

## **CHAPTER III: PERFORMANCE REVIEWS (CIVIL DEPARTMENTS)**

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

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

*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.*

#### *Highlights*

**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.**

**(Paragraph 3.1.5)**

**Neither Medical Officers nor Pharmacists were provided in five Homoeopathic dispensaries. This made these five Homoeopathic dispensaries dysfunctional.**

**(Paragraph 3.1.6)**

**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.**

**(Paragraph 3.1.7)**

**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.**

**(Paragraph 3.1.13)**

#### *Introduction*

**3.1.1** Ayurveda, Siddha, Unani and drugless therapies like Yoga and Naturopathy are collectively called Indian Systems of Medicine which have been widely practised in India for centuries. Homoeopathy, though originating in Germany, has been widely accepted and practised in India. All the above six systems offer a wide range of safe, cost-effective as well as natural therapies.

The urgency to achieve the goal of 'Health for All' set by the World Health Organisation led to recognition of all the six systems as National Systems of Medicine along with Allopathy. The Government of India established a separate Department called the Department of ISM&H<sup>♦</sup> under the Ministry of

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<sup>♦</sup> Later renamed as Department of AYUSH (Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy).

Health and Family Welfare in 1995 for organised development of all these six systems of medicine. For this purpose, the Government of India calls for technically viable projects in several thrust areas and finances them after conducting necessary scrutiny and approval. The Government of Tripura had incorporated Ayurveda and Homoeopathy in its public health care system, as early as the First Five Year plan period (1951-56).

### *Organisational set up*

**3.1.2** Running of the systems of Ayurveda and Homoeopathy side by side with Allopathy is the responsibility of the State Health and Family Welfare Department. The Commissioner-cum-Secretary, Health and Family Welfare Department is the administrative head. He is assisted by two Directors (Director of Health Services and Director of Family Welfare and Preventive Medicines). The State Government has created/ re-designated posts of Deputy Director (both for Ayurveda and Homoeopathy) at Directorate level to look into the development of Ayurveda and Homoeopathy in the State. Pending filling up of the posts, senior Medical Officers under both the systems were posted in the Directorate to function as Deputy Director or Branch Officer.

### *Audit coverage*

**3.1.3** Working of the Indian Systems of Medicine and Homoeopathy (ISM&H) in the Health and Family Welfare Department for the period from 1999-2004 was reviewed in audit between January and March 2004. Records of the two Directorates, Offices of the State Homoeopath, Ayurvedic Hospital and Homoeopathic Hospital (sole hospitals for the two systems) at Agartala, 11 Ayurvedic dispensaries (out of 38) and 11 Homoeopathic dispensaries (out of 75)\* were test checked. Expenditure of Rs. 4.53 crore (36 per cent) out of the total expenditure of Rs. 12.49 crore was covered. The results of the review are discussed in the succeeding paragraphs.

### *Budget provision and expenditure*

**3.1.4** Year-wise budget provision and expenditure on ISM&H both under State and Central Sectors during the period from 1999-2004 are as follows:

**Table 1: State Sector programme (Plan and Non-Plan)**

(Rupees in lakh)

Year	Ayurveda						Homoeopathy					
	Budget provision			Expenditure			Budget provision			Expenditure		
	NP	P	T	NP	P	T	NP	P	T	NP	P	T
1999-2000	75.42	0.50	75.92	74.12	0.56	74.68	117.54	1.00	118.54	121.13	3.80	124.93
2000-01	96.18	-	96.18	92.57	6.60	99.17	140.26	-	140.26	138.29	-	138.29
2001-02	100.75	7.40	108.15	100.75	-	100.75	145.60	4.10	149.70	145.60	-	145.60
2002-03	104.94	7.40	112.34	102.61	5.89	108.50	152.03	4.10	156.13	169.28	8.12	177.40
2003-04	107.98	-	107.98	96.87	39.99	136.86	141.66	9.01	150.67	136.43	6.16	142.59
<b>Total</b>	<b>485.27</b>	<b>15.30</b>	<b>500.57</b>	<b>466.92</b>	<b>53.04</b>	<b>519.96</b>	<b>697.09</b>	<b>18.21</b>	<b>715.36</b>	<b>710.73</b>	<b>18.08</b>	<b>728.81</b>

Note: NP = Non-Plan; P = Plan; T = Total

\* Locations of both Ayurvedic and Homoeopathic dispensaries covered are Bamutia, Jirania, Bishalgarh, Melaghar, Sonamura, Udaipur, Kakraban, Ambassa, Panisagar, Dharmanagar and Kailashahar.

Table 2: Central Sector programme (Plan)

(Rupees in lakh)

Year	Ayurveda			Homoeopathy		
	Release by Government of India	Release by State Government	Expenditure	Release by Government of India	Release by State Government	Expenditure
2003-04	200.00	Nil	Nil	14.69*	Nil	Nil

\* In addition to the amount, the Government of India had earlier released (1995-96) Rs. 8 lakh towards the first instalment of a project costing Rs. 40 lakh. The amount representing the first instalment was fully spent between March 1998 and July 1999.

**Source:** (i) Finance Accounts; and (ii) Statement of budget provision and expenditure furnished by the department.

Table 1 would show that the department incurred Rs. 53.04 lakh and Rs. 18.08 lakh showing them as plan expenditure on Ayurveda and Homoeopathy respectively during the period under review without taking up any plan schemes under the State Sector. This was in violation of accounting principles. The Government stated (August 2004) that the expenditure in plan scheme was incurred in procurement of medicines.

### State Sector Programmes

#### Creation of infrastructure

**3.1.5** The 10-years perspective plan prepared (July 2001) by the State Government envisaged the creation of 10-bed facilities in all the four district hospitals and four-bed facilities in all the sub-divisional hospitals (separately for each of the systems of Ayurveda and Homoeopathy). A target was fixed for creation of 124 additional beds for Ayurveda in 15 district and sub-divisional hospitals and the same number of additional beds for Homoeopathy in the above hospitals by 2005 without any year-wise target and without mobilisation of funds for the purpose. However, nothing was done in this respect so far (March 2004). The Government stated (August 2004) that due to funds constraint infrastructure for new hospitals could not be created.

Similarly, targets were also fixed for 2000-04 under the perspective plan for creation of dispensaries, without providing any funds. The following table shows the shortfall against the target:

Table: 3

Items of infrastructure	No. of dispensaries as of March 2000	Target fixed for establishment of additional dispensaries during 2000-04	Dispensaries established during 2000-04	Percentage of shortfall
Ayurvedic dispensaries	32	46	6	87
Homoeopathic dispensaries	45	45	30	33

Test check of records of the Directorate of Health Services revealed that six Ayurvedic and eight Homoeopathic dispensaries were opened during 2002 without ensuring any funds required for the infrastructure. The dispensaries were opened in rented houses without obtaining prior concurrence of the Finance Department as required for opening of any establishment. Approval of

the Finance Department for Ayurvedic dispensaries was accorded in January 2004 without creation of any new posts. But approval for Homoeopathic dispensaries had not yet been accorded (March 2004). The Government agreed with the facts and stated (August 2004) that the Finance Department had been moved for *ex-post facto* approval.

