

## OVERVIEW

This Report contains 23 audit paragraphs (including three general paragraphs), three performance reviews and two long paragraphs apart from comments on the Finance and Appropriation Accounts. There is a separate chapter on Internal Control System in respect of Agriculture Department. According to existing arrangements, copies of the draft audit paragraphs and draft audit reviews are sent to the Secretary to the State Government of the department concerned by the Accountant General (Audit) with a request to furnish replies within six weeks. However, in respect of six audit paragraphs and two long paragraphs included in this Report, no response was received from the Secretary concerned. A synopsis of the important findings contained in the Report is presented in this overview.

### ***1. Finances of the State Government***

The revenue of the State consists mainly of its own tax and non-tax revenue, Central tax transfers and grants-in-aid from Government of India. Overall revenue receipts increased from Rs. 2,167.66 crore in 2003-04 to Rs. 2,576.90 crore in 2004-05 at an average trend rate of 13 *per cent*. There were, however, significant inter-year variations in the growth rates. During the current year the revenue receipts grew by 18.88 *per cent*. 84 *per cent* of the revenue came from Central tax transfers and grants-in-aid during the year. While Central tax transfers had increased by 19.53 *per cent*, the grants-in-aid from Government of India increased by 21.91 *per cent* over the last year. Only 16 *per cent* of the revenue receipts came from the State's own resources.

Total expenditure of the State increased from Rs. 2,512.74 crore in 2003-04 to Rs. 2,821.18 crore in 2004-05 at an average trend rate of 11 *per cent*. The rate of growth of expenditure in 2004-05 was 12 *per cent* which was higher than the average trend rate (11 *per cent*) for five years.

The interest payment during 2004-05 was Rs. 355.82 crore and the same grew by 7 *per cent* over the last year. The average growth rate of interest payments during the period 2000-05 was 11.84 *per cent*. Debt burden (fiscal liabilities) of the State at the end of 2004-05 was Rs. 4,181.28 crore, up by 16.85 *per cent* over the previous year. The average rate of interest paid on the borrowings of the State during 2000-05 (10.11 *per cent*) was more than the average rate of growth of GSDP (9.59 *per cent*), violating the cardinal rule of debt sustainability. The finances of the State continued to be dependent on the ways and means advances from Reserve Bank of India.

*(Paragraph 1)*

### ***2. Allocative priorities and Appropriation***

Against the total budget provision of Rs.3,763.61 crore, actual expenditure was Rs.3,193.88 crore. Overall savings of Rs. 569.73 crore were the results of savings of Rs. 891.40 crore in 56 grants and appropriations, offset by excess of Rs. 321.67 crore in 11 grants and three appropriations. The excess expenditure required regularisation by the Legislature under Article 205 of the Constitution of India.

In 41 cases, supplementary provision of Rs. 172.53 crore proved unnecessary.

In 50 cases, saving was more than Rs.10 lakh in each case and also over 10 *per cent* of the total provision.

In four cases under three grants / appropriations, expenditure of Rs. 149.22 crore was incurred without budget provision.

In 59 cases, anticipated savings of Rs. 378.52 crore had not been surrendered.

In six cases, against actual savings of Rs. 65.73 crore, Rs.101.43 crore had been surrendered, resulting in excess surrender of Rs. 35.70 crore.

*(Paragraphs 2.2 to 2.8)*

### **3. Performance audit**

#### **3.1 Pradhan Mantri Gram Sadak Yojana**

Pradhan Mantri Gram Sadak Yojana (PMGSY) was launched in December 2000 by the Government of India, for country wide implementation, with the objective of providing road connectivity through all weather roads to all unconnected habitations having a population of above 1000 by the year 2003 and those having population between 500-999 (250-999 for NE States except Assam) by the year 2007. The desired objective could not be achieved in Tripura due to defective planning, giving more emphasis to inadmissible habitations, selection of roads in inaccessible and insurgency prone areas and delay in finalisation of tenders.

