

**Report of the  
Comptroller and Auditor General of India  
on  
Social, Economic and Revenue Sectors  
for the year 2014-15**



**GOVERNMENT OF TRIPURA**  
*Report No.1 of 2016*

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## **PREFACE**

1. This Report for the year ended March 2015 has been prepared for submission to the Governor of Tripura under Article 151 of the Constitution of India.
2. This Report contains significant results of the performance and compliance audit of the departments of the Government of Tripura under Social, Economic and Revenue Sectors including the departments of Education (School), Rural Development, Industries and Commerce, Science, Technology and Environment, Public Works (Roads & Building), Public Works (Water Resource), Forest, Power, Revenue (Land Record & Settlement) and Finance (Excise & Taxation) Departments.
3. The cases mentioned in this Report are those which came to notice in the course of test audit during the year 2014-15 as well as those which came to notice in earlier years but could not be dealt with in the previous Reports. Matters relating to the period subsequent to 2014-15 have also been included, wherever necessary.
4. The audits have been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.



# **EXECUTIVE SUMMARY**



## Executive Summary

This Audit Report has been prepared in five chapters. Chapters I to IV deal with Social, Economic, State Public Sector Undertakings and Revenue Sectors. Chapter V deals with Follow up of Audit observations.

This Report contains 26 paragraphs including 9 general paragraphs, one follow-up Audit on Education (School) Department, five Performance Audits (including one IT Audit) and 11 Compliance Audit paragraphs. According to the existing arrangements, copies of the draft paragraphs and draft performance audit were sent to the Secretary of the departments concerned with a request to furnish replies within six weeks. However, in respect of one Performance Audit and four Compliance Audit paragraphs included in the Report, no replies were received till the time of finalisation of the Report (November 2015). A synopsis of the important findings contained in the Report is presented below:

### SOCIAL SECTOR

#### Performance Audit

#### **National Programme of Nutritional Support to Primary Education (Mid-Day-Meal Scheme)**

Enrolment in MDM covered schools and in private schools in primary/upper primary levels during the five year audit period, registered opposite trends. While enrolment increased by 72 *per cent* in private schools, it declined by 18 *per cent* in MDM covered schools.

There was consistent decline in the reported coverage of children in primary schools from 2.97 lakh (2010-11) to 2.35 lakh (2014-15) and in upper primary schools from 1.38 lakh (2010-11) to 1.20 lakh (2014-15). The low attendance in schools is a cause of concern which needs to be addressed appropriately.

The problem areas that have been dogging the scheme are the leakages and financial indiscipline. Audit observed mismatch in the data relating to the number of children availing MDM as reported *vis-a-vis* the number of children actually availing MDM during the day of visit to test checked schools.

Audit also observed that the checks to ensure quality of meals and adequacy of nutritional value of food served to children remained deficient.

Cases of cooking of poor quality meals in unhygienic conditions, inadequate and poor quality of infrastructure in terms of kitchen sheds and utensils and lack of availability of safe drinking water were rampant in most of the schools exposing children to health hazards.

Adequate numbers of health check-ups of children were not conducted, in the absence of which the impact of MDMS on the nutritional status and required micronutrient supplements of the children could not be ascertained.

The monitoring system was deficient due to insufficient State Monitoring Committee (SMC) meetings, inadequate follow-up action on the recommendation of SMC, inadequate Inspections, etc.

*(Paragraph 1.3)*

### **Compliance Audit Paragraph**

Lack of financial propriety and internal controls over handling and management of cash resulted in fraudulent drawal and misappropriation of Government funds to the tune of ₹ 2, 85,000.

*(Paragraph 1.5)*

## **ECONOMIC SECTOR**

### **Performance Audits**

#### **Functioning of Industrial Training Institutes in Tripura**

Government's plan to provide ITIs in all the uncovered Sub-Divisions of the State remained unachieved. The test checked ITIs lacked infrastructural facilities such as adequate tools & equipment and hostel facilities for the girl trainees. Similarly, adequate raw material for the trades and reference material to trainees were not available in the test-checked ITIs. Irregularities in procurement of equipment/material by the Department led to supply of goods without basic documents from the manufactures. Procurement was done without any cost estimate and supplier dictated the specification of the supplied items. Failure of the Government in identifying new industries and institutions for placement of ITI passed candidates resulted in inadequate placements for apprenticeship training scheme in industries. The increasing trend of vacant seats and dropouts in ITIs was a matter of concern.

*(Paragraph 2.3)*

#### **Effectiveness in the functioning of Tripura State Pollution Control Board**

TSPCB, being the main agency for the enforcement of environment laws and responsible for formulation of policy for prevention, control and abatement of pollution did not conduct any survey to identify the polluting industries in the State and had not drawn up a comprehensive plan for preventing and controlling water and air pollution in the State. TSPCB's laboratory at Agartala was functioning without accreditation and without required testing facilities. The laboratories at zonal offices could not be made operational due to lack of infrastructural facilities. Large numbers of industrial units were operating in the State without renewal of consent. There was substantial shortfall in conducting inspections of even highly polluting 'Red' category industries. TSPCB could not establish the ambient air quality monitoring stations with requisite testing facilities for analysing all the essential parameters prescribed under NAMP. No action plan as required under Water Act was prepared by TSPCB for restoring the water quality of the rivers and water bodies. The municipal bodies did not comply with the provision of Municipal Solid Waste (Management and Handling) Rules, 2000 and TSPCB did not take any action under EP Act. Out of identified 1258

Health Care Establishments (HCEs), 694 HCEs did not obtain authorisation from TSPCB and there were deficient bio-medical waste treatment and disposal facilities. Financial management of TSPCB was deficient as it could utilise only 4.72 *per cent* to 14.13 *per cent* of yearly available funds on pollution control measures. Inadequate manpower adversely affected the functioning of TSPCB. TSPCB had no internal audit wing of its own and Audit Directorate under the State Finance Department responsible for internal audit of the State Government Department/Organisations also did not conduct audit of TSPCB during the period 2010-15.

*(Paragraph 2.4)*

### Compliance Audit Paragraphs

Adoption of incorrect parameters in computation of design life resulting in execution of richer specifications of Bituminous Macadam (BM) instead of required Open Grade Premix Carpet (OGPC) with seal coat caused avoidable expenditure of ₹ 6.59 crore on construction of 15.90 Km road from Maharani to Amarpur.

*(Paragraph 2.5)*

Withdrawal of funds from the Consolidated Fund of the State in violation of provision prescribed by the GoI under SPA and charging to the work which had not commenced led to blocking of funds of ₹ 5.34 crore for more than 34 months. There was also diversion of ₹ 5.47 crore coupled with issue of false UC of ₹ 10.83 crore. This was not only irregular but was also fraught with the risk of misappropriation of Government funds.

*(Paragraph 2.6)*

Commencement of work without adequate study of soil strata and plugging the pier wells at lesser than desired levels besides leading to extra expenditure of ₹ 1.44 crore and huge time overrun, compromised the soundness and stability of the bridge.

*(Paragraph 2.7)*

Mobilisation advance of ₹ 56 lakh out of ₹ 2.10 crore was not recovered from the executing agency for construction of Head work at Muhuri irrigation project at Kalashi resulted in loss to the Government.

*(Paragraph 2.8)*

Commencement of work without conducting soil investigation adequately led to huge extra earth cutting for construction of TSR battalion HQ at Pathaliaghat and thereby execution of earth work with two different rates which resulted in avoidable expenditure of ₹ 55.31 lakh.

*(Paragraph 2.9)*

Injudicious rejection of first call of tender by the Chief Engineer PWD(R&B) and subsequent awarding of the same work at a much higher rate caused a loss of ₹ 52 lakh to the Government besides undue favour to the unqualified bidder

*(Paragraph 2.10)*



**ECONOMIC SECTOR  
(STATE PUBLIC SECTOR UNDERTAKINGS)**

**Performance Audit**

**Tripura Forest Development and Plantation Corporation Limited**

Tripura Forest Development and Plantation Corporation Limited (Company) was incorporated (March 1976) as a State Government Company with the intention of rehabilitating degraded forest lands, settling of tribal shifting cultivators and generation of employment in the rural areas by raising commercial plantations and dealing in products there from. At present, activities of the Company are restricted to raising of commercial rubber plantations; extraction and processing of rubber latex sourced from own plantations as well as outside sources; extraction, treatment and processing of rubber wood into value added products like timber, furniture and doors.

The Company was one of the few State PSUs which recorded profits and paid dividend. The operational surplus of the Company was, however, increasingly under strain due to the losses made by its wood processing activities and declining trend of rubber prices.

The Company did not have any long term planning mechanism to attain its laid down objectives. The Annual Action Plans prepared by the Company merely served the purposes of addressing the immediate and short term issues without addressing the core issues in long run like poor yield, low capacity utilisation of processing units, manpower shortages, low demand for processed wood products and financial uncertainty on account of fluctuating prices of its products, etc. The first Five year Tree extraction plan (2013-14 to 2017-18) prepared by Company did not adequately consider the necessity of replanting of over matured and thinly populated plantations so as to improve productivity.

Forest lands handed over to the Company for raising plantations were encroached in the absence of legal title, lack of proper documentation, inadequate monitoring and absence of effective administrative action for eviction of encroached areas. The Company irregularly utilised the forest land allotted for the benefits of tribal for own commercial plantations in violation of the Government of India approval, thus depriving the tribal community of the intended benefits of land allotment besides involving the risk of payment of compensation towards said diversion of forest land.

The average yield from the plantations managed by the Company was less than half of the average yield of the State during the five years under review mainly due to delay in re-plantation in over-matured plantation areas, failure of replanted areas, poor density of tapping trees, low productivity and absenteeism of tappers, inadequate field supervision and control, etc.

Rubber wood processing activities of the Company resulted in substantial operational losses due to low capacity utilisation, manpower shortage, lack of adequate marketing efforts and lack of performance evaluation of the production units. The operations of

Cenex and Indian Standard Natural Rubber manufacturing facilities were also not efficient in absence of trained workers and effective supervision of operations.

Monitoring and internal control activities had scope for improvements.

*(Paragraph 3.2)*

### **Compliance Audit Paragraphs**

Negligence in filing of Annual Income Tax Return and shortfall in remittance of Advance Income Tax resulted in avoidable interest expenditure of ₹ 4.52 crore.

*(Paragraph 3.3)*

Non-application of the prescribed selection criteria uniformly for all the bidders resulted in extra expenditure of ₹ 36.09 lakh on purchase of distribution transformers.

*(Paragraph 3.4)*

## **REVENUE SECTOR**

### **Performance Audit**

#### **IT Audit on Computerisation of Land Records**

Audit of Computerisation of Land Records/National Land Records Modernisation Programme revealed deficiencies in the software, database and system design. Presence of duplicate plot numbers were noticed. Manual intervention for generation of mutation notice, deficiencies in data entry and validation checks led to the full potential of JAMI Software not being used.

*(Paragraph 4.2)*

### **Compliance Audit Paragraphs**

Due to concealment of turnover by the dealers which escaped notice of the assessing authorities, non submission of audited Accounts and collection of sum by way of tax by unregistered dealer resulted in short levy of VAT of ₹ 5.91 lakh, leviable interest of ₹ 3.63 lakh and penalty of ₹ 7.75 lakh.

*(Paragraph 4.3)*

Differential amount of ₹ 21.97 lakh on account of revision of import fee at Liquor and Beer collected by Bonded Warehouses from the retail vendors resulted in unjust enrichment to the Bonded Warehouses.

*(Paragraph 4.4)*



# **CHAPTER I: SOCIAL SECTOR**



# CHAPTER I: SOCIAL SECTOR

## 1.1 Introduction

This Chapter of the Audit Report for the year ended 31 March 2015 deals with the findings on audit of the State Government units under Social Sector.

The names of the State Government departments and the total budget allocation and expenditure of the State Government under Social Sector during the year 2014-15 are given in the table below:

**Table: 1.1.1**

*(₹ in crore)*

Name of the Departments	Total Budget Allocation	Expenditure
Education (Higher) Department	190.08	129.54
Education (School) Department	1,333.50	1,262.15
Education (Social) Department	363.32	312.02
Education (Sports and Youth Programme) Department	61.49	51.66
Food, Civil Supplies and Consumer Affairs Department	110.71	99.31
Family Welfare and Preventive Medicine	369.45	235.23
Health Department	278.66	317.60
Labour Organisation	18.31	15.57
Panchayati Raj Department	294.60	251.62
Public Works (Drinking Water and Sanitation) Department	227.42	200.04
Relief and Rehabilitation Department	30.59	28.41
Rural Development Department	736.26	394.80
Tribal Welfare (Research) Department	2.62	1.84
Tribal Welfare Department	1,184.22	721.53
TRP and PVTG Department	17.68	16.20
Urban Development Department	374.97	212.49
Welfare for SC and OBC Department	506.59	306.79
Welfare of Minorities Department	65.02	38.95
Welfare of OBC	21.95	24.65
<b>Total number of Departments = 19</b>	<b>6,187.44</b>	<b>4,620.40</b>

Source: Appropriation Accounts – 2014-15.

## 1.2 Planning and conduct of Audit

Audit process starts with the assessment of risks faced by various departments of Government based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of overall internal controls, etc.

After completion of audit of each unit, Inspection Reports containing audit findings are issued to the heads of the departments. The departments are requested to furnish replies to the audit findings within one month of receipt of the Inspection Reports. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations arising out of those Inspection Reports are processed for inclusion in the Audit Reports, which are submitted to the Governor of the State under Article 151 of the Constitution of India for being laid in the State Legislature.

The audits were conducted during 2014-15 involving test-check of an expenditure of ₹ 2,996.36 crore (including expenditure pertaining to previous years audited during the year) of the State Government under Social Sector. This Chapter contains one Performance Audit on “National Programme of Nutritional Support to Primary Education (Mid-day-Meal Scheme)” relating to Education (School) Department and one Compliance Audit Paragraph.

## EDUCATION (School) DEPARTMENT

### 1.3 National Programme of Nutritional Support to Primary Education (Mid-Day-Meal Scheme)

*The State of Tripura spent ₹ 336 crore during the period 2010-15 on National Programme of Nutritional Support to Primary Education, also Known as Mid-Day-Meal Scheme (MDM). The performance audit of the MDM for the period 2010-15 was undertaken to review the plans and achievement of the objectives viz. to improve the enrolment, reduce dropout and improve the nutritional status of the children. The audit reviewed the data available at the State level, District level and Inspectorate level. Audit also conducted inspections in 215 schools selected randomly using statistical sampling methods. The major observations of Audit which emerged are given below:*

#### **Highlights:**

Grass-root data was not collected for preparation of Annual Work Plan and Budget (AWP&B) as envisaged in the scheme. AWP&B did not present actual picture of enrolment of children. The data showed inflated figures of enrolment in AWP&B resulting in extra central assistance to the tune of ₹ 18.78 crore.

*(Paragraph 1.3.8)*

There was consistent decline in the number of children availing MDM in primary schools from 2.97 lakh (2010-11) to 2.35 lakh (2014-15) and in upper primary schools from 1.38 lakh (2010-11) to 1.20 lakh (2014-15).

*(Paragraph 1.3.14.)*

Enrolment in private schools increased by 72 per cent while it declined by 18 per cent in MDM covered Government aided schools.

*(Paragraph 1.3.14)*

Schools under three Inspectorates of Schools did not lift 471.233 MT rice from the State food Godowns and there was damage of 42.08 MT rice in 71 schools. On the other side, 147 (29 per cent) schools did not serve MDM for periods ranging from one month to six months due to non-availability of rice. Suspected misappropriation of MDM food grains and cooking cost of ₹ 1.36 crore in 17 test checked schools cannot be ruled out.

*{Paragraphs 1.3.17, 1.3.17 (a) and 1.17 3.(c)}*

There was insufficient supply of micronutrients and de-worming medicines coupled with non-maintenance of health cards and other registers indicating inadequate mechanism to evaluate the impact of the programme on health status of the school children provided with nutritional support.

*(Paragraphs 1.3.20.1 and 1.3.20.2)*



**In 22 per cent of the test checked schools, meal was found to be prepared in unhygienic conditions. In 47 per cent of the test checked schools, food was served in unhygienic places. Source of drinking water was not available in 489 schools in four test checked Districts.**

*(Paragraphs 1.3.20.3 and 1.3.21.2)*

### **1.3.1 Introduction**

In Tripura, the National Programme of Nutritional Support to Primary Education (commonly known as the Mid-Day-Meal Scheme) was launched as a centrally sponsored scheme for all school going children in primary stages from April 2003 and in Upper Primary stages from July 2008. The scheme was formulated with the objectives to boost the universalisation of primary education by increasing enrolment, ensure retention and attendance and simultaneously impact on the nutrition of students.

### **1.3.2 Organisational set up**

The Education (School) Department, functioning under a Principal Secretary is the nodal department for implementation of the MDM Scheme in the State. The Director of School Education (DSE) is the State implementing officer. The Director of School Education is assisted by Joint Director and Deputy Director at the State Level. The implementation and day to day operations of MDM is overseen by District Education Officers and Inspectors/Dy. Inspectors at the district and block levels respectively.

### **1.3.3 Central assistance**

The MDMS is primarily financed by the Ministry of Human Resource Development, GoI. Central assistance is provided to the States by way of:

- i) Supplying free food grains (wheat/rice) @ 100 grams/150 grams per child per school day in primary/upper primary from the nearest Food Corporation of India (FCI) Godown;
- ii) Reimbursing transportation cost at the same rate as prevalent under the Public Distribution System (PDS) in the State;
- iii) Providing Assistance for cooking per child per school day at rates specified from time to time.

In addition to cooking cost, assistance of 1,000 per month honorarium to cook-cum helper is shared between the Centre and State on 90:10 basis. GoI also provides assistance to construct kitchen-cum-stores in a phased manner at a cost of up to a maximum of 60,000 per unit. The cost of construction of kitchen-cum-store is also shared between the Centre and State on 90:10 basis. Assistance is also provided for provisioning and replacement of kitchen devices at an average cost of 5,000 per school.

### 1.3.4 Scope of audit

The implementation of MDM Scheme, for the period 2010-15 was reviewed in audit through a test check of records of the Education (School) Department, four District<sup>1</sup> Education Officers (out of eight), and 8 Inspector of Schools (out of 37). Out of 1989 schools under selected eight Inspector of Schools audit randomly selected 215 (11 *per cent*) primary and upper primary schools on the basis of Probability Proportional to Size Without Replacement (PPSWOR) and Simple Random Sampling Without Replacement (SRSWOR) method and a few schools were selected randomly. School visits by audit teams provided an opportunity to verify the implementation of MDM on ground.

### 1.3.5 Audit Objectives

The objectives of the performance audit were to verify whether:

- the scheme was being implemented in a planned and structured manner,
- the scheme achieved its objective of enhancing enrolment, ensuring retention and attendance in primary education,
- the scheme achieved its objective of improving the nutritional status of children,
- the funds allocated were being utilised in an economic and efficient manner,
- the implementation of the scheme was being monitored.

### 1.3.6 Audit Criteria

The criteria adopted for the performance audit were obtained from the following sources:

- Scheme guidelines on National Programme of Nutritional Support to Primary Education (MDM) 2006,
- Guidelines for decentralisation of payment of cost of Food grains to FCI at District level under MDM (February 2010).
- Guidelines to ensure quality, safety and hygiene under MDMS (dated 22 July 2013)
- Norms framed by the State Government for expenditure under MDM,
- Various orders, notifications, circulars, instructions issued by MHRD/State Government,
- Annual Work Plan and Budget prepared by the State Government, and
- General Financial Rules.

<sup>1</sup> West Tripura, Khowai, Gomti, Dhalai

### 1.3.7 Audit Methodology

The performance audit started with an entry conference (7 April 2015) with the Principal Secretary to the Government of Tripura, Education (School) Department wherein the audit objectives, criteria and scope of audit were discussed. This was followed by collection of relevant information through replies to audit queries/memos, questionnaires, scrutiny of records and databases. Analysis of the documents collected during audit formed the basis for audit observations. Audit conclusions were drawn after scrutiny of original records, analysis of the available data and responses to questionnaires and audit memoranda.

Audit findings were discussed with the Principal Secretary to the Government of Tripura, Education (School) Department in an Exit Conference (13 October, 2015) and the views of the Department have been suitably incorporated against the relevant paragraphs where found appropriate.

### Audit Findings

#### Audit Objective-1: Whether the scheme was being implemented in a planned and structured manner

### 1.3.8 Preparation of Annual work Plan and Budget

Under MDM scheme, importance is given to the preparation of Annual Work Plan & Budget (AWP&B) by States based on information maintained at school level and aggregated at the Block, District and State level. It envisages a bottom-up approach, rather than a top-down approach to planning. It is necessary that there is documentation of the process of plan preparation to ensure that these have been prepared at the school level involving a participatory planning process.

Scrutiny of AWP&B documents revealed that the Annual Plans were not based on grass root data (i.e., data compiled at school level), rather it was prepared for the State as a whole by the Directorate till 2012-13. Subsequent plans included District level data but there was little consultation with the district authorities. Plans during audit period were prepared at State level and sent to District for concurrence only. Therefore, the bottom up approach was not followed in preparation of AWP&B. In the absence of which, there is little assurance that AWP &Bs presented actual picture about enrolment of children, number of schools, etc. Some discrepancies observed are given below:

- The Department presented inflated enrolment in the **AWP&B** for all the years under review when compared with the enrolment shown in U-DISE<sup>2</sup>, as provided by the SSA (*Sarva Shiksha Abhiyan*), Rajya Mission<sup>3</sup>. The details are tabulated as below:

<sup>2</sup> Unified Data Information System for Education

<sup>3</sup> Sarva Shiksha Abhiyan is a Flagship programme being implemented in state with objective of universalising elementary education by bringing all children in the age group of 6-14 years under

Table No.1.3.1: Inconsistency of enrolment data in AWP&amp;B

(Figure in lakh)

Year	Enrolment (I to VIII) as per information furnished by Director of School Education		Enrolment (I to VIII) as per information furnished by SSA, Rajya Mission		Difference	
	Primary	Upper Primary	Primary	Upper Primary	Primary	Upper Primary
2010-11	4.31	2.03	3.66	2.05	0.65	-0.02
2011-12	3.82	2.09	3.55	2.07	0.27	0.02
2012-13	3.71	2.07	3.43	2.00	0.28	0.07
2013-14	3.64	2.27	3.30	1.87	0.34	0.40
2014-15	3.34	1.88	3.18	1.86	0.16	0.02

(Source: Information furnished by the DSE and SSA, Rajya Mission)

This fact was confirmed when the enrolment shown in AWP&B in respect of five districts (out of eight) were cross checked with the information furnished by the respective District Education Officers and discrepancies found. The details are given below:

Table No. 1.3.2: Comparison of enrolment shown in AWP&amp;B and information furnished by the DEOs

(Figures in Nos.)

Name of Districts	Total enrolment shown in AWP & B (2014-15)			Total enrolment as per record maintained in the District and TTAADC <sup>4</sup> (2014-15)			Difference		
	Primary	Upper Primary	Total	Primary	Upper Primary	Total	Primary	Upper Primary	Total
West Tripura	61997	36942	98939	59194	38817	98011	2803	(-) 1875	928
Khowai	26182	16471	42653	25870	15666	41536	312	805	1117
Sepahijalla	47984	27141	75125	45043	25730	70773	2941	1411	4352
Dhalai	45089	22252	67341	-	-	66235	-	-	1106
Gumti	37776	22431	60207	37640	22205	59845	136	226	362
<b>Total</b>			<b>344265</b>			<b>336400</b>			<b>7865</b>

(Source: AWP&amp;B of 2014-15 and information furnished by Districts Offices and TTAADC)

- Likewise, Education (School) Department did not match the total number of Primary and Upper Primary schools in the AWP & B in respect of four test checked Districts, as detailed below:

the ambit of primary schooling, expanding schooling facility to all inaccessible un-served habitations, creating new school infrastructure and renovating/improving infrastructures of existing schools.

<sup>4</sup> TTAADC – Tripura Tribal Areas Autonomous District Council

Table No.1.3.3: Number of schools overstated in AWP&amp;B

(Figures in Nos.)

Name of districts	No. of Schools shown in AWP & B (2014-15)			No. of schools as per record maintained in the District and TTAADC (2014-15)			Difference		
	Primary	Upper primary	Total	Primary	Upper primary	Total	Primary	Upper primary	Total
West Tripura	630	309	939	615	311	926	15	(-) 2	13
Khowai	464	211	675	465	211	676	(-) 1	0	(-) 1
Sepahijalla	596	284	880	601	286	887	(-) 5	(-) 2	(-) 7
Dhalai	828	320	1148	700	285	985	128	35	163
Gumti	540	271	811	538	270	808	2	1	3

Thus, AWP&B did not present actual picture of enrolment of children. This posed credibility issues about statistics presented in AWP&B as prepared by the State Government. As a consequence of more enrolment figures in AWP&B data than actual district data, the State Government irregularly received more central assistance to the tune of ₹ 18.78 crore, as detailed below.

Table No.1.3.4: Figures of enrolment overstated in AWP&amp;B to get more central assistance of ₹ 18.78 crore

Year	Differences in enrolment figures (in lakh)		Feeding days	Cooking cost (₹ in crore)	Rice (in MT)	Cost of rice <sup>5</sup> (₹ in crore)	Total (₹ in crore)
	Primary	Upper primary					
2010-11	0.65	-0.02	230	3.45	1426	0.81	4.26
2011-12	0.27	0.02	230	1.79	690	0.39	2.18
2012-13	0.28	0.07	230	2.47	885.5	0.50	2.97
2013-14	0.34	0.4	230	6.49	2162	1.22	7.71
2014-15	0.16	0.02	230	1.41	437	0.25	1.66
<b>Total</b>				<b>15.61</b>	<b>5600.5</b>	<b>3.17</b>	<b>18.78</b>

Department stated (October 2015) that AWP&B it had included the enrolment of Madrasas and AIE centres but in U-DISE data the enrolment of AIE (Special Training Centre) centres were not included.

However, the fact remained that there were discrepancies in enrolment data shown in AWP& B and information furnished by the respective District Education Officers in respect of five districts.

### 1.3.9 Institutionalised exaggeration of beneficiary figures

As per MDM guidelines, hot cooked meal is to be provided to all children in Government, local body and Government aided schools and special training centres at primary and upper primary level. The Scheme did not contain any provision to enable children to either opt for or opt out of the MDM. During scrutiny of Quarterly Progress Reports submitted by the Director of School education to the Central

<sup>5</sup> Cost of rice was taken as per prevalent FCI rate of ₹ 5,632 per MT

Ministry, it was noticed that all children enrolled and who attended schools during 2010-15 were shown as beneficiaries of MDM.

However, it was noticed in test checked schools that all the children were not taking MDM due to various reasons like poor quality of meal served, preference for bringing their own tiffin from home, unsatisfactory canteen facilities in school premises, etc. The data on the number of children availing MDM assumes great significance since release of cooking cost and food grains depends on number of children availing Mid-Day-Meal.

The actual number of children availing MDM in few urban schools were jointly counted by the audit party and HM/teacher in charge on the day of visit and it was significantly lower as compared to the data maintained in the feeding registers by the respective schools. The details of variations are shown in **Appendix-1.3.1**. The variation was more pronounced in the following cases which ranged from 53 to 79 per cent.

**Table No.1.3.5: Variation in no of children actually availing MDM on the day of visit and number of children recorded in the feeding register**

Sl. No.	Name of school	Category	Total enrolment	Attendance on the day of visit	No of children recorded in the feeding register	No of children actually availed MDM	Variation	Percentage of variation
1	NetajiSubhasVidyaniketan	U. Pry	551	420	420	90	330	79
2	NetajiSubhasVidyaniketan	Pry	593	501	501	115	386	77
3	MTB Girls HS School	U. Pry	705	208	208	75	133	64
4	Shishu Bihar HS School	U. Pry	408	307	307	118	189	62
5	Umakanta Academy Bengali Medium	U. Pry	436	188	188	72	116	62
6	Henry Derozio Academy HS School	Pry	450	345	345	150	195	57
7	MTB Girls HS School	Pry	795	382	382	180	202	53
8	DakshinAmarpur Town HS School	Pry	362	95	95	45	50	53

Thus, the mechanism in place for recording the data about the number of children availing MDM was compromised. The fact that the reported figures are consistently higher in the test checked cases point towards the possibility of misreporting being rampant in schools.

The possibility of misuse of food grains and cooking cost thus cannot be ruled out.

Due to non-verification of the beneficiary data, the requirements reflected in the AWP&B were unrealistic.

Audit is of the view that arrangements should be made for verification of the data submitted by the schools by formally obtaining Yes/No options from the children.

Department stated (October 2015) that MDM were being prepared in all schools considering the number of attendance. But the fact remained that school authorities were siphoning food grains and cooking cost, as discussed in case study (a) under **Para 1.3.17**.

### 1.3.10 Preparation of Menu

Para 3.5 of the scheme guidelines stipulates that the District/Taluknodal agency should take responsibility for developing indicative menus using locally available and culturally acceptable food items. Para 4.4 *ibid* also stipulates that School managements may also be encouraged to seek local support for drawing out varied, but wholesome and nutritious menus. However, scrutiny of records revealed that uniform menu for all over the State was decided at State level. Programme Approval Board (PAB) in its meeting (March 2012) also noticed that in tribal areas menu was not appreciated by children, as it did not suit the local tastes, which was also cited as a reason for low coverage. But no initiative in this respect was taken.

Department stated (October 2015) that common fixed weekly menu had been decided at State level in consultation with the dietician of the State Government on the basis of the food ingredients available throughout the State.

### 1.3.11 Identification of disadvantaged sections

In the guidelines of the scheme there was a special focus on the enrolment, attendance and retention of children belonging to disadvantaged sections.

It was noticed that the Department did not fix any criteria for identification of children of poor and disadvantaged sections and it had no information about the poor children belonging to disadvantaged sections. As a result, one of the major objectives of the scheme to encourage poor children belonging to disadvantaged sections to attend school more regularly and helping them concentrate on classroom education could not be achieved.

Department stated (October 2015) all the students enrolled in elementary level in Government Schools, Government Aided Schools and Madrassas were covered in MDM so disadvantaged section had not been identified separately in respect of MDM programme.

### 1.3.12 Display of information under RTI Act

As per para 6.3 of the guidelines, the following information should be displayed on a weekly/monthly basis in each school under the RTI Act 2005:

- (i) Quantity of food grains received, date of receipt
- (ii) Quantity of food grains utilised
- (iii) Other ingredients purchased, utilised
- (iv) Number of children given mid-day-meal
- (v) Daily menu
- (vi) Roster of Community Members involved in the programme

Out of 215 test checked schools, 183 (85 *per cent*) schools did not display any of the information under RTI Act as envisaged in the guidelines of the scheme.

Department stated (October 2015) that matter would be enquired in regular school inspections.



### 1.3.13 Awareness about the scheme

Human Resource Development (HRD) Ministry's instructions (July 2013) envisaged the formulation of specific plans to create awareness about the scheme amongst parents of children identified and eligible but not enrolled, by way of TV, Radio, print media, etc. Department stated that initiatives were taken to create awareness by putting hoardings, display of posters and distribution of booklets. However, audit observed that the Department did not maintain any data in respect of drop out children. In this context, audit sought information about position of drop out rates during 2010-11 to 2014-15. The information is tabulated below:

**Table No.1.3.6: Drop out rates**

(in percentage)

Year	Drop out rate	
	Primary(I to V)	Elementary level(I to VIII)
2010-11	4.05	9.68
2011-12	3.61	9.05
2012-13	2.92	8.50
2013-14	2.42	2.53
2014-15	3.62	3.46

(Source: Information provided by SSA, Rajya Mission)

The reasons for drop out were attributed to earning compulsions, migration for *jhum* cultivation, underage marriage of girls and lack of awareness among parents, etc.

Although the Department took positive steps to create awareness among the guardians, these were not sufficient. In view of audit, a concerted plan may be formulated to reduce the drop out through counselling, guidance and motivation for staying in School.

### **Audit Objective-2: Whether the scheme achieved its objective of enhancing enrolment, retention and attendance in primary education**

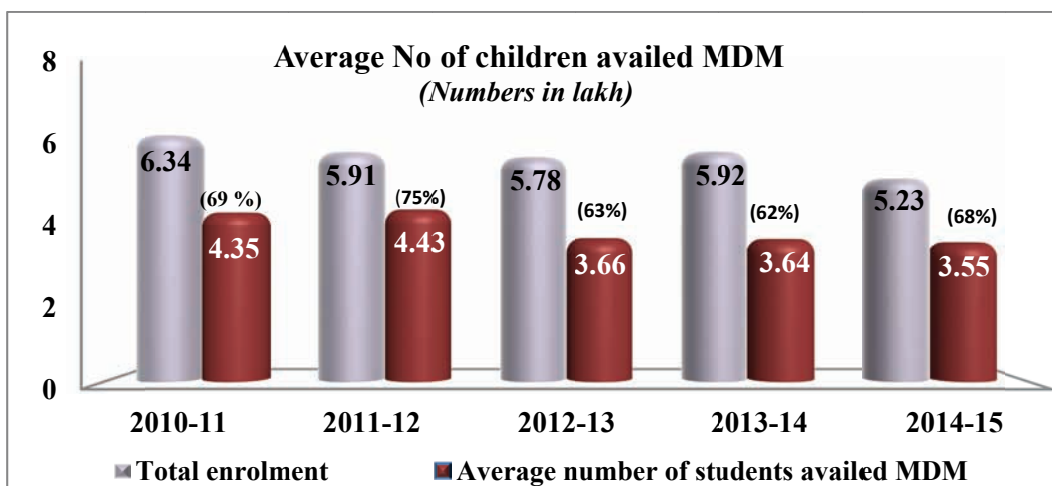
#### 1.3.14 Coverage of schools and children

The number of schools covered under MDM during the period from 2010-11 to 2014-15 in the State is given in **Appendix-1.3.2**. The overall achievement in terms of coverage of schools in all categories of Primary (I -V) and Upper Primary (VI-VIII) was shown as 100 *per cent* during the period from 2010-11 to 2014-15. However audit noticed as follows:

Average number of children enrolled, and actually availing MDM under MDMS at primary and upper primary level during 2010-11 to 2014-15 is given below:



Chart No.1.3.1: Number of children availed MDM



(Source: AWP&B and QPR submitted by the DSE)

From the above, it may be seen that average number of children availing MDM remained between 62 and 75 per cent. Analysis also revealed that there was consistent decline in the number of children availing MDM in primary schools from 2.97 lakh (2010-11) to 2.35 lakh (2014-15) and in upper primary schools from 1.38 lakh (2010-11) to 1.20 lakh (2014-15).

Lesser number of children availing MDM was attributed to various reasons such as children not attending school regularly, some children not liking the meal served in the school and bringing home made food, etc.

The attendance statistics of 215 test checked schools also revealed that the average attendance was about 64 per cent.

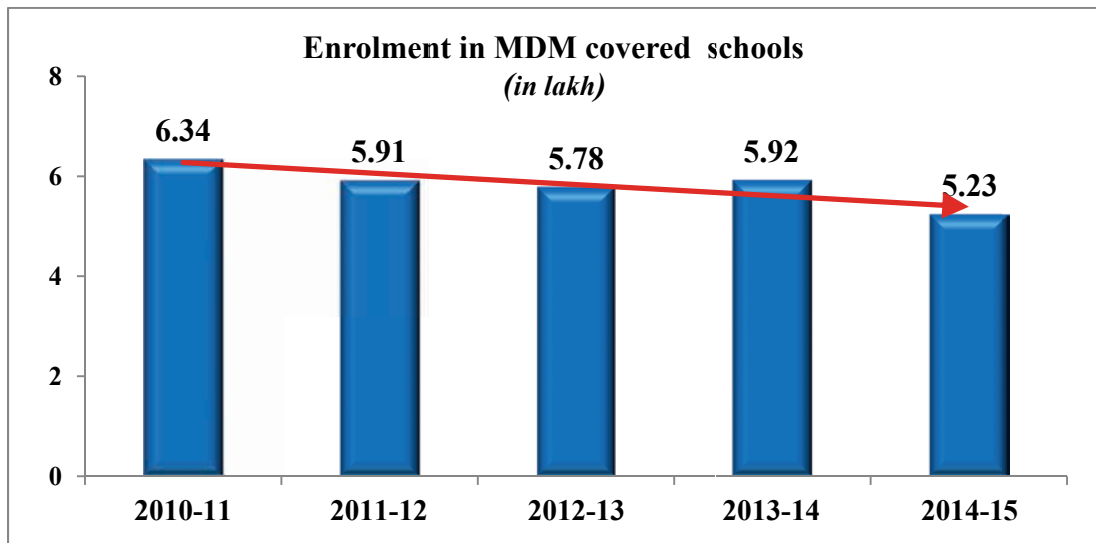
Audit is of the view that the Department should have analysed the reasons for non-availing of MDM by the children and taken action accordingly.

Department stated (October 2015) that it had taken initiatives to increase the average attendance rate by adoption of Continuous and Comprehensive Evaluation (CCE) system for quality education and regular school inspections by the Departmental officers, etc.

### 1.3.15 Impact on enrolment

The MDM scheme was launched with the aim of attracting children to schools and bringing improvement in enrolment. The enrolment of children at primary and upper primary level in Government schools during 2010-11 to 2014-15 is given in the chart below:

Chart No. 1.3.2: Trend of enrolment in Government schools



(Source: Data provided by Director of School Education)

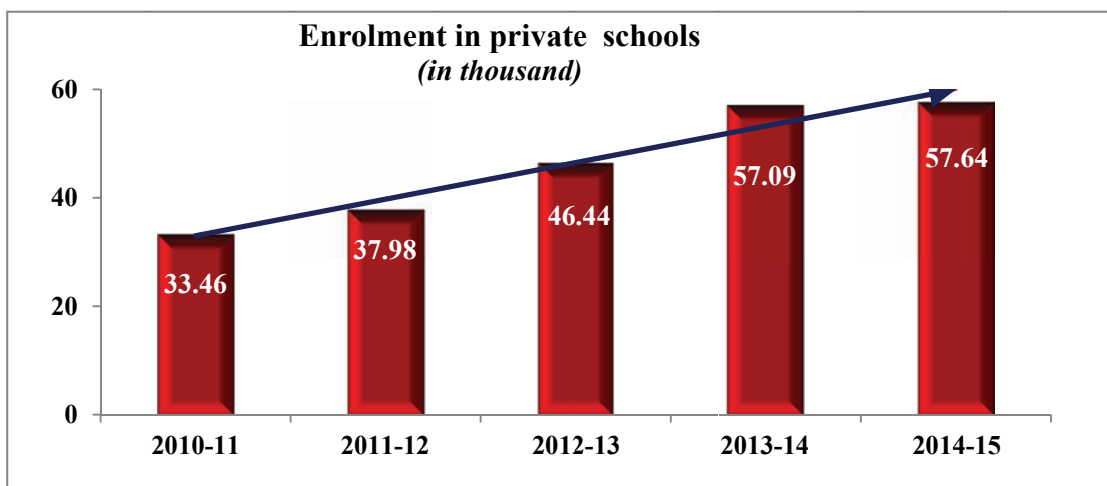
From the above, it is clear that total enrolment had been showing a declining trend continuously in primary and upper primary level except for a marginal increase during 2013-14. The reason for such decrease was attributed to decrease in rate of child birth, tendency to get admission in private schools and migration of students due to *Jhum* cultivation in hilly areas.

Analysis of enrolment data revealed the following:

- Enrolment in primary level declined from 4.31 lakh (2010-11) to 3.34 lakh (2014-15) i.e., a decrease of 23 per cent.
- Enrolment in upper primary level declined from 2.03 lakh (2010-11) to 1.88 lakh (2014-15) i.e., a decrease of 7 per cent.

A chart showing enrolment in primary and upper primary level in private schools during 2009-10 to 2013-14 is given below:

Chart No. 1.3.3: Trend of enrolment in private schools



(Source: Data provided by SSA, Rajya Mission)

Clear inferences can be drawn from the data above. One, enrolment in MDM covered schools and private schools in primary/upper primary levels during the five year audit period, registered opposite trends. While enrolment increased by 72 per cent in private schools, it declined by 18 per cent in MDM covered, Government aided schools, clearly establishing that there is a growing section of population which prioritises private school education over free meals. Two, it also shows that a free MDM, by itself is not a sufficient condition to retain children in school, unless accompanied with improvement in teaching/learning outputs and probably the quality of MDM itself.

While accepting the audit findings Department stated (October 2015) that efforts were being taken to improve the teaching learning technology and quality of cooked food under MDM Scheme.

### **Audit Objective-3: Whether the scheme achieved its objective of improving the nutritional status of children**

#### **1.3.16 Management of food grains**

Central Assistance under the scheme consisted free supply of food grains @ 100 grams per child per school day for Primary and @ 150 grams per child per school day for Upper Primary level.

Under the scheme, the food grains were allocated biannually by the Department of school Education and Literacy with the concurrence of Department of Food and Public Distribution separately for Primary and Upper Primary levels on the basis of annual allocation approved by Project Advisory Board (PAB). On receiving allocation from the Government of India, Food, Civil Supplies and Consumer Affairs Department (FCSCAD) lift food grains from FCI Godowns and store it in the Sub-Divisional Godowns of the State. Thereafter, the dealers of Fair Price Shops lift food grains from sub-divisional Godowns and store it in their respective store houses. The School authorities arrange for lifting of rice from FP shop and keep the rice so procured in the store of the school.

Details of food grains lifted and utilised there against during 2010-15 are shown below:

**Table No.1.3.7: Lifting and utilisation of food grains**

<i>(in MT)</i>				
<b>Year</b>	<b>Opening Balance</b>	<b>Quantity lifted</b>	<b>Quantity utilised</b>	<b>Closing Balance</b>
2010-11	150.630	12361.380	11121.808	1390.202
2011-12	1390.202	10569.800	10632.205	1327.797
2012-13	1327.797 <sup>6</sup>	10199.160	9726.450	2095.547
2013-14	2095.547 <sup>7</sup>	8351.493	9772.752	954.288
2014-15	954.288	8794.740	9548.237	200.791

(Source: GoI Sanction orders, information furnished by FCI and QPR and other reports submitted by DSE)

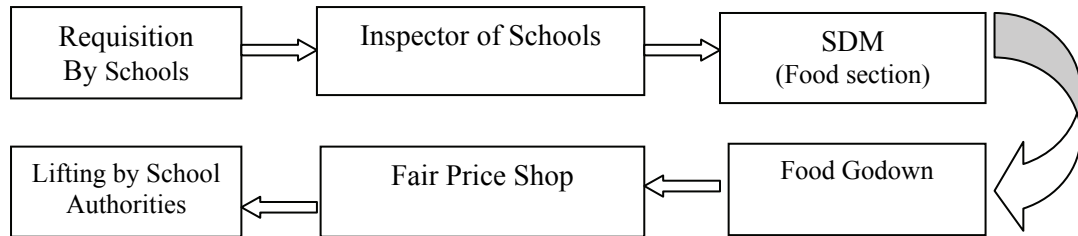
<sup>6</sup> 295.04 MT buffer stock received from field level has been added with OB during 2012-13

<sup>7</sup> 280.00 MT buffer stock received from field level has been added with OB during 2013-14

Above data shows that, there was a closing balance of 200.791 MT of rice at the end of 2014-15.

### 1.3.17 Short lifting of food grains by the Schools

As per the Guideline of the Scheme the distribution of food grains to schools is as follows:



It was noticed that out of eight test checked Inspector of Schools (IS), Schools under three IS short lifted 471.233 MT rice during 2010-11 to 2014-15, as detailed below:

**Table No.1.3.8: Short lifting of food grains by the schools**

<i>(in MT)</i>			
Name of IS	Quantity allocated during 2010-15	Quantity lifted during 2010-15	Quantity short lifted
IS, Kamalpur	2756.286	2640.095	116.191
IS, Tulashikok (TTAADC)	336.221	304.866	31.355
IS, Gandacherra (TTAADC)	830.059	506.372	323.687
<b>Total</b>	<b>3922.566</b>	<b>3451.333</b>	<b>471.233</b>

*(Source: Records maintained by Inspectors of Schools)*

Further, it was also noticed that under these three Inspectorates of Schools, Primary Schools were running with credit balance ranging from 5 kg to 806 kg.

While a number of schools were running MDM with credit balance, short lifting of rice indicated improper distribution of rice to the schools.

On being pointed out in audit, Inspector of Schools, Kamalpur stated that SDM, Ambassa and SDM, Kamalpur short delivered food grains despite requisition placed by the IS. IS, Gandacherra attributed the short lifting due to non-submission of requisitions by the schools within due date and delay in process of delivery of rice to the FP shop by the Food Section, Gandacherra. IS, Tulashikok attributed this to non-submission of adjustments by the schools.

Audit scrutiny further revealed that despite 471.233 MT of rice valued at ₹ 26.54 lakh lying at State Godowns due to short lifting by various inspectors, it was reported by the Department of School Education that the same had been utilised.

Department stated (October-2015) that due to delay in issue of instructions by the SDM (food) the Inspector of Schools could not lift the food grains. However, it was noticed that the ISs did not pursue with the SDMs for release of the balance food grains lying in food Godowns.

Thus, diversion of 471.233 MT rice valued ₹ 26.54 lakh to other schemes could not be ruled out.

Scrutiny of records related to lifting and utilisation of food grains brought out various irregularities as detailed in the following case studies.

### Case Studies

#### **(a) Suspected misappropriation of MDM foodgrains and cooking cost- ₹ 1.36 crore**

Out of 215 test checked schools, it was noticed in case of 17 schools, as detailed in **Appendix-1.3.3**, that on the respective days of visit by audit team, 4,466 students were present in the schools and all of them were shown to have taken MDM in the feeding register and 521.25 kg rice and cooking cost amounting to ₹ 19,062 was shown as utilised. However, only 2471 students took MDM and only 210 kg rice was cooked collectively for all 17 schools. So, 311 kg rice was suspected to have been siphoned on the day of visit itself. Taking 230 working days in a year, 357.94 MT rice valued ₹ 37.05 lakh<sup>8</sup> could have been siphoned during 2010-11 to 2014-15 in the absence of a control mechanism.

Further, against a requirement of cooking cost for 2,471 students, schools actually charged for all the attending students, thus irregularly showing extra expenditure of ₹ 10,436. If extrapolated and assuming this happening regularly, ₹ 99.20 lakh during 2010-11 to 2014-15 might have been siphoned although shown as utilised in the feeding register and adjustments submitted to the Inspector of Schools.

Thus, it was suspected that due to weak monitoring, 357.94 MT rice valued ₹ 37.05 lakh and cooking cost of ₹ 99.20 lakh could have been misappropriated in 17 schools itself. This showed weaknesses in the internal control mechanism especially at the school level.

Department (October-2015) stated that in urban schools some children did not like to take MDM as they carry tiffin from home. It also added that the school authorities mentioned total attendance of children present in the feeding register because they had to prepare food for all the children.

Reply of the Department is not tenable as there was difference in quantity of rice actually utilised for cooking (210 Kg) and recorded in Feeding Register/ Rice Stock register (521.25 Kg) by the schools.

#### **(b) Shortage of food grains valued ₹ 1,20,576**

Test check of records of 215 schools revealed that in 46 schools, as detailed in **Appendix-1.3.4**, there were discrepancies in quantities of rice recorded in stock register and actual availability. Against a quantity of 21.316 MT rice recorded in stock registers, only 9.666 MT rice was physically found available in the schools. Thus, there was a shortage of 11.650 MT rice valued ₹ 1,20,576.

<sup>8</sup> Cost of rice was taken as ₹ 10.35 per kg (cost of APL rice)

Department stated (October 2015) that school authorities did not lift the total allotted rice from the FP shop as there was no sufficient storage space in the school building. They lifted the rice from the F.P shop as and when required to minimise the damage factor.

Reply of the Department is not tenable as there were discrepancies in quantities of food grains recorded in stock register maintained in schools and actual availability on the day of visit.

### (c) Damage of rice

In 69 schools under IS, Sadar, Sonamura, Khowai and Kamalpur, 42.08 MT rice (**Appendix-1.3.5**) valued ₹ 2.38 lakh was damaged owing to improper storage and excess stock.

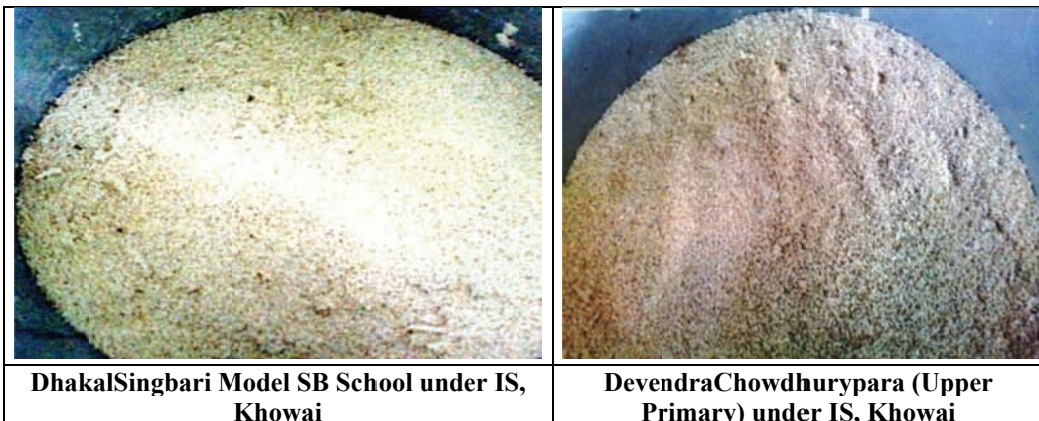
### 1.3.18 Fair Average Quality (FAQ) of foodgrains

As per guidelines, it will be the responsibility of the FCI to ensure continuous availability of the adequate quantity of food Grain which will be in any case not less than Fair Average Quality (FAQ).





The District Collector/CEO of Zila Panchayat will also ensure that food grains of at least FAQ are issued by FCI after joint inspection by a team consisting of FCI and the nominee of the Collector and/or Chief Executive Officer, District Panchayat, and confirmation by them that the grain conforms to at least FAQ norms. FCI will keep samples of such food grains supplied by it for future verification and analysis and these will be available in case of any complaints regarding the quality of food grains supplied.

Audit examination of the records made available at the District/School level revealed that:

- No joint inspections were carried out in the Districts to ensure rice supplied was of FAQ quality and no sample was taken and segregated separately for future verification and analysis.
- Test check of schools showed that there was no mechanism in place to check the quality of food grains. Thus, supply of FAQ food grains was not ensured as evident from the following photographs:





	
<p><b>ShymaprasadVidyaniketan(Upper Primary) under IS, Sadar</b></p>	<p><b>Bodhjung Boys HS School (Upper Primary) under IS, Sadar</b></p>
	
<p><b>UjanFultaliJB School under IS, Tulashikok</b></p>	<p><b>MadhubanDukli HS School (Pry) under IS, Sadar</b></p>

One incident of food poisoning occurred in Noa Para SB School (Pry. Section) in which 49 students fell sick (August 2014) after consuming mid-day-meal and had to be hospitalised.

Audit found that available stock of food grains was substandard in many test checked schools and in some cases stock was infested with moth larvae, worm and contained non-grain elements requiring extensive cleaning. This indicates that the rice was not of FAQ.

There were numerous instances of inferior quality of rice being supplied posing health hazards to children.

Department stated (October 2015) that due to storage of rice for a long period, it some times got damaged. It further added that as per suggestion of audit the Department would take necessary steps to conduct Joint Inspections at the FCI and State Godown to ensure the FAQ of rice.

### **1.3.19 Interruptions in serving of cooked meals**

Mid-Day-Meal Scheme provides that every child attending the school shall be served Mid-day-meal on all school days. However, it was noticed as follows:

### Non-serving of MDM on the day of joint inspection

- During joint inspection conducted between May 2015 and July 2015 of the test checked schools, Audit found that MDM was not served on the day of inspection in three schools<sup>9</sup> of two test checked districts due to low attendance.
- During 2010-15, in 215 test checked schools, MDM was served on an average of 228 days against 241 working days. Due to non availability of rice, Board Exams, etc. 72 schools did not provide MDM on all school days ranging from 10 days to 70 days in a year.
- Test check of records and information made available to audit revealed that due to non availability of rice, out of 502 schools under Dhalai District and IS, Jompuijalla of West Tripura District, 147 (29 per cent) schools could not provide MDM on all school days ranging from one month to six full months in a year thus defeating the objective of the scheme to improve the nutrition level of the children. Year wise status is shown below:

**Table No.1.3.9: Disruption of MDM**

Year	No. of schools where MDM was not served for the periods			Total No. of children deprived
	Up to 2 months	3 to 4 months	Above 4 months	
2011-12	73	15	02	7158
2012-13	121	19	07	9624
2013-14	99	03	00	3563

(Source: Departmental records)

The reasons for interruptions were attributed to shortage/delay in receipt of food grains, non-availability of funds, absence of cooks, Board Exams, etc.

## 1.3.20 Enhancement of nutritional level of the children

### 1.3.20.1 Administration of Micronutrients and health checkups

Para 4.5 of guidelines prescribed that MDM should be complemented with appropriate interventions like micronutrient supplementations and de-worming medicines, through administration of (a) six monthly dose for de-worming and Vitamin-A supplementation, (b) weekly Iron and Folic Acid supplement, Zinc and (c) other appropriate supplementation depending on common deficiencies found in the local area.

Scrutiny revealed that Director of National Rural Health Mission, State Health and Family Welfare Society had supplied Iron and Folic Acid (IFA) tablets and Albendazole tablets to the Inspectorates of Schools for onward distribution to the children studying in schools. The details of the micronutrients supplied in the whole State is as detailed below:

<sup>9</sup> Namapara SB school and Mong Mong Mogpara SB School under IS, Amarpur; Sonatala Landless Colony SB School under IS, Khowai.



Table No 1.3.10: Status of micronutrients supplied during 2010-15

(Figure in lakh)

Year	Number of children enrolled	Requirement of Albendazole and Vitamin-A tablets	Albendazole tablets		Vitamin-A tablets		Iron and Folic Acid tablets		
			Receipt	Shortfall	Receipt	Shortfall	Requirement	Receipt	Shortfall
2010-11	6.34	12.68	15.42	Nil	Nil	100 %	329.70	661.87	Nil
2011-12	5.91	11.82	6.80	42 %	Nil	100 %	307.45	303.68	1 %
2012-13	5.78	11.55	16.26	Nil	Nil	100 %	300.31	291.76	3 %
2013-14	5.92	11.83	18.12	Nil	Nil	100 %	307.67	95.75	69 %
2014-15	5.23	10.46	11.90	Nil	Nil	100 %	271.96	289.40	Nil

(Source: Information furnished by the State Health and Family Welfare Society)

- Notably, Vitamin-A tablets were not supplied to children during the audit period. Reasons for short supply was attributed to late approval by Government of India and hence non completion of procurement process.
- Assessment of percentage of underweight children at school level is an important impact parameter for evaluation of the MDM scheme. Scheme guidelines provide for undertaking studies with regard to nutritional status by conducting tests on the children by taking measurement of height and weight at the time of enrolment and during the commencement of each school year. For assessing growth indicators in child health, the height recorders and weighing machines are required. Guidelines stipulate that weighing machines may be procured from Management, Monitoring and Evaluation (MME) funds. Scrutiny of records at MDM Directorate revealed that 227 weighing machines were procured for ₹ 6.37 lakh and distributed to the ISs for onward distribution to the Schools. However, it was noticed that out of 215 test checked schools height recorder was not available in 177 (82 per cent) schools and weighing machine was not available in 143 (67 per cent) schools. Further, scrutiny of records of 215 test checked school revealed that health cards were being maintained by only three schools, indicating that weighing machines were not being used.

Thus, due to non-maintenance of health card, status of health of the children could not be assessed and non-use of weighing machines in the schools led to unfruitful expenditure of ₹ 6.37 lakh.

### 1.3.20.2 Health check-up programme in convergence with NRHM

School Health Program is envisaged as an important tool for the provision of preventive and curative health services to the population. As an objective of MDM, the State Government was to strive for improving health using nutritional interventions. Provision of Health Check-ups of students in schools was a complementary step to assess the nutritional status and these checkups were to be conducted in convergence with another centrally sponsored programme called NRHM. Technical advice and doses had to be taken by the schools from the nearest

PHC/ Government Hospital and may be funded from the appropriate schemes of the Health Department or the School Health Programme of the State Government.

Details of health checkups conducted in 2013-14 and 2014-15 are as follows:

**Table No 1.3.11: Health checkups conducted in 2013-14 and 2014-15**

Year	Total Schools	Total enrolment	No. of schools covered (in per cent)	No. of students covered (in per cent)
2013-14	6,545	5,91,669	1,276 (19%)	36,273 (6%)
2014-15	6,566	5,22,551	1,052 (16 %)	1,33,465* (26%)

\* No of students covered included children screened in AWC (Anganwadi Centres ) and students of Class IX to XII

(Source: Information furnished by State Health and Family Welfare Society, Tripura)

- From the above, it may be seen that health check-ups were conducted in 16 to 19 *per cent* schools in which only 6 to 26 *per cent* children were covered. Out of the screened children two *per cent* were suffering from Anaemia, acute malnutrition and skin problems and 7 *per cent* were suffering from dental problems.
- During test check of 215 schools, it was noticed that health check-ups were never conducted in 190 schools (89 *per cent*). Further, health cards were not being maintained in 211 (99 *per cent*) schools.

Thus, the mechanism for health checks remained largely neglected.

Department in its reply (October 2015) stated that the distribution of IFA Tablet, De-worming tablet Micro-nutrient, etc. had been done by the National Health Mission under School Health Programme. The School Department only kept records collected from the NHM. The School Education Department had requested Director NHM to cover all school units under School Health Programme.

### **1.3.20.3 Maintenance of hygiene during preparation and serving of meal**

During test check of 215 schools it was noticed that:

- In 48 (22 *per cent*) schools, meal was being prepared in un-hygienic conditions. During inspections by the Dy. IS/IS similar observations were raised but no corrective measures were found to be taken by the Department.
- In 101 (47 *per cent*) schools, area where MDM was served were not properly cleaned before serving.



**Bodhjung Boys H.S. School under IS, Sadar**



**DevendraChowdhurypara SB School under IS, Khowai**



**Chellagangmukh Colony Model High School (Upper primary) under IS, Amarpur**



**Jaharnagar Colony High School, Ambassa under IS, Kamalpur**

Audit is of the view that school managements should also be encouraged to draw the support of the Gram Panchayats and Village Education Committees. They may be approached for arranging community members including mothers on rotation basis as envisaged in para 4.4 of the guidelines in ensuring efficient cooking, serving and cleaning operations, so that quality meals could be provided in hygienic conditions to the children.

Department stated (October 20015) that 2120 cook-cum-Helper had been provided training on safety and hygiene for preparation and serving of cooked meal but the fact remained that during visit 22, *per cent* schools were found preparing meal in unhygienic conditions and 47 *per cent* schools were serving meal at unhygienic places.

#### **1.3.20.4 Testing of cooked meal**

Para 4.3 of the guidelines stipulates that teachers should be involved in ensuring that (a) good quality wholesome food was served to children (b) the actual serving and eating was undertaken in a spirit of togetherness under hygienic conditions and in an orderly manner and it should be ensured that the food prepared was tasted by two to three adults including at least one teacher before it was served to children.

During test check of 215 schools, it was noticed that in 35 (16 *per cent*) schools food was not tasted by any teacher or any adult before serving to the children.

Thus, mechanism prescribed for ensuring the quality of food provided to the children was not put in place.

### 1.3.21 Cooking infrastructure

#### 1.3.21.1 Kitchen-cum-store

Provision of infrastructure facilities such as kitchen-cum-store are an essential component for proper implementation of the MDM scheme for supply of healthy, hygienic and hot cooked meal to the children and also safe storage of food grains at the school level. Absence of kitchen-cum-store or inadequate facilities would expose children to health hazards. The provision of kitchen-cum-store had also been made mandatory under Right to Education Act 2009.

Scrutiny in 215 test checked schools revealed as follows:

It was noticed that out of 215 schools, there was no kitchen shed in three schools. Despite availability of kitchen shed in 13 schools<sup>10</sup>, food was prepared in class rooms, old kitchens, etc. as the kitchen sheds were not serving the purpose due to low plinth area, inadequate ventilation, kitchen shed constructed far away from the school building, etc. Status of the preparation of MDM in some of those schools may be seen in the following photographs:



**Kitchen shed was lying unused while MDM was prepared in a open place only with a GCI sheet covering in Amarapur HS School (Upper Pry) under IS, Amarapur**

<sup>10</sup> Vivekananda Vidyalaya Primary School (Sadar); Dakshin Amarapur Town HS School (Amarapur); Amarapur HS School (Amarapur); Nutan Bazar Girls High School (Amarapur); Belcherra High School (Khowai); Tirubamcherra SB School, (Kamalpur), Maracherra SB School (Kamalpur), Manya Kr. Para SB. School (Gandacherra), Saiba Sunity SB School (Khowai), Naliabari Model SB School (Khowai), Henry Derozio Academy (Sadar), Baidya Bari SB School (Amarapur)



	
<p><b>Kitchen shed was lying unused while MDM was prepared in an old abandoned class room, in <i>Belcherra High School (Upper Pry) under IS, Khowai</i></b></p>	
	
<p><b>Kitchen was built at a far distance from the school campus and due to that lying unused/abandoned at <i>Vivekananda Vidyalya Pry. School under IS Sadar</i></b></p>	<p><b>Newly built Kitchen was lying abandoned at <i>Henri Derozio English Medium Academy under IS Sadar.</i></b></p>

It was further noted that kitchen sheds were not constructed as per approved design and drawing. In 35 schools kitchen-cum-store, although in use, were too small to cater to the needs of the entire strength of children of the school.

Department stated (October 2015) that in 562 schools condition of kitchen shed was very bad or totally damaged.

### Suspected misappropriation cases

Audit noticed a couple of cases of suspected misappropriation in West Tripura District which are explained below:

#### (i) Maharani Tulshibati Girls Higher Secondary School (Upper Primary)

In 2011, Inspector of Schools, Sadar sanctioned ₹ 1,51,189 in favour of Maharani Tulshibati Higher Secondary School (Upper primary) for construction of a kitchen shed for the preparation of Mid-day-Meal in the school. The amount was transferred to the accounts of the school on 14 June 2011. During test check of records, it was noticed that School collected one quotation for construction of the Kitchen shed from a person for ₹ 1,53,000 on 31 January 2012. The Headmistress passed an amount of ₹ 1,51,189 on the same date. The amount was actually drawn in five instalments

during the period from 20 July 2011 to 31 January 2012 and shown as paid to the person though his quotation was received later on (31 January 2012). Further, in the Cash Book the amount was shown as paid to the Headmistress. During visit (July 2015) to the school, no kitchen shed was found to be constructed by the school. The school continued to prepare MDM in a class room. Thus, an expenditure of ₹ 1.51 lakh was suspected to have been misappropriated.

### (ii) Bodhjung Boys Higher Secondary School (Upper Primary)

Likewise, Inspector of Schools, Sadar sanctioned (February 2014) a sum of ₹ 1,87,208 in favour of Bodhjung Higher Secondary School (Upper primary) for construction of a kitchen shed for the preparation of Mid-day-Meal in the school. The amount was transferred to the accounts of the school on 18 March 2014. Out of ₹ 1,87,208, an amount of ₹ 1,45,000 was paid to one person through four cheques<sup>11</sup> during 31 March 2014 to 8 May 2014. The School furnished Utilisation Certificate for ₹ 1,87,208 to the IS, Sadar on 13 June 2014. However, during visit (July 2015) of the school, no kitchen shed was found to be constructed by the school. In fact, a new building was being constructed by Tripura Housing and Construction Board (THCB) at the site shown in papers where the kitchen shed was to be constructed. From the above facts, payment of ₹ 1,45,000 to the person through four cheques during 31 March 2014 to 8 May 2014 for construction of kitchen shed while THCB issued work order in February 2014 for new construction in the same place, was apparently a case of suspected misappropriation.

### 1.3.21.2 Drinking water facility

Provision of safe drinking water is a basic necessity. The primary responsibility of providing drinking water facilities in the schools rests with the State Government.

The MDMS guidelines provide that the programme has to be implemented in close convergence with several other development programmes implemented by various Ministries *viz.*, Accelerated Rural Water Supply programme (ARWSP), *Swajaldhara*, Sarva Siksha Abhiyan (SSA), etc. so that requirement of water supply could be augmented in the shortest possible time frame.

It was appraised by the respective District Education Officers (Principal Officers in case of TTAADC areas) of the four test checked Districts that source of drinking water was not available in 82 schools<sup>12</sup> under State control and in 407 (24 per cent) schools managed by TTAADC as of May 2015. Due to non-availability of drinking water facility in those schools, school authorities had to fetch water from outside the school premises from *kutcha* wells and stream water exposing the children to the hazard of water borne diseases.

<sup>11</sup> Cheque No. 99,520 dated 31-03-14: ₹ 40,000; No. 99,521 dated 11-04-14: ₹ 40,000; No. 99,522 dated 25-04-14: ₹ 40,000; No. 99,523 dated 08-05-14: ₹ 25,000

<sup>12</sup> West Tripura: 37; Khowai: 21; Gumti: 11 and Dhalai: 13

Out of 215 test checked schools, audit observed that 41 (19 per cent) schools did not have any facility for drinking water. These schools were providing water from ponds, *kutch*a wells, stream water, etc. as evident from the following photographs.

	
<i>Water source used for MDM by Chapraibari JB School under IS, Raiyabari</i>	<i>Water source used for MDM by Dhanicherra JB School under IS, Tulashikok</i>
	
<i>Water source used for MDM by Gunarathpara JB School under IS, Gandacherra</i>	<i>Water source used for MDM by SrinathVidyaniketan HS School (U. Pry) under IS, Khowai</i>

Audit is of the view that a concerted effort may be made for the convergence with the other scheme for provisioning of safe Drinking water.

While, accepting the audit findings Department in its reply (October 2015) stated that Department is trying to solve the issue in convergence with the DWS Department.

### **1.3.21.3 Kitchen Devices and LPG connections**

Out of 215 schools test checked, kitchen devices and utensils were not sufficient to cater to the needs in 41 (19 per cent) schools. Further, it was noticed that 189 schools were using fire wood as fuel for cooking of MDM which was hazardous.

### **1.3.21.4 Cases of suspected mis-appropriation of LPG subsidy released by GoI**

Government of India sanctioned ₹ 70.71 lakh (2012-13: ₹ 34.50 lakh and 2013-14: ₹ 36.21 lakh) being reimbursement of additional funds incurred by the Government of Tripura for procurement of unsubsidised LPG cylinders.



It was noticed from the records of IS, Sadar that ₹ 53.14 lakh (2013-14: ₹ 23.58 lakh; 2014-15: ₹ 29.56 lakh) was drawn by the IS, Sadar on the basis of certain vouchers submitted by the schools. Out of 44 test checked schools under the jurisdiction of IS, Sadar, 25 schools were using LPG and the rest were using other fuels like fire wood for preparing food. Interestingly, none of the test checked schools under it had valid LPG connections given by any Public Sector Gas Companies like IOCL (Indian Oil Corporation Limited) distributing LPG cylinders and the school authorities or the organisers entrusted with the preparation and distribution of MDM in schools procured the LPG cylinders from unauthorised sources as they had no valid gas connection.

IS, Sadar disbursed an amount of ₹ 23.79 lakh (out of ₹ 53.14 lakh) towards extra costs for procuring unsubsidised LPG cylinders (purported to be procured from IOCL) to the schools using LPG during 2013-15. Monthly adjustments submitted by the schools indicated that those schools were running MDM with the cooking cost provided to them as per the scheme guidelines based on the enrollment of schools. Cooking cost provided to schools includes component of fuel also, and no school incurred any extra expenditure towards procurement of LPG from IOCL or any other authorised LPG Agency. No reasons were given for disbursement of funds to the schools while those schools did not spend any extra costs for fuel and none of the schools submitted vouchers from authorised gas agency to IS, Sadar.