No norms had been laid down by the department for opening of new dispensaries nor were there any specific policy for setting up of any dispensary by fixing the average number of patients required to attend. At the instance of the Commissioner-cum-Secretary of the Health and Family Welfare Department, all the Homoeopathic and Ayurvedic dispensaries were inspected by the Branch Officers of the respective systems in June 2003 and detailed reports submitted on the functioning of the dispensaries covering the period from January 2002 to June 2003. The reports indicated that altogether 17 Homoeopathic dispensaries remained non-functional as not a single patient attended them for treatment, and in eight Ayurvedic dispensaries average daily attendance of patients ranged between five and eight only. In February 2004, it was decided by the Government to close down these 17 Homoeopathic dispensaries\* and to reassess the requirement for continuing Ayurvedic dispensaries where average daily attendance of patients was less than 20. Thus, no purpose was served by opening of these 25 dispensaries without first having the feasibility study despite incurring expenditure of Rs. 92.45 lakh<sup>₹</sup>, on salaries of the staff during the period from January 2002 to February 2004. Of Rs. 92.45 lakh, expenditure of Rs. 22.10 lakh, incurred on salaries of Medical Officers in 17 Homoeopathic dispensaries was wasteful as not a single patient attended there.

The Government stated (August 2004) that there was no national norm for establishment of dispensaries. The State Government had established several Homoeopathic and Ayurvedic dispensaries in remote areas of the State to extend treatment facilities.

The reply is not tenable as feasibility of running the dispensaries was not considered before these dispensaries were opened.

### Manpower planning

**3.1.6** The department did not assess the requirement nor did it fix any norm for posting of Medical Officers and Pharmacists in hospitals as well as in dispensaries. It appeared that one to two Medical Officers and Pharmacists were posted in the dispensaries depending upon the number of patients attending. Six to seven Medical Officers and two to three Pharmacists were posted in hospitals. Based on these rates, minimum requirement of the staff, number of posts sanctioned by the Government and man-power actually available against each cadre are shown in the table below:

* Names of dispensaries could not be made available to audit.	
₹ 17 MOs @ fixed pay Rs. 5000 × 17 × 26 months =	Rs. 22.10 lakh
8 MOs @ Rs. 13,200 (Pay 10,000+DA3200) = 13200 × 8 × 26 =	Rs. 27.45 lakh
25 Pharmacists @ Rs. 6600 pm (Pay 5000+ DA 1600)	
= 6600 × 25 × 26 months =	<u>Rs. 42.90 lakh</u>
<b>Total =</b>	<b>Rs. 92.45 lakh</b>

**Table: 4**

Name of posts	Minimum requirement	Posts sanctioned	Manpower available	Percentage of shortfall with reference to minimum requirement
	<i>(in numbers)</i>			
Medical Officer (Homoeopathy)	84	73	62	26
Medical Officer (Ayurveda)	45	47	43	4
Pharmacists (Homoeopathy)	79	73	49	38
Pharmacists (Ayurveda)	41	63	36	12

The table shows that the percentage of overall shortfall in availability of manpower against different key posts with reference to minimum requirement varied from four to 38.

Records further showed that out of the total 113 Ayurvedic and Homoeopathic dispensaries, MOs were not provided in 16 dispensaries<sup>X</sup> and Pharmacists in 40 dispensaries<sup>Y</sup>. In five Homoeopathic dispensaries<sup>+</sup>, neither any MOs nor any Pharmacists were provided. This made these 5 Homoeopathic dispensaries dysfunctional.

One pathology unit was opened in May 1997 in Homoeopathic Hospital at Renters' Colony, Agartala without ensuring regular services of any Technician. Records of the hospital showed that there was no Technician posted during the period from August 2002 to April 2003. Though one Technician was there in the pathology unit since May 2003, his services were available only for 43 days between May 2003 and March 2004. The intended benefits of pathology unit at the hospital were thus denied to the patients.

Similarly, one X-ray unit was established in the Homoeopathic Hospital in November 1997 at a cost of Rs. 3.20 lakh without ensuring regular services of a Radiographer. It was noticed that one Radiographer was to be provided in the hospital for two days in a week. Records of the unit disclosed that the X-ray unit remained non-functional ranging from three months to six months per year during 1999-2004 due to non-availability of X-ray films and absence of Radiographer though Rs. 7.14 lakh was paid to the Radiographer as salary during the period from the Allopathic wing of the department.

All the above findings led to the Audit conclusion that the manpower management for ISM&H was poor and infrastructural facilities provided were not addressing the health care need of the public.

Government admitted (August 2004) the fact and stated that actions were being taken to ensure posting of one Medical Officer or one Pharmacist in each dispensary. It further stated that there was acute shortage of Radiographer all over the State, and one Laboratory Technician would be posted in Homoeopathy Hospital to improve the condition of pathology unit.

X Homoeopathy: 11; Ayurveda: 5

Y Homoeopathy: 34; Ayurveda: 6

+ Simna, Mandai, Thakurchera, Karamchera and 82 Miles.

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

**3.1.7** The 10-bed Homoeopathic Hospital at Renters' Colony, Agartala started functioning from February 1996. Availability of total bed capacity of the hospital in a year was 3650 (365 × 10) patient-days. Against this, 1884, 1548, 1836, 1473 and 1629 patient-days were utilised annually during the years from 1999-2004. The capacity utilisation ranged from 40 to 52 *per cent*. The heavy under-utilisation was, as analysed by Audit, due to non-supply of meals to the patients, poor pathology service and radiography facilities and even non-availability of ambulance service for the hospital.

The Government admitted (August 2004) that pathology and radiography units in the Homoeopathy Hospital were not full-fledged due to shortage of para medical staff.

The Medical Officer, i/c, State Homoeopathy stated (September 2004) that meals (diet) to the patients has been introduced from September 2004 and the matter regarding ambulance service has been taken up with the Government.

### **Unutilised residential accommodation**

**3.1.8** Mention was made in para 3.12 of the Report of the Comptroller & Auditor General of India for the year ended March 1999 regarding non-utilisation of residential accommodation at the Homoeopathic Hospital. Records showed that two Type-IV quarters for Medical Officers and one 5-bed Nurses hostel were constructed at a cost of Rs. 6.76 lakh in March 1995 and October 1996. The buildings remained unutilised as electricity and water were not provided.

Test-check of records further showed that works for water supply by providing deep tubewell and pump house and extension of electric service connection were taken up in February 1999 and completed in August 2000 at a total cost of Rs. 13.80 lakh, but no pump operator was provided, which resulted in idling of the installation of pump house. Physical verification conducted by the in-charge, Homoeopathic Hospital and the in-charge, Office of the State Homeopath in the presence of members of the Audit team on 23 February 2004 revealed that service connection of electricity and water supply were yet to be provided. The doors and windows of the buildings were in dilapidated condition as the buildings remained unutilised.

The Government admitted (August 2004) the fact that residential accommodation remained vacant for a long time and stated that necessary repairs of the buildings would be done shortly.

The in-charge, Office of the State Homoeopath stated (September 2004) that the matter regarding service connection of electricity and water supply to residential accommodation had been brought to the notice of the department.

Thus lack of proper planning led to idling of the investment of Rs. 20.56 lakh (Rs. 6.76 lakh + Rs. 13.80 lakh) besides loss of interest for Rs. 14.58 lakh<sup>#</sup>.