- ❖ Against 1,917 identified unconnected habitations having population of 250 and above, the department targeted 402 habitations (21 *per cent*) to be covered by March 2005 of which 204 only were covered as of March 2005 indicating shortfall of 49 *per cent* with reference to targets. The shortfall in achievement of targets was 73 *per cent* in case of habitations having population of 1000 and above. The department had spent Rs. 17.48 crore (37 *per cent* of total expenditure) on providing connectivity to 269 habitations having population less than 250 during 2000-05 violating the programme guidelines.
- ❖ Rupees 3.30 crore, being excess over estimated cost on 41 works, were irregularly charged to PMGSY instead of being borne by the State Government.
- ❖ For six Basic Minimum Services (BMS) works under Phase I of the programme, Rs. 43.39 lakh were obtained from Government of India in excess by reporting requirement of funds of Rs. 69 lakh against the actual requirement of Rs. 25.61 lakh.
- ❖ Against the release of funds of Rs. 28 lakh by Government of India on two road works (2.5 km each) under Phase I, expenditure of Rs. 38.10 lakh was

charged to PMGSY. The works though not executed were reported to have been completed in January and March 2002 and the funds were diverted to State plan works.

- ❖ Rupees 80.68 lakh spent on 10 BMS works, completed prior to launching of PMGSY, were charged irregularly to PMGSY by three programme implementation units. Also, an unspent amount of Rs. 6.14 lakh on three BMS works was also diverted to State plan works by Teliamura Division.

**(Paragraph 3.1)**

### **3.2 Material Management in the Food, Civil Supplies and Consumer Affairs Department**

Material management in the Food, Civil Supplies and Consumer Affairs Department was unsatisfactory as the population covered under PDS exceeded the total projected population of the State and there was total dependence on Food Corporation of India (FCI) in regard to procurement of rice despite availability of considerable quantity of locally grown rice as well as shortfall in identification of targeted number of beneficiaries under different schemes. The objective of ensuring food security to the people of the most remote localities was frustrated due to the absence of the fair price shops in those areas. The dilapidated condition of godowns, lack of approach roads combined with non-availability of guard sheds, the absence of toilets and drinking water facilities in the godown complexes and shortage of manpower rendered the store management deficient.

- ❖ Existence of 19,897 ration cards in excess of the population during the years 2001-03 resulted in excess lifting of 5,852 tonnes of rice valued at Rs. 3.64 crore.
- ❖ Procurement of rice from FCI under Public Distribution System (PDS) and other schemes ignoring local production resulted in marketable surplus which led to distress sale by paddy growers of the State.
- ❖ Due to non-completion of identification of beneficiaries under the targeted groups of Below Poverty Line (BPL) and Antyodaya Anna Yojana (AAY), subsidised rice worth Rs. 19.28 crore failed to reach the eligible households.
- ❖ Issue of delivery orders for excess quantities totaling to 1697.7 tonnes of rice by the delivery order issuing authority to the dealers of fair price shops attached with 12 godowns amounted to Rs. 1.03 crore.

**(Paragraph 3.2)**

### **3.3 Consumer Protection Act**

- ❖ Performance audit on the implementation of Act and Rules relating to consumer protection in the State during 2000-2005 revealed ineffective redressal of grievances of the consumers because of delayed disposal of complaints, ranging on an average from 469 to 1,076 days. The objectives

of the programme were only partially achieved due to, *inter alia*, non-setting up of District Consumer Protection Council, District Consumer Information Centre, inadequate laboratory and other infrastructural facilities, and weak monitoring mechanism.

(Paragraph 3.3)

### **3.4 Working of Tripura Scheduled Castes Co-operative Development Corporation Limited**

Absence of basic essential data on SC families below poverty line (BPL), lack of adequate planning, control and monitoring, poor recovery of loans from the beneficiaries had an adverse effect on performance of the Corporation.

(Paragraph 3.4)

### **3.5 Increasing cost of sales of jute products in Tripura Jute Mills Limited**

Tripura Jute Mills Limited (TJML) was incorporated in October 1974 under the Company's Act, 1956 with the main objective of manufacturing finished goods from raw jute. It could not achieve the targets fixed as per the MOU. The low capacity utilization, non operation of large number of looms, failure of the Company to initiate action for repair plant and machinery including looms, low yield of finished product of jute and excess deployment of labour contributed the increase in the cost of sales.