During test check of schools, it was noticed that seven schools received ₹ 3.48 lakh for LPG subsidy but the schools did not purchase any LPG from IOC authorised agencies. Moreover, monthly adjustments submitted by the schools to the IS revealed that it was running the MDM within the assigned cost and it did not pay any extra for fuel. The amount was taken out by the organiser/teacher in charge/HM. Moreover, the organiser/teacher did not submit any adjustments till July 2015. Details are in **Appendix-1.3.6**.

Thus, misappropriation/mis-utilisation of the funds in above cases amounting to ₹ 3.48 lakh by the above test checked schools could not be ruled out.

Department stated (October 2015) that only 15 schools had valid LPG connection and rest of the schools were arranging LPG based cooking system by managing gas cylinders from LPG carrying agency.

But the fact remained that the school authorities paid the amount to the organiser/teacher in charge/HM while schools were running the MDM within the assigned cost and they did not incur any extra expenditure against the purchase of fuel.



### Audit Objective-4: Whether the funds allocated were being utilised in an economic and efficient manner

#### 1.3.22 Financial Management

##### 1.3.22.1 Availability of funds and Expenditure

The details of availability of funds under MDM and the contribution of Central and State share thereof under MDM during the period from 2010-11 to 2014-15 are shown below:

**Table No. 1.3.12: Availability of funds and expenditure**

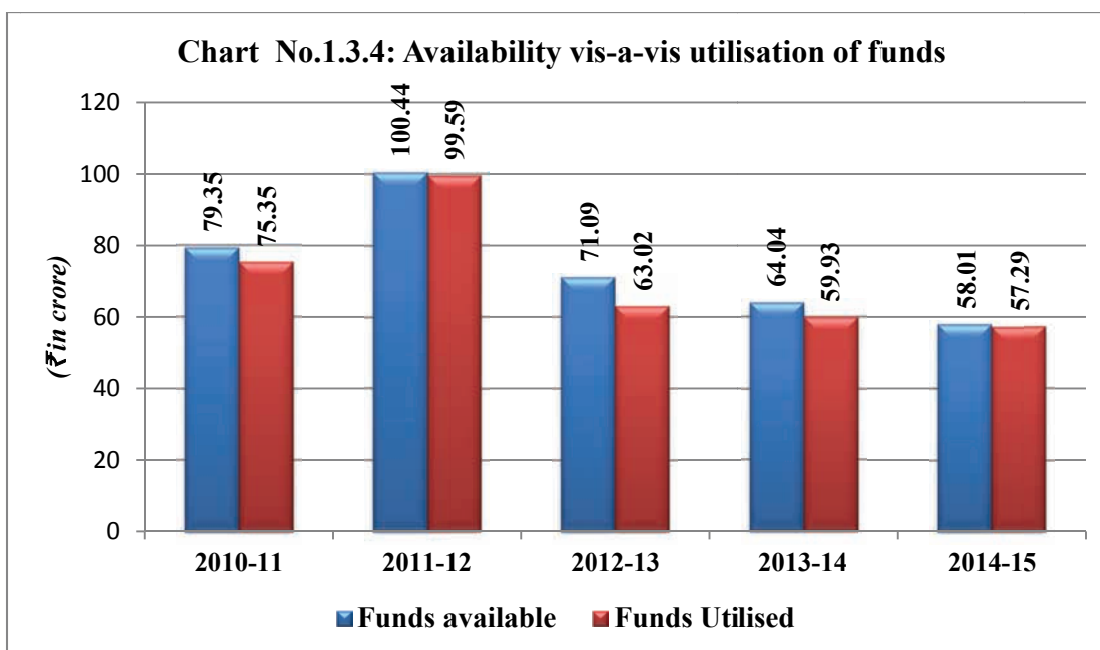
(₹ in crore)

Year	Opening Balance	Funds released		Total availability of funds	Expenditure incurred	Closing Balance
		Central share	State Share			
2010-11	22.56	48.49	8.30	79.35	75.35(95%)	4.00
2011-12	4.00	87.39	9.05	100.44	99.59(99%)	0.86
2012-13	0.86	62.85	7.38	71.09	63.02(89%)	8.07
2013-14	8.07	50.73	5.24	64.04	59.93(94%)	4.11
2014-15	4.11	48.27	5.63	58.01	57.29(99%)	0.72
<b>Total</b>		<b>297.73</b>	<b>35.60</b>		<b>355.18</b>	

(Source: Information furnished by DSE)

It may be seen that the Central & State share showed increasing trend upto 2011-12 and thereafter was on decreasing trend. The details of utilisation of MDM funds as against the availability of funds are depicted in the **Chart No. 1.3.4**.

Against the total available funds of ₹ 355.89 crore for the period from 2010-11 to 2014-15, the actual utilisation was ₹ 355.18 crore with percentage of utilisation ranging from 89 per cent to 99 per cent. Release of funds at the end of the year was cited as a reason for savings.



(Source: Departmental records)

### 1.3.22.2 Delay in release of funds

It was noticed that there was delay in release of funds at all levels-ranging from 10 days to 400 days. No. of cases in which delay was noticed are given below.

**Table No. 1.3.13: Delay in release of funds**

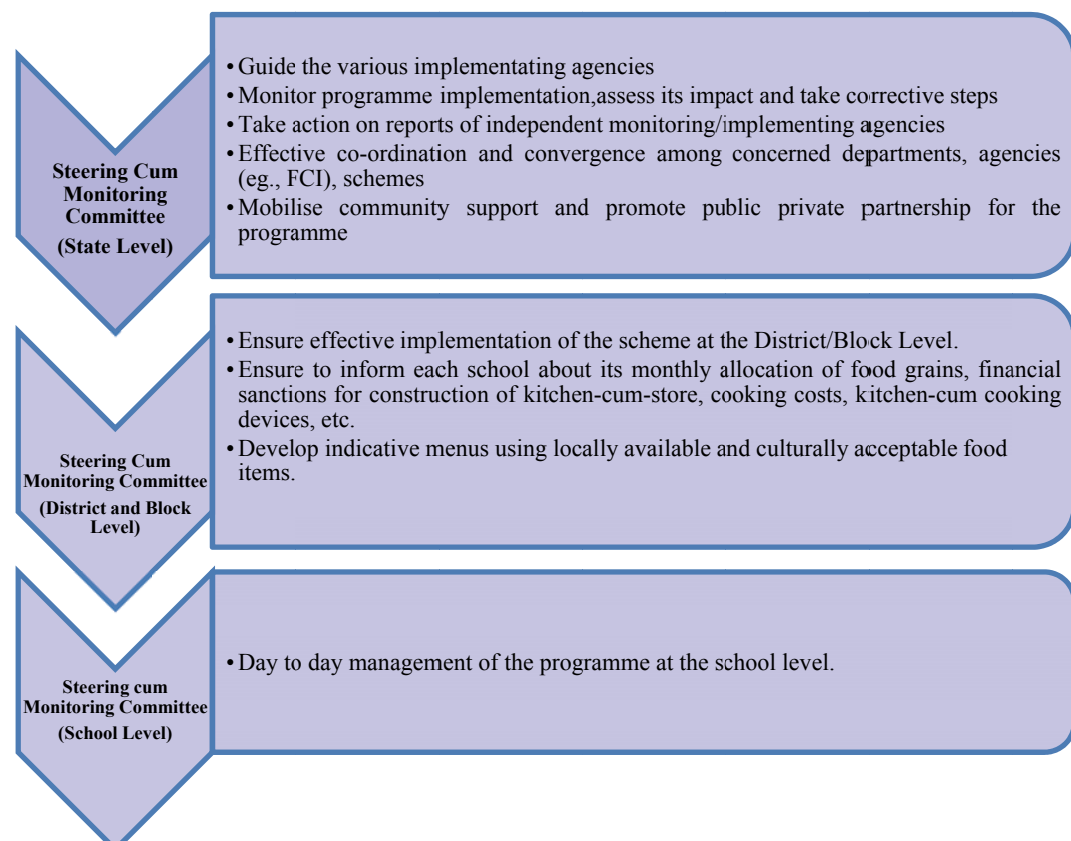
Delay in days	<i>(in days)</i>		
	No of cases in which delay made by Finance Department	No of cases in which delay made by the Directorate	No of cases in which delay made by the School Inspectors
10 to 100 days	19	20	28
100 to 200 days	5	5	9
201 to 400 days	3	1	10

As a result, due to shortage/non-availability of funds in some schools, MDM continued on credit basis or was temporarily discontinued. The reason for delay in release of cooking cost to the schools was attributed to adjustments not being made.

While accepting the audit observation, the Department stated (October 2015) that it had adopted e-transfer system up to the implementing level to reduce delay.

### **Audit objective-5: Whether the implementation of the scheme was being effectively monitored**

The Mid-Day-Meal Scheme (MDMS) is being monitored at National Level (by Ministry of HRD) and State level (by respective State Government). The structure for Monitoring Management and Evaluation (MME) at various levels within the State is as follows:



### **1.3.23 Steering-Cum-Monitoring Committee**

#### **1.3.23.1 Shortfall in meetings of Steering-cum-Monitoring-Committee at State, District and Block levels**

Steering-cum-Monitoring Committee was constituted at all levels to oversee the implementation of the programme and these were supposed to meet on a quarterly basis. However, comparison of prescribed and actual number of meetings of various SMCs held during 2010-11 to 2014-15 indicated 50 *per cent* shortfall at State level and 25 to 75 *per cent* shortfall at District level. In 2014-15 only one meeting was held in West Tripura and Dhalai Districts.

Infrequent meetings by various SMCs were not consistent with good governance practices and might have an adverse impact on the monitoring and implementation of the MDMS.

Department in its reply (October 2015) stated that it would take necessary initiative to conduct the regular meetings of SMCs.

#### **1.3.23.2 Failure to implement the decisions taken by the SMC**

State Level Monitoring Committee (SLMC) in its meeting (1 November 2012) instructed District Education Officers & District level officers of Public Works (Drinking Water and Sanitation) Department to monitor each and every school for provision of safe drinking water. But it was noticed in the four test checked Districts that no survey was conducted till July 2015 three years after the decision.

Department in its reply (October 2015) stated that directorate of School Education took action on the decisions taken by the SMC before the next SMC meeting at the State level. But the fact remained that schools which did not have safe drinking water facilities were not identified till July 2015.

#### **1.3.23.3 Balances of funds and food grains not reconciled.**

It was noticed that monthly expenditure statements were furnished by the respective implementing agencies to the fund issuing/food grain allocating authorities showing full utilisation of funds/food grains but no reconciliation was made at any level. As a result, non-lifting of rice by the schools, non-allocation of rice by the IS, as detailed in the preceding paragraphs were noticed in audit.

#### **1.3.23.4 Inspection of schools**

Inspection of schools was an important tool for efficient functioning of schools to a great extent from the academic as well as the administrative point of view. State level SMC also emphasised on visit of each and every school once in a year. However, audit noticed as follows:

- As per information furnished to audit at the State level, on an average 67 *per cent* to 85 *per cent* schools were inspected during 2010-11 to 2014-15.

- In four test checked Districts, percentage of inspection ranged from 33 to 48, West Tripura at 33 *per cent* being the lowest.
- Records on the follow up action in response to the findings of inspections were not made available to audit.

Thus, frequency of inspections was well below norms and therefore not satisfactory. While accepting the audit findings, Department stated (October 2015) that school inspection mechanism had been strengthened and targets had been fixed for officers at different levels.

### 1.3.24 Grievance Redressal

Grievance redressal mechanisms were put in place at every level. Audit noticed as follows:

- Grievance Redressal Cell was established (August 2010) in the Directorate and in the District offices. For registration of complaints over telephone, a Mobile Number was publicised in the local newspapers. However, toll free number could not be installed till July 2015.
- 468 complaints were registered of which five complaints were received over telephone, 454 from newspapers and nine from other sources. Out of these, 214 (46 *per cent*) complaints were found to be settled till July 2015, status of the balance 254 complaints was not on record. Department took 15 days to five months' time for settlement of the complaints against stipulated seven days.

Grievance redressal cell should be augmented for early disposal of the complaints.

While accepting the audit findings, Department in its reply (October 2015) stated that the State office had completed all codal formalities for installing toll free number but due to delay in processing by the BSNL authority it could not be installed. It further added that the Department would take necessary steps to strengthen the grievance redressal cell at the State office.

### 1.3.25 Good Practices

There were several practices in Tripura, which could be considered worthy of emulation in the other States. These practices are as follows:

#### ➤ Dining Hall for MDM programme

The State Government decided to construct dining hall from its own sources. Accordingly, in 25 schools construction of dining hall were already completed and in 35 schools construction was under progress.

#### ➤ Kitchen garden

Kitchen garden had started in 55 schools and was being encouraged in all schools. The Gram Panchayats/Nagar Panchayats had been requested to provide some man days from the MGNREGA/TUEP (Tripura Urban Employment Programme) for this purpose.

### 1.3.26 Conclusion

Enrolment in MDM covered schools and in private schools in primary/upper primary levels during the five year audit period, registered opposite trends. While enrolment increased by 72 *per cent* in private schools, it declined by 18 *per cent* in MDM covered schools.

There was consistent decline in the reported coverage of children in primary schools from 2.97 lakh (2010-11) to 2.35 lakh (2014-15) and in upper primary schools from 1.38 lakh (2010-11) to 1.20 lakh (2014-15). The low attendance in schools is a cause of concern which needs to be addressed appropriately.

A problem area that have been dogging the scheme is the leakages and financial indiscipline. Audit observed mismatch in the data relating to the number of children availing MDM as reported *vis-a-vis* the number of children actually availing MDM during the day of visit to test checked schools.

Audit also observed that the checks to ensure quality of meals and adequacy of nutritional value of food served to children remained deficient.

Cases of cooking of poor quality meals in unhygienic conditions, inadequate and poor quality of infrastructure in terms of kitchen sheds and utensils and lack of availability of safe drinking water were rampant in most of the schools exposing children to health hazards.

Adequate numbers of health check-ups of children were not conducted, in the absence of which the impact of MDMS on the nutritional status and required micronutrient supplements of the children could not be ascertained.

The monitoring system was deficient due to insufficient SMC meetings, inadequate follow-up action on the recommendation of SMC, inadequate Inspections, etc.

### 1.3.27 Recommendations

- A system of obtaining consent from all children whether they are opting/not opting for MDM may be instituted to check manipulation of figures being submitted by schools.
- Requirement of food grains should be assessed with reliable inputs from school level and the allotted quantity should be lifted and distributed on a timely basis.
- Possibilities of creation of drinking water source in the schools, where drinking water facilities were not available, should be explored in convergence with other schemes.
- Adequate mechanism should be devised by the Government to evaluate the impact of the programme on health status of the school children provided with nutritional support.
- Adequate mechanism should be worked out for more community participation for supply of qualitative meals and for effecting improvements in attendance.

- Frequency of School inspection and Monitoring Committee meetings should be increased by making it a performance indicator of the official entrusted with the task.

## RURAL DEVELOPMENT DEPARTMENT

### 1.4 Fraudulent drawal and misappropriation of Government funds

**Lack of financial propriety and internal controls over handling and management of cash resulted in fraudulent drawal and misappropriation of Government funds to the tune of ₹ 2, 85,000.**

Rule 77-A of the Central Treasury Rule (CTR) (Volume-I) states that all Government Officers who receive Government dues and handle cash and perform the functions of Drawing and Disbursing Officer (DDO) should observe that all monetary transactions are entered in the Cash Book as soon as they occur and attested as a token of check; the Cash Book is closed regularly after verifying the total at the end of each month; and all bank withdrawals be reconciled with bank scrolls on monthly basis.

Examination (October-November 2014) of records of the Executive Engineer (EE) Rural Development Department, Kanchanpur Division for the period from November 2008 to October 2014 revealed that the above requirement of financial rules was not strictly followed, viz; bank withdrawals were not reconciled, bank-wise daily balances were also not recorded in the Cash Book, some cheque amounts were found defaced/tampered, etc. This resulted in excess withdrawal of Government funds as shown below:

**Table No. 1.5.1**

Sl No.	Cheque No. and Date	Cheque amount (in ₹)	Amount actually drawn from bank (in ₹)	Excess amount drawn and paid and not accounted for (in ₹)	Date of payment
1.	364002 dt.04.02.2013	2,024	90,024	88,000	05.02.2013
2	364022 dt.19.03.2013	3,128	93,128	90,000	19.03.2013
3.	364038 dt.09.04.2013	2,208	92,208	90,000	10.04.2013
4	364041 dt.03.05.2013	13,058	30,058	17,000	04.05.2013
<b>Total:</b>		<b>20,418</b>	<b>3,05,418</b>	<b>2,85,000</b>	

It was noticed that all the four cheques totaling ₹ 20,418 were issued in favour of Technical Assistant (TA) of the Division between February 2013 and May 2013 for execution of works under Mahatma Gandhi National Rural Employment Guarantee Act. Verification of cheque issue register, Cash Book, Actual Payee Receipt and bank statement however, revealed that ₹ 3,05,418 was withdrawn from bank through four cheques against the actual amount of ₹ 20,418 by over-writing both in figures and in words which resulted in excess withdrawal of ₹ 2,85,000 fraudulently and the amount was suspected to have been misappropriated. Had the reconciliation been

done properly at the end of February 2013, fraudulent drawal of funds could have been detected at the very initial stage.

The EE stated (December 2014) that the matter had been communicated to the higher authority and further course of action would be taken with the direction of the higher authority.

On this being pointed out in audit, an FIR was lodged (16<sup>th</sup> December 2014) with the Kanchanpur Police Station, North Tripura against the TA<sup>13</sup> and he was terminated from the job in a similar case of cash defalcation.

Thus, lack of financial propriety and internal controls on the part of the DDO<sup>14</sup> over handling and management of cash resulted in fraudulent drawal and misappropriation of ₹ 2,85,000.

The matter was reported to Government (July 2015); reply had not been received (November 2015).

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<sup>13</sup> Shri Biplab Debbarma

<sup>14</sup> Shri Ukendra Reang, Executive Engineer.

## **CHAPTER II: ECONOMIC SECTOR**





## CHAPTER II: ECONOMIC SECTOR

### 2.1 Introduction

This Chapter of the Audit Report for the year ended 31 March 2015 deals with the findings of audit on the State Government units under Economic Sector.

The names of the State Government departments and the total budget allocation and expenditure of the State Government under Economic Sector during the year 2014-15 are given in the table below:

Table No. 2.1.1

(₹ in crore)

Name of the Departments	Total Budget Allocation	Expenditure
Agriculture Department	318.68	200.73
Animal Resource Development Department	64.74	60.41
Co-operation Department	25.31	22.38
Fisheries Department	43.85	33.68
Forest Department	114.29	85.91
Horticulture Department	86.54	60.48
Industries and Commerce (Handloom, Handicrafts and Sericulture) Department	33.72	27.35
Industries and Commerce Department	64.46	58.66
Information, Cultural Affairs and Tourism Department	26.31	24.93
Information Technology Department	19.48	13.93
Power Department	115.78	100.02
Public Works (Roads and Buildings) Department	871.70	737.80
Public Works (Water Resource) Department	178.85	92.25
Science Technology and Environment Department	8.45	7.68
<b>Total number of Departments = 14</b>	<b>1972.16</b>	<b>1526.21</b>

Source: Appropriation Accounts – 2014-15.

### 2.2 Planning and conduct of Audit

Audit process starts with the assessment of risks faced by various departments of Government based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of overall internal controls, etc.

After completion of audit of each unit, Inspection Reports containing audit findings are issued to the heads of the departments. The departments are requested to furnish replies to the audit findings within one month of receipt of the Inspection Reports. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations arising out of those Inspection Reports are processed for inclusion in the Audit Reports, which are submitted to the Governor of the State under Article 151 of the Constitution of India for being laid in the State Legislature.

The audits were conducted during 2014-15 involving test-check of an expenditure of ₹ 1,505.15 crore (including expenditure pertaining to the previous years audited during the year) of the State Government under Economic Sector. This Sector contains two Performance Audits on “Functioning of Industrial Training Institutes in

Tripura” relating to the Industries & Commerce Department and “Effectiveness in the functioning of State Pollution Control Board” relating to the Science, Technology & Environment Department and six Compliance Audit paragraphs.

## INDUSTRIES AND COMMERCE DEPARTMENT

### 2.3 Functioning of Industrial Training Institutes in Tripura

*The main objective of Industrial Training Institutes (ITIs) is to ensure a steady flow of skilled workers in different trades who can serve the industry. ITIs impart industrial training mainly to the less privileged, poor and downtrodden school-leaving youth so that they acquire technical skills for gainful employment. In view of the importance being accorded mainly to skill development, performance audit of the functioning of ITIs was conducted for the State of Tripura which revealed slow progress on setting up of ITIs in the uncovered Sub-Divisions of the State, lack of infrastructure facilities such as lack of availability of tools and equipment in test-checked ITIs, deficient system of procurement of equipment, lack of hostel facility for the girl trainees, poor placement of ITI passed candidates under the Apprenticeship Training Scheme in industries and shortage of qualified trainers. All of these adversely affected overall functioning of the ITIs.*

#### Highlights:

The Government targeted (May 2010) setting up of ten new ITIs in the Sub-Divisions where there was no ITI. However, only three ITIs could be set up during the last 5 years.

*(Paragraph 2.3.6.1)*

Test checked ITIs lacked adequate infrastructure facilities such as tools & equipment, furniture, etc. No hostel facilities were available for the girl trainees in the test checked ITIs.

*{Paragraphs 2.3.9(b)(i) and 2.3.9(b)(v)}*

Procurement system was deficient in many ways. There were instances where the suppliers dictated the specification of the supplied articles. Manufacturers' warranty papers were not available against the test checked articles valued ₹ 8.01 crore.

*{Paragraph 2.3.9(a)(iii)}*

Procurement of tools & equipment and furniture valuing ₹ 18.08 crore was made without preparation of cost estimates.

*{Paragraph 2.3.9(a)(vii)}*

Absence of provision of adequate training grant resulted in short supply of raw material to the trainees. Shortfall ranged from 01 to 56 per cent in the test checked ITIs.

*{Paragraph 2.3.9(b)(iii)}*

**Failure on the part of the Government to identify adequate number of seats in the industries and institutions led to inadequate placement and back log of passed out trainees for apprenticeship training.**

*(Paragraph 2.3.10.1)*

**Inspection of ITIs at regular interval was not done by the Department and annual physical verification of stores and stock was not carried out.**

*(Paragraph 2.3.11&2.3.12)*

### **2.3.1 Introduction**

Industry is always in need of skilled manpower for production, manufacturing and the nation requires growth of the economy to prosper. In order to provide a steady flow of skilled workers in different trades to the industry, Government of India (GOI) introduced (1950) a scheme called the Craftsmen Training Scheme (CTS). Under CTS, Industrial Training Institutes were established in various States/Union Territories to upgrade the skills of craftsmen.

The main objectives of ITIs were to ensure a steady flow of skilled workers to the industry to meet the manpower requirements in different trades; introduce new courses in emerging areas of industrial production and create self-sustaining courses; impart training to the less privileged, downtrodden and early school leavers to acquire technical skills for gainful employment; provide technical training opportunities to women in the field of electronics and information technology for gainful employment and establish a close interaction with the industries on issues relating to exchange of technical knowledge and experience for the mutual benefit of the institutes and the industry.

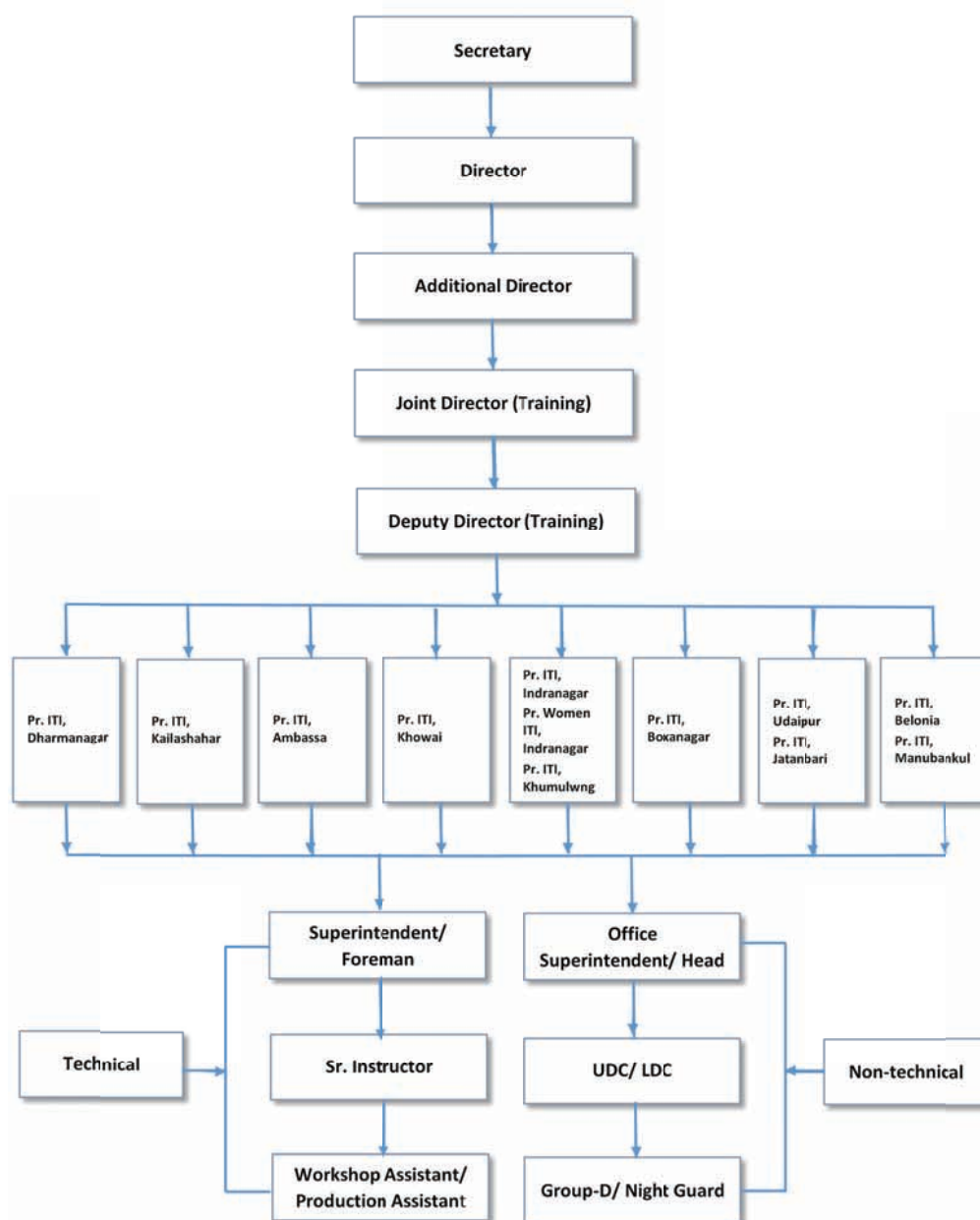
In Tripura, there are 12 ITIs with a total intake capacity of 2,087 seats in the Government sector and one Government-aided ITI in the private sector under Ramkrishna Mission<sup>1</sup> with a seat capacity of 146 (as of March 2015).

### **2.3.2 Organisational structure**

The Principal Secretary/Secretary to the Government of Tripura, Industries and Commerce Department is the administrative head of the ITIs who is assisted by the Director, Industries and Commerce, one Additional Director, one Joint Director (Training) and one Deputy Director (Training) at the Directorate level. The private ITI is headed by the Secretary, Tripura unit of Ramkrishna Mission. Each<sup>2</sup> ITI is headed by a Principal who in turn is assisted by the Vocational Instructors. The Principal is the in-charge of ITI and the Vocational Instructors impart training to the trainees in the respective trades. The organisational chart is given below:

<sup>1</sup> An organisation which aims at harmony of religions and peace for all humanity, without any distinctions of creed, caste, race or nationality with its Headquarters at Belurmath, West Bengal.

<sup>2</sup> Government Sector as well as Private Sector



### 2.3.3 Scope of Audit and Audit Methodology

The Performance Audit on the working of ITIs was conducted (April - July 2015) covering the period from 2010-11 to 2014-15 by sample-check of records in nine out of 13 ITIs. Records of the Directorate of Industries and Commerce, Government of Tripura were also test checked. The ITIs were selected<sup>3</sup> on Stratified Random Sampling Without Replacement (SRSWR) method. The audit

<sup>3</sup> ITI, Indranagar and the Women ITI, Indranagar were selected being the ITIs in the Capital District and the only ITI for women. Other ITIs were stratified into Groups according to the number of trades available with the ITIs and selected with Random Sampling Method. One ITI was selected from the ITIs with 4 Trades (Bokanagar), 2 ITIs were selected from the list of ITIs with trades upto 9 (Ambassa and Dharmanagar) and two ITIs with more than 9 trades were selected on judgemental sampling (Jatanbari and Kailashahar). ITI, Ramkrishna Mission was selected being the only Private ITI in the State while ITI, Khumulwng was selected because of substantial expenditure in MMV Trade.

objectives, criteria, scope of audit and methodology were discussed with the Secretary, Industries & Commerce Department, Government of Tripura in an Entry Conference held on 20 April 2015. The Audit findings were also discussed with the Secretary to the Government of Tripura, Industries & Commerce Department in the Exit Conference held on 02.11.2015. Replies of the Government have been incorporated in the report wherever appropriate.

### 2.3.4 Audit Objective

The objectives of the performance audit were to ascertain whether:

- skill development training programmes and sponsored activities were as per the latest industrial/market requirement and technology;
- budgetary control and financial management are adequate and effective and the funds were utilised properly;
- adequate and qualified manpower was available in ITIs;
- required infrastructure was available with the ITIs for imparting high quality training;
- the requirement of the industry was met through a steady flow of skilled man power in different trades;

### 2.3.5 Audit Criteria

The criteria for the Performance Audit were obtained from the following sources:

- Training Manual for Industrial Training Institutes prescribed by the Director General of Employment and Training (DGE&T);
- GOI/State Government orders on imparting industrial training to trainees;
- Norms prescribed by the National Council for Vocational Training (NCVT);
- The Apprentices Act, 1961 and
- Prescribed monitoring and evaluation mechanism.

**Audit Objective 1: Whether latest industrial/market requirement have been considered before developing the programme.**

## Audit Findings

### 2.3.6 Planning

#### 2.3.6.1 Absence of planning and shortfall in opening of new ITIs

Department neither prepared perspective plan nor annual plan for the ITIs in the State in general and the test-checked ITIs in specific. In the Eleventh Five Year Plan (2007-12), thrust was given for creation of a pool of skilled personnel in appropriate numbers in line with the requirement of the ultimate users such as industry, trade and service sectors. Accordingly, action plan for up-gradation of existing ITIs as well as setting up of new ITIs was proposed. Keeping in line with the Eleventh Five Year Plan strategy, the Government of Tripura planned (May 2010) to set up at least one ITI in each sub-division of the State.

Accordingly, ten (10) uncovered sub-divisions were identified for setting up of new ITIs. Rural Development (RD) Department was entrusted with the responsibility of civil construction work and the works were to be completed within 18 months.

Audit noticed that out of the targeted 10, only three ITIs<sup>4</sup> started functioning from 2013-14, while construction work in respect of four ITIs<sup>5</sup> was in progress as of March 2015. Construction work for the remaining three ITIs<sup>6</sup> had not been taken up. Delay in implementation of the proposed new ITIs deprived the unskilled workforce of the adjoining areas to have employment opportunities, acquiring technical knowledge and skills as envisaged in the Government plan.

Government stated (November 2015) that the plan for setting up of 10 new ITIs in State was taken up following the decision (July 2009) of the Ministry of Labour & Employment, Government of India for setting up of one ITI in each uncovered Block in the country. However, the proposed scheme did not materialise due to non- identification of specific schemes for financial tie-up. Required funds were arranged by the State Government from Special Central Assistance (SCA), State Plan Assistance (SPA), Non-Lapsable Central Pool of Resources (NLCPR), etc. which resulted in delay in implementation of the programme.

### 2.3.6.2 Status of construction of four new ITIs

It was noticed that the Department of Industries and Commerce allocated funds to the Rural Development (RD) Department, Government of Tripura for construction of the four new ITIs in April 2013. Though the construction of the ITIs were to be completed within 18 months, these had not been completed and handed-over (November 2015). Status of construction is shown below:

**Table No.2.3.1: Status of construction of four new ITIs**

(₹ in lakh)

Sl. No.	Name of the ITI	Component of work:	Estt. cost	Funds placed	Upto date expenditure	Status of construction
1.	ITI, Bishramganj	Academic Building, Workshop and Hostel	524.39	506.00	Not available with the Department	Construction completed, ready for handing over.
2.	ITI, Teliamura	-do-	626.91	592.00	-do-	-do-
3.	ITI, Kamalpur	-do-	520.87	526.16	-do-	-do-
4.	ITI, LT Valley	-do-	528.50	496.00	-do-	-do-
<b>Total</b>			<b>2200.67</b>	<b>2120.16</b>	<b>-do-</b>	

Source: Departmental reply

Though ₹ 2,120 lakh was placed with the RD Department, the upto date financial progress was not available with the Department which indicated lack of monitoring on financial progress of the work.

<sup>4</sup> Boxanagar, Khowai and Manubankul.

<sup>5</sup> Bishramganj, Kamalpur, LT Valley and Teliamura.

<sup>6</sup> Gandacherra, Kanchanpur and Santirbazar.



Government Stated (November 2015) that DGE&T increased the space norms for the trades and other computer labs, additional drawing hall, class rooms, etc. after the constructions were taken up which required reconstruction, reorientation and additional works to suit the requirements of the Ministry and resulted in delay in completion of the ITI buildings.

As regards the status of financial progress it was stated that the Department had no mechanism to verify the financial progress as measurement of works completed against the estimated cost was to be verified.

But the fact remained that ITIs scheduled to be completed in September 2014 had not been handed over till November 2015 due to lack of planning at the initial stage and the physical as well as the financial progress was not being monitored by the Department.

### 2.3.6.3 Selection of trades for the ITIs

Tripura being an industrially backward State the trades for the ITIs were selected in consideration of employability scope and demand in the domestic market. Scrutiny of the selection process of the trades of the upcoming four<sup>7</sup> ITIs and four<sup>8</sup> ITIs which came up during the audit period revealed that trades were selected *inter-alia* on the basis of the demand of the existing trades in other ITIs, types of trades available in other ITIs, target group of trainees and demographic profile of the State and Skill Gap Study. The selected trades were Information and Communication Technology System Maintenance, Electronics Mechanic, Mason, Building Maintenance, Driver-cum-Mechanic, Gold Smith, Welder, Pump Operator, etc. keeping in view the employability in the domestic market.

### 2.3.6.4 Introduction of new courses in the ITIs

In order to ensure a steady flow of skilled workforce, which was one of the objectives of the craftsmen training scheme, the Department was to introduce new courses in the emerging areas of fast changing industrial environment by conducting skill assessment survey. A decision was taken in the review meeting held in May 2010 taken by the Chief Minister to conduct survey with the help of Confederation of Indian Industries (CII) and representatives of local industries to make realistic assessment of demand of various trades. However, report of the committee could not be made available to audit. It was noticed that except for creation of Center of Excellence on automobile sector, information technology, bamboo product sector, etc. no new courses had been introduced in the existing ITIs under Craftsman Training Scheme during the period covered in Audit. It was also noticed that though 2<sup>9</sup> trades were not running in the ITI, Indranagar (Boys)<sup>10</sup> since 2009-10, no new trades were introduced to replace the non-functional trades.

<sup>7</sup> Bislamganj, Teliamura, Kamalpur and Manu

<sup>8</sup> Boxanagar, Khowai, Khumulwng and Manubankul

<sup>9</sup> Radio and TV Mechanic and Mechanic Diesel Engines

<sup>10</sup> The oldest ITI in the State set up in the year 1959.



Government replied (November 2015) that Centre of Excellence (CoE) courses were introduced in 7 ITIs in the State which were itself specialised modular courses comprising of 6 Broad Based Basic Training (BBBT) modules with 3 additional Advanced modules in the popular sectors like Automobile, Bamboo, Electronics, Electricals, Food Processing and Information Technology. It was further stated that 2 existing trades of Mechanic Motor Vehicle (MMV) and Mechanic Diesel became redundant because of introduction of CoE courses in Automobile Sector in ITI, Indranagar (Boys).

As regards introduction of new courses in the existing ITIs it was stated that new trades were introduced in the newly opened four ITIs<sup>11</sup>

**Audit Objective-2: Whether budgetary control and financial management were adequate and effective**

**2.3.7 Allocation and expenditure**

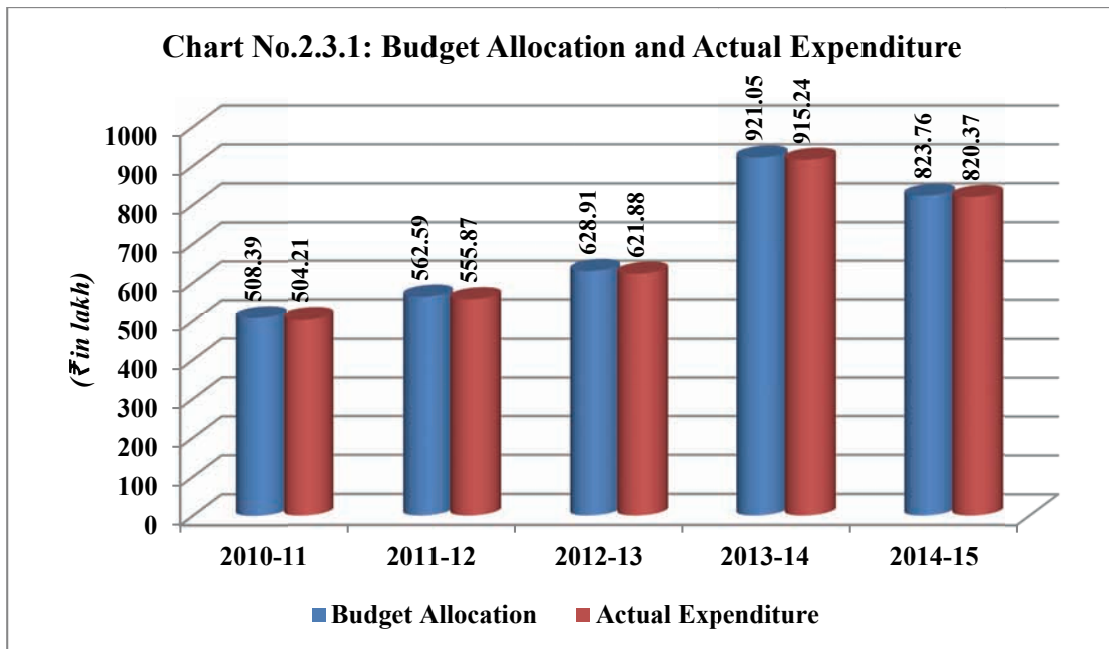
The details of budget estimates, revised estimates, allocation of funds, actual expenditure and savings/excess during 2010-11 to 2014-15 are given in the table and chart below:

**Table No. 2.3.2: Year-wise actual expenditure and savings/excess**

								<i>(₹ in lakh)</i>
Sl. No.	Year	Budget Estimates (BE)	Revised Estimates (RE)	Percentage of variation w.r.t BE	Budgetary allocation	Actual expenditure	Savings(+)/ Excess (-)	Percentage of savings/ excess with budgetary allocation
1.	2010-11	444.70	460.14	3	518.39	504.21	(+) 14.18	3
2.	2011-12	344.23	392.95	12	562.59	555.87	(+) 6.72	1
3.	2012-13	414.95	622.87	50	628.91	621.88	(+) 7.03	1
4.	2013-14	911.57	1,267.05	28	921.05	915.24	(+) 5.81	1
5.	2014-15	1,027.29	845.03	17	823.76	820.37	(+) 3.39	0
<b>Total</b>		<b>3,142.74</b>	<b>3,588.04</b>	<b>14</b>	<b>3,454.70</b>	<b>3,417.57</b>	<b>(+) 37.13</b>	<b>1</b>

Source: Budget Document, Government of Tripura and Departmental Reply.

<sup>11</sup> Boxanagar, Khowai, Khumulwng and Manubankul



The budgetary allocation for the ITIs increased from ₹ 518.39 lakh during 2010-11 to ₹ 628.91 lakh in 2012-13 recording a modest growth of 10 *per cent*. Sudden rise in allocation of ₹ 921.05 lakh during 2013-14 from ₹ 628.91 lakh in the previous year was due to opening of four new ITIs in the State. A marginal savings ranging from 0 to 3 *per cent* over the allocation during last five years indicated maximum utilisation of funds by the ITIs.

Demand and allocation of funds to the test checked ITIs were also analysed in audit. Failure in assessment of requirement and demand for funds led to short<sup>12</sup> placement of funds for consumables-cum-training grants in four<sup>13</sup> test checked ITIs while no demand for funds was placed by the ITIs<sup>14</sup> for library books and recreation facility.

Government stated (November 2015) that proper allocation of funds and maximum utilisation had been ensured.

**Audit Objective 3: Whether adequate and qualified manpower was available in ITIs**

### 2.3.8 Shortage of manpower

DGE&T had prescribed a specific scale of technical staff admissible for ITIs. The number of posts admissible for an ITI depends upon the intake capacity of the Institute and the number of units<sup>15</sup> in various trades imparted in the ITI. The State Government sanctioned technical posts for ITIs, based on the above. Shortage of qualified teaching staff in the ITIs is shown below:

<sup>12</sup> Reference to **Para. 2.3.9(b)(iii)** of this report.

<sup>13</sup> Dharmanagar, Indranagar (Boys), Women ITI, Indranagar and Kailashahar.

<sup>14</sup> Reference to **Para. 2.3.9(b)(vi)** and **Para. 2.3.9(b)(vii)** of this report.

<sup>15</sup> Unit: A batch of 16 trainees in each trade.

Table No. 2.3.3: Shortage of qualified teaching staff

Sl. No.	Name of the ITI	No. of trades/ CoE modules available	Shortage existing in no. of trades	Name of the trade	Name of the post	Appointment of non-qualified staff in place of qualified staff	Required qualification	Possessed qualification
1.	Ambassa	8	1	Draughtsman Civil	Sr. Instructor	1	Deg./Dip. in Civil Engg.	BE in Mechanical Engg.
2.	Dharmanagar	8	1	Sanitary Hardware and Fitter	do	1	Deg./Dip. in Civil/Architectural Engg.	BE in Mechanical Engg.
3.	Indranagar (Boys)	19	1	Automobile Sector (CoE)	do	1	Deg./Dip. in Mechanical Engg.	Dip. in Electronics and Telecommunication Engineering
4	Khumulwng	6	1	Cane, Willow and Bamboo	do	1	i) Deg./Dip. in relevant Trade	i) Deg. in Mechanical Engg.
<b>Total</b>		<b>41</b>	<b>4</b>			<b>4</b>		

Source: Departmental records

Audit noticed that out of the 41 trades/modules of CoEs in the test checked ITIs, there was shortage of qualified instructors in 4 trades. It was also noticed that the shortage was met by non-qualified instructors. Shortage of qualified teaching instructor in the respective trades adversely affected the teaching to the trainees.

Government stated (November 2015) that recruited instructors sometimes resigned for taking up of better employment opportunities which creates vacancies and stop-gap arrangements were made from available instructors of similar branch since filling up of the vacancies required time.

Reply of the Government is not tenable as audit scrutiny revealed that all the above ineligible candidates were recruited on regular employment and were discharging their duties on regular basis.

### 2.3.8.1 Training of trainers

The success and sustainability of any training system depends upon, *inter alia*, availability of good and trained instructors. A new modular pattern of Craft Instructors Training in Engineering trades (December 2008) and Non-Engineering trades (August 2010) was evolved by DGE&T. The training was to be conducted in four<sup>16</sup>/three<sup>17</sup> modules, each having three/four months duration replacing the conventional one year training. The Craft Instructor Certificate was to be awarded only after successful completion of all the modules within a period of three years. As per DGE&T instructions (September 2010), all the existing vocational instructors should be trained in all the modules within a period of three years. After three

<sup>16</sup> i) Training methodology, (ii) Engineering Technology, (iii) Trade Technology - I and (iv) Trade Technology - II

<sup>17</sup> (i) Training methodology (including soft skills), (ii) Trade skill I and (iii) Trade Skill-II

years, there would be no untrained instructors for the already affiliated trades/branches in the Institutes.

Audit noticed that 81 *per cent* of the available trainers (instructors) were not sent for any training programme during the period covered in audit as shown in **Table No. 2.3.4:**

**Table No. 2.3.4: Training of trainers**

Sl. No.	Name of the ITI	No of faculty available	Number of faculty sent for training of trainers Course	No of faculty awaiting training	Percentage of trainers who attended no training during last five years
1.	Ambassa	8	3	5	63
2.	Boxanagar	9	0	9	100
3.	Dharmanagar	18	3	15	83
4.	Indranagar (Boys)	22	10	12	55
5.	Indranagar (Women's)	15	2	13	87
6.	Jatanbari	16	1	15	94
7.	Kailashahar	12	1	11	92
8.	Khumulwng	15	3	12	80
9.	Ramkrishna Mission	6	0	6	100
<b>Total</b>		<b>121</b>	<b>23</b>	<b>98</b>	<b>81</b>

**Source:** Departmental record

It would be seen that out of 121 faculty in the 9 ITIs, only 23 were sent for training. This indicated that a large section of trainers were not acquainted with latest technological development in the industrial sector.

While admitting the fact that training of trainers in Craft Instructor Training Scheme (CITS) was necessary for effective training to the trainees, Government stated (November 2015) that while sending the instructors for undergoing training it was ensured that ongoing training programmes at the respective ITIs were not hampered since most of the training institutes were located outside the State. It was also added that most of the instructors were newly recruited and the Department was in the process of identification of corresponding training institutes.

**Audit Objective 4: Whether required infrastructure was available for imparting high quality training.**

### 2.3.9 Deficiencies in infrastructure

The National Council for Vocational Training (NCVT) prescribed specific norms for providing basic infrastructure such as classrooms and workshops. To impart training in ITIs, the space for conducting various trades, power supply, tools & equipment and furniture was to be provided as per NCVT norms.

Availability of adequate infrastructure was analysed in audit in two segments *viz*; (i) procurement of tools & equipment and furniture and (ii) availability of infrastructure and its optimum utilisation by the Department.

### **2.3.9(a) Procurement of tools & equipment and furniture**

For procurement of tools & equipment, furniture, etc. the Department followed General Financial Rules while World Bank's Procurement Management guidelines were followed for procurement under World Bank assisted Vocational Training Improvement Project (VTIP). Audit findings are narrated below:

#### **(i) Central Tendering System**

Unlike the tendering procedure followed in other Departments like State PWD, etc. the Industries and Commerce Department followed centralised tendering system where invitation of tender, finalisation, issue of supply orders, etc. were done by the Directorate itself while receipt of material and payment were made by the respective ITIs. As a result, basic documents like NIT, Bid documents submitted by the respective bidders were not available with the test checked ITIs. Original copies of supply orders were also not available with the ITIs. Payments were made without basic Tender documents which paved the way for committing irregularities by the suppliers as discussed in the succeeding paragraphs.

Government stated (November 2015) that the system of centralised tendering was followed for the newly created ITIs where no adequate mechanism was available for invitation of tenders by the respective Institutes while tendering for procurement of existing ITIs for Centre of Excellence (CoE) was done centrally for administrative convenience for scrutiny of tender papers, evaluation of tenders under the supervision of the Directorate and accepted that receipt of goods and release of payment were done by the respective ITIs while the tender related papers were retained at the Directorate for review audit by the funding authority i.e Central Government.

Reply of the Government substantiated the audit contention that tender related papers were not available with the ITIs which made payment to the contractors without having the basic documents relating to the terms and conditions of the tender. Further, Department's contention for retention of tender related papers at the Directorate for review audit by the Central Government was not tenable as audit of Scheme funds remained incomplete without audit of receipt of goods & services and related payments which were made by the ITIs at different locations.

#### **(ii) Deficiency in the tendering system and existence of a detrimental tenderclause**

Audit noticed that the Department was inviting tenders with the conventional tendering system. It was also noticed that though the Department had been floating the Tenders in the Websites (State Government and the Government of India) but provision for downloading the 'Tender Form' from the Websites and submission of Bids with the cost of Tender Form was not available in the tender notices, selling of Tender Form was done from the Directorate Office at Agartala only which would have hindered the interested suppliers from outside the State. Audit also noticed that only two suppliers bagged all the supply orders, barring one or two marginal supply

orders by other bidders in the absence of good number of interested bidders. The details thereof are given in the table below:

**Table No. 2.3.5: Analysis of tenders for procurement of tools & equipment and furniture for the ITIs**

(in ₹)

Sl. No.	Name of the ITI	Tenders invited for number of trades	Tender settled with a single bid			Tender settled with only 2 bidders		
			No of cases	Name of the bidder	Amount of supply order issued	No of cases	Name of the bidder	Amount of supply order issued
1.	Ambassa	8	-	-	-	8	NCCF	2,06,52,325
							Music Assam	4,64,155
2.	Boxanagar	5	1	NCCF	29,69,865	4	NCCF	28,05,625
							EEAS	44,01,544
3.	Dharmanagar	10	-	-	-	10	NCCF	95,96,788
							EEAS	80,54,261
4.	Jatanbari	10	-	-	-	10	NCCF	75,44,095
							EEAS	1,59,19,479
5.	Kailashahar	10	3	NCCF	53,59,196	7	NCCF	1,71,88,354
							TFS	8,89,243
6.	Khowai	5	2	NCCF	51,24,905	3	NCCF	32,46,228
							EEAS	55,22,238
7.	Khumulwng	7	4	NCCF	88,28,099	3	NCCF	98,63,353
							EEAS	53,70,590
8.	Manubankul	5	1	NCCF	19,98,425	4	NCCF	1,28,28,200
							EEAS	59,04,579
9.	Ramkrishna Mission	3	-	-	-	3	NCCF	26,22,570
							EEAS	60,64,309
<b>Total</b>		<b>63</b>	<b>11</b>	<b>NCCF</b>	<b>2,42,80,490</b>	<b>52</b>	<b>NCCF</b>	<b>8,63,47,538</b>
							<b>EEAS</b>	<b>5,12,37,000</b>
							<b>Music Assam</b>	<b>4,64,155</b>
							<b>TFS</b>	<b>8,89,243</b>

**Source:** Departmental records.

It could be seen from the table that National Co-operative Consumers Federation (NCCF) of India Ltd., Guwahati got 11 supply orders for ₹ 2.43 crore without any second tenderer while 52 supply orders were shared between NCCF and M/s Engineering Elements and Allied Suppliers (EEAS), Agartala with marginal participation of Music Assam Ltd., Guwahati and TFS Tele System of Guwahati.

Analysis of Tender Conditions revealed that tender notice stipulated that “a bidder should quote for all the items of a trade as called for, in the Tender Notice without which the Bid would be liable for cancellation and the Bid would not be evaluated”. Since all the items<sup>18</sup> required for a trade were not being manufactured by a particular manufacturer, this stipulation ensured that no manufacturer was able to take part in the Bid Procedure during the audit period of 2010-11 to 2014-15 though offers were invited from the reputed manufacturers/small scale industries. Only two major suppliers arranged the required tools and equipment, furniture and fulfilled the tender requirement. Again, a number of unspecified goods were supplied as revealed from audit of different ITIs which are narrated in the succeeding paragraph.

<sup>18</sup> Item number in a tender notice varied from 2 to 411 as noticed during audit.

Government stated (November 2015) that the Department had undertaken all procurements following the provision of the Delegation of Financial Power Rules, Tripura (DFPRT) and had already taken necessary steps for undertaking e-tendering and also added that no complaint had been received from any interested bidder facing any hindrance in the existing tendering process though mechanism of receipt of complaints and its disposal was not stated to audit.

As regards the tender clause for bidding of all the items in a tender, it was stated that the provision ensured participation of solvent and genuine suppliers in the tender process which provided timely supply of all the tendered items without going for repeated tenders.

Accepting the underlying reasons, it still remained that only two suppliers got the major supply orders over the years and supplied the tools and equipment to the ITIs.

As regards, award of 11 supply orders valuing ₹ 2.43 crore to NCCF without any second bidder it was stated that this was done following the provisions of the DFPRT 2011 but relevant provision was not quoted as the same could not be verified in audit.

### **(iii) Warranty documents against goods supplied**

As per the tender conditions, the rates quoted by the supplier should be for brand new items<sup>19</sup> and the items costing above ₹ 5,000 (five thousand) should be supported with detailed technical specification/leaflet. Relevant documents in support of offered brand, model and make with specification of the items were also to be submitted with the bid documents. Audit noticed that except one bidder<sup>20</sup> no other bidders<sup>21</sup> complied with the above instructions. Models of the products and Brands were neither mentioned nor cross-referenced in the Price-bid. The tendered price of a product is always directly related to its Brand (Make) and the Model. In absence of these basic information it was not clear as to how the Tender Evaluation Committee compared the various offers, justified the offered price of a product and finalised the tender of the respective bidder. There was no mention of the bid evaluation criteria in the Evaluation Committee meeting proceedings. We conclude that all the successful firms were declared to have been qualified by the Committee for awarding contract though all of them violated the basic Tender Conditions.

Receipt of high value goods were test checked in audit. No ITI could submit manufactures' warranty papers in respect of the goods received from the suppliers. As a result, receipt of branded new goods along with the manufacturers' warranty certificate was not ensured. Table below would give the position at a glance:

<sup>19</sup> Tools and Equipment, Furniture etc.

<sup>20</sup> M/s Sunil Kumar Banik, Agartala, Authorised dealer of Godrej Company.

<sup>21</sup> i) M/s Engineering Elements and Allied Suppliers, Agartala, ii) M/s National Co-operative Consumers' Federation of India Ltd., Guwahati, iii) M/s Quality Tents, Agartala, iv) Music Assam, Guwahati and v) TFS Tele System, Guwahati.



Table No.2.3.6: Warranty papers against high value goods

Sl. No.	Name of the ITI	Number of high value goods test checked	Warranty papers not available	Amount paid (in ₹)	Average cost of test checked items
1.	Ambassa	102	102	96,23,011	94,343
2.	Boxanagar	47	47	32,15,867	68,423
3.	Dharmanagar	64	64	83,57,649	1,30,588
4.	Indranagar (Boys)	50	50	60,68,249	1,21,365
5.	Indranagar (Women's)	28	28	42,65,247	1,52,330
6.	Jatanbari	82	82	1,67,27,033	2,03,988
7.	Kailashahar	58	58	1,53,06,700	2,63,909
8.	Khumulwng	49	49	1,22,13,411	2,49,253
9.	Ramkrishna Mission	41	39	43,03,010	1,04,951
<b>Total</b>		<b>521</b>	<b>519</b>	<b>8,00,80,177</b>	<b>1,53,705</b>

**Source:** Departmental records and audit requisition and reply to audit observation.

It would be seen that out of 521 test checked items, warranty papers were not available in respect of 519 items whose average cost was ₹ 1.54 lakh while tender conditions stipulated that item costing above ₹ 5,000 should be supported by all relevant documents.

Government Stated (November 2015) that technical leaflet was only an additional support document. The reply was not tenable as scrutiny of the tender notice showed that it was a mandatory document for the bidder bidding for an item costing ₹ 5,000 or more. No reply was furnished regarding absence of 'Model No.' of the items, in the price bid, proposed to be supplied by the bidders.

As regards non-availability of manufacturers' warranty papers it was stated that goods were procured from the suppliers instead of manufacturers who were supposed to render the warranty services as per the clause of the tender notice. Contention of the Department was not tenable as without the product documentation and relevant papers from the manufacturer, supply of unused, brand-new goods by the suppliers as per the condition of the tender was not ensured.

#### **(iv) Excess payment of ₹ 63.98 lakh in procurement for VTI Project**

Department procured tools & equipment<sup>22</sup> and furniture for Vocational Training Improvement Programme (VTIP) under World Bank assistance in 6 Packages from Package No.1 to 6 during March 2014 for the ITI, Indranagar (Boys). The Department put the tools & equipment and furniture in 6 separate packages and invited tender for supply of the items in package as a whole though the option for evaluation of tender separately for each tendered item was available with the Department as per World Bank procurement policy. It was noticed that procurement of material in Packages led to excess payment of ₹ 63.98 lakh when compared to the offered rates of individual items within the package. The effective tender evaluation policy should have been the

<sup>22</sup> Tools and equipment required for running of trades under Craftsman Training Scheme.



lower cost either package as a whole or the cost of individual items offered by the bidders. The details are given in the table below:

**Table No. 2.3.7: Cost difference between package cost and item rate cost**

(in ₹)

Sl No	Package No.	Particulars of the package	Awarded cost of the package to a single bidder	Cost of the items in the package with the lowest offered rates from different bidders	Difference in cost
1.	Package No.-1	Tools and Equipment (Hand, Measuring Etc.)-414 items	31,74,971	15,39,816	16,35,155
2.	Package No.-2	Equipment and Machineries—19 Items	43,06,750	24,04,266	19,02,484
3.	Package No.-3	Electrical and Electronics Equipment and Machinery-112 Items	42,01,435	27,34,260	14,67,175
4.	Package No.-4	Computer, Peripherals and Softwares-43 Items	43,07,720	30,89,989	12,17,731
5.	Package No.-5	Furniture-47 Items	11,55,830	10,40,552	1,15,278
6.	Package No.-6	Automobile Equipment for Centre of Excellence-2 Items.	4,91,205	4,30,800	60,405
<b>Total</b>			<b>1,76,37,911</b>	<b>1,12,39,683</b>	<b>63,98,228</b>

Thus, the Department incurred ₹ 1.76 crore for procurement of tools & equipment and furniture under VTI Programme which could have been procured at ₹ 1.12 crore had the items under the package been distributed to different suppliers.

Government stated (November 2015) that grouping of similar items together in a package and procurement from the same supplier ensured compatibility of tools of equipment and machineries, etc. in addition to smooth and timely supply. Reply of the Government was not tenable as the list of tools and equipment where the issue of compatibility was considered at the time of procurement should have been prepared beforehand and got approved by the appropriate authority.

**(v) Awarding of supply order on false credentials of the tenderer -₹ 43.07 lakh**

For procurement of materials from the open market, the Department stipulated in the Tender Notice that the bidder concerned should have successfully completed at least one similar work (with total monetary value of not less than 50 per cent of the estimated cost put to tender) in the last 2 (two) years for a Government organisation. Audit noticed that M/s. Suniti Computer and Telecom, Jogendranagar, Agartala submitted false performance certificate of supplying computer peripherals to Agriculture Department, Government of Tripura and bagged a supply order for

₹ 43.07 lakh under VTI Programme during 2013-14. The Department accepted the performance certificate without verification and issued supply order to the firm.

Audit team visited the O/o Executive Engineer, West Division, Agriculture Department, Agartala and the O/o the Principal, College of Agriculture, Government of Tripura, Lembucherra and verified the Supply Order Register and Cash Book in the office of the former for verification of the issue of the Supply Order and its related payment while Stock Book was checked in the office of the latter for verification of receipt of materials as claimed by the above firm. The fact of non-issue of supply order and non-receipt of materials was also confirmed by above two offices in reply to a audit query.

Department lodged (November 2015) FIR against the firm and the matter was under investigation.

#### **(vi) Idle tools and machineries**

Department procured tools and equipment for Mechanic Motor Vehicles (MMV) trade 2006-07 but failed to get affiliation from the NCVT and the trade could not be made operational. Subsequently, some of the common tools and equipment were transferred to another trade 'Driver cum Mechanic' but audit noticed that one Motor Lorry<sup>23</sup> and Motor Car purchased for the trade at a cost of ₹ 7.77 lakh were lying idle, in the open causing wear and tear, which could have been transferred to other ITIs where MMV trade was in operation. It was also noticed that chemicals<sup>24</sup> purchased at a cost of ₹ 5.98 lakh for Cane, Willow and Bamboo trade was lying idle at ITI, Khumulwng. It was further noticed that the chemicals were purchased by the Department without any test analysis report. Photographs are given below:



**Photograph of the Idle lorry at ITI, Ambassa**



**Photograph of the unused chemicals at ITI, Khumulwng.**

Government stated (November 2015) that vehicles were being utilised for imparting practical training to the trainees of Driver-cum-Mechanic trade and chemicals were intended for long term use and accepted from the supplier on inspection by affiliation team.

<sup>23</sup> TATA truck and Ambassador car

<sup>24</sup> Borax and Boric Acid chemical

Reply of the Government was not tenable as on verification of the Government reply, the ITI, Ambasa could not furnish any records regarding actual utilisation of the vehicles for imparting practical training to the trainees of Driver-cum-Mechanic trade while no certificate regarding competency on chemical test analysis could be furnished by the ITI, Khumulwng in respect of the affiliation team members who conducted inspection of aforesaid chemicals.

**(vii) Procurement of tools & equipment and furniture without estimates and other irregularities.**

Department did not maintain Notice Inviting Tender (NIT) Register, Tender Form Selling Register, Tender Opening (Technical and Financial) Register. Page numbering and sealing of bid documents were not done, tender opening committee did not sign the bid papers on each page as a proof of authentication. As a result, change in bid papers after opening of bid documents could not be ruled out. Department procured tools & equipment valuing ₹ 24.92 crore during the period covered in audit out of which procurement valuing ₹ 18.08 crore was test checked. But no estimate/ cost assessment was prepared by the Department before tendering and bids were accepted at the rate offered by the bidders. It was also noticed that the Bidders dictated the specification of the supplied items for e.g. the Department invited tenders for maximum 3 years old Heavy Vehicles for the MMV Trade in ITI, Khumulwng and Manubankul but the NCCF offered rates for 5-6 years old vehicles and the Department procured four such old vehicles at a cost of ₹ 51.40 lakh (@ ₹ 12.85 lakh per vehicle). Audit also noticed that cost of such new vehicles under DGS&D rate<sup>25</sup> was ₹ 13.62 lakh per vehicle. Therefore, the cost of the old vehicles seemed inflated. Another example of procurement without cost assessment by obtaining rates from the manufacturers/dealers can also be cited as procurement of six Dummies for Dress making trade at ITI, Khumulwng at the cost of ₹ 2.32 lakh which could have been procured merely at ₹ 0.42<sup>26</sup> lakh. It was also noticed that a new vehicle<sup>27</sup> was purchased through tender at higher rate (₹ 5.39 lakh) despite its availability at company price (₹ 3.76 lakh) with the local dealer. Photograph of trucks and dummies at the ITI, Khumulwng are given below:

<sup>25</sup> Sl No. 31 of DGS&D rate contracts for Built-up TATA Trucks and Truck Chassis for 2013-14, RC No. BT.LB\_TC/AM-2/RC-21010000/0214/72/05767/648 Dt.19-09-2013. Rate of Trucks for 2012-13 was available in DGS&D server but not accessible due to technical error, thus comparison was made with the rates of 2013-14.

<sup>26</sup> Adult Male Dummy-₹ 15,500 (2 Nos), Adult Female Dummy-₹ 17,000 (2 Nos) and Kids Dummy (boy and girl)-₹ 9,500, online prices of full plastic body with arm models at Shopclues.com and e-bay.in with free shipping facilities at current prices. The supply order did not mention the make of the dummies which left the supplier with wide option of supplying plastic or wooden or other make dummies.

<sup>27</sup> Maruti Eeco Vehicle at ITI, Khumulwng for Mechanic Auto Electricals and Electronics trade.



2 gents dummies were procured at ₹ 48,500 each, 2 ladies dummies @ ₹ 42,500 and children dummies @ ₹ 24,950 each were procured for ITI, Khumulwng.



Trucks were procured @ ₹12.85 lakh for MMV Trade in the ITI, Khukulwng.

Government accepted (November 2015) the fact that Tender Form Selling Register, NIT Register and Tender Opening Register were not maintained as per the prescribed format. While no reasons were furnished for non-adoption of standard procedure of sealing of bid documents and page marking of bid papers, etc. it was stated that the tender evaluation committee consisted of members from different departments having several pre-occupations which rendered authentication of each page of the bid papers by the committee members difficult and time consuming.

Reply of the Department was not tenable as non-authentication and scrutiny of all the bid papers by the Department paved the way for submission of forged performance certificate by one firm which was detected in audit and led to lodging of police complaints by the Department.

As regards absence of cost estimates it was stated that no schedule of rate for tools and equipment was available with the Department as the items listed for procurement were non-scheduled items and the tenders were evaluated by comparing the rates of earlier procurement and with the knowledge and experience of the tender evaluation committee members.

Reply of the Government was not tenable as the Department could have utilised the rates of earlier procurement and the knowledge and experience of the tender

evaluation committee members for preparation of cost estimates as utilised on receipt of rates from the bidders.

### 2.3.9(b) Availability of infrastructure and its utilisation by the Department.

Test check of records in the sample ITIs revealed that they lacked infrastructural facilities. The major deficiency was noticed in respect of tools & equipment and furniture, provision of raw material, books and library facilities, etc. as discussed below:

#### (i) Shortage of tools & equipment and furniture

The ITIs were required to maintain tools and equipment as per the standard lists<sup>28</sup> of tools and equipment of the trades concerned, as prescribed by NCVT. As per NCVT norms, for each trade, a total of 16 plus one set of tools were to be provided to the trainees. In the test-checked ITIs, audit noticed shortfall in the availability of tools and equipment ranging between 16 and 74 *per cent* with reference to the standard list of tools and equipment. Example of running trades without basic tools and equipment like absence of (i) Split AC, Duct able Split AC, Cassette Air Conditioner in the Mechanic (Refrigeration and Air- Conditioning) Trade, (ii) Absence of Surveying Instruments like Digital Theodolite, Instrument for Total Station, Hand held GPS in the Draughtsman Civil Trade and (iii) providing training to Electronics Mechanic with 2G Mobile phone sets instead of 3G mobile phones and Smartphones as per the guidelines of the NCVT in the ITI, Indranagar Boys. Shortfall in furniture<sup>29</sup> ranged from 15 to 70 *per cent*. Thus, conducting of industrial training without the required tools and equipment in ITIs affected the scope of the trainees in acquiring necessary trade skills and gainful employment. **Table No. 2.3.7** would give the ITI wise position of shortage of Tools & Equipment and Furniture.

**Table No.2.3.8: Shortage of tools and equipment in the ITIs**

Sl. No.	Name of the ITI	Requirement: tools & equipment	Availability: tools & equipment	Shortage: tools & equipment	Percentage of shortage: tools & equipment
		Furniture	Furniture	Furniture	Furniture
1.	Ambassa	629	289	340	54
		51	27	24	47
2.	Boxanagar	359	277	82	23
		27	8	19	70
3.	Dharmanagar	1,509	1,261	248	16
		201	162	39	19
4.	Indranagar (Boys)	1,550	974	576	37
		141	97	44	31
5.	Indranagar (Womens)	620	425	195	31
		157	133	24	15

<sup>28</sup> A list containing the names of the tools and equipment considered as the basic minimum requirement for the trade.

<sup>29</sup> Table, chair, stools, Black Board, Drrwaing Board etc were regarded as furniture requirement of the respective trades.



**Table No.2.3.8: Shortage of tools and equipment in the ITIs (concl.)**

Sl. No.	Name of the ITI	Requirement: tools & equipment	Availability: tools & equipment	Shortage: tools & equipment	Percentage of shortage: tools & equipment
		Furniture	Furniture	Furniture	Furniture
6.	Jatanbari	783	391	392	50
		87	29	58	67
7.	Kailashahar	1,265	329	936	74
		88	28	60	68
8.	Khumulwng	662	263	399	60
		65	27	38	58
9.	Ramkrishna Mission	403	232	171	42
		42	14	28	67
<b>Total</b>		<b>7,780</b>	<b>4,441</b>	<b>3,339</b>	<b>43</b>
		<b>859</b>	<b>525</b>	<b>334</b>	<b>39</b>

**Source:** Departmental records.

It is seen from the above table that the overall shortage of tools and equipment was 43 per cent while 39 per cent shortage was noticed in case of furniture items. ITI, Kailashahar had 74 per cent shortage of tools & equipment while ITI, Boxanagar had highest shortage of furniture with 70 per cent.

Government stated (November 2015) that shortages occurred due to regular revision of courses by the DGE&T and proposal for regular provision of funds had already been initiated at the appropriate level.