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# Rs. 6.76 lakh × 13.85 *per cent* (borrowing rate) × 8 years = Rs. 7.49 lakh  
Rs. 13.80 lakh × 12.85 *per cent* (borrowing rate) × 4 years = Rs. 7.09 lakh  
**Total : Rs. 14.58 lakh**

### **Manufacturing unit of Ayurvedic drugs**

**3.1.9** Obtaining of drug manufacturing licence is mandatory under section 33L of the Drugs and Cosmetic Acts, 1940 for manufacturing of Ayurvedic drugs by any Government department. Records indicated that one drug manufacturing unit had been functioning at the Ayurvedic hospital of Agartala since 1959-60 without drug licence. The Deputy Drugs Controller of the State stated (March 2004) that the manufacturing unit of Ayurvedic hospital was asked a long time back (the date could not be specified by him) to stop manufacturing of drugs without a licence. But the manufacturing process was still going on (March 2004) in violation of the provisions of the Drugs and Cosmetics Act.

The Government stated (August 2004) that steps were being taken to obtain drug licence.

### **Failure of control mechanism to stop manufacture and sale of Ayurvedic drugs**

**3.1.10** According to Section 33-EEC of the Drugs and Cosmetics Act, 1940, no person shall manufacture for sale or for distribution any misbranded Ayurvedic drug, i.e. a drug not having been labelled in the prescribed manner (where label is to contain indication of net contents in terms of weight, manufacturing licence No., batch No. and a true list of all the ingredients used with quantity of each along with reference to the method of preparation thereof in details as indicated in the standard text prescribed in the Act). The regulatory activities of the Government are undertaken through issue of drug manufacturing licence. According to information collected by Audit, a firm, Basanti Aushadhalaya of Battala, Agartala has been selling such misbranded Ayurvedic drugs to the public for years together.

The Deputy Drugs Controller of the State stated (September 2004) that the firm Basanti Aushadhalaya had been instructed either to obtain a drug licence in the name of the firm or to stop use of the name of medicine on labels. He also assured that action would be taken against the firm under Drugs and Cosmetics Act, 1940.

### **Procurement of Homoeopathic medicines**

**3.1.11** The Deputy Drug Controller informed (March 2004) Audit that no standards for Homoeopathic mother tinctures had so far been published and no method had been prescribed for testing of potencies of Homoeopathic medicines. Therefore, stress is to be given on observance of good manufacturing practices (GMP) by the manufacturer as per Drugs and Cosmetics Rules. The purchaser is to obtain GMP certificate for credibility of the manufacturers before making purchase from them.

Records of the State Homeopath showed that Homoeopathic medicines were procured at a total cost of Rs. 23.01 lakh during 1999-2004 from Kolkata and Haryana based firms which offered the lowest rate. GMP certificates were not obtained from any of the firms. It was seen that the department had also avoided purchase of the medicines from the manufacturing firms having long

standing reputation in the field, the reasons for which could not be clarified to Audit.

The Government stated (August 2004) that none of the firms had produced GMP certificate and the authority had no other alternative but to select the firms on the basis of rates quoted by them.

### ***Central Sector Programmes***

**3.1.12** Since its creation in 1995, the Department of ISM&H under the Ministry of Health and Family Welfare, Government of India has identified several thrust areas for intervention like: improvement and upgradation of standards of education in ISM&H; standardisation of drugs and quality control; ensuring sustained availability of raw materials for ISM&H medicines; research and development; information, education and communication; participation of ISM&H in the National Health and Family Welfare programmes; propagation of Indian systems of medicines in foreign countries, and establishment and strengthening of healthcare infrastructure and patient care facilities in ISM&H.

The department failed to undertake adequate promotional activities during the last eight years from 1995-2004 in the above identified areas by formulating viable projects and their successful execution for which funds could be available from the Government of India.

The Government stated (August 2004) that certain steps had already been taken and that it had been decided to submit proposals for sanction of schemes in respect of strengthening of health care infrastructure in ISM&H.

### **Development and cultivation of medicinal plants (Homoeopathy)**

**3.1.13** The Government of India sanctioned a project costing Rs. 40 lakh for development and cultivation of medicinal plants (Homoeopathy) at Kamalpur and released Rs. 8 lakh in 1995-96 towards the first instalment. The amount was retained in Personal Ledger Account of the State Homoeopath up to February 1998. The amount of Rs. 8 lakh was placed at the disposal of Sub-divisional Medical Officer (SDMO), Kamalpur in March 1998 for implementation. The amount was utilised by the SDMO between March 1998 and July 1999 in construction of a building, pump house, water reservoir, boundary fencing, furniture and in plantation of plants of 12 species, and utilisation certificate was submitted for the funds to the Government of India in December 2003 after a lapse of eight years. But no arrangement was made for posting of staff to look after the project. Other components of the project for which Rs. 32 lakh was sanctioned by the Government of India could not be ascertained as the project papers could not be traced out by the department for production to Audit.

The State Committee on Medicinal Plants observed in July 2000 that the balance funds were not released by the Government of India, as no progress report on utilisation of funds was submitted. Thus, it appeared that due to delay in utilisation of funds, Rs. 32 lakh was not released by the Government of India and the project remained incomplete. The expenditure incurred on



construction of building, pump house, water tank, reservoir and furniture became wasteful as these were never utilised during the last four years.

The Government stated (August 2004) that utilisation of funds got delayed and development of the project could not be made due to extremist problem.

### **Holding up of funds received from Government of India by the Finance Department**

**3.1.14** The Government of India released funds of Rs. 2.15 crore (Rs. 1.00 crore for setting up of an Ayurvedic drug testing laboratory, Rs. 1.00 crore for running of an Ayurvedic pharmaceutical unit, and Rs. 14.69 lakh for purchase of Homoeopathic medicines) between September 2003 and January 2004. But the funds were not released by the Finance Department as the estimates, and drawings and designs for construction of buildings were not finalised (April 2004).

### **Shelving of project proposal for Central assistance**

**3.1.15** Records of the State Homeopath, showed that a proposal (both for indoor and outdoor facility) for expansion of existing Homoeopathic hospital by 20 beds, cost of equipment for Homoeopathic hospital, and 10 bed District Homoeopathic hospital was submitted to the Directorate of Health Services in 1997 for approval. The proposal was not processed by the Directorate as of March 2004. For setting up of ISM&H wing in district Allopathic hospitals, Central assistance @ Rs. 35 lakh per hospital was available under the scheme. Thus, by not availing of Central assistance meant for promoting health care facilities, thrust area of strengthening of health care infrastructure and patient care facilities in ISM&H has been ignored.

The manner in which the above three Central Sector Programmes were handled by the department/State Government indicated an overall indifference towards taking up of any promotional activities in the ISM&H thrust areas, for which Central assistance was available.

The Government stated (August 2004) that it had decided to send proposals for setting up separate wings for Homoeopathy and Ayurvedic system in all the district Allopathic hospitals.

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

*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.*

#### **Highlights**

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

**(Paragraph 3.2.6)**

**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 formulation prescribed in the Pharmacopoeia.**

**(Paragraph 3.2.7)**

**Sub-standard medicines valued at Rs. 10.44 lakh purchased during 1999-03 were issued to the patients before receipt of drug testing reports.**

**(Paragraph 3.2.8)**

**Machinery and equipment worth Rs. 39.17 lakh were irregularly transferred to a society viz, Tripura Super Speciality Hospital Society.**

**(Paragraph 3.2.10)**

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

**(Paragraph 3.2.13)**

#### ***Introduction***

**3.2.1** The Health and Family Welfare Department procures medicines, equipment, surgical appliances, bedding and clothing etc., to provide health services in the State through a network of health institutions. For this purpose the department maintains two Central Medical Stores (CMS) at Agartala, one under the Director of Health Services, and the other under the Director of Family Welfare and Preventive Medicines. Medicines and other stores are issued from these stores (CMS) to different health institutions (excluding four State hospitals) through the four Chief Medical Officers based on indents placed by them.

