in **Table 6.5.1** indicates that the departments were not serious in taking necessary action for final settlement of such cases.

It is recommended that the Government may review the matter and ensure that an effective system exists for sending replies to Audit within the prescribed time frame.



(BIVASH RANJAN MONDAL)

Principal Accountant General (Audit), Tripura

Agartala
The 20 September 2022

Countersigned



(GIRISH CHANDRA MURMU)

Comptroller and Auditor General of India

New Delhi
The 04 October 2022

APPENDICES

Appendix 2.2.1

Statement showing the 18 functions

(Reference: Paragraph 2.2.1)

1. Urban planning including town planning;
2. Regulation of land-use and construction of buildings;
3. Planning for economic and social development;
4. Roads and bridges;
5. Water supply for domestic, industrial and commercial purposes;
6. Public health, sanitation conservancy and solid waste management;
7. Fire services;
8. Urban forestry, protection of the environment and promotion of ecological aspects;
9. Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded;
10. Slum improvement and upgradation;
11. Urban poverty alleviation;
12. Provision of urban amenities and facilities such as parks, gardens, playgrounds;
13. Promotion of cultural, educational and aesthetic aspects;
14. Burials and burial grounds; cremations, cremation grounds;
15. Cattle pounds; prevention of cruelty to animals;
16. Vital statistics including birth and death registration;
17. Public amenities including street lighting, parking lots, bus stops and public conveniences; and
18. Regulation of slaughter houses and tanneries.

Appendix 2.2.2

Statement showing name of ULBs along with areas, population, etc.

(Reference: Paragraph 2.2.2)

Sl. No.	Name of ULBs	Area (in Sq. Km.)	Families as on 31.03.2020	Population as per ROR ¹⁷⁴ of ULBs as on 31-03-2020	No. of Wards	Number of Slums Pockets	Slum Population
1	Agartala Municipal Corporation	76.50	122992	539302	49	74	50071
2	Dharmanagar Municipal Council	10.69	9952	47891	23	12	9461
3	Udaipur Municipal Council	6.10	7171	38917	21	0	0
4	Bishalgarh Municipal Council	9.15	5597	22152	15	16	6434
5	Kailashahar Municipal Council	6.19	5811	23751	15	11	8511
6	Teliamura Municipal Council	3.75	5108	23350	15	20	7222
7	Khowai Municipal Council	5.82	5080	21652	15	24	6283
8	Belonia Municipal Council	5.74	5965	21376	15	8	9998
9	Melaghar Municipal Council	17.93	4673	19944	13	0	0
10	Mohanpur Municipal Council	18.05	4310	18549	13	0	0
11	Ambassa Municipal Council	14.77	3915	16215	13	0	0
12	Santirbazar Municipal Council	26.94	3549	15285	13	0	0
13	Kumarghat Municipal Council	3.50	3267	15189	13	13	4613
14	Ranirbazar Municipal Council	2.80	3955	16153	13	8	4125
15	Sonamura Nagar Panchayat	4.13	3011	13166	11	14	6004
16	Amarpur Nagar Panchayat	8.55	3481	11887	11	6	4090
17	Jirania Nagar Panchayat	4.00	2451	12745	11	0	0
18	Kamalpur Nagar Panchayat	10.16	2952	12096	11	7	3010
19	Panisagar Nagar Panchayat	3.00	1958	11073	11	0	0
20	Sabroom Nagar Panchayat	5.06	2147	6844	9	6	1996
Total		242.83	207345	907537	310	219	121818

Source: Urban Development Department

¹⁷⁴ Register of Ordinary Residents (list of family members)

Appendix 2.2.3

Statement showing status of implementation of the projects under AMRUT as of
December 2020

{Reference: Paragraph 2.2.8.4(i)}

₹ in crore)

Sl. No.	Name of project	Implementing Agency	Project Cost	Expenditure	Present Status
1	Construction of Sewerage Treatment plant at Agartala/ Laying of Sewerage pipeline including lifting and pumping station, etc. complete for uncovered area of North Zone (Old Ward No. 1 & 2) at Agartala	Chief Engineer, UDD	11.42	8.10	Work is in progress
2	Construction of park and open space along with water bodies, Sathlakhi pond near Melarmath	Executive Engineer, Division IV, AMC	1.23	1.08	Work completed.
3	Improvement and beautification of Bodhjung Girls' school pond along with open space	Executive Engineer, Division IV, AMC	0.95	0.84	Work completed.
4	Improvement and beautification of Kamarpukur pond	Executive Engineer, Division IV, AMC	1.52	1.35	Work in progress.
5	Drinking water projects comprising water treatment plant, overhead tank, deep tube Well and pipelines at Panchamukh in South Agartala	Chief Engineer, UDD	59.55	5.11	Work in progress.
6	Drinking water projects comprising water treatment plant, overhead tank, deep tube Well and pipelines at Ushabazar in North Agartala	Chief Engineer, UDD	78.04	6.11	Work in progress.
7	Sinking and commissioning of deep tube wells with pump houses in the premises of Chandrapur J.B. School and Sangeeta AWC Centre (Nandan Nagar) in AMC area	Executive Engineer, PWD (DWS), Division I, Agartala	0.80	0.71	Work completed
8	Sinking and commissioning of deep tube wells at Charipara, Deb Tilla, Netaji palli, Dilippalli and Vivekananda palli	Executive Engineer, PWD (DWS), Division I, Agartala	2.00	1.80	Work is in progress.

Appendix 2.2.3 (Conclld.)

Statement showing status of implementation of the projects under AMRUT as of
December 2020

{Reference: Paragraph 2.2.8.4(i)}

(₹ in crore)

Sl. No.	Name of project	Implementing Agency	Project Cost	Expenditure	Present Status
9	Sinking and commissioning of Deep tube wells at Ushabazar, South Narayanpur, Roy para, Panchayat Para, Majumder Para, Pashchim Bhubanban, at the site of WTP (Paschim Bhubanban Acharjee Para), Chinaihani	Executive Engineer, PWD (DWS), Division I, Agartala	3.20	0.70	Work is in progress.
10	Sinking and commissioning of Deep tube wells at Karaimura, Adaesha Para, Shayma Palli, at the site of the Panchamukh WTP	Executive Engineer, PWD (DWS), Division I, Agartala	1.60	0.88	Work is in progress.
Total			160.31	26.68	

Appendix 2.2.4

Statement showing scheme-wise devolution of funds to 20 ULBs during 2015-16 to 2019-20

{Reference: Paragraph 2.2.8.6(iii)}

₹ in lakh

Sl. No.	Particulars of receipts	2015-16	2016-17	2017-18	2018-19	2019-20
1	Share of Taxes	6500	6500	5503.22	6000	7000
2	Tripura Urban Employment Programme	4827	8250	7950	4395.23	3304.77
3	Urban Development Works	3188	490	638.02	0	0
4	Urban Housing Schemes	0	0	51.30	0	0
5	Grants for creation of Capital Assets	0	0	0	727.46	334.87
6	Land Acquisition	207.70	0	0	0	0
Central Share						
1	14th FC/ 15th FC	2265.20	2965	1712.50	5675.50	6344
2	North Eastern Region Urban Development Programme (NERUDP)	0	3978.17	4886.03	7269.03	3914.57
3	Deendayal Antyodaya Yojana- National Urban Livelihoods Mission (DAY-NULM)	0	0	300	593.10	1421.08
4	10 per cent Lumpsum	655.96	3030.08	0	807.90	0
5	Swachh Bharat Mission - Urban (SBM-U)	0	777.72	0	965	956.71
6	Pradhan Mantri Awas Yojana – Urban (PMAY-U)	0	25808.72	5641.90	15900.45	11512.68
7	Rajiv Awas Yojana (RAY)	2996.88	2996.88	0	0	0
8	Atal Mission for Rejuvenation and Urban Transformation (AMRUT)	545.61	1196.39	73	1226.21	0
9	Smart City Mission	200	6300	0	7700	0
10	Non- Lapsable Central Pool Resources (NLCPR)	0	0	281.37	0	0
11	State Plan Assistance	300	350	350	0	0
12	Special Central Assistance	601	0	0	0	0
13	Special development Scheme	2103.10	2203	920.65	0	0
State Share						
1	National Urban Livelihoods Mission	43.22	0	33.33	65.90	70.36
2	Atal Mission for Rejuvenation and Urban Transformation (AMRUT)	0	171.89	0	0	144.30
3	Swachh Bharat Mission - Urban (SBM-U)	0	0	0	33.16	454.19

Appendix 2.2.4 (Concl'd.)

Statement showing scheme-wise devolution of funds to 20 ULBs during 2015-16 to 2019-20

{Reference: Paragraph 2.2.8.6(iii)}

(₹ in lakh)

Sl. No.	Particulars of receipts	2015-16	2016-17	2017-18	2018-19	2019-20
4	Pradhan Mantri Awas Yojana – Urban (PMAY-U)	0	218.04	6939	0	0
5	Non- Lapsable Central Pool Resources (NLCPR)	0	0	7.47	0	31.26
6	Rajiv Awas Yojana (RAY)	361.675	334.19	0	416.84	0
7	State Plan Assistance	805.87	0	0	0	0
8	10 per cent Lumpsum	361.675	0	0	0	0
9	Smart City Mission	0	0	0	0	5000
	Total	25962.89	65570.08	35287.79	51775.78	40488.79

Source: Urban Development Department

Appendix 2.2.5

Statement showing collection of own revenue of ULBs during 2015-16 to 2019-20

(Reference: Paragraph 2.2.8.8)

(₹ in lakh)

Sl. No.	Name of ULBs	2015-16	2016-17	2017-18	2018-19	2019-20
1	Agartala Municipal Corporation	3035.87	2824.61	1966.45	2577.26	2884.82
2	Dharmanagar Municipal Council	95.06	119.67	109.72	146.25	179.40
3	Kailashahar Minicipal Council	61.61	80.91	59.10	65.69	83.78
4	Kumarghat Municipal Council	66.32	55.31	60.74	51.53	82.40
5	Ambassa Miunicipal Council	32.723	33.27	32.87	44.48	46.83
6	Khowai Municipal Council	72.83	71.47	103.04	73.61	112.96
7	Teliamura Municipal Council	25.27	28.46	50.05	56.11	63.52
8	Ranirbagar Municipal Council	25.48	25.47	19.10	30.56	45.22
9	Mohanpur Municipal Council	19.87	17.98	16.87	24.71	41.72
10	Bishalgarh Municipal Council	16.44	30.47	19.40	34.97	50.16
11	Melaghar Municipal Council	4.25	7.59	12.76	16.89	38.23
12	Udaipur Municipal Council	131.03	155.77	145.37	178.23	179.54
13	Santirbagar Municipal Council	32.86	37.90	35.95	38.43	44.17
14	Belonia Municipal Council	110.00	103.15	85.45	112.06	115.84
15	Panisagar Nagar Panchayat	4.90	5.01	9.17	6.94	8.12
16	Kamalpur Nagar Panchayat	19.14	28.63	31.36	28.79	29.26
17	Jirania Nagar Panchayat	5.14	11.14	11.78	14.46	27.61
18	Sonamura Nagar Panchayat	41.05	49.43	42.08	49.49	50.39
19	Amarpur Nagar Panchayat	49.70	51.66	54.02	70.75	74.12
20	Subroom Nagar Panchayat	28.59	26.13	27.35	43.05	45.69
Total		3878.493	3764.03	2892.63	3664.25	4203.78

Source: Urban Development Department

Appendix 2.2.6

Rate (s) of penalties/ fines to be imposed by ULBs for contravention of the Rules

{Reference: Paragraph 2.2.8.8(iv)}

(in ₹)

Rule No	Description of Rules	Municipal Corporation	Municipal Councils	Nagar Panchayats
4.1 to 4.4	Littering on roads/streets	200	200	200
4.4	Spitting	100	100	100
	Urinating	200	200	200
	Defecating in open space	500	500	500
5.1 and 5.2	For delivering waste that is not segregated and not stored in separate bins:			
	Individual	100	100	100
	Bulk	500	500	500
5.8	For not storing & delivering construction and demolition waste in segregated manner	1000	1000	1000
5.11	For burning waste	500	500	500
7.3	For a vendor/ hawker without a container/ waste basket	200	200	200
	For a vendor/hawker who does not deliver waste in a segregated manner as specified	100	100	100
7.5	For littering/ defecation by pet/ owned animals	500	500	500
7.6	For not cleaning-up after public gathering/ event within 4 hours	5000	5000	5000

Appendix 3.2.1

Statement showing the status of horticultural crops in Tripura at the end of 2019-20

(Reference: Paragraph 3.2.1)

Sl. No.	Name of the Crop	Area in Ha.	Production in MT
Fruits			
	Mango	10272	52284
	Pineapple	9785	142665
	Orange	4763	21319
	Jackfruit	5487	133154
	Banana	10658	110204
	Litchi	933	3219
	Lime/Lemon	4965	23931
	Papaya	3139	31704
	Sapota	128	809
	Musambi	1184	2392
	Guava	665	3119
	Minor Fruits	2181	18975
Total of A		54160	543774
Nuts			
	Coconut	4612	12711
	Arecanut	7173	24568
	Cashew nut	683	266
Total of B		12468	37545
Spices			
	Ginger	1875	15938
	Turmeric	1680	10231
	Chilly	2812	6664
	Black Pepper	223	615
	Onion	163	1048
	Betel Vine	610	8296
Total of C		7363	42792
Vegetables			
	Summer Vegetables	19129	290762
	Winter Vegetables	19990	397506
Total of D		39119	688268
Potato		8050	145866
Grand Total		121160	1458245

Source: Horticulture Area Production Information System (HAPIS) data for the year 2019-20 provided by the Directorate of H&SC, Government of Tripura.

Appendix 3.2.2

District wise average area coverage, production and productivity details for five years period from 2015-16 to 2019-20

(Reference: Paragraph 3.2.1)

Category of Horticulture crops	South			Gomati			Sepahijala			West		
	Area (Ha)	Production (MT)	Productivity (MT/Ha)	Area (Ha)	Production (MT)	Productivity (MT/Ha)	Area (Ha)	Production (MT)	Productivity (MT/Ha)	Area (Ha)	Production (MT)	Productivity (MT/Ha)
Vegetable	6166	101061	16.39	5338	95179	17.83	5558	100053	18	5794	96697	16.67
Fruits	7847	78051	9.95	7019	68901	9.82	5262	40661	7.73	6489	60360	9.34
Nuts	2895	6521	2.25	1511	4392	2.91	986	2941	2.98	1325	3980	3.00
Spices	1688	9936	5.89	1366	7941	5.81	751	4283	5.70	905	5226	5.77
Potato	1957	35452	18.11	1246	22592	18.13	1119	20194	18.05	430	7752	18.03

Category of Horticulture crops	Khowai			Dhalai			Unakoti			North		
	Area (Ha)	Production (MT)	Productivity (MT/Ha)	Area (Ha)	Production (MT)	Productivity (MT/Ha)	Area (Ha)	Production (MT)	Productivity (MT/Ha)	Area (Ha)	Production (MT)	Productivity (MT/Ha)
Vegetable	4678	86906	18.58	4698	80643	17.16	2866	52023	18.15	3947	70800	17.93
Fruits	4265	39997	9.38	11558	123749	10.71	3582	37487	10.47	8684	88236	10.16
Nuts	811	2333	2.88	1891	6130	3.24	816	2525	3.09	2032	6656	3.28
Spices	646	3624	5.61	1224	5663	4.63	467	3017	6.46	611	4098	6.71
Potato	604	10814	17.91	982	17724	18.05	967	17519	18.12	630	11438	18.16

Appendix 3.2.3

Statement showing the year-wise Opening Balance, Fund Received, Expenditure & Closing Balance under SCA to TSS Scheme during the year 2015-16 to 2019-20

(Reference: Paragraph 3.2.7.1)

(in ₹)

Sl. No.	Year	Opening Balance	Received		Total fund availability	Expenditure	Closing Balance
			Fund	Interest and refund			
1.	2018-19	0	4,78,10,000	0	4,78,10,000	0	4,78,10,000
2.	2019-20	4,78,10,000	1,30,50,000	6,22,285	6,14,82,285	6,07,37,890	7,44,395
Total			6,08,60,000	6,22,285		6,07,37,890	7,44,395