#### **(ii) Tools & Equipment were not marked and identified**

Quality Council of India (QCI) was set up jointly by the Government of India and the Indian Industry represented by the three premier industry associations i.e. Associated Chambers of Commerce and Industry of India (ASSOCHAM), Confederation of Indian Industry (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI), to establish and operate national accreditation structure and promote quality through National Quality Campaign. According to the QCI guidelines regarding creation of adequate infrastructure and availability of tools, equipment and furniture for awarding affiliation to a trade under CTS, the tools and equipment are to be identified with unique identification number by the respective ITIs.

Test check revealed that none of the Government ITI took adequate steps to put unique number to the tools and equipment. Name of the machines, year of procurement and name of the ITI, etc. were also not found recorded in the tools and equipment. Photographs of the tools & equipment at the Government ITIs and the Government aided ITI run by the Ramkrishna Mission, Agartala are given below.



**Voltage Transformer machine at ITI, Ambassa under Electrician Trade.**



**Electrical Machine Trainer at ITI, Boxanagar under Electrician Trade**



**Drilling Machine at the ITI, Ramkrishna Mission for Plumber Trade**

It would be seen from the above photographs that the equipment in respect of Government ITIs were not marked while the same was marked in private ITI of Ramkrishna Mission. Thus, transfer of tools and equipment from one ITI to another ITI could not be ruled out.

Government stated (November 2015) that the system of engraving in the tools & equipment was introduced in 2012 and added that instruction would be issued to all the ITIs which got affiliation before 2012 to mark and identify all assets while engraving was available with the tools & equipment of new ITIs.

Verification of Government reply showed that tools & equipment of the newly affiliated ITIs also lacked identification marks designed for uniqueness by the QCI.

### **(iii) Inadequate supply of raw material to the trainees**

According to the DGE&T Manual, a training grant is allowed to each institute to cover the cost of raw material, consumables, stationery, etc. @ ₹ 400 per month per trainee for the engineering trades and ₹ 300 for the non-engineering trades per month, per trainee. Audit noticed that fund allotment to the Institutes were inadequate. Shortage of supply of raw material were noticed in 7 test-checked ITIs which indicated that raw materials and consumables were not available to the desired extent for the trades as per the NCVT norms. This affected the practical training to the trainees. The table below gives the position in detail:

Table No.2.3.9: Purchase of raw material by the ITIs

Sl. No.	Name of the ITI	Number of students during 2010-11 to 2014-15 <sup>30</sup>		Raw material to be purchased as per norms	Raw material actually purchased including consumption of electricity	Shortfall (in ₹. (5- 6))	Percentage of shortfall
		Engg. trade	Non-engg. trade				
1.	2.	3.	4.	5.	6.	7.	8.
1.	Ambassa	208	74	12,15,200	10,77,098	1,38,102	11
2.	Boxanagar	47	21	3,73,800	3,81,743	(-) 7,943	(-)2
3.	Dharmanagar	513	86	29,62,800	21,43,608	8,19,192	28
4.	Indranagar (Boys)	1,011	154	53,87,600	26,99,148	26,88,452	50
5.	Indranagar (Women's)	131	659	26,51,600	12,35,032	14,16,568	53
6.	Jatanbari	294	131	20,86,000	18,23,690	2,62,310	13
7.	Kailashahar	398	220	32,96,800	14,52,802	18,43,998	56
8.	Khumulwng	40	55	3,28,000	3,77,103	(-) 49,103	(-)15
9.	Ramkrishna Mission School	92	0	2,94,400	2,92,728	1,672	1
<b>Total</b>		<b>2,734</b>	<b>1,400</b>	<b>1,85,96,200</b>	<b>1,14,82,952</b>	<b>71,13,248</b>	<b>38</b>

Source: Departmental records and reply.

It could be seen that percentage of overall shortfall was 38 per cent, the ITI, Kailashahar recorded the highest shortfall of 56 per cent and the ITI, Dharmanagar recorded least shortage with 01 per cent.

Government accepted (November 2015) the facts and stated that allocation for raw material and consumables would be increased as and when required.

#### (iv) Availability of basic amenities

In the test-checked ITIs, information on basic amenities for trainees such as potable water supply, playgrounds and toilet facilities were obtained. Audit noticed insufficient toilet facilities at ITI Kailashahar, Jatanbari and Indranagar (Boys) while well maintained playground was not available at any of the test checked ITIs.

Government stated (November 2015) that toilets were constructed as per CPWD norms but reply was not tenable as new construction were required to be undertaken with the increase of strength of trainees on introduction of Center of Excellence courses in the above three ITIs.

#### (v) Absence of hostel facilities for girl trainees and security of the boarders.

Test check revealed that Hostel facilities were available only in 6 ITIs out of the 9 test checked ITIs. Out of the 6 ITIs where hostel facilities were available 4 ITIs were co-educational but no hostel facilities were available for girl trainees though accommodation for male trainees were made available by the respective institutes.

<sup>30</sup> Restricted up to March 2015



Absence of hostel facilities for the girl trainees deprived the willing candidates from remote areas to take the benefit of ITIs to augment their skills for earning employment. Audit also noticed that except the Hostel at ITI, Kailashahar, none of the hostels in ITIs had been provided with kitchen facilities<sup>31</sup> and 2 hostels in the test-checked ITIs also lacked basic facilities such as toilet/drinking water, etc. as detailed in Table below:

**Table No.2.3.10: Facilities in the ITI Hostels**

Sl. No.	Name of the ITI	Status of hostel building	Drinking water facility	Bathroom and toilets	Kitchen/lighting/fan etc	Security and surroundings
1.	Ambassa	2 Hostel Buildings. One was abandoned and another in a dilapidated condition.	Quality of water was not fit for drinking. Excessive iron content noticed.	Dilapidated condition.	Kitchen Facility was not available.	Occupancy Register and Register for visitors at entry and exit was not maintained. Bushes and Jungle required cleaning.
2.	Jatanbari	Good	Two Nos. treated water connection was available.	Available without water facility	Kitchen Facility was not available.	Occupancy Register and Register for visitors at entry and exit was not maintained.
3.	Indranagar (Boys)	Good	Available	Good	Kitchen Facility was not available. Only one ceiling fan was provided in 3 bedded hostel rooms.	Occupancy Register and Register for visitors at entry and exit was not maintained. Bushes and Jungle required cleaning
4.	Dharmanagar	Good	Available	Good	Kitchen Facility was not available.	Maintained
5.	Kailashahar	Good	Available	Good	Kitchen Facility was available.	Register for visitors at entry and exit was not maintained. Bushes and Jungle required cleaning

**Source:** Physical verification in audit.

Photographs of the cooking arrangements made by the trainees at the ITI, Jatanbari and Ambassa are given below:

<sup>31</sup> Where kitchen was available without any cook that was not taken into account.



**Cooking arrangement made by the trainees at ITI, Jatanbari**



**Cooking arrangement made by the trainees at ITI, Ambassa.**

Further, DGE&T had prescribed the provision of compound walls in all ITIs to protect their infrastructure and equipment. Audit however, noticed the absence of compound walls in 2<sup>32</sup> out of 9 of the test-checked ITIs. In the ITI, Indranagar (Boys) and ITI Jatanbari it was also noticed that some portion of the compound walls were broken posing a threat to the properties of the respective ITIs. Photographs of the broken compound wall are given below:



**Broken compound wall of the ITI, Indranagar (Boys). Parking of private vehicle within the ITI campus area.**



**Broken compound wall of the ITI, Jatanbari in close proximity to a private household needed immediate reconstruction.**

Government stated (November 2015) that funds were sanctioned for renovation of the hostels of the ITIs. As regards non-availability of hostels for girl trainees it was stated that there was no demand from the trainees. Reply was not tenable as audit analysis of student enrollment data in respect of WITI, Indranagar for 2010-11 to 2014-15 revealed that on average 19 girl trainees enrolled in the Institute every year who resided beyond 20 kilometers. Further, no demand survey report also could be produced to audit.

#### **(vi) Functioning of libraries in ITIs**

According to the DGE&T Manual, ₹ 25 per trainee per month was to be allotted for the purchase of books and trade-oriented magazines for the libraries in ITIs. However,

<sup>32</sup> Kailashahar and Ambassa

purchase of books fell far short of the norms prescribed by the DGE&T during the period covered in audit. Table below gives details:

**Table No. 2.3.11: Purchase of library books**

(in ₹)

Sl. No.	Name of the ITI	Number of Students during 2010-11 to 2014-15	Library Books to be purchased as per norms	Library books actually purchased	Shortfall (in ₹)	Percentage of shortfall
1.	Ambassa	282	85,380	9,865	75,515	88
2.	Dharmanagar	599	1,93,500	16,766	1,76,734	91
3.	Indranagar (Boys)	1,165	3,51,550	0 <sup>33</sup>	3,51,550	100
4.	Indranagar (Women's)	790	2,05,400	22,466	1,82,934	89
5.	Jatanbari	425	1,43,400	5,031	1,38,369	96
6.	Kailashahar	618	2,19,500	3,245	2,16,255	99
<b>Total</b>		<b>3,879</b>	<b>11,98,730</b>	<b>57,373</b>	<b>11,41,357</b>	<b>95</b>

Source: Departmental records

It could be seen that the overall shortfall of purchase of library books was 95 per cent while maximum shortage was noticed in respect of Indranagar (Boys) ITI where no books and journals were purchased during the period of audit.

Government stated (November 2015) that there was a shift in reading habit from print to electronic material and trainees were more interested in reading from internet. Reply was not tenable because had the trainees been interested in electronic mode of books and study material, the Department could have procured e-books and e-journals with the quantum of allocation prescribed by the DGE&T.

#### (vii) Sports and recreation facility

According to the norms of the DGE&T, a sports and recreation grant of ₹ 50 per trainee per month was allowed. But test check revealed that only a meagre fund of 3 percent of the admissible amount was provided to the ITIs for sports and recreational facilities. Table below gives the details:

**Table No. 2.3.12: Expenditure on sports and recreation**

Sl. No.	Name of the ITI	Number of Students during 2010-11 to 2014-15	Expdr. on sports and recreation to be made as per norms	Expdr. actually made	Shortfall (in ₹)	Percentage of shortfall
1.	Ambassa	282	1,70,760	9,114	1,61,646	95
2.	Dharmanagar	599	3,87,000	18,320	3,68,680	95
3.	Indranagar (Boys)	1,165	7,03,100	4,384	6,98,716	99
4.	Indranagar (Women's)	790	4,10,800	9,773	4,01,027	98
5.	Jatanbari	425	2,86,800	9,885	2,76,915	97
6.	Kailashahar	618	4,39,000	12,585	4,26,415	97
<b>Total</b>		<b>3,879</b>	<b>23,97,460</b>	<b>64,061</b>	<b>23,33,398</b>	<b>97</b>

<sup>33</sup> ITI, Indranagar purchased books for ₹1,74,346 during 2009-10 and thus not included in the above table.

Thus, trainees were deprived of sports and recreation facility due to non-provision of adequate funds on this account.

Government stated (November 2015) that the amount of ₹ 50 per trainee per month was the maximum allowed limit for sports and recreation facilities but not the least amount.

### **(viii) Renovation of ITIs**

ITI, Kailashahar was established in the year 1962 and was one of the oldest ITIs in the State and required extensive renovation works of old workshops including dismantling and construction of new building as revealed during audit check. Two proposals for renovation of the ITI were sent to the Department in 2009-10 and 2013-14 but no renovation work was taken up. Hostel Building attached to the ITI, Ambassa also required extensive renovation to make it suitable for lodging of the ITI, trainees. Photograph of the approach road to the Electrician and Mechanic Motor Vehicle (MMV) trade at the ITI, Kailashahar and hostel building of the ITI, Ambassa gives the position of the respective ITIs .



**Photograph of the Workshop-cum-Class Room of the Electrician and MMV Trade at ITI, Kailashahar.**



**Photograph of the Hostel Building at ITI, Ambassa.**

Department stated (November 2015) that renovation works were taken up depending upon the fund availability and added that funds had been sanctioned for renovation of hostel building and improving of water supply arrangements of ITI, Ambassa.

### **(ix) Diesel generator**

NCVT also prescribed provision of backup diesel generating sets to keep training activities continuing at the time of load-shedding/power-cuts. Audit however, noticed that no such diesel generating sets were provided in the test checked ITIs.

Government stated (November 2015) that small generators and on-line UPS were available with the ITIs but running of heavy machineries with the assistance of generator was technically not feasible.

Reply was not tenable as the provision of diesel generator was a mandatory criterion as per the DGE&T guidelines. Department may consider generator sets of adequate capacity for running heavy machineries too.

### 2.3.9.1 Trends in admission and dropouts

Admission to ITIs was made annually on the basis of merit. The duration of engineering trades varies from one year to two years, whereas the duration of non-engineering trades was six months to one year. The minimum educational qualification for admission to the ITIs was from Class-VIII Standard to Higher Secondary (10+2) according to the trades. Male trainees between the age of 14 and 40 were admitted in ITIs while there was no upper age limit for girls.

The sanctioned strength, admission and vacant seats in ITIs during 2010-11 to 2014-15 are given in the Table below:

**Table No. 2.3.13: Pass dropout and admission details**

Sl. No.	Name of the ITI	Sanctioned strength	Admission	Percentage of admission	Drop out	Passed	Pass percentage	Drop out percentage
1.	Ambassa	179	177	99	46	131	74	26
2.	Boxanagar	80	44	55	11	33	75	25
3.	Dharmanagar	727	641	88	193	448	70	30
4.	Indranagar (Boys)	1,289	1,265	98	422	843	67	33
5.	Indranagar (Women's)	912	787	86	253	534	68	32
6.	Jatanbari	436	390	89	148	242	62	38
7.	Kailashahar	540	535	99	176	359	67	33
8.	Khumulwng	100	72	72	22	50	69	31
	<b>Total:</b>	<b>4,263</b>	<b>3,911</b>	<b>92</b>	<b>1,271</b>	<b>2,640</b>	<b>68</b>	<b>32</b>

**Source:** Departmental records

It could be seen from the above table that 92 *per cent* of available seats were filled up during last five years in the respective ITIs while 32 *per cent* of the trainees left the courses midway and did not continue and remaining trainees successfully completed the training courses.

Government stated (November 2015) that trainees left the trade on getting employment, some women trainees got married and some trainees also left trades for other reasons leaving the seats vacant. Department took steps to curb the trend of drop out by counseling, forfeiting the caution money and keeping the original mark-sheet of the trainees and also added that percentage of drop out could be reduced by the measures but could not to be fully annulled.

### 2.3.9.2 Irregular continuance of upper age limit in admission for male trainees

According to an instruction issued by the DGE&T in September 2010 there was no upper age limit for admission to Craftsman Training Scheme (CTS). But it was noticed that the Department of Industries and Commerce, Government of Tripura irregularly put upper age-limit barrier of 40 years for the male candidates willing to take admission in CTS.

Thus, the Department irregularly deprived the candidates who had attained the age of 40 years and were desirous to take admission in the CTS in violation of the instruction of the DGE&T.



Government accepted (November 2015) the facts and stated that subsequent admission would be done as per the instructions of the DGE&T as pointed out in audit.

### 2.3.9.3 Award of stipends

According to the DGE&T Manual, a stipend of ₹ 100 per month per trainee was to be awarded to all the trainees. In addition, GOI had instructed ITIs to pay merit scholarships of ₹ 125 per trainee to 4 *per cent* of the total number of trainees. The State Government however, had sanctioned stipend at varying rates for the hostellers and non-hostellers. In non-hosteller category, ₹ 100 per month was given to the General, OBC and Minority group of trainees and ₹ 200 per month was given to the SC and ST trainees while for the hostel-boarders ₹ 240 per month was given to General, OBC and Minority group and ₹ 900 to ₹ 1,200 per month was given to the ST/ SC trainees. No merit stipend was given to the meritorious trainees as per the Government of India norms. Audit observed that in two ITIs<sup>34</sup> stipend amounting to ₹ 0.58 lakh was refunded to the Government account due to non-disbursement of stipend to the trainees on account of late receipt of funds while ₹ 0.18 lakh remained un-disbursed at the ITI, Khumulwng as the trainees left the ITI on completion of the courses.

Government confirmed (November 2015) that no merit stipend was awarded to the trainees of the ITIs and also added that possibility of awarding merit stipend would be explored. As regards refund of stipend by two ITIs it was stated that excess funds were deposited back to government account. Reply of the Government was not tenable as verification<sup>35</sup> of Government reply confirmed that stipends were refunded due to late receipt of funds by which time trainees left the institutes.

**Audit objective 5: Whether the requirement of the industry was met through a steady flow of skilled man power in different trades**

### 2.3.10.1 Placement of trainees as apprentices

As per the provision of the Apprentices Act, 1961, it is obligatory on the part of an employer to train a certain number of apprentices assigned by the State. The ITIs produce semi-skilled workers. In order to improve their skills and expose them to industrial environment, the trainees who successfully complete their trainings are sponsored to industrial establishments and are given apprenticeship training under the Apprentices Act, 1961. The period of apprenticeship training varies from six months to four years depending upon the trade. The position of ITI passed out trainees in the test checked ITIs and placement for apprenticeship training are given in the table below:

<sup>34</sup> ITI Indranagar (Boys) and Ambassa.

<sup>35</sup> Records of the ITI, Indranagar were verified (December 2015) again on receipt of the Government reply.

Table No. 2.3.14: Placement of Trainees as Apprentices

Name of the ITI	Number of trades available	No. of trainees passed	No. of trainees sponsored for apprenticeship training	Percentage of placement as apprentices	Name of the trades for which trainees were placed	Sector where placed
1	2	3	4	5	6	7
Ambassa	7	145	46	32	Welder, Draughtsman (Civil), Wireman	Not furnished
Dharmanagar	8	279	240	86	Welder, COPA, Fashion Technology, Sanitary Hardware and Fitter, Electronic Mech., Mech. Motor Vehicle, Electrician, Wireman	Except 2 batches of wireman all the trainees were sent to private sector for apprenticeship training.
Indranagar (Women's)	6	239	35	15	COPA, Draughtsman (Civil), Electronic Mech., IT&ESM,	Not furnished
Jatanbari	10	242	36	15	Draughtsman (Civil), Surveyor, Electrician, Carpenter	Government Offices and Corporations
Kailashahar	12	359	301	84	COPA, Mech. Motor Vehicle, Electrician, DTPO, Fitter, Draughtsman (Civil), Surveyor,	Government offices/institutes as well as private institutes.
<b>Total</b>	<b>43</b>	<b>1,264</b>	<b>658</b>	<b>52</b>		

**Source:** Departmental records and replies furnished to audit queries.

It could be seen that overall only 52 per cent passed out trainees were sponsored for apprenticeship training to Government offices/ Corporations and private institutes. Poor placement of trainees for apprenticeship in ITIs at Ambassa, Indranagar (Women's) and Jatanbari deprived them of on-job training after completion of successful training at the respective ITIs.

Audit analysis further revealed the following:

- In ITI Ambassa 76 passed out trainees from COPA, Mech. Radio & TV, and Driver-cum-Mechanic were not sent for any apprenticeship training while 23 trainees out of the 50 passed out trainees of Welder trade during the audit period were waiting for the said training.
- In ITI Jatanbari 144 passed out trainees from Stenography, COPA, ITESM, Mech. Radio & TV, Electronic Mechanic and Wireman were not sent for any apprenticeship training, 36 trainees out of the 98 trainees passed from Surveyor, Draughtsman (Civil), Electrician and Carpenter trades were sponsored while 62 trainees were waiting for the said training.
- In the Women ITI, Indranagar 104 passed out trainees from Stenography and Dress Making were not sent for any apprenticeship training, 35 trainees out of the 135 trainees passed from COPA, Draughtsman (Civil), Electronic Mechanic

and ITESM trades were sponsored for apprenticeship training while 100 trainees were waiting for the said training.

- In ITI Kailashahar, 49 trainees who had passed Stenography (English) were not sent for any apprenticeship training.

Government stated (November 2015) that industrial establishments in the State were very limited and seats for engagement of apprentices were also very low. It also assured that adequate steps would be taken to locate more seats for apprenticeship training for the ITI trainees.

### 2.3.10.2 Ex-trainees follow up

As per the DGE&T Manual, ITIs are to maintain 'Record cards' of ex-trainees as a follow-up measure to ensure that the ITI trainees, on successful completion of the training, have been able to secure employment. If employed, the name of the employer should be given; failing which, the whereabouts of unemployed trainees should be shown in the record cards.

Though the ITIs furnished employment data in respect of few ex-trainees but no detail cards as prescribed in the DGE&T Manual were maintained.

Government stated (November 2015) that detailed information of all the passed out trainees could not be maintained as the trainees were least interested to provide the information regarding employment etc.

### 2.3.10.3 Employability of ITI trainees

The objective of establishment of ITIs was to impart industrial training to school-leaving youth so that they could acquire technical skills for gainful employment. ITIs in the State produce nearly 2,200 skilled persons every year by imparting industrial training in various trades.

An audit survey<sup>36</sup> disclosed that only six *per cent* of the ITI candidates registered in the Employment Exchanges in the State and 6 *per cent* got employed as detailed in **Table No. 2.3.15**.

**Table No. 2.3.15: Results of survey on employment**

Details	No. of Trainees
Number of persons to whom <i>proformae</i> were sent	1000
Number of persons who responded	339
Number of ITI passed candidates registered with Employment Exchanges	253
Number of persons who got employment through Employment exchanges	15
Number of persons who got employment through own effort	101
Number of persons who got jobs in the relevant trade	21

**Source:** Information obtained during audit by carrying out survey.

<sup>36</sup> A survey done through collection of responses to questionnaires on their employment sent to trainees, who had completed their courses in the test-checked ITIs during 2010-11 to 2014-15.



It was also noticed that only eighteen<sup>37</sup> *per cent* ITI passed trainees got jobs in their relevant trade.

Audit query also revealed that though 156 trainees passed out from the ITIs in the State during 2010-11 to 2014-15 in the Electrician Trade, none of them were recruited<sup>38</sup> by the Tripura State Electricity Corporation Limited (TSECL).

### **2.3.11 Monitoring**

According to the DGE&T Manual, inspecting officers of the State Directorate of Training should inspect the ITIs in their charge as frequently as possible and give advice on the training, take trade test, check the efficiency of the instructors and assist Principals of training institutes on all matters relating to training classes. Audit however, noticed that no such inspection was carried out either by the Directorate staff or any designated officer in the test-checked ITIs during 2010-11 to 2014-15 and no observations were found recorded in the format<sup>39</sup> prescribed by the DGE&T. Thus, monitoring mechanism in the ITIs was not upto the desired extent.

Government stated (November 2015) that consolidated reports of ITIs were reviewed in each monthly meeting and corrective actions were taken.

### **2.3.12 Physical verification of stock**

According to the General Financial Rules (GFR) physical verification of Stock shall be done once in a year. It was noticed that annual physical verification of tools & equipment and furniture was not done in any of the test checked ITIs.

As a result, availability of tools & equipment, furniture and other articles as recorded in the Stock Register could not be ascertained and verified in audit.

Government stated (November 2015) that physical verification of stock/assets was completed in 4 ITIs while the process of verification was going on in the remaining ITIs.

### **2.3.13 Conclusion**

Government's plan to provide ITIs in all the uncovered Sub-Divisions of the State remained unachieved. The test checked ITIs lacked infrastructural facilities such as adequate tools & equipment and hostel facilities for the girl trainees. Similarly, adequate raw material for the trades and reference material for trainees were not available in the test-checked ITIs. Irregularities in procurement of equipment/material by the Department led to supply of goods without basic documents from the manufactures. Procurement was done without any cost estimate and supplier dictated the specification of the supplied items. Failure of the Government in identifying new industries and institutions for placement of ITI passed candidates resulted in

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<sup>37</sup> 21/ (101+15)

<sup>38</sup> 62 persons were recruited during the period of audit based on the applications against recruitment notice 2001 and 2007.

<sup>39</sup> Appendix-XV of the Training Manual of ITIs, 3<sup>rd</sup> Edition, January 2014.

inadequate placements for apprenticeship training scheme in industries. The increasing trend of vacant seats and dropouts in ITIs was a matter of concern.

### **2.3.14 Recommendations**

- Government's plan to establish ITI in the uncovered Sub-Divisions should be ensured in a time bound manner;
- Availability of adequate tools, equipment and raw material for trainees in ITIs should be ensured so as to provide quality training to trainees;
- Procurement procedure should be revamped and procedure of e-tendering be adopted;
- Apprenticeship training to be ensured for all the passed out trainees,
- Initiatives may be taken to organise campus interview for the ITI passed out trainees,
- Inspection of the ITIs should be conducted periodically as envisaged in the DGE&T Manual.

## SCIENCE, TECHNOLOGY & ENVIRONMENT DEPARTMENT

### 2.4 Effectiveness in the functioning of Tripura State Pollution Control Board

*For abatement of pollution and protection of environment in the State, Tripura State Pollution Control Board (TSPCB) was set up by the Government of Tripura in the year 1988 under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act 1981. The Board was also entrusted with the responsibility of enforcement of the Environment (Protection) Act 1986 and various rules made thereunder. A review of functioning of TSPCB brought out the following points:*

#### **Highlights:**

TSPCB did not complete the work of preparing the inventory of the polluting industrial units which led to deficiencies in formulating annual action plans for preventing/ controlling water and air pollution.

*(Paragraph 2.4.6)*

The laboratory of TSPCB was functioning without accreditation and without required testing facilities. The laboratories at zonal offices could not be made operational due to lack of infrastructural facilities.

*(Paragraphs 2.4.8.1, 2.4.8.2 and 2.4.8.3)*

Due to lack of controls in consent administration, 728 industrial units were running without consent during 2010-15 and the Board did not take any action against them.

*(Paragraph 2.4.9.1)*

The municipal bodies did not have sewage treatment plants and untreated sewage was being discharged into rivers and other water bodies. No action plan as required under Water Act was prepared by TSPCB for taking remedial measures and restoring the water quality of the rivers and water bodies.

*(Paragraphs 2.4.11.2, 2.4.11.3 and 2.4.11.4)*

The municipal bodies did not comply with the provisions of Municipal Solid Waste (Management and Handling) Rules, 2000 regarding Municipal Solid Waste management.

*(Paragraph 2.4.14.1)*

Out of identified 1258 Health Care Establishments (HCEs), 694 HCEs were operating in the State without authorisation from TSPCB and there were inadequate bio-medical waste treatment and disposal facilities as prescribed in Bio-medical Waste (Management and Handling) Rules, 1998.

*(Paragraphs 2.4.15.1, 2.4.15.2 and 2.4.15.3)*

Financial management of TSPCB was lacking as it could utilise only 4.72 per cent to 14.13 per cent of yearly available funds for pollution control measures during last five years.

*(Paragraph 2.4.18)*

## Insufficient man power adversely affected the functioning of TSPCB.

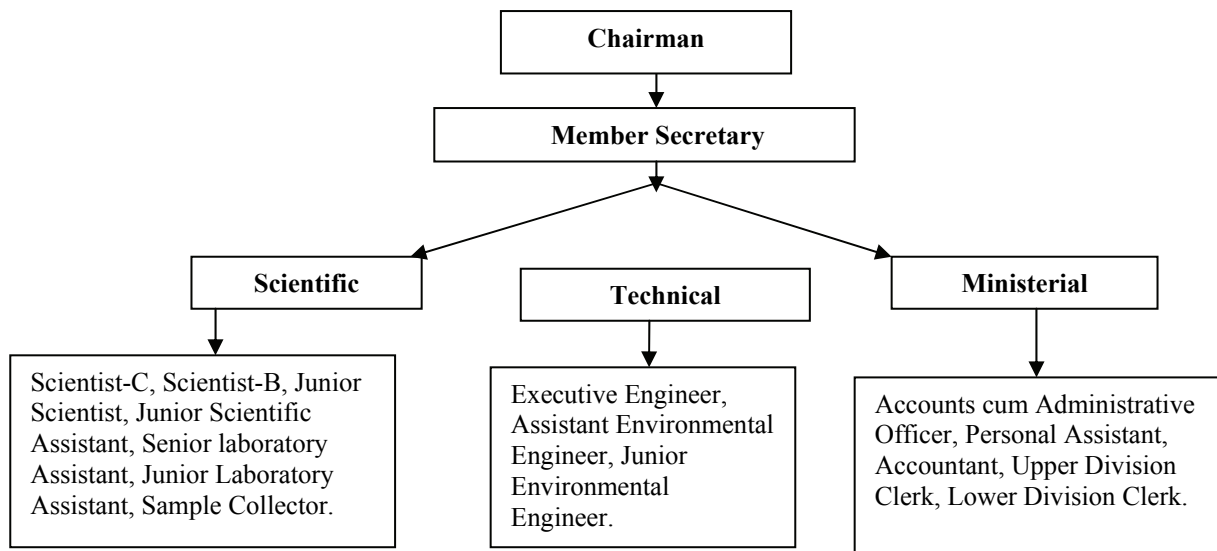
(Paragraph 2.4.19)

### 2.4.1 Introduction

Tripura State Pollution Control Board (TSPCB) is the nodal agency of the State Government for planning, coordination, prevention & control of pollution and also protection of environment in accordance with the framework of environmental regulations. TSPCB was set up by the Government of Tripura in the year 1988 under the Water (Prevention & Control of Pollution) Act, 1974 and the Air (Prevention & Control of Pollution) Act, 1981. TSPCB was also entrusted with the responsibility of enforcement of the Environment Protection Act, 1986. The Acts largely provide TSPCB a predominant role in monitoring of compliance with the provisions of these Acts by industrial units, municipal bodies, hospitals, etc. To enable it to discharge the mandated functions effectively, TSPCB was vested with powers to obtain information from the persons in charge of any establishment; inspect and collect samples of effluents/emissions; grant/reject/withdraw consent for establishment/operation of any industry, operation or process.

### 2.4.2 Organisational set-up

TSPCB is headed by a Chairman who is assisted by a Member Secretary. TSPCB operates under the Science, Technology and Environment Department, Government of Tripura. It has three zonal offices at Kumarghat, Ambassa and Udaipur, which are functioning without laboratory. The organogram of TSPCB is given below:



(Source: Information provided by TSPCB)

### 2.4.3 Audit Objectives

The objectives of this performance audit were to ascertain whether:

- Mechanisms adopted by TSPCB to prevent and control the pollution were effective and efficient;

- Monitoring of compliance with Acts, Rules and conditions was adequate and effective;
- Funds management by the Board was efficient to secure optimum utilisation, and
- Adequate manpower and effective internal control mechanism existed.

#### **2.4.4 Audit criteria**

The audit criteria for assessing the achievement of the audit objectives were derived from the following sources:

- The Water (Prevention and Control of Pollution) Act, 1974 (Water Act);
- The Water (Prevention and Control of Pollution) Cess Act, 1977;
- The Public Liability Insurance Act, 1981;
- The Air (Prevention and Control of Pollution) Act, 1981 (Air Act);
- The Environment (Protection) Act, 1986 (EP Act) and various Rules made there-under;
- Directions and notifications issued by Central Pollution Control Board (CPCB), Government of India (GoI) and State Government.

#### **2.4.5 Scope of Audit and Methodology**

Performance Audit on the “Effectiveness in the functioning of Tripura State Pollution Control Board” was conducted between April 2015 and August 2015 covering the period from 2010-11 to 2014-15. The focus areas of audit were to examine areas of adequacy of measures adopted to address environmental pollution and the efficiency with which they have been executed and to assess the effectiveness in funds management by the Board in respect of programmes relating to pollution and compliance with relevant statutes. Audit also assessed whether the measures adopted in addressing pollution had the desired impact in abatement or control of pollution in the State.

The audit methodology comprised examination of reports and records, analysis of documents at TSPCB<sup>40</sup>, responses to questionnaires issued at various levels like TSPCB, Municipal bodies, Health care establishments etc. Before taking up of audit, the audit party participated (27 April- 1 May 2015) an workshop cum national training programme on “Introduction to Environmental Audit with special emphasis on Audit of SPCBs” organised by the Indian Audit & Accounts Department in the International Centre for Environment Audit & Sustainable Development (ICED), Jaipur. In this workshop, the experts related to environment guided the audit parties, of North Eastern States, related to this Performance Audits.

An Entry Conference was held on 18 May 2015 with the Secretary to the Government of Tripura, Science, Technology and Environment Department (STED) and Member

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<sup>40</sup> The zonal offices were carrying out inspections of industrial units, processing of consents and collection of samples. However, the records of the TSPCB were maintained in the Head office at Agartala.

Secretary of TSPCB wherein audit objectives, scope of audit, audit criteria and methodology were discussed.

An Exit Conference was held on 13 November 2015 with the Special Secretary, STED wherein the audit findings were discussed. Response of the Government and Board during exit conference and written replies of the Board duly approved by the Government (November 2015) have been taken into account while finalising this report.

## **Audit findings**

### **Audit Objective 1: Whether the systems adopted by TSPCB to prevent, control and for abatement of pollution were effective and efficient?**

#### **2.4.6 Inventory of polluting sources not prepared**

As per Section 17 of Water and Air Acts, TSPCB was required to plan comprehensive programmes for prevention and control of water and air pollution. For this purpose, polluting sources and the type and quantity of pollutants discharged into environment were to be identified. The resultant inventory was to form the basis for planning pollution prevention/abatement programmes.

Audit observed that TSPCB entrusted (October 2011) the tasks of preparing inventories and categorising industries to National Environmental Engineering Research Institute (NEERI), Nagpur (a constituent of Council of Scientific and Industrial Research, New Delhi) at a project cost of ₹ 15 lakh. As per project proposal submitted (September 2011) by the NEERI, it was to submit final project report with full documentation after one year from the date of entrustment of the job. The NEERI was paid (between October 2011 and July 2014) ₹ 14.89 lakh (90<sup>41</sup> per cent of ₹ 15 lakh plus service Tax) after submission (February 2014) of the draft project report as per terms and conditions of their project proposal.

However, it was noticed that the NEERI did not furnish the final project report as of November 2015 for which no reasons were found on record. There was no evidence that TSPCB pursued the matter with the NEERI for early completion of the work.

TSPCB stated (August 2015) that the project for inventorisation and categorisation of industries was done by the NEERI. The reply is not tenable as the project report was not finalised as of August 2015. TSPCB further informed (November 2015) that the matter of finalisation of report by NEERI was under process subject to rectification of some basic requisites.

Besides, identification of hospitals and other health care establishments was not done. After this being pointed out, TSPCB informed (November 2015) that the preparation of inventory of Health Care Establishments (HCEs) would be taken up.

<sup>41</sup> 50 per cent project cost was paid as advance and 40 per cent project cost was paid after receipt of draft project report

Thus, TSPCB was not in a position to plan comprehensive programmes to prevent, control and abate water and air pollution due to non-preparation of inventory to identify the polluting industries and HCEs in the State.

#### **2.4.7 Annual Action Plans**

Annual Action Plan of any organisation defines various activities and sub activities proposed to be taken up including physical and financial targets to be achieved in the ensuing year in line with the vision and long/short term goals of the organisation.

It was seen that the Board did not prepare the Annual Action Plans (AAPs) for 2012-13 and 2013-14. Though AAPs were prepared for the years 2010-11, 2011-12 and 2014-15 by the TSPCB, physical and financial achievement against target fixed in the AAPs was not assessed/ prepared.

However, the Special Secretary, STED stated (November 2015) during exit conference that target shown in the AAPs could not be achieved due to irregular flow of funds from different funding agencies.

#### **2.4.8 Environmental laboratories**

Under the Section 52 of Water Act and Section 28 of the Air Act, the State Board may establish or recognise laboratories for analysing water/air samples to enable the Board to perform the functions stipulated in the Acts. There was only one Laboratory at Agartala for this purpose.

##### **2.4.8.1 Accreditation of laboratory**

As per Central Pollution Control Board (CPCB) guidelines issued in June 2008, laboratory accreditation provides recognition of technical competence including quality system management of the laboratories. Such recognition is considered the first essential step towards mutual acceptance of test results and test certificate.

Further, according to instructions issued (August 2011) by the Ministry of Environment and Forests (MoEF), GoI, TSPCB was required to acquire accreditation under the Environment Protection Act, 1986 (EP Act), ISO 17025 (NABL<sup>42</sup> Accreditation) or ISO 9001 certification along with OHSAS<sup>43</sup> 18001 certification within a period of one year for its laboratory. However, it was noticed that the laboratory was functioning without accreditation.

TSPCB attributed (November 2015) the main reasons for non-accreditation of laboratory to non-fulfilment of required infrastructure/ technical manpower/ instruments/ equipment.

Thus, test results and test certificate issued by TSPCB's lab could not be considered for mutual acceptance as per CPCB guidelines/ instructions due to not acquiring of the accreditation by TSPCB.

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<sup>42</sup> National Accreditation Board for Testing and Calibration of Laboratories

<sup>43</sup> Occupation Health and Safety Assessment Series



### 2.4.8.2 Insufficient equipment/instruments and testing facilities in the laboratory

As per Central Pollution Control Board (CPCB) guidelines issued in June 2008, every laboratory should have facilities for a minimum of six categories of tests, viz. physical, inorganic, organic, microbiological, toxicological and biological tests for water analysis. Similarly, for air analysis, the laboratory should have facilities for five categories of tests. An environmental laboratory should provide for facilities for hazardous waste and soil/sludge/sediment/solid waste analysis. It was noticed that the laboratory did not have the capacity for conducting all the mandatory tests as existing equipment/ instruments were not in conformity with the mandatory equipment/instruments required for water, waste and air analysis as per CPCB guidelines. Further, equipment/instruments required for hazardous waste analysis were not available in the laboratory. The details are given in the **Appendices 2.4.1 and 2.4.2.**

TSPCB replied (November 2015) that apart from few inorganic and toxicological parameters, it was capable to analyse all the physical, organic, microbiological and biological parameters for the water and waste water analysis and it was also capable to analyse five important air parameters including  $\text{SO}^{44}_{\text{x}}$ ,  $\text{NO}^{45}_{\text{x}}$ ,  $\text{PM}^{46}_{10}$  and  $\text{PM}^{47}_{2.5}$ .

Thus, in the absence of the required testing facilities and equipment in the laboratory, it implied that TSPCB was not fully equipped to analyse the samples for water/ air pollutants.

### 2.4.8.3 Lack of infrastructural facilities in zonal offices

TSPCB established (August 2012) three zonal offices at Kumarghat, Ambassa and Udaipur. Those offices were temporarily accommodated in the building premises (one room for each office) of district offices of the STED.

TSPCB procured pollution testing equipment valuing ₹ 34.71 lakh for laboratories of zonal offices during 2013-14 (shown in **Appendix 2.4.3**). However, equipment were not sent to zonal offices for installation due to adequate space not being available and remained idle at TSPCB's central office at Agartala. Thus, the zonal offices could not be operationalised.

TSPCB replied (November 2015) that initiatives were already taken to construct the buildings for the zonal offices and laboratories and also added that for that purpose, it had sent a number of proposals to the various funding agencies like North Eastern Council, Ministry of Environment and Forests (MoEF), State Government and CPCB for providing financial assistance.

<sup>44</sup> Sulphur Oxides

<sup>45</sup> Nitrogen Oxides

<sup>46</sup> Particulate Matter with a diameter of 10 micron

<sup>47</sup> Particulate Matter with a diameter 2.5 micron



#### 2.4.8.4 Survey not conducted to assess arsenic contamination in ground water

It was observed that the North Eastern Regional Institute of Water and Land Management (NERIWALM), Tezpur, Assam conducted an analysis of ground water samples of 117 locations in different parts of Tripura during the year 2003 and analysis report showed that arsenic concentration in groundwater exceeded<sup>48</sup> the permissible level (i.e.50 microgram/litre) in three<sup>49</sup> out of four districts<sup>50</sup>.

TSPCB decided (February 2005) to conduct a comprehensive survey of ground water by analysing a large number of samples to ascertain the presence of arsenic in ground water. However, no such survey was conducted even 10 years later as of November 2015. However, Family Welfare and Preventive Medicine (FW& PM) Department, Government of Tripura stated (November 2015) to audit that no case of ‘Arsenocosis’ or any other disease/ health symptoms caused by arsenic rich drinking water was reported in the State in the period 2010-15.

The TSPCB replied (August 2015 and November 2015) that steps would be taken to start extensive investigation of arsenic contamination in ground water in Agartala Municipal area and Indo-Bangla Border area. However, time frame for completion of the investigation work was not fixed as informed during exit conference (November 2015).

Thus, the fact remained that TSPCB did not conduct comprehensive survey for detection of arsenic contamination in ground water even after lapse of 10 years of taking the decision in this regard. Further, the reply of FW& PM Department indicated towards a position which was not factual as the arsenic content in the groundwater of the State exceeded the permissible limit by a very large margin.

#### **Audit Objective 2: Whether monitoring of compliance with Acts, Rules and conditions was adequate and effective?**

The Water Act, Air Act and EP Act empowered the State PCBs to take all such measures necessary for prevention, control and abatement of environmental pollution, to take appropriate action for regulation and control of any industry, operation or process and to initiate legal proceedings in the cases of infringement of environmental laws. Under the EP Act, various waste management and handling rules were also framed by GoI requiring the State PCBs to control and abate the pollution emanated by various types of wastes. The power to issue directions includes the power to direct closure of any industry, operation or process under Section 33 A of Water Act, Section 31A of Air Act and Section 5 of EP Act. The Acts have provision for prosecution and imprisonment of the convicted up to three months to seven years and/or a penalty ranging from ₹ 10,000 to ₹ 1,00,000 for violation of provisions of environmental laws and non-compliance with directions of the Board.

<sup>48</sup> The exceeded levels of arsenic ranged from 65 to 444 microgram/ litre

<sup>49</sup> West Tripura, Dhalai and North Tripura

<sup>50</sup> From April 2011, the State was divided into eight districts.

#### 2.4.9.1 Lack of effective consent administration

Under Section 25 of Water Act and Section 21 of Air Act, consent of TSPCB was required to establish any industry, operation or processes which were likely to discharge sewage or trade effluent into a stream, well, sewer or on land and/or pollute the air by emission. These Acts empowered TSPCB to issue consent for establishment (CFE) and consent for operation (CFO) to the industrial units and carry out its periodical renewal.

Further, according to Section 51 of the Air Act read with Section 25 of the Water Act, every State PCB should maintain a register containing particulars of the persons to whom consent has been granted and the register should be open for inspection by any person.

Scrutiny of consent register revealed that the details indicating pollution category of industry (i.e. Red/Orange/Green), type of consent applied for and granted, date of issue of consent, provisions of Water/ Air Act under which consent issued, etc. were not recorded in the register. As such, category-wise position of industries to which CFO and CFE were issued during 2010-15 could not be ascertained.

In reply to an audit requisition issued in May 2015, TSPCB submitted (June 2015) a list of 728 industrial units which were running without renewal of consent during 2010-15. Of these, 617 units did not apply for renewal and no action was taken against them. In respect of remaining 111 units applications for renewal of consent submitted by them were pending with TSPCB for disposal.

TSPCB replied (August 2015) that action would be taken against the industries which were running illegally without consent and further added (November 2015) that a notice was issued in the local newspaper in July 2015 directing the defaulting industries to apply for renewal of consent certificate. However, it was informed during exit conference (November 2015) that timeframe would be fixed for taking action against them.

The above irregularities indicate that the Board was not interested in enforcing its regulatory function of granting / withholding consent for functioning of industries-the primary reason for which it had been set up.

#### 2.4.9.2 Delay in issue of consent

Under Section 25 of Water Act and Section 21 of Air Act, the consent to operate or establish the industrial units was to be granted to these units within four months from the date of application.

Test-check<sup>51</sup> of records revealed that 54 annual consents were granted/ renewed to 41 large scale red category (highly polluting) industries<sup>52</sup> during 2010-15. It was seen that out of 54 consents, 36 consents were issued after the stipulated time of four

<sup>51</sup> Records of 41 highly polluting red category large scale industries (having fixed capital investment of more than ₹ 5 crore) to which consent orders were issued during 2010-15, were selected for test-check

<sup>52</sup> Latex processing units, thermal power plants, oil & gas drilling units, etc.

months. The period of delay in issue of consent ranged from one month to 43 months beyond the stipulated time of four months. The details are shown in the **Appendix 2.4.4**.

TSPCB, however, stated (August 2015) that though the number of industries was increasing day by day, the manpower of the Board was inadequate. It further added (November 2015) that because of lack of manpower the consent certificates could not be issued within stipulated time.

Thus, failure of the Board to issue consents within stipulated time led to operation of the industrial units in the State without consent which indicated towards functioning of these units without following the prescribed norms.

#### 2.4.10 Inadequate inspection of industrial units

TSPCB did not fix the frequency of inspection by its officials for red/orange/green category industries to check compliance of Water and Air Acts. However, as per instructions issued by MoEF in December 1999, industrial units should be regularly inspected with frequency depending on their classification *viz.*, Red (highly polluting), Orange (moderately polluting) and Green (least polluting), which is also followed by TSPCB, as shown in the following table:

**Table No. 2.4.1**

Sl. No.	Size of industry	Category of industry	Frequency of visit and effluent sampling
1.	Small scale	Red	Once in 12 months
		Orange	Once in three years
		Green	Once in three years
2.	Large and Medium scale	Red	Once in three months
		Orange	Once in six months
		Green	Once in 12 months

It was noticed that there was 74 *per cent*<sup>53</sup> shortfall in inspections in respect of 41 test-checked large scale industrial units to which consent was granted during 2010-15 (**Appendix 2.4.5**).

On this being pointed out, TSPCB informed (August 2015 and November 2015) audit that the instructions regarding frequent inspections could not be followed due to lack of manpower. However, the Board did not take adequate steps to increase its manpower as discussed in the **Paragraph 2.4.19**.

Thus, failure to conduct required number of inspections left the scope of non-compliance of Pollution Control Acts and Rules by the industrial units.

#### 2.4.11 Water pollution

Water pollution is the presence of harmful and objectionable material in water in sufficient concentrations to make it unfit for use. The Water Act empowers TSPCB to make any order for the prevention, control or abatement of discharge of waste into streams or wells and requires any person concerned to construct new systems for the

<sup>53</sup> Only 54 inspections representing 26 *per cent* were conducted out of 205 (41 industries x once per year x 5 years) inspections to be conducted during 2010-15.

disposal of sewage and trade effluents or to modify, alter or extend any such existing system or to adopt such remedial measures as are necessary to prevent, control or abate water pollution.

#### **2.4.11.1 Installation of Effluent Treatment Plants by the industrial units**

Section 25 of the Water Act envisages that every person or entity to which consent has been granted by the Board should install treatment equipment in the premises where the industry is carrying on its operation and keep it in good running condition.

It was noticed that out of 41 red category large scale industrial units to which consent was granted during 2010-15, 28 industrial units were required to install ETP as per terms and conditions of the consent orders. It was seen from the inspection reports of TSPCB that out of these 28 units, 12 units had installed ETPs and seven units did not install ETPs. Status about installation of ETPs in remaining nine other industrial units was not indicated in the inspection reports. The details are shown in **Appendix 2.4.5**.

TSPCB replied (August 2015) that it would take steps to maintain database regarding industrial units operating without ETPs and ETPs installed but not complying with the standards.

During exit conference (November 2015) it was informed that timeframe would be fixed to take action against those industries which were operating without ETPs or their ETPs were not functional.

However, the fact remained that in absence of the database regarding industrial units operating without ETPs, TSPCB could not take action against all such defaulting industrial units.

#### **2.4.11.2 Lack of sewage treatment facilities**

Sewage emanating from populated areas is one of the major sources of water pollution. As per Section 25 of Water Act, the Municipal bodies have to ensure that the sewage emanating from their jurisdictional areas are not released untreated and are responsible for management of the sewage under their jurisdiction.

It was seen that 52-55 litre/capita/day of sewage was generated from the jurisdictional areas of the Urban Local Bodies (ULBs) in the State but no Sewage Treatment Plant (STP) was constructed by the ULBs and untreated sewage contaminated the rivers and water bodies as mentioned in the succeeding **Paragraphs 2.4.11.3 and 2.4.11.4**.

Test-check of records revealed that TSPCB never issued directions under Water Act to the municipal bodies for construction of STPs. There was also no evidence from the records made available to audit that TSPCB had at any time analysed the reasons for non-construction of STPs by the municipal bodies during 2010-15.

After this being pointed out, TSPCB replied (November 2015) that it would issue directions to the ULBs for construction of STPs for treatment of un-treated sewage.

### 2.4.11.3 Excess organic and bacterial contamination in the rivers

Based on water quality data for the years 2009-12, the CPCB identified (February 2015) two polluted river stretches in the State *viz.* (i) Telkajila to Amarpur (20 km.) on river Gumti and (ii) Agartala to Bishramganj (10 Km.) on river Howrah. The maximum BOD recorded in these river stretches was 4.5 mg/l (Gumti) and 4.8 mg/l (Howrah) respectively against the prescribed limit of  $\leq 3$  mg/l. However, these rivers of Tripura were less polluted when compared to others large rivers<sup>54</sup> of the country.

It was noticed that the Central Pollution Control Board (CPCB) had instructed (March 2015) TSPCB to provide feedback and comments on the above issue and TSPCB informed (April 2015) the CPCB that the drain water of nearby localities was being directly discharged into the rivers Gumti and Howrah and outlet of *kutcha* latrines were directly linked to the river Howrah in the Agartala region and added that it would instruct concerned authorities for restoration of these rivers. Analysis of data of TSBCB's water quality monitoring stations on the downstream of rivers Howrah (at Chandrapur, Agartala) and Gumti (at Sonamura) showed that the organic pollution (indicated by the BOD level exceeding the prescribed limit of  $\leq 3$  mg/l) and bacterial contamination (indicated by the Total Coliform<sup>55</sup> level exceeding the prescribed limit of  $\leq 500$  MPN/100ml<sup>56</sup>) continued to be critical during 2010-15.

In reply, TSPCB stated (November 2015) that it had prepared a project proposal covering ten major rivers of the State to solve environmental problems of entire river stretches including polluted degraded stretches and efforts would be taken to secure funding from external agencies to implement the project jointly by all line Departments like Forest, Urban Development and Agartala Municipal Corporation (AMC).

However, the fact remained that the TSPCB did not take steps to plan a comprehensive programme for the prevention, control or abatement of pollution of river and other water bodies of the State and to ensure the implementation of the same as envisaged in Section 17 of Water Act.

### 2.4.11.4 Contamination of water bodies due to sewage and solid waste influx

It was observed that TSPCB made a pollution load assessment<sup>57</sup> of four water bodies of Udaipur under Gumti District in April 2014. TSPCB collected water samples from the four water bodies and analysed the different parameters that determined water quality in the laboratory of the Board. It was noticed from the report on the above pollution load assessment that BOD values of almost all the water samples collected

<sup>54</sup> Examination of Report on 'River Stretches for Restoration of Water Quality' prepared by CPCB in February 2015 revealed that the BOD in respect of Yamuna river ranged between 39 to 113 mg/l (stretch between Wazirabad to Asgarpur in Delhi); the BOD in respect of Godavari river ranged between 4 to 40 mg/l (stretch between Someswara temple to Rahed in Maharashtra) and the BOD in respect of river Ganga ranged between 7.8 to 27 mg/l (stretch between Buxur to Bhagalpur).

<sup>55</sup> Coliform is the commonly used bacterial indicator of sanitary quality of food and water

<sup>56</sup> Most Probable Number is a unit for measurement of coliform bacteria in turbid water samples

<sup>57</sup> Amarsagar, Jagannathdighi, Mahadebdighi and Dhanisagar

were higher (ranging between 3.53 mg/l to 24.1 mg/l) than the prescribed standard value ( $\leq 3$  mg/l) and therefore, all the water bodies had high bacteriological load.

TSPCB made (April 2014) recommendations to the Government to restore and conserve the water quality of the water bodies such as diverting existing canals and drains, prohibiting dumping of solid wastes in water bodies and to create awareness among the local people.

TSPCB replied (November 2015) that the matter was noted for communication to Udaipur Municipal Council, Urban Development Department and other related departments to take necessary steps. However, it was informed during exit conference (November 2015) that the timeframe for implementation of the recommendations was not fixed by the Government.

This indicated that the Government was not serious about implementation of the recommendations made by the Board to restore and conserve quality of the water bodies.

#### **2.4.12 Air quality monitoring**

The Air Act empowers TSPCB to make any order for the prevention, control or abatement of emission of air pollutants into the atmosphere from industrial plants and automobiles or for the discharge of any air pollutant into the atmosphere from any other source whatsoever not being a ship or an aircraft.

##### **2.4.12.1 Partial functioning of Ambient air quality stations**

The CPCB initiated (1984) National Air Quality Monitoring Programme (NAMP) with the objective to determine status and trends of ambient air quality and to ascertain whether the ambient air quality standards are violated or not. The CPCB instructed (March 2012) TSPCB to report daily data of air monitoring for ten parameters prescribed under the NAMP.

It was decided by TSPCB that the location of the two air monitoring stations would be fixed at the office complex of the Board and Chandrapur Bus stand (both located in Agartala). For the purpose, TSPCB procured (October 2013 and February 2014) Respirable Dust Sampler (five numbers) and Particulate Matter 2.5 Analyser (five numbers). TSPCB informed (August 2015) that it had established station at its office complex and another station at Chandrapur was yet to be operationalised. It was seen that the air quality tested (13 March 2015) at the office complex of TSPCB represented status of only four parameters (tests) (*viz.* PM<sub>10</sub>, PM<sub>2.5</sub>, Sulfur Dioxide and Nitrogen Dioxide) out of the 10 essential parameters prescribed under NAMP. However, the test report of the above four air parameters was found to be within the prescribed standard. Reason for non- conducting of remaining six tests<sup>58</sup> was neither stated nor found on record. Moreover, daily monitoring data, though specifically called for (August 2015), was not furnished to audit.

<sup>58</sup> NH<sub>3</sub>, Lead, Nickel, Arsenic, Bap and Benzene.



After this being pointed out, TSPCB replied (November 2015) that it had sent a letter to the CPCB for finalisation of another station at Chandrapur. After getting reply from CPCB the monitoring of air quality under NAMP would also be started. It further added that, for analysing all the 10 parameters required high-end equipment for which a proposal was sent to the CPCB but no fund had been approved/ allotted and it was trying to explore other sources for establishment of modern high-end equipment to serve the required ten parameters.

During exit conference (November 2015) it was informed that the Board did not send the monitoring data/ reports but reasons for the same could not be furnished to audit.

Thus, the fact remained that the air quality monitoring station at office complex of the Board could not be made fully functional as the six out of 10 air parameters still remained un-tested (November 2015). Moreover, the Board did not start reporting of data of air pollutants to the CPCB from the air quality monitoring station even after lapse of three years since the instruction was issued by the CPCB in that regard.

#### **2.4.12.2 Compliance of provisions of Air Act on vehicular smoke emission**

Section 20 of Air Act provides that with a view to ensuring that the standards for emission of air pollutants from automobiles laid down by the State Board are complied with, the State Government shall, in consultation with the State Board give such instructions as may be deemed necessary to the concerned authority in charge of registration of motor vehicles under the Motor Vehicles Act, 1939 and such authority shall, notwithstanding anything contained in that Act or the Rules made thereunder be bound to comply with such instructions.

It was decided in a joint meeting of TSPCB and the Transport Department (July 2012) that periodic inspections of the emission test centres would be carried out by TSPCB along with Motor Vehicle Inspectors to ensure veracity of Pollution Under Control (PUC) certificates and also to ascertain the quality and efficacy of equipment used by the emission test centres. TSPCB replied (August 2015) that joint inspections with Transport Department were made. However, details of inspections carried out and results thereof, though called for (August 2015), were not furnished.

TSPCB stated (November 2015) that matter was taken up with the Transport Department to carry out inspections of all emission test centres soon.

Thus, TSPCB did not monitor the functions of Transport Department regarding compliance of standards for emission of air pollutants from automobile as envisaged in the Air Act.

#### **2.4.13 Online continuous emission and effluent monitoring mechanism not implemented by highly polluting industries**

To strengthen the monitoring mechanism for effective compliance through self regulatory mechanism, the CPCB instructed (February 2014) all State PCBs to issue

directions to industries belonging to 17 categories<sup>59</sup> of highly polluting industries, Common Effluent Treatment Plants (CETPs) and Common hazardous waste and biomedical waste incinerators. As per these directions, these industries were to install online continuous stack emission and effluent monitoring system to measure the parameters mentioned in the consent certificates by 31 March 2015 and to install and upload the online emission and effluent monitoring data at State PCBs and CPCB server in a time bound manner but not later than 31 March 2015.

Simultaneously, the CPCB also instructed the State PCBs to install the necessary software and hardware in their headquarters for centralised data collection, analysis and taking corrective action.

Test-check of records revealed that TSPCB identified 12 units (ten Gas Thermal Power plants, one incinerator and one small scale steel factory) in that category and issued (July 2014 and December 2014) the above directions to the units for effective monitoring and self-compliance by March 2015. However, it was noticed from a status report on implementation of the system submitted (March 2015) by TSPCB to the CPCB that no unit {except Tripura Power Company Limited (TPCL) of Oil and Natural Gas Commission at Palatana} had installed the system. Besides, TSPCB had not installed necessary software and hardware for data collection and analysis (November 2015). Further, the CPCB directed (March 2015) the SPCB to withdraw the consent to operate and forfeit the bank guarantee if the industry failed to install online monitoring system by June 2015. Audit also observed that even if the industries like TPCL had installed the online monitoring devices, TSPCB could not link online with those devices due to non-availability of server with it.

While comparing the status of implementation of online monitoring system, it was seen that for the first time in India, Odisha State Pollution Control Board had implemented Real Time Data Acquisition System in September 2012 to capture and transmit Ambient Air Quality Monitoring System, Stack Monitoring System and Waste Water Monitoring System data from different plants in Odisha over GPRS<sup>60</sup> network. Further, some of the State PCBs like Tamilnadu and Gujarat PCBs had already included specific conditions for installation of continuous emission and effluent monitoring systems in the consent to operate order issued to the 17 categories of highly polluting industries.

While agreeing with the facts, TSPCB informed (August 2015 and November 2015) that it would set up its own server and during exit conference it was informed

<sup>59</sup> Distillery including Fermentation industries, Sugar (excluding khandsari), Fertilizer, Pulp and Paper, Chlor Alkali, Pharmaceuticals (basic) (excluding Formulation), Dyes and Dye intermediate, Pesticides (Technical) (excluding Formulation), Oil Refinery (Mineral Oil and Petro Refineries), Tanneries, Manufacture of Petrochemicals, Cement, Thermal Power Plants, Iron & Steel (Involving processes from ore/scrap, and Integrated Steel Plants), Zinc Smelter, Copper Smelter and Aluminium Smelter.

<sup>60</sup> General packet radio service (GPRS) is a packet oriented mobile data service on the 2G and 3G cellular communication system's global system for mobile communications.



(November 2015) that action would be taken against the defaulting industries as per CPCB's instructions.

However, TSPCB did not take any action to implement the online continuous emission and effluent monitoring mechanism in respect of 17 categories of highly polluting industrial units and thereby it ignored the directions issued by CPCB in this regard.

#### **2.4.14 Municipal solid waste management**

##### **2.4.14.1 Rules for municipal solid waste management not followed**

As per Rule 4 of Municipal Solid Waste (Management and Handling) Rules, 2000 (MSW Rules) notified by the Central Government under EP Act, every municipal authority is responsible for implementation of the provisions of these Rules and for any infrastructure development for collection, storage, segregation, transportation, processing and disposal of municipal solid wastes within its territory. The municipal authority or an operator of a facility should obtain authorisation from the Board for setting up waste processing and disposal facility including landfills. Further, Rule 6 of MSW Rules provides that the State PCB shall monitor the compliance of the standards regarding ground water, ambient water, leachate quality and the compost quality including incineration standards. The State PCB was also required to issue directions under Section 5 of EP Act to municipal authorities for ensuring full coverage of waste collection, segregation, transportation, treatment and disposal in accordance with the Rules.

It was noticed from the latest annual report (year 2013-14) on MSW management furnished (September 2014) by TSPCB to the CPCB that 407 tonnes of municipal solid waste had been generated per day in the State under the jurisdictional areas of 20 ULBs (One Municipal Corporation, 10 Municipal Councils and nine Nagar Panchayats). Scrutiny of annual reports revealed the following:

- 15 out of 20 ULBs did not obtain authorisation from the Board for setting up waste processing and disposal facility including landfills.
- MSW was being dumped at open places without any treatment which was hazardous to human beings and ecosystem.
- The ULBs were not complying with the provisions of the MSW Rules and there was no improvement in MSW management in the State during last five years as shown in **Appendix 2.4.6**.

TSPCB stated (November 2015) that in order to monitor the compliance of standard regarding ground water, ambient air, leachate quality and compost quality including incineration standard, it had entrusted a project titled "Status of Municipal Solid Waste Management in Tripura" to the National Institute of Technology (NIT), Agartala in the year 2012. However, the said project was not finalised by the NIT, Agartala (November 2015).

Thus, the fact remained that none of the ULBs segregated and processed<sup>61</sup> the MSWs as per MSW Rules as it can be seen in **Appendix 2.4.6** and all kinds of MSW were disposed by open dumping instead of proper and secured land filling<sup>62</sup> as per detailed procedure laid down in Schedule III of MSW Rules.

#### **2.4.15 Bio-medical waste management**

##### **2.4.15.1 Health Care Establishments (HCEs) functioning without authorisation**

According to Rule 8 of the Biomedical Waste (Management and Handling) Rules, 1998 (BMW Rules) notified by the Central Government under EP Act, every occupier of an institution generating, collecting, receiving, storing, transporting, treating, disposing and/or handling bio-medical waste (BMW) in any manner (except clinics, dispensaries, pathological laboratories, blood banks providing treatment/service to less than 1,000 patients per month), should make an application to the Board for grant of authorisation.

It was noticed from the latest annual report (calendar year 2014) on BMW management submitted (March 2015) by TSPCB to the CPCB that 1258 Health Care Establishments (HCEs) having more than 1,000 patients per month in the State were required to obtain authorisation from the TSPCB. TSPCB granted authorisation (upto December 2014) to 564 HCEs which had applied for authorisation and remaining 694 HCEs did not apply to the Board for authorisation<sup>63</sup>.

TSPCB replied (August 2015) that most of the 694 HCEs were Government Health Sub Centres which generated negligible amount of BMW and hence, were not taken into account. However, reply of the Board was not tenable as all HCEs of every size having more than 1000 patients per month were required to obtain the authorisation as per BMW Rules, which was also mentioned in the Board's annual reports on BMW management.

TSPCB further stated (November 2015) that it had issued number of advertisements in the local newspapers for obtaining authorisation from TSPCB by the HCEs which had not obtained authorisation.

Thus, unauthorised operation of 694 HCEs left the scope of collecting, receiving, storing, transporting, treating, disposing and/ or handling BMW in a manner, which was not being monitored by TSPCB.

<sup>61</sup> As per Schedule II of MSW Rules, bio-degradable wastes should be processed by composting, vermicomposting, anaerobic digestion or any other appropriate biological processing for stabilisation of wastes.

<sup>62</sup> As per Schedule II of MSW Rules, Land filling should be restricted to non-biodegradable, inert waste and other waste that are not suitable for recycling or for biological processing. Land filling of mixed waste should be avoided unless the same is found unsuitable for waste processing.

<sup>63</sup> Permission granted by the Pollution Control Boards for the generation, collection, reception, storage, transportation, treatment, disposal and/or any other form of handling of bio-medical waste in accordance with BMW Rules and any other guidelines issued by the Central Government.

#### **2.4.15.2 BMW Rules, regarding treatment and disposal of BMW not complied with**

Schedule I of Rule 5 of BMW Rules provides treatment and disposal options of different categories bio-medical wastes (BMW). Scrutiny of the annual report of BMW management for the year 2014 furnished (March 2015) by TSPCB to the CPCB revealed the following:

- 1336.50 kg solid BMW was generated per day in the State of which 1129.59 kg waste per day was reported to be treated by using incinerator and deep burial method and thus, the balance 206.91 kg/day remained untreated.
- Solid BMW of Category No. 4, 7 and 10 as per Schedule I of BMW Rules (i.e. waste sharp, solid waste and chemical waste) generated by 207 HCEs at Agartala was disposed of using incinerator although disposal of these items through incineration was not permissible under Schedule I of BMW Rules.
- All categories of solid BMW generated by the HCEs situated outside Agartala were disposed of by deep burial method only; though deep burial method was permissible only for BMW Category No. 1 and 2 (i.e. human anatomical waste and animal waste) under Schedule I of BMW Rules.

Thus, the HCEs did not comply with the treatment and disposal method of BMW for regulating environmental pollution as envisaged in the BMW Rules.

#### **2.4.15.3 Liquid waste treatment facilities**

According to Schedule V of the BMW Rules, the effluents generated from hospitals should conform to the specified standards of pH, suspended solids, oil and grease, BOD, and Chemical Oxygen Demand. These standards were applicable to those hospitals which were either not connected to public sewers or connected with sewers without terminal Sewage Treatment Plants (STPs).

It was noticed that only two<sup>64</sup> out of the total 564 authorised HCEs had installed the STPs. Out of these two treatment plants, the plant of Agartala Government Medical College & GB Pant (AGMC & GBP) hospital had become dysfunctional last year due to theft of motor and pump as intimated (June 2015) by the hospital authorities to audit.

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<sup>64</sup> Agartala Government Medical College and GB Pant Hospital and ILS Hospital at Agartala



**Non-functional liquid waste treatment plant at AGMC & GBP Hospital**

TSPCB replied (November 2015) that the AGMC & GBP Hospital and IGM Hospital would construct STPs to enable liquid waste treatment facility. After completion of establishment of those plants, the Board would collect and assess the pollution load of the treated effluent sample.

Thus, the fact remained that the liquid waste generated by the HCEs remained largely untreated for want of STPs.

#### **2.4.15.4 Common Bio-medical Waste Treatment and Disposal Facility**

A Common Bio-medical Waste Treatment and Disposal Facility (CBWTF) was set up for treatment of BMW generated in all healthcare units to cater upto 10,000 beds situated within a radius of 150 km so that adverse effects of waste could be reduced. The treated waste was to be finally sent for disposal in a landfill or for recycling process as per guidelines of CBWTF.

The State had only one CBWTF at Hapania near Agartala operated by the Agartala Municipal Corporation (AMC). The BMW generated by the HCEs at Agartala was being burnt by the incinerator installed in the CBWTF.

Test-check of records revealed the following deficiencies in the operation of CBWTF:

- The CBWTF should have facilities like incineration, autoclaving/microwaving/hydroclaving, shredder, container, effluent treatment plant, etc. However, it had only the incineration facility.
- As per Schedule V of BMW Rules, suitably designed Air Pollution Control Device (APCD) should be installed/retrofitted with the incinerator to achieve the emission standards prescribed in the Rules. However, APCD was not installed in the incinerator. The Board neither inspected the incinerator nor conducted stack emission test to assess the extent of air pollution through incinerator.
- As per Schedule V of BMW Rules, the incinerator ash was to be disposed off in municipal landfill and toxic metals in incineration ash should be limited within the regulatory quantities as defined in the Hazardous Waste (Management and

Handling) Rules, 1989 which was later superceded by Hazardous Waste (Management, Handling and Trans-boundary) Rules, 2008. However, TSPCB had never tested the limit of Hazardous Waste present in the incinerator ash which was being burried in the site nearby to the incinerator and thus possibility of presence of hazardous toxic metals in the incineration ash as well as in the environment of burial site could not be ruled out.

- The incinerator belongs to red category activities and thus, the AMC being the operator of incinerator was required to obtain consent to operate annually under Water and Air Acts. However, the AMC did not apply for the consent to operate during 2010-15.

Further, as per EP Act, TSPCB should issue directions to the AMC to comply guidelines regarding operation of CBWTF, which was framed under BMW Rules. However, TSPCB did not issue any such directions to the AMC in the period 2010-15.

After this being pointed out, TSPCB replied (November 2015) that the matter would be taken up with AMC.

#### **2.4.15.5 Prescribed reporting mechanism not complied with**

Rule 10 of BMW Rules provides that every occupier/operator should submit an annual report to the Board by 31<sup>st</sup> January every year, providing information about the categories and quantities of BMW handled during the preceding year. The Board should send this information in the compiled form to the CPCB by 31 March every year.

