

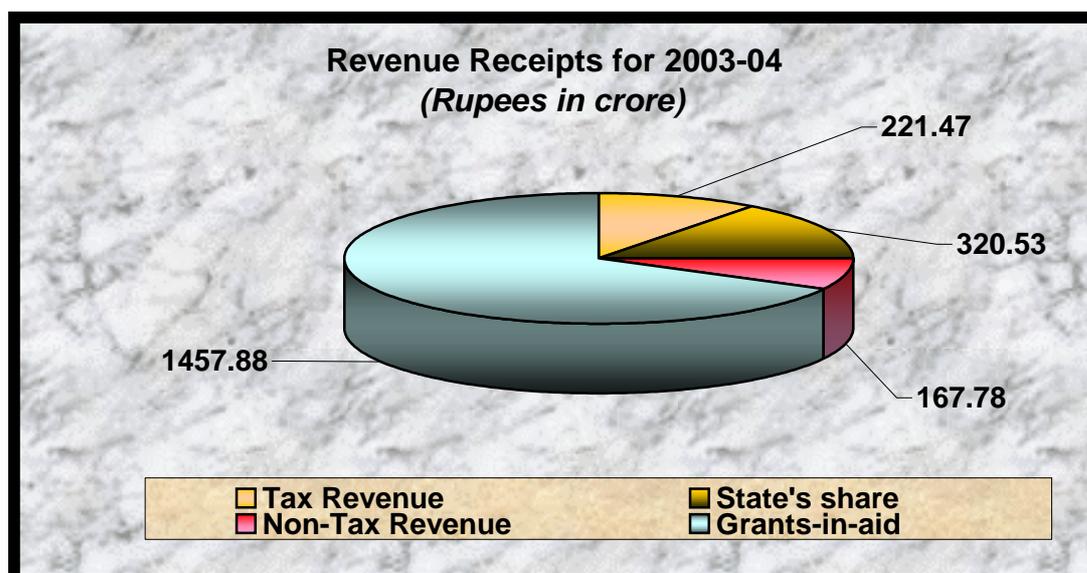
## **REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA FOR THE YEAR ENDED 31 MARCH 2004 ON THE GOVERNMENT OF TRIPURA**

This Report contains 23 audit paragraphs and five performance reviews / long paragraph apart from comments on the Finance and Appropriation Accounts. According to existing arrangements, copies of the draft audit paragraphs and draft audit reviews are sent to the concerned Secretary to the State Government by the Accountant General (Audit) with a request to furnish replies within six weeks. In respect of 15 audit paragraphs and one review included in this Report, no response was received from the concerned Secretary to the State Government. A synopsis of the important findings contained in the reviews and paragraphs is presented below.

### **AN OVERVIEW OF THE FINANCES OF THE STATE GOVERNMENT**

#### *Revenue receipts*

Revenue of the State consists of its own tax and non-tax revenue, central tax transfers and grants-in-aid from Government of India. The revenue receipts of the State Government increased by 15.30 *per cent* over the previous year as against the average trend rate of 11.45 *per cent* during the five year period 1999-2004. Revenue receipts during the year comprised tax revenue of Rs. 221.47 crore (10 *per cent*), non-tax revenue of Rs. 167.78 crore (8 *per cent*) and Government of India transfer of Rs. 1778.41 crore including grants-in-aid (82 *per cent*). Only 18 *per cent* of the revenue receipts came from State's own resources.