Source: Departmental Records. No funds were placed during 2015-16 to 2017-18

Appendix 3.2.4

Statement showing the year-wise Opening Balance, Fund Received, Expenditure & Closing Balance under National Bamboo Mission Scheme during the year 2015-16 to 2019-20

(Reference: Paragraph 3.2.7.1)

(in ₹)

Sl. No.	Year	Opening Balance	Received		Total fund availability	Expenditure	Closing Balance
			Fund	Interest and refund			
1.	2018-19	0	2,50,00,000	0	2,50,00,000	0	2,50,00,000
2.	2019-20	2,50,00,000	0	5,61,863	2,55,61,863	2,00,00,000	55,61,863
Total			2,50,00,000	5,61,863		2,00,00,000	55,61,863

Source: Departmental Records. No funds were placed during 2015-16 to 2017-18

Appendix 3.2.5

Statement showing the year-wise Opening Balance, Fund Received, Expenditure & Closing Balance under National Bee Board Fund during the year 2015-16 to 2019-20

(Reference: Paragraph 3.2.7.1)

(in ₹)

Sl. No.	Year	Opening Balance	Received		Total fund availability	Expenditure	Closing Balance
			Fund	Interest and refund			
1.	2017-18	0	1,15,00,000	0	1,15,00,000	0	1,15,00,000
2.	2018-19	1,15,00,000	0	2,64,576	1,17,64,576	96,00,000	21,64,576
3.	2019-20	21,64,576	0	5,086	21,69,662	3,31,777	18,37,885
Total			1,15,00,000.00	2,69,662		99,31,777	18,37,885

Source: Departmental Records. No funds were placed during 2015-16 and 2016-17

Appendix 3.2.6

Statement showing the year-wise Opening Balance, Fund Received, Expenditure & Closing Balance under Coconut Development Board during the year 2015-16 to 2019-20
(Reference: Paragraph 3.2.7.1)

(in ₹)

Sl. No.	Year	Opening Balance	Received		Total fund availability	Expenditure	Closing Balance
			Fund	Interest and refund			
1.	2015-16	37,47,339	19,07,500	0	56,54,839	36,29,244	20,25,595
2.	2016-17	20,25,595	36,17,500	0	56,43,095	49,04,079	7,39,016
3.	2017-18	7,39,016	0	0	7,39,016	0	7,39,016
4.	2018-19	7,39,016	1,19,60,205	0	1,26,99,221	1,08,99,230	17,99,991
5.	2019-20	17,99,991	14,10,000	0	32,09,991	14,19,971	17,90,020
Total			1,88,95,205	0		2,08,52,524	17,90,020

Source: Departmental Records

Appendix 3.2.7

Statement showing the year-wise Opening Balance, Fund Received, Expenditure & Closing Balance under MIDH during the year 2015-16 to 2019-20
(Reference: Paragraph 3.2.7.1)

(in ₹)

Sl. No.	Year	Opening Balance	Received		Total fund availability	Expenditure	Closing Balance
			Fund	Interest and refund			
1.	2015-16	4,31,69,777	30,62,50,000	1,37,08,428	36,31,28,205	20,84,63,397	15,46,64,808
2.	2016-17	15,46,64,808	41,23,42,333	1,19,45,872	57,89,53,013	19,19,63,247	38,69,89,766
3.	2017-18	38,69,89,766	18,88,88,000	5,21,85,783	62,80,63,549	23,20,85,243	39,59,78,306
4.	2018-19	39,59,78,306	0	2,26,62,157	41,86,40,463	31,46,14,606	10,40,25,857
5.	2019-20	10,40,25,857	24,44,44,000	11,00,57,915	45,85,27,772	27,84,05,403	18,01,22,369
Total			115,19,24,333	21,05,60,155		122,55,31,897	18,01,22,368

Source: Departmental Records

Appendix 3.2.8

Statement showing the year-wise Opening Balance, Fund Received, Expenditure & Closing Balance under HMNEH during the year 2015-16 to 2019-20
(Reference: Paragraph 3.2.7.1)

(in ₹)

Sl. No.	Year	Opening Balance	Received		Total fund availability	Expenditure	Balance
			Fund	Interest and refund			
1.	2015-16	2,15,96,766	0	8,72,509	2,24,69,275	0	2,24,69,275
2.	2016-17	2,24,69,275	0	17,25,534	2,41,94,809	6,23,264	2,35,71,545
3.	2017-18	2,35,71,545	0	10,89,092	2,46,60,637	22,38,399	2,24,22,238
4.	2018-19	2,24,22,238	0	9,49,677	2,33,71,915	13,01,381	2,20,70,534
5.	2019-20	2,20,70,534	0	7,97,063	2,28,67,597	34,79,800	1,93,87,797
Total			0	54,33,875		76,42,844	1,93,87,797

Source: Departmental Records

Appendix 3.2.9

Statement showing the year-wise Opening Balance, Fund Received, Expenditure & Closing Balance under Technology Mission (TM) during the year 2015-16 to 2019-20

(Reference: Paragraph 3.2.7.1)

(in ₹)

Sl. No.	Year	Opening Balance	Received		Total fund availability	Expenditure	Closing Balance
			Fund	Interest and refund			
1.	2015-16	8,01,79,502	0	12,67,99,344	25,60,78,846	1,98,42,373	18,71,36,473
2.	2016-17	18,71,36,473	0	2,77,95,623	21,49,32,096	9,34,44,218	12,14,87,878
3.	2017-18	12,14,87,878	0	17,64,92,486	29,79,80,364	8,25,88,507	21,53,91,857
4.	2018-19	21,53,91,857	0	1,50,22,654	23,04,14,511	8,80,94,689	14,23,19,822
5.	2019-20	14,23,19,822	0	77,92,105	15,01,11,927	4,22,00,436	10,79,11,491
Total			0	35,39,02,212		32,61,70,223	10,79,11,491

Source: Departmental Records

Appendix 3.2.10

Statement showing the year-wise Opening Balance, Fund Received, Expenditure & Closing Balance under MGNREGA Funds during the year 2015-16 to 2019-20

(Reference: Paragraph 3.2.7.1)

(in ₹)

Sl. No.	Year	Opening Balance	Received		Total fund availability	Expenditure	Closing Balance
			Fund	Interest and refund			
1.	2015-16	0.00	17,23,08,900	0.00	17,23,08,900	17,23,08,900	0.00
2.	2016-17	0.00	12,33,59,600	0.00	12,33,59,600	12,33,59,600	0.00
3.	2017-18	0.00	2,26,86,000	0.00	2,26,86,000	2,26,86,000	0.00
4.	2018-19	0.00	5,72,99,000	0.00	5,72,99,000	5,72,99,000	0.00
5.	2019-20	0.00	7,91,01,000	0.00	7,91,01,000	7,91,01,000	0.00
Total			45,47,54,500	0.00		45,47,54,500	0

Source: Departmental Records

Appendix 3.2.11

Statement showing delay in release of Central and State share by the State Government (Reference: Paragraph 3.2.7.2)

(₹ in lakh)

Year	Particulars of the Share	Date of release by the GoI	Date of release by the State Finance Deptt.	Amount	Delay in release of Central Share by GoT*	Delay in release of State Share by GoT*
2015-16	Central	22.06.2015	25.07.2015	581.25	26 days	
	Central	22.06.2015	25.07.2015	1293.75	26 days	
	State			187.50		
	Central	29.02.2016	05.04.2016	800	29 days	
	Central	29.02.2016	05.04.2016	250	29 days	
	Central	14.03.2016	05.04.2016	350	15 days	
2016-17	State		03.09.2016	176.39		160 days
	Central	27.09.2016	23.11.2016	858	49 days	
	Central	27.09.2016	23.11.2016	511.50	49 days	
	Central	27.09.2016	23.11.2016	280.50	49 days	
	State		23.11.2016	183.33		49 days
	Central	10.03.2017	24.03.2017	580	7 days	
	Central	10.03.2017	24.03.2017	120	7 days	
2017-18	State		18.08.2017	77.77		151 days
	Central	26.09.2017	23.10.2017	310	20 days	
	Central	26.09.2017	23.10.2017	170	20 days	
	Central	26.09.2017	23.10.2017	520	20 days	
	State		23.10.2017	111.11		20 days
2018-19	Central	13.03.2019	06.04.2019	204	17 days	
	Central	13.03.2019	06.04.2019	372	17 days	
	State		06.04.2019	64		17 days
	Central	25.03.2019	07.05.2019	624	36 days	
2019-20	State		07.05.2019	69.33		36 days
	Central	13.11.2019	20.12.2019	520	30 days	
	Central	13.11.2019	20.12.2019	310	30 days	
	Central	13.11.2019	20.12.2019	170	30 days	
	State		20.12.2019	111.11		30 days
	Central	28.03.2020	27.04.2020	131	23 days	
	Central	28.03.2020	27.04.2020	264	23 days	
	Central	28.03.2020	27.04.2020	605	23 days	
	State		27.04.2020	111.11		23 days

Note: * Delay in release of the Central/ State share has been calculated by taking into account the dates of release by GoI with that of by GoT after allowing seven days time for normal transaction period.

Appendix 3.2.12

A. Statement showing the purchase of seeds and seedlings/ plantlets by the selected SAs and SHs during 2015-16 to 2019-20 from Private Firms and Nursery*{Reference: Paragraph 3.2.8.2 (ii) & (iii)}**(in ₹)*

Sl. No.	Name of unit	Seed	Seedling
1.	SA, Salema	22,22,625	80,000
2.	SH, Kumarghat	90,54,276	42,680
3.	SH, Manu	44,29,615	5,43,000
4.	DDH, Unakoti	99,61,223	31,76,498
5.	SA, Ambassa	9,28,611	9,11,800
6.	SA, Dukli	22,64,717	
7.	SA, Hezamara	6,03,838	6,23,420
8.	SA, Jirania	29,34,144	3,77,768
9.	SA, Mandwi	30,28,032	14,21,524
10.	SA, Mohanpur	50,81,977	11,82,961
11.	DDH, Dhalai	1,79,48,860	63,60,380
12.	DDH, West	3,17,34,238	1,36,46,650
Total		9,01,92,156	2,83,66,681

B. Purchase of seedling/plantlets from Government orchard/ Nursery*(in ₹)*

Sl. No.	Name of the Unit	Seed	Seedling
1.	SA, Salema	-	3,12,393
2.	DDH, Unakoti	7,60,000	64,610
3.	DDH, West	-	2,59,030
4.	DDH, Dhalai	-	60,000
5.	SA, Ambassa	-	2,000
6.	SA, Hezamara	-	3,000
7.	SA, Jirania	-	6,324
Total		7,60,000	7,07,357

Appendix 3.2.13

Statement showing the number of Government Orchards and Area under the Directorate of Horticulture in the State

{Reference: Paragraph 3.2.8.2 (iv)}

Sl. No.	Name of District	Name of Agri/ Horti Sub-Division	Name of the Orchard	Area (Ha)
1	Khowai	Tulashikhar	West Karangicherra CPC	23.50
2			Takchaya SCO	17.63
3		Teliamura	North Gokulnagar SCO	70.82
4			Ramkrishnapur TCO	25.00
5	West Tripura	Mohanpur	Lembucherra Orchard	44.15
6		Hezamara	Hezamara MO	15.00
7		Dukli	Badharghat PO	5.84
8			HRC Nagicherra	42.00
9		Jirania	Gurupada SCO	92.56
10			Tulakona BCO	5.20
11			Belbari TCO	27.30
12	Sepahijala	Kathalia	Microsapra TCO	100.00
13			Paharpur ASDF	16.18
14		Mohanbhog	Jumerdepa GO	36.50
15			Taibandal TCO	14.00
16	South Tripura	Bagafa	Bishramganj TCO	0.69
17			Kalashi MO	62.25
18			R.K.Ganj SCO	73.20
19		Belonia	Kathaliacherra MO	68.50
20			Bashpadua CPC	183.17
21			Sarasima RTCP	12.00
22			Regional Spices Garden	17.85
23			Maicherra VSPF	19.50
24			Ratanpur TCO	26.00
25		Rajnagar	Radhanagar TCO	76.80
26	Satchand	Kaladepa MO	60.07	
27	Rupaichari	Uttar Bijoypur SCO	24.50	
28	Gomati	Karbook	Shilachari TCO	21.24
29			Lebacherra TCO	74.60
30		Ompi	Taidu SCO	57.60
31		Udaipur	Fulkumari TCO	4.00
32	Udaipur PO		2.36	
33	Unakoti	Kumarghat	Chantail MO	19.00
34			Pabiacherra TC/DC	8.44
35	North Tripura	Kanchanpur	Tuisama MO	46.33
36			Nabincherra MO	24.70
37			Jampui Spices Centre	5.00
38		Kadamtala	Churaibari SCO	3.36
39	Dhalai	Manu	Nalkata MO	30.49
40			Lalcherra MO	69.40
41			Tarabancherra TCO	52.00
42			Karamcherra SCO	28.00
43			Durgacherra TCO	115.00
44		Salema	Mendi TCO	80.00
45			Balaram SCO	49.40
46		Gandacherra	J.B.Para MO	120.00
47		Ambassa	Harincherra TCO	21.64
Total				1992.77

Appendix 3.2.14

Statement showing the damaged seedlings and plantlets in the Government Orchard during 2015-16 to 2019-20

{Reference: Paragraph 3.2.8.2 (iv)}

Sl. No.	Name of the orchard	Name of the component	Number of seedlings/ plantlets could not be utilised	Remarks
1.	Gurupada Government Orchard	Jackfruit seedling	24900	Due to cow and goat grazing all the seedlings damaged
2.	Gurupada Government Orchard	Black Pepper seedling	19950	Due to cow and goat grazing all the seedlings damaged
3.	Gurupada Government Orchard	Scented Lemon	81	Due to cow and goat grazing all the seedlings damaged
4.	Gurupada Government Orchard	Assam lemon seedling	7488	Due to cow and goat grazing all the seedlings damaged
5.	Gurupada Government Orchard	Lime lemon cutting	4500	Due to cow and goat grazing all the seedlings damaged
6.	Balaram Government Orchard	Lemon Stamp cutting	3000	No supply order was made to be supplied, therefore the seedling matured during the course of time and damaged
7.	Durgacherra Government Orchard	Drumstick	1000	All the seedlings destroyed by the termites
8.	Tarabancherra Government Orchard	Scented Lemon	118000	All the seedlings died due to water scarcity
9.	Tarabancherra Government Orchard	Arecanut Seedling	4560	All the seedlings overaged and died
10.	Karamcherra Government Orchard	Banana Sabri	8000	All the seedlings overaged and died
11.	Karamcherra Government Orchard	Lichi Gottee	300	All the seedlings overaged and died
12.	Karamcherra Government Orchard	Musambi	100	All the seedlings overaged and died
Total			1,91,879	

Appendix 3.2.15

Statement showing the irregularities in purchase of power tillers by the DDH, Dhalai District during 2015-16 to 2019-20

(Reference Paragraph 3.2.8.4)