Test-check revealed that the HCEs (including three highest BMW generators<sup>65</sup> of the State having more than 500 bed capacity) did not submit the annual reports to TSPCB regularly during 2010-15. On this being pointed out, TSPCB informed (June 2015) that list of such defaulting HCEs would be compiled.

TSPCB replied (November 2015) that for effective implementation of the BMW Rules and also for identification of the defaulting HCEs, it would execute a project titled “Status of BMW Management in Tripura” with the financial assistance of the CPCB. Based on the data compilation, interpretation and identification of defaulting HCEs, it would be possible to improve prescribed reporting mechanism and to take policy decision for compliance of BMW Rules.

Thus, the fact remained that in absence of compiled data of defaulting HCEs, the Board was not in a position to take action against the defaulting HCEs as per EP Act.

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<sup>65</sup> Agartala Government Medical College and GB Pant Hospital (furnished annual report of the year 2010 only), Indira Gandhi Memorial Hospital (annual reports not furnished for the years 2010 to 2015) and Tripura Medical College & BR Ambedkar Memorial Teaching Hospital (annual reports not furnished for the years 2010 to 2015).

## 2.4.16 Hazardous waste management

### 2.4.16.1 Implementation of Hazardous Waste (Management, Handling and Trans-boundary) Rules, 2008

According to Hazardous Waste (Management, Handling and Trans-boundary) Rules, 2008 (HWMHT Rules) notified by the Central Government under EP Act, the State PCBs are to perform inventurisation of hazardous wastes, grant and renew authorisation, register and renew registration of recyclers/re-processors, monitoring compliance of various provisions and conditions of authorisation, implementation of programmes to prevent/reduce/minimise the generation of hazardous wastes and initiate action against the violators. Further, the HWMHT Rules also provides that the occupier<sup>66</sup> generating hazardous wastes and operator of the facility for disposal of hazardous waste shall maintain records of such operations and the occupier/operator of a facility shall send annual returns to the State PCB.

Scrutiny revealed that:

- TSPCB did not prepare inventory required under HWMHT Rules. It had no information regarding type and quantum of hazardous waste that was generated, treated and disposed by the HW generating units.
- Nine industrial units<sup>67</sup> were granted authorisation for management of hazardous waste under HWMHT Rules. However, the units did not furnish the annual returns during the years 2010-15.

TSPCB replied (August 2015) that a project on inventory of hazardous waste in Tripura showing database on hazardous waste generating industrial units, classification of industries based on type and category of hazardous waste, the unit wise quantum of hazardous waste generation, etc. would be taken up. TSPCB further stated (November 2015) that the MoEF, GoI would amend the HWMHT Rules and inventory work of Hazardous Wastes generating industries would be prepared after amendment.

The fact, however, remained that TSPCB did not maintain inventory of HW generating units and the database on HW generation, disposal etc. in the State. Further, due to not furnishing of annual reports by the HW generating units to the TSPCB, the details regarding type, quantity, storage, transportation and disposal of HW by those units, could not be ascertained.

<sup>66</sup> As per HWMHT Rules, “occupier” in relation to any factory or premises, means a person who has, control over the affairs of the factory or the premises and includes in relation to any hazardous waste the person in possession of the hazardous waste;

<sup>67</sup> Three oil and gas drilling units generating HW like drill cutting containing oil, drilling muds, etc., two petrol pumps generating oil sludge, one unit storing outdated medicine generating toxic waste, one rubber processing unit storing Ammonia, one LPG bottling unit and one oily sludge generating used oil processing unit.



#### **2.4.17 Evaluation study on impact of pollution conducted by TSPCB through external agencies**

##### **2.4.17.1 Environment Management Plan not implemented at Bodhjunnagar Industrial Growth Centre**

The Bodhjunnagar Industrial Growth Centre (BIGC) in West Tripura District is the largest Industrial Estate of Tripura, with an area of 238.53 acres comprising industries such as electrical & electronic, pharmaceutical, rubber, chemical, tobacco, rice mill, cold storage, brick kilns, fertilizer & pesticides, grill and steel fabrication, stone crushers, etc. TSPCB entrusted (February 2011) the NEERI (National Environmental Engineering Research Institute, Nagpur) for preparation of study report on Environmental Impact Assessment (EIA) in BIGC area due to industrial activities along with Environmental Management Plan (EMP) for mitigating the adverse impacts. The report was submitted in August 2013. It was mentioned in the study report that river water and pond water within 10 km radius of BGIC was moderately polluted. Further, the rubber industries (three numbers) had ETPs and two out of three ETPs (except ETP of M/s Brite Rubber) were functioning inadequately. The waste water of rubber industries required adequate treatment and recycling/safe disposal in the nearby water bodies/land to prevent environmental hazards. It was also reported that uncontrolled dumping of wastes might pollute the land, water bodies in future. The polluted surface water might reach the ground water bodies due to leaching thereby affecting the nearby villages. Based on the impacts identified, the NEERI recommended (August 2013) in the study report a detailed conceptual EMP for (i) air environment (viz. operation of emission control equipments within specified design parameters, regular monitoring of stack emission, development of green belt with native plant species, etc.), (ii) noise environment (viz. procurement of low noise level equipment, etc), (iii) land environment (viz. disposal of solid waste in lined pit or engineered landfills etc.), (iv) water and waste water environment (viz. establishment of CETP, proper sewage treatment etc.), (v) solid waste environment (viz. disposal of solid waste by proper land filling, reuse, recycling etc.), (vi) biological environment (viz. minimising the discharge of gaseous, liquid and particulate wastes into the atmosphere, etc.), (vii) socio-economic environment (viz. employment of local people, organise awareness campaign, medical chek-up camp to the local population, etc.) and (viii) odour management (viz. development of green belt around the waste water pit used for disposal of waste water from rubber industries, use of charcoal/activated carbon mask, etc.).

However, it was noticed that even after lapse of more than two years after the submission of study report, the EMP was implemented for mitigation of pollution and environmental impact as of November 2015.

TSPCB replied (August 2015 and November 2015) that meetings with the stakeholders for implementation of EMP would be organised shortly.



Thus, even after lapse of more than two years of the submission of study report by the NEERI in August 2013, the EMP was not implemented for mitigation of adverse environmental impact due to pollution in BIGC area (November 2015).

#### **2.4.17.2 Degradation of geo-environmental status of the rivers**

To investigate the pollution status and extent of physical deterioration of rivers Howrah and Gumti, the TSPCB in collaboration with Department of Geography and Disaster Management, Tripura University prepared (Howrah river: January 2012 and Gumti river: December 2012) project reports on geo-environmental status of these rivers through extensive field level survey.

Scrutiny of the project reports revealed that the water of these rivers was polluted by human activities and various measures were proposed to be taken mainly from the administrative side for prevention of pollution and restoration of water quality in the rivers as shown below:

- stop deforestation in the catchment area causing declining of water level;
- stop lifting of uncontrolled excess water for irrigation purposes, etc.;
- shift brick fields to at least one km. away from the river course;
- construct waste water treatment plants; and
- stop dumping of solid waste/use of chemical fertilisers/disposal of toxic substances, etc.

TSPCB replied (November 2015) that the main objective to take up the project was to generate a baseline for taking conservation programme of both rivers and it had prepared a project proposal for conservation of all the ten major rivers. It further added that Forest Department, Government of Tripura also submitted similar treatment plan to the State Government and GoI for the major rivers and consequent work mode would be implemented after finalisation of both the projects.

However, even after lapse of more than two years since preparation of the project reports in the year 2012, no detailed action plan in co-ordination with the State administration had been formulated by TSPCB for implementation of the proposals as envisaged in the project reports.

#### **Audit Objective 3: Whether fund management by the Board was efficient to secure optimum utilisation?**

#### **2.4.18 Under utilisation of financial resources in pollution control measures**

The receipts of TSPCB consist of grants received from the Government of India (GoI) and State Government, fees for issuing consent and authorisation, interest on investments and other miscellaneous receipts as given in the following table:

Table No. 2 4.3

(*₹ in lakh*)

Year	Opening balance	Funds received from					Total funds available	Total expenditure	Closing balance
		GoI	State	Misc. receipt	Bank interest	Own revenue			
2010-11	1441.59	38.91	93.06	7.37	61.39	16.67	1658.99	160.03	1498.96
2011-12	1498.96	119.69	52.56	3.35	93.61	21.34	1789.51	207.10	1582.41
2012-13	1582.41	78.24	97.50	31.94	171.33	21.99	1983.41	397.35	1586.06
2013-14	1586.06	88.80	72.75	12.46	8.05	45.29	1813.41	284.06	1529.35
2014-15	1529.35	76.31	108.98	19.42	174.46	17.23	1925.75	324.31	1601.44

(Source: Annual Accounts of TSPCB and information provided by TSPCB)

Note: Figures of 2013-14 &amp; 2014-15 are unaudited

The utilisation of available funds by TSPCB is provided in the following table:

Table No. 2.4.4

(*₹ in lakh*)

Year	Expenditure on				Total expenditure	Percentage of expenditure on pollution control measures (Col.4 plus Col.5) over total available fund during the year
	Salary & other administrative.	Creation of capital asset	Laboratory equipment	Program me implementation		
(1)	(3)	(3)	(4)	(5)	(6)	(7)
2010-11	65.91	15.79	36.79	41.54	160.03	4.72
2011-12	67.54	15.50	0.23	123.83	207.10	6.93
2012-13	115.04	2.08	34.93	245.30	397.35	14.13
2013-14	137.50	13.26	53.82	79.48	284.06	7.35
2014-15	148.02	5.25	43.79	127.25	324.31	8.88

(Source: Annual Accounts of TSPCB and information provided by TSPCB)

Note: Figures of 2013-14 &amp; 2014-15 were unaudited

From the above tables, it would be seen that TSPCB utilised only 4.72 per cent to 14.13 per cent of yearly available funds on pollution control measures. It was also noticed that the unutilised funds had been accumulated year after year and TSPCB invested the funds in Fixed Deposits (FD). Out of unspent balances of ₹ 16.01 crore as of 31 March 2015, ₹ 15.23 crore (95.13 per cent) had been invested in FDs.

The detailed break-up of unutilised funds like unspent balances of GoI/ State fund, misc. receipts, accrued bank interest, own source of revenue etc. were not furnished to audit, though called for (July 2015). TSPCB informed (August 2015) that the huge accumulation of funds was mainly due to collection of consent fees, Bio-Medical authorisation fees and bank interests.

TSPCB further replied (November 2015) that it had provided tipper trucks to the ULBs for effective MSW management and was providing grants to the NGOs for creating mass awareness. However, it remained silent about the non-utilisation of accumulated funds for addressing major issue of non-availability of required manpower and lab equipment for its proper functioning as discussed in the succeeding **Paragraph 2.4.19**.

Thus, the fact remained that TSPCB could not utilise the accumulated funds for setting up of laboratories in the zonal offices, procurement of requisite equipment for

the Central Laboratory at Agartala and for better management of municipal and bio-medical waste, etc.

#### **Audit Objective 4: Whether adequate man power and effective internal control mechanisms exist?**

##### **2.4.19 Manpower management**

Efficient functioning of an organisation depends upon the availability of requisite manpower and proper management of available manpower. Out of sanctioned post of 35, eight posts remained vacant during 2010-15 as detailed in **Appendix -2.4.7**.

Test-check of records revealed that CPCB requested (March 2015) all State PCBs to furnish information regarding the number of officials required to take care of monitoring and enforcement of environmental rules/laws for consideration of demands of grants of MoEF by Parliamentary Standing Committee. Accordingly, TSPCB assessed the manpower requirement and sent (June 2015) a proposal for creation of additional 65 posts<sup>68</sup> with fund requirement (salary support) of ₹ 16.80 crore for the years 2015 to 2020 wherein it was stated that acute shortage of manpower was causing serious degradation in the performance in many environmental thrust areas including monitoring and enforcement of various environmental rules and norms.

TSPCB informed (November 2015) that problem of lax monitoring and enforcement of various environmental rules and norms would be solved after creation of these additional posts with the financial support of GoI. However, the fact remained that TSPCB had assessed its manpower requirement only in June 2015 despite establishment of zonal offices in August 2012 and its admission in failure of conducting required number of inspections, timely issue of consents to the industrial units and making its zonal offices/ laboratories functional due to lack of manpower.

The Board, while accepting the audit observation, stated in the exit conference (November 2015) that there was no proper distribution of works among the Scientific, Technical and Ministerial staff and rational distribution of works among the different category of staff according to their designation, qualification and expertise in different fields of activities would be done after proper assessment.

##### **2.4.20 Internal control mechanisms**

###### **2.4.20.1 Annual reports**

Under Section 39 (2) of the Water Act, read with Section 35 (2) of the Air Act, every State Board should, during each financial year, prepare an Annual Report giving full accounts of the activities undertaken during the previous financial year and the copies thereof should be forwarded to the State Government within four months from the last date of the previous financial year and that the Government should cause every such

<sup>68</sup> 17 scientific posts, 26 technical posts and 22 official posts including one Law Officer. For head office (17 posts) and three Zonal offices (48 posts)

report to be laid before the Legislature within a period of nine months from the last date of the previous financial year.

It was seen that the Board did not prepare the Annual Reports for 2010-11, 2011-12 and 2014-15. Annual Reports for the years 2012-13 and 2013-14 were prepared but the same were yet to be placed before the legislature (July 2015).

After this being pointed out, TSPCB informed (November 2015) that it would prepare and publish the Annual Report for 2014-15 by November 2015.

Thus, the activities undertaken by TSPCB remained un-discussed in the Legislature by the public representatives due to non-submission of Annual Reports to the Legislature as required under Water Act.

#### **2.4.20.2 Internal audit**

Internal auditing is an independent appraisal function established within an organisation to examine and evaluate its activities as a service to the organisation. The objective of internal audit is to assist members of the organisation in the effective discharge of their responsibilities.

It was noticed that TSPCB had no internal audit wing of its own and Audit Directorate under the State Finance Department responsible for internal audit of the State Government Departments/Organisations also did not conduct audit of TSPCB in the period 2010-15.

TSPCB replied (August 2015) that it communicated with the Audit Directorate of Finance Department, Government of Tripura for conducting internal audit of TSPCB.

#### **2.4.20.3 Inadequate number of Board meetings**

Section 8 of Water Act stipulated that the Board shall meet at least once in every three months. It was noticed that during 2009-14, the Board met only nine<sup>69</sup> times as against the minimum requirement of 20 meetings.

Non-conduct of meetings of the Board as per stipulated norms indicated that its functioning was not periodically reviewed.

TSPCB replied (November 2015) that due to election process relating to Lok Sabha, Assembly Election, ADC election, Panchayat Election, etc. the Board meetings could not be held as per stipulated norms. However, the reply of the Board is not tenable as election process cannot be a persistent hindrance in the conduct of meetings of the Board.

#### **2.4.21 Online consent management and monitoring system**

Test-check of records revealed that as per request of TSPCB (March 2013), the National Informatics Centre (NIC), New Delhi submitted (May 2013) a proposal with the project cost of ₹ 6.68 lakh for customisation and implementation of Online Consent Management & Monitoring System (OCMMS) for TSPCB. OCMMS was

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<sup>69</sup> Once in 2010-11, twice in 2011-12, thrice in 2012-13, twice in 2013-14 and once in 2014-15.

proposed as a web based generic application software package developed by the NIC, New Delhi for automating the workflow associated with consent management and monitoring system in the State PCBs. The system was to allow online submission of applications for consent, authorisation, etc. and was expected to reduce processing time of application and related paper work, which in turn would have enhanced transparency in the existing application processing mechanism.

As per the project proposal, NIC was to start the work on payment of ₹ 6.68 lakh and complete the project within five months. Accordingly, TSPCB paid (June 2013) ₹ 6.68 lakh to NIC, but the project scheduled to be completed by November 2013 was not completed even after lapse of more than two years (November 2015).

On this being pointed out, TSPCB informed (August 2015) that it was in the process of providing information to the NIC, New Delhi for customisation of the OCMMS. TSPCB further informed (November 2015) that the matter would be pursued by the NIC for early implementation of the project.

However, the fact remained that due to non-completion of the online OCMMS project the efficiency and transparency in processing of application for consent remained unachieved.

#### **2.4.22 Public grievances on environmental issues**

In response to the advertisement published (July 2015) in local daily newspapers and website by Office of the Accountant General (Audit), Tripura requesting General Public to offer their views on certain environmental issues, one Shri Sujit Kumar Paul, a resident of North Gate of Rajbari, Agartala responded and raised (July 2015) the following issues:

- dumping of cow dung as fish feed in two water bodies situated within the AMC area (namely, the lake opposite to Jagannath Temple and Dimsagar lake), leased out to the private parties for fishery purpose by AMC, which causes water borne diseases to the children who came to learn swimming in these lakes;
- noise pollution created through use of amplifiers in marriage ceremony halls;
- plastic fumes and noise generated from one pipe manufacturing unit at Golbazar, Agartala and
- open slaughter and selling of meat on the road side at various locations at Agartala; and
- foul odour generated from garbage carriers of AMC.

TSPCB and AMC were requested (July 2015) to offer their comments on the above issues. In reply, TSPCB stated (August 2015) that all the issues would be assessed and remedial measures would be taken but the AMC did not comment upon those issues.

TSPCB further stated (November 2015) that all the issues were redressed in co-ordination with the AMC. However, the AMC did not furnish any comment on the matter as of November 2015. Thus, the claims of TSPCB could not be ascertained.

Moreover, Shri Sujit Kumar Paul again informed (November 2015) audit that no action was taken to redress the issues.

#### **2.4.23 Good practices**

TSPCB adopted the following good practices to mitigate the environmental pollution in the State:

- TSPCB approached the State Government for imposing ban on plastic carry bags and the State Government issued (July 2013) order of complete ban on manufacture, import, storing, transport, sale and use of plastic carry bags in the State. For effective implementation of the ban order, the TSPCB took various steps like conducting review meetings with the officers of State Administration authorised to implement the ban order, publishing advertisement in local newspapers/ souvenirs/ journals appealing to the common people to refrain from use of plastic bags.
- TSPCB conducted classes on environmental subjects in the National Institute of Technology, Tripura Institute of Technology, Tripura University, Degree Colleges and Schools. Students/ research scholars were also allowed to carry out their study /research work in the laboratory of TSPCB free of cost under the supervision of Board officials.

#### **2.4.24 Conclusion**

TSPCB, being the main agency for the enforcement of environment laws and responsible for formulation of policy for prevention, control and abatement of pollution did not conduct any survey to identify the polluting industries in the State and had not drawn up a comprehensive plan for preventing and controlling water and air pollution in the State. TSPCB's laboratory at Agartala was functioning without accreditation and without required testing facilities. The laboratories at zonal offices could not be made operational due to lack of infrastructural facilities. Large numbers of industrial units were operating in the State without renewal of consent. There was substantial shortfall in conducting inspections of even highly polluting 'Red' category industries. TSPCB could not establish the ambient air quality monitoring stations with requisite testing facilities for analysing all the essential parameters prescribed under NAMP. No action plan as required under Water Act was prepared by TSPCB for restoring the water quality of the rivers and water bodies. The municipal bodies did not comply with the provision of Municipal Solid Waste (Management and Handling) Rules, 2000 and TSPCB did not take any action under EP Act. Out of identified 1258 Health Care Establishments (HCEs), 694 HCEs did not obtain authorisation from TSPCB and there were deficient bio-medical waste treatment and disposal facilities. Financial management of TSPCB was deficient as it could utilise only 4.72 *per cent* to 14.13 *per cent* of yearly available funds on pollution control measures. Inadequate manpower adversely affected the functioning of TSPCB. The TSPCB had no internal audit wing of its own and Audit Directorate under the State Finance Department

responsible for internal audit of the State Government Department/ Organisations also did not conduct audit of TSPCB during the period 2010-15.

#### **2.4.25 Recommendations**

TSPCB should consider implementing the following recommendations:

- conduct survey and prepare the inventory including categorisation of polluting industrial units and HCEs;
- take immediate steps to complete the extensive investigation of arsenic contamination in ground water and take remedial measures in a time bound manner;
- take action against the defaulting industries operating without consent and also to avoid the practice of delay in issuing consents to the industrial units;
- regular inspections and analysis of effluents should be conducted and follow up action initiated against industries particularly in respect of highly polluting 'Red' category industries;
- maintain data base of industrial units operating without ETPs and operating with non-functional/ partly functional ETPs for taking action against them under Water Act;
- action plan as required under Water Act should be prepared and implemented by TSPCB for restoring the water quality of the rivers and water bodies.
- TSPCB should make the ambient air quality monitoring stations fully operational for generating data on daily basis for all the required air parameters;
- issue directions to the municipal bodies and health care establishments for violating the rules regarding handling and management of municipal solid waste and bio-medical waste and also to take action against them for violation of Waste Management Rules under the provisions of EP Act; and
- adequate manpower should be provided at Headquarters and in zonal offices to facilitate better enforcement of various Acts and Rules and effective functioning of TSPCB.



## PUBLIC WORKS DEPARTMENT (Roads and Buildings)

## 2.5 Avoidable expenditure

**Adoption of incorrect parameters in computation of design life resulting in execution of richer specifications of Bituminous Macadam (BM) instead of required Open Grade Premix Carpet (OGPC) with seal coat caused avoidable expenditure of ₹ 6.59 crore on construction of 15.90 Km road from Maharani to Amarpur.**

Para 2.5 of CPWD works Manual, 2007 provides that an officer while according Technical Sanction (TS) of work estimate is responsible for soundness of its design and specification. According to Indian Road Congress (IRC: 37 2001<sup>70</sup> and IRC: 81-1997<sup>71</sup>) specifications, the crust (thickness of pavement) and type of bituminous course are designed on the basis of design traffic in terms of Million Standard Axle (MSA)<sup>72</sup> and California Bearing Ratio (CBR)<sup>73</sup> of sub-grade<sup>74</sup>. Wherever the designed traffic is less than two MSA and CBR of sub-grade is upto 10 *per cent*, provision of only 20 mm Open Graded Premix Coat (OGPC) with seal coat should be provided as a bituminous wearing course and Bituminous Macadam (BM) is not required. Further, Para 3.3.3.2 of IRC: 37 2001 *inter alia* provides that design life for pavements should be considered for a term of 15 years.

The work for widening, strengthening and improvement of road from Maharani to Amarpur (15 Km) was awarded (February 2009) to M/s GPT Infraprojects Ltd. @ 29 *per cent* above the estimated cost of ₹ 13 crore based on lowest tender under cost plus basis including preparation of Detailed Project Report (DPR), structural drawing, survey, etc. The Chief Engineer (CE), PWD (R&B) accorded (November 2009) technical sanction of (DPR) for ₹ 19.20 crore (including agency's profit) prepared by M/s GPT Infraprojects Ltd. Meanwhile, the work commenced in September 2009 and was in progress (March 2015). Total value of work done upto 18<sup>th</sup> Running Account (RA) Bill was ₹ 20.84 crore against which M/s GPT Infraprojects Ltd. was paid ₹ 20.72<sup>75</sup> crore till March 2014.

Scrutiny of records (March 2015) of Executive Engineer, Amarpur Division, PWD, (R&B) revealed that M/s GPT Infraprojects Ltd. had prepared the DPR based on Indian Road Congress Standards (IRC: 37 2001) specification considering the design life of 20 years instead of 15 years from the date of opening to traffic. In this connection, audit observed that while conducting traffic survey no significant heavy commercial traffic had been recorded and traffic mostly comprised of two wheelers

<sup>70</sup> Guidelines for the design of flexible pavements.

<sup>71</sup> Strengthening of flexible road pavement using Benkelman Beam Deflection Technique

<sup>72</sup> Million Standard Axles denotes load of traffic on road

<sup>73</sup> California Bearing Ratio (CBR) denotes strength of soil. It is the ratio of material resistance or the unit load on the piston for 2.54 mm of penetration to standard unit load for well graded crushed stone for 2.54 mm penetration.

<sup>74</sup> Sub-grade is top 30 cm to 50 cm layer of earth work in roads

<sup>75</sup> Amount already paid upto 17<sup>th</sup> RA bill (i.e. ₹ 19,72,10,570/- ) + 18<sup>th</sup> RA 1<sup>st</sup> part payment of ₹ 1,00,00,000/- = ₹ 20,72,10,570/-

and a few light commercial vehicles. During the survey made by M/s GPT Infraprojects Ltd. it was noticed that average daily commercial vehicles were only 82<sup>76</sup>. Therefore, according to the IRC guidelines, the commercial vehicles of the road after completion of the project worked out to 95<sup>77</sup>. Audit also observed that M/s GPT Infraprojects Ltd. considered the Million Standard Axel (MSA) as 4.7 without any analysis for computation of traffic design. The Department also accepted the same ignoring the provision of IRC: 37- 2001 and accorded the TS by adopting richer bituminous base course consisting of BM of ₹ 4.64 crore in the estimate. However, as per calculation made by audit according to the traffic volume as well as design life, the MSA would be 1.02<sup>78</sup>. Therefore, inclusion of BM in the estimate was not at all justified as the agency in violation of IRC guidelines had adopted incorrect design life of 20 years instead of 15 years. It was seen that M/s GPT Infraprojects Ltd. executed 5582.185 cum BM and was paid ₹ 6.59<sup>79</sup> crore (including profit) till date of audit (March 2015).

During joint verification (July 2015) with the departmental representative it was observed that maximum portion (10 out of 15 km) of the road were damaged indicating poor quality and substandard work done by the agency as evident below.



<sup>76</sup> Average daily traffic with weight 3 tonnes or more comes to 82 (Agricultural tractor = 08, Mini Bus/Bus = 37 and Trucks = 37 Nos.). Light vehicles with load less than 3 tonnes excluded i.e. maruti vans, jeeps, etc.

<sup>77</sup> The traffic in the year of completion is estimated using the following formula  $A = P(1+r)^x$  where, A= initial traffic in the year of completion of construction in terms of the number of commercial vehicles per day, P= number of commercial vehicles as per last count, r= Annual growth rate of commercial vehicles (for 7.5 per cent annual growth rate i.e.  $r = 0.075$ ) and x= number of years between the last count and the year of completion of construction i.e. 2 years for completion of date  
Therefore,  $A = 82 (1+0.075)^2 = 95$

<sup>78</sup> Computation of design traffic can be computed using the following equation  
 $N = 365 \times [(1+r)^n - 1] \times A \times D \times F/r$  where  
N= the cumulative number of standard axles to be catered for in the design in terms of MSA.  
A= initial traffic in the year of completion of construction in terms of the number of Commercial Vehicles Per Day (CVPD)  
D= Lane distribution factor (0.75)  
F= Vehicle damage factor (1.5), n= Design life in years (15) and  
r= Annual growth rate of commercial vehicles (for 7.5 per cent annual growth rate i.e.  $r = 0.075$ ) and x= number of years between the last count and the year of completion of construction.  
 $N = 365 \times [(1+0.075)^{15} - 1] \times 95 \times 0.75 \times 1.5 / (0.075 \times 10^6) = 1.02$  MSA

<sup>79</sup> ₹ 5,10,87,320/- + 29 per cent profit (i.e. ₹ 1,48,15,322/-) = ₹ 6,59,02,642/-

Thus, incorrect adoption of basic data for computation of traffic design and execution of richer specification of BM to increase the thickness in the pavement unnecessarily in violation of road guidelines was not justifiable and the Department incurred an avoidable expenditure of ₹ 6.59 crore for BM work.

The Government stated (August 2015) that total Commercial Vehicle Per Day was 227 including Jeep, Van, Agricultural tractor, Mini bus, etc. and on the same basis BM was executed which inter-alia increased the stability of pavement and reduced the recurring maintenance cost.

The reply was not acceptable as it was clearly mentioned in the DPR that the traffic largely includes motor cycles/two wheelers and very few light commercial vehicles and passenger cars like maruti vans and no significant commercial vehicles were noticed during traffic survey. Therefore, as per IRC 37: 2001 while calculating the MSA, traffic volume of jeep, van, etc. may not be considered except Agricultural Tractor and mini bus (gross weight more than three tonnes).

In addition, due to poor quality of work in execution of Bituminous Macadam (BM), the departmental claim to increase the stability of pavement could not be sustained as the Department had already taken up the maintenance work of the road at various stretches as seen during joint physical verification.

## 2.6 Blockade and diversion of SPA funds

**Withdrawal of funds from the Consolidated Fund of the State in violation of provisions prescribed by the GoI under SPA and charging to the work which had not commenced led to blocking of funds of ₹ 5.34 crore for more than 34 months. There was also diversion of ₹ 5.47 crore coupled with issue of false UC of ₹ 10.83 crore. This was not only irregular but was also fraught with the risk of misappropriation of Government funds.**

Based on the project proposal submitted (August 2011) by the State Government, the Planning Commission (GoI), after examination, approved (September 2011) a project for “Construction of RCC Bridge Parallel to the existing one just adjacent to Eastern side of Astabal Permanent Bridge” at Agartala, for ₹ 12.36 crore with recommendation to the Department of Expenditure, Finance Department, GoI to release the grant as Special Plan Assistance (SPA) for Annual Plan 2011-12. The State Government however, accorded the Administrative Approval (AA) and Expenditure Sanction (ES) of ₹ 12.36 crore in June 2011 itself and the State Finance Department also released ₹ 11.12 crore to the Chief Engineer (CE), (R&B) during July 2011 to February 2012. The EC also released the funds to the Executive Engineer (EE), Agartala Division No- III (Agartala Division) for execution of the above work.

While approving the project, the GoI stipulated that State Government would monitor the physical and financial targets against the project before release of allocated funds to the line department and also check the progress of utilisation at regular intervals.

Further, Rule 290 of Central Treasury Rules Vol-I provides that no money would be drawn from the treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demands or to prevent the lapse of budget grants.

Test check of records (April 2015) of EE, Agartala Division revealed that the EE without carrying out preliminary works, such as preparation of detailed project report, Notice Inviting Tender (NIT), etc. obtained Proforma Bills<sup>80</sup> from the EE, Stores Division and against that an advance payment of ₹ 5.36 crore<sup>81</sup> was made in March 2012 for procurement of 1147.20 MT of steel. The advance payment so made was shown as expenditure under SPA by the Agartala Division. The EE, Stores Division issued Sale orders in May 2012 to lift the requisitioned materials. However, against the requisitioned quantity of 1147.20 MT steel valued ₹ 5.36 crore, only ₹ 0.02 crore worth steel were lifted by the Agartala Division from the Stores Division as of April 2015. Moreover, the work had not commenced as of May 2015. Thus, the aforesaid work to which the cost of materials was debited in March 2012 under SPA, was neither commenced nor the material lifted by the Division even after lapse of 46 months from the date of GoI approval

It was also observed in audit that:

- Division further diverted an amount of ₹ 5.47 crore out of the remaining balance of ₹ 5.76<sup>82</sup> crore to different works other than sanctioned work by the GoI though the GoI had prescribed that SPA would be utilised only for the purposes for which it was approved and it stands earmarked for the same
- Even without execution of the work, the EE, Agartala Division No. III submitted a Utilisation Certificate (UC) of ₹ 10.83 crore to the Engineer-in-Chief (R&B) in April 2014 by falsely stating (March 2014) that the expenditure of ₹ 10.83 crore had been incurred for “Construction of 2<sup>nd</sup> Bridge over Katakhal at Agartala” under SPA.

Thus, the withdrawal of funds from the Consolidated Fund of the State in violation of the codal provisions as well as the terms and conditions prescribed by the GoI and charging to the works which had not commenced not only led to blocking of funds of ₹ 5.34 crore for more than 34 months but the same, together with diversion of ₹ 5.47 crore to works other than sanctioned project by GoI, coupled with falsified issue of UC of ₹ 10.83 crore was totally irregular. Above all, non-compliance with the instruction of GoI attached to the sanction of project/release of funds and misrepresentation of facts with regard to utilisation of funds was fraught with the risk of misappropriation of GoI funds. Besides these, due to parking of the funds of ₹ 5.34 crore outside the Government accounts, the State had incurred loss of interest of ₹ 0.95<sup>83</sup> crore for the period from March 2012 to May 2015.

<sup>80</sup> Proforma Bill No. 40 and 41 dt. 21.03.12

<sup>81</sup> Voucher No. 145 and 146 dt. 26.03.12

<sup>82</sup> ₹ 11.12 crore – ₹ 5.36 crore = ₹ 5.76 crore

<sup>83</sup> Interest @ 5.50 per cent per annum (Source: Finance Accounts)  
₹ 5.34 crore x 5.5 per cent x 39/12 = ₹ 95.45 lakh

While admitting the facts, Government stated (August 2015) that there was crunch of maintenance funds during that period and funds were utilised towards linking roads which was unavoidable.

But, fact remained that the SPA funds earmarked by GoI for the project was utilised for linking road network towards the bridge within the Municipal area not related to the project.

## 2.7 Extra expenditure on construction of bridge

**Commencement of work without adequate study of soil strata and plugging the pier wells at lesser desired levels besides leading to extra expenditure of ₹ 1.44 crore and huge time overrun, compromised the soundness and stability of the bridge.**

The work relating to ‘Construction of RCC bridge over river Dhalai near Halhali market on Kamalpur – Ambassa road to Kamalpur – Maracherra – Ambassa road (Bridge Proper only) was awarded to contractor ‘A’ in July 2006 at his negotiated tendered value of ₹ 5.30 crore with the stipulation to complete the work within 30 months to be reckoned from 15<sup>th</sup> day after the issue of work order. The drawing and design alongwith Detailed Project Report (DPR) of the bridge was prepared by the consultancy as engaged by the Department before awarding the work. The work commenced in November 2006 due to delay in handing over clear site to contractor. After execution of work valued ₹ 1.99 crore (upto 5<sup>th</sup> RA), the contract was closed in July 2012. Meanwhile, contractor was paid ₹ 1.99 crore (March 2014).

Scrutiny (March 2014) of records of Executive Engineer, PWD (R&B), Kamalpur Division and further information collected (May 2015) revealed the following:

- As per approved general drawing of the bridge the sinking depth of five wells (2 Nos. abutment wells and 3 Nos. pier wells) was 24.91 meter each. However, during actual execution the contractor stated that the soil strata mentioned in the Notice Inviting Tender and that actually found at the worksite was quite different. Therefore, the wells could not be sunk to the desired levels. The contractor had already sunk all the wells upto 17 meter depth by April 2009. The sinking of wells beyond 17 meters could not be practically achieved till the very end. This indicated that the DPR was prepared based on inadequate survey and also the work was taken up without assessing the actual soil strata.
- While referring the matter to the consultant in January 2010 for obtaining the views for stability of the wells, the technical consultant recommended (March 2010) that though abutment wells with the present foundation level were safe the stability of pier wells were found unsafe even without considering 30 *per cent* additional safety margin and suggested that further sinking of two meters of pier wells was required from the present position.
- The foundation design of all pier wells were accordingly modified and fixed at a depth of 19 meter which was communicated to the contractor in April 2010 *i.e.*



after delay of one year from the date of abandonment. However, contractor was reluctant to continue the work further due to time overrun and demanded (May 2010) time extension and modified /revised rate for the remaining unexecuted works.

- The agreement was mutually closed in July 2012 without sinking of extra depth of pier wells of two meters as opined by the consultant. Before closure of the agreement, the contractor had also completed top plugging of pier at the depth of 17 meters only.

From the above, it was evident that pier well had sunk at the depth of 17 meter only instead of desired level i.e upto 19 meter though the technical expert stated that at that position the pier wells were unsafe. Therefore, soundness as well as stability of bridge also remained questionable.

- The balance work was awarded (December 2012) to Contractor 'B' 'at his negotiated tender value of ₹ 4.72 crore (i.e. 2.937 per cent above the estimated cost of ₹ 4.59 crore) with stipulation to complete the work within 18 months to be reckoned from 15<sup>th</sup> day after the issue of work order. The work commenced in January 2013 and bridge proper was completed in December 2014. However, approach road was in progress. Total value of work done was ₹ 4.41 crore up to 5<sup>th</sup> RA bill. Against that, contractor was paid ₹ 4.35 crore till 5<sup>th</sup> RA (December 2014).

It was observed that due to awarding of the balance work to the Contractor at a much higher rate, the Department had to incur an extra expenditure of ₹ 1.44 crore (**Annexure-2.7.1**).

Thus, due to commencement of work without adequate study of actual ground position and also plugging the pier wells at lesser depth instead of desired levels, the soundness of bridge remained questionable. Besides, this resulted in time overrun which in turn resulted in original contract being ultimately closed and execution of balance work through another contractor at a much higher rate. The Department had incurred undue delay and an extra expenditure of ₹ 1.44 crore due to these failures.

The Government replied (October 2015) that sinking of wells were done upto 17 meter of all piers and further drive was precluded by hard substance/rock. It was also stated that balance work was awarded comparatively at higher rate than the original work as the first contractor was unwilling to execute the balance work at agreed rates due to considerable time overrun.

## PUBLIC WORKS DEPARTMENT (Water Resources)

### 2.8 Loss due to non-recovery of mobilisation advance

**Mobilisation advance of ₹ 56 lakh out of ₹ 2.10 crore was not recovered from the executing agency for construction of Head work at Muhuri irrigation project at Kalashi resulted in loss to the Government.**

Para 32.7 of CPWD Manual Volume-II (2002) provides that in respect of certain specialised and capital intensive works costing not less than ₹ 1 crore, mobilisation advance limited to a maximum of 10 *per cent* of the estimated cost put to tender or ₹ 1 crore whichever is less can be provided to the contractor.

Scrutiny (October 2014) of records of Executive Engineer (EE), Water Resources, Belonia revealed that with the approval (January 2001) of Works Advisory Board (WAB) the work 'Muhuri Irrigation Project' at Kalashi, South Tripura (Diversion Scheme)/Construction of Head Work, etc. was awarded (March 2001) to M/s National Projects Construction Corporation Limited (NPCC Ltd). at a tendered value of ₹ 21.16 crore against the estimated cost of ₹ 14.82 crore with the stipulation to complete the work by March 2004. The work commenced in November 2002 but was rescinded in January 2012 due to slow progress of work. The EE with the approval of WAB paid mobilisation advance of ₹ 2.10 crore in three instalments of ₹ 70 lakh each in March 2001, February 2003 and November 2003 to M/s NPCC Ltd. against the admissible amount of ₹ 1 crore only. As per manualised provision, the entire amount shall be recovered before 80 *per cent* of the work is completed.

It was however, noticed that mobilisation advance of ₹ 1.53 crore only out of ₹ 2.10 crore was recovered (upto 55<sup>th</sup> RA Bill) from NPCC Ltd and balance of ₹ 56<sup>84</sup> lakh remained un-recovered till date of audit (November 2014). Total value of work done was ₹ 14.30 crore (upto 55<sup>th</sup> RA bill) against the original tendered value of ₹ 21.16 crore. The amount along with ₹ 3.93 crore on account of escalation payment, extra item payment, mobilisation advance and re-imburement for increase in cost of steel reinforcement had been paid to M/s NPCC Ltd in August 2011. Due to cessation of the work, the possibility of recovery of the balance amount of ₹ 56 lakh was remote. The EE issued a demand notice to M/s NPCC Ltd to deposit the amount in June 2014 but the same was not deposited as of November 2015.

The Chief Engineer replied (November 2015) that as the physical work was done only for ₹ 14.30 crore i.e 68 *per cent* against the agreed value excluding escalation, extra item and reimbursement for increased cost of steel reinforcement, etc. the Executive Engineer was not in position to recover the entire mobilisation advance.

Thus, undue payment and non-recovery of mobilisation advance of ₹ 56 lakh for construction of Head works at Muhuri irrigation project at Kalashi resulted in financial loss to the Government to that extent.

<sup>84</sup> ₹ 57 lakh balance mobilisation advance - ₹ 1 lakh Security deposit = ₹ 56 lakh.



## PUBLIC WORKS DEPARTMENT (Roads and Buildings)

### 2.9 Avoidable expenditure

**Commencement of work without conducting soil investigation adequately led to huge extra earth cutting for construction of TSR battalion HQ at Pathaliaghat and thereby execution of earth work with two different rates which resulted in avoidable expenditure of ₹ 55.31 lakh.**

With the approval (May 2012) of Works Advisory Board, (WAB) the construction of 11<sup>th</sup> Battalion TSR Head Quarter at Pathaliaghat was awarded (July 2012) to contractor 'A' at a tendered value of ₹ 11.07 crore (9.95 *per cent* above the estimated cost of ₹ 10.07 crore put to tender) with stipulation to complete the work within 24 months. The work commenced in October 2012 and was in progress (January 2015). The contractor was paid ₹ 9.85 crore against the value of work done of ₹ 11.30 crore (including deviated quantity) upto 6<sup>th</sup> RA bill.

Scrutiny (January 2015) of records of Executive Engineer, Bishramganj Division, PWD (R&B) revealed that the estimate for the above work was prepared (November 2011) on the basis of soil bearing capacity (SBC) of nearby site instead of conducting soil investigation of the actual site. The Chief Engineer (CE), PWD(R&B) observed that the terrain was undulating and therefore, huge earth cutting was required for construction of the buildings. Accordingly, master plan of TSR Battalion Head Quarter was modified with the approval of Assistant Inspector General of Police in August 2012. As per modified master plan, excess quantity of earth work was carried out for which ₹ 82.50 per cum was approved by the Department in August 2012. The contractor executed 1,35,013.07 cum (including excess quantity of 1,29,892.99 cum beyond the agreement which was 96 *per cent* in excess) earth work for foundation work of four buildings at the said rate and ₹ 1.07 crore was paid in November 2013.

It was seen that during earth cutting for four buildings, the Additional Chief Engineer, Project Circle, PWD(R&B) instructed (January 2013) that all the buildings were to be constructed on original and solid soil only and not in filled up places. Accordingly, an estimate of ₹ 70.87 lakh (including 3 *per cent* contingency) based on SOR 2008 @ ₹ 82.50 per cum was prepared (March 2013) for earth cutting for remaining eight buildings and tender was invited in April 2013. The work was awarded (June 2013) to the lowest tenderer at the tendered value of ₹ 33.30 lakh i.e. 51.61 *per cent* below the estimated cost of ₹ 68.80 lakh with stipulation of three months time for completion. The rate of earth cutting was fixed at ₹ 39.92 per cum. The work commenced in July 2013 and was in progress (January 2015).

Therefore, it was evident that two different contractors had executed the same type of earth work at the same time in same location at different rates.

Had proper survey been conducted by the Department before award of the construction work, actual requirement of earth cutting for foundation level could have been assessed. An open tender for entire earth cutting work could have been invited

and the Department could have saved the extra avoidable expenditure of ₹ 55.31<sup>85</sup> lakh towards earth cutting.

The matter was reported to Government (July 2015); reply had not been reviewed (November 2015).

## 2.10 Loss due to injudicious rejection of first call of tender

**Injudicious rejection of first call of tender by the Chief Engineer PWD(R&B) and subsequent awarding of the same work at a much higher rate caused a loss of ₹ 52 lakh to the Government besides undue favour to the unqualified bidder.**

The Chief Engineer, Public Works (Roads & Buildings) Department {CE, PWD, (R&B)} accorded (May 2011) Technical sanction (May 2011) to the detailed estimate of ₹ 3.86 crore along with Draft Notice Inviting Tenders (DNIT) of ₹ 3.75 crore for construction of 23 quarters and boundary wall for existing Girl's Hostel having a capacity of 480 (Ekalavya Model Residential School) at Rajnagar. The DNIT provided that steel of 20 mm dia and above would be supplied by Department for which the proposed recovery rate was fixed at ₹ 45,041 per MT and steel below 20 mm dia was to be arranged by the contractor.

Scrutiny (December 2014) of records of Executive Engineer (EE), Khowai Division, PWD (R&B) revealed that tender for the aforesaid work was invited in June 2011 on percentage rate basis. In response, five tenders were received in July 2011 and found to be technically qualified. Thereafter, financial bid was opened in July 2011 and tenderer 'A' was the lowest at his tendered value of ₹ 3.67 crore (*i.e.* 2.10 *per cent* below the estimated cost of ₹ 3.67 crore provided for in tender). While forwarding the tender to the higher authority for acceptance, EE mentioned that the rate quoted by the lowest tenderer was reasonable. However, the CE, PWD (R&B) rejected the tender on the grounds of incapability to evaluate the bid capacity of the tenderer due to not furnishing of the requisite documents/information available with the Technical Bids of all the tenderers and also scarcity of steel in the Stores Division. After that the CE instructed the EE to modify the DNIT excluding the provision for issue of departmental supply of steel.

Accordingly, DNIT was modified (September 2011) with the same estimated cost and fresh tender was invited (September 2011) against which seven tenders were received. The work order was issued (March 2012) to the lowest tenderer 'B' at his negotiated tendered value of ₹ 4.22 crore *i.e.* 12.50 *per cent* above the estimated cost of ₹ 3.75 crore of the revised tender. The work commenced in March 2012 and was completed in June 2014 at a cost of ₹ 4.01<sup>86</sup> crore (including extra item of ₹ 0.01 crore) against which ₹ 3.97 crore was paid to contractor upto 3<sup>rd</sup> Running Account (RA) Bill. In this connection, Audit observed the following:

<sup>85</sup> 129892.99 cum x (₹ 82.50 – ₹ 39.92) = ₹ 55.31 lakh

<sup>86</sup> including extra item of ₹ 35,213/-

- (A) Though the first tender of 'A' was rejected *inter-alia* due to scarcity of steel in the Stores Division, it was observed in audit that a large quantity of Tor Steel including 20 mm dia was lying with the Stores Division when the tender was accepted and necessary instructions was also issued (November 2011) by the CE for lifting the Steel. It was further observed that EE, Stores Division had issued sale orders of 340 MT 20 mm dia above Steel valued ₹ 1.61 crore between June 2009 and December 2011 of which the Division had lifted only 63.84 MT Tor Steel till July 2015. Hence, the assertion made by the CE of scarcity of steel in the Stores Division was factually incorrect. In addition to above, it was further noticed that though the 1<sup>st</sup> call was rejected on the grounds that the bid capacity cannot be evaluated due to want of requisite documents for evaluation of technical bids, it was evident from the Minutes of price bid that all the tenderers were technically qualified.
- (B) Further, Para 3.3 (C) of tender document provided that the tenderer who met the requisite qualifications criteria and had bid capacity more than the estimated contract value would be qualified for opening of financial bid and no relaxation would be given to any of the qualification criteria. However, in second call of tender it was noticed that bid capacity of first lowest tenderer could not be evaluated due to not furnishing of certificate for the existing commitment of on-going work and therefore, tender of first lowest tenderer was not qualified for opening the financial bid as per clause 3.3 (B)(C) of Standard Technical Bid documents. Despite these, the financial bid of the lowest tenderer was opened by EE, Khowai Division and submitted to the next higher authority i.e SE, 2<sup>nd</sup> Circle for acceptance. The SE 2<sup>nd</sup> Circle further forwarded the same to the CE and stated that rate quoted by the lowest tenderer seems to be higher and may be accepted with due negotiation. The tender was finally accepted by CE after negotiation with the lowest tenderer. In view of the above, the possibility of undue favour given to the lowest tenderer in the second call could not be ruled out.

Thus, due to lack of justification for rejection of first call of tender and thereafter acceptance of unqualified tender in second call at higher rate in comparison to first call not only resulted in a loss of ₹ 52<sup>87</sup> lakh to the Government, but also indicated the possibility of undue favour to the lowest bidder in the second call.

On this being pointed out in audit, the EE stated (December 2014) that the tender was rejected as per instructions of the higher authority.

The Government replied (August 2015) that the first tender was rejected by the Chief Engineer as every tenderer had failed to enclose documents which were essential for evaluation of technical bids. It was further stated that the first lowest tenderer had failed to submit the requisite documents which indicated infirmities in the tendering

<sup>87</sup> Total value of work done in 2<sup>nd</sup> call against the estimated cost of the tender (without contractors profit): ₹ 3.55 crore.

Expenditure to be incurred if 1<sup>st</sup> call accepted = ₹ 3.55 crore – ₹(3.55 x 2.1 *per cent*) crore = ₹ 3.48 crore

Difference between 2<sup>nd</sup> call and 1<sup>st</sup> call = ₹ 4.00 crore – ₹ 3.48 crore = ₹ 0.52 crore or ₹ 52 lakh

and thus Department could not accept such default/infirmities in tender and therefore, tender was rejected.

The fact however, remained that the documents required for evaluation of technical bids were available in the files and based on those documents the bidders were declared qualified as seen in the Minutes for opening of Price Bid. Hence, the contention of the CE that the tenderers had failed to enclose documents was not correct and therefore, rejection of first call of tender was unjustified.

**CHAPTER III: ECONOMIC SECTOR  
(State Public Sector Undertakings)**



## CHAPTER – III

### ECONOMIC SECTOR

#### (STATE PUBLIC SECTOR UNDERTAKINGS)

### 3.1 Functioning of State Public Sector Undertakings

#### Introduction

**3.1.1** The State Public Sector Undertakings (SPSUs) consist of State Government Companies and Statutory Corporations. The SPSUs are established to carry out activities of commercial nature keeping in view the welfare of people and also occupy an important place in the State economy. As on 31 March 2015, there were 14 SPSUs in Tripura. None of these SPSUs was listed on the Stock exchange. During the year 2014-15, no SPSU was incorporated and none was closed down. The details of the State PSUs in Tripura as on 31<sup>st</sup> March 2015 are given below.

**Table No. 3.1.1: Total number of PSUs as on 31 March 2015**

Type of SPSUs	Working SPSUs	Non-working SPSUs <sup>1</sup>	Total
Government Companies <sup>2</sup>	12	1	13
Statutory Corporations	1	-	1
<b>Total</b>	<b>13</b>	<b>1</b>	<b>14</b>

The working State PSUs registered a turnover of ₹ 548.84 crore as per their latest finalised accounts as of September 2015. This turnover was equal to 1.77 *per cent* of State Gross Domestic Product (GDP) of ₹ 30,922.12 crore<sup>3</sup> for 2014-15. During 2013-14, however, the contribution of the turnover (₹ 539.43 crore) of working SPSUs was marginally higher at 2.01 *per cent* of the State GDP (₹ 26,809.59 crore) for 2013-14. The working SPSUs incurred an aggregate loss of ₹ 126.63 crore as per their latest finalised accounts as of September 2015 as compared to the aggregate loss of ₹ 137.51 crore incurred by the working SPSUs during 2013-14. The overall losses of working SPSUs were mainly on account of heavy losses incurred by the lone power sector SPSU (viz., Tripura State Electricity Corporation Limited) as discussed under **paragraph 3.1.15**. The SPSUs had employed 7,076<sup>4</sup> employees as at the end of March 2015.

As on 31 March 2015, there was one non-working SPSU which was existing for the last 44 years and involved State Government investment of ₹ 4 lakh. The investments in the non-working SPSUs do not contribute to the economic growth of the State.

#### Accountability framework

**3.1.2** The audit of the financial statements of a company in respect of financial years

<sup>1</sup> Non-working SPSUs are those which have ceased to carry on their operations.

<sup>2</sup> Government companies include *Other Companies* referred to in Section 139(5) and 139(7) of the Companies Act 2013.

<sup>3</sup> State GDP figures as per Quarterly Review Report of the Finance Minister, Government of Tripura for the 3<sup>rd</sup> quarter of 2014-15.

<sup>4</sup> As per the details provided by working SPSUs.



commencing on or after 1<sup>st</sup> April, 2014 is governed by the provisions of the Companies Act, 2013. However, the audit of a company in respect of financial years that commenced earlier than 1<sup>st</sup> April, 2014 continued to be governed by the Companies Act, 1956.

According to Section 2 (45) of the Companies Act, 2013 (Act), a Government Company is one in which not less than 51 *per cent* of the paid up capital is held by the Central and /or State Government(s) and includes a subsidiary of a Government Company. The process of audit of Government companies under the Act is governed by respective provisions of Section 139 and 143 of the Act.

### **Statutory Audit**

**3.1.3** The financial statements of a Government Company (as defined in Section 2 (45) of the Companies Act, 2013) are audited by the Statutory Auditors, who are appointed by the Comptroller and Auditor General of India (CAG) as per the provisions of Section 139 (5) or (7) of the Companies Act. These financial statements are subject to supplementary audit to be conducted by the CAG under the provisions of Section 143 (6) of the Act.

Further, the Statutory Auditors of any other company (Other Company) owned or controlled, directly or indirectly, by the Central and/or State Government (s) are also appointed by CAG as per the provisions of Section 139 (5) or (7) of the Act.

As per the provisions of Section 143 (7) of the Act, the CAG, in case of any company (Government Company or Other Company) covered under sub-section (5) or sub-section (7) of Section 139 of the Act, if considers necessary, cause test audit to be conducted of the accounts of such Company (Government Company or Other Company) and the provisions of Section 19 A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 shall apply to the report of such test Audit.

Audit of Statutory Corporations is governed by their respective legislations. The CAG of India is the sole auditor for the only Statutory Corporation in the State, viz., Tripura Road Transport Corporation.

### **Role of Government and Legislature**

**3.1.4** The State Government exercises control over the affairs of these SPSUs through its administrative departments. The Chief Executive and Directors on the Board are appointed by the Government.

The State Legislature also monitors the accounting and utilisation of Government investment in the SPSUs. For this, the Annual Reports together with the Statutory Auditors' Reports and comments of the CAG, in respect of State Government companies and Separate Audit Reports in case of Statutory corporations are to be placed before the Legislature under Section 394 of the Act or as stipulated in the respective Acts. The Audit Reports of CAG are submitted to the Government under Section 19A of the CAG's (Duties, Powers and Conditions of Service) Act, 1971.

### Stake of Government of Tripura

**3.1.5** The State Government has huge financial stake in these SPSUs. This stake is of mainly three types:

- **Share Capital and Loans-** In addition to the Share Capital Contribution, State Government also provides financial assistance by way of loans to the SPSUs from time to time.
- **Special Financial Support-** State Government provides budgetary support by way of grants and subsidies to the SPSUs as and when required.
- **Guarantees-** State Government also guarantees the repayment of loans (with interest) availed by the SPSUs from Financial Institutions.

### Investment in State PSUs

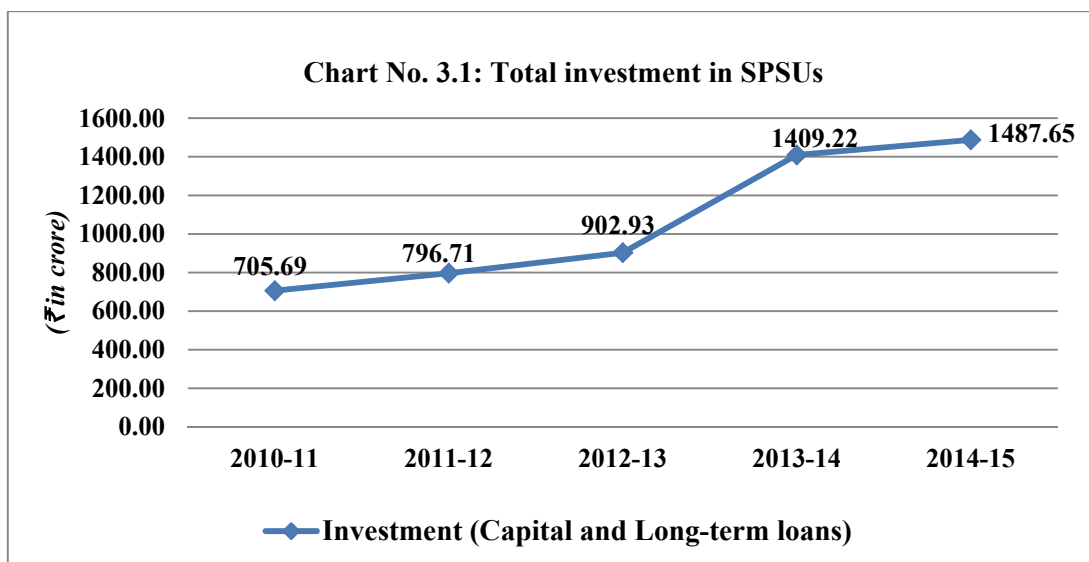
**3.1.6** As on 31 March 2015, the investment (capital and long-term loans) in 14 SPSUs was ₹ 1,487.65 crore<sup>5</sup> as per details given below.

**Table No. 3.1.2: Total investment in PSUs**

Type of SPSUs	Government Companies			Statutory Corporations			Grand Total
	Capital	Long Term Loans	Total	Capital	Long Term Loans	Total	
Working SPSUs	1083.37	245.21	1328.58	158.78	0.25	159.03	1487.61
Non-working SPSUs	0.04	0.00	0.04	0.00	0.00	0.00	0.04
<b>Total</b>	<b>1083.41</b>	<b>245.21</b>	<b>1328.62</b>	<b>158.78</b>	<b>0.25</b>	<b>159.03</b>	<b>1487.65</b>

Out of the total investment of ₹ 1,487.65 crore in SPSUs as on 31 March 2015, 99.99 per cent was in working SPSUs and the remaining 0.01 per cent in one non-working SPSU (viz., Tripura State Bank Limited). This total investment consisted of 83.50 per cent towards capital and 16.50 per cent in long-term loans. The investment has more than doubled from ₹ 705.69 crore (2010-11) to ₹ 1,487.65 crore (2014-15) during last five years as shown in the graph below.

<sup>5</sup> Information as furnished by the SPSUs excepting one SPSU (Sl. No. A 12 of **Appendix 3.1.2**) investment figures for which have been adopted from their finalised accounts for 2014-15.



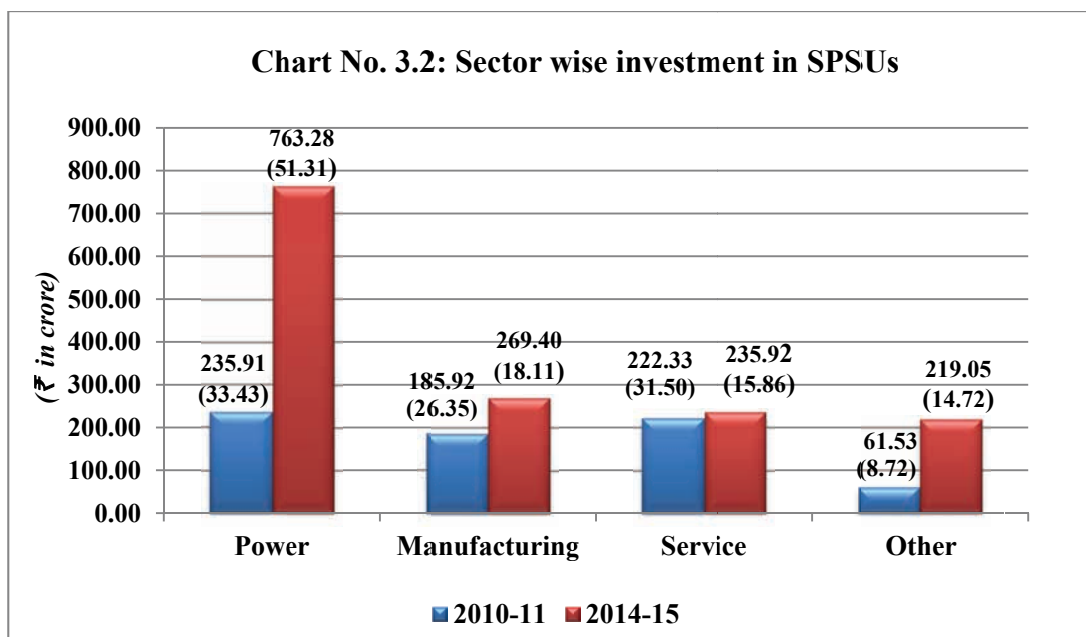
**3.1.7** The sector wise summary of investments in the SPSUs as on 31 March 2015 is given below:

**Table No. 3.1.3: Sector-wise investment in SPSUs**

Name of Sector	Government / Other <sup>6</sup> Companies		Statutory corporations	Total	Investment
	Working	Non-Working	Working		(₹ in crore)
Power	1	0	0	1	763.28
Manufacturing	2	0	0	2	269.40
Finance	1	1	0	2	144.10
Miscellaneous	1	0	0	1	17.66
Service	3	0	1	4	235.92
Agriculture & Allied	4	0	0	4	57.29
<b>Total</b>	<b>12</b>	<b>1</b>	<b>1</b>	<b>14</b>	<b>1487.65</b>

The investment in four significant sectors and percentage thereof at the end of 31 March 2011 and 31 March 2015 are indicated below in the bar chart. The thrust of SPSU-investment was mainly in power sector which increased from 33.43 per cent to 51.31 per cent of total investment in SPSUs during 2010-11 to 2014-15.

<sup>6</sup> 'Other Companies' as referred to under Section 139 (5) and 139 (7) of the Companies Act, 2013.



(Figures in brackets show the percentage of total investment)

As compared to the investment position in SPSUs during 2010-11, investments have increased in all the sectors as on 2014-15. Major increase in investment was in the Power sector by ₹ 527.37 crore (224 per cent) which was mainly due to conversion of capital reserve<sup>7</sup> amounting to ₹ 545.46 crore into equity by Tripura State Electricity Corporation Limited and issuing of share capital there against in favour of the Government of Tripura during the year 2012-13.

The increase of investment (45 per cent) under Manufacturing sector was mainly due to equity contribution of ₹ 83.51 crore extended by the State Government to Tripura Jute Mills Limited (₹ 74.99 crore) and Tripura Small Industries Corporation Limited (₹ 8.52 crore) during the period 2010-15.

### Special support and returns during the year

**3.1.8** The State Government provides financial support to SPSUs in various forms through annual budget. The summarised details of budgetary outgo towards equity, loans, grants/ subsidies, loans written off and interest waived in respect of State PSUs are given below for three years ended 2014-15.

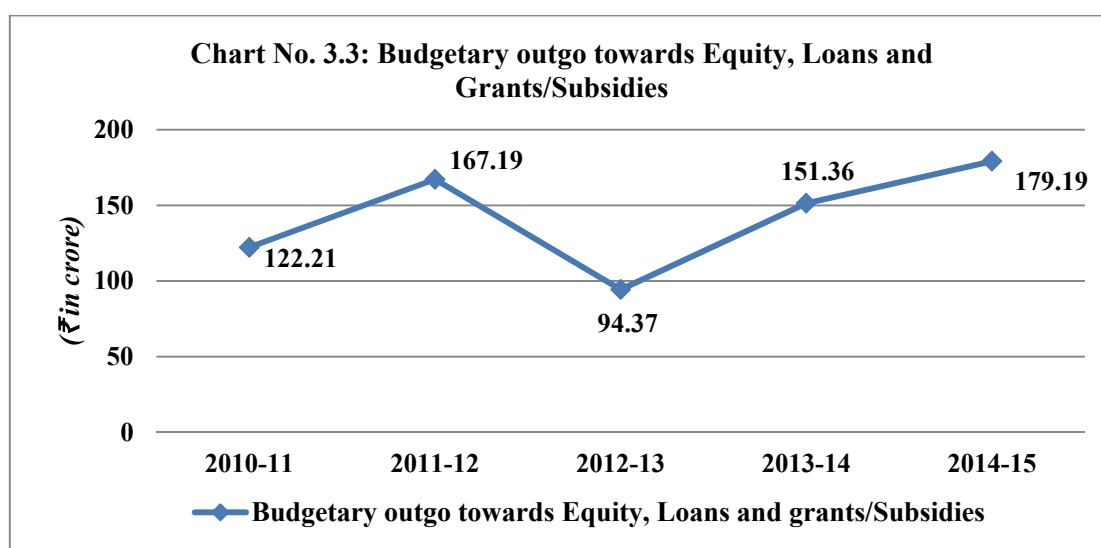
<sup>7</sup> This represents the value of assets transferred by State Government (Department of Power) to Tripura State Electricity Corporation Limited (Company) when the activities in power sector were transferred (2007) to the Company.

Table No. 3.1.4: Details regarding budgetary support to SPSUs

(*₹ in crore*)

Sl. No.	Particulars	2012-13		2013-14		2014-15	
		No. of SPSUs	Amount	No. of SPSUs	Amount	No. of SPSUs	Amount
1.	Equity Capital outgo from budget	6	30.94	7	41.27	6	38.88
2.	Loans given from budget	-	-	-	0.00	1	12.00
3.	Grants / Subsidy from budget	4	63.43	5	110.09	6	128.31
4.	<b>Total Outgo (1+2+3)<sup>8</sup></b>	<b>9</b>	<b>94.37</b>	<b>9</b>	<b>151.36</b>	<b>11</b>	<b>179.19</b>
5.	Waiver of loans and interest	-	-	-	-	-	-
6.	Guarantees issued	-	-	-	-	-	-
7.	Guarantee Commitment	-	-	1	2.63	-	-

The details regarding budgetary outgo towards equity, loans and grants/ subsidies for the past five years are given in a graph below.



It may be observed that the budgetary outgo to the SPSUs in the form of equity, loans, grants/subsidies, etc. had shown a mixed trend during 2010-11 to 2014-15. The budgetary outgo to SPSUs was at the peak in five years during 2014-15 at ₹ 179.19 crore which was higher by 18.39 per cent than the budgetary outgo extended during 2013-14. The budgetary outgo to SPSUs was at the lowest during 2012-13 (₹ 94.37 crore). The major beneficiaries of budgetary outgo during 2014-15 were Tripura State Electricity Corporation Limited (Equity: ₹ 6.00 crore, Grants: ₹ 44.90 crore & Subsidy: ₹ 62.00 crore), Tripura Jute Mills Limited (Equity: ₹ 21.00 crore), Tripura Road Transport Corporation (Equity: ₹ 1.18 crore, Grants: ₹ 13.72 crore) and Tripura Industrial Development Corporation Limited (Loans: ₹ 12.00 crore).

### Reconciliation with Finance Accounts

**3.1.9** The figures in respect of equity and loans as per records of SPSUs should agree with that of the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the SPSUs concerned and the Finance Department should carry out reconciliation of differences. The position in this regard as on 31 March

<sup>8</sup> Actual number of SPSUs, which received equity, loans, grants/subsidies from the State Government.

2015 is stated below.

**Table No. 3.1.5: Equity, loans, guarantees outstanding as per the Finance Accounts  
Vis-a-vis records of SPSUs**

(₹ in crore)			
Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of SPSUs	Difference
Equity	1178.37	1233.33	54.96
Loans	43.50 <sup>9</sup>	129.19	85.69
Guarantee	-	-	-

Audit observed that the differences occurred in respect of 11<sup>10</sup> SPSUs. During 2014-15, the differences in the figures of Equity and Loans were to the tune of ₹ 54.96 crore and ₹ 85.69 crore respectively. Corresponding differences in the figures of Equity and Loans during the year 2013-14 were to the tune of ₹ 99.25 crore and ₹ 73.69 crore respectively 2013-14. Thus, the unreconciled differences in investment of State Government in Equity of SPSUs had decreased by ₹ 44.29 crore while the same increased by ₹ 12.00 crore during the year 2014-15. The Government and the SPSUs concerned should take concrete steps to reconcile the differences in a time-bound manner.

### Arrears in finalisation of accounts

**3.1.10** The financial statements of the companies for every financial year are required to be finalised within six months from the end of the relevant financial year i.e. by September end in accordance with the provisions of Section 96 (1) of the Companies Act, 2013. Failure to do so may attract penal provisions under Section 99 of the Act. Similarly, in case of statutory corporations, their accounts are finalised, audited and presented to the Legislature as per the provisions of their respective Acts.

The table below provides the details of progress made by working SPSUs in finalisation of accounts as of 30 September 2015.

**Table No. 3.1.6: Position relating to finalisation of accounts of working SPSUs**

Sl. No.	Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
1.	Number of working PSUs	13	13	13	13	13
2.	Number of accounts finalised during the year	27	22	19	12	11
3.	Number of accounts in arrears	35	26	20	21	23
4.	Number of Working PSUs with arrears in accounts	13	13	10	11	12
5.	Extent of arrears (numbers in years)	1 to 10 years	1 to 6 years	1 to 3 years	1 to 5 years	1 to 6 years

From the table, it could be observed that the number of accounts in arrears has decreased from 35 (2010-11) to 23 (2014-15). As on 30 September 2015, only 1<sup>11</sup> out of 13 working SPSUs had prepared their up to date accounts and the accounts of

<sup>9</sup> Loans represents State Government loan to Tripura State Electricity Corporation Limited for Power Projects.