### Organisational set up

**3.2.2** The department is headed by the Commissioner and Secretary who is assisted by two Directors *viz.* Director of Health Services (DHS) and Director of Family Welfare and Preventive Medicines (DFW&PM). The stores required by four State hospitals are procured by respective Medical Superintendents of the State hospitals. While the stores required by the District and Sub-Divisional hospitals are procured by the DHS, the DFW&PM procures the stores for all the Primary Health Centres (PHCs), Community Health Centres (CHCs) in the State.

### Audit coverage

**3.2.3** Purchase, custody and issue of stores in respect of medicines, machinery and equipment, and bedding and clothing for the period from 1999-2004 were reviewed in audit during May - June 2004. Records maintained by DHS, DFW&PM, two CMSs, three Medical Superintendents (MS) of State Hospitals<sup>•</sup> (out of 4), one District Hospital<sup>♦</sup> (out of 2), three Sub-Divisional Hospitals<sup>▲</sup> (out of 11), four CHCs<sup>◇</sup> (out of 9), and one Chief Medical Officer (CMO) at Udaipur (out of four) were examined in audit. Expenditure of Rs.20.99 crore (61 *per cent*) of the total expenditure of Rs. 34.13 crore was covered in audit.

The important points noticed are discussed in the succeeding paragraphs.

### Budget provision and expenditure

**3.2.4** The year-wise budget provision and expenditure incurred by the department against medicine, machinery and equipment, and bedding and clothing during 1999-04 are shown in the table below:

**Table: 1**

Component	<i>(Rupees in crore)</i>									
	1999-2000		2000-01		2001-02		2002-03		2003-04	
	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure
Medicine	1.72	1.89	3.74	4.15	3.79	3.55	3.09	2.32	4.22	4.15
Machinery and Equipment	2.63	2.23	4.16	3.77	4.34	3.47	6.10	4.17	4.22	2.41
Bedding and clothing	0.19	0.23	0.30	0.27	0.88	0.77	0.70	0.53	0.21	0.22
<b>Total</b>	<b>4.54</b>	<b>4.35</b>	<b>8.20</b>	<b>8.19</b>	<b>9.01</b>	<b>7.79</b>	<b>9.89</b>	<b>7.02</b>	<b>8.65</b>	<b>6.78</b>
<b>Savings (-)</b>	<b>(-) 0.19</b>		<b>(-) 0.01</b>		<b>(-) 1.22</b>		<b>(-) 2.87</b>		<b>(-) 1.87</b>	
<b>Excess (+)</b>										

**Source:** Information furnished by the department.

Besides, the department also received medicines, kits etc for Rs. 20.57 crore in kind from the Government of India during 1999-2004 under National Anti-Malaria Programme and Family Welfare Programme.

<sup>•</sup> GB Pant Hospital, Cancer Hospital and Dr. B.R.Ambedkar Memorial Hospital at Agartala.

<sup>♦</sup> Tripura Sundari District Hospital, Udaipur.

<sup>▲</sup> Bishalgarh, Melaghar and Belonia.

<sup>◇</sup> Jirania, Teliamura, Kumarghat and Sonamura.

It would be seen from the table above that there was savings of Rs. 6.16 crore during 1999-04. The reasons for savings were attributed (August 2004) by the Government to non-finalisation of rates of machinery and equipment, non-execution of supply of medicines by the firms, and receipt of funds at the fag end of the financial year.

### ***Assessment of requirement***

**3.2.5** Proper assessment of requirement is a pre-requisite for effective procurement and stores management. Basic information on the incidence of diseases in the area, number of patients treated (disease-wise) in a year are essential in assessing the requirement of medicines.

Three Sub-Divisional Hospitals and four CHCs test-checked (May-June 2004) failed to furnish the information on number of patients treated based on clinical diagnosis as no such records were maintained by them. The Directorates also could not obtain the consolidated information from the field units, on the number of patients clinically diagnosed and treated by them during 1999-2004, despite having repeatedly called for.

Further test-check of records of the DHS and the DFW&PM showed that 42 to 75 items of medicines worth Rs. 16.06 crore were procured during 1999-2004 according to the requirement placed by the field units, in the absence of any basic reliable data in the Directorates. The requirements placed by the field units were also not supported by the information on (i) actual consumption of medicines in previous year, and, (ii) quantum of medicines available in stock. As a result, the decision on procurement of medicines in a year was taken on previous year's purchase, by changing the quantum from 5 to 10 *per cent* (increase or decrease). This indicated that procurement of medicines was not based on proper assessment of requirement.

The Government stated (August 2004) that a process had already been started to formulate a new scale for procurement of medicines considering relevant up-to-date data.

### ***Procurement of medicine***

#### **Non-imposition of penalty**

**3.2.6** Records of the department indicated that the DHS selected the firms and finalised rates contract and terms and conditions each year for procurement of medicines based on the recommendation of purchase committees. Accordingly, four State hospitals and the two Directorates were to procure all the required medicines. The terms and conditions *inter alia*, stipulated that medicines were to be supplied within two months from the date of issue of supply orders. In case of any delay beyond the stipulated period of two months penalty @ 1 *per cent* per week of delay would be imposed on the suppliers.

Test-check of records (May – June 2004) of the two Directorates, GB Pant Hospital, and Cancer Hospital for the period 2001-2004 revealed that in case of 206 bills there was delay in supplying medicines ranging from one week to nine months. This delay affected the delivery of quality health care facilities to

the patients. The penalty of Rs. 18.34 lakh<sup>□</sup> calculated at 1 *per cent* per week of delay on total value of medicines supplied, was not imposed on the suppliers.

It was, however, noticed that the DHS exempted penalty of Rs. 6.34 lakh in respect of 64 cases (out of 206) during 2002-03 without approval from the Government. The Government stated (August 2004) that due to non-payment of the bills of the suppliers by the department in due time, the condition stipulating the penalty for late supply of medicines by the suppliers was overlooked. The reply was not acceptable to Audit as imposition of penalty on delay in supplying medicines and delay in making payment against the claims were distinct and separate issues.

### **Unfruitful expenditure on mixture ingredients**

**3.2.7** In Tripura five types of mixtures were being prepared in the health institutions by using 15 ingredients varying from three to five ingredients for each mixture. But this practice of preparation of mixtures in the health institutions had been discontinued prior to 1999-2000. It was noticed that without formulating any methodology to re-introduce the system of supplying mixture to the patients, the department purchased four categories of mixture ingredients<sup>▯</sup> valued at Rs. 6.71 lakh during 2000-04. According to the formulations prescribed in the Pharmacopoeia not even a single mixture could be prepared by using only these ingredients. As a result the stock of ingredients remained unutilized as of June 2004. Records of Sub-Divisional Hospitals and CHCs test checked, also confirmed the position.

The Government stated (August 2004) that the available ingredients could be utilised in future and there would be no loss to the Government. The reply was not tenable since the ingredients were procured without assessing any immediate requirement.