Sl. No.	Challan No. and date as mentioned in the Bill copy	Purchased from	Delivered to	Remarks
1.	605 dated 12-01-2016	M/s Dutta Machinery Stores, Agartala	SH, Manu	Challan was not found enclosed
2.	606 dated 12-01-2016	M/s Dutta Machinery Stores, Agartala	SH, Manu	-do-
3.	601 dated 13-01-2016	M/s Dutta Machinery Stores, Agartala	SH, Manu	-do-
4.	980 dated nil	M/s Dutta Machinery Stores, Agartala	SH, Manu	-do-
5.	1702 dated 02-11-2018	M/s Balaji Enterprise	SA, Durgachowmuhan	-do-
6.	218 dated nil	M/s Dutta Machinery Stores, Agartala	SA, Gandacherra	-do-
7.	217 dated nil	M/s Dutta Machinery Stores, Agartala	SA, Gandacherra	-do-
8.	674 dated 17-12-2015	M/s Dutta Machinery Stores, Agartala	SA, Gandacherra	-do-
9.	109 dated 19-05-2017	M/s Krishi Shilpa Udyog, Agartala	SA, Durgachowmuhan	-do-
10.	982 dated 30-03-2016	M/s Dutta Machinery Stores, Agartala	SH, Manu	Original copy of challan was not found and the bill was paid on photocopy of the challan.
11.	979 dated 29-03-2016	M/s Dutta Machinery Stores, Agartala	SH, Manu	-do-
12.	973 dated 30-03-2016	M/s Dutta Machinery Stores, Agartala	SH, Manu	-do-
13.	974 dated 30-03-2016	M/s Dutta Machinery Stores, Agartala	SH, Manu	-do-
14.	975 dated 30-03-2016	M/s Dutta Machinery Stores, Agartala	SH, Manu	-do-
15.	976 dated 30-03-2016	M/s Dutta Machinery Stores, Agartala	SH, Manu	-do-
16.	977 dated 30-03-2016	M/s Dutta Machinery Stores, Agartala	SH, Manu	-do-
17.	978 dated 30-03-2016	M/s Dutta Machinery Stores, Agartala	SH, Manu	-do-
18.	981 dated 29-03-2016	M/s Dutta Machinery Stores, Agartala	SH, Manu	-do-
19.	963 dated 22-01-2016	M/s Dutta Machinery Stores, Agartala	SH, Manu	-do-

Appendix 3.2.15 (Concl.)**Statement showing the irregularities in purchase of power tillers by the DDH, Dhalai District during 2015-16 to 2019-20***(Reference Paragraph 3.2.8.4)*

Sl. No.	Challan No. and date as mentioned in the Bill copy	Purchased from	Delivered to	Remarks
20.	959 dated nil	M/s Dutta Machinery Stores, Agartala	SH, Manu	Original copy of challan was not found and the bill was paid on photocopy of the challan.
21.	962 dated 22-01-2016	M/s Dutta Machinery Stores, Agartala	SH, Manu	-do-
22.	961 dated 22-01-2016	M/s Dutta Machinery Stores, Agartala	SH, Manu	-do-
23.	683 dated 21-03-2016	M/s Dutta Machinery Stores, Agartala	SA, Gandacherra	-do-
24.	682 dated 21-03-2016	M/s Dutta Machinery Stores, Agartala	SA, Gandacherra	-do-
25.	677 dated 21-03-2016	M/s Dutta Machinery Stores, Agartala	SA, Gandacherra	-do-
26.	678 dated 21-03-2016	M/s Dutta Machinery Stores, Agartala	SA, Gandacherra	-do-
27.	679 dated 21-03-2016	M/s Dutta Machinery Stores, Agartala	SA, Gandacherra	-do-
28.	680 dated 21-03-2016	M/s Dutta Machinery Stores, Agartala	SA, Gandacherra	-do-
29.	681 dated 21-03-2016	M/s Dutta Machinery Stores, Agartala	SA, Gandacherra	-do-
30.	39 dated 30-10-2015	M/s Dutta Machinery Stores, Agartala.	NA	Engine number and Chasis number did not match with the bill and the delivery challan.

Appendix 3.2.16

Audit observation on physical verification of construction of Shade Net Protected Structure at beneficiaries' land

(Reference: Paragraph 3.2.8.11)

Sl. No.	Name of the SA	Name of the beneficiary	Father's name	Address	Year of receipt of assistance	Category of flower in which assistance is received	Audit observation
1	SA, Jirania	Kaushik Debnath	Dayaram Debnath	Uttar Majlishpur	2016-17	Gerbera	Most of the seedlings were found damaged due to not giving fertiliser by the firm.
2		Mantu Das	Manoranjana Das	Brajanagar, Majlishpur	2016-17	Orchid	Most of the seedlings were found damaged due to not giving fertiliser by the firm.
3		Rupesh Saha	Late Ratan Lal Saha	Ranirbazar	2016-17	Anthurium	During physical verification at the location, the beneficiary could not be traced out.
4		Nihar Chandra Chakraborty	Nagendra Chakraborty	Nalgaria, Ranirbazar	2016-17	Gerbera	During physical verification it was noticed that the beneficiary cultivated radish inside the Shade Net protected structure.
5	SA, Mandwi	Ajit Debbarma	Raj Kumar Debbarma	RK Para VC	2016-17	Gerbera	Most of the seedlings were found damaged due to not giving fertiliser by the firm.
6	SA, Hezamara	Nabakanya Debbarma	Rabindra Debbarma	Chandpur ADC, Chachu Bazar	2016-17	Orchid	The beneficiary stated that due to lack of marketing infrastructure the floriculture cultivation could not be sustained. Hence, the orchid cultivation could not be successful.
7		Anil Debbarma	Debendra Debbarma	Daldali, Megliban	2016-17	Anthurium	The beneficiary stated that due to lack of marketing infrastructure the floriculture cultivation could not be sustained. Hence, the orchid cultivation could not be successful.

Appendix 3.2.16 (Contd.)

Audit observation on physical verification of construction of Shade Net Protected Structure at beneficiaries' land

(Reference: Paragraph 3.2.8.11)

Sl. No.	Name of the SA	Name of the beneficiary	Father's name	Address	Year of receipt of assistance	Category of flower in which assistance is received	Audit observation
8	SA, Mohanpur	Ranjan Sarkar	Late Sati Chandra Sarkar	Lankamura	2016-17	Anthurium	All the planting materials were found destroyed due to non-maintenance by the beneficiary. The beneficiary stated that due to lack of marketing infrastructure the floriculture cultivation could not be sustained.
9		Sanjit Biswas	Late Jogendra Chandra Biswas	Madhya Bhubanban	2016-17	Gerbera	Fertiliser/ PPC expiry date, manufacturing date, brand name were found missing.
10	SA, Dukli	Nirupam Sarkar	Nitai Sarkar	Paschim Anandanagar	2016-17	Gerbera	(1) UV film were torn apart in many areas. (2) Wiring was not in good condition due to which rust occurred and the shade net lost the strength. (3) Fertiliser/ PPC expiry date, manufacturing date, brand name were found missing.
11		Nirmal Debnath	Late Jagadish Debnath	Paschim Anandanagar	2016-17	Orchid	The structure was not found in the site. The beneficiary stated that the structure was demolished by him and sold to the relative @ ₹ 10,000/-.
12		Manikanchan Debnath	Bimal Debnath	Paschim Anandanagar	2016-17	Anthurium	The structure was not found in site. The beneficiary stated that the structure was demolished by him and sold to the other @ ₹ 50,000/- for mushroom cultivation.

Appendix 3.2.16 (Concl.)

Audit observation on physical verification of construction of Shade Net Protected Structure at beneficiaries' land

(Reference: Paragraph 3.2.8.11)

Sl. No.	Name of the SA	Name of the beneficiary	Father's name	Address	Year of receipt of assistance	Category of flower in which assistance is received	Audit observation
13	SH, Unakoti	Chiranjit Sinha	Lt. Kamalkanta Sinha	Mashauli	2016-17	Gerbera	Structure was available but no flower plants were available. Beneficiary stated that the life span of the flower plants was three years and after that no new plantation was done by him.
14		Sanjib Sinha	Lt. Mamalbabu Sinha	Nedebi, MC Ward	2017-18	Gerbera	Structure was not found, no plantation was also found. Beneficiary stated that structure was destroyed in flood. Beneficiary did not furnish any report to the fund sanctioning authority.

Appendix 3.2.17

Subsidy provided to entrepreneurs for setting up of food processing unit

(Reference: Paragraph 3.2.11.3)

Sl. No.	Number of request received during the audit period	Total subsidy released			
		Name of units	Total subsidy released (in ₹)	Total project cost (₹ in lakh)	Present status
1	7 Nos.	Mother Food Product, Nagicherra, Anandanagar	8,03,490.00	19.916	Operational
2		Jyotsna Food Products, Anandanagar, Agartala	13,75,000.00	137.000	Operational
3		Mahabir Food Products, Jogendranagar, Agartala	11,18,950.00	26.630	Operational
4		Munna Industries, Moloynagar, Agartala	1,99,00,000.00 1,99,00,000.00	1645.420	Operational
5		M/s Paste & Roasted, Teliamura	34,625.00	0.692	Operational
6		Das Food Processing, Jogendranagar	50,000.00	4.590 (old unit upgradation)	Operational
7		Apurba Achar, Ranirbazar	19,950.00	0.399	Operational
Total			4,32,02,015.00		

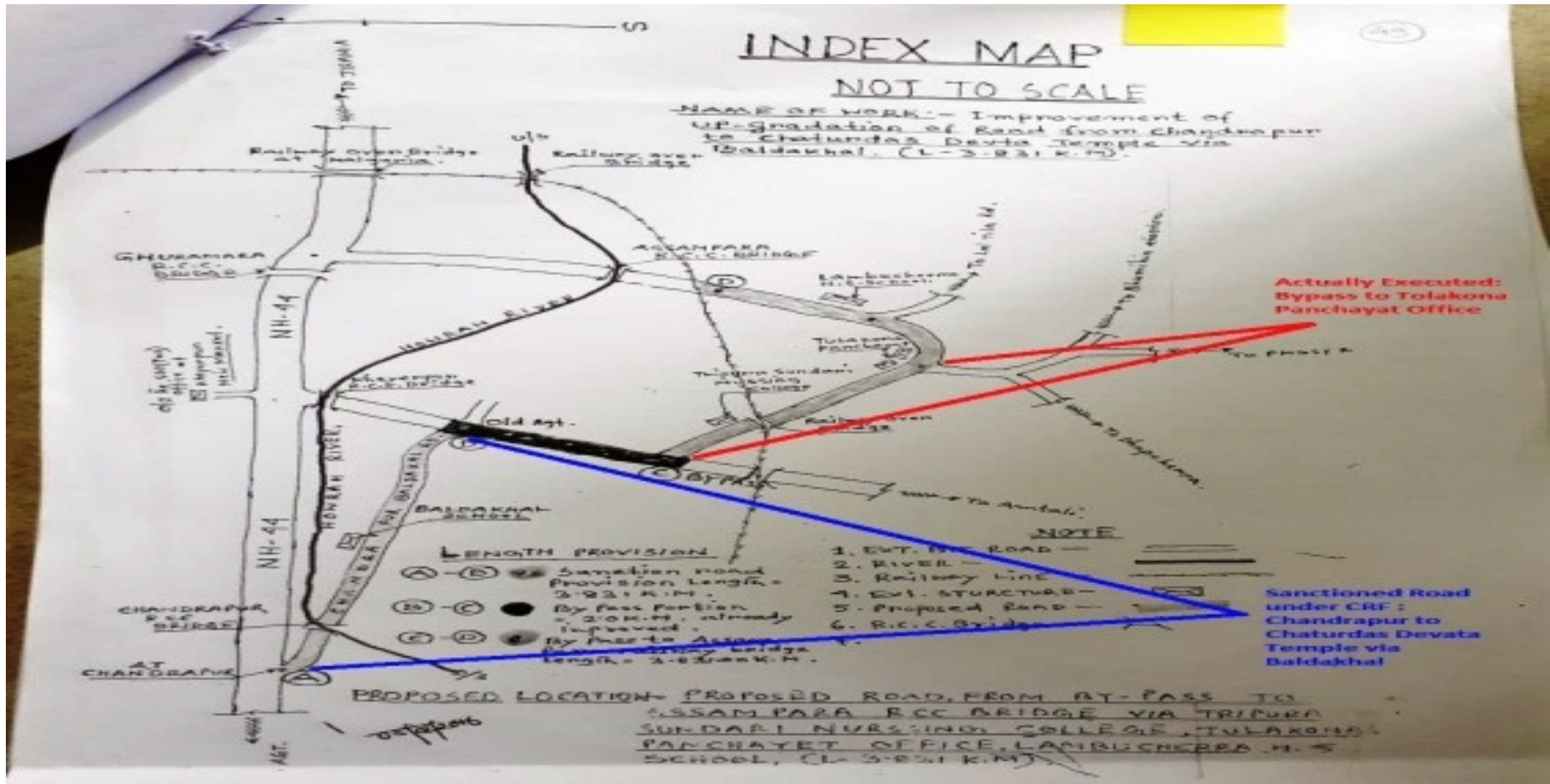
Appendix 3.2.18

Statement showing the Horticulture Exports to Bangladesh (Reference: Paragraph 3.2.12)

Sl. No.	Year	Crop	Quantity/ MT/ Nos.	Values (<i>in ₹</i>)
1	2017-18	Wood Apple	110.040	339300.00
		Tamarind	118.000	1008520.00
		Total	228.040	1347820.00
2	2018-19	Wood Apple	370.000	1219466.00
		Chilli	20.000	1586000.00
		Tamarind	70.000	741754.00
		Fresh Fruits	38.000	758200.00
		Betel Lives	7.000	79672.00
		Ginger	30.000	617100.00
		Total	535.000	5002192.00
3	2019-20	Wood Apple	80.000	345335.00
		Pineapple	40.000	203094.00
		Bottle leaves	7.000	164670.00
		Total	127.000	713099.00
Grand Total			890.040	70,63,111.00

Appendix 3.3.1

Index map showing two road works at the approved and changed locations
(Reference: Paragraph 3.3)



Index Map No.1: Improvement and upgradation of road from Chandrapur to Chaturdas Devta Temple via Baldakhal (i.e the approved location, A-B) and Bypass to Assam Para Railway Bridge (length=3.831 Km) (new location, C-D)

Appendix 3.5.1

Statement showing works undertaken for creation of different assets at Ramchandra Para, Lebachara ADC Villages under under MGNREGA scheme and Forest Department under Karbook Range, Karbook Forest Sub-Division during 2015-16 and 2016-17
(Reference: Paragraph 3.5)

Sl. No.	Work order No	Date	Location of work	Name of work	Year	Expenditure incurred (₹ in lakh)	
1	5768-772, 5773-777, 5778-782, 5783-787, 5788-792, 5793-797, 5798-802, 5803-807, 5808-812, 5813-817, 5818-822, 5823-827, 5828-832, 5833-837, 5838-842	31/12/2015	Ramchandra Para, Lebachara ADC Village	Construction of boundary fencing with barbed wire over 100 mtr (Part – 1 to 15)	2015-16	54.86	54.86
2	5683-687 and 7298-7302	31/12/2015 and 01/03/2016	Ramchandra Para, Lebachara ADC Village	Construction of two approach gate	2015-16	5.60	123.99
3	7303-7307, 7313-7317	01/03/2016	Ramchandra Para, Lebachara ADC Village	Construction of 100 mtr. chequered tiles soling	2015-16	5.15	
4	6500-504, 6505-509, 6510-514, 6515-519, 6520-524	31/12/2015	Ramchandra Para, Lebachara ADC Village	Construction of one passenger shed (Part-II to V)	2015-16	9.63	
5	7796-7799, 7800-7803, 7804-7807, 7808-7811	16/07/2016	Ramchandra Para of Bairagi Dokan Beat, East Manikya Dewan ADC Village	Construction of overhead tank (Part- 1 & 2)	2016-17	8.64	
6	5648-652, 5653-657	31/12/2015	Ramchandra Para of Bairagi Dokan Beat, Lebachara ADC Village	Construction of toilet block (Part- I & II)	2015-16	6.70	
7	6555-559, 5608-612, 5613-617, 6536-539, 6540-544, 6545-549, 6550-554, 6530-534	31/12/2015	Ramchandra Para, Lebachara ADC Village	Construction of brick soling over 450 mtr	2015-16	34.33	
8	5658-662, 5663-667	31/12/2015	Ramchandra Para, Lebachara ADC Village	Construction of tree protection guard structure (Part- I & II) (Circle Platform)	2015-16	4.51	
9	5688-692, 5693-697, 5698-702, 5703-707	31/12/2015	Ramchandra Para of Bairagi Dokan Beat, Lebachara ADC Village	Construction of pipe line connection over 2500 mtr	2015-16	13.11	

Appendix 3.5.1 (concl.)