<sup>10</sup> SPSUs at Serial Nos.1 to 2 and 4 to 12 of **Appendix 3.1.2**

<sup>11</sup> Tripura Natural Gas Company Limited.

remaining 12 working SPSUs had backlog of total 23 accounts for periods ranging from 1 to 6 years. The number of accounts in arrears has shown increasing trend after 2012-13 mainly due to reduction in the number of accounts finalised by working SPSUs during 2013-14 and 2014-15. The arrear of 23 accounts during 2014-15 included backlog of 6 accounts in respect of one Company<sup>12</sup> and 3 accounts of the only Statutory Corporation in the State namely, Tripura Road Transport Corporation as detailed in **Appendix 3.1.2**.

The Administrative Departments have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalised and adopted by these SPSUs within stipulated period. During the period 2014-15 (upto September 2015), the Ministries/Departments concerned were informed (May, August & November 2014 and May 2015) regularly of the arrears in finalisation of accounts by these SPSUs. In addition, the AG had also taken up (June 2014/February 2015) the matter with the Finance Department, Government of Tripura for liquidating the arrears of accounts and drawing special attention to the importance of preparation of accounts on time. Despite all these efforts, however, the arrears of accounts of working SPSUs as of September 2015 stood at 23 accounts in respect of 12 working SPSUs.

**3.1.11** The State Government had invested ₹ 237.58 crore in 12 SPSUs {equity: ₹ 51.95 crore (7 SPSUs), loans: ₹ 12 crore (1 SPSU) and grants ₹ 173.63 crore (6 SPSUs)} during the years for which these SPSUs have not been finalised their accounts as detailed in **Appendix 3.1.1**. In the absence of finalisation of accounts and their subsequent audit, it could not be ensured whether the investments and expenditure incurred have been properly accounted for and the purpose for which the amount was invested was achieved or not and thus Government's investment in such SPSUs remained outside the control of State Legislature.

### **Placement of Separate Audit Reports**

**3.1.12** The position depicted below show the status of placement of Separate Audit Reports (SARs) issued by the CAG (up to 30 September 2015) on the accounts of Statutory Corporations in the Legislature.

**Table No. 3.1.7: Status of placement of SARs in Legislature**

Sl. No.	Name of statutory corporation	Year up to which SARs placed in Legislature	Year for which SARs not placed in Legislature		
			Year of SAR	Date of issue to the Government/Reasons for not placing in legislature	
1.	Tripura Road Transport Corporation	2008-09	2009-10	30-09-2013	Delay in printing
			2010-11	09-04-2015	Not available

SARs issued by the CAG on the accounts of Tripura Road Transport Corporation were placed in the Legislature by the Government up to 2008-09. The SARs for the years 2009-10 and 2010-11, issued in September 2013 and April 2015 respectively are yet

<sup>12</sup> Serial No.A-10 of **Appendix 3.1.2**



to be placed in the Legislative Assembly (November 2015). The issue was discussed (September 2014) by AG during the meeting held with the Finance Department, Government of Tripura. As per the latest correspondence received (August 2015) from the Transport Department, Government of Tripura, the SAR for 2009-10 was to be placed in the ensuing session of the Legislative Assembly. The Government should ensure prompt placement of SARs in the Legislature.

### Impact of non-finalisation of accounts

**3.1.13** As pointed out above (paragraph 3.1.10 to 3.1.11), the delay in finalisation of accounts may result in risk of fraud and leakage of public money apart from violation of the provisions of the relevant Statutes. In view of the above state of arrears of accounts, the actual contribution of SPSUs to the State GDP for the year 2014-15 could not be ascertained and their contribution to State exchequer was also not reported to the State Legislature.

**It is, therefore, recommended that:**

- **The Government may set up a cell to oversee the clearance of arrears and set the targets for individual companies which would be monitored by the cell.**
- **Government may ensure that existing vacancies in the accounts department of Companies are timely filled up with persons having expertise and experience.**

### Performance of SPSUs as per their latest finalised accounts

**3.1.14** The financial position and working results of working Government companies and Statutory Corporations are detailed in **Appendix 3.1.2**. A ratio of SPSU - turnover to State GDP shows the extent of SPSU - activities in the State economy. Table below provides the details of working SPSU turnover and State GDP for a period of five years ending 2014-15.

**Table No. 3.1.8: Details of working SPSUs turnover *vis-à-vis* State GDP**

<i>(₹ in crore)</i>					
Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Turnover <sup>13</sup>	331.33	419.52	466.52	539.43	548.84
State GDP <sup>14</sup>	17867.73	19973.91	22697.07	26809.59 (P)	30922.12 (A)
Percentage of Turnover to State GDP	1.85	2.10	2.06	2.01	1.77

Though the turnover of the working SPSUs showed a continuous increase during 2010-11 to 2014-15, the overall contribution of SPSU turnover to State GDP in terms of year-wise percentage of turnover to the State GDP showed decreasing trend after 2011-12. As against the growth of 73.06 *per cent* in the State GDP during the period 2010-11 to 2014-15 the growth in the turnover of the SPSUs had been only 65.65 *per*

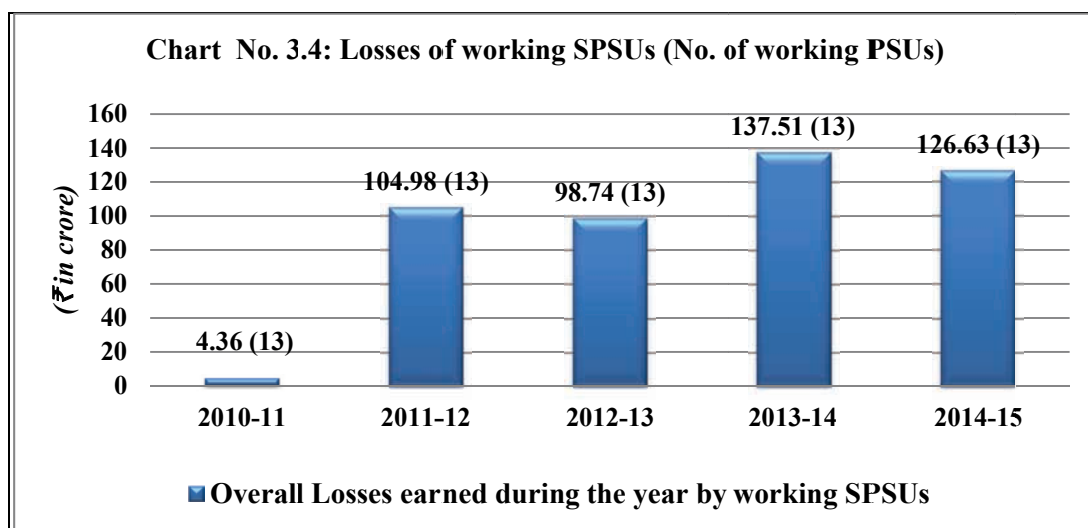
<sup>13</sup> Turnover as per the latest finalised accounts of SPSUs as on September 2015.

<sup>14</sup> GSDP figures as per Quarterly Review Report of the Finance Minister for the 3<sup>rd</sup> quarter of 2014-15; (P)=Provisional, (A)=Advance.

cent which was indicative of the fact that the growth in the turnover of the SPSUs was not very encouraging as compared to the year wise growth in the State GDP figures.

The power and transport sectors are considered to be the drivers of State economy. Analysis of the turnover of power and transport sector SPSUs revealed that the power sector had been the major contributor (above 50 per cent) of the total SPSUs turnover during 2010-11 to 2014-15 while the contribution to turnover by the transport sector SPSUs was negligible (less than 1 per cent). During 2010-11 to 2014-15, the turnover of power sector SPSU had increased by 53.14 per cent only in comparison to the growth of (73.06 per cent) recorded by the State GDP. Thus, the slow pace of growth in power and transport sectors of SPSUs was a major factor contributing towards the downward trend of the percentage of SPSU turnover to State GDP.

**3.1.15** Overall losses<sup>15</sup> incurred by 13 working SPSUs during 2010-11 to 2014-15 are given below in a bar **Chart No. 3.4**



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

From the Chart above, it could be seen that the working SPSUs incurred losses in all the five years during 2010-11 to 2014-15. Significant overall losses incurred by working SPSUs during 2011-12 to 2014-15 were mainly due to heavy losses incurred by the power sector SPSU namely, Tripura State Electricity Corporation Limited.

During the year 2014-15, out of 13 working SPSUs, 3 SPSUs earned aggregate profit of ₹ 29.94 crore while 9 SPSUs incurred loss of ₹ 156.57 crore. One working SPSU (viz., Tripura Urban Transport Company Limited incorporated in the year 2009-10), however, had not finalised its first accounts. Major contributors to profit of SPSUs were Tripura Forest Development & Plantation Corporation Limited (₹ 16.25 crore) and Tripura Natural Gas Company Limited (₹ 12.43 crore). Heavy losses were incurred by Tripura State Electricity Corporation Limited (₹ 107.44 crore), Tripura Jute Mills Limited (₹ 17.12 crore), Tripura Road Transport Corporation (₹ 15.00 crore) and Tripura Handloom and Handicrafts Development Corporation Limited (₹ 10.39 crore).

<sup>15</sup> As per the latest finalised accounts of working SPSUs as on 30 September of the respective year.

**3.1.16** Some other key parameters pertaining to SPSUs based on their latest finalised accounts as at the end of September of the respective year are given below.

**Table No. 3.1.9: Key parameters of State PSUs**

Particulars	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Return on total Capital Employed ( <i>per cent</i> )	0.50	Negative	Negative	Negative	Negative
Debt	128.28	203.77	276.20	205.91	245.46
Turnover <sup>16</sup>	331.33	419.52	466.52	539.43	548.84
Debt/ Turnover Ratio	0.39:1	0.49:1	0.59:1	0.38:1	0.45:1
Interest Payments	9.37	9.37	10.33	10.50	10.54
Accumulated losses	320.31	348.01	348.03	489.43	634.48

From the **Table 3.1.9** above, it may be noticed that during 2010-15 (excepting 2013-14) the overall debt position of the SPSUs showed an increasing trend. The increase in SPSU debts was mainly on account of overall increase of ₹ 230.42 crore in the borrowings of two SPSUs viz., Tripura Industrial Development Corporation Limited (₹ 127.89 crore) and Tripura State Electricity Corporation Limited (₹ 102.53 crore) during the five years. The accumulated losses of SPSUs had almost doubled during 2010-15 from ₹ 320.31 crore (2010-11) to ₹ 634.48 crore (2014-15). The accumulated losses of SPSUs had increased significantly by ₹ 286.45 crore (82 *per cent*) after 2012-13 mainly due to the losses of ₹ 227.77 crore incurred by the power sector SPSU (Tripura State electricity Corporation Limited) as per its accounts finalised during 2013-14 and 2014-15. The return on total capital employed during last four years from 2011-15 had been negative due to high losses incurred by the SPSUs.

**3.1.17** The State Government had not formulated any dividend policy regarding payment of minimum dividend by the SPSUs. As per their latest finalised accounts as on 30 September 2015, three SPSUs earned an aggregate profit of ₹ 29.94 crore. None of these SPSUs however, had declared any dividend during the year 2014-15.

### Winding up of non-working SPSUs

**3.1.18** There was one non-working SPSU (viz., Tripura State Bank Limited), as on 31 March 2015, which had been non-functional since 1971. The said SPSU was in the process of liquidation under Section 560 of the Companies Act, 1956. The Government may expedite the process of winding up of the non-working SPSU.

### Accounts Comments

**3.1.19** Ten working Companies had forwarded 10 accounts to the Accountant General during the year 2014-15 (October 2014 to September 2015). Out of these 10 accounts, 7 accounts of 7 Companies were selected for Supplementary audit. The audit reports of statutory auditors appointed by CAG and the supplementary audit of CAG indicate that the quality of maintenance of accounts needs to be improved substantially. The details of aggregate money value of comments of statutory auditors are given below.

<sup>16</sup> Turnover of working SPSUs as per their latest finalised accounts as of 30 September of the respective year.

**Table No. 3.1.10: Impact of audit comments on working Companies**

(₹ in crore)

Sl. No.	Particulars	2012-13		2013-14		2014-15	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	3	12.80	1	1.93	2	1.13
2.	Increase in loss	5	11.45	7	8.39	2	6.98
3.	Non-disclosure of material facts	3	0.61	2	102.61	-	-
4.	Errors of classification	-	-	1	0.95	-	-

During the year, the statutory auditors had given qualified certificates on all 10 accounts. The compliance of companies with the Accounting Standards remained poor as there were 13 instances of non-compliance in 7 accounts during the year. The audit comments were based mainly on the non-compliance with the Accounting Standards namely AS-2 (Valuation of Inventories), AS-12 (Accounting for grants), AS-15 (Employee Benefits) and AS-22 (Accounting for Taxes on Income).

Similarly, the only working Statutory Corporation (viz., Tripura Road Transport Corporation) for which CAG is the sole auditor, had forwarded one year accounts to Accountant General, Tripura during the year 2014-15. The audit of the accounts forwarded by the Corporation had been completed and a qualified audit certificate was issued.

### Response of the Government to Audit

#### Performance Audits and Paragraphs

**3.1.20** For the Economic Sector (PSUs) Chapter of the Report of CAG for the year ended 31 March 2015, one performance audit and two audit paragraphs involving Forest Department and Power Department were issued to the State Chief Secretary/Principal Secretaries of the respective Departments/Ministry with request to furnish replies within six weeks. The replies in respect of the Performance Audit and two compliance audit paragraphs were, however, awaited from the State Government (November 2015).

### Follow up action on Audit Reports

#### Replies outstanding

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

concerned is given below:

**Table No. 3.1.11: Explanatory notes not received (as on 30 September 2015)**

Year of the Audit Report (Commercial/SPSU)	Date of placement of Audit Report in the State Legislature	Total Performance audits (PAs) and Paragraphs in the Audit Report		Number of PAs/ Paragraphs for which explanatory notes were not received	
		PAs	Paragraphs	PAs	Paragraphs
2010-11	06-03-2012	1	2	Nil	2
2011-12	27-09-2013	1	3	Nil	3
2012-13	02-09-2014	1	3	1	2
<b>Total</b>		<b>3</b>	<b>8</b>	<b>1</b>	<b>7</b>

From the above, it could be seen that out of 11 paragraphs/ performance audits, explanatory notes to 8 paragraphs/performance audits in respect of 4 departments, which were commented upon, were awaited (September 2015).

### Discussion of Audit Reports by COPU

**3.1.22** The status as on 30 September 2015 of Performance Audits and paragraphs relating to SPSUs that appeared in the State Audit Reports and discussed by the Committee on Public Undertakings (COPU) was as under.

**Table No. 3.1.12: Performance Audits/Paras appeared in State Audit Reports vis-a-vis discussed by COPU as on 30 September 2015**

Period of Audit Report	Number of reviews/ paragraphs			
	Appeared in Audit Report		Paras discussed	
	PAs	Paragraphs	PAs	Paragraphs
2007-08	2	4	2	4
2008-09	1	4	1	4
2009-10	1	2	1	2
2010-11	1	2	Nil	Nil
2011-12	1	3	Nil	Nil
2012-13	1	3	Nil	Nil
<b>Total</b>	<b>7</b>	<b>18</b>	<b>4</b>	<b>10</b>

### Compliance to Reports of the COPU

**3.1.23** Action Taken Notes (ATNs) to 43 recommendations pertaining to 8 Reports of the COPU presented to the State Legislature between November 2010 and March 2015 had not been received (September 2015) as indicated below:

**Table No. 3.1.13: Compliance to COPU Reports**

Year of the COPU Report	Total number of COPU Reports	Total no. of recommendations in COPU Report	No. of recommendations where ATNs not received
2010-11	3	22	13
2011-12	3	14	14
2013-14	1	10	10
2014-15	1	6	6
<b>Total</b>	<b>8</b>	<b>52</b>	<b>43</b>

The above Reports of COPU contained recommendations in respect of paragraphs pertaining to five departments of the State Government, which appeared in the Reports

of the CAG of India for the years 1989-90 to 2008-09.

**It is recommended that the Government may ensure: (a) sending of replies to inspection reports/ draft paragraphs/ performance audits and ATNs on the recommendations of COPU as per the prescribed time schedule; (b) recovery of loss/ outstanding advances/ overpayments within the prescribed period; and (c) revamping of the system of responding to audit observations.**

#### **Disinvestment, Restructuring and Privatisation of SPSUs**

**3.1.24** No disinvestment, privatisation or restructuring of SPSUs occurred during 2014-15.

## FOREST DEPARTMENT

### (Tripura Forest Development and Plantation Corporation Ltd.)

#### 3.2 Tripura Forest Development and Plantation Corporation Limited

*The Company was incorporated (March 1976) as a State Government Company with the intention of rehabilitating degraded forest lands, settling of tribal shifting cultivators and generation of employment in the rural areas by raising commercial plantations and dealing in products there from. At present, activities of the Company are restricted to raising of commercial rubber plantations; extraction and processing of rubber latex sourced from own plantations as well as outside sources; extraction, treatment and processing of rubber wood into value added products like timber, furniture and doors. The Company was one of the few State PSUs which recorded profits and paid dividend. The present Report reviewed the performance of the Company covering the period 2010-11 to 2014-15 with focus on economy, efficiency and effectiveness of its operations and brought out the following main points:*

#### Highlights:

As of March 2014, the Company managed 17.68 per cent of the total matured area of rubber plantations in the State. Its contribution to the total production (2013-14) in the State was, however, only 5.90 per cent.

*(Paragraph 3.2.10)*

The per hectare yield of the plantations managed by the Company during 2010-11 to 2013-14 owned and operated plantation was less than half of the State average yield for the respective year.

*(Paragraph 3.2.10)*

Out of the total Rubber Plantation area managed by the Company, 318.60 hectares of plantation area was under encroachment resulting in production loss valuing ₹ 6.13 crore till March 2015.

*(Paragraph 3.2.9.1)*

Forest land to the extent of 354.882 hectares handed over to the Company by the GoI/GoT for raising beneficiary plantations was encroached due to delayed implementation of the programme.

*(Paragraph 3.2.9.2)*

Out of the forest land area (2374.62 ha.) handed over by GoI for the benefit of tribals, 581.60 ha.(24.49 per cent) of forest land was utilised by the Company for raising its own plantation without the sanction of GoI thereby attracting the risk of payment of compensation of ₹ 42.46 crore.

*{Paragraph 3.2.9.2(b)}*



**Under-utilisation of capacity and absence of effective marketing resulted in cumulative losses amounting to ₹ 6.31 crore at the Wood processing and manufacturing facilities of the Company during the period 2010-11 to 2014-15.**

*{Paragraphs 3.2.11.1 and 3.2.11.1 (e)}*

**Inefficiencies in manufacturing of value added products from rubber resulted in a loss of ₹ 2.73 crore during the review period.**

*{Paragraphs 3.2.11.2 (a) and 3.2.11.3}*

**Monitoring activities and internal control systems were found to be deficient.**

*{Paragraphs 3.2.12.1 to 3.2.12.2(b)}*

### **3.2.1 Introduction**

Tripura Forest Development and Plantation Corporation Limited (Company) was incorporated (March 1976) in the State Sector<sup>17</sup> with the intention of rehabilitating degraded forest lands, settling of tribal shifting cultivators and generation of employment in the rural areas by raising commercial plantations and dealing in products there from. Following are the main objectives of the Company as per its Memorandum of Association:

- To acquire on lease or otherwise, rubber and other plantations owned by Government of Tripura and continue the plantation business;
- To develop plantations of economically viable species like teak, coffee, etc. on land acquired by the Company;
- To deal in various forest trees and forest produce including timber; and
- To carry on the business of manufacturing and dealing in wood and processed wood products.

At present, activities of the Company are restricted to raising of commercial rubber plantations; extraction and processing of rubber latex sourced from own plantations as well as outside sources; extraction, treatment and processing of rubber wood into value added products like timber, furniture and doors.

### **3.2.2 Organisational setup**

The Company functions under the administrative control of Forest Department, Government of Tripura (GoT). The Management of the Company is vested with the Board of Directors consisting of fifteen Directors. The Company is headed by the Chairman and the day-to-day operations are managed by the Managing Director of the Company.

For effective management and supervision, plantations spread throughout the State have been geographically grouped under five Divisions<sup>18</sup>. While all the five Divisions are engaged in management of plantations, the Factory Division located at

<sup>17</sup> While the State Government has a shareholding of 96.79 per cent, Central Government holds the remaining 3.21 per cent of the paid up share capital.

<sup>18</sup> North, South-I, South-II, Factory and Sadar

Takmacherra additionally manages manufacturing facilities for Cenex<sup>19</sup> and ISNR<sup>20</sup>. Rubber Production Centres (RPCs) under each Division are responsible for day-to-day management of plantation activities like extraction of latex and its processing into sheets, payment to workers, silviculture activities, etc.

In addition to above, the Company also operates a rubber wood processing facility at its Industrial Estate in Anandnagar, near Agartala. Rubber wood extracted from the Company's own plantations are seasoned and processed into boards, doors and furniture in this manufacturing facility.

### 3.2.3 Financial Position and Working Results

The summarised details of the financial position and working results of the Company during the years from 2010-11 to 2014-15 are given in **Appendix - 3.2.1** and **3.2.2**. The highlights of the operational results of the Company during the years 2010-11 to 2014-15 are given below in **Table No. 3.2.1**.

**Table No. 3.2.1**

(₹ in crore)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15 (Provisional)
Income	49.12	49.68	53.16	52.45	52.81
Expenses	23.91	26.73	36.71	39.02	42.33
Stock Adjustment	(1.05)	(1.59)	(0.43)	(2.82)	2.73
<b>Profit before tax</b>	<b>26.26</b>	<b>24.54</b>	<b>16.88</b>	<b>16.25</b>	<b>7.75</b>
Tax	4.47	4.55	4.42	4.50	3.26
<b>Net Profit after Tax</b>	<b>21.79</b>	<b>19.99</b>	<b>12.46</b>	<b>11.75</b>	<b>4.49</b>
<b>Operating profit</b>	<b>20.25</b>	<b>16.17</b>	<b>4.37</b>	<b>4.99</b>	<b>(4.19)</b>

From the **Table 3.2.1** above it could be noticed that the profits of the Company had shown a downward trend during the period of five years from 2010-11 to 2014-15 and the Company had incurred operational loss of ₹ 4.19 crore during 2014-15. As could be noticed from **Appendix 3.2.2**, the deterioration in the performance of the Company was mainly on account of significant increase in the operational expenses of production units, employee related expenses (wages and salaries) coupled with declining trend of rubber prices and poor operational performance of the rubber wood processing-cum-manufacturing activities of the Company as discussed under **paragraph 3.2.11.1** *infra*. Further, the net surplus recorded by the Company during the years 2012-13 and 2014-15 was mainly on account of the interest income ranging from ₹ 5.52 crore (2010-11) to ₹ 10.40 crore (2014-15) earned by the Company against investment of surplus funds. The Company had also paid the dividend aggregating ₹ 1.07 crore to the shareholders during the years 2010-11 and 2012-13.

#### ***Fund Management***

Deficiencies in management of surplus funds by the Company were highlighted under **paragraph 5.4** of the Audit Report for the year 2010-11, Government of Tripura. A review of the follow up action taken by the Company on the observations appeared in

<sup>19</sup> Concentrated latex with 60 per cent dry rubber content

<sup>20</sup> Indian Standard Natural Rubber, a value added product manufactured from scrap rubber.

the said Report revealed that the Company had formulated (October 2012) an investment policy detailing the manner and tenure for deployment of the surplus funds. It was also noticed that the Company had been adhering to the said investment policy. During the five years from 2010-11 to 2014-15, the surplus funds of the Company ranged between ₹ 77.96 crore (2010-11) to ₹ 108.66 crore (2014-15). It was further observed that during the period 2010-15, the Company had paid substantial amount of income tax aggregating ₹ 21.20 crore mainly towards the interest income earned against investment of said surplus funds.

The Government of India (GoI) introduced (2004-05) the Rubber Development Account Scheme (RDAS) for promotion of rubber cultivation in the Country. As per the scheme guidelines, if an income tax assessee engaged in rubber cultivation deposited any amount with National Bank for Agriculture and Rural Development (NABARD), the assessee was eligible for a deduction of an equivalent amount (subject to a maximum of 40 *per cent* of the business income) from the taxable income of the year concerned under section 33AB of the Income Tax Act. The amount so deposited with NABARD also attracted simple interest at 6.5 *per cent* and the said deposit was available for withdrawal after a period of 6 months for meeting capital expenditure requirement of the depositor relating to raising, extracting and such other expenses in respect of rubber plantations.

Despite the fact that the above scheme was beneficial even after taking into account the interest loss due to diversion of higher interest bearing term deposits, the Company did not take advantage of the scheme during any of the years under review. Failure to avail the benefits of the scheme specially designed for the benefit of rubber cultivators resulted in avoidable tax payment of ₹ 3.08 crore by the Company during the assessment years 2010-11 to 2015-16.

After being pointed out by Audit, the Company obtained confirmation from NABARD regarding existence and availability of the Scheme for Corporate assesses. No action, was, however, taken by the Company to avail the benefits of the Scheme.

### **3.2.4 Scope of Audit**

The present audit reviewed the performance of the Company covering the period from 2010-11 to 2014-15. The audit involved scrutiny of records pertaining to planning, plantation management, production management and monitoring activities carried out by the Company. For this purpose, Audit examined records at the Head Office as well as factories located at Takmacherra and Anandnagar. Besides, out of 39 RPCs of the Company, ten RPCs<sup>21</sup> (26 *per cent*) were selected for detailed examination using the method of Stratified Random Sampling Without Replacement.

The performance of the Company covering the period 2003-04 to 2007-08 was reviewed and included in the Report of the Comptroller and Auditor General of India,

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<sup>21</sup> Saiderpar, Bilthai, Nalkata, Palthalia, Motinagar, Debbaru, Abhangcherra, Motai, West Ludhua and Patichari

Government of Tripura for the year ended 31 March 2008. The Report was discussed by the Committee on Public Undertakings (COPU) in October 2011 and the recommendations thereon were included in its 47<sup>th</sup> Report (February 2012). The status of compliance by the Company on the recommendations of COPU has been appropriately included in the present audit report at the relevant places.

### 3.2.5 Audit Objectives

The objectives of the performance audit were to ascertain whether:

- the long and short term planning mechanisms were effective in achieving the organisational goals and sustainable management of forests;
- plantations as well as human resources were managed efficiently, economically and effectively so as to ensure maximum productivity and profitability;
- processing and manufacturing activities as well as marketing operations were carried out efficiently, economically and effectively so that the activities were sustainable; and
- there was an efficient and effective monitoring and internal control mechanism in place.

### 3.2.6 Audit criteria

The audit criteria for assessing the achievement of the audit objectives were derived from the following sources:

- Perspective plans, Annual Action Plans; Annual Budgets and Memorandum of Association of the Company;
- Lease agreement with the Government; Industry norms in various operational areas; field standards adopted by the Company;
- industrial norms relating to various operational areas, like, processing of raw latex into value added products and processing of extracted rubber wood, etc.
- generally accepted standards and commercial principles relating to manufacturing and sales promotion activities, Corporate Governance and Internal control.

### 3.2.7 Audit methodology

The methodology adopted for attaining the audit objectives consisted of explaining the audit objectives to the top management of the Company in the Entry conference (May 2015), analysis of data/records with reference to audit criteria, examination of annual reports, internal reports, etc. of the Company as well as Agenda/Minutes of the BoD, interaction with the Company officials, raising of audit queries, issuing (22 September 2015) of draft Audit Report to the Management/Government of Tripura (GoT) for comments. The draft Audit Report was also discussed (6 November 2015) with the representatives of the Company/GoT in the Exit conference. The formal replies (4

November 2015) of the Company to the draft Report as well as the views expressed by the representatives of the Company and GoT in the Exit conference have been taken into consideration while finalising the Report.

### **Audit Findings**

**Audit Objective 1: Effectiveness of long and short-term planning mechanism in achievement of organisational goals and sustainable management of forests**

#### **3.2.8 Planning**

##### **3.2.8.1 Long term planning**

Corporate planning essentially involves formulation of long term planning for achievement of the laid down objectives of the Company. For the purpose, the Company has to identify opportunities and threats related to sphere of its activities through regular monitoring of macro and micro environmental changes. Long-term and short-term plans are then prepared to manage the dynamic environmental factors so as to attain long-term objectives of the Company.

During examination of the records of the Company, however, it was observed that even though the Company had been managing vast financial and natural resources, it had not formulated any long term plans to help attaining the laid down objectives of the Company as well as achieving its commercial viability and social commitment. Thus, in the absence of any credible long term plan, the short term targets as at present being set by the Company under Annual Action Plans served the purposes of attending the immediate and short term issues without addressing the core issues in long run like poor yield, low capacity utilisation of processing units, manpower shortages, low demand for processed wood products and financial uncertainty faced by the Company on account of fluctuating prices of its products, etc.

In reply, the Company stated (November 2015) that it had prepared a management plan covering the period 2013-14 to 2017-18. The reply is not tenable as the said plan was prepared with a view to get certification of its wood products for export purposes only. The plan referred to by the Company had restricted utility as it failed to address the core issues like improving yield, manpower shortages, long-term strategy for marketing, etc. in long run.

##### **3.2.8.2 Short term planning**

As part of the short term planning, the Company had been preparing Annual Action Plans (AAPs). Audit observations relating to these plans have been discussed in the following paragraphs.

###### **3.2.8.2(a) Annual Action Plans**

The Company started preparing Annual Action Plans (AAPs) from the year 2012-13 onwards to supplement the financial budgeting system. The so prepared AAPs were, however, meant to justify the financial proposals made in the annual budget with

definite physical targets set for rubber production, raising of plantations and seedlings, construction works to be undertaken in various RPCs and Divisions, etc. The targets under AAPs on various activities were fixed division-wise and further consolidated at Headquarters level. In this connection, following observations are made:

- Even though the targets for rubber production and tree extraction in the AAPs were set in consultation with the respective divisions, the same were revised downwards by the Company throughout the year pointing towards the fact that the targets set in AAPs had no realistic basis.
- The Company had made substantial investment in its production units at Anandnagar and Takmacherra. While preparing the AAPs, however, these units were not treated as profit centres and no commercial targets relating to turnover, profitability, etc. were prescribed for these units. In fact, even production targets for these units were not set during the first four years from 2010-11 to 2013-14 covered under the present Audit.
- The details of the rubber production targets set in the AAPs for previous three years from 2012-13 to 2014-15 and achievement there against are given in **Appendix -3.2.3**. It could be seen that production targets were not met by any Division (excepting Sadar Division in 2012-13) during any of the three years under reference. The shortfall ranged between 0.68 *per cent* (2014-15/Sadar) and 23.61 *per cent* (2012-13/North). Cumulative shortfall on this account for the three years was 677.12 MT valued at ₹ 8.93 crore based on average sales price of rubber products realised during the year.

The above findings were indicative of the fact that the rubber production targets set under AAP were not realistic.

#### **3.2.8.2(a)(i) Fixation of low production targets**

Latex<sup>22</sup> yield of a rubber tree is closely correlated with its age. A rubber tree usually reaches its maturity in its 7<sup>th</sup> year of planting after which it could be tapped<sup>23</sup>. The yield from the tree gradually increases and reaches its peak in the third year of its tapping. This peak yield period lasts upto 10 years after which yield start declining. After 32 years of planting, however, rubber plantation is considered to be commercially unviable.

Audit observed that there was no scientific basis for setting annual production targets. For instance, the procedure adopted by the Company for fixing the production targets did not take into account the age profile of plantations and hence, the actual yield potential of trees was ignored. Analysis of yield potential of the plantations (based on expected yield per tree in the State as per their age profile and actual number of trees available in various RPCs for tapping during the year 2014-15) (**Appendix - 3.2.4**)

<sup>22</sup> Viscous liquid collected from the trunk of a rubber tree. It contains rubber in the form of particulate matter generally referred to as Dry Rubber Content (DRC) and expressed as a percentage.

<sup>23</sup> The process of extraction of latex from a rubber tree by making a controlled incision on its bark. The worker who carries out tapping is called a tapper.



showed that potential yield available for extraction during 2014-15 was much more than the targets set by the Company<sup>24</sup> under AAP, 2014-15. Actual shortfall in production for 2014-15 thus, worked out at 1087.48 MT valued at ₹ 10.19 crore as against the shortfall of 209.45 MT (valued at ₹ 1.96 crore) in the annual target for the year 2014-15. The Company needed to consider factors like age profile and actual availability of trees, etc. for setting more realistic production targets so as to enable it to pinpoint reasons for shortfall in achievement there against and take corrective measures.

The Company did not offer any comments (November 2015) on the issue of setting the production targets without any scientific basis. As regards alteration of AAP targets throughout the year, the Company stated (November 2015) that rubber production targets had to be periodically revised because physical output was unpredictable on account of biological and socio economic factors.

The reply is not tenable since unlike other agricultural crops, rubber tree gives a steady and predictable output with slight seasonal variations which could be factored in while deciding targets. Thus, if targets were decided after considering the actual yield potential of concerned plantations, a steady output could be predicted.

### 3.2.8.2(b) Tree extraction plan

As mentioned under **paragraph 3.3.8.2(a)(i) supra**, rubber plantations become uneconomical to maintain after reaching 32 years of maturity, and hence, the same needed re-plantation. Analysis of data regarding tree strength in various plantations revealed that out of the total tree strength of 13.65 lakh spread over the total plantation area of 6,692.87 ha. available as on 31 March 2015, 22 per cent<sup>25</sup> of trees had surpassed their economic life period of 32 years, while 32 per cent<sup>26</sup> of trees were in the declining age of 20 to 32 years. Age composition of trees as on 31 March 2015 has been represented in the following chart<sup>27</sup>:

<sup>24</sup> Excepting South II Division.

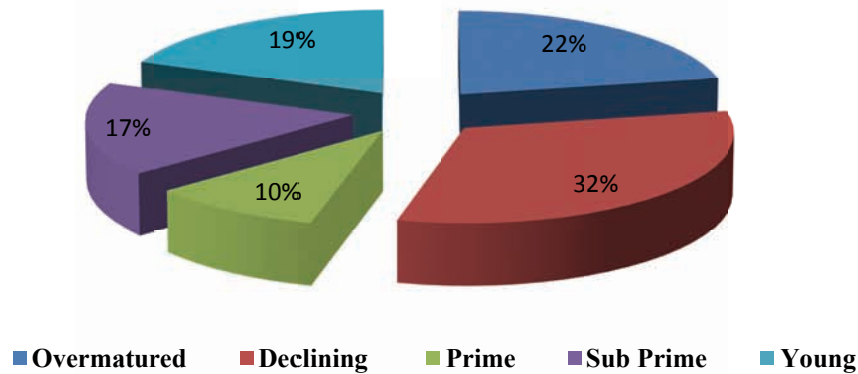
<sup>25</sup> 3.03 lakh trees spread in 1977.08 ha. of plantation area

<sup>26</sup> 4.35 lakh trees spread in 2614.12 ha. of plantation area

<sup>27</sup> Young (0-7 yrs); Sub-prime (8-10 yrs); Prime (11-22 yrs); Declining (23-32 yrs); Over matured (above 32 yrs)



**Chart No. 3.2.1: Age composition of rubber trees  
(Total plantation strength- 13.65 lakh trees (31 March 2015))**



Further, as discussed under **paragraph 3.2.10.3** *infra*, the plantations of the Company were also poorly stocked and had low density of trees per ha. Hence, phase-wise replacement of over-matured plantations with fresh plantations was necessary to achieve optimum density of plantations. This would improve the overall yield and economic viability of the operations of the Company.

### **3.2.8.2(b)(i) Deficient planning for replacement of over-matured plantations**

The Company did not have a long or medium term tree extraction plan upto the year 2012-13. The Board of Directors in its 134th Meeting (April 2013) approved a Five year tree extraction plan covering the period 2013-14 to 2017-18. The Five year plan envisaged extraction of 830.15 ha.<sup>28</sup> (14 *per cent*) of matured plantations (5856.28 ha.) spread over the five divisions as on March 2013. Analysis of the extraction plan brought forth the following observations:

- The plan envisaged extraction of only 47 *per cent* (651.65 ha.) of the area of the over-matured plantations (1,373.76 ha.) existing as of March 2013 over a period of five years. Out of the extraction target of 830.15 ha., more than 50 *per cent* (419.50 ha.) was planned to be executed only during the last two years (2016-17 and 2017-18) of the extraction plan. The fact that another 1,866.46 ha. of plantation would also cross their economical age during the plan period, was not considered while formulating the extraction plan.
- As against the density norms of 300 trees per ha., 1,041.65 ha. of plantation area managed by the Company as of March 2013, had a density of less than 150 trees per ha. As against this, the Five year extraction plan of the Company covered only 8 *per cent* (82.5 ha) of the total low density plantation area (1,041.65 ha.). This indicated that adequate importance had not been given to include low density

<sup>28</sup>Including over-matured plantation spread over in 82.50 ha. of plantation area.

plantations in the tree extraction plan, even though they were equally uneconomical to manage commercially, like the over matured plantations.

- Even if the targets as per tree extraction plan were met, 3.86 lakh over-matured trees (in an area of 3,240.22 ha.) with age of more than 32 years would remain pending for extraction under various plantations after 2017-18.

Thus, the tree extraction plan prepared by the Company failed to fully consider the issues relating to extraction and replantation of the plantation area having low density and over-matured plantations, which could have adverse effects on the plantations productivity.

In reply, the Company stated (November 2015) that tree extraction plan had to be staggered to ensure that even aged plantations could be maintained and tappers on rolls could be provided with regular work. It was further stated (November 2015) that tree extraction had to be regulated as per requirement of its timber processing plants.

The fact, however, remains that there was no justification for not considering the over-matured plantations for extraction/replantation particularly in the context of poor yield and declining rubber prices. Besides, the Company, through extraction of sufficient quantities of over-matured plantations, could have also generated additional quantities of rubber wood for processing in its factory or outright sale in open market.

**Audit Objective 2: Effectiveness and efficiency in management of plantations as well as human resources**

**3.2.9 Plantation Management**

As per the records made available to Audit, the Company had raised rubber plantations<sup>29</sup> in a total area of 8,132.82 ha.<sup>30</sup> This was in addition to 418.66 ha. of rubber plantations already raised by the Forest Department and handed over (1981) to the Company. In reply to specific audit query raised in the matter, however, the Company could furnish details regarding 8,054.01 ha. of plantation area only. Thus, there was a difference of 497.47 ha. in the plantation area managed by the Company as of March 2015 which could not be reconciled in absence of complete details such as, land location, details of land schedules for the plantations raised in forest land, etc. In reply, the Company confirmed (November 2015) that 371.52 ha. of plantations were abandoned due to insurgency. The balance area of 125.95 ha. of plantation area, however, remained unaccounted. This was a serious lacuna in the management of plantations by the Company. Details of plantations raised/handed over to the Company and present manageable area are given in **Appendix - 3.2.5**.

Observations on utilisation and management of land handed over to the Company for plantation purposes have been discussed in the following paragraphs.

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<sup>29</sup> Planting in new areas for the first time

<sup>30</sup> 7,551.22 ha. up to 2000-01 and 581.60 ha. raised from 2006-07 to 2014-15

### 3.2.9.1 Land for own plantations

As per the MoU signed (February 1981) between the Company and the Forest Department, (GoT) forest land free from encumbrances measuring 5,200 ha. was to be transferred to the Company on lease basis for 42 years for the purpose of raising of rubber plantations. It was, however, observed that the transfer arrangements were not legalised through formal lease agreements or Government notifications providing complete details regarding the location, measurement etc. of the land so transferred. The issue was also not pursued effectively by the Company with GoT.

In addition to the above, it was further noticed that the Company had additionally brought 2,351.22 ha. of Forest Land under rubber cultivation during the period upto 2000-01 without the sanction of Ministry of Environment and Forest (MoEF)<sup>31</sup>, Government of India (GoI). The cultivation of commercial plantations in forest land without sanction of MoEF, GoI was in violation of the Forest Conservation Act, 1980.

As the lease deeds were not executed and plantations were raised without approval of GoI, the Company ownership over these plantations was a little tenuous. The situation was further aggravated in absence of complete details/knowledge of the location and extent of land taken over under each Rubber Production Centre (RPC) leaving it vulnerable to illegal encroachment by outside parties. **Table No. 3.2.2** below shows the RPC-wise details of plantation area encroached under three Divisions (viz. North, Sadar and South-I) along with the loss of production under each RPC on account of this encroachment:

**Table No. 3.2.2**

Name of RPC	Division	Total area undertaken for plantation (ha.)	Year of plantation	Total area encroached in ha. (percentage to total area)	Period of encroachment	Annual loss of production (Kg)	Value of loss of production till March 2015 (₹ in lakh) <sup>32</sup>	Raising cost of plantation (₹ in lakh)	Total loss (₹ in lakh)
1	2	3	4	5	6	7	8	9	10= (8+9)
Golakpur	North	193.00	1986 to 1990	193.00 (100)	2009-10	48,366.50	374.13	29.09	403.22
Dhanpur	Sadar	72.90	1983	44.00 (60)	2011-12	12,406.31	74.66	3.29	77.95
Nirvoypur	Sadar	139.95	1987	43.40 (31)	2011-12	13,678.99	82.32	4.66	86.98
Motinagar	Sadar	363.55	1983	13.48 (4)	2009-10	4,442.08	34.36	1.01	35.37
Chittamara	South I	211.00	1986	7.22 (3)	2010-11	2,371.36	18.34	0.83	19.17
Kalsimukh	South I	193.48	1964	6.00 (3)	2010-11	829.46	6.42	NA	6.42
Abhangcherra	South I	662.50	1978	1.00 (0.15)	2010-11	299.98	2.32	NA	2.32
UBC Nagar	South I	100.00	1986	5.00 (5)	2010-11	668.16	5.17	0.38	5.55

<sup>31</sup> After 2000-01, Company did not raise any new plantations and only replanted in existing areas

<sup>32</sup> Worked out based on production recorded in the year prior to encroachment and avg. sales price of field production during the respective years.

Name of RPC	Division	Total area undertaken for plantation (ha.)	Year of plantation	Total area encroached in ha. (percentage to total area)	Period of encroachment	Annual loss of production (Kg)	Value of loss of production till March 2015 (₹ in lakh) <sup>32</sup>	Raising cost of plantation (₹ in lakh)	Total loss (₹ in lakh)
1	2	3	4	5	6	7	8	9	10= (8+9)
Paikhola	South I	348.80	1982	3.00 (0.86)	2010-11	1,011.99	7.83	0.23	8.06
Sachirambari	South I	435.65	1973	2.50 (0.57)	2010-11	962.17	7.44	NA	7.44
<b>TOTAL</b>		<b>2720.83</b>		<b>318.60 (12)</b>		<b>85,037.01</b>	<b>612.99</b>	<b>39.49</b>	<b>652.48</b>

From the **Table 3.2.2** above, it could be noticed that out of total plantation area measuring 318.60 ha. under encroachment, 60.58 *per cent* (193 ha.) pertained to one RPC (viz. Golakpur RPC). The said plantation area of Golakpur RPC was brought under commercial plantation during 1986-87 to 1989-90 and the Company had been collecting latex therefrom. The entire area of 193 ha. of the RPC, however, came under different kinds of encumbrances and encroachments since 2009-10.

Analysis of the records of the Company revealed that out of 193 ha. of land, an area of 52.32 ha. (27 *per cent*) was allotted (February 2009) by the District Administration to 43 tribal dwellers under the provisions of Scheduled Tribes and Traditional Forest Dweller's (Recognition of Forest Right) Act (RFR Act) for the purpose of utilising the area for inhabitation and cultivation for the livelihood of said tribal dwellers. The allottees thereafter resisted collection of latex by the Company from the allotted area. The matter was brought to the notice of the Head Office (September 2009) and the Board of Directors (May 2010) of the Company only after 6 and 14 months of the allotment respectively. After strong follow up of the issue by the Company, the District Administration cancelled (October 2011) the allotment. It was, however, observed that even after cancellation of the allotment, however, the plantations in Golakpur continued to be under unauthorised occupation of the allottees depriving the Company of collecting the latex from the said area despite all efforts (October 2015).

The details and reasons attributable for encroachments in other RPCs, however, were not available on records.

The following reasons were likely to have directly contributed to encroachment of forest land under various RPCs of the Company:

- Not issuing of the formal notifications by the Government giving complete details/particulars of forest land assigned to the Company.
- Failure on part of the Company to pursue the issue with the Government for proper documentation of land transferred under its management from time to time in co-ordination with the District Administration and Forest Department.
- Absence of the Company's representative in the Sub-Divisional Level Committee (SDLC) formed for allotment of land under Scheduled Tribes and Traditional Forest Dweller's (Recognition of Forest Right) Act, 2006.

- Slow pace of raising plantations due to administrative inadequacies of the Company leaving areas of forest land vacant over a long period of time.
- Inaction on the part of Management in initiating strong administrative action for immediate eviction of the encroached areas.
- Inadequate protective measures in the plantation areas including fencing in vulnerable areas, deployment of protection guards and periodical inspection by Management.

Thus, inadequate management of forest land entrusted to the Company by the Government resulted in illegal encroachment of the Company's plantations by outsiders thereby entailing loss of potential revenue to the extent of ₹ 6.13 crore as well as loss of investment therein to the tune of ₹ 0.40 crore.

In response to audit query raised during the course of audit, the Company accepted (August 2015) that 1,143.88 ha. of land was encroached. In reply to the draft report, Company stated (November 2015) that protective measures like fencing, deployment of guards, etc. are now being undertaken to prevent any future recurrence. It was further stated that there was no provision for representation of the Company in the SDLC formed under RFR Act. The Company also expressed its inability to directly evict encroachers since necessary powers were vested with Forest and Civil administration. The reply was, however, silent on not following up the matter of issuing formal lease notification with GoT for the plantation area assigned to the Company.

Audit observed that Forest Department was represented in the SDLC and not raising of any objection in the matter by Forest Department pointed towards lack of co-ordination between the Company and its administrative department. Further, formal lease notification by GoT giving complete details of the plantation area assigned to the Company could have helped taking preventive measures against illegal occupants of plantation land.

### 3.2.9.2 Land for Beneficiary plantations

Shifting cultivation by tribal of the State<sup>33</sup> had caused irreparable damage to large extent of Forestland. To discourage this environmental degrading practice and to rehabilitate the tribal involved in it, GoT devised (June 1991) a Plantation programme. As per the programme, rubber plantations were to be raised in degraded forest land using public funds and handed over to the tribal beneficiaries (henceforth referred to as beneficiaries). The beneficiaries obtaining the possession of such rubber plantations, were responsible for maintaining the plantations handed over to them besides holding the rights to extract and sell latex so extracted from said plantations.

<sup>33</sup> Also referred to as *Jhum* cultivation whereby tribals will clear forest area for farming purposes. Once the fertility of the area was exhausted they move to another area of forest and the process is repeated.

Based on a proposal of the Company (November 1991), GoT sought (December 1992) permission from the Ministry of Environment and Forest (MoEF), GoI<sup>34</sup> to utilise forest land measuring 9,019.52 ha. for settling tribal beneficiaries in the State. GoI, while approving (December 1997) the diversion of 1,500 ha. of land under Phase-I of the Scheme, stipulated that formal approval for Phase-II plantations should be sought for after successful completion of Phase-I. The Company, however, could raise (1998-99 to 2004-05) plantations only to the extent of 595.10 ha. benefiting only 392 beneficiaries. The remaining area of 904.90 ha. was, however, handed over by GoT to other two organisations in the State sector *viz.*, Tripura Rehabilitation Plantations Corporation Limited (TRPCL) and Tripura Tribal Areas Autonomous District Council (TTAADC).

Based on the proposal of the Company, Forest Department, GoT submitted (May 2005) a proposal for further utilisation of 3,873.78 ha. To MoEF, GoI for implementation of Phase-II of the plantations under the programme. The GoI conveyed (June 2005) the approval for the above proposal subject to the following conditions:

- Legal status of the land should not be changed;
- The Company should submit action plan showing the year wise areas to be planted with financial analysis;
- Forest land should not be used for any other purpose;
- A co-ordination committee under the Chairmanship of Principal Chief Conservator of Forests and other concerned officials be formed for co-ordination among the departments concerned for smooth conduct of plantation activities.

It was observed that although the GoI had approved (June 2005) for utilisation of 3,873.78 ha. of forest land for implementation of Phase II plantations, Forest Department, GoT handed over (November 2005-March 2006) the forest land measuring 2,374.62 ha. Only to the Company for raising plantation under three Divisions.<sup>35</sup> The Forest Department, GoT did not hand-over the remaining area of 1,499.16 ha. to the Company for no reasons on records though it had proposed the transfer of this land to MoEF and GoI had approved it.

During examination of the records of the Company, it was noticed that out of the handed over area of 2,374.62 ha., the Company could raise plantation in an area of 999.60 ha. only (42 *per cent*). There was absence of planning, implementation and monitoring of the plantation activity under Phase II of the programme. The Board of Directors of the Company also did not evaluate and monitor the progress of implementation of the programme. Further, the condition of GoI regarding formation of a State level co-ordination committee for better monitoring and smooth conduct of plantation activities was also not complied with. As a result, large areas of land

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<sup>34</sup> (Under Sec.2 of the Forest Conservation Act,1980)

<sup>35</sup> Sadar (233.005 ha.), South-I (1,662.785 ha.) and South-II (478.83 ha.).



remained vacant without any supervision which led to encroachment of plantation area to the extent of 354.882 ha. as identified by Audit as per the following details:

**Table No. 3.2.3**

Sl. No.	Name of division	Total area handed over (in ha.)	Total area brought under plantation (in ha.)	Total area identified as encroached (in ha.)	Balance area on which no plantations were raised	Reasons for not raising of plantations in balance area
1	South-I	1662.785	538.60	338.792	785.393	388.433 ha. of the area was bison affected. No recorded reasons for balance area of 396.96 ha.
2	Sadar	233.005	43.00	--	190.005	No recorded reason
3	South-II	478.830	418.00	16.090	44.740	No recorded reason
<b>Total</b>		<b>2374.620</b>	<b>999.60</b>	<b>354.882</b>	<b>1020.138</b>	

Thus, due to its inability to ensure safety and security of the forest land, the Company failed in complying with the allotment conditions regarding maintaining the status of allotted land as Forest area besides non-achievement of the intended objectives of the plantation programme.

In reply, the Company accepted (November 2015) that reportedly an area measuring 1,137.10 ha. could not be cultivated due to encroachment problems. It was further stated that the land was not free from encumbrances while it was handed over to the Company and therefore, the Company could not take physical possession of the same.

Reply is not tenable since the Company, before taking over the land possession, should have ensured that the land was free from encroachments/encumbrances.

#### **3.2.9.2(a) Non achievement of objectives of plantation programme**

As mentioned in **paragraph 3.2.9.2 supra** (refer **Table No. 3.2.3**), out of total 2,374.62 ha. made available for plantation, the Company could not raise plantations on 631.705 ha. (26.60 per cent)<sup>36</sup> for no reason in record.

Further, out of the total area of 478.83 ha. handed over by GoI for plantation in South-II Division, the Company could raise plantations only in 418 ha. targeting 418 beneficiaries. This included the plantations (265 ha.) raised in 2006 and due for maturity in 2013. As against this, however, only 157 ha. (59 per cent) (targeting 157 beneficiaries) had matured indicating deficiencies in raising and management of plantations despite the fact that the programme was fully funded by Department of Tribal Welfare, GoT.

The Company stated (November 2015) that even after delayed maturity, the trees will be available for tapping for a period of 25 years. The fact, however, remains that delayed maturity of the plantations adversely affects the livelihood of beneficiaries intended to avail the benefits of the programme.

<sup>36</sup> 396.960 ha. in South-I Division, 190.005 ha. In Sadar Division and 44.740 ha. in South-II Division



### 3.2.9.2(b) Diversion of forest land for raising own plantations

The diversion of forest land for raising commercial plantations was allowed by the GoI specifically to benefit the tribals. Contrary to the specific approval of GoI, the Company utilised 581.60 ha.<sup>37</sup> (24.49 *per cent*) of the said area (2374.62 ha.) handed over in 2005-06 for raising its own commercial plantations without the sanction of GoI. Thus, utilisation of the plantation area provided by GoI for the benefit of tribals for own commercial plantation by the Company was irregular and lacked justification besides defeating the intended objectives of the programme.

In pursuance of Supreme Court directives (October 2002 and August 2003), MoEF, GoI issued (September 2003) orders that agencies who utilise forest land for non forestry purposes have to deposit the compensation in the form of Net Present Value (NPV) of the forest land at prescribed rates with the Compensatory Afforestation Fund Management and Planning Authority (CAMPA<sup>38</sup>). Accordingly, the GoI/MoEF and Forest Department, GoT raised demand (December 2012) on the Company for depositing NPV amounting to ₹ 282.79 crore<sup>39</sup> against diversion of forest land (3,873.78 ha.) for commercial plantation under Phase-II of the programme. The demand notice was issued because rubber plantations were not covered under the exemption list approved (May 2008) by the Supreme Court in its order.

In reply, the Company stated (November 2015) that it had disputed the demand and filed (October 2013) an application before the Central Empowered Committee (CEC, formed by Supreme court) for granting exemption from the same on the ground that the plantations aimed to rehabilitate the tribals in the border areas and provide gainful employment to them.

Audit observed that the Company was likely to get exemption from payment of NPV only if the handed over land was used for the benefit of tribal people. By diverting the land (581.60 ha.) approved for the benefits of the beneficiaries for own commercial purpose as mentioned *supra*, the Company had lost the scope of availing exemption in respect of this diverted land (581.60 ha.) thereby attracting the risk of payment of NPV amounting to ₹ 42.46 crore<sup>40</sup> to CAMPA.

### 3.2.10 Yield from Rubber Plantations

Out of total matured plantation area of 33,187 ha. in the State as on 31 March 2014, the Company managed an area measuring 5,868.80 ha. (17.68 *per cent*). The year-wise share of the Company with regard to total matured plantation area and total

<sup>37</sup> 538.60 ha. in South-I and 43.00 ha. in Sadar (Please refer **Table No. 3.2.3**)

<sup>38</sup> A statutory body formed under Ministry of Environment and Forests for promoting afforestation and regeneration activities. CAMPA redistributes compensation collected for forest land diverted for non-forest uses to various States.

<sup>39</sup> At the rate of ₹ 7.30 lakh per ha. on 3,873.78 ha. of land

<sup>40</sup> on 581.60 ha. @ ₹ 7.30 lakh per ha.

rubber production in the State during the years 2010-11 to 2013-14<sup>41</sup> (expressed as percentage) is presented in the table below:

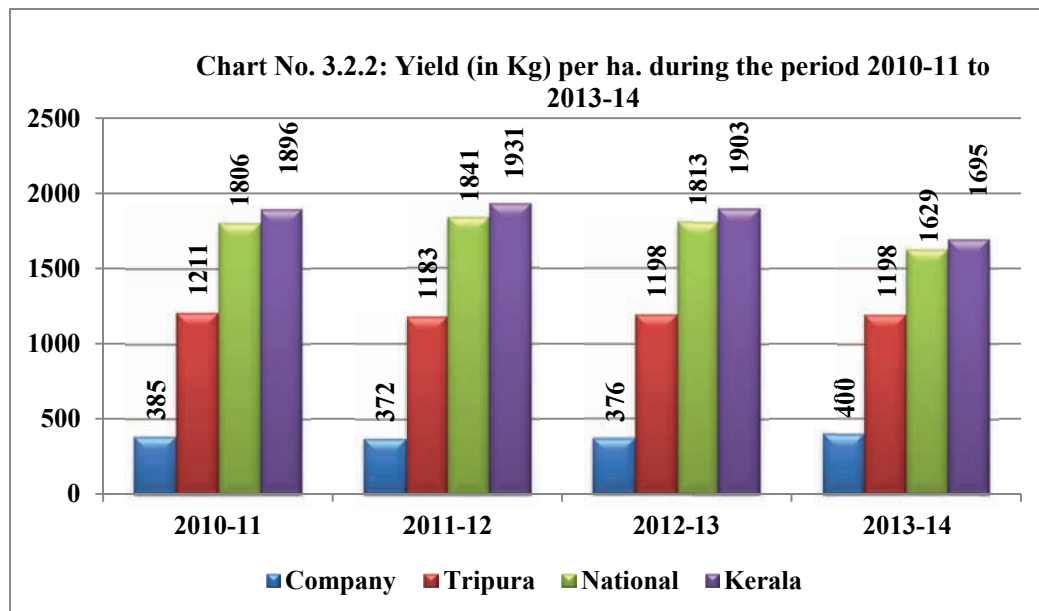
**Table No. 3.2.4**

(Figures represent percentage)

Particulars	Percentage Share of the Company to total area/production of the State			
	2010-11	2011-12	2012-13	2013-14
<b>Area</b>	23.47	21.44	18.82	17.68
<b>Production</b>	7.47	6.74	5.91	5.90

It could be seen that the share of matured plantation area managed by the Company registered consistent decline throughout the period and was matched by corresponding decline in share of the Company in total rubber production of the State. Figures for the year 2013-14 shows that even though Company managed 17.68 *per cent* of matured area of plantation, its contribution towards total production was significantly low at 5.90 *per cent* only pointing to poor productivity of plantations.

The average yield per hectare in a year for the State as a whole could be considered as standard criteria for judging the productivity of rubber plantations managed by the Company. Comparison of the yield recorded by the Company's plantations during 2010-11 to 2013-14 with that of State/National average yield and also with the average yield recorded by the highest rubber producing State, namely Kerala, is graphically represented below:



As could be seen from above, though the per hectare yield recorded by the plantations managed by the Company after 2010-11 showed an upward trend, it was only around

<sup>41</sup> The plantation area managed by the Company as on 31 March 2015 was 5,944.30 ha. However, the corresponding figures of total matured plantation area as on 31 March 2015 for the State as a whole was not available.

31-33 *per cent* of the average yield per hectare recorded in the State for the respective year.

The shortfall in yield was mainly due to:

- delay in re-plantation causing disproportionate increase in the population of over-matured plantations;
- poor stand<sup>42</sup> of tapping trees;
- tapping tasks not being undertaken;
- low productivity of tappers;
- drawbacks in incentive system;
- absence of rain guarding and
- inadequate field supervision and control

The observations relating to above issues are discussed in subsequent paragraphs.

### **3.2.10.1 Extraction and re-plantation activities**

The summarised details regarding area targeted for extraction *vis-a-vis* actual area extracted during the period from 2010-11 to 2014-15 are given in **Table No. 3.2.5** below:

**Table No. 3.2.5**

Year	Extraction targets		Actual extraction		Shortfall against targeted volume (in <i>per cent</i> )
	Area (in ha.)	Volume (in cum)	Area	Volume (in cum)	
2010-11	NA	2320.00	70.18	2168.71	6.52
2011-12	NA	2000.00	25.20	1160.49	41.98
2012-13	NA	3390.00	104.70	1861.60	45.09
2013-14	109.80	6700.00	79.08	2674.48	60.08
2014-15	146.85	6783.00	123.70	3252.23	52.05

From the figures detailed in the **Table 3.2.5** above, it could be noticed that the Company was not able to achieve its extraction targets in any of the five years. The shortfall in achievement of extraction targets were significantly high during four years from 2011-12 onwards.

Examination of records further revealed that an area of 563.85 ha. had completed the economical age of 32 years at the beginning of review period. Subsequently, another 1,413.23 ha. of plantations gradually became over-matured and due for re-plantation during the period 2010-11 to 2014-15. It was further noticed that against the total over-matured area of 1,977.08 ha. existing as of March 2015, the Company was able to replant only 684.48 ha. (34.62 *per cent*) during the review period pointing to the shortfall of 65 *per cent* (1,292.60 ha.) in re-plantation.

Delay in re-plantation in over-matured plantation areas had led to disproportionate increase in the population of over-matured trees in the plantations. This had negative impact on the overall productivity of the plantations. Since rubber trees once felled have to be chemically treated and seasoned immediately, the extraction had to be

<sup>42</sup> 'Stand' refers to density of trees in a defined area

regulated as per the processing ability of timber treatment plant in the rubber wood factory. Thus, poor production performance of the rubber wood factories and Door project of the Company as discussed under **paragraph 3.2.11.1** *infra* was one of the major factors contributing towards shortfall in extraction and replantation activities of the Company.

### 3.2.10.2 Failure of re-plantation



**Plantations raised during 2003 to 2006 (110 Ha) in Motinagar RPC still remained immature due to uncontrollable sal undergrowth caused by deficiencies in soil preparation.**

The success rate of replanted plantations of the Company had been adversely influenced by several factors like large scale mortality of immature trees, damages caused to the plantations due to gale/fire, inadequacies of silviculture techniques, etc. It was noticed that out of 1,358.25 ha. of plantations raised/replanted during the period 2003 to 2008, only 1,165.95 ha. (86 *per cent*) matured during the review period and started yielding latex. The remaining 192.30 ha. (14 *per cent*) of plantations were either damaged, encroached or were

at immature stage. Audit could not analyse the reasons of high mortality and deficiencies in silviculture techniques, etc. due to non-maintenance of plantation journals<sup>43</sup> by the Company in proper manner. It is pertinent to mention that raising of shelter belts using bamboo or other species around the plantation area is an accepted protection measure for reducing plantation damages from gale/storms. This practice was also recommended by Rubber Board. The Company, however, did not take any action to create such shelter belts around the plantation areas. In the absence of shelter belts, 20,598 matured rubber trees of varying ages spread across various RPCs were damaged by gale during the review period.

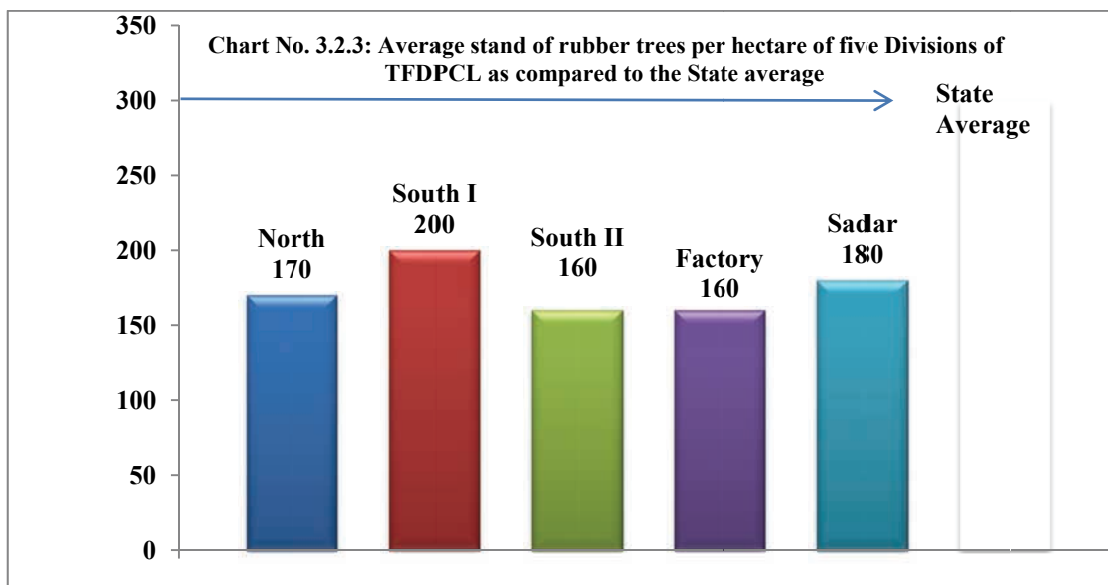
### 3.2.10.3 Stand of tapping trees

Stand of trees refers to the density of trees in a specific area. As per the industry norm, the average stand of rubber trees per hectare is expected to be at 300 trees after tenth year of planting when the trees would have matured and started giving a stable output. Poor stand of rubber trees in a defined area leads to reduced yield and thus, such plantation area could prove to be uneconomical.

Division wise analysis of latest Division wise data on availability of matured trees with reference to corresponding plantation area revealed that stand of trees as on 31 March 2015 in the plantations managed by the Company averaged only 180 per ha.

<sup>43</sup> Detailed records maintained in each RPC showing particulars of plantations like area, type of species, physical and financial particulars of silvicultural techniques adopted each year etc.

which was far below the State average of 300 trees per ha. The stand of trees was least in two divisions (Factory and South II) as shown in the graph below:



Due to the poor stand of tapping trees, the Company had been remarking the tapping blocks so that these blocks cover a minimum of 300 trees. This made the Blocks bloated in size (with area of upto 2.5 ha. per block as against a standard size of 1 ha. per block) making it difficult to be covered in a tapping task which incidentally was one of main reasons for poor productivity of tappers.



**A well-stocked rubber plantation**

Audit also observed that there was no system in place for conducting the annual tree census for gathering year-wise information on the actual number of trees existing under each RPC. In the absence of credible and updated information on actual number of trees, Management could not address the issue of poor stand of tapping trees in the plantation areas managed by the Company. In reply, the

Company accepted (November 2015) that the sparse stand of trees led to less yield and stated that poor stock was mainly due to gale damage, rat damage, insurgency issues in the past, etc. It was also stated that necessary measures have been taken to address such issues in future.

#### 3.2.10.4 Installation of rain guarding system

During rainy days, tapping of rubber trees was not possible since the latex gets mixed with rainwater. As the State of Tripura falls in a high rainfall zone with the incidence of high concentration of rainfall<sup>44</sup>, it becomes difficult to tap the rubber plantations during the monsoon season. To overcome this problem, Rubber Board had

<sup>44</sup> Upto 400 mm of rain in a month on an average



recommended for installation of rain-guards on the rubber trees in the State before the rainy season starts. It was, however, observed that even though on an average, 25 to 35 days of tapping were lost in each rainy season, the Company did not consider installation of rain-guards in any of its plantations. Allowing the trees to remain untapped on account of rains led to avoidable production loss. Analysis of rubber production records revealed that even if the rain guarding system had been installed in 4<sup>45</sup> high yielding RPCs out of total 39 RPCs of the Company, it could have extracted 246.58 MT of additional crop valuing ₹ 3.00 crore<sup>46</sup> during the five year period under review as shown in **Appendix -3.2.7**.

In reply, the Company stated (November 2015) that service of rain guard was found to be uneconomical and ineffective and hence discontinued. The reply is not tenable as rain guarding is an acceptable practice recommended in the State by the Rubber board based on the fact that it was economical and effective. To improve the effectiveness of rain guarding system, Company may consider installation of the rain guards through experts/trained manpower.

#### **3.2.10.5 Performance of tapping tasks**

As per the universally accepted practice also being followed by the Company, tapping blocks are tapped every alternate day. Each RPC had adequate number of permanent tappers on rolls to perform the tapping task. Besides, the RPCs also had sufficient number of substitute tappers ready to take over if permanent tappers did not report for work. It was, however, observed that many tapping blocks remained untapped during the year due to absence of tappers resulting in loss of revenue although the overall absenteeism of the tappers during the years from 2010-11 to 2014-15 showed a downward trend. As could be noticed from **Appendix-3.2.6**, absenteeism of tappers during 2010-11 to 2014-15 varied from 8.48 *per cent* (2014-15) to 16.04 *per cent*(2010-11) and altogether resulted in loss of 2,61,014 tapper days during the five years under reference. Absenteeism of workers resulted in non-exploitation of available yield potential leading to production loss valuing ₹ 23.78 crore (**Appendix - 3.2.6**) over the period of five years under review. This huge revenue loss could have been avoided by following better labour management practices like, providing incentives to employees regular in attendance and penalising the habitual absentees, organising periodical training programmes for the employees, ensuring safety and health of workers at work, organising periodical sessions for employee-employer communication to address grievances of workers, etc.

The Company stated (November 2015) that action is being taken against tappers who regularly remain absent to minimise the absenteeism.