Thus, the expenditure of Rs. 6.71 lakh on the mixture ingredients became unfruitful.

### **Sub-standard medicine**

**3.2.8** To provide quality health care services in the State, the department was required to procure standard quality of medicines. The medicines were also being tested in the State Drug Testing Laboratory (SDTL), Agartala which had the facilities for testing 44 items of medicines only, though about 75 items of medicines were procured by the department every year.

As there was no scope in the State for testing all the drugs, the department procured medicines based on the testing reports furnished by the suppliers as per terms and conditions of notice inviting tenders. The medicines were distributed for use/consumption by the patients in the health institutions. Test-check of records of three State hospitals and two Directorates revealed that

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<sup>□</sup> DHS: Rs. 4.64 lakh; DFW&PM: Rs. 10.84 lakh; GB Pant Hospital: Rs. 2.36 lakh; Cancer Hospital: Rs. 0.50 lakh.

<sup>▯</sup> Ammonium Chloride: 372 packets; Compound Cardamom Tincture: 4953 bottles; Tincture Ipecac: 1407 bottles and Aromatic spirit of Ammonia: 5016 bottle.

samples of 33 items of medicines procured during 1999-2003 were drawn up by the SDTL for testing. The SDTL declared (November 2000 to April 2003) all these medicines as substandard.

By that time medicines valued at Rs. 10.44 lakh (78 per cent), out of total stock of Rs. 13.45 lakh, had been consumed by the patients. It was seen that the department only asked the suppliers to replace the balance quantity of substandard medicines but no action was taken against them.

The Government stated (August 2004) that the facilities of the SDTL were being updated to overcome the problem of delayed receipt of test reports from outside the State.

### **Sub-standard adhesive tapes**

**3.2.9** Scrutiny of records revealed that the department procured 1840 tubes of adhesive tapes (used to seal wounds/stitches) during May-June 2002. The samples of the adhesive tapes were tested by the Central Drug Laboratory, Kolkata through the SDTL and were declared (June 2003) as sub-standard as these tapes did not perform adhesive function. It was noticed that before getting the laboratory test report 621 tubes of adhesive tapes valued at Rs. 1.93 lakh (34 per cent), out of total stock of Rs. 5.72 lakh were already issued for use. Though the balance quantity (1219 tubes) was replaced by the firm, no action was initiated against the firm for supplying substandard adhesive tapes.

The Government stated (August 2004) that action against supply of sub-standard medicine was being taken as per the provisions of the Drugs and Cosmetics Acts and Rules.

## ***Procurement of machinery and equipment***

### **Irregular transfer of machinery and equipment**

**3.2.10** Test-check of records (May – June 2004) revealed that machinery and equipment valued at Rs. 39.17 lakh<sup>•</sup> purchased by the department during 2001-03 for the Super Speciality Block at GB Pant Hospital, Agartala were transferred to the Tripura Super Speciality Hospital Society (a registered society) set up (October 2002) according to the Memorandum of Understanding (MOU) signed (October 2002) between the Government of Tripura and Care Foundation, Hyderabad.

This transfer of the machinery and equipment was not regular since there was no such commitment in the MOU.

### **Installation of mammography machine**

**3.2.11** Records revealed that funds of Rs. 30 lakh was released by the Government of India in March 2000 for installation of a mammography machine in Cancer Hospital, Agartala. The department issued work orders for Rs. 25.75 lakh in March 2001 to M/S Siemens Ltd., Kolkata for supply and

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<sup>•</sup> OT lights installed in the Super Speciality Block: Rs. 23.08 lakh; Telemedicine facilities set up at GB Pant Hospital, Agartala and RGM Hospital, Kailashahar linked with Care Foundation, Hyderabad: Rs. 14.42 lakh and ENT Machine: Rs. 1.67 lakh.

installation of the machine (including civil works and electrification of the building) without fixing any time limit for the work. Though it was stipulated in the notice inviting tender that the work should be done within 45 days from the date of issue of supply order, this condition was not incorporated in the work order.

The work for installation and successful demonstration of the machine was completed in April 2002 but the payment (Rs. 25.75 lakh) was made in March 2002. The machine could not be utilised till January 2003 since its installation, due to various faults in the machine.

The Service Engineer of the firm identified (May 2003) the damp condition of the room as the main cause of frequent breakdown of the machine. Though the firm executed the civil works as well for installation of the machine, no initiative was taken either by the firm or by the department to rectify the defects as of June 2004.

The Government stated (August 2004) that renovation / repair work of the room had been taken up by the State Public Works Department in July 2004 and the work was in progress.

Thus, due to delay in installation of the machine and lack of proper planning and monitoring, the desired benefits could not be derived out of the machine, even after investment of Rs. 30 lakh<sup>®</sup>.

### ***Idle investment***

#### **Non-installation of X-ray machines**

**3.2.12** Test-check of records (May – June 2004) showed that three X-ray machines were purchased by the department between March 2001 and August 2001, for Sub-Divisional Hospital, Bishalgarh and two CHCs at Ompi and Takarjala at a cost of Rs. 8.64 lakh, and full payment was made (October 2002) to the firm, before installation of the machines with successful demonstration.

It was seen that the dark room required for making the machine functional in the Sub-Divisional Hospital, Bishalgarh was not ready as of June 2004. In the two CHCs the firm could not demonstrate the machines after installation in May 2003 and July 2003 respectively and demanded Rs. 3.15 lakh (June 2004) for replacement of some spare parts.

The Government stated (August 2004) that the demand of the firm for replacement of some spares in respect of the machines of the two CHCs was refused and the firm was asked to arrange demonstration of the machines early after necessary repair.

Thus, lack of proper planning and monitoring on the part of the department had resulted in idle investment of Rs. 8.64 lakh for about three years, besides denial of the benefits to the rural population.

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<sup>®</sup> M/S Siemens Ltd.: Rs. 25.75 lakh, Tripura Sales Tax: Rs. 2.81 lakh, External electrification etc.: Rs. 1.44 lakh.

### ***Non-functional machinery and equipment***

**3.2.13** Test-check of records revealed that 18 machines and equipment (**Appendix XIII**) purchased during 1996-2002 costing Rs. 86.24 lakh relating to eight health institutions remained non-functional ranging from two years to eight years mainly due to non-availability of consumables, spare parts, and trained manpower. The department did not take appropriate remedial measures to restore functioning of the machinery and equipment. This resulted in denial of intended benefits to the patients.

The Government stated (August 2004) that three ultrasonography machines<sup>†</sup> had been replaced by new ones under buy-back scheme and action was being taken in respect of other equipment.

### ***Improper Annual Maintenance Contract***

#### **Undue financial aid to firm**

**3.2.14** An agreement for Rs. 20.41 lakh on Annual Maintenance Contract (AMC) in respect of 32 equipments<sup>‡</sup> covering the period from May 1998 to April 2001 was signed between the DHS and M/S Siemens Ltd, Kolkata in January 1999.

It was noticed in audit that three X-ray machines<sup>♦</sup>, covered under the said AMC, remained out of order during September 1998 to December 1998. The firm did not turn up to rectify the defects during the first 6 months even after repeated persuasion. But the department paid (February 1999) Rs. 2.79 lakh for that period though no service was available.