Statement showing works undertaken for creation of different assets at Ramchandra Para, Lebachara ADC Villages under under MGNREGA scheme and Forest Department under Karbook Range, Karbook Forest Sub-Division during 2015-16 and 2016-17
(Reference: Paragraph 3.5)

Sl. No.	Work order No	Date	Location of work	Name of work	Year	Expenditure incurred (₹ in lakh)	
10	7820-7823, 7824-7827	16/07/2016	Ramchandra Para of Bairagi Dokan Beat, East Manikya Dewan ADC Village	Construction of two submersible pump	2016-17	5.43	
11	5668-672, 5673-677, 5678-682	31/12/2015	Ramchandra Para, Lebachara ADC Village	Construction of five labour shed	2015-16	9.66	
12	7812-7815, 7816-7819	16/07/2016	Ramchandra Para, East Manikya Dewan ADC Village	Construction of store house (Part-A & B)	2016-17	4.83	
13	5618-622, 5623-627, 5628-632, 5633-637, 5638-642, 5643-647	31/12/2015	Ramchandra Para, Lebachara ADC Village	Construction of check dam (Part- I to III)	2015-16	16.40	
14	7792-95, 7788-91, 7784-87	16/07/2016	Ramchandra Para, East Manikya Dewan ADC Village	Creation of rose garden (Part - 1, 2 & 3)	2016-17	10.42	57.45
15	2380-2384, 2385-2389, 2390-2394, 2395-2399, 2400-2404, 2405-2409	11/05/2016	Ramchandra Para JFMC area, East Manikya Dewan ADC Village	Construction of 1 km ornamental plantation (Part-A, B, C, D, E & F)	2016-17	21.78	
16	2454-2459, 2460-2464, 2465-2469	11/05/2016	Ramchandra Para JFMC area, East Manikya Dewan ADC Village	Creation of 700 mtr. floriculture plantation (Part- A to C)	2016-17	10.63	
17	2360-2364, 2365-2369, 2370-2374, 2375-2379	11/05/2016	Ramchandra Para JFMC area, East Manikya Dewan ADC Village	Creation of 1000 mtr. hedge plantation (Part- A to D)	2016-17	9.13	
18	2445-2449, 2450-2454	11/05/2016	Ramchandra Para JFMC area, East Manikya Dewan ADC Village	Creation of palm plantation over 0.05 hac (Part- A & B)	2016-17	5.49	
				Total:		236.30	236.30

Appendix 4.1.1

Summarised financial position and working results of Government companies and Statutory Corporations as per their latest finalised financial statements/accounts

(Reference: Paragraphs 4.1.2.1, 4.1.6, 4.1.9, 4.1.9.2, 4.1.9.3, 4.1.10)

(Figures in columns (5) to (12) are ₹ in crore)

Sl. No.	Sector / name of the Company	Period of Accounts	Year in which accounts finalised	Paid-up Capital @	Loans outstanding at the end of year	Accumulated Profit (+) / Loss (-)	Free Reserves & Surplus	Turnover	Net profit (+)/ loss (-)	Net impact of Audit Comments	Capital Employed ¹⁷⁵	Return on capital employed ¹⁷⁶	Percentage return on capital employed	Manpower
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
A. Working Government Companies														
AGRICULTURE & ALLIED														
1	Tripura Forest Development & Plantation Corporation Limited	2018-19	2020-21	9.20	0.00	113.47	0.00	50.52	0.71	0.00	122.67	0.71	0.58	174
2	Tripura Horticulture Corporation Limited	2015-16	2020-21	4.74	0.00	-3.85	0.00	41.28	0.08	4.41	0.89	0.08	8.99	75
3	Tripura Tea Development Corporation Limited	2018-19	2019-20	47.31	0.00	-26.17	0.00	5.46	-1.36	0.00	21.14	-1.36	-6.43	632
4	Tripura Rehabilitation Plantation Corporation Limited	2018-19	2019-20	4.58	0.00	-10.70	0.12	23.74	-4.88	0.00	-6.00	-4.88	Not workable	145
Sector wise total				65.83	0.00	72.75	0.12	121.00	-5.45	4.41	138.70	-5.45	-3.93	1026
FINANCING														
5	Tripura Industrial Development Corporation Limited	2018-19	2020-21	16.17	128.41	-25.71	0.00	4.23	-15.23	0.68	118.87	-11.59	-9.75	48
Sector wise total				16.17	128.41	-25.71	0.00	4.23	-15.23	0.68	118.87	-11.59	-9.75	48

¹⁷⁵ Capital employed = Paid up share capital + free reserves and surplus + long term loans – accumulated losses - deferred revenue expenditure.

¹⁷⁶ ROCE = Earnings before interest and taxes (EBIT) / Capital Employed.

Appendix 4.1.1 (Contd..)

Summarised financial position and working results of Government companies and Statutory Corporations as per their latest finalised financial statements/accounts

(Reference: Paragraphs 4.1.2.1, 4.1.6, 4.1.9, 4.1.9.2, 4.1.9.3, 4.1.10)

(Figures in columns (5) to (12) are ₹ in crore)

Sl. No.	Sector / name of the Company	Period of Accounts	Year in which accounts finalised	Paid-up Capital @	Loans outstanding at the end of year	Accumulated Profit (+) / Loss (-)	Free Reserves & Surplus	Turnover	Net profit (+)/ loss (-)	Net impact of Audit Comments	Capital Employed	Return on capital employed	Percentage return on capital employed	Manpower
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
MANUFACTURING														
6	Tripura Jute Mills Limited	2019-20	2020-21	354.03	1.05	-352.16	0.00	3.12	-31.62	213.19	2.92	-31.62	-1082.88	325
7	Tripura Small Industries Corporation Limited	2016-17	2019-20	59.56	0.15	-46.53	0.00	17.97	-6.60	-11.62	13.18	-6.58	-49.92	111
Sector wise total				413.59	1.20	-398.69	0.00	21.09	-38.22	201.57	16.10	-38.20	-237.26	436
POWER														
8	Tripura State Electricity Corporation Limited	2016-17	2020-21	665.76	356.88	-468.84	61.08	1014.06	-23.71	-3.77	614.88	-18.04	-2.93	3659
9	Tripura Power Generation Limited	2018-19	2020-21	0.10	0.00	0.01	0.00	0.00	0.00	0.00	0.11	0.00	0.00	0
Sector wise total				665.86	356.88	-468.83	61.08	1014.06	-23.71	-3.77	614.99	-18.04	-2.93	3659

Appendix 4.1.1 (Contd..)

Summarised financial position and working results of Government companies and Statutory Corporations as per their latest finalised financial statements/accounts

(Reference: Paragraphs 4.1.2.1, 4.1.6, 4.1.9, 4.1.9.2, 4.1.9.3, 4.1.10)

(Figures in columns (5) to (12) are ₹ in crore)

Sl. No.	Sector / name of the Company	Period of Accounts	Year in which accounts finalised	Paid-up Capital @	Loans outstanding at the end of year	Accumulated Profit (+) / Loss (-)	Free Reserves & Surplus	Turnover	Net profit (+)/ loss (-)	Net impact of Audit Comments	Capital Employed	Return on capital employed	Percentage return on capital employed	Manpower
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
SERVICES														
10	Tripura Handloom and Handicrafts Development Corporation Limited	2016-17	2019-20	107.09	4.27 ¹⁷⁷	-121.59	1.57	4.72	-12.17	-10.14	-8.66	-12.17	Not workable	221
11	Tripura Urban Transport Company Limited	2018-19	2020-21	0.90	0.00	1.53	0.00	1.09	0.26	0.00	2.43	0.34	13.99	6
12	Tripura Tourism Development Corporation Limited	2018-19	2020-21	13.27	0.00	-0.41	0.00	3.06	0.62	0.00	12.86	0.83	6.45	20
13	Agartala Smart City Limited	2018-19	2019-20	0.10	0.00	-0.03	0.00	0.00	-0.03	0.00	0.07	-0.03	-42.86	20
Sector wise total				121.36	4.27	-120.50	1.57	8.87	-11.32	-10.14	6.70	-11.03	-164.63	267
MISCELLANEOUS														
14	Tripura Natural Gas Company Limited	2019-20	2020-21	30.00	0.00	104.69	0.00	118.31	18.62	0.00	134.69	25.69	19.07	22
Sector wise total				30.00	0.00	104.69	0.00	118.31	18.62	0.00	134.69	25.69	19.07	22
Total A (All sector wise working Government companies)				1312.81	490.76	-836.29	62.77	1287.56	-75.31	192.75	1030.05	-58.62	-5.69	5458

¹⁷⁷ This includes Interest accrued on loan amounting to ₹ 1.71 crore shown as part of outstanding long term borrowing as per the finalised accounts.

Appendix 4.1.1 (Concl'd.)

Summarised financial position and working results of Government companies and Statutory Corporations as per their latest finalised financial statements/accounts

(Reference: Paragraphs 4.1.2.1, 4.1.6, 4.1.9, 4.1.9.2, 4.1.9.3, 4.1.10)

(Figures in columns (5) to (12) are ₹ in crore)

Sl. No.	Sector / name of the Company	Period of Accounts	Year in which accounts finalised	Paid-up Capital @	Loans outstanding at the end of year	Accumulated Profit (+) / Loss (-)	Free Reserves & Surplus	Turnover	Net profit (+)/ loss (-)	Net impact of Audit Comments	Capital Employed	Return on capital employed	Percentage return on capital employed	Manpower
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
B. Working Statutory corporation														
SERVICES														
1	Tripura Road Transport Corporation	2016-17	2019-20	162.95	0.25	-284.64	11.19	2.26	0.36	0.00	-110.25	0.36	Not workable	222
Sector wise total				162.95	0.25	-284.64	11.19	2.26	0.36	0.00	-110.25	0.36	Not workable	222
Total B (All sector wise working Statutory Corporation)				162.95	0.25	-284.64	11.19	2.26	0.36	0.00	-110.25	0.36	Not workable	222
Grand Total (A+B)				1475.76	491.01	-1120.93	73.96	1289.82	-74.95	192.75	919.80	-58.26	-6.33	5680
C. Non working Government companies														
FINANCING														
1	Tripura State Bank Limited	Non functional and in the process of liquidation												
Sector wise total				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Total C (All sector wise non working Government company)				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Grand Total (A+B+C)				1475.76	491.01	-1120.93	73.96	1289.82	-74.95	192.75	919.80	-58.26	-6.33	5680

@ Paid up capital includes share application money

Appendix 4.1.2
Statement showing Rate of Real Return on Government Investment
(Reference: Paragraph 4.1.10)

(₹ in crore)

Financial Year	Present value of total investment at the beginning of the year	Equity infused by the State government during the year	Net interest free loan given by the State Government during the year	Interest free loan converted into equity during the year	Grants/ subsidies given by the State government for operational and administrative expenditure	Disinvestment by the State Government during the year at face value	Total investment during the year	Total investment at the end of the year	Average rate of interest	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings/ profit after tax (PAT) for the year
A	B	C	D	E	F	G	H	I	J	$K = I \times (1+J/100)$	$L = I \times J/100$	M
Upto 1999-2000	0.00	156.02	2.58	0.00	0.00	0.00	158.60	158.60	12.25	178.03	19.43	-10.90
2000-01	178.03	20.44	0.00	0.00	0.00	0.00	20.44	198.47	10.82	219.95	21.47	-11.00
2001-02	219.95	25.33	0.00	0.00	0.00	0.00	25.33	245.28	10.35	270.66	25.39	-25.62
2002-03	270.66	15.53	9.13	0.00	0.00	0.00	24.66	295.32	7.08	316.22	20.91	-8.52
2003-04	316.22	18.35	0.00	0.00	0.00	0.00	18.35	334.57	9.92	367.76	33.19	-8.45
2004-05	367.76	22.99	0.00	0.00	0.00	0.00	22.99	390.75	9.17	426.58	35.83	-18.99
2005-06	426.58	23.40	0.00	0.00	0.00	0.00	23.40	449.98	8.56	488.50	38.52	-19.11
2006-07	488.50	36.22	11.04	0.00	45.00	0.00	92.26	580.76	8.46	629.90	49.13	-16.33
2007-08	629.90	29.07	4.78	0.00	50.00	0.00	83.85	713.75	8.27	772.78	59.03	-9.50
2008-09	772.78	31.13	30.50	0.00	28.06	0.00	89.69	862.47	8.00	931.47	69.00	-19.84
2009-10	931.47	25.79	16.50	0.00	139.56	0.00	181.85	1113.32	7.98	1202.16	88.84	-1.97
2010-11	1202.16	13.27	0.00	0.00	108.94	0.00	122.21	1324.37	8.88	1441.97	117.60	-4.36
2011-12	1441.97	27.29	75.85	0.00	64.05	0.00	167.19	1609.16	8.41	1744.49	135.33	-104.98
2012-13	1744.49	30.94	0.00	0.00	63.43	0.00	94.37	1838.86	8.44	1994.06	155.20	-98.74
2013-14	1994.06	41.27	0.00	0.00	110.09	0.00	151.36	2145.42	8.53	2328.43	183.00	-137.51
2014-15	2328.43	38.88	12.00	0.00	128.31	0.00	179.19	2507.62	13.18	2838.12	330.50	-126.63
2015-16	2838.12	38.48	0.00	0.00	88.79	0.00	127.27	2965.39	12.95	3349.41	384.02	-139.05
2016-17	3349.41	60.74	13.25	0.00	87.28	0.00	161.27	3510.68	7.50	3773.98	263.30	-118.09
2017-18	3773.98	30.53	0.00	0.00	77.35	0.00	107.88	3881.86	7.50	4173.00	291.14	-190.30
2018-19	4173.00	34.81	0.00	0.00	70.77	0.00	105.58	4278.58	7.16	4584.93	306.35	-211.86
2019-20	4584.93	49.89	0.00	0.00	83.82	0.00	133.71	4718.64	7.89	5090.94	372.30	-74.95
TOTAL							2091.45					

Year	Total earnings/ loss in 2018-19	Investment by the State Government as per total of the column H above	Return on State Government investment on the basis of historical value	Present value of State Government investment at the end of 2018-19	Real return on State Government investment considering the present value of investments
	A	B	C	D	E
2019-20	-74.95	2091.45	-3.58	5090.94	-1.47

Appendix 4.2.1

Delay in completion of works under RGGVY (XII Plan)

(Reference: Paragraph 4.2.11.1)

Sl. No.	Scheme	District	Name of Work	Scheduled date of completion	Actual Date of completion	Delay in completion
1	RGGVY (XII Plan)	West Tripura	Implementation of Rural Electrification Works of West Tripura District in Tripura under RE-DDUGJY (Erstwhile RGGVY 12th Plan)	30-08-2016	31-10-2018	792
2	RGGVY (XII Plan)	Gomati	REDB Works (33 KV Level) in Connection with Rural Electrification works of Gomati District in Tripura under RE-DDUGJY (12th Plan)	31-12-2018	01-01-2021	732
3	RGGVY (XII Plan)	Dhalai	Supply of ACSR Conductor for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District (Package - II)	16-12-2016	13-04-2018	483
4	RGGVY (XII Plan)	Dhalai	Supply of ACSR Conductor for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District (Package - II)	16-12-2016	13-04-2018	483
5	RGGVY (XII Plan)	Dhalai	Supply of PVC Cable for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District	01-12-2016	27-03-2018	481
6	RGGVY (XII Plan)	Dhalai	Execution of H.T L.T line, Installation of Sub-Station & Providing BPL Service Connection at Raisyabari Block in Dhalai District under Re-DDUGJY Project in Tripura State	16-12-2017	18-03-2018	92
7	RGGVY (XII Plan)	Dhalai	Execution of H.T L.T line, Installation of Sub-Station & Providing BPL Service Connection at Manu Block in Dhalai District under Re-DDUGJY Project in Tripura State	16-01-2018	18-03-2018	61
8	RGGVY (XII Plan)	Gomati	Execution of H.T L.T line, Installation of Sub-Station & Providing BPL Service Connection at Tepania Block in Gomati District under Re-DDUGJY Project in Tripura State	09-11-2017	29-12-2018	415
9	RGGVY (XII Plan)	Dhalai	Execution of H.T L.T line, Installation of Sub-Station & Providing BPL Service Connection at Ambassa Block in Dhalai District under Re-DDUGJY Project in Tripura State	16-01-2018	18-03-2018	61
10	RGGVY (XII Plan)	Gomati	Execution of H.T L.T line, Installation of Sub-Station & Providing BPL Service Connection at Karbook Block in Gomati District under Re-DDUGJY Project in Tripura State	16-12-2017	02-10-2018	290

Appendix 4.2.1 (contd.)