<sup>45</sup> Anandpur, Rowa, Debbaru and West Ludhwa

<sup>46</sup> After considering the cost of rainguarding which came to ₹ 26/tree (approx) and had a life span of about 3 years

### 3.2.10.6 Labour productivity

Crop collection from the plantations of the Company was further affected by poor labour productivity. As per the industry norms on collection of latex, total 52 kg of latex was expected to be collected per day from a block of 300 trees. As against this, average collection per day in the Company's plantations varied from 34.86 kg (Sadar Division) to 10.34 kg (Factory Division) per block. This was indicative of the possibility that all trees were not being tapped during a tapping task. The issues relating to inefficiency and poor labour productivity should have been addressed by the Company through effective supervision of labour at RPC level. The Company, however, had never analysed productivity of tappers for taking the corrective action to improve the same.

In reply, the Company stated (November 2015) that even minimum targets set for tappers were not achieved in some blocks mainly due to poor tree conditions caused by illicit tapping as well as ineffective supervision under extremist conditions.

The reply points to the fact that illegal tapping was rampant in the plantations managed by the Company and the Company could not address this problem by effective deployment of protection guards, fencing vulnerable areas and public awareness programmes.

### 3.2.10.7 Supervision of field activities

Rangers, Foresters and Guards are the backbone of field supervision and are assisted by plantation workers in their day to day work. Even though there was prescribed sanctioned staff for the Company as a whole, sanctioned strength for each Division/RPC across various categories had not been prescribed. Hence, actual staff disposition against the requirement in each Division/RPC could not be analysed in audit. As could be observed from **Appendix- 3.2.8**, the vacancy position in these posts increased from 30 to 38 *per cent* during the review period.

As observed from the actual staff strength of three categories of supervisory staff as on 31 March 2015, only one supervisory staff was available for supervision of plantation activities spread over every 83 ha. of the plantation area, which was considerably inadequate. Thus, inadequacy of supervisory staff for field operations particularly the tapping activities had adverse impact on the overall yield/productivity of the plantations managed by the Company.

In reply, the Company stated (November 2015) that recruitment process for filling up the vacant post in supervisory staff has been initiated.

### 3.2.10.8 Incentive system

Analysis of rubber production of the Company showed that the percentage of scrap rubber<sup>47</sup> collected to total field collection (Rubber latex and scrap) varied from 15.49 *per cent* in 2010-11 to 17.24 *per cent* in 2014-15. This was against the Rubber Board

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<sup>47</sup> Coagulated form of rubber collected from tapping cut and latex cup



standard of 20 to 30 *per cent* of the scrap expected to be collected. Collection of the scrap below the standards was indicative of the possibility that all the scrap collected during tapping was not being deposited by tappers. The Company had an incentive system whereby the tappers were rewarded or penalised for production of latex and field scrap collection with reference to set benchmarks. The scheme of incentive as stipulated for peak and lean seasons is given in **Appendix - 3.2.9**. It could be seen that the minimum target per day per tapper for scrap collection set by the Company was only 14.06 *per cent* to 14.77 *per cent* of total field collection by the tapper. Thus, the standard set by the Company was below the industry norms prescribed by Rubber Board for scrap collection. Thus, the benchmarks set by the Company for award of incentives and penalties needs to be modified in line with the industry norms so as to improve the collection of scrap rubber from fields. It was observed that due to lower than acceptable standards on scrap collection the Company may have lost 22.64 *per cent* of scrap production valuing ₹ 4.65 crore<sup>48</sup> during the period of five years under review.

The Company stated (November 2015) that existing production of scrap rubber was as per norms of Rubber Board. The reply was factually incorrect as the audit observation was based on the industry norms prescribed and available on the official site of the Rubber Board.

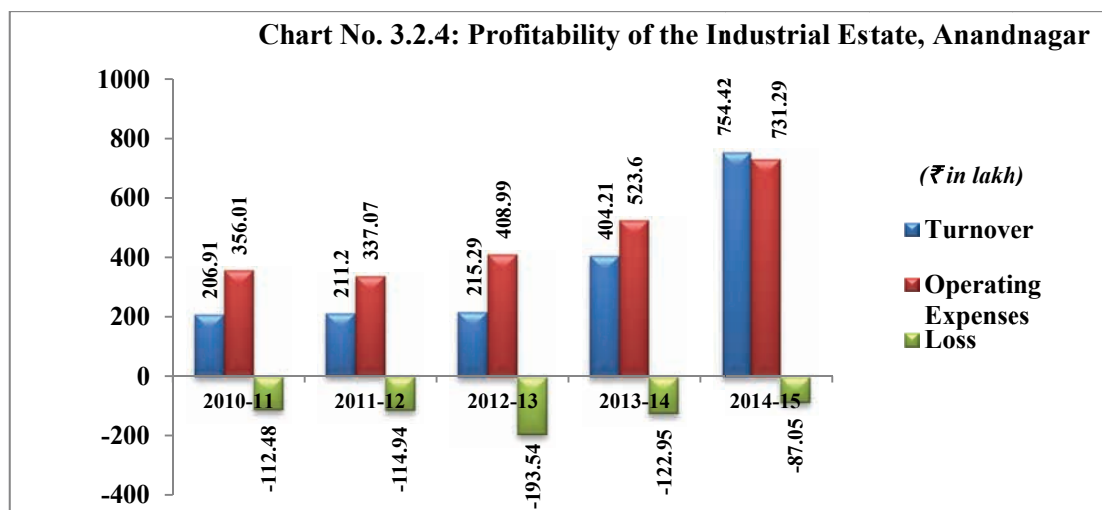
**Audit Objective 3: Economy, efficiency and effectiveness in processing and manufacturing activities and marketing operations**

**3.2.11 Processing and manufacturing activities**

**3.2.11.1 Rubber Wood Processing and manufacturing activities under the Industrial Estate, Anandnagar**

Industrial Estate of the Company located at Anandnagar was the center of all wood processing activities of the Company. The Estate comprises of (i) Timber Treatment Plant (TTP) (ii) Tripura Rubber Wood Factory (TRWF) (iii) Furniture Making Unit (Unakoti Crafts Factory-UCF) and (iv) Door manufacturing unit. The Company never carried out any financial and operational analysis to assess the economic viability of the Industrial Estate. Audit analysis revealed that the operations in the Industrial Estate resulted in a cumulative loss of ₹ 6.31 crore (**Appendix - 3.2.10**) during 2010-11 to 2014-15 as depicted in the chart below:

<sup>48</sup> Worked out based on the selling price of scrap rubber during the years concerned



Major components of operating expenses during the initial four years (2010-11 to 2013-14) were depreciation and establishment expenditure, which were of fixed nature and ranged from ₹ 1.54 crore (2010-11) to ₹ 1.69 crore (2013-14). The operational expenditure of the Estate could not be absorbed during any of the said four years mainly due to under utilisation of capacity and absence of effective marketing as discussed under **paragraph 3.2.11.1(e) infra**. Even though the overall turnover of the units functioning under the Estate had increased substantially during 2014-15, it was inadequate to generate operational surplus and the Industrial Estate continued to be in loss. Audit observations on issues that affected the production performance have been discussed in succeeding paragraphs.

### **3.2.11.1(a) Timber Treatment Plant and Tripura Rubber Wood Factory**

Round logs received from various plantations are sawn, sized, chemically treated and seasoned in the kilns to convert them into treated timber. Activities undertaken in the Industrial Estate, Anandnagar, have been depicted in the activity flow chart attached under **Appendix - 3.2.11**. The TTP had been in operation in the Estate since 1999 with an annual installed sawing capacity of 500 cum of round logs. The other factory (viz. TRWF) was commissioned (July 2008) at a total cost of ₹ 6.57 crore with facilities for sawing, treating and manufacturing of solid wood boards and thus, enhancing the total sawing capacity of the Industrial Estate to 9,000 cum of round logs annually. In addition, TRWF envisaged manufacture of 12,000 solid rubber wood boards on annual basis. The performance of the timber treatment units under two factories (viz. TTP and TRWF) during the five year period under review is given below:

Table No. 3.2.6

Year	Installed capacity of sawing units in TTP and TRWF (cum)	Targeted volume of making timber (cum)	Actual quantity of logs sawn (cum)	Processed timber produced (cum)	Scantling, timber and saw dust (cum)	Capacity utilisation (in percentage)
1	2	4	5	6	7=(5)-(6)	8=(5)÷(2)*100
2010-11	9,000	3600	2168.71	706.38	1462.33	24.10
2011-12	9,000	3600	1160.49	386.95	773.54	12.89
2012-13	9,000	3600	1861.60	649.52	1212.08	20.68
2013-14	9,000	3600	2674.48	887.18	1787.30	29.72
2014-15	9,000	3600	3252.23	1208.72	2043.51	36.14
<b>Total</b>			<b>11117.51</b>	<b>3838.75</b>	<b>7278.76</b>	<b>24.71</b>

From the **Table 3.2.6** above, it could be seen that the capacity utilisation of two factories against log sawing activities ranged from 12.89 *per cent* (2011-12) to 36.14 *per cent* (2014-15) during the period covered under review. Audit observed that shortage of technical manpower was one of the main reasons for low production. It was observed that against the sanctioned strength of 42 technical persons<sup>49</sup> in two factories, there were only 12<sup>50</sup> technical men in position as on 31 March 2015. The Committee on Public Undertakings (COPU) in its 47<sup>th</sup> Report had also recommended for recruitment of technical staff on regular basis. The Company, however, did not make any concrete efforts to comply with the recommendation of COPU (October 2015). Thus, the issue of low production in two plants remained unresolved due to inaction of the Company in recruitment of regular technical manpower despite the recommendations of COPU.

In reply, Company stated (November 2015) that recruitment process of technical persons was in progress.

### 3.2.11.1(b) Consumption of input material beyond norms/standards

As per standards adopted (2010-11) by the Company for costing purposes, 1,750 cum of round logs was required to manufacture 6,000 solid rubber wood boards (i.e; 0.2917 cum per board). Consolidated consumption-cum-manufacturing statement of logs and boards in respect of TRWF during the years 2010-15<sup>51</sup> has been given in **Table No.3.2.6**:

<sup>49</sup> (Supervisor-6, Boiler Attendant-1, Electrician -2, Machine operator-25, Saw bench operator-8)

<sup>50</sup> Supervisor-1 and Machine Operator-12

<sup>51</sup> (excepting 2013-14 when consumption was within standard)

Table No. 3.2.7

Year	No. of boards produced	Log used for timber conversion (cum)	Requirement of log as per standard (cum)	Excess log used (in cum)	Cost per cum of log ₹ <sup>52</sup>	Excess value of log used (₹ in lakh)
(1)	(2)	(3)	(4) = (2) × 0.2917	(5) = (3)-(4)	(6)	(7) = (5) × (6)
2010-11	1981	898.13	577.86	320.27	2941.83	9.42
2011-12	1883	742.84	549.27	193.57	2941.82	5.69
2012-13	1446	439.31	421.80	17.51	3707.00	0.65
2014-15	3380	1280.29	985.95	294.34	3707.00	10.91
<b>Total</b>		<b>3360.57</b>	<b>2534.88</b>	<b>825.69</b>		<b>26.67</b>

From the **Table 3.2.7** above, it could be seen that TRWF consumed 825.69 cum of logs worth ₹ 26.67 lakh in excess of the standards. The Company, however, did not analyse the reasons for excess consumption of input material in manufacturing activities of the unit. It was also observed that there was no system in vogue for periodical review of actual consumption of input material against prescribed standards and taking remedial action to address the issue. Thus, in absence of an effective system in place for monitoring of consumption of input material by manufacturing unit, the Company continued to bear extra manufacturing costs in TRWF.

In reply, the Company stated (November 2015) that figures of log consumption considered was incorrect. The Company, however, did not provide detailed calculations/workings in support of their claim.

The reply is not tenable in view of the fact the audit observation was based on the analysis of the annual production data compiled by Audit from the monthly production figures of TRWF as furnished by the Company. The compilation of production data was necessitated since the Company did not maintain annual production data in respect of TRWF in a readily verifiable form.

### 3.2.11.1(c) Management of waste timber and sawdust stock

As observed from the production records of TTP and TRWF, round log when sawn into timber results in a conversion loss of approximately 65 per cent in the form of scantling timber and sawdust. Part of this scantling timber could be used for manufacture of boards and furniture. The remaining waste was saleable as firewood and hence, all scantling bear some market value. Waste timber is also used as fuel in the boilers for kilns even though it was more profitable to utilise it in boards and furniture which had comparatively higher market value. As shown in **Table No. 3.2.6** under **para 3.2.11.1(a) supra**, a total quantity of 7,278.76 cum of scantling timber and firewood was generated in TTP and TRWF during 2010-15. No detailed records on usage of this waste timber were, however, maintained by the Company. There was no system in existence for conducting periodical physical verification of waste timber so generated in the production process to confirm the stock position.

<sup>52</sup> Cost of log includes Cost of Round log plus felling, logging and transportation charges per cum. Cost of log for the years 2010-11 and 2011-12 was taken on the basis of cost determined in February, 2011 and for 2012-13 to 2014-15, based on the cost of March 2013

In reply, the Company submitted (November 2015) a statement showing year-wise split up details of un-sized waste timber in respect of only one out of the two sawing units (TRWF).

The reply is not tenable in view of the fact that the monthly production reports for the sawing Units as earlier provided by the Company did not contain any details regarding the waste timber generated and utilised. Hence, the Company was requested to furnish the source and details of waste timber data furnished with the reply. The Company, however, did not submit any satisfactory clarification on the issue. This raises doubt on the authenticity of the data of the waste timber furnished by the Company with the reply.

### 3.2.11.1(d) Door Manufacturing Unit

A project for manufacture of rubber wood based doors was sanctioned (January 2008) by the Ministry of Commerce, GoI at an estimated cost of ₹ 5.08 crore. The project was fully export oriented and was expected to generate an estimated profit of ₹ 1.30 crore per annum. Out of the sanctioned amount, the Company received (July 2008 to March 2013) funds amounting to ₹ 4.89 crore<sup>53</sup> with the condition that any cost escalation during actual implementation of the project need to be borne by the Company. The factory was commissioned (November 2012) at a total cost of ₹ 5.95 crore including ₹ 1.06 crore from own sources. The production performance of the Door manufacturing unit during the three years from 2012-13 to 2014-15 is given below:

Table No. 3.2.8

Year	Effective capacity <sup>54</sup> (Nos.)	Actual production during the year (Nos.)	Capacity utilisation ( in percentage)	Orders received during the year (No. of doors)
(1)	(2)	(3)	(4)	(5)
2012-13 <sup>55</sup>	3,720	72	1.94	73
2013-14	11,200	404	3.61	166
2014-15	11,200	638	5.70	642
	<b>26,120</b>	<b>1,114</b>	<b>4.26</b>	<b>881<sup>56</sup></b>

From the **Table 3.2.8** above, it could be seen that capacity utilisation of the Unit was very low even after three years of commissioning of the project. The low capacity utilisation of the Unit was mainly attributable to lack of sufficient supply orders and demand for the products of the Unit. It was observed that although the Unit was supposed to be cent *per cent* export oriented, it was not able to export even a single door since its commissioning (November 2012). At present, sales of the products of the Unit were restricted to local market only. During 2012-15, the Unit could register

<sup>53</sup> Net funds received after deducting the processing fee (₹ 0.19 crore) at source by the financing authority.

<sup>54</sup> Based on the effective capacity of the Unit (40 doors per day for 280 days in a year) as worked out by the Company

<sup>55</sup> From December 2012

<sup>56</sup> Against these supply orders, the actual supplies were made for total 776 doors only.

an aggregate sale of 776 doors (valuing ₹ 37.43 lakh) in local market, which was merely 2.97 per cent of the effective capacity (26120 doors) of the Unit for the said period. The low demand for the products of the Unit was primarily attributable to absence of adequate efforts of the Company in strongly promoting the value added product. Besides, the absence of adequate technical manpower had also adversely affected the production performance of the Unit. It was observed that as against the projected requirement of 68 employees for achieving full scale production, actual staff in position (contractual) ranged from 6 to 8 only during the review period pointing to apathy of Management in improving the production performance. Thus, despite availing substantial funding from GoI of establishment of first fully export oriented project of its kind in North East, the Unit could not achieve the intended objectives of the project in absence of effective marketing and adequate manpower.

In reply, the Company stated (November 2015) that to cope up with the insufficient capacity of Unakoti Crafts Factory (UCF), the machineries in the Door factory were being used for manufacture of other furniture. The reply was, however, silent on the reasons for not recruiting adequate number of technical manpower to improve the production performance of the Unit.

The reply was indicative of the fact that the capacities of the export oriented Unit were diverted on other works defeating the intended objectives of the project.

### **3.2.11.1(e) Marketing for the products of the Industrial Estate, Anandnagar**



**Company's showroom located in its Head Office building was rarely promoted.**

Marketing is indispensable for enhancing the acceptability of any product in the market. Even though rubber products had captive demand and need not have aggressive marketing, rubber wood had to compete with other available types of wood and hence, required active promotion. The Company, however, did not have any marketing department or professionally trained personnel for efficient and

effective execution of marketing and promotional activities relating to the products of the Industrial Estate, Anandnagar. In this connection, following observations are made:

- During the review period of five years, the Company spent a negligible amount aggregating ₹ 10.30 lakh on advertisement (₹ 2.77 lakh) and sales promotion (₹ 7.53 lakh) for creating market awareness for rubber wood timber and doors. The Company had also not tied up with any agency including the Central and State PSUs or e-tail platforms/online retailers for sales/promotion of the rubber wood products manufactured in the Industrial Estate of the Company. Inadequacy of



marketing efforts on part of the Company had contributed towards low demand for Company's products.

- Analysis of records revealed that the Industrial Estate was highly dependent on Government orders (mainly schools) for sale of its products particularly the furniture products manufactured in UCF. It was observed that during 2014-15, the sales of the products to private parties (₹ 3.53 lakh) formed only 0.47 per cent of total sales (₹ 754.42 lakh). Further, the sales of the Industrial Estate to private parties during the period from 2010-11 to 2014-15 decreased from ₹ 9.65 lakh (2010-11) to ₹ 3.53 lakh (2014-15) substantiating the audit contention regarding inadequacy of the marketing effort by the Company.
- TRWF was established in the Estate on the premise that there was good market for rubber wood in the Country. As envisaged in the detailed project report of TRWF, the market was to be tapped by opening of new showrooms in Kolkata, Guwahati and Agartala and appointing sales agents (commission basis) for sales of the products manufactured in TRWF. Further, as per the project report, an amount of ₹ 20 lakh had to be set apart by the Company to create necessary infrastructure for the purpose. No action was, however, taken by the Company to implement any of these steps (October 2015).
- The Company had two showrooms, one in its HO Complex and another in Anandnagar located in a remote area located at a distance of 15 km from the City. No trained personnel, however, had been deployed in these showrooms to improve their sales performance. The Company had also neither fixed any accountability nor set any sales targets etc. to monitor and improve the sales performance of two showrooms.

Thus, there was significant under-utilisation of capacity for processing rubber wood units at the Industrial Estate, Anandnagar in the absence of adequate and effective efforts on part of the Company for expanding the market of its products.

In reply, the Company stated (November 2015) that it has sufficient orders and since it was a Government Undertaking, priority was given to Government sales.

The reply substantiates the Audit contention regarding high dependence of the Company on Government orders and its inability to attract other segments of customers through effective marketing.

#### **3.2.11.1(f) Recruitment plan for timber processing factories**

The Company reviewed (March 2013) the requirement of Managers and support staff *vis-a-vis* the existing strength of the staff in the context of the existing capacities of the manufacturing units (*viz.* TTP, TWRF and UCF) located in the Industrial Estate, Anandnagar. It was concluded that the existing strength of Managers and support staff was inadequate to use the capacity of the machines and other infrastructure installed in the manufacturing units. The plan recommended for operation of double shift at TTP and TRWF. For this purpose, the Company felt the need to fill the existing vacancies



against the sanctioned strength of the employees and also to review the entire manpower situation in this context for fresh recruitment of suitable personnel on top priority. The Company also planned that realistic assessment of manpower requirement would be carried out every year immediately after the monsoon season so as to fill up the vacancies within two months after monsoon. No concrete steps were, however, seen to have been taken by the Company to implement these plans so as to improve the production performance of these units.

### **3.2.11.2 Manufacture of Cenex**

The Company operated a centrifuging factory at Takmacherra where field latex<sup>57</sup> is centrifuged and converted into Cenex (having DRC of 60 *per cent*). Skim generated during this process is collected and used to manufacture skim crepe by further processing separately. In addition, the factory also produces Pale Latex Crepe (PLC) directly from field latex whenever necessary. Manufacture of PLC did not involve any centrifuging process.

#### **3.2.11.2(a) Efficiency of centrifuging operations**

Centrifuging factory operated two Centrifuging machines for manufacture of Cenex. Efficiency of a centrifuging machine is judged on the basis of DRC in the input (field latex) material *vis-à-vis* that in the output, namely Cenex. The rated efficiency of the installed machine was 90 *per cent*. The Company spent (October 2012) an amount of ₹ 25.10 lakh to replace one of the older centrifuging machine with a new machine having a higher rating. Analysis of Rubber production statements furnished by the Company showed that actual efficiency of operation of these machines was much lower (by upto 35 *per cent*) than that prescribed efficiency of 90 *per cent* during all the five years from 2010-11 to 2014-15 as shown in **Appendix -3.2.12**.

Low efficiency of centrifuging machines indicated that huge quantity of latex was being removed as skim which incidentally commanded lower market price even after conversion into skim crepe. Efficiency of centrifuging machines depends upon factors like length of skim screw, feed rate and running time, etc., which could be ensured only through well trained workers and continuous supervision of machine operations. Low efficiency pointed out above indicated that these factors were not taken into account during manufacturing process resulting in potential loss of revenue to the extent of ₹ 2.46 crore during the period 2010-11 to 2014-15 as shown in **Appendix -3.2.12**.

In reply, the Company stated (November 2015) that low efficiency as commented by Audit was not correct as the input DRC taken for calculation was higher than the actual due to adulteration of latex and falsification of records to conceal the same. As soon as the matter was detected, action was taken to arrest the same.

The reply is not tenable as the Audit observation was based on figures certified and accounted by the Company and as reported by it to the Rubber Board.

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<sup>57</sup> Normally containing 30 to 35 *per cent* of Dry Rubber Content (DRC)

### 3.2.11.3 Manufacture of ISNR

Scrap rubber collected from plantations is further processed into Technically Specified



**Deteriorated condition of scrap rubber at ISNR Factory**

Rubber also known as Indian Standard Natural Rubber (ISNR). ISNR is classified into different grades based on various certified quality parameters like ISNR5, ISNR10, ISNR20, ISNR50, etc. each progressively having lower quality and value. Quality of ISNR is largely determined by quality of input scrap which tends to deteriorate if stored for a long period.

ISNR Factory of the Company commenced production in April 2013 at its industrial complex in Takmacherra. The effective production capacity of the factory was 5 MT of finished product per day. Audit analysis of operation of the factory for the two years (*viz.* 2013-14 and 2014-15) revealed the following:

- As on March 2013, the factory had a stock of 282.110 MT of scrap rubber, which was equal to six months requirement in single shift operation of the factory. Audit observed that this scrap had progressively accumulated from the year 2010-11 when the proposal for the factory was initiated. The Company could have fetched a revenue of ₹ 3.95 crore through disposal of the scrap stock at the selling price prevailing during 2010-11 and 2011-12. Capacity utilisation of ISNR factory for the two years after commencement of production (April 2013) was low at 5.37 per cent (2013-14) and 20.23 per cent (2014-15) only. Accumulation of scrap over a long period prior to and even after commencement of production resulted in deterioration of its quality due to oxidation. Consequently, a significant proportion (20.76 per cent) of the production of the factory (during 2014-15) was the lower grade ISNR50 while 22 per cent could not be graded at all (off grade) due to below par quality. Lower quality of finished product resulted in short realisation of revenue to the extent of ₹ 0.27 crore (**Appendix - 3.2.13**) during 2014-15 when compared with the price realised for higher grade product namely ISNR20.
- It was also observed that the unit cost of production was high due to high consumption of diesel by the drier. As against the industry standard of 35-40 litres of diesel per MT of production, the actual diesel consumption in the production process worked out to 48.27 litres per MT of ISNR during 2014-15 resulting in additional production cost. As opined (August 2013) by the technical consultant appointed for reviewing the operations of ISNR factory, high consumption of diesel was mainly due to low capacity utilisation and defective design of drier which allowed leakage of heated air. No corrective measures were, however, taken by the Company in this regard (November 2015).

In reply, the Company accepted the audit observation and stated (November 2015) that efforts would be taken to produce higher quality ISNR since the old stock of scrap has got exhausted.

#### 3.2.11.4 Mechanisation of rubber processing in the RPCs

Latex is coagulated into thin slabs of coagulum by mixing with water and formic acid. The coagulum is rolled through a set of smooth rollers and then dried and smoked to obtain sheet rubber. The RPCs of the Company located in various parts of the State collected liquid rubber latex for further processing into sheet rubber. The cost of such conversion *inter alia* included the cost of formic acid, fuel and wages for labour. Audit observed that conversion cost incurred by the Company during the period from 2012-13 to 2014-15 was higher by ₹ 0.60 crore in aggregate when compared with the conversion cost incurred by another state owned company (Tripura Rehabilitation Plantation Corporation Limited) engaged in similar activities.

Analysis of production costs revealed that higher conversion cost was mainly due to fixation of labour norm at a higher level (44 mandays) than that allowed by TRPCL (42 mandays) for processing one MT of latex. Audit observed that the labour norm adopted by the Company was fixed in 1999 and since then, the same had not been revised. In addition, the Company also failed to take full advantage of mechanisation in rubber processing so as to bring down labour cost. It was observed that only 11 out of 39 RPCs were provided with electric roller machines for rubber processing which incidentally reduced the requirement of mandays to only 27 per MT. Use of electric roller machines in its RPCs could have resulted in a saving of manpower cost to the extent of ₹ 34.49 lakh per annum<sup>58</sup> (based on production figures for 2014-15) as shown **Appendix - 3.2.14**. Considering the scope for massive reduction in manpower cost, use of electric roller machines should have been the norm rather than the exception.

In reply, the Company stated (November 2015) that mechanised roller machine could not be provided in all production centres due to absence of electricity in all the RPCs.

The reply is not tenable in view of the fact that the electric roller machines had not been provided even in RPCs having power connection as revealed during the test check<sup>59</sup> of RPCs. The Company, however, should take necessary steps for electrification of all RPCs so as to reduce the production costs by installing mechanised roller machines.

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<sup>58</sup> After considering the additional expenditure on account of electricity charges

<sup>59</sup> Conducted in five RPCs in Sadar Division

**Audit Objective4: Efficiency and effectiveness of monitoring and internal control mechanism.**

**3.2.12 Monitoring and Internal control**

**3.2.12.1 Monitoring**

Activities of the Company are varied, complex and geographically spread out across the State. Effective monitoring of the activities carried out by various functional units is essential to ensure that common organisational objectives are achieved. Audit observed the following deficiencies in overall supervision and monitoring:

**3.2.12.1(a) Monitoring by Board of Directors**

During April 2010 to March 2015, Board of Directors of the Company held twenty three meetings. Scrutiny of the minutes of these meetings revealed the following:

- As discussed under **para 3.2.8.2(b) supra**, the Board of Directors of the Company had approved Five year tree extraction plan around three years back in April 2013. Even though the Company could not achieve the tree extraction plan and re-plantation programmes, the issue was not reviewed by the Board of Directors for necessary remedial action till date (November 2015).
- Minutes of Board meetings held during 2010-11 to 2014-15 did not give any indication that the Board discussed and monitored progress achieved in beneficiary plantation programmes.
- It was observed that the issue of encroachment continually came up before the Board for consideration and possible remedial action. No strategy or definitive plan of action was, however, formulated by the Company to resolve the problem of encroachments (October 2015).

**3.2.12.1(b) Monitoring by top management**

To assess the progress made in achievement of set targets, Executive Director of the Company was convening monthly review meetings with the Divisional Managers. Review of records relating to these meetings revealed the following:

- Effective steps for improvement of performance were not seen suggested in the cases of poor progress noticed in achievement of the targets .
- Even though the operation of the manufacturing units at Takmacherra and Anandnagar was critical to the profitability of the Company, no targets at any level had been set for these manufacturing units during major part of the review period. In absence of the performance targets, monitoring of the activities of these manufacturing units was not effective.
- There was no independent vigilance mechanism in place under the top management to ensure the integrity of operations and safety/security of assets of the Company. Such a mechanism was essential considering the statewide operations of the Company.

### **3.2.12.2 Internal control**

Internal control system of an organisation ensures achievement of organisational objectives, effective utilisation of resources, safeguarding of assets and availability of reliable information to the management and other stakeholders. The deficiencies noticed in the internal control system of the Company have been discussed in the following text.

#### **3.2.12.2(a) Financial controls**

- The Company did not conduct any internal audit of its activities during the years 2010-11 and 2011-12. Review of internal audit reports pertaining to the years 2012-13 to 2014-15 showed that the reports were silent on vital issues like efficacy of systems and controls particularly in manufacturing units, adherence to plans, policies and procedures, operational efficiency, etc. This made the internal audit exercise of the Company to be superficial and unfruitful.
- The finalisation of annual accounts of the Company was not up-to-date and there was back log of at least one year accounts throughout the period of five years under review. It was observed that Finance and Accounts wing of the Company was manned by clerical staff and the Company was fully dependent on external agencies for the works relating to compilation of accounts, internal audit, tax matters, etc., without any corresponding internal oversight or control. The accounts of the Company for the year 2013-14 (compiled by external agencies) also deviated from the format approved under the Companies Act, 1956 (Schedule-VI), which was also commented by CAG during supplementary audit.
- Manufacturing operations and value added products occupy increasing share of sales portfolio of the Company. Despite this fact, there had been no attempts to introduce reliable costing systems that could help the management in ensuring that its products were priced competitively after covering all overheads.

#### **3.2.12.2(b) Operational controls**

- Plantation journals are detailed records maintained in each RPC showing various particulars of plantations raised like area, type of species, physical and financial particulars of silvicultural techniques adopted each year, etc. Audit observed that plantation journals in the RPCs were maintained in a rudimentary manner without the necessary details like area, location, type of seed/clone, details of planting and maintenance activities, etc. Absence of basic and reliable data in respect of the plantations under its control was a major constraint faced by the Company in effective monitoring and taking legal course of action to make the plantation area free from encroachment. Maintenance of the plantation journals at each RPC detailing complete particulars of the plantations falling under the control of respective RPC could be useful in effective monitoring of the plantation activities and improving the performance of the plantations managed by the Company.

- No functional manuals were prepared by the Company prescribing the policies and procedures for various operational activities, like financing, management of plantations, procurements, purchases, maintenance of stores and stock, etc. for guidance of the functional heads.
- No Control Registers were being maintained by the Company at the head office level in respect of various activities, such as Purchases, Works, etc.
- The Company was unable to control widespread theft of latex in some of the vulnerable RPCs like Abhangcherra and Sachirambari. No action plan was formulated to prevent the same despite the fact that large scale re-plantation was being taken up in the area.
- The Company had a sound system of recording and reconciliation of production data relating to rubber and value added products. Management Information System of the Company was, however, found to be deficient in other operational areas. The Corporate Office was fully dependent on Divisional Offices for compilation and updation of basic plantation data like land area, extent of plantations, details of planting, maintenance and extraction of plantations, development activities undertaken, etc. There was no system of cross verification of the plantation data on the same area generated from different sources (e.g., Area of plantations raised during a particular year) due to which data integrity was affected and varying data on same topic was being generated from different sources. This was mainly due to lack of coordination and chain of authority at the Head Office where clerical staff were directly reporting to top level management without any middle level supervision who would have reconciled/verified the details.
- There was no uniform data formats applicable to all five divisions of the Company. For example, Divisions adopt different formats for submitting required information on preparation of Annual Action Plans. Similarly, there was no standard format for preparing the proposals regarding payment of incentive and bonus, etc. by the Divisions. The Company needed to prescribe uniform formats for all centralised activities.
- There were no set standards for deployment of manpower in 5 Divisions and 39 RPCs.
- Even though Central Stores at Anandnagar held huge inventory of stock (rubber sheets, scrap rubber) there was no independent third party physical verification of stock and the same was certified by the Officer in charge.
- The Company did not comply with manpower safety requirements stipulated by Factories Act, 1948, which included fencing off the dangerous machineries, clothing and accessories of workers and provisions for first aid, etc.

The internal control system of the Company needed to be strengthened by addressing the above financial and operational control issues which had the potential to undermine the organisational goals.



### **3.2.13 Conclusion**

The Company was one of the few State PSUs which recorded profits and paid dividend. The operational surplus of the Company was, however, increasingly under strain due to the losses made by its wood processing activities and declining trend of rubber prices.

The Company did not have any long term planning mechanism to attain its laid down objectives. The Annual Action Plans prepared by the Company merely served the purposes of addressing the immediate and short term issues without addressing the core issues in long run like poor yield, low capacity utilisation of processing units, manpower shortages, low demand for processed wood products and financial uncertainty on account of fluctuating prices of its products, etc. The first Five year Tree extraction plan (2013-14 to 2017-18) prepared by Company did not adequately consider the necessity of replanting of over matured and thinly populated plantations so as to improve productivity.

Forest lands handed over to the Company for raising plantations were encroached in the absence of legal title, lack of proper documentation, inadequate monitoring and absence of effective administrative action for eviction of encroached areas. The Company irregularly utilised the forest land allotted for the benefits of tribal for own commercial plantations in violation of the Government of India approval, thus depriving the tribal community of the intended benefits of land allotment besides involving the risk of payment of compensation towards said diversion of forest land.

The average yield from the plantations managed by the Company was less than half of the average yield of the State during the five years under review mainly due to delay in re-plantation in over-matured plantation areas, failure of replanted areas, poor density of tapping trees, low productivity and absenteeism of tappers, inadequate field supervision and control, etc.

Rubber wood processing activities of the Company resulted in substantial operational losses due to low capacity utilisation, manpower shortage, lack of adequate marketing efforts and lack of performance evaluation of the production units. The operations of Cenex and ISNR manufacturing facilities were also not efficient in absence of trained workers and effective supervision of operations.

Monitoring and internal control activities had scope for improvements.

### **3.2.14 Recommendations**

The Government/the Company should consider the following recommendations:

- The Company should strengthen its planning mechanism by devising long term perspective plans on scientific basis in line with its laid down objectives;
- The Government and the Company should jointly identify encroached forest land and take urgent steps to reclaim the area. Action should be taken to legalise



the Company's control over the plantation areas by entering into formal lease agreements with Government. Effective measures should be taken to prevent further encroachments and accountability should be fixed for any lapse in this regard;

- To improve the yield from its plantations, the Company should accelerate re-plantation activities particularly in over-matured areas and adopt best labour and plantation management practices in consultation with the Rubber Board;
- The Company needs to prepare comprehensive plan for effective marketing and publicity of its rubber wood products so as to improve capacity utilisation and operational performance of its wood processing units. Besides, recruitment of adequate and skilled manpower and ensuring effective supervision of their work at the production centre level may also be desirable to improve the financial viability of its production units.
- The Company should strengthen its monitoring/management information systems in order to ensure effective control over its operations.

**POWER DEPARTMENT**  
**(Tripura State Electricity Corporation Limited)**

**3.3 Avoidable payment of interest**

**Negligence in filing of Annual Income Tax Return and shortfall in remittance of Advance Income Tax resulted in avoidable interest expenditure of ₹ 4.52 crore.**

Under the provision of Section 139 and 140 A of the Income Tax Act, 1961 (Act), every company at the close of each financial year, must assess its tax liability for the year, adjust both advance tax paid and tax deducted at source and deposit balance tax payable on self assessment and file the Income Tax Returns (ITR) within 30 September of the assessment year. Further as per Section 208 of the Act, it is obligatory for a company to pay Advance Income Tax (AIT) in four quarterly installments<sup>60</sup> during the relevant financial year. As per Section 234 A of the Act, simple interest at one *per cent* per month is payable in case of default in furnishing of ITR on due date. Further, as per Section 234 B of the Act, simple interest at one *per cent* per month is also payable on the amount of shortfall in assessed tax, if the advance tax paid fall short by more than 10 *per cent* of the assessed tax. In addition, as per Section 234 C, in case of delay in payment of Advance Income Tax on due dates simple interest at one *per cent* per month is payable.

We observed (August/September 2014) that Tripura State Electricity Corporation Limited (Company) failed to file the ITR for the Assessment Years 2009-10 and 2010-11 on time. Further, there was shortfall in payment of Advance Income Tax (AIT) besides delays in payment of AIT on due dates. Due to the above irregularities, the Company had to pay interest aggregating ₹ 7.79 crore towards non-filing of ITR on time under Section 234 A (₹ 4.04 crore), shortfall in payment of AIT under Section 234 B (₹ 3.11 crore) and non-payment of AIT within the due dates under Section 234 C (₹ 0.64 crore). This resulted in net interest expenditure of ₹ 4.52 crore<sup>61</sup> which could have been avoided by paying the quarterly installments of AIT within the prescribed time and by filing of IT return on due date as per the provisions of the Act. Non compliance with the provisions of the Act reflected lack of financial prudence on the part of the Company.

The matter was reported (June 2015) to the Government/Company; their reply had not been received (November 2015).

<sup>60</sup> On or before 15 June, 15 September, 15 December and 15 March.

<sup>61</sup> After considering interest amounting to ₹ 3.27 crore earned from unpaid tax amount computed based on average fixed deposit rates for the corresponding financial years.

### 3.4 Extra expenditure

**Non-application of the prescribed selection criteria uniformly for all the bidders resulted in extra expenditure of ₹ 36.09 lakh on purchase of distribution transformers.**

Distribution Transformers (DTs) are used for stepping up/down of voltage of current supplied to the consumers and is expected to be in operation for a period of 25 years. When in operation, DTs incur energy losses, which can be classified into ‘no load losses’ (i.e. loss associated with the core of the DT) and ‘load losses’ (i.e. loss associated with the current flowing through the coils of the DT). Accordingly, while procuring DTs, the effective costs over the lifetime of DTs has to be considered by adding the capitalised cost<sup>62</sup> of these inherent losses to the value of DTs.

Scrutiny of records of Tripura State Electricity Corporation Limited (Company) revealed that the Company had floated (June 2012) Notice Inviting Tender (NIT) for procurement of 300 DTs of 63 KVA capacity at an estimated cost of ₹ 2.43 crore. Section IV (Para 7.3) of the NIT specified the loss capitalisation factor to be considered during evaluation of the bid. While the ‘no load loss’ factor was fixed at ₹ 3,71,577 per KW, ‘load loss’ factor was specified as ₹ 49,048 per KW. As per the NIT conditions, the supplier also had to furnish Guaranteed Technical Particulars (GTP) declaring the ‘load’ and the ‘no load’ losses of the DTs to be supplied by the supplier. As per Clause 8.0 of Section II of the NIT, the particulars declared in GTP were to be supported by the type test reports from specified laboratories. Of the four bidders whose technical and commercial bids were accepted, two bidders namely, M/s Eastern Trafo Pvt. Ltd.(ETP) and M/s Siliguri Electric Works (SEW) were evaluated to be L<sub>1</sub> and L<sub>2</sub> based on their quoted prices of ₹ 96,135 and ₹ 87,680 respectively after taking into account the value of capitalised loss mentioned *supra*. The Purchase of 300 Nos. of 63 KVA DTs from ETP was approved (September 2012) by the Board of Directors and purchase order was issued (October 2012) for a total amount of ₹ 2.99 crore<sup>63</sup>. The supply was completed in August 2013.

Scrutiny of the selection process of suppliers revealed that the tender conditions were not applied uniformly at the time of evaluation of the bids by the Deputy General Manager (Material Management) of the Company. It was observed that even though type test results had been furnished by both the bidders, losses declared in the GTP were considered in the case of evaluating the offer of ETP (L<sub>1</sub>), while actual losses as per type test results were considered for SEW (L<sub>2</sub>). It was observed that if the Company had evaluated the bids after taking into account the actual energy loss figures as per the type test reports of the two bidders, effective cost of ETP (L<sub>1</sub>) would have been higher by ₹ 4,827.83 per DT than the effective cost of DTs offered by SEW

<sup>62</sup> Capitalised cost is arrived at by multiplying the loss capitalisation factor (₹ per Kw) pre-determined by the Company with ‘load’ / ‘no load’ loss (in Kw) as certified in test reports.

<sup>63</sup> 150 Nos. @ ₹ 96,135 (Nil Excise Duty) and 150 Nos. @ ₹ 1,03,283 (incl.Excise Duty @ 12.36 per cent)

(L<sub>2</sub>) as shown in **Appendix- 3.4.1**. This was due to the higher tested 'load loss' of ETP than that declared in its GTP.

Thus, non-application of the prescribed selection criteria uniformly for all the bidders resulted in extra expenditure of ₹ 36.09 lakh<sup>64</sup> on purchase of distribution transformers.

The matter was reported (June 2015) to Government/Company; their replies had not been received (November 2015).

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<sup>64</sup> (₹ 2,99,12,745) - (₹ 87,680 x 300) = ₹ 36,08,745

## **CHAPTER IV: REVENUE SECTOR**



## CHAPTER IV: REVENUE SECTOR

### 4.1 GENERAL

#### 4.1.1 Trend of revenue receipts

The tax and non-tax revenue raised by the Government of Tripura during the year 2014-15, the State's share of net proceeds of divisible Union taxes and duties assigned to the State and Grants-in-aid received from the Government of India during the year and the corresponding figures for the preceding four years are mentioned in the following table:

**Table No. 4.1.1: Trend of revenue receipts**

(₹ in crore)

Sl. No.	Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
<b>I.</b>	<b>Revenue raised by the State Government</b>					
	Tax revenue	622.34	858.02	1,004.65	1,073.91	1,174.26
	Non-tax revenue	131.79	214.22	178.75	246.52	195.64
	<b>Total</b>	<b>754.13</b>	<b>1,072.24</b>	<b>1,183.40</b>	<b>1,320.43</b>	<b>1,369.90</b>
	<i>Increase over previous year (%)</i>	<i>15.59</i>	<i>42.18</i>	<i>10.37</i>	<i>11.58</i>	<i>3.75</i>
<b>II.</b>	<b>Receipts from the Government of India</b>					
	Share of net proceeds of divisible Union taxes and duties	1,122.36	1,307.56	1,493.18	1,630.25	1,730.13
	Grants-in-aid	3,292.11	4,097.10	4,373.72	4,699.50	6,139.70
	<b>Total</b>	<b>4,414.47</b>	<b>5,404.66</b>	<b>5,866.90</b>	<b>6,329.75</b>	<b>7,869.83</b>
<b>III.</b>	<b>Total Revenue Receipts of the State Government (I and II)</b>	<b>5,168.60</b>	<b>6,476.90</b>	<b>7,050.30</b>	<b>7,650.18</b>	<b>9,239.73</b>
<b>IV.</b>	<b>Percentage of I to III</b>	<b>15</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>15</b>

Source: Finance Accounts

The above table indicates that during the year 2014-15, the revenue raised by the State Government was ₹ 1,369.90 crore which was 15 per cent of the total revenue receipts. The balance 85 per cent of the receipts during 2014-15 was from the Government of India. The growth of revenue receipts during 2014-15 was only 3.75 per cent as compared to 11.58 per cent during the year 2013-14.

**4.1.1(a) Tax Revenue:** The details of the tax revenue raised during the period 2010-11 to 2014-15 are given in the following table:

**Table No. 4.1.2: Details of Tax Revenue raised**

(₹ in crore)

Sl. No.	Head of revenue	2010-11		2011-12		2012-13	
		BE	Actual	BE	Actual	BE	Actual
1	Sales Tax/VAT	475.00	444.93	598.00	666.32	670.00	763.07
2	State Excise	70.00	85.85	82.50	94.68	100.00	114.00
3	Stamps and Registration Fees	28.00	24.23	19.97	30.73	30.00	36.71
4	Taxes on Vehicles	45.00	21.92	44.57	25.18	40.00	30.73
5	Other Taxes on Income and Expenditure <sup>1</sup>	32.00	29.22	31.50	30.27	32.00	32.16
6	Land Revenue	15.00	15.25	5.82	9.33	20.00	26.44
7	Other Taxes and Duties on Commodities and Services	2.00	0.91	1.09	1.42	1.37	1.36
8	Others	0.05	0.03	0.03	0.09	0.07	0.18
<b>Total :</b>		<b>667.05</b>	<b>622.34</b>	<b>783.48</b>	<b>858.02</b>	<b>893.44</b>	<b>1,004.65</b>

<sup>1</sup> Includes taxes on profession, trades, calling and employment.



Table No. 4.1.2: Details of Tax Revenue raised (concl'd.)

(₹ in crore)

Sl. No	Head of revenue	2013-14		2014-15		Percentage of increase (+) or decrease (-) in 2014-15 over 2013-14	
		BE	Actual	BE	Actual	BE	Actual
1	Sales Tax/VAT	914.15	837.09	950.00	909.81	(+)3.92	(+)8.69
2	State Excise	128.70	115.18	179.46	138.96	(+)39.44	(+)20.65
3	Stamps and Registration Fees	37.00	39.24	42.54	37.56	(+)14.97	(-)4.28
4	Taxes on Vehicles	36.11	36.79	40.00	36.09	(+)10.77	(-)1.90
5	Other Taxes on Income and Expenditure <sup>1</sup>	34.00	35.03	37.00	38.93	(+)8.82	(+)11.13
6	Land Revenue	30.00	8.07	24.87	10.76	(-)17.10	(+)33.33
7	Other Taxes and Duties on Commodities and Services	3.82	1.64	4.25	1.87	(+)11.26	(+)14.02
8	Others	0.22	0.87	0.25	0.28	(+)13.64	(-)67.82
<b>Total:</b>		<b>1,184.00</b>	<b>1,073.91</b>	<b>1278.37</b>	<b>1174.26</b>	<b>(+)7.97</b>	<b>(+)9.34</b>

Source: (BE: Budget at a Glance, Actual: Finance Accounts)

The Finance (Excise & Taxation) Department furnished the following reasons for increase in revenue in 2014-15 as compared to 2013-14.

**Taxes on sales, trade, etc.:** The increase in collection of Sales Tax/VAT (8.69 per cent) was due to check in evasion of taxes, increase in vigilance activities, intensive checking at Churaibari Check-Post and regular monitoring of tax collection and efficient tax administration.

**State Excise :** The increase in collection of State Excise (20.65 per cent) was due to growth in collection of license fee which was supposed to be realised in the financial year 2013-14 but collected in the financial year 2014-15.

The other departments despite being requested (August 2015) did not furnish the reasons for variations in tax receipts with respect to the previous year (November 2015).

**4.1.1(b) Non-Tax Revenue:** The details of the non-tax revenue raised during the period 2010-11 to 2014-15 are indicated in the following table:

Table No. 4.1.3: Details of Non-tax revenue raised

(₹ in crore)

Sl. No.	Head of revenue	2010-11		2011-12		2012-13	
		BE	Actual	BE	Actual	BE	Actual
1	Interest Receipts	25.00	23.24	26.25	50.66	30.00	67.88
2	Industries	14.00	30.63	13.10	39.80	35.00	41.20
3	Police	25.00	24.73	20.00	37.33	20.00	28.48
4	Public Works	9.00	7.83	10.00	7.84	15.00	5.56
5	Forestry and Wildlife	7.00	7.64	6.91	6.98	1.20	6.56
6	Water Supply and Sanitation	3.00	1.21	1.00	1.26	2.15	1.68
7	Miscellaneous General Services	44.50	11.29	22.25	11.60	11.93	0.80
8	Other Administrative Services	18.60	3.91	15.65	5.45	22.35	5.36
9	Medical and Public Health	8.00	4.06	5.37	5.14	8.00	6.95
10	Crop Husbandry	2.50	1.85	1.68	1.93	2.70	1.97
11	Animal Husbandry	3.00	1.57	1.30	1.32	2.15	1.49
12	Housing	3.00	1.35	1.00	1.73	2.15	1.71
13	Education, Sports, Art and Culture	2.00	1.27	1.65	2.06	2.00	0.68
14	Stationery and Printing	3.05	1.51	1.50	1.40	1.75	1.28
15	Others	22.55	9.70	9.44	39.72	21.93	7.15
<b>Total:</b>		<b>190.20</b>	<b>131.79</b>	<b>137.10</b>	<b>214.22</b>	<b>178.31</b>	<b>178.75</b>

Table No. 4.1.3: Details of Non-tax revenue raised (concl.)

(₹ in crore)

Sl No.	Head of revenue	2013-14		2014-15		Percentage of increase (+) or decrease (-) in 2014-15 over 2013-14	
		BE	Actual	BE	Actual	BE	Actual
1	Interest Receipts	35.00	86.47	80.00	46.02	(+)128.57	(-)46.78
2	Industries	50.44	59.91	85.00	65.01	(+)68.52	(+)8.51
3	Police	48.00	33.95	50.00	34.34	(+)4.17	(+)1.15
4	Public Works	15.00	8.54	25.00	8.92	(+)66.67	(+)4.45
5	Forest	10.05	7.70	8.00	9.83	(-)20.40	(+)27.66
6	Water Supply and Sanitation	1.52	7.32	1.07	1.92	(-)29.61	(-)73.77
7	Miscellaneous General Services	-	21.24	-	5.27	-	(-)75.19
8	Other Administrative Services	8.00	4.52	5.56	6.28	(-)30.50	(+)38.94
9	Medical and Public Health	9.00	2.84	3.75	3.00	(-)58.33	(+)5.63
10	Crop Husbandry	2.66	2.48	2.50	2.79	(-)6.02	(+)12.50
11	Animal Husbandry	2.13	2.13	1.47	2.47	(-)30.99	(+)15.96
12	Housing	3.28	1.80	2.28	1.84	(-)30.49	(+)2.22
13	Education, Sports, Art and Culture	3.00	1.32	3.00	1.45	-	(+)9.85
14	Stationery and Printing	1.80	1.29	1.50	1.83	(-)16.67	(+)41.86
15	Others	30.12	5.01	20.87	4.67	(-)30.71	(-)6.79
<b>Total:</b>		<b>220.00</b>	<b>246.52</b>	<b>290.00</b>	<b>195.64</b>	<b>(+)31.82</b>	<b>(-)20.64</b>

Source: (BE: Budget at a Glance, Actual: Finance Accounts)

The reasons for variation in non-tax receipts were not furnished by the respective departments (November 2015) although called for (August 2015).

#### 4.1.2 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2015 on some principal heads of revenue amounted to ₹ 67.12 crore of which ₹ 14.16 crore was outstanding for more than five years, as detailed in the following table:

Table No. 4.1.4: Arrears of revenue

(₹ in crore)

Sl. No.	Head of revenue	Total amount outstanding as on 31 March 2015	Amount outstanding for more than 5 years as on 31 March 2015	Replies of Department
1	Taxes/VAT.	67.12	14.16	-
<b>Total:</b>		<b>67.12</b>	<b>14.16</b>	<b>-</b>

Source: Finance (Excise & Taxation) Department

It would be seen from the table that recovery of ₹ 14.16 crore was pending for more than five years and no sincere efforts were being made to recover them.

#### 4.1.3 Arrears in Assessments

The details of Taxes on Agricultural income assessment cases pending at the beginning of the year 2014-15, cases which became due for assessment during the year, cases disposed during the year and number of cases pending at the end of the year 2014-15 as furnished by the Commissioner of Taxes & Excise are mentioned below in the following table:

Table No. 4.1.5: Arrears in Assessments

Head of revenue	Opening balance	New cases due for assessment during 2014-15	Total assessments due	Cases disposed of during 2014-15	Balance at the end of the year	Percentage of disposal (col. 5 to 4)
1	2	3	4	5	6	7
Taxes on Agricultural income	524	10	534	Nil	534	Nil

Source: Finance (Excise & Taxation) Department

The arrear in assessment increased from 524 to 534 cases with the addition of another 10 cases which became due for assessment during the year 2014-15 and no cases have been disposed of during the year. Steps may be taken for timely and periodical assessment of cases.

#### 4.1.4 Evasion of tax detected by the Department

The details of cases of evasion of tax detected by the Finance (Excise & Taxation) Department, cases finalised and the demands for additional tax raised as reported by the Department are given in the following table:

Table No. 4.1.6: Evasion of Tax

Sl. No.	Head of revenue	Cases pending as on 31 March 2014	Cases detected during 2014-15	Total	Number of cases in which assessment/ investigation completed and additional demand with penalty etc. raised		Number of cases pending for finalisation as on 31 March 2015
					No. of cases	₹ in crore	
1	Sales tax/ VAT	954	977	1,931	860	3.16	1,071

Source: Finance (Excise & Taxation) Department

Nine hundred and fifty four cases of evasion of tax were outstanding as on 31 March 2014. 977 cases of evasion of tax had been detected and reported during 2014-15 taking the total of pending cases to 1,931. Of these pending cases, in 860 number (44.54 per cent) of cases assessments/investigation were completed and additional demand including penalty, etc., amounting to ₹ 3.16 crore was raised during the year 2014-15. Consequently, 1,071 cases were pending as on 31 March 2015.

It would be seen from the above table that the number of cases pending at the end of the year had increased over the cases pending at the start of the year.

#### 4.1.5 Pendency of Refund Cases

The number of refund cases pending at the beginning of the year 2014-15, claims received during the year, refunds allowed during the year and the cases pending at the close of the year 2014-15 as reported by the Department is given in the following table:

**Table No. 4.1.7: Details of pendency of refund cases***(₹ in crore)*

Sl. No.	Particulars	Sales tax / VAT	
		No. of cases	Amount
1	Claims outstanding at the beginning of the year	04	2.24
2	Claims received during the year	03	2.13
3	Refunds made during the year	02	0.15
4	Balance outstanding at the end of year	05	4.22

**Source:** Finance (Excise & Taxation) Department

Section 45 (1) of Tripura Value Added Tax (TVAT), Act 2004 provides for payment of simple interest, in addition to the refund at the rate of 5 *per cent* per annum for the period commencing after 90 days of the application claiming refund in pursuance to such order till the date on which the refund is granted.

Claims for refund of ₹ 2.13 crore involving three cases have been reported during 2014-15, refund made during the year is ₹ 0.15 crore involving two cases and the outstanding amount of ₹ 4.22 crore involving five cases have not yet been settled (November 2015).

#### **4.1.6 Response of the Government/ Departments towards Audit**

The Accountant General (Audit), Tripura conducts periodical inspection of the Government Departments to test-check the transactions and verify the maintenance of important accounts and other records as prescribed in the rules and procedures. These inspections are followed up with the Inspection Reports (IRs) incorporating irregularities detected during the inspection and not settled on the spot, which are issued to the heads of the offices inspected with copies to the next higher authorities for taking prompt corrective action. The heads of the offices/Government are required to promptly comply with the observations contained in the IRs, rectify the defects and omissions and report compliance through initial reply to the AG (Audit) within one month from the date of issue of the IRs. Serious financial irregularities are reported to the heads of the Departments and the Government.

Inspection Reports issued upto 31 March 2015 disclosed that 467 paragraphs involving ₹ 61.63 crore relating to 156 IRs remained outstanding at the end of June 2015 as mentioned below along with the corresponding figures for the preceding two years in the following table:

**Table No. 4.1.8: Details of pending Inspection Reports**

	June 2013	June 2014	June 2015
Number of IRs pending for settlement	212	149	156
Number of outstanding audit observations	582	428	467
Amount of revenue involved (₹ in crore)	135.37	71.28	61.63

**4.1.6.1** The Department-wise details of the IRs and audit observations outstanding as on 30 June 2015 and the amounts involved are mentioned in the following table:

Table No. 4.1.9: Department-wise details of IRs

(₹ in crore)

Sl. No.	Name of Department	Nature of receipts	No. of outstanding IRs	No. of outstanding Audit Observations	Money value involved (₹ in crore)
1.	Finance	Taxes/VAT	57	229	11.62
		Professional Tax	06	06	0.07
		Agricultural Income Tax	-	-	-
		Amusement Tax	03	08	0.77
		Luxury Tax	-	-	-
2.	Forest	Forest Receipts	09	26	4.13
3	Industries and Commerce	Mines and Minerals	-	-	-
4.	Revenue	Land Revenue	33	47	0.91
		Stamp Duty and Registration Fees	19	32	0.75
5.	Excise	State Excise	17	55	16.24
6.	Transport	Taxes on Vehicles/Taxes on Goods and Passengers	12	64	27.14
<b>Total:</b>			<b>156</b>	<b>467</b>	<b>61.63</b>

Audit did not receive even the first replies from the heads of offices within one month from the date of issue of the IRs for 119 IRs issued during 2014-15. This large pendency of the IRs due to non-receipt of the replies is indicative of the fact that the heads of offices and the Departments did not initiate action to rectify the defects, omissions and irregularities pointed out by the AG (Audit) in the IRs.

It is recommended that the Government takes suitable steps to install an effective procedure for prompt and appropriate response to audit observations as well as takes action against officials/officers who fail to send replies to the IRs/paragraphs as per the prescribed time schedules and also fail to take action to recover loss/outstanding demand in a time bound manner.

#### 4.1.6.2 Departmental Audit Committee Meetings

The Government sets up audit committees to monitor and expedite the progress of the settlement of the IRs and paragraphs in the IRs. The details of the audit committee meetings held during the year 2014-15 and the paragraphs settled are mentioned in the following table:

Table No. 4.1.10: Details of Departmental audit committee meetings

(₹ in crore)

Sl. No.	Department	Number of meetings held	Discussed		Settled		Amount
			IRs	Paras	IRs	Paras	
1	Revenue	01	02	07	-	03	-
2	State Excise	01	05	15	02	04	0.19
3	Transport	02	06	28	03	16	17.29
<b>Total</b>		<b>04</b>	<b>13</b>	<b>50</b>	<b>05</b>	<b>23</b>	<b>17.48</b>

Four Audit Committee Meetings (ACMs) pertaining to the Revenue, State Excise and Transport Departments were held during the year 2014-15. In these ACMs, 50 paras of 13 IRs were discussed, out of which 23 paras of 5 IRs were settled.

The Government may ensure holding of frequent meetings of these Committees for ensuing effective action on the audit observations leading to their settlement.

The progress of settlement of paragraphs pertaining to the three Departments was not satisfactory as compared to the pendency of the IRs and paragraphs; despite holding Departmental audit committee meetings.

#### **4.1.6.3 Response of the Departments to the draft Audit Paragraphs**

The draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India are forwarded by the AG to the Principal Secretaries/ Secretaries of the concerned Department, drawing their attention to audit findings and requesting them to send their response within six weeks. The fact of non-receipt of the replies from the Departments/Government is invariably indicated at the end of such paragraphs included in the Audit Report.

Three draft paragraphs and one Performance Audit (IT) were sent to the Principal Secretaries/Secretaries of the respective Departments by name (September 2015). The Government replies (November 2015) to the Performance Audit have been suitably incorporated in the Report.

#### **4.1.6.4 Follow up on the Audit Reports-summarised position**

The internal working system of the Public Accounts Committee, notified in December 2002, laid down that after the presentation of the Report of the Comptroller and Auditor General of India in the Legislative Assembly, the Departments shall initiate action on the audit paragraphs and the *suo moto* reply thereon should be submitted by the Government within three months of tabling the Report, for consideration of the Committee. In spite of these provisions, the *suo moto* reply on audit paragraphs of the Reports were being delayed inordinately. During the last five years from 2008-09 to 2012-13, 18 paragraphs (including four performance audit) were included in the Reports of the Comptroller and Auditor General of India on the Revenue Sector of the Government of Tripura and placed before the State Legislative Assembly between March 2010 and September 2014. The *suo moto* reply from the concerned Departments on these paragraphs were received late with delay ranging from five to 33 months in respect of each of these Audit Reports. *Suo moto* reply in respect of five paragraphs from two Departments (Transport: 3, Revenue: 2) had not been received for the Audit Reports for the years ended 31 March 2008-09 to 2012-13 (November 2015).

The PAC discussed two selected paragraphs pertaining to Audit Reports for the years from 2008-09 to 2012-13 and made 14 recommendations on the two paragraphs which were incorporated in its 112<sup>th</sup> Report (September 2010). The Action Taken Notes (ATNs) on the 112<sup>th</sup> PAC Report have been discussed in the PAC in July 2013 in which the committee had made 13 recommendations which were incorporated in the 114<sup>th</sup> PAC Report (March 2014). However, ATNs on the 114<sup>th</sup> PAC Report have

not yet been received (November 2015) from the departments concerned as mentioned in the following table:

Table No. 4.1.11

Year	Name of Department	Para No	No. of PAC recommendation	ATN recieved	ATN awaited
2008-09	Finance (Excise & Taxation) Department	4.5	1	Nil	1
2009-10		4.4	12	Nil	12
<b>Total:</b>		<b>2</b>	<b>13</b>	<b>Nil</b>	<b>13</b>

#### 4.1.7 Analysis of the mechanism for dealing with the issues raised by Audit

To analyse the system of addressing the issues highlighted in the Inspection Reports/ Audit Reports by the Departments/Government, the action taken on the paragraphs and Performance Audits included in the Audit Reports of the last ten years for one department is evaluated and included in this Audit Report.

The succeeding **Paragraphs No. 4.1.7.1 & 4.1.7.2** discuss the performance of the Finance (Excise & Taxation) Department under revenue receipts heads (0043 & 0044) and cases detected in the course of local audit during the last ten years and also the cases included in the Audit Reports for the years 2005-06 to 2014-15.

##### 4.1.7.1 Position of Inspection Reports

The summarised position of the inspection reports issued during the last ten years, paragraphs included in these reports and their status as on 30 June 2015 in respect of Finance (Excise & Taxation) Department are tabulated in the following table:

Tabel No. 4.1.12: Position of Inspection Reports

(₹ in crore)

Years	Opening balance			Addition during the year			Clearance during the year			Closing balance as on June		
	IRs	Paras	Money value	IRs	Paras	Money value	IRs	Paras	Money value	IRs	Paras	Money value
2005-06	13	36	1.37	04	14	0.10	-	-	-	17	50	1.47
2006-07	17	50	1.47	07	16	1.03	-	03	0.12	24	63	2.38
2007-08	24	63	2.38	10	43	2.15	01	05	0.11	33	101	4.42
2008-09	33	101	4.42	06	18	1.73	-	04	0.18	39	115	5.97
2009-10	39	115	5.97	04	12	0.36	03	11	0.16	40	116	6.17
2010-11	40	116	6.17	19	78	7.85	-	22	1.63	59	172	12.39
2011-12	59	172	12.39	12	48	5.36	-	03	0.06	71	217	17.69
2012-13	71	217	17.69	12	51	4.17	-	01	0.07	83	267	21.79
2013-14	83	267	21.79	14	76	6.28	21	76	10.48	76	267	17.59
2014-15	76	267	17.59	15	89	13.96	11	66	3.62	80	290	27.93

The Government arranges *ad-hoc* Committee meetings between the Department and AG's office to settle the old paragraphs. It would be evident from the above table, against 17 outstanding IRs with 50 paragraphs as at the end of June 2006, the number of outstanding IRs increased to 80 with 290 paragraphs at the end of June 2015. This is indicative of the fact that adequate steps were not taken by the Department in this regard resulting in addition of the outstanding IRs and paragraphs.



#### 4.1.7.2 Recovery of accepted cases

The position of paragraphs included in the Audit Reports of the last ten years, those accepted by the Department and the amount recovered are mentioned in the following table:

Table No. 4.1.13:

(₹ in crore)

Year of Audit Report	Number of paras included	Money value of the paras	Number of paras accepted including money value	Money value of accepted paras	Amount recovered during the year	Position of recovery of accepted cases as of 30-11-2015
2004-05	-	-	-	-	-	-
2005-06	1	0.05	1	0.05	-	-
2006-07	1 <sup>2</sup>	0.06	-	-	-	-
2007-08	1	0.34	1	0.34	-	0.22
2008-09	3 <sup>3</sup>	6.76	3	6.76	0.00 <sup>4</sup>	0.11
2009-10	3	1.74	2	1.16	Nil	0.60
2010-11	3 <sup>5</sup>	3.12	3	3.12	0.05	0.36
2011-12	1	0.87	1	0.87	0.02	0.07
2012-13	1	1.51	1	1.51	Nil	0.22
2013-14	3 <sup>6</sup>	11.17	3	6.06	Nil	Nil
<b>Total:</b>	<b>17</b>	<b>25.62</b>	<b>15</b>	<b>19.87</b>	<b>0.07</b>	<b>1.58</b>

It is evident from the above table that the progress of recovery even in accepted cases was very slow throughout during the last ten years. The recovery of accepted cases was to be pursued as arrears recoverable from the concerned parties. During the last ten years, 17 paragraphs involving ₹ 25.62 crore were featured in the Audit Reports, of which 15 paragraphs involving ₹ 19.87 crore had been accepted by the State Government, of which ₹ 1.58 crore had been recovered (6.21 per cent).

The Department may take immediate action to pursue and monitor prompt recovery of the dues involved in accepted cases.

#### 4.1.8 Action taken on the recommendations accepted by the Departments/Government

The draft Performance Audits (PAs) conducted by the AG are forwarded to the concerned Department/Government for their information with a request to furnish their replies. These PAs are also discussed in Exit Conference and the Department's/Government's views are incorporated/considered while finalising the Audit Report.

The following PAs on the Department of Finance (Excise & Taxation) Department, and Transport Department featured in the last five years from 2009-10 to 2013-14

<sup>2</sup> 1 para (Para No. 6.15) has been referred to the State Government.

<sup>3</sup> Including one Review.

<sup>4</sup> Negligible figure amounting to ₹ 3,280 only.

<sup>5</sup> Including one Review.

<sup>6</sup> Including one Review

Reports. The number of recommendations and their status is given in the following table:

Table No. 4.1.14

Year of Report	Name of the PA	No. of recommendations	Status
2010-11	PA on 'Cross Verification of declaration forms used in Inter-State Trade'	5	Government reply received but they did not address to any recommendations pointed out by the Comptroller and Auditor General of India. The PA is yet to be discussed in the PAC.
2011-12	Computerisation of Transport Department in Tripura	7	So far no reply is received. The PA is still pending for discussion in PAC.
2013-14	Computerisation of Value Added Tax (VAT) Systems in Tripura	4	So far no reply is received. The PA is still pending for discussion in PAC.

### 4.1.9 Audit Planning

The unit offices under various Departments are categorised into high, medium and low risk units according to their revenue position, past trends of the audit observations and other parameters. The annual audit plan is prepared on the basis of risk analysis which *inter-alia* includes critical issues in Government revenues and tax administration i.e. budget speech, White Paper on State Finances, Reports of the Finance Commission (State and Central), recommendations of the Taxation Reforms Committee, statistical analysis of the revenue earnings during the past five years, factors of the tax administration, audit coverage and its impact during past five years, etc.

During the year 2014-15, there were 31 auditable units, of which 16 units were planned and 23 units had been audited, which is 74 *per cent* of the total auditable units.

Besides, the compliance audit mentioned above, one IT Audit on "Computerisation of Land Records" was also taken up during 2015-16.

### 4.1.10 Results of Audit

#### Position of local audit conducted during the year

Test-check of the records of 23 units of Sales Tax/Value Added Tax, State Excise, Registration, Motor Vehicles and other departmental offices conducted during the year 2014-15 showed under assessment/short levy/loss of revenue/non - realisation of outstanding revenue aggregating to ₹ 10.35 crore in 67 cases. During the course of the year, the departments concerned accepted under assessment and other deficiencies of ₹ 3.16 crore involved in 20 cases which were pointed out in audit during 2014-15. Of these the Department recovered ₹ 0.01 crore involving three cases.

#### **4.1.11 Coverage of this Report**

This Report contains one Performance Audit (IT) on “Computerisation of Land Records” and two Compliance Audit paragraphs involving financial effect of ₹ 1.53 crore.

The Departments/Government have accepted audit observations involving ₹ 1.53 crore and an amount of ₹ 23.38 lakh was recovered. The replies in the remaining cases/paragraphs have not been received (November 2015).