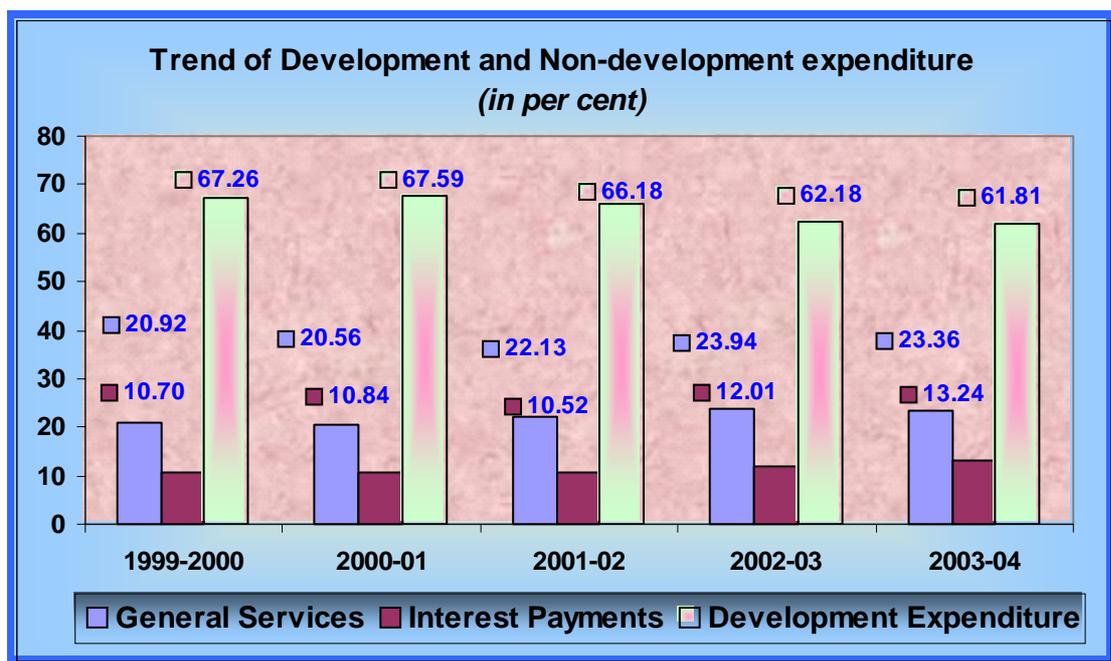
### Quality of expenditure

The quality of expenditure of the State is reflected by plan expenditure, capital expenditure and developmental expenditure.

During 2003-04, plan expenditure and development expenditure declined compared to 1999-2000, though capital expenditure has slightly increased. Percentage of plan expenditure, capital expenditure and development expenditure had decelerated in 2003-04 to 29.72, 17.70 and 61.81 per cent from 31.85, 18.71 and 62.18 in the previous year. While non-plan revenue expenditure increased from Rs. 1621.10 crore in 2002-03 to Rs. 1731.88 crore in 2003-04, non-plan capital expenditure increased from Rs. 22.52 crore to Rs. 29.89 crore.

### Expenditure on General services and interest payments

The total expenditure in 2003-04 increased by Rs. 93 crore over previous year mainly due to increase in interest payment by Rs. 42 crore. Expenditure on General Services and interest payments which were considered as non-developmental together accounted for 36.60 per cent in 2003-04 as against 31.62 per cent in 1999-2000. On the other hand, development expenditure accounted for 61.66 per cent in 2003-04 as against 67.15 per cent in 1999-2000.



### Investment and return

At the end of 2003-04, Government had invested Rs. 313.13 crore in its statutory corporations, Government companies and co-operative societies, but there was no return on this investment.

### *Fiscal deficit*

Large revenue and fiscal deficits year after year indicate continued macro imbalances in the State. The fiscal deficit of the State increased from Rs. 290.51 crore in 1999-2000 to Rs. 341.39 crore in 2003-04.

### *Fiscal Reforms Programme*

A Memorandum of Understanding (MOU) was signed in March 2003 between Government of India and Government of Tripura under the Fiscal Reforms Programme.

According to the MOU, Government of Tripura received Rs. 5.32 crore as incentive from the Government of India during the years 2001-04 to overcome fiscal constraints.

### **ALLOCATIVE PRIORITIES AND APPROPRIATION**

### *Budget provision and actual expenditure*

Against the total budget provision of Rs.3630.09 crore, actual expenditure was Rs.2962.03 crore. Overall savings of Rs. 668.06 crore were the results of savings of Rs. 901.61 crore in 56 grants and appropriations, offset by excess of Rs. 233.55 crore in five grants and appropriations. The excess expenditure required regularisation by the Legislature under Article 205 of the Constitution of India.

### *Substantial savings*

In 55 cases, saving was more than Rs.10 lakh in each case and also over 10 *per cent* of the total provision.