Delay in completion of works under RGGVY (XII Plan)

(Reference: Paragraph 4.2.11.1)

Sl. No.	Scheme	District	Name of Work	Scheduled date of completion	Actual Date of completion	Delay in completion
11	RGGVY (XII Plan)	Dhalai	Execution of H.T L.T line, Installation of Sub-Station & Providing BPL Service Connection at Salema Block in Dhalai District under Re-DDUGJY Project in Tripura State	16-12-2017	16-03-2018	90
12	RGGVY (XII Plan)	Gomati	Execution of H.T L.T line, Installation of Sub-Station & Providing BPL Service Connection at Silachari Block in Gomati District under Re-DDUGJY Project in Tripura State	16-12-2017	11-06-2018	177
13	RGGVY (XII Plan)	Gomati	Execution of H.T L.T line, Installation of Sub-Station & Providing BPL Service Connection at Amarpur Block in Gomati District under Re-DDUGJY Project in Tripura State	16-12-2017	07-06-2018	173
14	RGGVY (XII Plan)	Dhalai	Supply of PVC Cable for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District	01-12-2016	14-02-2018	440
15	RGGVY (XII Plan)	Gomati	Execution of H.T L.T line, Installation of Sub-Station & Providing BPL Service Connection at Ompi Block in Gomati District under Re-DDUGJY Project in Tripura State	06-12-2017	24-05-2018	169
16	RGGVY (XII Plan)	Gomati	Execution of H.T L.T line, Installation of Sub-Station & Providing BPL Service Connection at Killa Block in Gomati District under Re-DDUGJY Project in Tripura State	09-11-2017	10-05-2018	182
17	RGGVY (XII Plan)	Dhalai	Supply of ACSR Conductor for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District (Package - I)	18-07-2016	16-01-2018	547
18	RGGVY (XII Plan)	Gomati	Execution of H.T L.T line, Installation of Sub-Station & Providing BPL Service Connection at Matabari Block in Gomati District under Re-DDUGJY Project in Tripura State	09-11-2017	10-05-2018	182
19	RGGVY (XII Plan)	Dhalai	Supply of ACSR Conductor for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District (Package - I)	18-07-2016	16-01-2018	547
20	RGGVY (XII Plan)	Gomati	Execution of H.T L.T line, Installation of Sub-Station & Providing BPL Service Connection at Kakraban Block in Gomati District under Re-DDUGJY Project in Tripura State	09-11-2017	10-05-2018	182

Appendix 4.2.1 (contd.)

Delay in completion of works under RGGVY (XII Plan)

(Reference: Paragraph 4.2.11.1)

Sl. No.	Scheme	District	Name of Work	Scheduled date of completion	Actual Date of completion	Delay in completion
21	RGGVY (XII Plan)	Gomati	Supply of ACSR Conductor for implementation of RE-DDUGJY 12th Plan scheme in Gomati District (Package - II)	16-12-2016	23-03-2018	462
22	RGGVY (XII Plan)	Gomati	Supply of PVC Cable for implementation of RE-DDUGJY 12th Plan scheme in Gomati District	09-11-2016	26-02-2018	474
23	RGGVY (XII Plan)	Gomati	Supply of ACSR Conductor for implementation of RE-DDUGJY 12th Plan scheme in Gomati District (Package - II)	16-12-2016	03-02-2018	414
24	RGGVY (XII Plan)	Gomati	Supply of PCC Poles for implementation of RE-DDUGJY 12th Plan scheme in Gomati District (Package - II)	08-01-2017	30-01-2018	387
25	RGGVY (XII Plan)	Dhalai	Supply of Steel Tubular Poles for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District (Package - B)	28-02-2017	04-01-2018	310
26	RGGVY (XII Plan)	Dhalai	Supply of Galvanised Steel Sanction for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District (Package -II)	01-12-2016	28-12-2017	392
27	RGGVY (XII Plan)	Gomati	Supply of Three Ph DTR (25&63KVA) and Single Ph DTR (10 &16KVA) for implementation of RE-DDUGJY 12th Plan scheme in Gomati District	06-12-2016	26-09-2017	294
28	RGGVY (XII Plan)	Gomati	Supply of Hardware Fittings for implementation of RE-DDUGJY 12th Plan scheme in Gomati District	07-08-2016	02-06-2017	299
29	RGGVY (XII Plan)	Gomati	Supply of Galvanised Steel Sanction for implementation of RE-DDUGJY 12th Plan scheme in Gomati District (Package -II)	20-05-2016	27-04-2017	342
30	RGGVY (XII Plan)	Dhalai	Supply of Galvanised Steel Sanction for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District (Package -III)	01-12-2016	28-12-2017	392
31	RGGVY (XII Plan)	Dhalai	Supply of Galvanised Steel Sanction for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District (Package -IV)	01-12-2016	28-12-2017	392
32	RGGVY (XII Plan)	Dhalai	Supply of Galvanised Steel Sanction for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District (Package -I)	01-12-2016	14-12-2017	378
33	RGGVY (XII Plan)	Gomati	Supply of Steel Tubular Poles for implementation of RE-DDUGJY 12th Plan scheme in Gomati District (Package - II)	24-01-2017	05-04-2017	71
34	RGGVY (XII Plan)	Gomati	Supply of Steel Tubular Poles for implementation of RE-DDUGJY 12th Plan scheme in Gomati District (Package - III)	24-01-2017	29-03-2017	64

Appendix 4.2.1 (concl.)

Delay in completion of works under RGGVY (XII Plan)

(Reference: Paragraph 4.2.11.1)

Sl. No.	Scheme	District	Name of Work	Scheduled date of completion	Actual Date of completion	Delay in completion
35	RGGVY (XII Plan)	Gomati	Supply of Galvanised Steel Sanction for implementation of RE-DDUGJY 12th Plan scheme in Gomati District (Package -I)	20-05-2016	28-03-2017	312
36	RGGVY (XII Plan)	Gomati	Supply of G.I Wire, Barbed Wire & Stay Wire for implementation of RE-DDUGJY 12th Plan scheme in Gomati District	07-08-2016	22-02-2017	199
37	RGGVY (XII Plan)	Gomati	Supply of PCC Poles for implementation of RE-DDUGJY 12th Plan scheme in Gomati District (Package - I)	07-08-2016	04-11-2016	89
38	RGGVY (XII Plan)	Gomati	Supply of 11 KV G.O.F & G.O.F for implementation of RE-DDUGJY 12th Plan scheme in Gomati District	03-08-2016	05-10-2016	63
39	RGGVY (XII Plan)	Dhalai	Supply of Hardware Fittings for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District	07-08-2016	03-08-2017	361
40	RGGVY (XII Plan)	Dhalai	Supply of Three Ph DTR (25&63KVA) and Single Ph DTR (10 &16KVA) for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District	16-01-2017	04-07-2017	169
41	RGGVY (XII Plan)	Dhalai	Supply of 11 KV G.O.F & G.O.F for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District	03-08-2016	15-05-2017	285
42	RGGVY (XII Plan)	Dhalai	Supply of Steel Tubular Poles for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District (Package - I)	18-07-2016	09-01-2017	175
43	RGGVY (XII Plan)	Dhalai	Supply of AB Cable & Assesories for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District	31-10-2016	01-11-2016	1
44	RGGVY (XII Plan)	Dhalai	Supply of G.I Wire, Barbed Wire & Stay Wire for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District	03-08-2016	26-09-2016	54
45	RGGVY (XII Plan)	Dhalai	Supply of Porcelaine insulator for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District	04-07-2016	06-08-2016	33
46	RGGVY (XII Plan)	Gomati	Supply of Porcelaine insulator for implementation of RE-DDUGJY 12th Plan scheme in Gomati District	04-07-2016	05-08-2016	32

Appendix 4.2.2

Details of sanctioned and awarded parameters under RGGVY XII Plan

{Reference: Paragraph 4.2.11.5(b)}

Components	West				Dhalai				Gomati				Sepahijala				Total				Reduction of scope of work against sanction (in per cent)
	Actual	Sanction	Award	Achieve	Actual	Sanction	Award	Achieve	Actual	Sanction	Award	Achieve	Actual	Sanction	Award	Achieve	Actual	Sanction	Award	Achieve	
Service connections (Nos)	8620	7523	6500	6500	14226	12416	12416	12416	15328	13379	13379	8871	11924	10096	10096	7462	50098	43414	42391	35249	2.36
DTR (Nos)	267	195	161	161	528	380	248	275	374	271	271	264	417	310	310	310	1586	1156	990	1010	14.36
DTR Aug. (Nos)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
LT lines (CKm)	485.21	368.8	278.26	319.11	456.56	347	254.38	346.62	426.47	324.1	322.93	408.39	655.17	497.9	424	478.87	2023.41	1537.8	1279.57	1552.99	16.79
LT lines (CKm) - Aug.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
11 KV lines (CKm)	291.14	211.39	160	140.99	699.8	501.4	377.57	348.62	230	167.6	171.67	197.12	264.02	195.6	162.33	158.33	1484.96	1075.99	871.57	845.06	19.00
11/22 KV lines (CKm) - Aug.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
33 & 66 KV lines (CKm)	20	20	0	0	10	10	0	0	12	12	12.33	13.1	9.5	9.5	0	0	51.5	51.5	12.33	13.1	76.06
Energy meters: Consumers (Nos)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
Energy meters: DTR(Nos)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
33/11 KV Sub-station - New (Nos)	2	2	0	0	1	1	0	0	1	1	1	1	2	2	0	0	6	6	1	1	83.33
33/11 KV Sub-station - Aug. (Nos)	0	0	0	0	1	1	0	0	1	1	0	0	0	0	0	0	2	2	0	0	100.00
11 KV feeder (km)	40	30.4	0	0	7.02	5.34	0	0	31.5	23.94	0	0	37.5	17.63	0	0	116.02	77.31	0	0	100.00
Renovation of DTR SS earthing (Nos)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
33 KV line Augmentation (km)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00

Appendix 4.2.3

Delays in award of works sanctioned under RGGVY (XII plan) and DDUGJY

(Reference: Paragraph 4.2.12.1.)

Sl. No.	District	Name of Work	NIT Date	LOA Date	Delay (in Nos)	Delay in excess of 90 days
RGVY (XII Plan)						
1	West Tripura	Implementation of Rural Electrification Works of West Tripura District in Tripura under RE-DDUGJY (Erstwhile RGGVY 12th Plan)	24-02-2014	30-08-2014	187	97
2	Gomati	REDB Works (33 KV Level) in Connection with Rural Electrification works of Gomati District in Tripura under RE-DDUGJY (12th Plan)	30-03-2017	07-12-2017	252	162
3	Dhalai	Supply of ACSR Conductor for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District (Package - II)	14-10-2015	04-06-2016	234	144
4	Dhalai	Supply of ACSR Conductor for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District (Package - II)	14-10-2015	04-06-2016	234	144
5	Gomati	Supply of ACSR Conductor for implementation of RE-DDUGJY 12th Plan scheme in Gomati District (Package - II)	15-10-2015	04-06-2016	233	143
6	Gomati	Supply of ACSR Conductor for implementation of RE-DDUGJY 12th Plan scheme in Gomati District (Package - II)	15-10-2015	04-06-2016	233	143
7	Gomati	Supply of PCC Poles for implementation of RE-DDUGJY 12th Plan scheme in Gomati District (Package - II)	27-10-2015	27-06-2016	244	154
8	Gomati	Supply of Hardware Fittings for implementation of RE-DDUGJY 12th Plan scheme in Gomati District	03-01-2015	25-01-2016	387	297
9	Gomati	Supply of Steel Tubular Poles for implementation of RE-DDUGJY 12th Plan scheme in Gomati District (Package - II)	16-10-2015	13-07-2016	271	181
10	Gomati	Supply of Steel Tubular Poles for implementation of RE-DDUGJY 12th Plan scheme in Gomati District (Package - III)	16-10-2015	13-07-2016	271	181
11	Gomati	Supply of ACSR Conductor for implementation of RE-DDUGJY 12th Plan scheme in Gomati District (Package - II)	15-10-2015	04-06-2016	233	143

Appendix 4.2.3 (concl.)

Delays in award of works sanctioned under RGGVY (XII plan) and DDUGJY

(Reference: Paragraph 4.2.12.1.)

Sl. No.	District	Name of Work	NIT Date	LOA Date	Delay (in Nos)	Delay in excess of 90 days
12	Dhalai	Supply of Hardware Fittings for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District	03-01-2015	25-01-2016	387	297
13	Dhalai	Supply of Three Ph DTR (25&63KVA) and Single Ph DTR (10 &16KVA) for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District	02-01-2016	05-07-2016	185	95
14	Dhalai	Supply of Polymeric insulator for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District	31-10-2015	02-05-2016	184	94
15	Dhalai	Supply of PCC Poles for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District (Package - II)	27-10-2015	27-06-2016	244	154
16	Dhalai	Supply of ACSR Conductor for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District (Package - II)	14-10-2015	04-06-2016	234	144
17	Dhalai	Supply of ACSR Conductor for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District (Package - III)	15-10-2015	04-06-2016	233	143
18	Dhalai	Supply of ACSR Conductor for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District (Package - II)	14-10-2015	04-06-2016	234	144
19	Dhalai	Supply of ACSR Conductor for implementation of RE-DDUGJY 12th Plan scheme in Dhalai District (Package - III)	14-10-2015	04-06-2016	234	144
DDUGJY						
1	Gomati	Supply & Erection of Rural Electrification works in Gomati District under DDUGJY Project in Tripura State	01-03-2017	04-07-2018	490	310
2	Dhalai	Supply & Erection of Rural Electrification works in Dhalai District under DDUGJY Project in Tripura State	01-03-2017	04-07-2018	490	310
3	West Tripura	Supply & Erection of Rural Electrification works in West Tripura District under DDUGJY Project in Tripura State	27-02-2017	04-07-2018	492	312
4	Sipahijala	Supply & Erection of Rural Electrification works in Sipahijala District under DDUGJY Project in Tripura State	28-02-2017	04-07-2018	491	311

Appendix 4.2.4 (a)

Procurement of same materials for same district and neighbouring district at different ex-factory rates

(Reference: Paragraph 4.2.12.7)

Scheme	Items of works	District	Package	LOA rate (Ex-factory rate)	LOA quantity	Unit	Lowest Price (in ₹)	Difference of rates (in ₹)	Excess Expenditure (in ₹)	% of price difference	Name of supplier	LOA No	Date
Procurement of same materials for same district at different ex-factory rates													
RGGVY (XII Plan)	ACSR Rabbit Conductor 6/1/3.35	Gomati	1	27882	40	Km	24600	3282	131280	13.34	Himachal Aluminium & Conductors	No.F.AGM/DP&C/RE-DDUGJY/LOA/ACSR/Gomati/1077-83	02-03-2016
RGGVY (XII Plan)	ACSR Rabbit Conductor 6/1/3.35	Gomati	2	24600	14	Km	24600	0	0	0.00	Gupta Power Infrastructure Ltd.	No.F.AGM/DP&C/RE-DDUGJY/LOA/ACSR/Gomati/568-74	05-01-2016
RGGVY (XII Plan)	ACSR Rabbit Conductor 6/1/3.35	Gomati	2	26381	10.5	Km	24600	1781	18700.5	7.24	Trip Con	No.F.AGM/DP&C/RE-DDUGJY/LOA/ACSR/Gomati/603-09	04-06-2016
RGGVY (XII Plan)	ACSR Rabbit Conductor 6/1/3.35	Gomati	2	26381	10.5	Km	24600	1781	18700.5	7.24	Abhinandan Enterprise	No.F.AGM/DP&C/RE-DDUGJY/LOA/ACSR/Gomati/610-16	04-06-2016
RGGVY (XII Plan)	ASCR wheasel conductor 6/1/2.59	Gomati	1	16600	620	Km	14700	1900	1178000	12.93	Himachal Aluminium & Conductors	No.F.AGM/DP&C/RE-DDUGJY/LOA/ACSR/Gomati/1077-83	02-03-2016
RGGVY (XII Plan)	ASCR wheasel conductor 6/1/2.59	Gomati	2	14700	280	Km	14700	0	0	0.00	Gupta Power Infrastructure Ltd.	No.F.AGM/DP&C/RE-DDUGJY/LOA/ACSR/Gomati/568-74	04-06-2016
RGGVY (XII Plan)	ASCR wheasel conductor 6/1/2.59	Gomati	2	15764	210	Km	14700	1064	223440	7.24	Trip Con	No.F.AGM/DP&C/RE-DDUGJY/LOA/ACSR/Gomati/603-09	04-06-2016
RGGVY (XII Plan)	ASCR wheasel conductor 6/1/2.59	Gomati	2	15764	210	Km	14700	1064	223440	7.24	Abhinandan Enterprise	No.F.AGM/DP&C/RE-DDUGJY/LOA/ACSR/Gomati/610-16	04-06-2016
Total (A)									17,93,561				