## REVENUE (Land Records and Settlement) DEPARTMENT

### 4.2 IT Audit on Computerisation of Land Records

*Computerisation of Land Records (CLR)/National Land Records Modernisation Programme (NLRMP) is a project implemented in phases over a period of time and upgraded from time to time. Functioning of various activities and processes related to the project, their close monitoring and need based timely intervention are of utmost importance for successful implementation of the project. Revenue Department implemented “Jami” a web based application software in revenue circles for Computerisation of Land Records. The implementation of CLR/NLRMP is yet to be fully completed. As a result of limitations in the software, database and system design, the detection of duplicates/errors/blanks in database, automated generation of mutation notice after registration, etc. could not be generated using the system. The findings are highlighted below.*

#### **Highlights:**

**There was no monitoring and evaluation of the implementation of the programme.**

*(Paragraphs 4.2.8.1 and 4.2.8.2)*

**After three years of full implementation of online system, the software had certain deficiencies like inadequate input and validation controls, and weak logical access controls.**

*(Paragraphs 4.2.10 and 4.2.12.1)*

**Though land records database was integrated with the registration process, but the automated generation of mutation notices at revenue circles was not envisaged in system leading to manual processing in generation of mutation notices.**

*(Paragraph 4.2.8.3)*

**Areas of land as captured in the database were not matching with the manual survey reports maintained at *Tehasil* level.**

*(Paragraph 4.2.10.1)*

**Vital information like plot number, area of land, class of land/land type were missing or invalid in database thus rendering the data incomplete and inconsistent.**

*(Paragraph 4.2.10.2)*

**There was high risk of data non availability in case of failure of local servers in the Sub Registrar Offices.**

*(Paragraph 4.2.11.1)*

### 4.2.1 Introduction

To modernise the management of land records, minimise scope of land/property disputes, enhance transparency in the land records maintenance system and to ensure conclusive titles of immovable properties in the country, the Government of India (GoI), Ministry of Rural Development (MoRD), Department of Land Resources (DoLR), initiated (1988-89) a 100 *per cent* centrally sponsored scheme namely “Computerisation of Land Records” (CLR). Another scheme namely “Strengthening of Revenue Administration and Updating of Land Records” (SRA&ULR) under 50:50 central-state scheme was also introduced. Subsequently, these two schemes were merged in to National Land Records Modernisation Programme (NLRMP) during 2008-09 by the Department of Land Resources (DoLR), Ministry of Rural Development. The activities supported under the Programme, included computerisation of land records including mutations, digitisation of maps and integration of textual and spatial data, survey/re-survey and updation of settlement records including creation of cadastral records wherever necessary, computerisation of registration and its integration with the land records maintenance system, development of core Geospatial Information System (GIS) and capacity building.

By way of implementing CLR in the state of Tripura, the State Government made progress towards achieving the citizen centric goals of providing fast service to the citizens and efficiently handling the wide aspect dealing with land records. Through, it took long time to achieve milestones, audit views this positively because the state suffered long term insurgency. This IT Audit primarily aims at identifying current gaps so that future improvements are affected accordingly.

In Tripura, the CLR scheme was first implemented in North Tripura District on a pilot basis during 1991-92. Subsequently the scheme was extended to other districts of Tripura during 1993-94. The software was developed by National Informatics Centre (NIC) on Unix platform with FoxBASE as database. Subsequently, in January 2000, NIC developed a new software called “JAMI” on Windows platform with MS Access as database. The application software was further updated in August 2004 using Windows platform and SQL Server database and made operational in revenue circles of Tripura in phases during 2004-10. The central database hosted at the State Data Centre was managed by Tripura State Computerisation Agency and web based online system had been implemented in Revenue circles during 2012. Computerisation of Registration process had also been implemented in all Sub Registrar Offices (SROs) and the process was integrated with the land records database.

### 4.2.2 Financial position

Prior to introduction of modified scheme i.e. NLRMP, ₹ 7.38 crore under CLR and ₹ 12.09 crore under SRA&ULR was released by GoI as central share and ₹ 11.24 crore was simultaneously released by State Government as state share under SRA&ULR. The entire amount was utilised by the State Government.

Under the modified scheme, ₹ 22.34 crore was released by GoI as central share and ₹ 0.78 crore was released by the State Government as state share in the period 2008-15. The year wise release of funds by GoI under NLRMP and utilised by the State during the period from 2008-09 to 2014-15 are shown in the Table given below:

Table No. 4.2.1

(₹ in lakh)

Year	Central share			State share	
	Sanctioned	Released	Expenditure	Released	Expenditure
2008-09	362.23	271.68	0		
2009-10	307.50	230.63	0		
2010-11	258.37	155.02	87.96		
2011-12	196.05	117.63	379.21	78.00	78.00
2012-13	0	349.19	263.01		
	759.20	471.20			
2013-14	57.28	57.28	372.11		
2014-15	969.56	581.73	162.43		
<b>Total:</b>	<b>2910.19</b>	<b>2234.36</b>	<b>1264.72</b>	<b>78.00</b>	<b>78.00</b>

### 4.2.3 Organisational set up

Revenue Department (Land Records and Settlement), headed by a Secretary is responsible for implementation of the scheme in the State. He is assisted by the Director of Land Records and Settlement (DLRS) and Tripura NLRMP Management Society at the State level. The DM & Collector at the District level, Sub Divisional Magistrate (SDM) and Sub Registrar at the Sub-Divisional level and Deputy Collector and Magistrate (DCM) at the Revenue Circle level are the respective implementing officers of NLRMP in the State.

### 4.2.4 Audit Objectives

The audit objectives were to ascertain:

- Whether the mechanism for monitoring and evaluation was adequate and effective and utilisation of fund and procurement was made efficiently and economically.
- Whether the integrity of data was maintained in system and whether data was complete;
- Whether the mapping of business rules was appropriately done; and
- Whether Security controls and Business Continuity Planning (BCP) were in place to ensure continuity of business; and

### 4.2.5 Audit Criteria

The following criteria were adopted for the IT Audit:

- Best practices in implementation of IT Systems
- CLR/NLRMP guidelines, instructions, circulars issued by GoI;

- Instructions/guidelines issued at State/District level for implementation of CLR/NLRMP;
- Tripura Land Reforms Act and Rules;
- State General Financial and Accounting Rules;
- Annual project proposals, physical and financial progress reports, audited statement of accounts and utilisation certificates submitted to the GoI.

#### 4.2.6 Scope of Audit and Methodology

The scope of audit included various stages of implementation and funds management. The data of all 45 Revenue Circles captured into the computerised system since inception to May 2015 were examined in audit. Analytical check about data integrity and completeness were performed using 'Interactive Data Extraction and Analysis (IDEA)' an audit analytical tool. The IT audit was started with an entry conference with the Secretary, Revenue Department and other officers in April 2015. This was followed by collection of relevant information through replies to audit queries/memos, questionnaires, scrutiny of records through field visits, extraction and analysis of data, etc. The Directorate of Land Records and Settlement at the State level, four DM & Collectors<sup>7</sup> (out of 8) at district level, SDMs, Sub Registrar Officers and 12 Revenue circles<sup>8</sup> (out of 22) of selected districts were covered in audit. The result of scrutiny of records and database as well as analysis of documents collected during audit formed the audit evidence and the basis for audit observations. The draft report sent to the State Government (15 September 2015), reply is awaited.

Exit conference was held on 10 November 2015, with the Secretary to the Government of Tripura, Revenue Department. The replies of the Government (November 2015) have been incorporated appropriately in the report.

#### Audit findings

Audit findings in respect of various activities under the computerisation programme are discussed below:

#### 4.2.7 Introduction of the system Jami

A web based Land Records Software 'Jami' was hosted at State Data Centre in 2012 for providing the following services:

- Work flow based online Mutation process and generation of computerised RoR.
- Integration of Registration process for automated generation of mutation notices.
- Generation of digitised Cadastral Maps.
- Biometric and Role based Authentication.
- Scanning of the Manual orders.

<sup>7</sup> DM & Collector: Khowai, North Tripura, South Tripura and West Tripura

<sup>8</sup> Revenue circle: Dukli, Agartala, Jirania, Mohanpur, Khowai, Teliamura, Belonia, Sabroom, Santirbazar, Dharmanagar, Kanchanpur and Panisagar



- Various MIS Reports
- KIOSK module for viewing RoR by the citizens.

Though computerisation of registration process and integration with land record database had been completed and implemented in all Sub Registrar offices, automatic generation of mutation notices at revenue circles on the basis of data uploaded during registration was not achieved as no such provision was made into the system. On receipt of application from the citizens, the mutation notices were being generated from the system after again entering the data manually.

Thus, the objective of automated processing of mutation cases was not yet fully achieved (July 2015).

The Government stated (November 2015) that necessary steps had been taken for immediate implementation of auto mutation process.

Moreover, the setting up of computer centres at *Tehasil* level for providing services to the citizens at the nearest land record offices was not also achieved in any of the *Tehasils* (July 2015).

The Government while admitting the facts stated (November 2015) that the procurement of computer had been completed and 60 *per cent* installation work had also been completed. The Government also stated (November 2015) that the internet connection to facilitate the computer centers would be provided by the Director of Information Technology in due course.

## **4.2.8 Monitoring and evaluation of the implementation of the programme**

### **4.2.8.1 Monitoring**

As per para 19 of NLRMP guidelines, two committees' one at State level and another at District level shall be constituted for monitoring and review the progress of implementation of the programme. It was observed that a State-Level Monitoring and Review Committee under the Chairpersonship of Chief Secretary and the District-Level Monitoring and Review Committee under the Chairpersonship of the District Magistrate and Collector (DM&C) was constituted by the State Government only in February 2015. This indicates that little monitoring and reporting system existed at both the level till February 2015. The State Level Monitoring and Review Committee held a review meeting in March 2015 but no review meetings were conducted by the District-Level Monitoring and Review Committee as of July 2015.

However, the Government stated (November 2015) that the district level review meetings had been held during October and November 2015 and the committees had also been requested to convey review meeting regularly.

### **4.2.8.2 Evaluation**

As per NLRMP guidelines, the State was to carry out concurrent evaluation and impact assessment in each district through in-house teams/experts to assess the on-site progress *vis-à-vis* deliverables of the sanctioned projects and suggest measures for

improving the system and results of concurrent evaluation must be intimated to the DoLR. However, no periodical monitoring and evaluation mechanism was in place.

The Government stated (November 2015) that evaluation was always done in the State level monthly meeting and based on which progress report was sent to DoLR at regular interval. However, no supporting records for said assertion were made available to audit for verification.

#### **4.2.8.3 Delay in finalisation of Mutation cases**

Before implementation of computerised system, the applications for mutation of land holdings were received at *Tehasils* and notices were issued to the parties for hearing. After completion of mutation process, the application including hearing reports were sent to the Revenue circle for approval and issue of new Right of Records (RoR). It was observed that after implementation of computerised system, manual processing still continued such as providing manual MR (Mutation Register) case number on the application and parallel maintenance of Mutation register at *Tehasils*. After giving manual MR case number, the application would be sent to the revenue circles for generation of computerised mutation notice which in turn was returned to the *Tehasilder* for issuing to the applicants for hearing. On completion of hearing, the hearing reports including other documents are again being sent to the Revenue circles for incorporation in the computerised system and issuing of new RoRs. Analysis of the database revealed that in 1,48,645 cases as shown in **Appendix-4.2.1**, the new RoRs were issued to the citizens with delay ranging from more than one to more than four months. This showed that efficiency of mutation process actually declined after introduction of computerisation.

Analysis of the database revealed that as of May 2015 there were 80,503 mutation cases pending with *Tehasil* offices for more than three months, 3355 cases for more than two months and 5,117 cases were pending for more than one month from the date of receipt of applications. The Revenue circle wise numbers of mutation cases pending are shown in **Appendix-4.2.2**.

This indicates that there was no effective monitoring of the timelines in the process of mutation and giving RoRs.

However, in reply (November 2015) to audit observation the Government stated that the concept of the finalisation of mutation cases within 60 days was introduced since August 2012 and the pending mutation cases were reduced to 9341.

#### **4.2.8.4 Delay in completion of Registration process on account of delay in scanning of deed documents**

In computerised system, after registration, the deed documents are scanned and stored in the local server maintained in each sub registrar office before delivering deed documents to the citizens. Analysis of the database revealed that out of 81,404 deeds registered through online computerised system, in 14,849 cases as shown in **Appendix-4.2.3** sale deeds were given to the citizens with a delay ranging from more

than one month to more than four months because of delay in scanning of deed documents. Hence, due to delay in completion of the scanning of deed documents, the objective of providing faster service to the citizens could not be achieved after implementation of computerised system.

The Government stated (November 2015) that the concept of delivery of deeds within three days has been introduced in the system from November 2012 and the pending registration cases were reduced to 551.

#### **4.2.8.5 Continuation of manual system in addition to computerised system**

Computerisation of Registration process had been implemented in all Sub Registrar Offices and the process was integrated with the land records database. In computerised system, after registration the deed documents are scanned and stored in the local server maintained in each sub registrar office for future requirements. But, the preservation of deed documents in prescribed paper and formats were still continued even after introduction of scanning and storing of registered deeds in computerised system. Hence, due to continuation of manual system in addition to computerised system the objective of reducing manual work was not fully achieved at the Sub Registrar offices.

The Government stated (November 2015) that steps had been taken for removal of pasting paper system and the implementation of new process is under progress.

#### **4.2.9 Funds Management**

##### **4.2.9.1 Funds were not received from GoI in a timely manner due to delay in utilisation of funds**

The NLRMP was a Centrally Sponsored Programme (CSP) in which GoI share varied from 90 (75 *per cent* upto the year 2009-10) to 100 *per cent* while State share was 10 *per cent* for most components as per programme guidelines. The Nodal Department was to submit the financial proposals in the Annual Project Plans for consideration and approval of GoI. Central share was released in two installments. The first installment being 75 *per cent* of the sanctioned amount was released immediately after approval of the Annual project by the National level project sanctioning and monitoring committee. The second installment was to be released by GoI on submission of utilisation certificates of 60 *per cent* of total amount of first installment, progress reports and audited accounts of previous financial years, etc. The status of release of funds by GoI and expenditure incurred during 2009-15 was as under:

Table No. 4.2.2

(₹ in lakh)

Year	Central Share				Total fund available	Actual expdr.	Closing Balance	% of unspent money
	Sanctioned by GoI	1 <sup>st</sup> Installment	2 <sup>nd</sup> Installment	Total				
2008-09	362.23	271.68	0	271.68	271.68	0	271.68	100%
2009-10	307.50	230.63	0	230.63	502.31	0	502.31	100%
2010-11	258.37	155.02	0	155.02	657.33	87.96	569.37	86.62%
2011-12	196.05	117.63	0	117.63	687.00	379.21	307.79	44.80%
2012-13	0	0	349.19	349.19	1128.18	263.01	865.17	76.69%
	759.20	471.20	0	471.20				
2013-14	57.28	57.28	0	57.28	922.45	372.11	550.34	59.66%
2014-15	969.56	581.73	0	581.73	1132.07	162.43	969.64	85.65%
<b>G. Total</b>	<b>2910.19</b>	<b>1885.40</b>	<b>349.19</b>	<b>2234.36</b>		<b>1264.72</b>	<b>969.64</b>	

Audit observed that the State Government could not utilise the prescribed ceiling of 60 per cent amount of first installment in any of the financial years during the period from 2008-09 to 2011-12 due to which State Government could not avail second installments of Central share in time.

While accepting the facts, the Government stated (November 2015) that much of time was consumed to observe various procedure for utilisation of fund. It further stated that the UC had been sent to GoI in September 2015 for releasing of second instalment for the year 2012-13 and expected to be released by GoI soon.

#### 4.2.9.2 Utilisation of funds for Establishment of District Level Data Centre

For setting up of District Level Data Centre @ ₹ 6.37 lakh was provided by the DLR&S to four DM & Collectors (Dhalai, West Tripura, South Tripura (now Gomati), North Tripura (now Unakoti) in September 2010 and an additional amount of ₹ 10.00 lakh was provided to DM & Collector, West Tripura. However, scrutiny of the records of four districts revealed that though necessary procurement of computer hardware and peripherals had been made by them for creation of District Level Data Centre, but no computerised land records data had been maintained at district level. Thus, the expenditure incurred for establishment of District level data centre remained idle.

The Government stated (November 2015) that due to introduction of web-enabled database system and centralised database at State Data Centre, keeping computerised land records data at district level has become redundant.

#### 4.2.9.3 Utilisation of funds for setting up of Computer Centre at Sub Division level

For setting up of computer centre at Sub Division level ₹ 68.00 lakh (@ ₹ 4.00 lakh each) was provided to 17 Sub Divisional Magistrates (SDMs) in March 2009. However, scrutiny of records of eight SDMs<sup>9</sup> revealed that though necessary

<sup>9</sup> Belonia, Sabroom, Shantirbazar, Dharmanagar, Kanchanpur, Khowai, Teliamura, Sadar

procurement of computer hardware and peripherals had been made by SDMs, but no separate computer centre for CLR/NLRMP had been setup at Sub Divisional offices.

#### 4.2.9.4 Scanning of old deed documents – payments made thereof

One of the components of NLRMP was preservation of old deed documents for distribution of copies of registered deeds and issuance of non-encumbrance certificates. For preserving and archiving the old deed documents for future reference, such documents would need to be scanned and stored at each SRO and make data entry of legacy encumbrance data to create the quick search facility for encumbrances.

Scrutiny of records of DM, SDMs and SROs of four districts (West Tripura, South Tripura, North Tripura and Khowai) revealed that the scanning and data entry of legacy encumbrance data had been carried out through local firms at the lowest rates quoted by them. Initially, the DM & Collectors issued work orders (February 2012 and March 2013) without any terms and condition for making payments, but subsequently (October 2013) the DLR&S issued an instruction for making payment of 70 per cent of the value of works only on receipt of certificate from the firm that 100 per cent of data entered into the system had been verified by the firms with original deeds. The remaining 30 per cent payment would be made after completion of verification by the Government officials. But, due to delay in issuing of instruction by the DLR&S, the payment of ₹ 32.13 lakh was made to the firms for data entry and scanning of 13,22,547 (19,21,497 – 5,98,950) pages for which no certificate could be obtained from the firms. The details are given in the Table below:

Table No.4.2.3

Name of District and SRO	Rate allowed per page (in ₹)	Scan completed		Data verified by the firm		Data verified by the Govt. officials		Value of works done as per instruction of DLR&S (₹ in lakh)	Amount payable (₹ in lakh)	Amount paid (₹ in lakh)	Paid in excess of the admissible amount (₹ in lakh)
		No. of deeds	No. of pages	No. of deeds	No. of pages	No. of deeds	No. of pages				
West Tripura SRO, Sadar	4.87	359320	1194900	65959	197887	65959	197887	9.64	9.64	36.64	27.00
South Tripura SRO, Belonia	3.00	82940	212196	45586	116560 (aprox)	45586	116560	3.50	3.50	4.34	0.84
South Tripura SRO, Sabroom	3.00	15245	40315	643	1580 (aprox)	643	1580	0.05	0.05	1.12	1.07
North Tripura SRO, Dharnanagar	4.56	115298	247782	48609	111216	48609	111216	6.26	6.26	5.00	0.00
North Tripura SRO, Kanchanpur	4.65	5536	15117	5536	15117	5536	15117	0.68	0.68	0.68	0.00
Khowai SRO, Khowai	4.56	62652	211187	46456	156590 (aprox)	46456	156590	7.14	7.14	10.36	3.22
<b>Total:</b>		<b>642130</b>	<b>1921497</b>	<b>212789</b>	<b>598950</b>	<b>212789</b>	<b>598950</b>	<b>27.27</b>	<b>27.27</b>	<b>58.14</b>	<b>32.13</b>

Further, scrutiny of records revealed that the deed documents so far scanned and legacy data entries about encumbrances made into the computerised system was not yet taken over by the respective SRO (July 2015) and lying within the custody of the firms which indicated that the handing over the legacy data and scanned deed

documents with the department was not ensured by the departments before making payment to the firms.

The Government stated (November 2015) that all recorded data had been collected by the Director of Land Records and Settlement and restored in a central location. It was also stated that necessary instructions would be issued to the SROs to obtain certificates from the concerned firms before payments are made to them.

#### 4.2.10 Input and Validation Controls

##### 4.2.10.1 Total area of land was not matched with the database and Survey Reports

While comparing the survey reports of test checked 281 revenue *moujas* in 12 revenue circles with the database, it was noticed that the area of land as shown in the survey reports did not match with the data as captured in the database table maintained for plot wise area of land. In 224 revenue *moujas* more areas of 17,651.80 acres and in 57 revenue *moujas* less areas of 545.89 acres were captured in the database as shown in **Appendix-4.2.4(a)** and **4.2.4(b)**. Any analysis or generation of reports based on these database would be incorrect and unreliable. Thus, capturing of incorrect data made the database unreliable.

In reply (November 2015) the Government stated that one of the important factor was the existence of duplicate plots in the database. However, corrective measures would be taken to rectify the data and to remove the duplicate plots.

##### 4.2.10.2 Lack of input and validation controls leading to duplicate records and invalid values in the database.

Adequate input and validation controls ensure that the data received for processing are genuine, complete, correct, not duplicate and properly authorised. Audit noticed that extent of data errors and inconsistencies was less when compared to the situation found by audit in last review (Audit Report 2006-07). However, following cases were observed:

- 22,947 plot numbers out of 29,09,009 were entered more than once under different *Khatians*<sup>10</sup> of the same *mouja* which led to the same plots numbers were captured against more than one landholders. The Revenue circle wise numbers of cases having duplicate plot number are shown in **Appendix-4.2.5**.

The Government stated (November 2015) that necessary steps had been taken to bring down the duplicate plots to zero level.

- Area of a plot should be a positive value. But, during analysis of the database, it was noticed that the area was captured as “zero” or negative value against 773 plots as shown in **Appendix-4.2.6**. Capturing of incorrect area of plot made the database unreliable.

<sup>10</sup> Khatian: Records of Rights (RoR)



The Government stated (November 2015) that the existence of “zero” plot area were due to creation of *khatians* without plot numbers during revisional survey period as multi-landowners’ name could not be accommodated in a single *khatian*. However, necessary rectification would be done in the database accordingly.

- The plot number should also be a positive value. But, in 393 cases the plot number was captured either ‘zero’ or negative value or in decimal point though area of land was in existence against such plots resulted in the identification of these plots was not feasible.

The Government stated (November 2015) that the existence of ‘zero’ or negative plot numbers were due to data entry mistake. However, necessary rectification would be done in the database on the basis of manual records. Further NIC was being requested to ensure to proper validation control in the application software so as to prevent zero or negative plot numbers in the database.

- The land class column was left blank in 7,007 records. Due to non-capturing of data in crucial field the government would not get the correct information on any class of land for taking any decision or making policy.

The Government stated (November 2015) that the cases of land class as left blank would got examined through field staff and necessary rectification would be done in pursuance of extant rules.

- Master Data maintenance
  - The land type like as ‘*Nal*’ i.e. cultivable, ‘*Tilla*’ i.e. useable for construction of house or other purpose etc. were required to be indicated against each piece of land/plot. As per master table as maintained in the database for description of type of land code, the description of land type code 4 was left blank though there was 15,72,991 records (54.07 per cent) in the database having land type code with value of 4. Incidentally there was no documentation or Government statutes defining the code 4.
  - In the database the Landowner’s status column i.e. Allotee<sup>11</sup>, Rayati<sup>12</sup> etc. was left blank in 1,69,052 records as shown in **Appendix-4.2.7**.

The Government stated (November 2015) that the cases of landowner’s status as left blank would be examined through field staff and necessary rectification would be done in pursuance of extant rules.

These errors occurred due to lack of appropriate check/validation controls at the time of creation of database. Any analysis and generation of reports based on incomplete/incorrect database is likely to generate incomplete information. Thus, non-

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<sup>11</sup> Allotee: A landowner to whom government khash land was allotted by the government.

<sup>12</sup> Rayati: A landowner who purchased land from other landowners.



capturing of data in crucial fields or capturing of incorrect data made the database unreliable.

#### **4.2.11 Mapping of Business Rules**

##### **4.2.11.1 Scanned deed documents were not captured in the central database**

Deed documents were required to be scanned in order to provide copies of the registered deeds to the buyer(s) and issuance of non-encumbrance certificates. Scrutiny of records/ database revealed that the scanned deeds documents were not stored into the database maintained centrally at State Data Centre. The scanned deeds documents were stored in the stand alone servers maintained locally in the Sub Registrar Offices. Thus, scanned deeds documents could not be viewed through online web based system. Additionally there was risk of data non availability in case of failure of local servers. It was also observed that backups in all Sub Registrar Office was being stored in the same premises which was a major risk factor as restoration of data would be very difficult in case of disasters.

In reply (November 2015) the Government stated that NIC is now developing a software module which would automatically compress and transmit the scanned documents to the Central Server.

##### **4.2.11.2 Digitisation without updating the Cadastral Maps**

The process of digitisation of cadastral maps had been completed for all revenue *moujas*<sup>13</sup> of all 45 revenue circles based on records updated during last survey/resurvey conducted by the department and integrated with Records of Rights (RoR) data. The cadastral maps of the 796 revenue *moujas* were digitised based on the land records/maps updated during survey/revisional survey conducted prior to the year 2000 and 78 *moujas* based on last revisional survey conducted during the period from 2001 to 2013. As such, the ownerships of the portion of plots changed due to mutation or other reasons after last revisional survey, was not reflected in the digitised maps and the citizens had to go at *Tehasil* office for getting updated maps prepared manually. Thus, due to non-updation of cadastral maps, the citizens/Government departments were not getting benefits of digitised cadastral maps.

In reply (November 2015) the Government stated that the updation of cadastral maps had been started by using a module 'Bhunaksha' developed by NIC recently.

<sup>13</sup> *Mouja*: A part of land area of Revenue Circles. It consists of a number of lands pieces having unique plot numbers.

## 4.2.12 Security Control and Backup Policy

### 4.2.12.1 Logical access controls

Logical access controls are aimed at protecting computer resources (data, programs and terminals) against unauthorised access attempts. It was observed in audit that the department neither had policy for maintaining IT security nor any well-defined and documented password policy which was evident from the following shortcomings:

- Though facility was provided in the application software for changing/updating the passwords by the users themselves, but it was not made mandatory for which default password given at the time of creation of user ID was being used by 111 users created during the period from July 2011 to December 2012 and 71 users did not change their password during last six months i.e. since January 2015.
- In the case of the database of Registration, it was observed that the password was not encrypted. Further, user name and password was same in case of 11 users, only three/four letter like 123, STRO, DEO, 456, etc. were used as password by 23 users.
- In the case of active users, there was 19 numbers of active users for SROs against 15 Sub Registrar offices and 93 numbers of users for DCMs against 45 Revenue circles which indicated that the user IDs created for DCMs and SROs were not deactivated after transfer/retirement of the concerned officers.

The Government stated (November 2015) that direction had been given to the NIC to mandate change of default password and encrypt the user password.

### 4.2.12.2 Inadequate assets management system

No Inventory/Assets Register of IT assets created under CLR/NLRMP was maintained either in DM/SDM offices, in 12 Revenue circles and in six Sub Registrar offices test checked. Further, a periodical physical verification of Assets is required to be done to ensure the availability and condition of the assets, but the same was also never done as of July 2015. Because of non-conducting of such verification, the possibility of theft, misuse of assets etc. could not be ruled out. However, in reply (November 2015) the Government stated that instruction would be issued to the concerned DMs to maintain Assets Register henceforth.

### 4.2.12.3 Lapses in maintenance of Hardware

- The computer hardware and peripheral were not covered under any maintenance contract so as to facilitate regular services and preventive maintenance.
- The uninterrupted power supply (UPS) systems were also found not working in five<sup>14</sup> out of 12 Revenue circles test checked.

<sup>14</sup> Belonia, Panisagar, Kanchanpur, Santirbazar and Teliamura

The Government replied (November 2015) that necessary steps are being taken by the concerned offices for maintenance and repairing of non-functioning computers and UPSs.

#### **4.2.12.4 Machineries and equipment remained unutilised**

Scrutiny of records revealed that 17 Plotters were procured during 2009-10 at a cost of ₹ 29.41 lakh from HP India Sales Ltd. as per DGS&D rate contracts which were installed at different Revenue circles. Necessary training on 'Operation of Plotter' was also provided to 23 officials. However, during the course of audit it was noticed that nine plotters were not put to use (July 2015) in nine<sup>15</sup> Revenue circles (out of 12 Revenue circles) test checked.

The Government replied (November 2015) that necessary training on operation of plotter has been given to enable use of plotter machine. However, plotters in nine Revenue circles had not been put to use in spite of providing training for operation of plotter machines.

#### **4.2.13 Conclusions**

Audit of CLR/NLRMP project revealed deficiencies in the software, database and system design. Presence of duplicate plot numbers were noticed. Manual intervention for generation of mutation notice, deficiencies in data entry and validation checks led to non-utilisation of the full potential of JAMI Software.

#### **4.2.14 Recommendations**

- The Department may strengthen data validation mechanism by modifying the software so as to ensure detection of invalid data inputs and duplicate records.
- The digitised Cadastral Maps may be updated regularly.
- The Department may devise a user access mechanism to check user accounts at periodic intervals to deactivate dormant users and also make encryption of password and mandatory change of password at prescribed intervals.

<sup>15</sup> Belonia, Sabroom, Santirbazar, Dharmanagar, Kanchanpur, Jirania, Mohanpur, Khowai and Teliamura.

## FINANCE (EXCISE & TAXATION) DEPARTMENT

### 4.3 Short-levy of Tax

**Due to concealment of turnover by the dealers which escaped notice of the assessing authorities, non submission of audited Accounts and collection of sum by way of tax by unregistered dealer resulted in short levy of VAT of ₹ 5.91 lakh, leviable interest of ₹ 3.63 lakh and penalty of ₹ 7.75 lakh.**

Section 25 (1) (C) and 45 (4) of the Tripura Value Added Tax (TVAT) Act, 2004 provides that if the Commissioner is satisfied that the dealer fails to pay the amount of tax due as per return for any tax period; or furnish revised return showing a higher amount of tax to be due that was shown by him in the original return; or fails to furnish return; such dealer shall be liable to pay interest in respect of tax payable by him according to the return, or the difference of the amount of tax according to the revised return; or the tax payable for the period for which he has failed to furnish return; at the rate one and a half *per cent* per month from the date the tax payable had become due to the date of its payment or the date of order of assessment, whichever is earlier.

Section 25 (3), 31(5) and 75A of the TVAT Act, 2004 further provides that if a registered dealer, without sufficient cause, fails to pay the amount of tax due and interest along with return or revised return the Commissioner may, after giving the dealer reasonable opportunity of being heard, direct him to pay in addition to the tax and interest payable by him a penalty not exceeding one and half times of the tax due but which shall not be less than ten *per cent* of that amount.

Section 53 (3) of TVAT Act, 2004 also provides that where in any particular year, the gross turnover of a dealer exceeds ₹ 40 lakh or such other amount as the Commissioner, may by notification in the official gazette specify, then such dealer shall get his accounts audited by an accountant within six month from the end of that year. In case of non-compliance of the above the Commissioner shall, after giving the dealer a reasonable opportunity of being heard impose on him, in addition to any tax payable, a sum by way of penalty equal to 0.1 *per cent* of the turnover as he may determine to the best of his judgment in his case in respect of the said period.

Further, Section 39 (2) of TVAT Act, 2004, provides that if any person not being a dealer liable to pay a tax under this Act, collects any sum by way of tax shall be liable, in addition to the tax for which he may be liable, to pay a penalty to an amount equal to twice the sum so collected by way of tax.

Audit (July 2013 - February 2015) of records of six Superintendents of Taxes<sup>16</sup> revealed that in eight assessment cases pertaining to six dealers for the period 2008-09

<sup>16</sup> (1) Superintendent of Taxes, Charge-I, Agartala; (2) Superintendent of Taxes, Charge-II, Agartala (3) Superintendent of Taxes, Bishalgarh, (4) Superintendent of Taxes, Udaipur, (5). Superintendent of Taxes, Belonia and (6). Superintendent of Taxes, Kailashahar.

to 2012-13 finalised during the financial years 2012-13 and 2014-15, there was concealment of turnover by the dealers which escaped notice of the assessing authorities at the time of assessment resulting in short levy of tax of ₹ 5.91 lakh (VAT), leviable interest of ₹ 3.63 lakh (**Appendix-4.3.3**) and penalty of ₹ 0.97 lakh (**Appendix-4.3.1**).

It was also noticed that M/s Manindra Sikder failed to furnish audited accounts and hence he was liable to pay penalty of ₹ 0.43 lakh **Appendix-4.3.1(II)** under Section 53 (3) of TVAT Act, 2004.

Further, M/s Loknath Hotel, M/s Pradip Biswas and M/s Md. Zamal Uddin not being registered dealers collected sum by way of tax, but the assessing authority imposed penalty @ 150 per cent U/s 75 (A) instead of twice the sums so collected as provided U/s 39 (2) of TVAT Act, 2004. This resulted in short levy of penalty amounting to ₹ 6.35 lakh **Appendix-4.3.1(I)**.

Thus, due to concealment of turnover by the dealers which escaped notice of the assessing authority, non-submission of audited Accounts and collection of sum by way of tax by unregistered dealers resulted in short levy of VAT of ₹ 5.91 lakh, leviable interest of ₹ 3.63 lakh and penalty of ₹ 7.75 lakh<sup>17</sup>.

The Commissioner of Taxes and Excise stated (October 2015) that in case of three dealers (SL No. 2, 3 and 4 of **Appendix- 4.3.1**), ₹ 4.34 lakh had been recovered. Further development for the remaining cases were awaited (November 2015).

The matters were reported (June 2015) to the Government; reply had not been received (November 2015).

#### 4.4 Unjust enrichment of Bonded Warehouses

**Differential amount of ₹ 21.97 lakh on account of revision of import fee of Liquor and Beer collected by Bonded Warehouses from the retail vendors resulted into unjust enrichment to the Bonded Warehouses.**

As per provision of Sub-Rule (2) of Rule 5 of the Tripura Excise {Import of Indian Made Foreign Liquor (IMFL) and Beer} Rules, 1996, the licensees of the Bonded Warehouses<sup>18</sup> (BWHs) are liable to pay import fees in advance to the respective Authority (the Collector of Excise). The import permits are obtained by the BWHs on advance payment of import fee at the rates fixed by the State Government from time to time which is reimbursable from the retail vendors on sale. The BWHs while supplying liquor to the retail licensed vendors realised an import fee along with other component like Excise Duty, Value Added Tax and other cost dues including cost of sales of liquor.

<sup>17</sup> ₹ 0.97 lakh + ₹ 6.35 lakh + ₹ 0.43 lakh

<sup>18</sup> Bonded warehouse means the place where any intoxicants e.g. India Made Foreign Liquor, Beer, etc. are imported, from outside the State, deposited or kept in any warehouse or other place of storage for supply to licensed retail vendors within the State under the authority and subject to the terms and conditions of a license issued by the Collector of Excise.

Scrutiny (May-August 2014) of records of three Superintendents of Excise<sup>19</sup> relating to IMFL and Beer in respect of four<sup>20</sup> Bonded Warehouses disclosed that the closing stock available with these Warehouses as on 6<sup>th</sup> November 2013 was 6,43,454 BL of IMFL and 4,29,886 BL of Beer. Of this quantity, 1,97,813 BL of IMFL was purchased from distilleries within the State for which no import fee was required. The balance stock (IMFL: 4,45,641 BL and Beer: 4,29,886 BL) was imported from outside the State against permits obtained at the payment of pre-revised rate (IMFL @ ₹ 12 and Beer @ ₹ 4). The rates<sup>21</sup> of import fee per Bulk Litre (BL) of IMFL and Beer was revised to ₹ 15 and ₹ 6 from the existing ₹ 12 and ₹ 4 respectively with effect from 7<sup>th</sup> November 2013.

The scrutiny of the sales invoices of all the four BWHs pertaining to sales made to the licensed retail vendors from 7<sup>th</sup> November 2013 onwards revealed that these BWHs collected the import fee at the revised rate of ₹ 15 for IMFL and ₹ 6 for Beer from the retail vendors.

Thus, with the enhancement of import fees with effect from 7<sup>th</sup> November 2013 and collecting the same at the revised rate on the entire stock of closing balance as of 6<sup>th</sup> November 2013 from the retail vendors, the BWHs were liable to pay import fee for the increased portion to the Government amounting to ₹ 21.97 lakh<sup>22</sup> (₹ 3 per BL for IMFL and ₹ 2 per BL for Beer) as shown below:

Items	Quantity sold at revised rate (Bulk Litre)	Differential rate of import fee (₹ /BL)	Total extra amount realised by BWHs and not paid to Government (₹ in lakh)
IMFL	4,45,641	3	13.37
Beer	4,29,886	2	8.60
<b>Total</b>			<b>21.97</b>

Audit, however, observed that neither the Superintendents of Excise had raised any demand for the differential amount of import fee against the BWHs nor the BWHs paid the dues at their own. This resulted into unjust enrichment to the BWHs to the extent of ₹ 21.97 lakh (**Appendix- 4.4.1**).

On this being pointed out in audit, the Superintendents of Excise administering all the four BWHs stated (May 2014 and August 2014) that the demand would be raised against the defaulting BWHs for realisation of the Government revenue. The Commissioner of Excise, Government of Tripura informed (June 2015) that demand for ₹ 21.97 lakh had been raised, of which ₹ 19.04 lakh was realised (**Appendix- 4.4.1**) leaving a balance of ₹ 2.93 lakh.

<sup>19</sup> 1. Superintendent of Excise, Agartala  
2. Superintendent of Excise, Unokoti  
3. Superintendent of Excise, Udaipur

<sup>20</sup> M/s Tripura Bonded Warehouse, Agartala; M/s Rajdhani Bonded Warehouse, Agartala; M/s Kumarghat Bonded Warehouse, Kumarghat and M/s Udaipur Bonded Warehouse, Udaipur.

<sup>21</sup> The revised rate of import fee become effective vide Tripura Government Gazette Notification No. F.II-1(1)-Ex/2004, Dated: 6<sup>th</sup> November 2013.

<sup>22</sup> ₹ 15 minus ₹ 12 = ₹ 3 and ₹ 6 minus ₹ 4 = ₹ 2 since 7<sup>th</sup> November 2013.

# **CHAPTER V: FOLLOW UP OF AUDIT OBSERVATIONS**





## CHAPTER – V

### FOLLOW UP OF AUDIT OBSERVATIONS

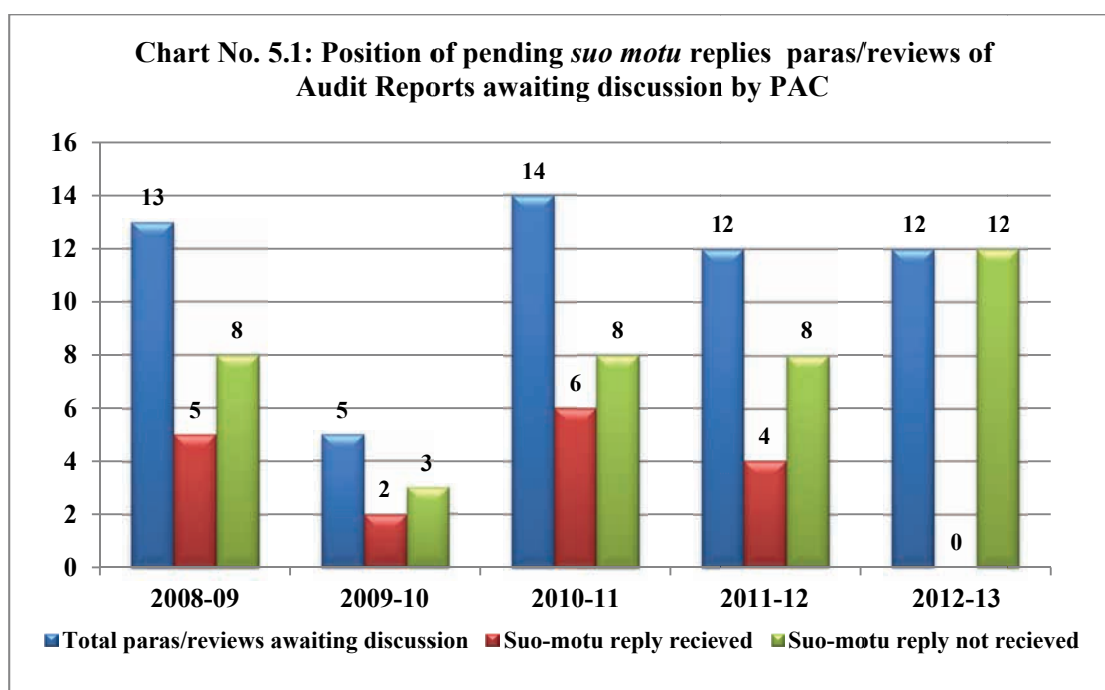
#### 5.1 Follow-up-Action on earlier Audit Reports

##### 5.1.1 Non-submission of Explanatory Notes

Serious irregularities noticed in audit are included in the Report of the Comptroller and Auditor General of India (Audit Reports) and presented to the State Legislature. According to the instructions issued by the Finance Department, Government of Tripura in July 1993 the Administrative departments were required to furnish explanatory notes on the paragraphs/Performance Audits included in the Audit Reports within three months of their presentation to the Legislature.

##### (a) Public Accounts Committee (PAC)

As of November 2015, 11 Departments did not submit explanatory notes on 32 paragraphs and 11 Performance Audits included in the Audit Reports from the years 2001-02 to 2012-13. The position of *suo moto* replies on paras/reviews awaiting discussion by PAC during the last five years is shown in the chart below:



**Chart No. 5.1** represents the position of *suo moto* replies received/not received pertaining to paras/Performance Audits of Audit Reports pending discussion by PAC for the period from 2008-09 to 2012-13. The Departments largely responsible for non-submission of explanatory notes were Public Works (R&B) Department (16), Public Works (DWS) Department (2), Public Works (WR) Department (3), Education (School) Department (3), Rural Development Department (4), Agriculture Department (4) and Revenue Department (2) amongst others.

**(b) Committee on Public Undertakings (COPU)**

As of November 2015, four Departments did not submit explanatory notes on seven paragraphs (Forest Department: 2, Power Department: 2, Industries & Commerce Department: 2 and Information, Cultural Affairs & Tourism Department: 1) and one Performance Audit (Industries & Commerce Department) included in the Audit Report for the years 2010-11 to 2012-13.

**5.1.2 Response of the departments to the recommendations of the Public Accounts Committee (PAC)/Committee on Public Undertakings (COPU)**

Finance Department, Government of Tripura issued (July 1993) instructions to all departments to submit Action Taken Notes (ATN) on various suggestions, observations and recommendations made by PAC/COPU within six months of presentation of the PAC/COPU Reports to the Legislature. The PAC/COPU Reports/Recommendations are the principal medium by which the Legislature enforces financial accountability of the Executive to the Legislature and it is appropriate that they elicit timely response from the departments in the form of Action Taken Notes (ATNs).

**(a) Public Accounts Committee (PAC)**

As of November 2015, out of 101 recommendations of the PAC made between 2010-11 and 2014-15, 64 ATNs were submitted of which 57 ATNs had been discussed by the PAC. The concerned administrative departments had not submitted ATNs for 34<sup>1</sup> recommendations, 18 of which were due from the Science Technology and Environment Department, three from Health and Family Welfare Department, three from Public Works Department (DWS) and 10 from other Departments.

**(b) Committee on Public Undertakings (COPU)**

As of November 2015, ATNs on 21 recommendations of the COPU made between 2011 and 2015 were awaited from the concerned administrative departments of which eight pertained to Tripura Jute Mills Limited, five to Tripura State Electricity Corporation Limited, four to Tripura Small Industries Corporation Limited, two to Tripura Forest Development & Plantation Corporation Limited and one each to Tripura Road Transport Corporation and Tripura Rehabilitation & plantation Corporation Limited.

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<sup>1</sup> 1 para (Agriculture Department) sub-judice, 2 para (114<sup>th</sup> PAC Report) dropped. Hence, ATNs not required.

## 5.2 FOLLOW-UP OF PERFORMANCE AUDIT REPORTS

### Education (School) Department

#### 5.2.1 Introduction

Performance Audit (PA) is basically a means to improve the functioning of a Government Department expected to be achieved through strict compliance of the recommendations contained in the Audit Reports. An effective follow up of the Audit Reports would further encourage the audited entities to take the reports seriously and as a consequence, increases the probability that the recommendations are intently implemented and helped in improving the performance of the department.

In order to examine the corrective actions the audited entity had taken on the basis of the results of previous PAs, after allowing sufficient time for the remedial process, a follow up of audit reports on selected PAs was conducted to evaluate the extent of implementation of the recommendations with special focus on whether the audited entity had adequately addressed the problem areas pointed out by audit and remedied the underlying conditions.

#### 5.2.2 Scope of Audit

Two PA reviews namely “Integrated Audit of the Education (Social Welfare & Social Education) Department” and “Utilisation of Edusat Network” in Education (School) Department which featured in the Report of Comptroller and Auditor General of India for the year 2011-12 were taken up to assess and evaluate the Department’s performance and improvements in programme management through proper implementation of the audit recommendations.

#### 5.2.3 Audit Methodology

The follow-up of PA reports was initiated as a desk review of the implementation of the recommendations, including meetings, discussions with the departmental officers and also issuing questionnaires to elicit information in relation to the latest position and action taken by the entity on audit recommendations. The outcome of the meetings, discussions and replies formed the basis of the audit findings.

#### 5.2.4 Audit findings

The results of the follow up of PA reviews on implementation of the audit recommendations by the entities are discussed below:

##### 5.2.4.1 Integrated Audit of the Education (Social Welfare & Social Education) Department.

*[Para 1.3 of AR 2011-12]*

The PA report featuring the performance of the Department for the period 2007-2012 contained four recommendations, the implementation of which were agreed to by the department in the exit conference. The findings as enumerated in the table below are based on Government reply on the PA review, reply to questionnaires issued to Department during the course of follow-up of performance audit and also test check

of the action taken report and audit at the Directorate on the implementation of recommendations:

Audit Recommendations	Replies from the Department and audit findings	Status of implementation
<p>A reliable data base needs to be created for sound planning and effective implementation of social welfare schemes through a wide-ranging ground level survey. The survey report should be put up in the public domain for transparency.</p>	<p>The action taken report as of September 2015 of the Department revealed that:</p> <ul style="list-style-type: none"> <li>➤ Database of National Social Assistance Programme (NSAP) is maintained at the Directorate,</li> <li>➤ Mandatory display of beneficiary list at the Anganwadi Centres (AWC) is being done;</li> <li>➤ AWC workers were made responsible for reporting death cases in the monthly seminars, and</li> <li>➤ Survey for identification of eligible beneficiaries had not started as yet, etc.</li> </ul> <p>Transparency in the selection of beneficiaries was an important recommendation of the Audit Report. Follow up of the implementation of the recommendation, however, revealed that:</p> <ul style="list-style-type: none"> <li>➤ Database of the existing beneficiaries of the three Central Pension Schemes<sup>2</sup> has been created and maintained at the Directorate, while databases for the remaining 20 State Pension Schemes are available only at the Project level. This indicated lack of centralisation of data which might have hindered effective planning and implementation at the highest level.</li> <li>➤ Database for the waitlisted eligible beneficiaries awaiting inclusion against future available slots under the scheme had not been prepared and maintained at any level. This may possibly result in lack of transparency in selection and inclusion of new beneficiaries.</li> <li>➤ No survey for identification and enrollment of eligible beneficiaries was conducted by the competent authority even after three years since this was recommended in the PA and accepted by the Department. The Scheme guidelines entail that based on BPL list, the beneficiaries should be identified proactively by reaching their doorstep and obtaining applications for inclusion in the list of potential beneficiaries. Vacancies created due to death or otherwise in</li> </ul>	<p>Substantial implementation</p>

<sup>2</sup> **IGNOAP:** Indira Gandhi National Old Age Pension; **IGNWPS:** Indira Gandhi National Widow Pension Scheme and **IGNDP:** Indira Gandhi National Disability Pension

Audit Recommendations	Replies from the Department and audit findings	Status of implementation
	<p>the existing list of pensioners should be filled up from the surveyed list after approval of the appropriate local bodies.</p> <p>However, in practice the procedure is mostly the other way round where inclusion is made only on receiving application submitted by the person on his own volition. GPs select new beneficiaries' for compliance by the Child Development Project Officers (CDPOs).</p> <p>Thus, non-identification and non-inclusion of poor eligible persons in the remote villages in the wait list remains as a deficiency besides possibility of lack of transparency in the selection process.</p>	
<p>An effective monitoring mechanism is a call of the day to eliminate non-existent pensioners and for inclusion of new pensioners on a regular and continuous basis.</p>	<p>The Department while admitting instances of delay in identification of dead pensioners and inclusion of new beneficiaries against such vacancies maintained that as the disbursement is made in most of the cases through bank credit there is no risk of withdrawal on behalf of the dead person. Action taken report (September 2015) of the Department also revealed that:</p> <ul style="list-style-type: none"> <li>➤ Annual verification of existing beneficiaries under the NSAP was started only from September 2014;</li> <li>➤ The field level officers were instructed to identify the dead and ineligible pensioners and the CDPOs were instructed to replace/ fill up vacancies at their level after obtaining approval from concerned local bodies;</li> <li>➤ 26,450 dead pensioners had already identified and the process of replacement is under progress;</li> <li>➤ Payment of pension was made through beneficiaries' bank accounts where almost 70 <i>per cent</i> accounts have been seeded with AADHAAR numbers; ECS model of payment has already started in case of central pensions on pilot basis and expected to be completed shortly;</li> </ul> <p>Follow up of the implementation of the recommendation by audit revealed that:</p> <ul style="list-style-type: none"> <li>➤ Annual verification of existing beneficiaries under the NSAP was started only from</li> </ul>	<p>Substantial implementation</p>

Audit Recommendations	Replies from the Department and audit findings	Status of implementation
	<p>September 2014 (i.e. after about three years since PA recommendations) and still under progress (September 2015). This has delayed the process of identification and deletion of ineligible/non-existent or death beneficiaries with consequent delay in providing benefits to other waitlisted eligible persons.</p> <ul style="list-style-type: none"> <li>➤ Records revealed that inclusion and exclusion of pensioners were done on regular basis for replacement of dead pensioners only. However, continuation of payment in respect of ineligible/non-existent persons as pointed out in the PA report had not yet been addressed.</li> <li>➤ The contention that disbursement through bank account ensures prevention of fraudulent drawal in the name of dead is untenable as the money credited in a dead persons account would unnecessarily get accumulated in bank at the cost of depriving benefit to other potential beneficiaries and had risk of internal fraud as also withdrawal by others using ATM card assigned to the dead pensioner's account.</li> <li>➤ NSAP provides for Social Audit (to be held at least once in every six months) as an essential support in implementation and monitoring of the pension schemes which not only leads to refinement of the Schemes but also enhances transparency and accountability, besides redressing grievances of the beneficiary. The Department, however, failed to elect GP-wise Social Audit Committee as per requirement of the Scheme guidelines.</li> </ul>	
<p>Training needs of the field level functionaries and supervising staff should be adequately addressed.</p>	<p>The action taken report of the Department (September 2015) on implementation of the recommendation disclosed that:</p> <ul style="list-style-type: none"> <li>➤ To augment the training infrastructures in the State, Government of India was requested for providing funds for construction of buildings. Besides, State Government also sanctioned construction of a training Institute for Anganwadi Workers (AWW)/ Anganwadi Helpers (AWH).</li> </ul> <p>Follow up of the implementation of the recommendation by audit revealed that:</p>	<p>Insignificant progress</p>



Audit Recommendations	Replies from the Department and audit findings	Status of implementation
	<p>➤ Though there was improvement in imparting training during 2012-15 <i>vis-a-vis</i> 2007-12, 1722 AWW/(17 <i>per cent</i> of the available strength) and 1010 AWH (10 <i>per cent</i> of men-in-position) were still untrained for the Job Course. No training was also imparted to 171 Supervisors during the last three years (2012-15).</p>	
<p>A professional agency may be engaged to undertake a work study to assess the requirement of manpower in key functional areas for effective functioning of the Department.</p>	<p>The Department stated (September 2015) that no professional agency was engaged and has taken its own assessment of manpower based on sanctioned strength specified by the GoI for ICDS/ ICPS<sup>3</sup>.</p> <p>Follow up of the implementation of the recommendation by audit revealed that:</p> <p>➤ There is still 18 <i>per cent</i> vacancy of Supervisors against 37 <i>per cent</i> reported as on March 2012. Whereas no good progress has been seen in filling up vacancy of CDPOs, only two vacancies were filled up during the last three years against eight as on March 2012. Although AWWs/AWHs have now been assigned with all the AWCs, but there were vacancies in case of CDPOs (6) and ICDS Supervisors (77). Since the focal point of delivery of services is the Anganwadi to be run under the constant supervision and guidance of the Supervisors and the CDPOs, failing to fill these vital posts would have a definite impact on their functioning.</p> <p>➤ Health check up, immunisation, growth monitoring and surveillance of the infants, expecting mothers and adolescent girls are an integral part of the ICDS activity, where job specific qualified health staff is essential for delivering services. The Department, however, relied entirely on the State Health Department without any staff being arranged of its own. As a result, the deficiency in this area as pointed out in PA report remained unaddressed.</p>	<p>Substantial implementation</p>

#### 5.2.4.2 Utilisation of Edusat Network, Education (School) Department.

[Para 1.5 of AR 2011-12]

The performance audit report featuring the performance of the Education (School) Department on the “Utilisation of Edusat Network” was done in 2011-12. The

<sup>3</sup> Integrated Child Development Scheme, **Integrated Child Protection Scheme**

programme aimed at Satellite communication based distance education network intended to supplement the curriculum based education system and to provide teachers training in the State. The PA report contained three recommendations, the implementation of which were agreed to by the department in the exit conference.

As the Government had not furnished any reply (October, 2015), the findings as detailed below are based on the Departmental replies to questionnaires and verification by audit of compliance records maintained in the Directorate.

Audit Recommendations	Replies from the Department and audit findings	Status of implementation
<p>Formulate a clearly defined action plan for fulfilment of objectives and optimal utilisation of the network</p>	<p>The Department admitted (September 2015) that the proposed action plan has not yet been formulated. As regards utilisation of network, the reply stated that broadcasting of live and interactive programme for teachers' training will be taken up shortly.</p> <p>Follow up of the implementation by audit revealed that in the absence of any strategic planning progress in utilisation of network remained static resulting in poor achievement of the defined objectives, as may be shown below:</p> <ul style="list-style-type: none"> <li>➤ There was no year-long calendar of Teachers' training programme put in place as was committed at the State level meeting of high officials of State Education Department.</li> <li>➤ Broadcasting through the network was done only for 380 hours during the last four years (2012-16) for imparting training between standards VI to XII on selected subjects (Math, Science, English Grammar and Composition, etc), as against the primary objective of utilising the network for 2,716 hours every year on training to 34,000 school teachers and 600 fresher trainees. No teachers training programmes were organised during 2009-16.</li> </ul>	<p>Insignificant progress</p>
<p>Strengthen the present monitoring system to ensure effective utilisation of the network</p>	<p>The Department stated (September 2015) that the North Eastern Space Application Centre, ISRO was responsible for monitoring &amp; repairing of the network. It further admitted (October 2015) that the State Level Monitoring Committee (SLMC) was not reconstituted and no meeting of the committee was held during 2012-16.</p> <p>Follow up of the implementation by audit disclosed that:</p> <ul style="list-style-type: none"> <li>➤ No progress was reported with regard to utilisation of network, while there was huge gap</li> </ul>	<p>Insignificant progress</p>

Audit Recommendations	Replies from the Department and audit findings	Status of implementation
	<p>between targets and achievements.</p> <ul style="list-style-type: none"> <li>➤ The Department intimated in March 2013 that the defunct SLMC would be reconstituted for monitoring effective utilisation of the network with a stipulation to conduct at least two meetings every year. However, neither the committee was reconstituted as of now nor any meeting was held during 2012-16.</li> </ul>	
<p>Provide funds for replacement of lost items of Satellite Interactive Terminals to make them functional.</p>	<p>The State Council for Educational Research and Training (SCERT) stated (September 2015) that out of the existing 50 Satellite Interactive Terminals (SITs), 25 were nonfunctional. It had planned for adoption of new technology of interactive Receive Only Terminals (iROT) in place of present ROTs.</p> <p>Follow up of the implementation by audit revealed that:</p> <ul style="list-style-type: none"> <li>➤ The project has been suffering from under performance of the Edusat owing to non-functioning SITs, although SCERT has received a sum of ₹ 1.25 crore for replacement of 25 non-functional SITs/iROT from Education (School) Department in March, 2013. The funds remained utilised.</li> <li>➤ Proposals sent (July, 2015) for adoption of new DVB<sup>4</sup> S2 technology in place of existing DVBS1 along with expansion of the network through iROT has been pending with GoI for approval till date.</li> </ul>	<p>Insignificant progress.</p>

### 5.3 Monitoring

The following Committees had been formed at the Government level to monitor the follow up action on Audit Reports and PAC/COPU recommendations.

#### Departmental Monitoring Committee

Departmental Monitoring Committees (DMCs) had been formed (April 2002) by all Departments of the Government under the Chairmanship of the Departmental Secretaries to monitor the follow up action on Audit Reports and PAC/COPU recommendations. The DMCs were to hold monthly meetings and send Progress Reports on the issue every month to the Finance Department.

Information regarding the meetings of the DMCs during 2014-15 though called for (July 2015) had not been furnished (November 2015).

<sup>4</sup> Digital Video Broadcast

### Apex Committee

An Apex Committee had been formed (April 2002) at the State level under the Chairmanship of the Chief Secretary to monitor the follow up action on Audit Reports and PAC/COPU recommendations.

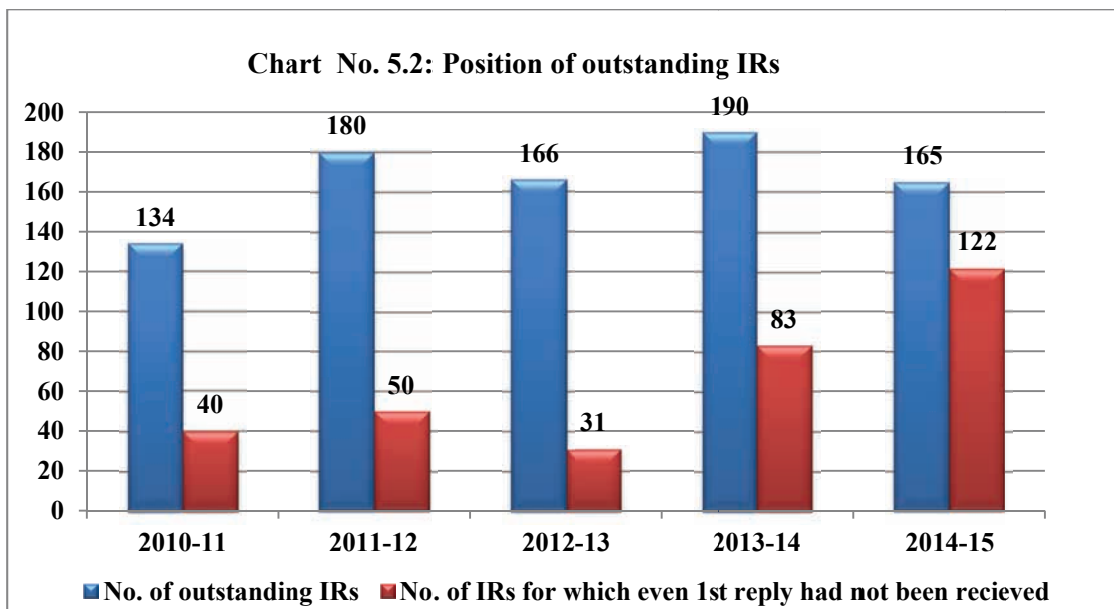
Information regarding the meetings of the Apex Committee during 2014-15 though called for (July 2015) had not been furnished (November 2015).

### 5.4 Outstanding Inspection Reports

**First reply for 326 out of 835 Inspection Reports issued upto 2014-15 were not furnished within the stipulated period by the concerned Departments.**

Audit observations on financial irregularities and deficiencies in maintenance of initial accounts noticed during local audit and not settled on the spot are communicated to the audited entities and to the higher authorities through Inspection Reports (IRs). The more serious irregularities are reported to the Government. The Government had prescribed that the first reply to the IRs should be furnished within one month from the date of receipt.

Analysis of the position of outstanding Inspection Reports showed that 4,328 paragraphs included in 835 IRs issued during the last five years upto 2014-15 were pending settlement as of November 2015. Of these, even the first reply had not been received in respect of 326 IRs in spite of repeated reminders. The year-wise break-up of the outstanding IRs and the position of response thereto is given in the chart below:



As a result, the following important irregularities commented upon in those IRs had not been addressed as of November 2015.

Table No. 5.4.1

Nature of irregularities	Number of cases	Amount involved (₹ in crore)
Excess/Irregular/Avoidable/Unfruitful/Wasteful/Unauthorised/Idle expenditure	142	80.80
Blocking of funds	215	152.94
Non-recovery of excess payments/overpayments	191	78.61
Under Assessment	43	5.79
Loss of Revenue	61	6.70
Others	1,575	1,445.46
<b>Total:</b>	<b>2,227</b>	<b>1,770.30</b>

#### 5.4.1 Departmental Audit Committee Meetings

Eighteen Audit Committee Meetings were held during 2014-15 wherein 58 IRs and 254 paragraphs were discussed out of which 14 IRs and 136 paragraphs were settled.