### *Supplementary provision that proved unnecessary*

In 39 cases, supplementary provision of Rs. 125.99 crore proved unnecessary.

### *Savings not surrendered*

In 60 cases, anticipated savings of Rs. 453.33 crore had not been surrendered.

### *Surrendered in excess of savings*

In seven cases, against actual savings of Rs. 33.77 crore, Rs. 53.71 crore had been surrendered, resulting in excess surrender of Rs. 19.94 crore.

### *Expenditure incurred without budget provision*

In seven cases under five grants / appropriations, expenditure of Rs. 72.15 crore was incurred without budget provision.

## **PERFORMANCE REVIEWS**

### **HEALTH AND FAMILY WELFARE DEPARTMENT**

#### **Working of the Indian Systems of Medicine and Homoeopathy**

##### *Introduction*

The urgency to achieve the goal of 'Health for All' set up by the World Organisation, the Government of India established a separate Department called the Department of ISM&H under the Ministry of Health and Family Welfare in 1995 for organised development of National Systems of Medicine along with Allopathy. For this purpose, the Government of Tripura had incorporated Ayurveda and Homoeopathy in its Public Health care system in the First Five Year plan.

Lack of planning, poor infrastructure, shortage of staff, poor manpower management, absence of adequate support system and opening of dispensaries without any feasibility study making many of the dispensaries dysfunctional – all in combination had a deleterious effect on working of the systems of Ayurveda and Homoeopathy to cater to the needs of public health care in the State.

##### *Wasteful expenditure*

Dispensaries were opened without feasibility study. This resulted in non-functioning of 17 Homoeopathic dispensaries for want of patients and wasteful expenditure of Rs. 22.10 lakh.

An amount of Rupees eight lakh spent on a project for development and cultivation of medicinal plants at Kamalpur proved wasteful as the infrastructure created by July 1999 remained abandoned since then.

##### *Under-utilisation of bed capacity*

Bed capacity of the Homoeopathic Hospital at Agartala remained heavily under-utilised due to non-supply of meals to the patients, poor pathology and radiography services and even non-availability of ambulance.

#### **Materials management in Health and Family Welfare Department**

##### *Introduction*

Materials management in the Health and Family Welfare Department was found to have been deficient. Procurement of medicines was not based on realistic assessment as requirement of medicines submitted by different health institutions was not supported by basic data. The system of health care in different health institutions in the State suffered due to delayed and reduced supply of medicines, supply of

substandard medicines, and idling of machinery and equipment. Reasons for these deficiencies were attributable to lack of adequate planning and monitoring.

*Penalty not imposed*

Penalty of Rs. 18.34 lakh, for delay in supplying medicines was not imposed on the suppliers.

*Non-functional machinery and equipment*

Eighteen items of machines and equipment purchased during 1996-2002 at a cost of Rs. 86.24 lakh remained non-functional (as of June 2004).

*Unfruitful expenditure*

Expenditure of Rs. 6.71 lakh incurred on purchase of mixture ingredients became unfruitful as no mixture could be prepared by using these ingredients according to the formation prescribed in the Pharmacopocia.

## **INDUSTRIES AND COMMERCE DEPARTMENT**

### **Working of Industries and Commerce Wing of Industries and Commerce Department**

*Introduction*

The main objective of the Industries and Commerce Wing of the Industries and Commerce Department to promote the Village and Small Scale Industries in the State was not achieved. Implementation of various schemes suffered due to lack of proper planning, monitoring, and manpower management, failure to create awareness among the entrepreneurs, and to mobilize and sponsor eligible cases to banks. Diversion of funds had an adverse effect on programme implementation.

*Employment lost due to closure of SSI units*

The scheme for the growth of small-scale industries (SSI) failed to achieve its objectives as 1,104 units were closed and 4,276 persons lost their employment during 1999-2004.

*Expenditure on idle staff*

The department incurred an expenditure of Rs. 94 lakh towards payment of wages to idle staff of two closed SSI units during 1999-2004.

*Unauthorised  
diversion of funds*

An amount of Rs. 1.30 crore under Margin Money Scheme was un-authorisedly diverted by Tripura Khadi and Village Industries Board towards its administrative expenses and thus, the purpose of the Scheme was defeated.