Thus, signing of the agreement with retrospective effect and absence of any penalty clause in the AMC for non-execution of work in time, resulted in undue financial aid of Rs. 2.79 lakh to the firm.

The Government admitted the facts and stated (August 2004) that the machines were put in order after the said period.

### ***Recommendation***

#### **3.2.15**

- Physical verification of stores at least once in a year hitherto not done during 1999-2002 may be ensured.
- For quality control, the State Drug Testing Laboratory may be equipped with the facilities of testing injectibles as well as for testing all the items of medicine procured for use in the State.
- Penalty clause may be incorporated in the Annual Maintenance Contract to ensure repair/timely maintenance of the machinery and equipment.

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<sup>†</sup> SI No. 3 and 11 at **Appendix XIII**.

<sup>‡</sup> 28 X-ray machines, 2 Ultra sound Sonography machines, and 2 Servo ventilators.

<sup>♦</sup> District Hospital, Kailashahar: 2, and Rural Hospital, Gandacherra: 1.



## INDUSTRIES AND COMMERCE DEPARTMENT

### 3.3 Working of Industries and Commerce wing of Industries and Commerce Department

*Overall performance of the department in promoting Village and Small Scale Industries in the State was not achieved. There was drastic fall in employment generation due to closure of 1104 SSI units out of 2193 units. 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.*

#### *Highlights*

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

**(Paragraph 3.3.5)**

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

**(Paragraph 3.3.6)**

**There was inadmissible reimbursement of Sales Tax amounting to Rs. 40 lakh to an industrial unit not covered under Capital Investment Scheme.**

**(Paragraph 3.3.7)**

**An amount of Rs. 1.30 crore under Margin Money Scheme was unauthorisedly diverted by Tripura Khadi and Village Industries Board (TK&VIB) towards administrative expenses of the body and thus, the purpose of the Scheme was defeated.**

**(Paragraph 3.3.9)**

#### *Introduction*

**3.3.1** The objectives of Industries and Commerce wing of the Industries and Commerce Department is to promote Village and Small Scale Industries in the State. This is to be achieved by creating an integrated and comprehensive base for industrialisation through proper linkage between medium, large and small scale units. For this purpose one State Plan Scheme, 10 Centrally sponsored Schemes and one Khadi and Village Industries Commission Scheme are being implemented by the department in the State.

#### *Organisational set up*

**3.3.2** The Industries and Commerce Department functions under overall administrative control of two Commissioners-cum-Secretaries, (i) Industries and Commerce, Handloom, Handicrafts and Sericulture and (ii) Information

Technology. The department has three separate wings viz, (i) Industries and Commerce, (ii) Handloom, Handicrafts and Sericulture and (iii) Information Technology. Each wing has a separate directorate.

Various industrial schemes/programmes are also being implemented by the two Government Companies viz, Tripura Industrial Development Corporation Ltd (TIDC) and Tripura Small Scale Industries Corporation Ltd (TSIC), and one autonomous body viz, Tripura Khadi and Village Industries Board (TK&VIB).

### ***Audit coverage***

**3.3.3** The working of Industries and Commerce wing of the Department alongwith manpower management for the period from 1999-2004 were reviewed in audit between January 2004 and April 2004. Records of the Directorate of Industries and Commerce, three District Industries Centres<sup>♣</sup> (DICs) out of four, four Industrial Estates<sup>\*</sup> (IEs) out of five, one Industrial Training Institute (ITI) (at Kailashahar) out of three, one Engineering Cell of Growth Centre at Bodhjongnagar and two Government Companies were test checked covering an expenditure of Rs. 40.30 crore (26 per cent) out of total expenditure of Rs. 152.63 crore.

### ***Financial Management***

#### **Budget provision and expenditure**

**3.3.4** For preparation of budget estimates, the Head of the Department or the Controlling Officer was required to obtain inputs from the field offices. The Controlling Officer did not insist on the field officers' furnishing necessary information. Consequently the budget estimates were prepared without any input from the field offices.

The budgetary allocation and expenditure both for revenue and capital account during the period from 1999-2004 were as under:

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♣ West Tripura District (Agartala), South Tripura District (Udaipur), North Tripura District (Kailashahar).  
\* Arundhutinagar, Badharghat (West Tripura District), Dhajanagar (South Tripura District), Dharmanagar (North Tripura District).

**Table: 1**  
**A-Revenue***(Rupees in lakh)*

Year	State Plan		CSS		Total Plan		Non-Plan		Grand total	
	BP	Expenditure	BP	Expenditure	BP	Expenditure	BP	Expenditure	BP	Expenditure
1999-2000	440.94	402.75	172.00	19.46	612.94	422.21	425.78	412.39	1038.72	834.60
2000-2001	378.21	377.88	381.50	302.57	759.71	680.45	586.85	588.45	1346.56	1268.90
2001-2002	362.00	362.00	15.00	15.58	377.00	377.58	753.93	719.50	1130.93	1097.08
2002-2003	570.00	554.53	16.72	10.72	586.72	565.25	733.65	726.13	1320.37	1291.38
2003-2004	722.85	717.65	190.08	190.08	912.93	907.93	782.98	685.25	1695.91	1592.98
<b>Grand total</b>	<b>2474.00</b>	<b>2414.81</b>	<b>775.30</b>	<b>538.41</b>	<b>3249.30</b>	<b>2953.22</b>	<b>3283.19</b>	<b>3131.72</b>	<b>6532.49</b>	<b>6084.94</b>
<b>Savings</b>		<b>59.19</b>		<b>236.89</b>		<b>296.08</b>		<b>151.47</b>		<b>447.55</b>

**B-Capital**

Year	State Plan		CSS		Total Plan		Non-Plan		Grand total	
	BP	Expenditure	BP	Expenditure	BP	Expenditure	BP	Expenditure	BP	Expenditure
1999-2000	743.00	743.00	-	-	743.00	743.00	-	83.98	743.00	826.98
2000-2001	803.00	803.00	-	-	803.00	803.00	693.15	538.86	1496.15	1341.86
2001-2002	1737.07	1737.07	608.00	889.50	2345.07	2626.50	-	-	2345.07	2626.57
2002-2003	1364.00	1364.00	186.00	186.00	1550.00	1550.00	-	-	1550.00	1550.00
2003-2004	1096.50	1217.50	27.13	2.38	1123.63	1219.88	0	0	1123.63	1219.88
<b>Total</b>	<b>5743.57</b>	<b>5864.57</b>	<b>821.13</b>	<b>1077.88</b>	<b>6564.70</b>	<b>6942.45</b>	<b>693.15</b>	<b>622.84</b>	<b>7257.85</b>	<b>7565.29</b>
<b>Savings (-)</b>		<b>(+)121.00</b>		<b>(+) 256.75</b>		<b>(+) 377.75</b>		<b>(-) 70.31</b>		<b>(+) 307.44</b>
<b>Excess (+)</b>										

**Source:-**The information as furnished by the department.**BP** = Budget Provision.

Apart from the expenditure indicated above, Rs. 16.12 crore was spent by Tripura Industrial Development Corporation (Rs. 15.93 crore) and Tripura Small Industries Corporation (Rs. 0.19 crore) during the period 1999-2004 in implementation of various Centrally Sponsored Industrial Schemes.

The above table indicated that there was a saving of Rs. 4.48 crore in Revenue Sector and there was an excess expenditure of Rs. 3.07 crore in the Capital Sector.