- ❖ The production targets fixed against the installed capacity of 12,000 MT, ranged between 1800 MT (15 *per cent*) and 5400 MT (45 *per cent*) against which capacity utilization ranged between 1120 MT (9 *per cent*) and 2209 MT (18 *per cent*) during 2000-2005. Out of 158 looms installed, only 40 looms were in working condition while 68 were lying idle for want of major repair and the balance 50 for minor repair.
- ❖ According to the JMDC norms, with the total consumption of 9211 MT of raw jute during 2000-05, 9428 MT of jute bags were required to be produced, against which the Company manufactured 8667 MT of jute bags. The value of the shortfall in production (761 MT of jute bags) was Rs. 1.62 crore.
- ❖ The Management utilised 3,46,933 (2002-03) to 4,12,865 (2000-01) mandays in excess of the JMDC norms indicating poor personnel management.
- ❖ Management spent Rs. 6.51 crore (2002-03) to Rs. 6.73 crore (2001-02) per year towards direct labour of which 87.89 *per cent* to 96.59 *per cent* were on idle labour. While the cost of sales ranged between Rs. 42,301 and Rs. 92,938, the selling price of finished jute products ranged between Rs.10,866 and Rs. 28,423.

(Paragraph 6.2)

## **4. Paragraphs**

### **(a) Civil**

- ❖ The Director of Agriculture drew central assistance of Rs. 42.97 lakh between 2001-02 and 2003-04 for implementation of computer based Agri-Network System, of which Rs. 42.10 lakh remained unutilized.  
**(Paragraph 4.1)**
- ❖ Premature withdrawal of Rs. 2 crore from term deposit account and retention of the same in the personal ledger (PL) account of the Director of Health Services for over five years caused loss of interest of Rs. 1.06 crore.  
**(Paragraph 4.2)**
- ❖ Non-adherence to prescribed procedure on procurement of construction materials and procurement of material in advance of requirement by six Public Works divisions led to blocking of funds of Rs.6.41 crore.  
**(Paragraph 4.4)**
- ❖ Injudicious procurement of ductile iron (DI) pipes by the Executive Engineer, for distribution systems of a Lift Irrigation (LI) Scheme resulted in blocking of funds of Rs. 1.72 crore.  
**(Paragraph 4.6)**
- ❖ The Executive Engineer, Resource Division incurred extra expenditure of Rs. 66.09 lakh due to delay in finalisation of tender.  
**(Paragraph 4.7)**
- ❖ Non-completion of work by the contractor compounded by inaction of the Public Works Division resulted in infructuous expenditure of Rs. 64.97 lakh.  
**(Paragraph 4.8)**
- ❖ Construction of hostels for students before finalising site for its school building resulted in unproductive expenditure of Rs. 2.34 crore.  
**(Paragraph 4.9)**
- ❖ Expenditure of Rs. 27.25 lakh incurred on rubber plantation proved wasteful due to high mortality of plants.  
**(Paragraph 4.10)**
- ❖ Ranirbazar Nagar Panchayat could not construct the Super Market during 2001-05 due to inordinate delay in selection of site and lack of adequate planning leading to blocking of funds of Rs. 49.77 lakh resulting in a loss of interest of Rs. 15.24 lakh.  
**(Paragraph 4.11)**
- ❖ Amount of Rs. 31 lakh placed with the Tripura Gramin Bank for disbursement of subsidy to 155 Scheduled Castes families living below

poverty line remained undisbursed for over two years depriving these families of the intended benefit.

**(Paragraph 4.13)**

**(b) Revenue**

- ❖ Deputy Transport Commissioner, Agartala failed to realise road tax of Rs.14.44 lakh from registered vehicles owners.

**(Paragraph 5.2)**

- ❖ Failure to identify trucks with load of cement, steel and coal in excess of permissible limit resulted in non- realisation of fine of Rs. 10.62 lakh from transporters.

**(Paragraph 5.3)**

**(c) Commercial**

- ❖ Tripura Small Industries Corporation (TSIC) had incurred unproductive expenditure of Rs. 75.23 lakh during 2001-05 on salaries of idle staff of a Pharmaceutical Unit.

**(Paragraph 6.3)**

- ❖ Extra expenditure of Rs. 30.45 lakh was incurred on consumption of 1129.10 metric ton (MT) coal in excess of the norms for burning 219.88 lakh green bricks.

**(Paragraph 6.4)**

- ❖ Non-imposition of penalty for delayed payment of energy charges by consumers resulted in loss of revenue of Rs. 79.46 lakh.

**(Paragraph 6.6)**

- ❖ Inadmissible rebate allowed to 707 consumers in 1,774 bills resulted in loss of revenue of Rs. 15.57 lakh to the Power Department.

**(Paragraph 6.7)**