**AGRICULTURE DEPARTMENT**

**Working of Tripura Horticulture Corporation Limited**

*Introduction*

The Tripura Horticulture Corporation Limited was incorporated on 7 April 1987 under the Companies Act, 1956 as a wholly owned Government company with the object of raising plantations of economically important species of horticultural and agricultural crops on land acquired by the Company. Working of the Company for the period from 1998-99 to 2002-03 was reviewed in audit.

*Accumulated loss*

Accumulated losses of Rs. 41.16 lakh had eroded 29 *per cent* of the paid-up capital (Rs. 1.40 crore) of the Company.

Due to low yield of raw cashewnut, the Company suffered a loss of Rs. 2.83 crore.

The Company suffered a loss of Rs. 52.02 lakh in operating the cold storage located at Teliamura.

*Unauthorised  
expenditure on  
DRWs*

The Company engaged 78 daily rated workers (DRWs) without any sanction and as a result, wages of Rs. 61.38 lakh paid to them during 1998-2003 was unauthorised.

*Idle wages on  
DRWs*

The Company spent Rs. 49.88 lakh during 1998-2003 towards idle wages of 67 DRWs engaged in 17 orchards where there was no plantation activity.

## Audit Paragraphs

### CIVIL

#### EDUCATION (SCHOOL AND HIGHER) AND AGRICULTURE (HORTICULTURE) DEPARTMENTS

*Misutilisation of cash*

Non-adherence to the provision of Financial Rules by three Drawing and Disbursing Officers led to misutilisation of cash of Rs. 11.06 lakh.

#### POWER DEPARTMENT

*Extra liability*

The Government had to bear extra liability of Rs. 2.33 crore due to late payment of energy bills.

#### PUBLIC WORKS DEPARTMENT

*Idle and infructuous expenditure*

Transfer of bailey bridge to Border Road Organisation without drawing up agreement and its return and acceptance by unauthorised and unqualified person resulted in idle and infructuous expenditure of Rs. 39.80 lakh.

*Loss of interest*

Works Advisory Board approved interest free mobilisation advance (Rs. 2.10 crore) to contractor ignoring the provisions of the CPWD manual resulting in loss of interest of Rs. 30 lakh.

*Extra expenditure*

Failure of the department to get the work done by the first contractor due to departmental lapses and award of the work to another contractor resulted in extra expenditure of Rs. 24 lakh.

#### TRIBAL WELFARE DEPARTMENT

*Idle expenditure and locking up of funds*

Expenditure of Rs. 42.81 lakh incurred on construction of three ropeways was rendered unfruitful and seven ropeways could not be constructed resulting in locking up of an additional amount of Rs. 57.19 lakh allocated for them. The interest loss of the Government on this account was Rs. 30.88 lakh.

#### URBAN DEVELOPMENT DEPARTMENT

*Idle investment and blocking of funds*

Failure on the part of the Agartala Municipal Council to complete the project for construction of slaughter house at Agartala during 1993-94 to 2003-04, due to lack of planning, has led to idle investment (Rs. 65.05 lakh) and blocking of funds (Rs. 1.11 crore).

## REVENUE

### FOREST DEPARTMENT

#### *Loss of revenue*

Loss of revenue of Rs. 1.51 crore to the Forest Department was due to illegal felling of trees, non-recovery of timber from felling site, theft of timber from custody / depot, and missing logs.

### TRANSPORT DEPARTMENT

#### *Loss of revenue due to non-imposition of fine*

Non-imposition of fine on the owners of the vehicles carrying load in excess of permissible limit resulted in loss of Rs. 5.50 crore.

## COMMERCIAL

### POWER DEPARTMENT

#### *Loss of revenue due to non-imposition of penalty*

Non-imposition of penalty for delayed payment of energy charges by consumers resulted in loss of revenue amounting to Rs. 74.76 lakh.

Inadmissible allowance of rebate to 775 consumers in 1640 cases resulted in loss of revenue of Rs. 14.35 lakh.

#### *Short realisation of revenue*

Erroneous computation of energy charges by the Sub-divisional Offices led to short realisation of revenue Rs. 17.64 lakh.



**Officers who may be contacted for detailed information on the Audit Report**



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