The reasons for savings / excess over budget provision was due to preparation of budget without assessing the actual requirement.

### ***Growth of Small Scale Industries (SSIs)***

**3.3.5** The main objectives of the creation of SSI units is to generate employment opportunities. The growth of SSI units (year wise) as well as employment generated in the State for the year ending March 2004 are given in the table below:

**Table: 2**

	Upto 1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	Total upto 2003-04
SSI units	2017	56	32	30	45	13	2193
Employment generation	5228	231	238	78	158	39	5972

**Source:-**Information as furnished by the department.

It was noticed in audit that out of 2,193 units, 1,104 units were closed as of March 2004. As a result 4,276 persons (72 per cent) lost employment against

5,972 new jobs created. The department failed to furnish year-wise details of closure of the units indicating the number of persons losing their jobs. The reasons for closure of the SSI units also were not stated. Thus, the main objective of creation of SSI units was frustrated. The Government offered no comment on this.

### ***Infrastructure Development***

**3.3.6** There are five industrial estates in Tripura covering an area of 95.35 acres. Of the five industrial estates, two were set up in 1965 and three in 1971, in which 84 sheds were constructed and 29 plots were developed by the department as of March 2004 for allotment. The information on construction of sheds (year-wise) as well as the amount spent in creation of this infrastructure was not furnished. Records showed that out of 84 sheds, 75 sheds were allotted and nine\* sheds remained unallotted as of March 2004. The reasons for not allotting nine sheds were neither stated nor found on record.

Test-check of the records of two industrial estates at Arundhainagar and Bhadharghat and information collected in respect of other three Estates revealed that out of total allotment of 75 sheds to various industrial entrepreneurs, 18 units, (including 8 departmentally run units) were closed. The department handed over the closed departmental units to Tripura Small Industries Corporation Ltd in July 1998 to look after the working of these units, of which four units were subsequently revived (date not specified). While the services of the staff of two closed units were placed under the Secretariat Administrative Department and the Jute Mills Ltd, the services of the staff of other two<sup>o</sup> closed units could not be utilised otherwise. As a result, Rs. 94 lakh were spent by the department towards wages of the idle staff varying from 19 to 30 persons during the period from April 1999 to March 2004.

### ***Programme Management***

#### **Subsidy payment**

##### **Subsidies given to closed SSI units**

**3.3.7** The department paid Capital Investment Subsidy (both Central and State), Sales Tax Re-imbusement Subsidy and Central Transport Subsidy of Rs. 1 crore between 1999-2000 and 2003-04 against 13 claims to 9 SSI units (**Appendix XIV**) which were closed. This led to inadmissible payment of subsidy of Rs. 1 crore as the department did not ascertain the status of the units before and after payment of subsidies/incentives though required according to the guidelines of the scheme. This indicates lack of internal control and monitoring on the part of the department.

##### **Inadmissible payment of subsidy**

Under Tripura Incentive Schemes 1995 and 2002 the department reimbursed Rs. 40 lakh (July 2003 and December 2003) to M/s Gemini Distilleries

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\* Dhajanagar: 1; Kumarghat: 7; Dharmanagar: 1.

<sup>o</sup> i) Footwear unit, Arundhutinagar and (ii) Blacksmithy unit, Arundhutinagar.

(Tripura) Pvt. Ltd, producing India Made Foreign Liquor (IMFL). But the list of firms approved by Government of India (February 1999) did not include IMFL units for the incentive scheme. Thus, reimbursement of Sales Tax of Rs. 40 lakh to the unit in 2003 was inadmissible, as Gemini Distilleries was not covered under the scheme.

The department admitted (March 2004) that the industrial units producing IMFL was not included in the suggested list of industries of the Growth Centre Project.

### Implementation of Schemes

**3.3.8** The following four schemes, out of 12 schemes implemented by the department, were test-checked in Audit:

- (i) Margin Money Scheme (MMS)
- (ii) Prime Minister's Rojgar Yojana (PMRY)
- (iii) Growth Centre (GC)
- (iv) Export Promotion Industrial Park (EPIP)

### Margin Money Scheme (MMS)

**3.3.9** According to the scheme guidelines, the Khadi and Village Industries Commission (KVIC) is to provide 25 *per cent* of the project cost subject to a maximum of Rs. 10 lakh as margin money to the nodal agency Tripura Khadi and Village Industries Board (TK&VIB). The financing banks are to initially sanction loan to the beneficiaries at 90 *per cent* of the project cost in case of general category and at 95 *per cent* in case of weaker section and claim margin money from the nodal agency after releasing the first instalment of loan.

Year-wise target fixed by TK&VIB for implementation of the scheme and achievement there-against during 1999-2004 are shown below:

**Table: 3**

*(Rupees in lakh)*

Year	No. of projects targeted	Projects sponsored		Projects sanctioned		Disbursed	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1999-2000	455	220	196.18	34	48.39	34	45.37
2000-01	500	258	738.63	34	85.87	31	67.03
2001-02	500	497	1405.64	142	214.37	108	149.65
2002-03	852	893	3547.67	191	727.04	149	459.98
2003-04	1000	842	3335.17	58	311.33	32	53.66
<b>Total</b>	<b>3307</b>	<b>2710</b>	<b>9223.29</b>	<b>459</b>	<b>1387.00</b>	<b>354</b>	<b>775.69</b>

**Source:** Departmental Figure.

It was noticed that the scheme suffered a setback for not releasing adequate amount of margin money by the KVIC due to non-submission of the utilisation certificate by the TK&VIB against the money released. The department failed to furnish the details of funds received by TK&VIB from KVIC and actual utilisation there-against.

### Diversion of funds

Records revealed that the TK&VIB diverted Rs. 1.30 crore from margin money funds to meet administrative expenses, which resulted in non-settlement of post margin money claims of financing banks. There was nothing on record to indicate that any mechanism was evolved by the department to oversee the proper utilisation of funds by the TK&VIB.

### Prime Minister's Rojgar Yojana (PMRY)

**3.3.10** Projects costing upto Rs. 1 lakh for setting up self employment venture are to be covered under this scheme. Banks would consider providing a composite loan to the extent of 95 per cent of the project cost not exceeding Rs. 95,000. The composite loan includes capital subsidy to the extent of 15 per cent of the project cost in the case of NE Region with a ceiling of Rs. 15000 per borrower which was to be reimbursed by the Government of India after the loan is disbursed by the banks.

The year-wise target fixed, projects sponsored and sanctioned and achievement thereagainst in implementation of the scheme during 1999-2004 are shown below: (projects can be sponsored more than the target fixed as per guidelines).

**Table: 4** (Rupees in lakh)

Year	No. of projects targeted	Projects sponsored		Projects sanctioned		Disbursed		Percentage of achievement in relation to target
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	
1999-2000	1300	1807	1295.69	1085	737.66	705	432.28	54
2000-01	1300	1881	1403.28	1157	776.14	872	539.89	67
2001-02	3000	3678	2651.63	2359	1629.69	1673	1095.37	56
2002-03	3000	4129	3020.12	2481	1806.97	1989	1337.18	66
2003-04	3000	4298	3287.93	2903	1839.05	306	183.18	10

Source: Figures furnished by the department.

The table shows a poor picture of achievement with reference to target fixed during 1999-2004. Reasons for poor achievement were not on record.