Appendix 4.2.4 (b)

Procurement of same materials for same district and neighbouring district at different ex-factory rates

(Reference: Paragraph 4.2.12.7)

Scheme	Items of works	District	Package	LOA rate (Ex-factory rate)	LOA quantity	Unit	Lowest Price (in ₹)	Difference of rates (in ₹)	Excess Expenditure (in ₹)	% of price difference	Name of supplier	LOA No	Date
Procurement of same materials for neighbouring district at different ex-factory rates													
RGVY (XII Plan)	8 mtr long PCC Pole	Dhalai	1	3200	1500	Nos	3200	0	0	0.00	M/S K B Industries	No.F.AGM/DP&C/RE- DDUGJY/LOA/STP/ Dhala/89-95	07-04-2016
RGVY (XII Plan)	8 mtr long PCC Pole	Dhalai	2	3200	1500	Nos	3200	0	0	0.00	M/S K B Industries	No.F.AGM/DP&C/RE- DDUGJY/LOA/STP/ Dhala/699-705	27-06-2016
RGVY (XII Plan)	8 mtr long PCC Pole	Dhalai	3	3200	1512	Nos	3200	0	0	0.00	M/S K B Industries	No.F.AGM/DP&C/RE- DDUGJY/LOA/STP/ Dhala/61-67	05-01-2016
RGVY (XII Plan)	8 mtr long PCC Pole	Gomati	1	3225	3000	Nos	3200	25	75000	0.78	M/S Eastern Engineering & Builders	No.F.AGM/DP&C/RE- DDUGJY/LOA/STP/ Gomoti/1048-54	25-01-2016
RGVY (XII Plan)	8 mtr long PCC Pole	Gomati	2	3225	1214	Nos	3200	25	30350	0.78	M/S Eastern Engineering & Builders	No.F.AGM/DP&C/RE- DDUGJY/LOA/STP/ Gomoti/685-91	27-06-2016
RGVY (XII Plan)	9 mtr long PCC Pole	Dhalai	1	3900	3000	Nos	3900	0	0	0.00	M/S K B Industries	No.F.AGM/DP&C/RE- DDUGJY/LOA/STP/ Dhala/89-95	07-04-2016
RGVY (XII Plan)	9 mtr long PCC Pole	Dhalai	2	3900	3000	Nos	3900	0	0	0.00	M/S K B Industries	No.F.AGM/DP&C/RE- DDUGJY/LOA/STP/ /Dhala/699-705	27-06-2016
RGVY (XII Plan)	9 mtr long PCC Pole	Dhalai	3	3900	2615	Nos	3900	0	0	0.00	M/S K B Industries	No.F.AGM/DP&C/RE- DDUGJY/LOA/STP/ /Dhala/61-67	05-01-2016
RGVY (XII Plan)	9 mtr long PCC Pole	Gomati	1	3950	1700	Nos	3900	50	85000	1.28	M/S Eastern Engineering & Builders	No.F.AGM/DP&C/RE- DDUGJY/LOA/STP/ Gomoti/1048-54	25-01-2016

Appendix 4.2.4 (b) (Contd.)

Procurement of same materials for same district and neighbouring district at different ex-factory rates

(Reference: Paragraph 4.2.12.7)

Scheme	Items of works	District	Package	LOA rate (Ex-factory rate)	LOA quantity	Unit	Lowest Price (in ₹)	Difference of rates (in ₹)	Excess Expenditure (in ₹)	% of price difference	Name of supplier	LOA No	Date
Procurement of same materials for neighbouring district at different ex-factory rates													
RGGVY (XII Plan)	9 mtr long PCC Pole	Gomati	2	3950	1556	Nos	3900	50	77800	1.28	M/S Eastern Engineering & Builders	No.F.AGM/DP&C/RE-DDUGJY/LOA/STP/Gomoti/685-91	27-06-2016
RGGVY (XII Plan)	ACSR Rabbit Conductor 6/1/3.35	Dhalai	1	24600	9	Km	24600	0	0	0.00	Abhinandan Enterprize	No.F.AGM/DP&C/RE-DDUGJY/LOA/ACSR/Dhalai/47-53	05-01-2016
RGGVY (XII Plan)	ACSR wheasel conductor 6/1/2.59	Dhalai	1	14700	375	Km	14700	0	0	0.00	Gupta Power Infrastructure Ltd.	No.F.AGM/DP&C/RE-DDUGJY/LOA/ACSR/Dhalai/40-46	05-01-2016
RGGVY (XII Plan)	ACSR wheasel conductor 6/1/2.59	Dhalai	2	14700	350	Km	14700	0	0	0.00	Gupta Power Infrastructure Ltd.	No.F.AGM/DP&C/RE-DDUGJY/LOA/ACSR/Dhalai/554-60	04-06-2016
RGGVY (XII Plan)	ACSR wheasel conductor 6/1/2.59	Dhalai	2	15764	265	Km	14700	1064	281960	7.24	Basant Cables & Conductors (P) Ltd.	No.F.AGM/DP&C/RE-DDUGJY/LOA/ACSR/Dhalai/575-81	04-06-2016
RGGVY (XII Plan)	ACSR wheasel conductor 6/1/2.59	Dhalai	2	15764	265	Km	14700	1064	281960	7.24	Maharishi Udyog	No.F.AGM/DP&C/RE-DDUGJY/LOA/ACSR/Dhalai/589-95	04-06-2016
RGGVY (XII Plan)	ACSR wheasel conductor 6/1/2.59	Dhalai	3	15764	259.5	Km	14700	1064	276108	7.24	Trip Con	No.F.AGM/DP&C/RE-DDUGJY/LOA/ACSR/Dhalai/596-602	04-06-2016
RGGVY (XII Plan)	ACSR wheasel conductor 6/1/2.59	Dhalai	3	15764	259.5	Km	14700	1064	276108	7.24	Basant Cables & Conductors (P) Ltd.	No.F.AGM/DP&C/RE-DDUGJY/LOA/ACSR/Dhalai/582-88	04-06-2016
RGGVY (XII Plan)	ACSR wheasel conductor 6/1/2.59	Dhalai	3	14700	346	Km	14700	0	0	0.00	Gupta Power Infrastructure Ltd.	No.F.AGM/DP&C/RE-DDUGJY/LOA/ACSR/Dhalai/603-609	04-06-2016

Appendix 4.2.4 (b) (Contd.)

Procurement of same materials for same district and neighbouring district at different ex-factory rates

(Reference: Paragraph 4.2.12.7)

Scheme	Items of works	District	Package	LOA rate (Ex-factory rate)	LOA quantity	Unit	Lowest Price (in ₹)	Difference of rates (in ₹)	Excess Expenditure (in ₹)	% of price difference	Name of supplier	LOA No	Date
Procurement of same materials for neighbouring district at different ex-factory rates													
RGGVY (XII Plan)	Steel Tubular Poles, 8 mtr long (IS Designation 410 SP-15) ISS: 2713 (P-I, P-II), 1980	Dhalai	A	4750	950	Nos	4165	585	555750	14.05	Tripura Power	No.F.AGM/DP&C/RE-DDUGJY/LOA/STP/Dhalai/1698-1705	16-08-2016
RGGVY (XII Plan)	Steel Tubular Poles, 8 mtr long (IS Designation 410 SP-15) ISS: 2713 (P-I, P-II), 1980	Dhalai	B	4750	950	Nos	4165	585	555750	14.05	Rnagamayee Structural Products	No.F.AGM/DP&C/RE-DDUGJY/LOA/STP/Dhalai/1613-20	16-08-2016
RGGVY (XII Plan)	Steel Tubular Poles, 8 mtr long (IS Designation 410 SP-15) ISS: 2713 (P-I, P-II), 1980	Dhalai	1	4750	920	Nos	4165	585	538200	14.05	Electro Poles Products Pvt., Ltd	No.F.AGM/DP&C/RE-DDUGJY/LOA/STP/Dhalai/19-25	05-01-2016
RGGVY (XII Plan)	Steel Tubular Poles, 8 mtr long (IS Designation 410 SP-15) ISS: 2713 (P-I, P-II), 1980	Gomati	2	4165	1290	Nos	4165	0	0	0.00	BST Infratech Ltd.	No.F.AGM/DP&C/RE-DDUGJY/LOA/STP/Gomoti/799-804	13-07-2016
RGGVY (XII Plan)	Steel Tubular Poles, 8 mtr long (IS Designation 410 SP-15) ISS: 2713 (P-I, P-II), 1980	Gomati	2	4165	1290	Nos	4165	0	0	0.00	BST Infratech Ltd.	No.F.AGM/DP&C/RE-DDUGJY/LOA/STP/Gomoti/799-804	13-07-2016

Appendix 4.2.4 (b) (Concl.)

Procurement of same materials for same district and neighbouring district at different ex-factory rates

(Reference: Paragraph 4.2.12.7)

Scheme	Items of works	District	Package	LOA rate (Ex-factory rate)	LOA quantity	Unit	Lowest Price (in ₹)	Difference of rates (in ₹)	Excess Expenditure (in ₹)	% of price difference	Name of supplier	LOA No	Date
Procurement of same materials for neighbouring district at different ex-factory rates													
RGGVY (XII Plan)	Steel Tubular Poles, 9 mtr long (IS Designation 410 SP-32) ISS: 2713 (P-I, P-II), 1980	Dhalai	A	7495	950	Nos	5390	2105	1999750	39.05	Tripura Power	No.F.AGM/DP&C/RE-DDUGJY/LOA/STP/Dhalai/1698-1705	26-08-2016
RGGVY (XII Plan)	Steel Tubular Poles, 9 mtr long (IS Designation 410 SP-32) ISS: 2713 (P-I, P-II), 1980	Dhalai	B	7495	950	Nos	5390	2105	1999750	39.05	Rnagamayee Structural Products	No.F.AGM/DP&C/RE-DDUGJY/LOA/STP/Dhalai/1613-20	16-08-2016
RGGVY (XII Plan)	Steel Tubular Poles, 9 mtr long (IS Designation 410 SP-32) ISS: 2713 (P-I, P-II), 1980	Dhalai	1	6100	820	Nos	5390	710	582200	13.17	Electro Poles Products Pvt., Ltd	No.F.AGM/DP&C/RE-DDUGJY/LOA/STP/Dhalai/19-25	05-01-2016
RGGVY (XII Plan)	Steel Tubular Poles, 9 mtr long (IS Designation 410 SP-32) ISS: 2713 (P-I, P-II), 1980	Gomati	2	5390	540	Nos	5390	0	0	0.00	BST infratech Ltd.	No.F.AGM/DP&C/RE-DDUGJY/LOA/STP/Gomoti/799-804	13-07-2016
RGGVY (XII Plan)	Steel Tubular Poles, 9 mtr long (IS Designation 410 SP-32) ISS: 2713 (P-I, P-II), 1980	Gomati		5390	540	Nos	5390	0	0	0.00	BST infratech Ltd.	No.F.AGM/DP&C/RE-DDUGJY/LOA/STP/Gomoti/799-804	13-07-2016
	Total (B)								76,15,686				
	Grand Total (A+B)								94,09,247				

Appendix 4.2.5

Unreasonable price variations in similar erection works under DDUGJY scheme

(Reference: Paragraph 4.2.12.7)

Sl. No.	Items of work	Ex-works price/ unit								Excess expenditure (in ₹)
		West		Dhalai		Gomati		Sepahijala		
		Rate (in ₹)	Qty	Rate (in ₹)	Qty	Rate (in ₹)	Qty	Rate (in ₹)	Qty	
Erection, testing & commissioning of new 11 KV lines										
1	Survey, route alignment and pole spotting, preparation of survey report and uploading in the web portal	5,800	9.43	7,500	18	6,000	8	10,331	11.78	85,575
Excavation of pole pit (of depth 1/6th of pole length) in normal soil										
2	9 mtr long PCC poles	1,000	160	800	306	800	136	1,082	200	88,400
Erection of poles for 11 KV overhead lines										
3	9 mtr long PCC poles with RCC base plate/ pad including refilling by brick ballast/ stone bolder	4,500	160	2,800	306	1,700	136	4,231	200	12,90,800
4	9 mtr long ST poles with welded steel base plate - cement concreting 0.5 cm	5,300	66	4,000	126	2,200	56	4,428	82	6,14,096
5	Erection, testing & commissioning of pre-fabricated steel items	20,000	6.932	10,000	13.106	5,000	5.865	24,600	8.612	3,38,305
6	Excavation, erection, testing & commissioning of 40 mm dia, 3,000 mm long GI pipe earth electrode	2,900	47	1,500	90	1,000	40	2,854	59	2,43,686
7	Erection of 8 SWG GI wire for earthing and guarding	12,000	2.65	10,000	4.62	30,000	1.848	14,759	2.7212	55,210
Excavation of stay pit										
8	Erection of complete stay set	1,500	132	900	252	800	112	1,574	165	2,45,310
Erection of poles for 11/0.4 KV Distribution Transformer Sub-station										
9	9 mtr long ST poles with welded steel base plate - cement concreting 0.5 cm	5,100	40	4,500	36	2,200	34	4,428	44	2,96,832

Appendix 4.2.5 (contd.)

Unreasonable price variations in similar erection works under DDUGJY scheme

(Reference: Paragraph 4.2.12.7)

Sl. No.	Items of work	Ex-works price/ unit								Excess expenditure (in ₹)
		West		Dhalai		Gomati		Sepahijala		
		Rate (in ₹)	Qty	Rate (in ₹)	Qty	Rate (in ₹)	Qty	Rate (in ₹)	Qty	
Excavation of stay pit										
10	Erection, testing & commissioning of pre-fabricated steel items	20,000	6.537	10,000	5.884	40,000	5.557	24,600	7.191	3,37,069
Erection, testing & commissioning of outdoor mounting type Distribution box										
11	Erection, testing & commissioning of 3 Nos. pipe earthing using 40 mm dia GI pipe 3,000 mm long, etc.	2,400	60	1,500	54	3,000	51	2,854	66	2,19,864
Erection LT line										
12	Survey, route alignment and pole spotting, preparation of survey report and uploading in the web portal.	5,000	26.58	7,500	19.61	5,000	28.66	6,298	31.64	90,094
Erection of poles for LT overhead lines										
13	8 mtr long PCC poles - cement concreting 0.5 cm	2,500	452	3,000	334	1,700	488	3,050	538	15,22,100
14	8 mtr long ST poles with welded steel base plate	3,500	212	3,500	157	2,200	253	3,838	253	8,94,114
Excavation of stay pit										
15	Erection of galvanised stay set with 50 x 8 mm stay clamp, etc.	1,500	373	900	275	800	401	1,574	443	6,31,482

Appendix 4.2.5 (concl.)

Unreasonable price variations in similar erection works under DDUGJY scheme

(Reference: Paragraph 4.2.12.7)

Sl. No.	Items of work	Ex-works price/ unit								Excess expenditure (in ₹)
		West		Dhalai		Gomati		Sepahijala		
		Rate (in ₹)	Qty	Rate (in ₹)	Qty	Rate (in ₹)	Qty	Rate (in ₹)	Qty	
Erection of poles for 11 KV overhead lines										
16	9 mtr long PCC poles with RCC base plate/pad including refilling by brick ballast/ stone bolder	4,500	85	2,800	68	1,700	187	4,231	86	5,30,466
17	9 mtr long ST poles with welded steel base plate - cement concreting 0.5 cm	5,100	57	4,000	46	2,200	124	4,428	57	3,75,096
Earthing arrangement as per technical specifications										
18	Excavation, erection, testing & commissioning of 40 mm dia, 3,000 mm long GI pipe earth electrode	2,400	141	2,000	40	800	311	2,700	143	5,45,300
19	Erection of 8 SWG GI wire for earthing and guarding	12,000	6.466	10,000	5.355	21,000	13.572	14,500	6.523	1,91,578
Total										85,95,377

Note: The lowest rates for each item of work are shown in “bold” typeface.