### Training

Records showed that the Finance Department and the Industries and Commerce Department delayed releasing funds (Rs. 58.98 lakh) to the implementing agencies for PMRY training. The delay ranged from 98 days to 445 days. Test check of cash books of three District Industries Centres (DICs) revealed that against the submission of utilisation certificates for Rs. 51.59 lakh to the Government of India, funds of Rs. 12.01 lakh\* under PMRY training, and contingency remained unutilised as of January 2004. Thus, financial performance under training programme was over reported to the Government of India.

\* DICs:- West Tripura District: 4.63 lakh; South Tripura District: Rs. 3.04 lakh; North Tripura District: Rs. 4.34 lakh.

## Growth Centre

**3.3.11** The objective of the Growth Centre, a cent *per cent* Centrally Sponsored Scheme (CSS), was to create all the necessary physical infrastructural facilities.

The Government of India approved (November 1997) the project of Growth Centre at Bodhjunnagar near Agartala on an area of 242 acres of land at a project cost of Rs. 15 crore to be completed in 5 years. The TIDC was the nodal agency for implementation of the scheme. It spent Rs. 12.15 crore (81 *per cent* of project cost) as of March 2004. The works relating to physical infrastructural facilities, which were the main purpose of setting up the Growth Centre, were, not completed<sup>⊗</sup> even after a lapse of 6 years.

Besides, out of 242 acres of land, 146 acres (60 *per cent*) were developed for allotment, of which only 48.34 acres (33 *per cent*) were allotted to 10 entrepreneurs between May 1999 and March 2004. Against these 10 entrepreneurs, lease rent of Rs. 16.94 lakh was outstanding as of March 2004. While admitting the fact the Government stated (July 2004) that out of Rs. 16.94 lakh, Rs. 0.32 lakh had since been realised. The Government further added that for providing effluent treatment, fire protection scheme and solid waste disposal, necessary efforts were being made to create industrial infrastructure.

### Diversion of funds

TIDC created an Engineering Cell (December 1998) for physical implementation and other civil engineering activities of the project. According to State Government's resolution (February 1999), the pay and allowances of the staff of the Engineering Cell was to be met from TIDC's own funds. It was noticed that TIDC diverted Rs. 12.70 lakh from the funds of Growth Centres to meet the expenditure on pay and allowances of the staff of the Engineering Cell during the period from December 1998 to March 2004.

The department stated (July 2004) that the establishment expenditure was borne by the interest earned from the project funds. The reply was not tenable since the interest earned from the project funds also formed a part of the project funds and approval from the Government of India was not obtained for meeting establishment expenses out of interest earned on investment of project funds.

### State Level Committee meetings

The State Level Committee (SLC) was required to hold its meeting in every quarter to monitor and review the progress of implementation of the Growth Centre and to furnish quarterly progress reports to Government of India. But against the requirement of 25 meetings, only nine meetings were held between May 2000 and January 2004 indicating 64 *per cent* shortfall as of March 2004. The SLC, however, did not furnish quarterly progress report to the

<sup>⊗</sup> (i) Effluent treatment, fire protection scheme, and solid waste disposal scheme under Industrial infrastructure, (ii) guesthouse and bachelor accommodation under Social infrastructure, non residential building under Commercial infrastructure, (iii) Residential building (Total: Rs. 3.42 crore).

Government of India regularly. The Government stated (July 2004) that based on practical situations only nine meetings (SLC) were held. They, however, had noted it for future guidance.

### **Export Promotion Industrial Park (EPIP)**

**3.3.12** The Government of India, Ministry of Commerce introduced a cent *per cent* Centrally Sponsored Scheme “Export Promotion Industrial Park” (EPIP) in November 1993 for providing financial assistance to the State Governments for creation of infrastructure facilities. The Government of India approved (April 2001) the project at Bodhjunnagar with an area of 126.12 acre and released first instalment of Central grant of Rs. 3 crore (September 2001) with the stipulation to utilise the grant within a period of one year from the date of issue. Records revealed that the Tripura Housing Board (THB) was assigned the work of preparing Master Plan for the project on a consultancy fee of Rs. 15 lakh. As the THB submitted the Plan (March 2002) in an abridged shape, the State Government decided (May 2002) to implement the project on turnkey basis, by M/S Consulting Engineering Service (India) Pvt. Ltd (CES), a Delhi based firm. Accordingly, an agreement was executed (November 2002) between the TIDC and the firm (CES). But the project was not implemented as of March 2004. The delay in implementing the project was attributed (May 2004) by the department to lack of seriousness, sincerity and ability to take up the work on turn key basis by the firm (CES). Thus, expenditure of Rs. 15.61 lakh<sup>□</sup> incurred by TIDC as of March 2004, as consultancy fee towards preparation of Master Plan and other miscellaneous expenditure etc., became unfruitful. Besides, the funds of Rs. 2.84 crore remained blocked for three years due to lack of adequate planning and monitoring of the project.

The Government stated (July 2004) that the work had since been rescinded as the firm (CES) was not interested in executing the project, and the work had been assigned to concerned wings of various departments (PWD, Power etc) of the State Government in the light of the Master Plan submitted by CES and THB.

### ***Man Power Management***

#### **Vacancies in various cadres**

**3.3.13** Records of the department indicated that 441 posts of various cadres against the total sanctioned strength of 1409 posts were lying vacant as of March 2004. 12 key functionary posts (out of 28) of Group A cadre and 28 key posts (out of 32) of Group B cadre were not filled up during 1999-2004. Two posts of Group A were, however, filled up in July 2004. The vacancies in key functionary posts ranged between 43 *per cent* and 88 *per cent*. Non filling up of the vacancies in key posts had seriously affected the implementation of various programmes.

The Government stated (July 2004) that key functionary posts of Group A and Group B cadres could not be filled up by promotion due to non-availability of eligible candidates in feeder posts.

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<sup>□</sup> THB: Rs. 10 lakh; CES: Rs. 4.86 lakh; and Misc expenditure by TIDC: Rs. 0.75 lakh.



According to Government of India decision below FR 49, an officer can not be sanctioned honorarium for attending duties of another senior post involving higher responsibility in addition to duties attached to his own post. Test-check of records revealed that between November 1997 and March 2004, on being asked to hold the full current duty charge of General Manager in four DICs, one Deputy Director and five Managers were allowed to draw honorarium of Rs. 0.66 lakh at the rate of Rs. 300 per month on regular basis. This was in violation of the provision of Fundamental Rules. Moreover, as per the relevant guidelines in Fundamental Rules an officer cannot be given full current duty charge of another post unless he is finally appointed to the additional post.

In none of the cases were the officers finally appointed to the higher post and were only asked to hold the charge of the additional post. As such the engagement was irregular.

The Government stated (July 2004) that the honorarium was sanctioned by the Finance Department in February 1997 for discharging higher responsibilities. The reply is not tenable since the sanction of such honorarium was contrary to the Government of India decision below FR 49.

### ***Conclusion***

**3.3.14** The main objective of the department to promote Village and Small Industries in the State was not fulfilled although Rs. 152.63 crore was spent during 1999-2004 in implementation of various programmes. This was mainly due to:

- (i) inadequacy in planning, monitoring and co-ordination,
- (ii) non-implementation/delayed implementation of the programme.

The Government stated (July 2004) that planning, monitoring and co-ordination in regard to different schemes were being done vigorously and efforts were on to complete all the projects in time.