Appendix 4.2.6

Details of Materials procured from unauthorised manufacturers/suppliers

(Reference: Paragraph 4.2.12.8)

Name of works and description of Item	Agreement Qty.	Deviated / Extra Item qnty.	Total supplied materials	Unit	Total (in ₹)	Name of Supplier/Manufacturer
Installation of 10 KVA, 16 KVA & 25 KVA Distribution Transformer on Steel Tubular Pole						
10 KVA Transformer 11/0.23 Kv (2/1971)	46	0	16	No	7,60,000.00	M/s Siliguri Electric Works, West Bengal
16 KVA Transformer 11/0.23 Kv (2/1971)	60	0	20	No	12,64,000.00	M/s Siliguri Electric Works, West Bengal
25 KVA Transformer 11/0.4 Kv (2/1971)	55	0	16	No	14,92,800.00	M/s Siliguri Electric Works, West Bengal
ACSR Conductor (6/1/2.59 mm) (1/1971)	8.050	0	4.000	Km	1,22,000.00	M/s Cabcon India Pvt. Ltd. Howrah, West Bengal
U clamp (made of 50 x 6 mm M.S. flat) duly galvanised as per relevant I.S.	1932	0	1932	No	1,70,016.00	Nation Power Lines, Howrah, West Bengal
Construction of 160.0 ckm 3-Phase 11 KV Line on PCC & Steel Tubular Pole With ACSR WEASEL Conductor (6/1/2.59 mm)						
ACSR conductor (6/1/2.59 mm)	494.400	0	435.664	Km	1,34,83,437.35	M/s Cabcon India Pvt. Ltd. Howrah, West Bengal
Construction of 14.26 ckm 3-Phase 4-Wire LT Line on PCC & Steel Tubular Pole With ACSR WEASEL Conductor (6/1/2.59 mm)						
ACSR conductor (6/1/2.59mm)	59.00	0	55.320		17,09,964.96	M/s Cabcon India Pvt. Ltd. Howrah, West Bengal
U clamp (made of 50 x 6 mm M.S. flat) duly galvanised as per relevant I.S.	713	692	1405	No	1,25,702.64	Nation Power Lines, Howrah, West Bengal
Construction of 264.0 ckm 1-Ph 2-Wire on PCC & Steel Tubular Pole With ACSR WEASEL Conductor (6/1/2.59 mm)						
ACSR Conductor (6/1/2.59 mm) (1/1971)	543.500	85	628.315	Km	1,94,41,554.15	M/s Cabcon India Pvt. Ltd. Howrah, West Bengal
Providing of 6500 Nos. Domestic BPL Service Connection						
1.1 KV 2.5 Sqmm 2 Core or 1 Core PVC Cable (Service Wire)	195000	0	195000	Mtr	31,16,448.00	Barasat Cable and Manufacture Co, West Bengal
Retrofit LED Lamp 9 Watts	6500	0	6500	No	7,80,000.00	Dewlinter industries, Parwanoo, Himachal Pradesh
Total					4,24,65,923.10	

Appendix 4.2.7

Statement showing cost of Distribution Transformers purchased under Saubhagya scheme

(Reference: Paragraph 4.2.15.1)

DTR capacity	West Tripura District			Dhalai District			Total			Total defective transformers remaining	Unit cost of DTR (in ₹)	Total cost (in ₹)	Average cost of per DTR (in ₹)	Total cost of 212defective DTRs (in ₹)
	Received	Defective	Repaired	Received	Defective	Repaired	Received	Defective	Repaired					
16 KVA 1-Ph (10 KVA)	11	0	0	18	138	0	29	261	0		58616.93	1699890.97	129184.40	27387094.60
16 KVA 3-Ph	72	2	0	94		1	166		1		92891.30	15419955.80		
25 KVA 3-Ph	250	91	11	585		23	835		34		111852.30	93396662.15		
63 KVA 3-Ph	131	30	6	144		8	275		14		204147.50	56140573.50		
100 KVA 3-Ph	4	0	0	9		0	13		0	212	277536.00	3607968.00		
Total	468	123	17	850	138	32	1318	261	49			170265050.40		

Appendix 4.2.8

Statement showing cost of material lying idle in Dhalai storeyard under Saubhagya scheme

(Reference: Paragraph 4.2.15.2)

Sl. No.	Item	Unit	Unit cost	Received	Issued	Balance	Total cost of material received (in ₹)	Total cost of balance item (in ₹)	Percentage Utilisation
1	8 Mtr. steel pole	Nos.	10296.93	19678	15101	4577	202622988.5	47129048.61	76.74
2	16 KVA DTR (3-Phase)	Nos.	92891.30	64	40	24	5945043.2	2229391.181	62.5
3	25 KVA Transformer (3-Phase)	Nos.	111852.29	585	178	407	65433589.65	45523883.82	30.43
4	63 KVA Transformer (3-Phase)	Nos.	204147.55	94	34	60	19189869.7	12248853.12	36.17
5	100 KVA Transformer (3-Phase)	Nos.	277536.00	9	2	7	2497824	1942752	22.22
6	LT AB Cable (3-Phase)	Km.	164935.68	184.861	130	54.861	30490174.74	9048536.34	70.32
7	LT AB Cable (1-Phase)	Km.	64758.40	947.211	769	178.211	61339868.82	11540659.22	81.19
8	Suspension clamp	Nos.	545.82	33600	19038	14562	18339552	7948242.49	56.66
9	Anchor clamp/Assembly	Nos.	573.57	28000	7232	20768	16059960	11911993.14	25.83
10	Dead end clamp	Nos.	573.57	28000	16447	11553	16059960	6626505.043	58.74
11	Pre insulated Bi-Metallic socket	Nos.	416.30	35001	7830	27171	14570916.3	11311395.98	22.37
12	AB cable end cap	Nos.	18.50	350	300	50	6475	925.12	85.71
13	AB cable tie with adjustable locking arrangement	Nos.	9.25	35000	9450	25550	323750	236368.16	27
14	Insulation Piercing Connector	Nos	153.31	35000	14949	20051	5365850	3073930.586	42.71
15	Service Clamp	Nos	360.8	35000	5950	29050	12628000	10481147.04	17
16	Jointing Sleeves	Nos	185.02	13701	3758	9943	2534959.02	1839693.632	27.43
17	4-Way LT Distribution Box	Nos	1784.16	24350	12213	12137	43444296	21654349.92	50.16
18	LT Distribution Box 16 KVA (1-Phase)	Nos	13366.66	14	0	14	187133.24	187133.2736	0
19	LT Distribution Box 16 KVA (3-Phase)	Nos	23807.3	71	34	37	1690318.3	880870.1888	47.89
20	LT Distribution Box 25 KVA (3-Phase)	Nos	28678.72	585	30	555	16777051.2	15916689.6	5.13

Appendix 4.2.8 (concl.)

Statement showing cost of material lying idle in Dhalai storeyard under Saubhagya scheme

(Reference: Paragraph 4.2.15.2)

Sl. No.	Item	Unit	Unit cost	Received	Issued	Balance	Total cost of material received (in ₹)	Total cost of balance item (in ₹)	Percentage Utilisation
21	LT Distribution Box 63 KVA (3-Phase)	Nos.	69384.00	80	18	62	5550720	4301808	22.5
22	LT Distribution Box 100 KVA (3-Phase)	Nos.	77710.08	9	2	7	699390.72	543970.56	22.22
23	1-Phase XLPE Cable 16 SQ.MM.	Mtr.	66.08	1750	783	967	115640	63899.36	44.74
24	1-Phase XLPE Cable 50 SQ.MM.	Mtr.	116.30	3500	880	2620	407050	304708.096	25.14
25	11 KV Pin Insulator	Nos.	915.87	42000	7416	34584	38466540	31674406.58	17.66
26	11 KV Disc Insulator With Disc Fittings	Nos.	749.35	21000	7325	13675	15736350	10247322.96	34.88
27	9 KV LA	Nos.	5180.67	585	294	291	3030691.95	1507575.552	50.26
28	11 KV GOS (3-Phase)	Set	20260.13	210	107	103	4254627.3	2086793.184	50.95
29	11 KV DOF (3-Phase)	Set	9991.30	210	106	104	2098173	1039094.784	50.48
30	Spike ROD	Nos.	852.43	5600	3911	1689	4773608	1439757.648	69.84
31	8 SWG GI Wire	Mt.	115269.95	350	98.887	251.113	40344482.5	28945783.46	28.25
32	HT Stay Set	Set	1174.90	25900	14985	10915	30429910	12824059.7	57.86
33	GI Stay Wire	Mt.	119895.55	140.031	59.598	80.433	16789093.76	9643558.934	42.56
Total							69,82,03,857	32,63,55,107	

Appendix 4.2.9

Statement showing the cost of service connection material lying idle under Saubhagya Scheme

(Reference: Paragraph 4.2.15.3)

Sl. No.	Description of item	Unit	West Tripura					Dhalai					Grand Total (in ₹)
			Total received	Total Issue	Balance	Unit Price (in ₹)	Total Cost (in ₹)	Total received	Total Issue	Balance	Unit Price (in ₹)	Total Cost (in ₹)	
1	Supply of Polycarbonate Meter Board (8x12) Inch	No.	40000	30588	9412	69	649428	40000	26943	13057	110	1436270	2085698
2	Supply of polycarbonate board for switch (6x4) inch	No.	20000	19294	706	42	29652	20000	14307	5693	60	341580	371232
3	Supply of polycarbonate board for holder (4x4) inch	No.	20000	18294	1706	26	44356	20000	15892	4108	40	164320	208676
4	Supply of Wooden Plank (1 Mtr Long X 10 Inch Breadth X 1 Inch Thickness)	No.	14272	14272	0	385	0	20000	10942	9058	251	2273558	2273558
5	Supply of 16 Amp DP Main Switch (Make-Ssk, Havels, Hpl)	No.	17000	11310	5690	260	1479400	20000	16484	3516	260	914160	2393560
6	Supply of 5 Amp 1 Awy Piano Switch (ISI) Marked Reputed Brand	No.	40000	39588	412	11	4532	40000	27578	12422	11	136642	141174
7	Supply of Angle Holder (ISI Marked Reputed Brand)	No.	20000	20000	0	16.5	0	20000	16269	3731	19	70889	70889
8	Supply of PVC pipe 20 mm dia ISI marked	Mtr.	59900	44525	15375	23	353625	60000	60000	0	12	0	353625
9	Supply of stranded wire two core (round flexible) 1.5 sq. mm. cupper cable finolex	Mtr.	100000	91470	8530	10.5	89565	100030	97374	2656	25	66400	155965

Appendix 4.2.9 (concl'd.)

Statement showing the cost of service connection material lying idle under Saubhagya Scheme

(Reference: Paragraph 4.2.15.3)

			West Tripura					Dhalai					Grand Total (in ₹)	
Sl. No.	Description of item	Unit	Total received	Total Issue	Balance	Unit Price (in ₹)	Total Cost (in ₹)	Total received	Total Issue	Balance	Unit Price (in ₹)	Total Cost (in ₹)		
10	Supply of reel insulator	No.	400000	230380	169620	0.7	118734	400500	101000	299500	0.75	224625	343359	
11	Supply of 9 Watt Pin Type Led Lamp	No.	20000	18294	1706	73	124538	20000	15154	4846	72	348912	473450	
12	Supply of Galvanised Screw (Size one and half Inch)	Pkt.	2500	1351	1149	82	94218	2500	1359	1141	68	77588	171806	
13	Supply of Galvanised Screw (Size one Inch)	Pkt.	2500	1074	1426	82	116932	2500	784	1716	64	109824	226756	
14	Supply Of Galvanised Screw (Half Inch)	Pkt.	2500	1106	1394	82	114308	2500	310	2190	97	212430	326738	
15	Supply of 16 Amp cut out	No.	20000	18294	1706	24	40944	20000	17237	2763	25	69075	110019	
16	1/2 Cassing – 6 ft length (Half inch)	No.	20000	20000	0	43	0	20000	12769	7231	35	253085	253085	
17	Supply of 6 Amp Plug (5 Pin)	No.	20000	20000	0	16.5	0	20000	17054	2946	24.5	72177	72177	
Total Amount							32,60,232						67,71,535	1,00,31,767

Appendix 4.2.10

Details Tier-I inspection (TPIA) in four sampled districts

(Reference: Paragraph 4.2.17.1)

Stage of inspection	District	Total number of villages covered under the scheme	Inspection of villages						Inspection of sub-station					Balance
			Scope (No. of villages to be inspected)	No. of villages actually Inspected	short fall	No. of defects observed	No. of defects rectified	Balance	Scope (No of SS to be inspected)	No of SS actually Inspected	Short fall	No of defects observed	No. of defects rectified	
Stage-I (10 per cent of total villages)	West Trpura	78	8	8	0	42	42	0	0	0	0	0	0	0
	Gomati	131	13	13	0	295	295	0	1	1	0	4	0	4
	Sepahijala	108	11	12	0	148	148	0	0	0	0	0	0	0
	Dhalai	133	13	11	2	107	107	0	0	0	0	0	0	0
Total		450	45	44	2	592	592	0	1	1	0	4	0	4
Stage-II (50 per cent of total villages including 100 per cent re-inspection of villages inspected at stage-I)	West Trpura	78	39	39	0	106	106	0	0	0	0	0	0	0
	Gomati	131	66	0	66	0	0	0	1	0	1	0	0	0
	Sepahijala	108	54	59	0	1073	1073	0	0	0	0	0	0	0
	Dhalai	133	67	0	67	0	0	0	0	0	0	0	0	0
Total		450	226	98	133	1179	1179	0	1	0	1	0	0	0

Appendix 5.2.1(a)

List of refund cases in which deficiency noticed (Interest due-paid/not paid) pre-automation

(Reference: Paragraph 5.2.5.1)

Sl No.	Name of Division	Name of the Commissionerate	Name of the assessee	Goods and Services Tax Identification Number (GSTIN)	Application Reference Number (ARN)	Date of filing Refund Application in case of manual filing	Date of order in Form GST RFD-06	Refund amount claimed (in ₹)	Refund amount sanctioned (in ₹)	Period of delay (in days)	Reasons for delay	Interest due paid (in ₹)	Interest due not paid (in ₹)
1	Charge-II	Commissioner of Taxes, Tripura	Joy Ram Enterprise	16BJRPS5449G1ZK	AA160119000781K	17-01-2019	25-09-2019	15000	15000	191	The taxpayer failed to submit all the required documents within stipulated time.	0	470.96
2	Charge-II	Commissioner of Taxes, Tripura	Hind Agencies	16AGNPR4007R1ZQ	AA160219000746C	16-02-2019	30-05-2019	170000	46000	43	Do	0	325.15
3	Charge-II	Commissioner of Taxes, Tripura	Basana Enterprise	16ADOPR7177A1Z9	AA1605190006294	14-05-2019	25-09-2019	88922	88922	74	Do	0	1081.68
4	Charge-V	Commissioner of Taxes, Tripura	Sanjib Saha	16BCRPS2344P1ZS	AA160119000713N	17-01-2019	31-05-2019	397546	198773	74	The taxpayers delayed in submission of proper documents related to the refund claimed and due to technical glitches also the proper officer could not able to process the refund case in time	0	2417.95
5	Bishalgarh	Commissioner of Taxes, Tripura	M/s Joy Ram Milk Producers Co-Operative Society Limited	16AAEAJ6372P1Z2	AA160919001311I	25-09-2019	30-11-2019	17400	8700	6	The said taxpayer did not submit necessary documents, related with refund, in time.	0	8.58
Total									357395				4304.32

Appendix 5.2.1(b)

List of refund cases in which deficiency noticed (Applications not disposed within time Interest due-paid/not paid) post-automation

(Reference: Paragraph 5.2.5.1)

Sl. No.	Name of Division	Name of the assessee	GSTIN	ARN	Date of filing Application (ARN Date)	Date of order in Form GST RFD-06	Refund amount claimed (in ₹)	Refund amount sanctioned (in ₹)	Period of delay (in days)	Reasons for delay	Interest due paid (in ₹)	Interest due not paid (in ₹)
1	Ch-II	Ajoy Saha	16AVLPS3580K2ZX	AA161019000204X	09-10-2019	18-12-2019	12800	12800	10	Documents not submitted in time.	Nil	21.04
2	Ch-II	Kim Industries Co Hari	16AAJFM3850D2ZF	AA161019000334S	12-10-2019	18-12-2019	22800	22800	7	-do-	Nil	26.24
3	Ch-II	P B Sanitary	16ABTPD7616H1ZG	AA161019000214W	09-10-2019	18-12-2019	1800000	1800000	10	-do-	Nil	2958.90
4	Ch-II	Sudhangshu Bhattacharjee	16ACSPB1527H1ZR	AA1609190014471	29-09-2019	18-12-2019	18800	18800	21	-do-	Nil	64.90
5	Ch-VII	Namita Purkayastha Nandy	16AJOPP5526F2ZY	AA160320000624Z	14-03-2020	28-05-2020	20800	20800	15	-do-	Nil	51.29
6	Ch-VIII	Arati Debnath	16AGKPD3122A1Z8	AA161019000208P	09-10-2019	01-01-2020	3800	3800	24	-do-	Nil	14.99
7	Ch-VIII	Sanjoy Shaw	16BOFPS2897F1ZI	AA161219000425L	07-12-2019	07-03-2020	880533	880533	31	-do-	Nil	4487.10
8	Udaipur	Bajrang Transport and Constructions	16AATFB149C1ZD	AA160220001140G	22-02-2020	11-05-2020	36000	36000	19	-do-	Nil	112.44
Total								2795533				7736.90

Appendix 5.2.1 (c)

List and status of deficiency memo (eight cases) during post-automation period

(Reference: Paragraph 5.2.5.1)

Under jurisdiction	Name of dealers	GSTIN	ARN	ARN date	Date of issue of deficiencies memo	Delay in days
Ch-II	Ajoy Saha	16AVLPS3580K2ZX	AA161019000204X	09-10-2019	Not issued	-
Ch-II	KM Industries Co Hari	16AAJFM3850D2ZF	AA161019000334S	12-10-2019	Not issued	-
Ch-II	P. B Sanitary	16ABTPD7616H1ZG	AA161019000214W	09-10-2019	Not issued	-
Ch-II	Sudhangshu Bhattacharjee	16ACSPB1527H1ZR	AA1609190014471	28-09-2019	Not issued	-
Ch-VII	Namita Purkayastha Nandy	16AJOPP5526F2ZY	AA160320000624Z	14-03-2020	29-04-2020	31
Ch-VIII	Arati Debnath	16AGKPD3122A1Z8	AA161019000208P	09-10-2019	07-12-2019	44
Ch-VIII	Sanjoy Shaw	16BOFPS2897F1ZI	AA161219000425L	07-12-2019	03-02-2020	43
Udaipur	Bajrang Transport and Constructions	16AATFB6149C1ZD	AA160220001140G	22-02-2020	18-03-2020	10

Appendix 5.2.2(a)

List of refund cases in which deficiency noticed (Delay in acknowledgement of applications) (pre-automation)

(Reference: Paragraph 5.2.5.2)

Sr. No.	Name of Division	Name of the Commissionerate	Name of the assessee	GSTIN	ARN	Date of filing Refund Application	Date of issue of acknowledgment in Form GST RFD-02	Refund amount claimed (in ₹)	Period of delay (days)	Reasons for delay
1	Charge-I	Commissioner of Taxes, Tripura	Tripura State Electricity Corporation Ltd.	16AACCT2964M1ZY	AA160319001125P	20-03-2019	20-09-2019	3974141	169	Taxpayer failed to submit all the required documents within stipulated time.
2	Charge-I	Commissioner of Taxes, Tripura	VKB Illuminators LLP	16AAOFV1218K1ZX	AA160919001211K	23-09-2019	28-05-2020	57724	233	Do
3	Charge-III	Commissioner of Taxes, Tripura	Shekhar Chandra Podder	16AEYPP1732Q1ZL	AA160619000867Y	20-04-2019	11-07-2019	5000	67	The taxpayer submitted required documents such as RFD-1A, beneficiary details in late, thus the acknowledgement was issued late.
4	Charge-IV	Commissioner of Taxes, Tripura	Kamala Medical Hall	16AHPPS4799G2ZG	AA1605190009537	20-05-2019	09-01-2020	120860	219	The taxpayer submitted required documents in late. Moreover, a wrong beneficiary details had been submitted and after communication via email and over telephone correct beneficiary code had been submitted and finally the refund order had been sanctioned.
5	Charge-IV	Commissioner of Taxes, Tripura	Tirupathi IT Solution	16AXWPR5355A1Z4	AA160619000813B	20-06-2019	21-09-2019	75000	78	As the taxpayer submitted beneficiary details not in time, thus the acknowledgement was issued late.
6	Charge-VI	Commissioner of Taxes, Tripura	General Administration Department Printing & Stationery	16AAAGG0518A1Z8	AA160319000208K	05-03-2019	03-05-2019	9688	44	The dealer was late to appear with all the relevant documents asked for.
7	Charge-VIII	Commissioner of Taxes, Tripura	Joy Dayamoy Varieties	16DQKPS7973F1Z4	AA1605190006369	14-05-2019	20-09-2019	6000	114	As the necessary documents were not submitted by the concerned taxpayers in time.
8	Charge-VIII	Commissioner of Taxes, Tripura	Expert Drillers	16AEVPJ9257M1ZI	AA160719002004M	31-07-2019	02-09-2019	89250	18	Do
Total								4337663		

Appendix 5.2.2(b)

List of refund cases in which deficiency noticed (Delay in acknowledgement of applications) post-automation

(Reference: Paragraph 5.2.5.2)

Sl. No.	Name of Division	Name of the Commissionerate	Name of the assessee	GSTIN	ARN & Date	Date of issue of acknowledgment in Form GST RFD-02	Refund amount claimed (in ₹)	Period of delay (in days)	Reasons for delay
1	Ch-II	Commissioner of Taxes	KM Industries Co Hari	16AAJFM3850D2ZF	AA161019000334S 12-10-2019	18-12-2019	22800	52	Applicant did not submit documents in time.
2	Ch-II	-do-	P B Sanitary	16ABTPD7616H1ZG	AA161019000214W 09-10-2019	18-12-2019	1800000	55	-do-
3	Ch-II	-do-	Sudhangshu Bhattacharjee	16ACSPB1527H1ZR	AA1609190014471 28-09-2019	18-12-2019	18800	66	-do-
4	Ch-V	-do-	M/s Siva Loknath Candle Factory	16DOLPS0050C1Z7	AA160220001488Q 28-02-2020	30-03-2020	32337	16	-do-
5	Ch-V	-do-	Union Bank of India	16AAACU0564G1ZK	AA1604200002039 21-04-2020	11-05-2020	16095	5	-do-
6	Ch-VI	-do-	Indian Council of Forestry Research and	16AAAAI1708G1Z4	AA161019000678A 17-10-2019	14-11-2019	1044	13	-do-
7	Ch-VII	-do-	Syndicate Bank	16AACCS4699E1Z4	AA160120001872X 31-01-2020	18-02-2020	17364	3	-do-
8	Udaipur	-do-	Tapas Chandra Saha	16AIEPS4358M2ZO	AA161219001084O 19-12-2019	21-01-2020	25492	18	-do-
Total							1933932		

Appendix 5.2.3

Data in respect of refund orders received from State Tax Authority (Abnormal delay in communicating refund orders to Counterpart Tax Authority) relating to IGST/CGST

(Reference: Paragraph 5.2.5.3)

Sr. No.	Name of the Commissionerate	Name of the assessee	GSTIN	ARN & Date	Date of issue of Refund Sanction Order in Form GST - RFD-06	Total amount of refund sanctioned (in ₹)			Date of receipt of refund order from the State nodal office to the Central nodal officer	Delay in forwarding from the State nodal officer to the counterpart tax authority (in days)
						IGST	CGST	Cess		
1	Commissioner of Taxes, Tripura	M/s Isha Rubber Company	16AHLPG3806C1ZR	AA160819000431H & 07-08-2019	17-09-2019	0	2510	0	10-10-2019	16
2	Commissioner of Taxes, Tripura	M/s Saradamoani Bastralaya	16ADEPP0856E1ZP	AA160819000333F & 06-08-2019	19-09-2019	0	16093	0	10-10-2019	14
3	Commissioner of Taxes, Tripura	M/s North Eastern Electronic Power Corporation Ltd.	16AAACN9991Z1ZV	AA160519000069C & 02-05-2019	18-06-2019	5364	0	0	26-06-2019	1
4	Commissioner of Taxes, Tripura	M/s Joy Ram Enterprise	16BJRPS5449G1ZK	AA160119000781K & 17-01-2019	25-09-2019	15000	0	0	08-11-2019	37
5	Commissioner of Taxes, Tripura	M/s Super Drillers	16AACPJ0754E1Z6	AA160719002006I & 31-07-2019	25-09-2019	0	54297	0	08-11-2019	37
6	Commissioner of Taxes, Tripura	M/s Bashana Enterprise	16ADOPR7177A1Z9	AA1605190006294 & 14-05-2019	25-09-2019	88922	0	0	08-11-2019	37

Appendix 5.2.3 (Concl.)

Data in respect of refund orders received from State Tax Authority (Abnormal delay in communicating refund orders to the Counterpart Tax Authority) relating to IGST/CGST

(Reference: Paragraph 5.2.5.3)

Sr. No.	Name of the Commissionerate	Name of the assessee	GSTIN	ARN & Date	Date of issue of Refund Sanction Order in Form GST - RFD-06	Total amount of refund sanctioned (in ₹)			Date of receipt of refund order from the State nodal office to the Central nodal officer	Delay in forwarding from the State nodal officer to the counterpart tax authority (days)
						IGST	CGST	Cess		
7	Commissioner of Taxes, Tripura	M/s Hind Agencies	16AGNPR4007R1ZQ	AA160219000746C & 16-02-2019	30-05-2019	0	46000	0	10-06-2019	4
8	Commissioner of Taxes, Tripura	M/s Shekhar Ch. Podder	16AEYPP1732Q1ZL	AA160619000867Y & 21-6-2019	11-07-2019	5000	0	0	20-07-2019	2
9	Commissioner of Taxes, Tripura	M/s Sanjib Saha	16BCRPS2344P1ZS	AA160119000713N & 17-01-2019	31-05-2019	0	198773	0	10-06-2019	3
10	Commissioner of Taxes, Tripura	M/s ML Traders	16AJMPS2422D1ZD	AA160819000778T & 14-08-2019	31-10-2019	0	18953	0	04-12-2019	27
11	Commissioner of Taxes, Tripura	M/s Printing & Stationery	16AAAGG0518A1Z8	AA160319000208K & 05-03-2019	20-05-2019	0	4844	0	18-09-2019	114
12	Commissioner of Taxes, Tripura	M/s Joy Doyamoy Varieties	16DQKPS7973F1Z4	AA1605190006369 & 14-5-2019	20-09-2019	0	3000	0	02-11-2019	36
13	Commissioner of Taxes, Tripura	M/s Expert Drillers	16AEVPJ9257M1ZI	AA160719002004M & 31-07-2019	20-09-2019	0	44625	0	02-11-2019	36
Total						114286	389095	0		

Appendix 5.2.4(a)

Non-conduct of post audit of refund claims (for all type of refunds) pre-automation

(Reference: Paragraph 5.2.5.4)

Name of Division	Name of the Commissionerate	Total No. of pre-automation refund applications processed	No. of refund applications examined by Audit	No. of refund cases which were sent for post audit after lapse of one week	Period of delay (in days)	Reason for delay
Charge-I	Commissioner of Taxes, Tripura	16	4	Nil	NA	NA
Charge-II	Commissioner of Taxes, Tripura	23	5	Nil	NA	NA
Charge-III	Commissioner of Taxes, Tripura	18	2	Nil	NA	NA
Charge-IV	Commissioner of Taxes, Tripura	22	4	Nil	NA	NA
Charge-V	Commissioner of Taxes, Tripura	10	4	Nil	NA	NA
Charge-VI	Commissioner of Taxes, Tripura	11	4	Nil	NA	NA
Charge-VII	Commissioner of Taxes, Tripura	7	0	Nil	NA	NA
Charge-VIII	Commissioner of Taxes, Tripura	13	2	Nil	NA	NA
Udaipur	Commissioner of Taxes, Tripura	18	1	Nil	NA	NA
Bishalgarh	Commissioner of Taxes, Tripura	11	5	Nil	NA	NA
Total		149	31			

NA: Not Applicable

Appendix 5.2.4(b)

Non-conduct of post audit of refund claims (for all type of refunds) post-automation

(Reference: Paragraph 5.2.5.4)

Name of Division	Name of the Commissionerate	Total No. of post-automation refund applications processed	No. of refund applications examined by Audit	No. of refund cases which were sent for post audit after lapse of one week	Period of delay (days)	Reason for delay
Charge-I	Commissioner of Taxes, Tripura	6	2	Nil	NA	NA
Charge-II	Commissioner of Taxes, Tripura	11	10	Nil	NA	NA
Charge-III	Commissioner of Taxes, Tripura	2	2	Nil	NA	NA
Charge-IV	Commissioner of Taxes, Tripura	6	4	Nil	NA	NA
Charge-V	Commissioner of Taxes, Tripura	5	5	Nil	NA	NA
Charge-VI	Commissioner of Taxes, Tripura	13	7	Nil	NA	NA
Charge-VII	Commissioner of Taxes, Tripura	6	3	Nil	NA	NA
Charge-VIII	Commissioner of Taxes, Tripura	12	2	Nil	NA	NA
Udaipur	Commissioner of Taxes, Tripura	8	2	Nil	NA	NA
Bishalgarh	Commissioner of Taxes, Tripura	7	4	Nil	NA	NA
Total		76	41			

NA: Not Applicable

[Note: Appendix 5.2.4(a): 31 cases plus Appendix 5.2.4(b): 41 cases plus Appendix 5.2.5: 12 cases = 84 refund cases]

Appendix 5.2.5

List of refund cases (pre-automation) not produced to audit

(Reference: Paragraphs 5.2.5.4 & 5.2.5.6)

Sl. No.	NAME	GSTIN	ARN	Refund claimed (in ₹)	Jurisdiction
1	Biplab Debnath	16AIRPD7479B1Z2	AA161018000655K	5,866	Bishalgarh
2	Maa Mani Handicrafts Products	16AHNPR0544G1Z9	AA160919001061J	4,814	Bishalgarh
3	Ms Km Industries Co	16AAJFM3850D2ZF	AA160919000894V	22,800	Charge -II
4	Tripura Tea Development Corporation Ltd.	16AACCT0914D1ZV	AA161218000544L	16,680	Charge - V
5	Anjana Swift Service	16BBNPD2563E1ZV	AA1602190000402	68,864	Charge - V
6	Jay Cee Punching Solutions Pvt. Ltd.	16AABCJ9229Q1ZX	AA160219000222W	2,880	Charge - V
7	Madan Gopal Corporation	16AGGPS7209H1Z7	AA1608180016257	2,00,000	Charge - V
8	Piplu Kumar Saha	16AZUPS8755R1ZS	AA1602190006985	2,150	Charge - V
9	Majumder Enterprise	16CEXPM3019L1ZX	AA160519001232O	1,261	Charge - VII
10	Debraj Enterprises	16BWMPR1431F1ZK	AA1602190008965	7,200	Udaipur
11	Diganta Saha	16AXVPS5984K2Z7	AA1606190008660	12,910	Udaipur
12	Benulal Dey	16AGJPD2736R2ZZ	AA160119000292R	9,880	Central
Total				3,55,305	

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