Agartala  
The



(R. K. Goel)  
Accountant General (Audit), Tripura

Countersigned



(SHASHI KANT SHARMA)  
Comptroller and Auditor General of India

New Delhi  
The



# APPENDICES





## Appendix-1.3.1

**Statement showing schools where actual number of children availing MDM on the day of visit was significantly lower as compared to the data fed in the feeding register by the respective schools.**

*(Reference: Paragraph No. 1.3.9)*

Sl. No.	Name of school	Name of IS	Category	Total enrolment	Attendance on the day of visit	No of children recorded in the feeding register	No of children actually taken MDM	Variation	Percentage in variation
1	Netaji Subhas Vidyaniketan	Sadar	Pry	593	501	501	115	386	77
2	Netaji Subhas Vidyaniketan	Sadar	U. Pry	551	420	420	90	330	79
3	MTB Girls HS School	Sadar	Pry	795	382	382	180	202	53
4	Shishu Bihar HS School	Sadar	U. Pry	408	307	307	118	189	62
5	Umakanta Academy Bengali Medium	Sadar	Pry	496	417	417	260	157	38
6	Shishu Bihar HS School	Sadar	Pry	608	515	515	370	145	28
7	MTB Girls HS School	Sadar	U. Pry	705	208	208	75	133	64
8	Umakanta Academy Bengali Medium	Sadar	U. Pry	436	188	188	72	116	62
9	Khudiram Basu English Medium School	Sadar	Pry	351	267	267	153	114	43
10	Umakanta Academy English Medium	Sadar	Pry	403	335	335	230	105	31
11	Madhuban Dukli HS School	Sadar	Pry	357	194	194	120	74	38
12	Marachara SB School	Kamalpur	Pry	223	196	196	130	66	34
13	Dakshin Amarpur Town HS School	Amarpur	Pry	362	95	95	45	50	53
14	Bodhjung Boys HS School	Sadar	Pry	185	102	102	65	37	36
15	Chandrai Para Class XII School	Kamalpur	Pry	149	113	113	80	33	29
16	Dakshin Amarpur Town HS School	Amarpur	U. Pry	327	110	110	80	30	27
17	Umakanta Academy English Medium	Sadar	U. Pry	194	147	147	120	27	18
18	Salema Class XII School	Kamalpur	U. Pry	206	126	126	100	26	21
19	Henry Derozio Academy HS School	Sadar	Pry	450	345	345	150	195	57
20	Bardowali High Class XII School	Sadar	U. Pry	384	273	273	250	23	8
21	Abhoynagar NS Vidyalaya	Sadar	U. Pry	155	110	110	90	20	18
22	Ramdurlabpur TE SB School	Kamalpur	Pry	160	126	126	106	20	16
23	Kamalpur Govt English Medium Class XII School	Kamalpur	U. Pry	155	99	99	80	19	19
24	Ampinagar HS School	Amarpur	U. Pry	203	158	158	139	19	12
25	Sadhutilla CMS Girls High School	Sadar	Pry	373	281	281	262	19	7

**Appendix-1.3.2**  
**Statement showing schools/centres covered under MDM**  
*(Reference: Paragraph No. 1.3.14)*

Year	Total number of school/centre/madrasas/maktabs in operation in the State			Number of school/centre/madrasas/maktabs covered under MDM			Percentage of coverage (in per cent)		Total percentage (in per cent)
	Primary	Upper Primary	Total	Primary	Upper Primary	Total	Primary	Upper Primary	
2010-11	4564	1946	6510	4564	1946	6510	100	100	100
2011-12	4564	1946	6510	4564	1946	6510	100	100	100
2012-13	4433	2078	6511	4433	2078	6511	100	100	100
2013-14	4461	2084	6545	4461	2084	6545	100	100	100
2014-15	4482	2084	6566	4482	2084	6566	100	100	100

(Source: Information furnished by the Directorate of School Education)

**Appendix-1.3.3**  
**Statement showing schools siphoning food grains**  
*{Reference: Paragraph No. 1.3.17 (a)}*

Sl. No.	Name of school	Name of IS	Category	Total enrollment	Attendance on the day of visit	Total qty. of rice to be used (in Kg)	MDM actually taken by	Total quantity of rice (in kg) used for feeding	Siphoned on the day of visit (in Kg)	Extrapolated quantity if Siphoned during five years (in MT)	Probable cost of siphoned rice (₹ in lakh)	Cooking cost shown as utilised (in ₹)	Cooking cost actually required (in ₹)	Difference of cooking cost on the day of visit (in ₹)
1	Netaji Subhas Vidyamketan	Sadar	U. Pry	551	420	63	90	20	43	49.45	5.12	2243	481	1762
2	Netaji Subhas Vidyamketan	Sadar	Pry	593	501	50.1	115	8	42	48.42	5.01	1869	429	1440
3	Mib Girls HS School	Sadar	Pry	795	382	38.2	180	9	29	33.58	3.48	1425	671	753
4	Shishu Bihar HS School	Sadar	Pry	608	515	51.5	370	25	27	30.48	3.15	1921	1380	541
5	Mib Girls HS School	Sadar	U. Pry	705	208	31.2	75	5	26	30.13	3.12	1111	401	710
6	Shishu Bihar HS School	Sadar	U. Pry	408	307	46.05	118	20	26	29.96	3.10	1639	630	1009
7	Henry Derozio Academy HS School	Sadar	Pry	450	345	34.5	150	15	20	22.43	2.32	1287	560	727
8	Khudiram Basu English Medium School	Sadar	Pry	351	267	26.7	153	10	17	19.21	1.99	996	571	425
9	Ramakrishna Ashram Vidyamandir	Sadar	Pry	586	300	30	300	15	15	17.25	1.79	1119	1119	0
10	Kamalpur Govt English Medium Class XII School	Kamalpur	U. Pry	155	99	14.85	80	4	11	12.48	1.29	529	427	101
11	Arundhutanagar Class XII School	Sadar	Pry	307	151	15.1	141	5	10	11.62	1.20	563	526	37
12	Salema Class XII School	Kamalpur	U. Pry	206	126	18.9	100	9	10	11.39	1.18	673	534	139
13	Ampinagar HS School	Amarpur	U. Pry	203	158	23.7	139	15	9	10.01	1.04	844	742	101
14	Abhoynagar NS Vidyalaya	Sadar	U. Pry	155	110	16.5	90	8	9	9.78	1.01	587	481	107
15	Bapuji Vidyamandir High School	Sadar	U. Pry	145	65	9.75	65	3	7	7.76	0.80	347	347	0
16	Umakanta Academy Bengali Medium	Sadar	Pry	496	417	41.7	260	35	7	7.71	0.80	1555	970	586
17	Dakshin Amarapur Town HS School	Amarpur	Pry	362	95	9.5	45	4	6	6.33	0.65	354	168	187
<b>Total</b>										<b>357,938</b>	<b>37.05</b>	<b>19062</b>	<b>10436</b>	<b>8626</b>

Note: Feeding days per year is taken as 230 days, approved by PAB and cost of rice is taken as ₹ 10.35 per Kg (cost of APL rice)  
 Cooking cost siphoned on the day of visit = ₹ 8,626  
 Probable siphoning of cooking cost during 2010-11 to 2014-15 = ₹ 99,19,900 (₹ 8,626 \* 230\*5)

**Appendix- 1.3.4**  
**Statement showing schools where foodgrain was found short on the day of visit**

*{Reference: Paragraph 1.3.17 (b)}*

Sl. No.	Name of school	Name of IS	Category	Foodgrain as per stock register (in Kg)	Foodgrain as per physical verification (in Kg)	Shortage of rice (in Kg)	Cost (in ₹)
1	Netaji Subhas Vidyaniketan	Sadar	U. Pry	1941	160	1781	18435
2	Ramkrishna Ashram Vidyamandir	Sadar	Pry	1832	500	1332	13783
3	Arundhutinagar Class XII School	Sadar	Pry	1282	350	932	9641
4	MTB Girls HS School	Sadar	Pry	1115	850	265	2746
5	Dr.B.R Ambedkar Vidyabhaban HS	Sadar	U. Pry	910	180	730	7560
6	Salema Class XII School	Kamalpur	U. Pry	881	200	681	7048
7	Umakanta Academy English Medium	Sadar	U. Pry	955	350	605	6260
8	Paschim Bhubanban High	Sadar	Pry	526	15	511	5291
9	Abhoynagar NS Vidyalaya	Sadar	U. Pry	484	50	434	4487
10	Nutanbazar Girls High School	Amarpur	U. Pry	669	270	399	4135
11	Netaji Subhas Vidyaniketan	Sadar	Pry	450	60	390	4034
12	MTB Girls HS School	Sadar	U. Pry	1371	1000	371	3845
13	Vivekananda Vidyalaya Pry. School	Sadar	Pry	440	120	320	3316
14	Shyamaprasad Vidya Niketan SB School	Sadar	U. Pry	1317	1000	317	3278
15	Saiba Sunity SB School	Khowai	Pry	813	600	213	2209
16	Deep Jele Jai Para SB School	Khowai	Pry	289	80	209	2160
17	Krishnachandra High School	Amarpur	Pry	281	100	181	1869
18	Tafamachara High School	Kamalpur	Pry	156	4	152	1570
19	Nailahabari SB School	Kamalpur	Pry	643	500	143	1477
20	Airyarai Chow Para SB School	Amarpur	Pry	161	20	141	1459
21	Bikram Malsom Para JB School	Khumulwang	Pry	174	40	134	1383
22	Bachaibari HS School	Khowai	U. Pry	297	175	122	1264
23	Khudiram Basu English Medium School	Sadar	Pry	258	140	118	1218
24	Chellagangmukh Colony Model High School	Amarpur	Pry	187	80	107	1108
25	Kalikapur SB School	Sadar	U. Pry	311	210	101	1042
26	Rasamala smriti JB. School	Tulashikok	Pry	133	35	98	1019
27	Vivekananda Vidyamandir High School	Sadar	U. Pry	348	250	98	1015
28	Amarpur English Medium High School	Amarpur	U. Pry	494	400	94	976
29	Kuchainala SB School	Kamalpur	Pry	78	5	73	756
30	Joy Chandrakami JB School	Khumulwang	Pry	75	9	66	684
31	Bidyadhan Para JB School	Khumulwang	Pry	80	20	60	616
32	Duranta Kami JB School	Khumulwang	Pry	61	15	46	472
33	Lalcherra Girls HS School	Khowai	U. Pry	125	80	45	467
34	Bankaroy Para SB Schhol	Amarpur	Pry	233	190	43	442

**Appendix- 1.3.4 (Concl.)**  
**Statement showing schools where foodgrain was found short on the day of visit**

*{Reference: Paragraph 1.3.17 (b)}*

Sl. No.	Name of school	Name of IS	Category	Foodgrain as per stock register (in Kg)	Foodgrain as per physical verification (in Kg)	Shortage of rice (in Kg)	Cost (in ₹)
35	Bodhjung Girls HS School	Sadar	Pry	439	400	39	407
36	Sahadas Baishnab Bari SB School	Khowai	U. Pry	43	5	38	392
37	Sikrai Kobra Para JB School	Khumulwang	Pry	49	15	34	357
38	Mong Mong Mog Para SB Schol	Amarpur	Pry	104	70	34	354
39	Utlabari SB School	Khowai	Pry	51	20	31	319
40	Chandra Mohan RP JB School	Kamalpur	Pry	40	13	27	282
41	Veerta Bandhuta SB School	Amarpur	U. Pry	246	220	26	272
42	Kawamaraghat High School	Amarpur	Pry	404	380	24	253
43	Manya kr. Para Sr. B. School	Gandacherra	U. Pry	323	300	23	240
44	Darsen Reang Para SB School	Amarpur	Pry	91	70	21	221
45	Baishyamani Para High School	Amarpur	Pry	60	40	20	210
46	Tirtharam Chow Para SB School	Amarpur	U. Pry	95	75	20	207
<b>Total</b>				<b>21316</b>	<b>9666</b>	<b>11650</b>	<b>120576</b>

**Note:** cost of rice is taken as ₹ 10.35 per Kg (cost of APL rice in FP shop)

**Appendix-1.3.5**  
**Statement showing rice damaged (in Kg) in the Schools**

*{Reference: Paragraph No. 1.3.17 (c)}*

Sl. No.	Section	Name of the School	Quantity (in Kg)
1	Upper Primary (Sadar)	AanandvidyaNiketan Girls High School	50
2		Acharya Prafulla Chandra Roy Smriti Vidyamandir HS School	100
3		Arundhoti Nagar HS School	600
4		Bardwolai HS School	250
5		Bhati Abhoynagar P.P SB School	150
6		Birodhi Kabi Nazrul HS School	400
7		Budhjang Boys HS School	650
8		DR. B. R Ambedkar H School	500
9		Hariganga Girls High School	150
10		Hrishi Colony SB School	950
11		Jagatpur SB School	302
12		KabirajTilla HS School	250
13		Kalikapur SB School	100
14		Netaji Subhas colony High School	893
15		Paschimbhubanban High School	490
16		Pratapgarh High School	300
17		RambagarBoys HS School	1246
18		Ramnagar Girls High School	500
19		SakhichanVidyaNiketan HS School	80
20		Swami Dayalananda HS School	200
21		Umakanta Academy English Medium	1035
22		Vidyasagar Girls H. S School	800
23		Vivekananda Vidyamandir High School	100
24		West Champmura SB School	300
<b>Total</b>			<b>10396</b>
25	Primary (Sadar)	Acharya Prafulla Chandra Roy Smriti Vidyamandir HS School	100
26		Arudhoti Nagar HS School	900
27		Badharghat HS School	1000
28		Benimadhav SB Pry School	400
29		Bhati Abhoynagar P.P SB School	1200
30		BholanandaVidyabhavan School	350
31		Chandrapur JB School	750
32		Chanmari High School	300
33		Charia Para HS School	1700
34		Dr. B.R AmbedkarVidyabhavan School	500
35		Hrishi Col JB School	400
36		Indranagar H JB School	150
37		Indranagar High School	500
38		Madya Bhubanban High School	400
39		Netaji Palli JB School	1109
40		No.3 BK HS School	200
41		Noagaon Krishnagar High School	700
42		Prachya Bharati HS School	2348
43		Rabidas Para JB School	98.5
44		Ramnagar Girls High School	350
45		Rampur SB School	100



**Appendix-1.3.5 (Concl.)**  
**Statement showing rice damaged (in Kg) in the Schools**

*Reference: Paragraph No. 1.3.17 (c)*

Sl. No.	Section	Name of the School	Quantity (in Kg)
46	Primary (Sadar)	Rehsam Bagan HS School	1000
47		Shadhutilla CMS High School	3000
48		Shankaracharya Vidyanketan	800
49		Shishuvihar HS School	1600
50		South Barjala JB School	400
51		Umakanta Academy English Medium	2482
52		Vidyasagar High School	600
53		Vidyasagar Palli JB School	100
54		Shadhutilla CMS Girls High School	900
55		Umakanta Academy HS School	1100
56		Vivekananda Vidyamandir High School	700.5
<b>Total</b>			<b>26238</b>
57	Khowai	PurbaRamchandraghat SB (pry)	200
58		Ranjan Roy Smirti BM JB (Pry)	100
59		Kamini para JB (Pry)	100
60		Singhicherra No. 02 High School (Upper Pry)	1000
61		DakshinGanki JB School (Pry)	100
62		Bachaibari High School (Upper Pry)	250
<b>Total</b>			<b>1750</b>
63	Sonamura	Aralia SB School	250
64		Mogbari SB School	50
65		Duparia Bandh SB School	700
66		Rangamatia North SB School	700
67		North Kamrangathali HS School	1047
68		West Taksapra SB School	250
<b>Total</b>			<b>2997</b>
69	<b>Kamalpur</b>	Dolubari Gate HS School (Pry)	700
<b>Total damaged rice</b>			<b>42081</b>

## Appendix-1.3.6

**Statement showing list of schools where LPG subsidy is suspected to have been misappropriated**  
(Reference: Paragraph No. 1.3.21.4)

School	Status of LPG subsidy received by the School
A. D. Nagar Higher Secondary School (Primary)	It was noticed that the school received ₹ 0.30 lakh for LPG subsidy although it had no LPG connection from IOCL and the funds were adjusted by submitting <i>kutchha vouchers</i> being purchase of steel almirah, steel rack etc. which were not in stock at the time of audit.
MTB Girls Higher Secondary School (Primary)	The school received ₹ 84,960 (May 2014) for LPG subsidy. The amount was drawn in two installments from the Bank Account maintained for MDM and ₹ 30,000 was paid (June 2014) to organiser and ₹ 54,960 was drawn (September 2014) by the Head Master himself whereas in the Cash Book it was recorded that ₹ 84,960 was paid to the organiser. In both the cases adjustment documents were not furnished to audit.
MTB Girls Higher Secondary School (Upper Primary)	The school received ₹ 68,531(May 2014) for LPG subsidy while the school did not purchase any LPG from IOC authorised agencies. Moreover monthly adjustments submitted by the schools to the IS revealed that it was running the MDM within the assigned cost and it did not pay any extra for fuel. The amount was drawn from the Bank account on 01-07-2015 without making any entry in the cash book. Further, no pay order and adjustments were furnished to audit. As a result, there was a likely misappropriation of ₹ 68,531.
Bodhjung Girls Higher Secondary School (Upper Primary)	The school received ₹ 12,779 (May 2014) for LPG subsidy. The amount was paid to the organiser on 10-06-14 while the school did not purchase any LPG from IOC authorised agencies. Moreover monthly adjustments submitted by the schools to the IS revealed that it was running the MDM within the assigned cost and it did not pay any extra for fuel. So, payment of ₹ 12,779 to organiser was irregular.
Netaji Subhash Vidyaniketan (Upper Primary)	The school received ₹ 50,888 (May 2014) for LPG subsidy. The amount was paid to the organiser on 02-09-14 while the school did not purchase any LPG from any IOC authorised agencies. Moreover monthly adjustments submitted by the schools to the IS revealed that it was running the MDM within the assigned cost and it did not pay any extra cost for fuel. So, payment of ₹ 50,888 to organiser was irregular.
Netaji Subhash Vidyaniketan (Primary)	The school received ₹ 54,096 (May 2014) for LPG subsidy. The amount was paid to the organiser on 01-09-14 while the school did not purchase any LPG from any IOC authorised agencies. Moreover monthly adjustments submitted by the schools to the IS revealed that it was running the MDM within the assigned cost and it did not pay any extra cost for fuel. So, payment of ₹ 54,096 to organiser was irregular.
Umakanta Academy HS School (Primary)	The school received ₹ 47,127 (May 2014) for LPG subsidy while the school did not purchase any LPG from IOC authorised agencies. Moreover monthly adjustments submitted by the schools to the IS revealed that it was running the MDM within the assigned cost and it did not pay any extra for fuel. The amount was paid to a teacher on 03-06-14. Reason for payment to a teacher was not found on record. Moreover, the teacher did not submit any adjustments till July 2015. So, the amount of ₹ 47,127 was likely misappropriated.

### Appendix 2.4.1

Statement showing details of testing facilities available in the Board's laboratory  
(Reference: Paragraph No. 2.4.8.2)

Sl. No.	Category of tests	Number of mandatory test parameters to be tested	Number of mandatory test parameters for which facilities were available in the Board's laboratory during the years 2010-11 to 2014-15
<b>WATER/SOLIDS/SOIL/SLUDGE ANALYSIS</b>			
A.	Physical tests	10	10
B.	Inorganic tests		
	(i) General & non-metallic	13	11
	(ii) Trace Metals	15	11
C.	Organic tests (general and trace organics)	5	3
D.	Micro-biological tests	4	2
E.	Toxicological tests	1	Nil
F.	Biological tests	3	4
G.	Characterisation of Hazardous waste	3	Nil
H.	Soil/sludge/sediments and solid waste test	15	Nil
<b>AIR ANALYSIS</b>			
A.	Ambient air/fugitive tests	4	4
B.	Stack emission tests	8	Nil
C.	Noise level tests	2	2
D.	Meteorological tests	4	Nil
E.	Vehicular emission tests	3	2

(Source: Guidelines of the CPCB and information furnished by the TSPCB)

**Appendix 2.4.2 (a)**

**Statement showing list of equipment required for water/waste water analysis as per Appendix-D (a) of guidelines for recognition of environmental laboratories under the EP Act**

*(Reference: Paragraph No. 2.4.8.2)*

Sl. No.	List of equipment/ instruments	Availability (Yes/No)
1.	Analytical Balance	Yes
2.	Conductivity Meter	Yes
3.	Dissolved oxygen meter	Yes
4.	pH Meter with combined glass electrode	Yes
5.	Turbidity meter	Yes
6.	Alpha/Beta Radioactivity Counter	No
7.	Atomic Absorption Spectrophotometer (Flame) with the cathode lamps	No
8.	Atomic Absorption Spectrophotometer with Graphite Furnace and Hydride Generation System	Yes
9.	Organic Halogen Analyser (AOX/TOX)	No
10.	Binocular Microscope	No
11.	Flame Photometer	No
12.	Gas Chromatograph	Yes (Non-functional)
13.	Gas Chromatograph with Mass Spectrometer	No
14.	High Pressure Liquid Chromatograph (HPLC)	No
15.	Ion Chromatograph	No
16.	Inductively Coupled Plasma (ICP) Spectrometer	No
17.	Mercury Analyser Digital	Yes
18.	Portable Analyser Kit (DO, pH, Temp. Cond.)	No
19.	Precision Balance weighing up to 1 mg (water / air)	No
20.	Rotary Evaporator	No
21.	Spectrophotometer (Visible) or Ultraviolet & visible	Yes
22.	Specific Ion Meter	No
23.	Stereo Microscope	No
24.	Total Organic Carbon Analyser	No

**(Source:** Guidelines of the CPCB and information furnished by the TSPCB)

### Appendix 2.4.2 (b)

Statement showing list of specific equipment required for hazardous waste analysis as per Appendix-D (b) of guidelines for recognition of environmental laboratories under the EP Act

(Reference: Paragraph No. 2.4.8.2)

Sl. No.	List of equipment/ instruments	Availability (Yes/No)
1.	Bomb colorimeter	No
2.	Elemental analyser	No
3.	Flash point apparatus	No
4.	Moisture content meter	No
5.	Rotary evaporator	No
6.	Toxicity characteristic leaching procedure (TCLP) extractor	No
7.	Toxic Gas analyser	No
8.	X-ray fluorescence (XRF) Spectrometer	No
9.	Zero head space extractor (ZHE)	No

(Source: Guidelines of the CPCB and information furnished by the TSPCB)

**Appendix 2.4.2(c)**

**Statement showing list of equipment required for air analysis as per Appendix-G of guidelines for recognition of environmental laboratories under the EP Act**

(Reference: Paragraph No. 2.4.8.2)

Sl. No.	List of equipment/ instruments	Availability (Yes/No)
1.	BTX analyser (PID/FID detector)	No
2.	BTX calibrator	No
3.	Charcoal Tubes	No
4.	CO Analyser (Non-dispersive Infrared principle)	No
5.	Detector Tubes with Pump of different pollutants	No
6.	Dust analyser (Beta Attenuation/TOEN)	No
7.	Exhaust CO/HC analyser	No
8.	Flue gas analyser	No
9.	Gas Chromatograph with Air sampling port, FID & PFPD detectors	No
10.	Handy sampler for gaseous monitoring	No
11.	High Volume sampler with flow controller	Yes
12.	Low flow pump	No
13.	Meteorological sensors with mast (WS, WD, Temp., Humidity)	No
14.	Micro balance (Readability 1 µg)	No
15.	Multi calibration system	No
16.	Multi channel recorder	No
17.	Multi calibration kit (portable)	No
18.	Noise level meter	Yes
19.	NO-NO <sub>2</sub> -Nox Analyser (Chemiluminescence based)	No
20.	Ozone analyser (Ultraviolet)	No
21.	Permeation tubes for calibration	No
22.	RSPM sampler with flow controller/brush less motor + calibration kit	No
23.	Smoke density meter	No
24.	SO <sub>2</sub> Analyser (Pulsed Fluorescence based)	No
25.	Soap bubble meter	No
26.	Stack monitoring kit with High Temp. Probes	No
27.	Toddler Bags	No
28.	Wet gas meter	No

(Source: Guidelines of the CPCB and information furnished by the TSPCB)

### Appendix 2.4.2 (d)

Statement showing list of equipment required for water/waste water analysis as per Appendix-B of guidelines for recognition of environmental laboratories under the EP Act

(Reference: Paragraph No. 2.4.8.2)

Sl. No.	List of equipment/instruments	Availability (Yes/No)
1.	Ice Box	No
2.	Filtration assembly	No
3.	Heating Mantle	No
4.	Stop watch	No
5.	Hot air oven	Yes
6.	Hot plate	Yes
7.	Muffle furnace	No
8.	Standard weight	No
9.	Water bath	Yes
10.	Thermometer	No
11.	Refrigerator/s big size	Yes
12.	Autoclave	Yes
13.	Bottom sampler	No
14.	BOD Incubator	Yes
15.	Centrifuge	No
16.	Aquarium for bioassay test	No
17.	COD Digester with aluminium heating blocks	Yes
18.	Colony Counter	Yes
19.	Depth Sampler	No
20.	Digester with condensers	No
21.	Digestion chamber	Yes
22.	Dissolved oxygen sampler	No



**Appendix 2.4.2 (d) (concl.d.)**

**Statement showing list of equipment required for water/waste water analysis as per Appendix-B of guidelines for recognition of environmental laboratories under the EP Act**

*(Reference: Paragraph No. 2.4.8.2)*

Sl. No.	List of equipment/ instruments	Availability (Yes/No)
23.	Flocculator (Jar testing apparatus)	No
24.	Flow meter	No
25.	Incubator for bacteriological test	Yes
26.	Laminar flow	No
27.	Magnetic Stirrer with hot plate	Yes
28.	Mechanical Shaker	No
29.	Microwave digester	No
30.	TKN Analyser semi automatic with aluminum block digester	No
31.	Ultrasonic water bath	No
32.	Vacuum pump	No
33.	Water purification / distillation assembly	Yes
34.	Ekman Dredge	No
35.	Water sampler	No
36.	Oil & Grease sampler	No
37.	Water Testing kit	Yes
38.	Chloroscope for residual chlorine	No

**(Source:** Guidelines of the CPCB and information furnished by the TSPCB)

## Appendix 2.4.3

## Statement showing details of laboratory equipments procured for three zonal laboratories

(Reference: Paragraph No. 2.4.8.3)

Sl. No.	Name of the equipment	Quantity	Cost (in ₹)	Equipment procured on
1	PH meter	3	92,250	May, 2013
2	Conductivity meter	3	1,15,770	Aug, 2013
3	DO meter	3	2,20,569	Aug, 2013
4	Analytical Balance	3	3,27,600	Aug, 2013
5	Hot air oven	3	1,08,960	Oct, 2013
6	Respirable Dust Sampler	3	5,01,900	Oct, 2013
7	Vehicle Smoke Testing machine (for petrol and diesel)	3 (petrol) 3 (diesel)	10,53,060	Dec, 2013
8	Turbidity meter	3	5,70,000	Aug, 2013
9	PM 2.5 Sampler	3	4,81,224	Feb, 2014
<b>TOTAL</b>			<b>34,71,333</b>	

(Source: Records of the TSPCB)

**Appendix-2.4.4**  
**Statement showing cases of delays in issue of consent**  
*(Reference: Paragraph No. 2.4.9.2)*

Sl. No.	Name of the Industry	Type of Industry	Date of Application	Date of Issue of Consent	Delay in issue of consent beyond prescribed time limit of four Months
1	Green Concretex, Bodhjungnagar Industrial Growth Centre	Batch plant	17-12-2009	29-01-2010	NIL
2	Drilling Rig-E-1400-XIV, at Jogendranagar, ONGC Ltd., Tripura Asset, Agartala	Oil & Gas Drilling	23-12-2010	21-12-2011	20 Months
3	Jubilant Oil & Gas Pvt. Ltd. A. A. O N N - 2002/1 Block, Well-2, Srikantabari, Tripura (South)	Oil & Gas Drilling	13-01-2010	25-11-2010	06 Months
4	Jubilant Oil & Gas Pvt. Ltd. A. A. O N N - 2002/1 Block, Well-3, Kathalchhari, Tripura (South)	Oil & Gas Drilling	27-04-2009	15-03-2011	19 Months
5	M/s. Tripura Ispat, Bodhjungnagar Industrial Growth Centre	Ispat	24-04-2009	16-03-2011	19 Months
6	New Ambadi Estates Ltd, Jarul Bachai, Srinagar Mouja, West Tripura	Latex processing	21-12-2010	03-01-2011	NIL
			13-01-2012	13-08-2013	15 Months
			16-06-2014	14-07-2014	NIL
7	Aristo Texcon Pvt Ltd, Bodhjungnagar Industrial Growth Centre, Tripura (West)	Latex processing	20-11-2013	24-12-2013	NIL
8	M/s. ONGC Tripura Project, Badharghat Complex, Brajendra nagar Colony, Agartala Dome GCS.	Oil & Gas Drilling	28-12-2012	21-01-2013	NIL
			11-03-2014	28-08-2014	02 Months
9	M/s. ONGC Tripura Project, Badharghat, Konaban Dome.	Oil & Gas Drilling	31-01-2011	02-08-2011	02 Months
10	M/s. ONGC Ltd. Tripura Project, Rokhia GCS, Manikyanagar, Sonamura	Oil & Gas Drilling	28-01-2011	02-08-2011	02 Months
11	M/s. ONGC Ltd., Baramura GCS (Upgradation), Baramura, Tripura (West)	Oil & Gas Drilling	31-01-2011	04.08.2011	02 Months
			31-01-2011	03.09.2011	03 Months

**Appendix-2.4.4 (Contd..)**  
**Statement showing cases of delays in issue of consent**

(Reference: Paragraph No. 2.4.9.2)

Sl. No.	Name of the Industry	Type of Industry	Date of Application	Date of Issue of Consent	Delay in issue of consent beyond prescribed time limit of four Months
12	M/s. ONGC Ltd., Agartala ADB-EPS, (Up-gradation) Provapur Mouza No. 5, Gabardi, Tripura (West)	Oil & Gas Drilling	31-01-2011	02.08.11	02 Months
13	Jubilant Oil & Gas Pvt. Ltd. A. A. O N N - 2002/1 Block, Teliamura, Tripura (West),	Oil & Gas Drilling	08-04-2008	16.03.11	32 Months
14	Vedanta Medicare (renamed as D.S. Medicare from 27.10.2011) Pvt. Ltd, Bodhjungnagar Industrial Growth Centre	Pharmaceuticals	11-05-2011 05-10-2012	03.08.11 07.01.13	NIL NIL
15	726.6 ( 2 x 363.3)MW. Combined Cycle Gas Turbine Thermal Power Project, ONGC- Tripura Power Co. Pvt. Ltd. Palatana, Udaipur	Power Plant	27-05-2009	21.10.10	13 Months
16	ONGC Drilling Rig, Shiv Vani-2, ADAJ, Bishalgarh	Oil & Gas Drilling	15-01-2010	27-08-2010	04 Months
17	M/s Abhisar Buildwell Pvt, Ltd., Zone-I, Bodhjungnagar Industrial Growth Centre	Rubber Factory	19-06-2010 01-06-2012 06-09-2013	06-07-2011 30-10-2012 15-03-2014	08 Months 01 Month 03 Months
18	San Tyre Pvt. Ltd, Plot No. 10 & 11-14,, Bodhjungnagar Industrial Growth Centre	Rubber Unit	30-08-2011 08-08-2012	17-09-2011 26-10-2013	NIL 11 Months
19	Maximus Enterprises India Pvt. Ltd, Rubber Park, Bodhjungnagar Industrial Growth Centre	Rubber Unit	14-10-2011 15-03-2013	20-12-2011 09-09-2013	NIL 02 Months

**Appendix-2.4.4 (Contd..)**  
**Statement showing cases of delays in issue of consent**  
*(Reference: Paragraph No. 2.4.9.2)*

Sl. No.	Name of the Industry	Type of Industry	Date of Application	Date of Issue of Consent	Delay in issue of consent beyond prescribed time limit of four Months
20	Shree Shakti India Ispat (P) Pvt. Ltd., Bodhjungnagar Industrial Growth Centre	TMT Bar	04-06-2009	03-02-2011	16 Months
21	Jubilant Oil & Gas Pvt. Ltd. A. A. O N N - 2002/1 Block, Kalajhari reserve forest	Oil & Gas Drilling	18-10-2010	26-03-2011	01 month
22	ONGC Ltd, Well No.KHBG, Pecharthal	Oil & Gas Drilling	04-03-2011	03-06-2011	NIL
23	ONGC Ltd, Well No.GSF, Hrishyamukh	Oil & Gas Drilling	14-02-2011	06-06-2011	NIL
24	Phenix Farming & Agro Project Pvt Ltd, Bodhjungnagar Industrial Estate	Tyre & Tube	17-03-2011	08-06-2011	NIL
25	ONGC Ltd, Well No.BRMAA, Purba Simna, Mohanpur	Oil & Gas Drilling	04-02-2011	01-07-2011	01 Months
26	ONGC Ltd., GOAB (Drilling Rig E-1400X), Mouja-TakkaTulsi, RF. Sreenagar, Sabroom	Oil & Gas Drilling	11-05-2011	22-09-2011	01 Months
27	2x1.4 MW Gas Based Captive Power Plant, ONGC complex, Agartala	Captive Power Plant	18-02-2012	26-04-2012	NIL
28	M/s ONGC Ltd. Well KUDC of Shiv vani-32,Mouja-Gandhigram, Tripura (West)	Oil & Gas Drilling	06-01-2012	09-08-2012	03 Months
29	Drilling well- BRMAC of ONGC, TK- Slankhala, Mohanpur, Tripura (West)	Oil	24-05-2012	10-09-2012	NIL
30	M/S Icore Super Cement Pvt. Ltd, Bodhjungnagar Industrial Growth Centre	Cement Grinding	29-03-2012	20-10-2012	03 Months
31	M/s. Tripura Ispat (Expansion Project), Bodhjungnagar Industrial Growth Centre, Tripura (West)	Ispat	07-06-2014	16-07-2014	NIL

**Appendix-2.4.4 (Concl.)**  
**Statement showing cases of delays in issue of consent**  
*(Reference: Paragraph No. 2.4.9.2)*

Sl. No.	Name of the Industry	Type of Industry	Date of Application	Date of Issue of Consent	Delay in issue of consent beyond prescribed time limit of four Months
32	ABM Rubber Industries Ltd, Bodhjungnagar Industrial Growth Centre	Latex Processing	22-05-2012	05-03-2013	05 Months
33	M/s. Ramkrishna Rubber Industry, Bodhjungnagar Industrial Growth Centre	Rubber Unit	15-03-2013	25-10-2013	04 Months
			25-09-2014	18-04-2015	03 Months
34	M/s. Agartala Gas Based Turbine Power Project 4 x 21=84 MW, NEEPCO, khayerpur, Ramchandranagar	Thermal Power Plant	05-01-2007	04-06-2010	37 Months
			16-05-2011	22-11-2011	02 Months
35	M/s. Rokhia Gas Based Thermal Power Plant, (2 x8 MW) Phase –II, ,Rokhia	Thermal Power Plant	09-11-2012	14-02-2014	11 Months
			20-11-2007	02-11-2011	43 Months
36	M/s. 1x21 MW Gas Thermal Project Extension.(Unit-5), Baramura.	Thermal Power Plant	19-08-2010	18-02-2013	26 Months
37	M/s. 2 x8 MW Gas Thermal Power Project, Phase –III, Rokhia	Thermal Power Plant	20-11-2007	02-11-2011	43 Months
38	M/s. Dharampal Premchand Ltd, Shed No-13A., A.D. Nagar Industrial Estate	Tobacco MFG. Unit	17-12-2011	13-01-2012	NIL
			18-01-2013	28-08-2013	03 Months
39	Captive Power Plant of Sikaria Mega Food Park Pvt. Ltd., East Champamura (Tulakona), Tripura (West)	Gas based Captive Power Plant	03-08-2013	11-12-2013	NIL
40	ONGC Drilling Rig-ROAT, Rangapania	Oil & Gas Drilling	16-11-2010	10-12-2010	NIL
41	ONGC Drilling Rig-ROAU, Ghilatali	Oil & Gas Drilling	04-02-2010	09-12-2010	06 Months

**Appendix-2.4.5**  
**Statement showing status of ETPs installed in the industries and number of inspections conducted during 2010-15**

*(Reference: Paragraphs No. 2.4.10 and 2.4.11.1)*

Sl. No.	Name of the Industry	Type of industry	Date of inspection	No of inspection during 2010-15	Whether ETP to be installed as per consent order (Yes/No)	Whether ETP was installed as per inspection report (Yes/No/Not indicated/Not applicable(NA))
1	Green Concretex, Bodhjungnagar Industrial Growth Centre	Batch plant	02-11-2011	1	No	NA
2	Drilling Rig-E-1400-XIV, at Jogendranagar, ONGC Ltd., Agartala,	Oil & Gas Drilling	13-08-2010	1	Yes	Not indicated
			27-09-2010	1		
3	Jubilant Oil & Gas Pvt. Ltd. A. A. O N N - 2002/1 Block, Well-2, Srikantabari, Tripura (South)	Oil & Gas Drilling	09-03-2011	1	Yes	Yes
4	Jubilant Oil & Gas Pvt. Ltd. A. A. O N N - 2002/1 Block, Well-3, Kathalchhari, Tripura (South)	Oil & Gas Drilling	09-03-2011	1	Yes	Yes
5	M/s. Tripura Ispat, Bodhjungnagar Industrial Growth Centre	Ispat	23-12-2010	1	Yes	Not indicated
			25-08-2012	1		
			25-06-2014	1		
6	New Ambadi Estates Ltd, JarulBachai, Srinagar, Mouja, Tripura (West)	Latex processing	22-11-2013	1	Yes	Yes
			15-09-2014	1		
7	Aristo Texcon Pvt Ltd, Rubber Park, Bodhjungnagar Industrial Growth Centre	Latex processing	07-01-2013	1	Yes	No
			28-06-2014	1		
8	M/s. ONGC Tripura Project, Badharghat Complex, Brajendra Nagar Colony, Agartala Dome GCS.	Oil & Gas Drilling	01-07-2011	1	No	NA



**Appendix-2.4.5 (contd...)**  
**Statement showing status of ETPs installed in the industries and number of inspections conducted during 2010-15**

(Reference: Paragraphs No. 2.4.10 and 2.4.11.1)

Sl. No.	Name of the Industry	Type of industry	Date of inspection	No of inspection during 2010-15	Whether ETP to be installed as per consent order (Yes/No)	Whether ETP was installed as per inspection report (Yes/No/Not indicated/Not applicable(NA))
9	M/s. ONGC Tripura Project, Badharghat, Konaban Dome.	Oil & Gas Drilling	01-07-2011	1	No	NA
10	M/s. ONGC Ltd. Tripura Project, Rokhia, GCS, Manikyanagar, Sonamura	Oil & Gas Drilling	01-07-2011	1	No	NA
11	M/s. ONGC Ltd., Baramura GCS (Upgradation), Baramura, Tripura (West)	Oil & Gas Drilling	01-08-2011	1	No	NA
12	M/s. ONGC Ltd., Agartala ADB-EPS, (Up-gradation) Provapur Mouza No. 5, Gabardi, Tripura (West),	Oil & Gas Drilling	01-07-2011	1	No	NA
13	Jubilant Oil & Gas Pvt. Ltd. A. A. O N N - 2002/1 Block, Teliamura, Tripura (West)	Oil & Gas Drilling	09-03-2011	1	Yes	Yes
14	Vedanta Medicare (renamed as D.S. Medicare from 27.10.2011) Pvt. Ltd, Bodhjungnagar Industrial Growth Centre	Pharmaceuti-cals	06-07-2011	1	Yes	Not indicated
			17-11-2012	1		
15	726.6 (2 x 363.3)MW. Combined Cycle Gas Turbine Thermal Power Project, ONGC- Tripura Power Co. Pvt. Ltd. Palatana, Udaipur	Power Plant	NIL	0	Yes	Not indicated
16	ONGC Drilling Rig, Shiv Vani-2, ADAJ, Bishalgarh	Oil & Gas Drilling	13.08.2010	1	Yes	Yes
			20-08-2010	1		

**Appendix-2.4.5 (contd...)**  
**Statement showing status of ETPs installed in the industries and number of inspections conducted during 2010-15**

*(Reference: Paragraphs No. 2.4.10 and 2.4.11.1)*

Sl. No.	Name of the Industry	Type of industry	Date of inspection	No of inspection during 2010-15	Whether ETP to be installed as per consent order (Yes/No)	Whether ETP was installed as per inspection report (Yes/No/Not indicated/Not applicable(NA))
17	M/s Abhisar Buildwell Pvt, Ltd., Bodhjungnagar Industrial Growth Centre	Rubber Factory	31-05-2011	1	Yes	Yes
			25-08-2012	1		
			07-11-2013	1		
18	San Tyre Pvt. Ltd, Plot No. 10 & 11-14, Bodhjungnagar Industrial Growth Centre	Rubber Unit	12-09-2011	1	Yes	Not indicated
19	Maximus Enterprises India Pvt. Ltd, Rubber Park, Bodhjungnagar Industrial Growth Centre	Rubber Unit	18-11-2011	1	No	NA
			03-08-2013	1		
20.	Shree Shakti India Ispat (P) Pvt. Ltd., Bodhjungnagar Industrial Growth Centre	TMT Bar	05-12-2010	1	Yes	Not indicated
21	Jubilant Oil & Gas Pvt. Ltd. A. A. O N N - 2002/1 Block, Kalajhari reserve forest	Oil & Gas Drilling	09-03-2011	1	Yes	No
22	ONGC Ltd, Well No.KHBG, Pecharthal	Oil & Gas Drilling	20-03-2011	1	Yes	Yes
23	ONGC Ltd, Well No.GSF, , Hrishyamukh	Oil & Gas Drilling	23-04-2011	1	Yes	Yes
24	Phenix Farming & Agro Project Pvt Ltd, Bodhjungnagar Industrial Estate	Tyre& Tube	03-05-2011	1	No	NA
25	ONGC Ltd, Well No.BRMAA, Purba Simna, Mohanpur	Oil & Gas Drilling	12-05-2011	1	Yes	Yes

**Appendix-2.4.5 (contd...)**  
**Statement showing status of ETPs installed in the industries and number of inspections conducted during 2010-15**

*(Reference: Paragraphs No. 2.4.10 and 2.4.11.1)*

Sl. No.	Name of the Industry	Type of industry	Date of inspection	No of inspection during 2010-15	Whether ETP to be installed as per consent order (Yes/No)	Whether ETP was installed as per inspection report (Yes/No/Not indicated/Not applicable(NA))
26	ONGC Ltd., GOAB (Drilling Rig E-1400X), Mouja-TakkaTulsi, RF. Sreenagar, Sabroom	Oil & Gas Drilling	13.05.11	1	Yes	Yes
			07-09-2011	1		
27	2x1.4 MW Gas Based Captive Power Plant, ONGC complex, Agartala	Captive Power Plant	03-04-2012	1	No	NA
28	M/s ONGC Ltd. Well KUDC of Shiv vani-32, Mouja- Gandhigram, Sub division- Tripura (West)	Oil & Gas Drilling	27-07-2012	1	Yes	Yes
			07-08-2012	1		
29	Drilling well- BRMAC of ONGC, TK- Slankhala, Mohanpur, West Tripura	Oil	18-08-2012	1	Yes	Yes
30	M/s Icore Super Cement Pvt. Ltd, Bodhjunnagar Industrial Growth Centre	Cement Grinding	08-10-2012	1	No	NA
31	M/s. Tripura Ispat (Expansion Project), Bodhjunnagar Industrial Growth Centre	Ispat	25-06-2014	1	No	NA
32	ABM Rubber Industries Ltd, Bodhjunnagar Industrial Growth Centre	Latex Processing	03-01-2013	1	Yes	No
33	M/s. Ramkrishna Rubber Industry, Bodhjunnagar Industrial Growth Centre,	Rubber Unit	03-08-2013	1	Yes	No
			23-12-2014	1		

**Appendix-2.4.5 (concl.)**  
**Statement showing status of ETPs installed in the industries and number of inspections conducted during 2010-15**

*(Reference: Paragraphs No. 2.4.10 and 2.4.11.1)*

Sl. No.	Name of the Industry	Type of industry	Date of inspection	No of inspection during 2010-15	Whether ETP to be installed as per consent order (Yes/No)	Whether ETP was installed as per inspection report (Yes/No/Not indicated/Not applicable(NA))
34	M/s. Agartala Gas Based Turbine Power Project 4 x 21= 84 MW, NEEPCO, Ramchandranagar,	Thermal Power Plant	12-08-2011	1	Yes	Not indicated
			07-11-2013	1		
35	M/s. Rokhia Gas Based Thermal Power Plant, (2 x8 MW), Phase –II., Rokhia	Thermal Power Plant	01-07-2011	1	Yes	No
36	M/s. 1x21 MW Gas Thermal Project Extension.(Unit-5). Baramura	Thermal Power Plant	15-11-2012	1	Yes	No
37	M/s. 2 x8 MW Gas Thermal Power Project, Phase –III, Rokhia	Thermal Power Plant	01-07-2011	1	Yes	No
38	M/s. Dharampal Premchand Ltd., Shed No-13A, A.D. Nagar Industrial Estate,	Tobacco MFG. Unit	28-06-2013	1	No	NA
39	Captive Power Plant of Sikaria Mega Food Park Pvt. Ltd., East Champamura (Tulakona), Tripura (West)	Gas based Captive Power Plant	22-10-2013	1	No	NA
40	ONGC Drilling Rig-ROAT, Rangapania	Oil & Gas Drilling	04-12-2010	1	Yes	Not indicated
41	ONGC Drilling Rig-ROAU, Ghilatali	Oil & Gas Drilling	06-12-2010	1	Yes	Not indicated

**Appendix 2.4.6**  
**Statement showing compliance criteria as per MSW rules adopted by the ULBs**

*(Reference: Paragraph No. 2.4.14.1)*

Year	No. of ULBs	Collection of MSW		Segregation of MSW		Storage of MSW		Processing of MSW		Disposal of MSW <sup>s</sup>		Site identified for disposal as per rules
		No. of Municipal Authorities		No. of Municipal Authorities		No. of Municipal Authorities		No. of Municipal Authorities		No. of Municipal Authorities		
		C	NC	C	NC	C	NC	C	NC	C	NC	
2009-10	16	1	15	-	16	13	3	-	16	--	16	13
2010-11	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2011-12	16	2	14	-	16	16	-	-	16	-	16	13
2012-13	16	2	14	-	16	16	-	-	16	-	16	13
2013-14	20	4	16	-	20	20	-	-	20	-	20	18

<sup>s</sup>by open dumping only

*Annual report of the year 2010-11 was not furnished to the CPCB and annual report of 2014-15 was due for submission in September 2015*

*(C: complied with the criteria; NC: Not complied with the criteria; NA: Not available)*

**Appendix 2.4.7**

**Statement showing sanctioned strength and men-in-position of the TSPCB**

*(Reference: Paragraph No. 2.4.19)*

Sl. No	Name of the Post	Technical / Non-Technical	No. of post sanctioned	Filled up as on 31-03-2015	Vacancy
1.	Executive Engineer	Technical	1	1	Nil
2.	Asst. Environmental Engineer	Technical	4	2	2
3.	Junior Environmental Engineer	Technical	4	4	Nil
4.	Scientist "C"	Scientific	1	1	Nil
5.	Scientist "B"	Scientific	1	1	Nil
6.	Junior Scientist	Scientific	4	4	Nil
7.	Junior Scientific Assistant	Scientific	2	2	Nil
8.	Sr. Laboratory Assistant	Scientific	1	1	Nil
9.	Jr. Laboratory Assistant	Scientific	1	1	Nil
10.	Sample Collector	Scientific	4	3	1
11.	Accountant	Non- Technical	1	1	Nil
12.	Upper Division Clerk	Non- Technical	1	1	Nil
13.	Lower Division Clerk	Non- Technical	3	1	2
14.	Driver	Non- Technical	1	1	Nil
15.	Peon/Attendant	Non- Technical	5	3	2
16.	Chowkidar	Non- Technical	1	Nil	1
			<b>35</b>	<b>27</b>	<b>8</b>

(Source: Information furnished by the TSPCB)

**Appendix-2.7.1**

**Statement showing the extra expenditure incurred due to execution of balance work by second contractor at high rate**  
(Reference: Paragraph No. 2.7)

Agreement Items No. of original contractor	Qty. to be executed as per original agreement	Qty. executed by the original contractor	Agreement Items No. of balance work	Balance Qty. to be executed	Balance Qty. executed by the second contractor	Rate quoted by the original contractor	Rate quoted by the second contractor	Difference	Extra expenditure incurred (in ₹)
1	2	3		4(2-3)	5	6	7	8(7-6)	9(5x8)
<b>Super structure</b>						(in ₹)	(in ₹)		
A.I. 1.a	838.60 cum	Nil	1.a.i	838.60 cum	1391.318	5700	9000	3300	45,91,349
A.I.1.b	38.60 cum	Nil	1.a.ii	38.60 cum	Nil				
A.I.2.a	59.40 cum	Nil	1.a.iii	59.40 cum	Nil				
A.I.2.b	21.70 cum	Nil	2.i.	21.70 cum	Nil				
A.I.5	29.10 cum	Nil	3.i.	29.10 cum	Nil				
A.I.6	9.10 cum	Nil	5	9.10 cum	Nil				
A.I.8	2953.00 qtl.	Nil	6	295.30	239.60043	40000	65000	25000	59,90,011
A.I.9	389188.80 cm <sup>3</sup>	Nil	7	389188.80	389188.80	0.90	1.95	1.05	4,08,648
A.I.10	675924.00 cm <sup>3</sup>	Nil	8	675924.00	675924.00	0.90	1.50	0.60	4,05,554
A.I.11	72.00 mtr.	Nil	9	72 mtr.	78 mtr.	11,000	2,000	(-) 9,000	(-) 7,02,000
A.I.12	48 Nos.	Nil	10	48 Nos.	40 Nos.	500	3000	2,500	1,00,000
								Total	<b>1,07,93,562</b>



Appendix 2.7.1 (concl.)

Statement showing the extra expenditure incurred due to execution of balance work by second contractor at high rate  
(Reference: Paragraph No. 2.7)

Agreement Items No. of original contractor	Qty. to be executed as per original agreement	Qty. executed by the original contractor	Agreement Items No. of balance work	Balance Qty. to be executed	Balance Qty. executed by the second contractor	Rate quoted by the original contractor	Rate quoted by the second contractor	Difference	Extra expenditure incurred (in ₹)
1	2	3		4(2-3)	5	6	7	8(7-6)	9(5x8)
<b>Sub Structure</b>									
1.a.	66.80 cum	Nil	1.i.	66.80 cum				B/F	1,07,93,562
1.b.	121.50 cum	Nil	1.ii	121.50 cum	473.969	5900	8000	2100	9,95,335
1.c.	22.80 cum	Nil	1.iii	22.80 cum					
1.d.	75.10 cum	Nil	1.iv	75.10 cum					
2.h.	4731.30 sqm	3272.732							
3.b.	447.00 qtl	Nil	3.	44.70 MT.	56.93316	40000	65000	25000	14,23,329
4.a.	1317.30 cum	874.854							
4.b.	1263.00 um	825.804							
5	4.00 cum	Nil	4.i	4	529.165	3000	5000	2000	10,58,330
15	86.10 cum		7.	86.100	101.670	600	2000	1400	1,42,338
									<b>1,44,12,894</b>

**Appendix - 3.1.1**  
**Statement showing investments made by State Government in SPSUs whose accounts are in arrears**  
*(Referred to in paragraph 3.1.1.1)*

(Figures in columns 4 & 6 to 8 are ₹ in crore)

Sl. No.	Name of the Public Sector Undertaking	Year up to which accounts finalised	Paid up capital	Period of accounts pending finalisation	Investment made by State Government during the year of which accounts are in arrears		
					Equity	Loans	Grants
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>A</b>	<b>Working Government Companies</b>						
1	Tripura Forest Development & Plantation Corporation Limited	2013-14	9.20	2014-15	0.00	0.00	0.00
2	Tripura Horticulture Corporation Limited	2012-13	2.84	2013-14	1.20	0.00	0.06
				2014-15	3.90	0.00	0.00
3	Tripura Tea Development Corporation Limited	2013-14	32.77	2014-15	2.80	0.00	0.00
4	Tripura Rehabilitation Plantation Corporation Limited	2013-14	4.58	2014-15	0.00	0.00	4.92
5	Tripura Industrial Development Corporation Limited	2013-14	16.17	2014-15	0.00	12.00	0.00
6	Tripura Jute Mills Limited	2013-14	199.91	2014-15	21.00	0.00	0.00
7	Tripura Small Industries Corporation Limited	2011-12	41.44	2012-13	2.00	0.00	0.00
				2013-14	4.12	0.00	0.00
				2014-15	4.00	0.00	0.00
8	Tripura State Electricity Corporation Limited	2012-13	654.75	2013-14	5.00	0.00	79.80
				2014-15	6.00	0.00	44.90
9	Tripura Handloom and Handicrafts Development Corporation Limited	2013-14	76.09	2014-15	0.00	0.00	0.00

## Appendix - 3.1.1 (concl.)

## Statement showing investments made by State Government in SPSUs whose accounts are in arrears

(Referred to in paragraph 3.1.1.1)

(Figures in columns 4 &amp; 6 to 8 are ₹ in crore)

Sl. No.	Name of the Public Sector Undertaking	Year up to which accounts finalised	Paid up capital	Period of accounts pending finalisation	Investment made by State Government during the year of which accounts are in arrears		
					Equity	Loans	Grants
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
10	Tripura Urban Transport Company Limited	Nil	-	2009-10 to 2013-14	0.60	0.00	0.00
				2014-15	0.00	0.00	0.30
11	Tripura Tourism Development Corporation Limited	2013-14	0.20	2014-15	0.00	0.00	1.63
	<b>Total A (Working Government Companies)</b>		<b>1037.95</b>		<b>50.62</b>	<b>12.00</b>	<b>131.61</b>
<b>B</b>	<b>Working Statutory corporations</b>						
1	Tripura Road Transport Corporation	2011-12	157.45	2012-13	0.05	0.00	14.80
				2013-14	0.10	0.00	13.50
				2014-15	1.18	0.00	13.72
	<b>Total B (Working Statutory Corporations)</b>		<b>157.45</b>		<b>1.33</b>	<b>0.00</b>	<b>42.02</b>
	<b>Grand Total (A + B)</b>		<b>1195.40</b>		<b>51.95</b>	<b>12.00</b>	<b>173.63</b>

**Appendix - 3.1.2**  
**Summarised financial position and working results of Government companies and Statutory Corporations as per their latest**  
**finalised financial statements/accounts**

*(Reference: Paragraph No. 3.1.14)*

(Figures in columns (5) to (12) are ₹ in crore)

Sl. No.	Sector / name of the Company	Period of accounts	Year in which accounts finalised	Paid-up capital @	Loans outstanding at the end of year	Accumulated Profit (+) / Loss (-)	Turnover	Net profit (+)/ loss (-)	Net impact of Audit Comments	Capital employed	Return on capital employed	Percentage return on capital employed	Man-power
1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>A. Working Government Companies</b>													
<b>AGRICULTURE &amp; ALLIED</b>													
1	Tripura Forest Development & Plantation Corporation Limited	2013-14	2015-16	9.20	0.00	141.15	41.19	16.25	-0.18	150.45	16.25	10.80	204
2	Tripura Horticulture Corporation Limited	2012-13	2014-15	2.84	0.00	-2.43	6.58	-0.69	0.00	0.70	-0.69	-	86
3	Tripura Tea Development Corporation Limited	2013-14	2015-16	32.77	0.00	-15.93	3.82	-2.17	-0.31	20.33	-2.17	-	708
4	Tripura Rehabilitation Plantation Corporation Limited	2013-14	2015-16	4.58	0.00	18.48	33.45	1.26	-0.39	23.05	1.26	5.47	183
				<b>49.39</b>	<b>0.00</b>	<b>141.27</b>	<b>85.04</b>	<b>14.65</b>	<b>-0.88</b>	<b>194.53</b>	<b>14.65</b>	<b>7.53</b>	<b>1181</b>
<b>FINANCING</b>													
5	Tripura Industrial Development Corporation Limited	2013-14	2015-16	16.17	127.89	1.62	3.83	-0.51	0.00	134.12	0.07	0.05	40
				<b>16.17</b>	<b>127.89</b>	<b>1.62</b>	<b>3.83</b>	<b>-0.51</b>	<b>0.00</b>	<b>134.12</b>	<b>0.07</b>	<b>0.05</b>	<b>40</b>
<b>MANUFACTURING</b>													
6	Tripura Jute Mills Limited	2013-14	2014-15	199.91	1.05	-194.81	6.86	-17.12	0.00	6.46	-17.12	-	912
7	Tripura Small Industries Corporation Limited	2011-12	2014-15	41.44	0.00	-26.21	25.94	-3.22	-0.56	15.44	-3.22	-	192
				<b>241.35</b>	<b>1.05</b>	<b>-221.02</b>	<b>32.80</b>	<b>-20.34</b>	<b>-0.56</b>	<b>21.90</b>	<b>-20.34</b>	<b>-</b>	<b>1104</b>

**Appendix - 3.1.2 (contd...)**  
**Summarised financial position and working results of Government companies and Statutory Corporations as per their latest**  
**finalised financial statements/accounts**  
*(Reference: Paragraph No. 3.1.14)*

(Figures in columns (5) to (12) are ₹ in crore)

Sl. No.	Sector / name of the Company	Period of Accounts	Year in which accounts finalised	Paid-up Capital (@)	Loans outstanding at the end of year	Accumulated Profit (+) / Loss (-)	Turnover	Net profit (+)/ loss (-)	Net impact of Audit Comments	Capital employed	Return on capital employed	Percentage return on capital employed	Man-power
1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>POWER</b>													
8	Tripura State Electricity Corporation Limited	2012-13	2015-16	654.75	102.53	-230.12	359.78	-107.44	10.99	648.58	-107.44	-	3941
<b>Sector wise total</b>													
				<b>654.75</b>	<b>102.53</b>	<b>-230.12</b>	<b>359.78</b>	<b>-107.44</b>	<b>10.99</b>	<b>648.58</b>	<b>-107.44</b>	<b>-</b>	<b>3941</b>
<b>SERVICES</b>													
9	Tripura Handloom and Handicrafts Development Corporation Limited	2013-14	2015-16	76.09	0.00	-89.46	3.95	-10.39	0.00	-7.53	-10.39	-	360
10	Tripura Urban Transport Company Limited												5
First accounts for 2009-10 yet to be finalised.													
11	Tripura Tourism Development Corporation Limited	2013-14	2014-15	0.20	0.00	-0.86	1.88	-0.03	0.00	-0.66	-0.03	-	16
<b>Sector wise total</b>													
				<b>76.29</b>	<b>0.00</b>	<b>-90.32</b>	<b>5.83</b>	<b>-10.42</b>	<b>0.00</b>	<b>-8.19</b>	<b>-10.42</b>	<b>-</b>	<b>381</b>
<b>MISCELLANEOUS</b>													
12	Tripura Natural Gas Company Limited	2014-15	2015-16	3.92	13.74	33.66	57.61	12.43	0.00	51.32	12.43	24.22	17
<b>Sector wise total</b>													
				<b>3.92</b>	<b>13.74</b>	<b>33.66</b>	<b>57.61</b>	<b>12.43</b>	<b>0.00</b>	<b>51.32</b>	<b>12.43</b>	<b>24.22</b>	<b>17</b>
<b>Total A (All sector wise working Government companies)</b>													
				<b>1041.87</b>	<b>245.21</b>	<b>-364.91</b>	<b>544.89</b>	<b>-111.63</b>	<b>9.55</b>	<b>1042.26</b>	<b>-111.05</b>	<b>-</b>	<b>6664</b>

**Appendix - 3.1.2 (concl.)**  
**Summarised financial position and working results of Government companies and Statutory Corporations as per their latest**  
**finalised financial statements/accounts**  
*(Reference: Paragraph No. 3.1.14)*

(Figures in columns (5) to (12) are ₹ in crore)

Sl. No.	Sector / name of the Company	Period of accounts	Year in which accounts finalised	Paid-up capital @	Loans outstanding at the end of year	Accumulated Profit (+) / Loss (-)	Turnover	Net profit (+)/ loss (-)	Net impact of Audit Comments	Capital employed	Return on capital employed	Percentage return on capital employed	Man-power
1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>B. Working Statutory corporation</b>													
<b>SERVICES</b>													
1	Tripura Road Transport Corporation	2011-12	2015-16	157.45	0.25	-269.57	3.95	-15.00	0.00	-111.87	-5.04	-	412
<b>Sector wise total</b>													
<b>Total B (All sector wise working Statutory Corporation)</b>													
<b>Grand Total (A+B)</b>													
<b>C. Non working Government companies</b>													
<b>FINANCING</b>													
1	Tripura State Bank Limited	Non functional and in the process of liquidation.											
<b>Sector wise total</b>													
<b>Total C (All sector wise non working Government company)</b>													
<b>Grand Total (A+B+C)</b>													
® Paid up capital includes share suspense/ application money													

<b>Appendix – 3.2.1</b>					
<b>Financial position of Tripura Forest Development &amp; Plantation Corporation Limited</b>					
<b>during the years from 2010-11 to 2014-15</b>					
<i>(Reference: Paragraph No. 3.2.3)</i>					
<i>(₹ in crore)</i>					
<b>Particulars</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15 (Provisional)</b>
<b>A. Liabilities</b>					
<b>(a) Shareholders' funds</b>					
i) Paid-up share capital	9.20	9.20	9.20	9.20	9.20
ii) Reserves and surplus	101.50	120.68	131.90	143.66	148.15
<b>b) Non-current liabilities</b>					
i) Long-term borrowings	0.09	0.09	0.09	0.09	0.09
ii) Deferred tax liabilities (Net)	0.08	0.14	0.22	0.22	0.30
<b>(c) Current liabilities</b>	29.69	34.09	36.85	41.70	45.52
<b>Total A</b>	<b>140.56</b>	<b>164.20</b>	<b>178.26</b>	<b>194.87</b>	<b>203.26</b>
<b>B. Assets</b>					
<b>(a) Non-current assets</b>	24.97	28.68	28.43	31.51	31.47
<b>(b) Current assets</b>					
i) Inventories	4.85	6.44	6.87	9.69	6.96
ii) Trade receivables	0.74	0.69	1.22	1.32	3.73
iii) Cash & cash equivalents, short-term loans & advances and other current assets	110.00	128.39	141.74	152.35	161.10
<b>Total B</b>	<b>140.56</b>	<b>164.20</b>	<b>178.26</b>	<b>194.87</b>	<b>203.26</b>



## Appendix – 3.2.2

**Working results of Tripura Forest Development & Plantation Corporation Limited  
during the years from 2010-11 to 2013-14**

*(Reference: Paragraph No. 3.2.3)*

*(₹ in crore)*

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15 (Provisional)
<b>A. Income</b>					
(a) Revenue from operations	43.11	41.31	40.65	41.19	40.87
(b) Other income	6.01	8.37	12.51	11.26	11.94
<b>Total income (A)</b>	<b>49.12</b>	<b>49.68</b>	<b>53.16</b>	<b>52.45</b>	<b>52.81</b>
<b>B. Expenditure</b>					
(a) Operating expense of production units	16.02	16.82	19.00	25.28	29.85
(b) Purchase of stock-in-trade	2.43	3.92	4.53	4.79	4.44
(c) Changes in the inventories of finished goods, work-in-progress and stock-in trade	(1.05)	(1.59)	(0.43)	(2.82)	2.73
(d) Administrative expenses	3.12	3.28	8.93	5.71	4.09
i. Employee benefits (Wages and salaries, etc.)					
ii. Other administrative expenses	1.49	1.71	3.11	1.86	2.30
(e) Depreciation and amortisation	0.85	1.00	1.14	1.38	1.65
<b>Total expenditure (B)</b>	<b>22.86</b>	<b>25.14</b>	<b>36.28</b>	<b>36.20</b>	<b>45.06</b>
<b>C. Net Profit before tax (A)- (B)</b>	<b>26.26</b>	<b>24.54</b>	<b>16.88</b>	<b>16.25</b>	<b>7.75</b>
D. Tax expenses	4.47	4.55	4.42	4.50	3.26
<b>E. Net profit after tax (C) – (D)</b>	<b>21.79</b>	<b>19.99</b>	<b>12.46</b>	<b>11.75</b>	<b>4.49</b>
<b>F. Operating profit<sup>1</sup></b>	<b>20.25</b>	<b>16.17</b>	<b>4.37</b>	<b>4.99</b>	<b>(4.19)</b>

<sup>1</sup> Revenue from operations (A(a)) less total expenditure (B).

Appendix - 3.2.3

Statement showing year-wise production of rubber by TFDPCCL vis-à-vis targets (in MT) set in Annual Action Plans for the years from 2012-13 to 2014-15

{Reference: Paragraph No. 3.2.8.2(a)}

Sl. No.	Name of Division	2012-13		2013-14		2014-15		Shortfall (%)		
		Target	Actual	Target	Actual	Target	Actual			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	North	685.00	523.28	161.72 (23.61)	596.00	547.48	48.52 (8.14)	617.00	599.11	17.89 (2.90)
2	South-I & Factory	771.00	695.25	75.75 (9.82)	816.00	801.33	14.67 (1.80)	921.00	733.36	187.64 (20.37)
3	South-II	495.00	423.61	71.39 (14.42)	470.00	431.67	38.33 (8.16)	480.00	466.50	13.50 (2.81)
4	Sadar	549.00	560.51	(11.51) (-2.10)	621.00	565.70	55.30 (8.90)	576.00	572.08	3.92 (0.68)
5	Total	2,500.00	2,202.65	297.35 (11.89)	2,503.00	2,346.18	156.82 (6.27)	2,594.00	2,371.05	222.95 (8.59)
6	Rubber price realised (₹/MT)			1,55,450			1,41,500			93,670
7	Value of short production (₹ in crore)			4.62			2.22			2.09

## Appendix - 3.2.4

Statement showing revised target for the year 2014-15 based on yield potential of trees

{Reference: Paragraph No. 3.2.8.2(a)(i)}

(Quantity in Kg)

Name of Division	Annual target set by the Company	Derived target as per yield potential of trees	Difference in target	Actual production	Revised shortfall in production
(1)	(2)	(3)	(4)=(3)-(2)	(5)	(6)=(3)-(5)
North	6,17,000	7,78,225	1,61,225	5,99,110	1,79,115
South-I	7,51,000	13,35,131	5,84,131	6,36,130	6,99,001
Factory	1,70,000	1,66,367	-3,633	97,230	69,137
Sadar	5,76,000	7,12,311	1,36,311	5,72,080	1,40,231
<b>Total</b>	<b>21,14,000</b>	<b>29,92,034</b>	<b>8,78,034</b>	<b>19,04,550</b>	<b>10,87,484</b>

Short fall in revenue = 10,87,484 Kg x ₹ 93.67/Kg = ₹ 10.19 crore

**Appendix - 3.2.5**

**Statement showing extent of area of plantations managed by the TFDPCCL**  
(Reference: Paragraph No. 3.2.9)

<b>Sl. No.</b>	<b>Particulars</b>	<b>Area (in Ha.)</b>
1.	Plantation area transferred by Forest Department (1981)	418.66
2.	Plantations raised by the Company upto 2000-01	7551.22
3.	Plantations raised during 2006-07 to 2014-15	581.60
4.	<b>Total area of rubber plantation</b>	<b>8551.48</b>
5.	Area abandoned due to insurgency, etc.	371.52
6.	Area unaccounted for	125.95
	Balance	<b>8054.01</b>
7.	Area admitted as encroached by the Company in its reply	1143.88
	Area remaining unreconciled as per Company's records	217.26
8.	Present manageable area (March 2015) Consisting of: (a) Matured : 5944.30 ha. (b) Immature : 748.57 ha.	<b>6692.87</b>

**Appendix - 3.2.6**  
**Statement showing value of production lost due to absenteeism of tappers**  
*(Reference: Paragraph No. 3.2.10.4)*

Sl. No.	Particulars	2010-11	2011-12	2012-13	2013-14	2014-15	Total
1	No. of tapping days present	3,51,539	3,54,599	3,72,485	4,05,662	4,21,649	19,05,934
2	No. of tapping days absent (Percentage)	67,175 (16.04)	62,423 (14.97)	51,633 (12.17)	40,723 (9.12)	39,060 (8.48)	2,61,014 (12.05)
3	Total production for the year (Kg)	22,17,735	21,79,651	22,02,645	23,46,179	23,71,054	1,13,17,264
4	Average production / tapping day (Kg.) (3)/(1)	6.31	6.15	5.91	5.78	5.62	
5	Total production lost due to absence (Kg.) (2) x (4)	4,23,874	3,83,901	3,05,151	2,35,379	2,19,517	15,67,822
6	Average sales price realised (₹/Kg) during the year	160.98	177.80	155.45	141.50	93.67	
7	<b>Value of production lost (₹ in crore) (5) x (6)</b>	<b>6.82</b>	<b>6.83</b>	<b>4.74</b>	<b>3.33</b>	<b>2.06</b>	<b>23.78</b>

## Appendix - 3.2.7

## Statement showing cost effectiveness of rainguarding considering an estimated loss of 30 days production due to rain

(Reference: Paragraph No. 3.2.10.6)

Name of RPC	Year	Average production per tapping task (Kg)	Approx. No. of tapping days lost due to rain (No. of tappers x 30 days)	Production loss due to rainy days (estimated as 30) in Kg	Avg. sale price realised (₹ per Kg)	Value of production loss (₹)
(1)	(2)	(3)	(4)	(5)=(3)×(4)	(6)	(7)=(5)×(6)
Anandapur	2010-11	11.7	735	8,600	160.98	13,84,428
	2011-12	10.65	960	10,224	177.80	18,17,827
	2012-13	10.64	1,080	11,491	155.45	17,86,276
	2013-14	8.20	1,230	10,086	141.50	14,27,169
	2014-15	8.37	1,230	10,295	93.67	9,64,333
	<b>Total</b>				<b>50,696</b>	
West Ludhua	2010-11	10.95	2,370	25,952	160.98	41,77,753
	2011-12	11.32	2,550	28,866	177.80	51,32,375
	2012-13	9.74	2,520	24,545	155.45	38,15,520
	2013-14	9.29	2,400	22,296	141.50	31,54,884
	2014-15	9.36	2,520	23,587	93.67	22,09,394
	<b>Total</b>				<b>1,25,246</b>	
Debdaru	2010-11	7.61	330	2,511	160.98	4,04,221
	2011-12	7.44	360	2,678	177.80	4,76,148
	2012-13	5.90	480	2,832	155.45	4,40,234
	2013-14	6.50	510	3,315	141.50	4,69,073
	2014-15	6.20	600	3,720	93.67	3,48,452
	<b>Total</b>				<b>15,056</b>	
Rowa	2010-11	7.21	2,100	15,141	160.98	24,37,398
	2011-12	5.83	2,085	12,156	177.80	21,61,337
	2012-13	4.98	2,100	10,458	155.45	16,25,696
	2013-14	4.26	2,085	8,882	141.50	12,56,803
	2014-15	4.29	2,085	8,945	93.67	8,37,878
	<b>Total</b>				<b>55,582</b>	
<b>Grand Total</b>				<b>2,46,580</b>		<b>3,63,27,199</b>

Approximate cost of rainguarding 1,26,688 trees in above four RPC @ ₹ 50/tree for five years (incl. labour cost): ₹ 0.63 crore

Net production lost due to absence of rain guarding: ₹ 3.00 crore

Appendix - 3.2.8

**Statement showing vacancies in the staff strength of Project Guards, Corporation Rangers and Corporation Foresters during the period from 2010-11 to 2014-15**  
(Reference: Paragraph No. 3.2.10.7)

Name of post	Sanctioned strength (Nos.)	2010-11			2011-12			2012-13		
		Staff in position	Vacancy of staff	Percentage of vacancy	Staff in position	Vacancy of staff	Percentage of vacancy	Staff in position	Vacancy of staff	Percentage of vacancy
Project Guard	54	39	15	28	39	15	28	38	16	30
Corporation Ranger	25	18	7	28	18	7	28	20	5	20
Corporation Forester	50	33	17	34	33	17	34	31	19	38
<b>Total</b>	<b>129</b>	<b>90</b>	<b>39</b>	<b>30</b>	<b>90</b>	<b>39</b>	<b>30</b>	<b>89</b>	<b>40</b>	<b>31</b>

Name of post	Sanctioned strength (Nos.)	2013-14			2014-15		
		Staff in position	Vacancy of staff	Percentage of vacancy	Staff in position	Vacancy of staff	Percentage of vacancy
Project Guard	54	39	15	28	36	18	33
Corporation Ranger	25	18	7	28	16	9	36
Corporation Forester	50	30	20	40	28	22	44
<b>Total</b>	<b>129</b>	<b>87</b>	<b>42</b>	<b>33</b>	<b>80</b>	<b>49</b>	<b>38</b>



Appendix - 3.2.9

Statement showing incentive system in vogue in the Company applicable since 1 April 2011  
(Reference: Paragraph No. 3.2.10.8)

I. April to September

Grade	Period	Minimum task in Kg			Incentive		Recovery	
		Sheet in Kg	Scrap in Kg (% to total)	Total in Kg	Sheet (₹ per Kg)	Scrap (₹ per Kg)	Sheet (₹ per Kg)	Scrap (₹ per Kg)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
I	1 <sup>st</sup> year of tapping	1.375	0.225 (14.06)	1.6	10	12	11	5
II	2 <sup>nd</sup> to 4 <sup>th</sup> year of tapping	2.225	0.375 (14.42)	2.6	12	12	9	5
III	5 <sup>th</sup> to 8 <sup>th</sup> year of tapping	3.925	0.675 (14.67)	4.6	16	12	7	5
IV	9 <sup>th</sup> year of tapping onwards	5.625	0.975 (14.77)	6.6	20	12	4	5

II. October to March

Grade	Period	Minimum task in Kg			Incentive		Recovery	
		Sheet in Kg	Scrap in Kg	Total in Kg	Sheet (₹ per Kg)	Scrap (₹ per Kg)	Sheet (₹ per Kg)	Scrap (₹ per Kg)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
I	1 <sup>st</sup> year of tapping	1.375	0.225 (14.06)	1.6	8	12	11	5
II	2 <sup>nd</sup> to 4 <sup>th</sup> year of tapping	2.225	0.375 (14.42)	2.6	11	12	9	5
III	5 <sup>th</sup> to 8 <sup>th</sup> year of tapping	3.925	0.675 (14.67)	4.6	13	12	7	5
IV	9 <sup>th</sup> year of tapping onwards	5.625	0.975 (14.77)	6.6	17	12	4	5

## Appendix - 3.2.10

## Statement showing working results of Industrial Estate, Anandnagar

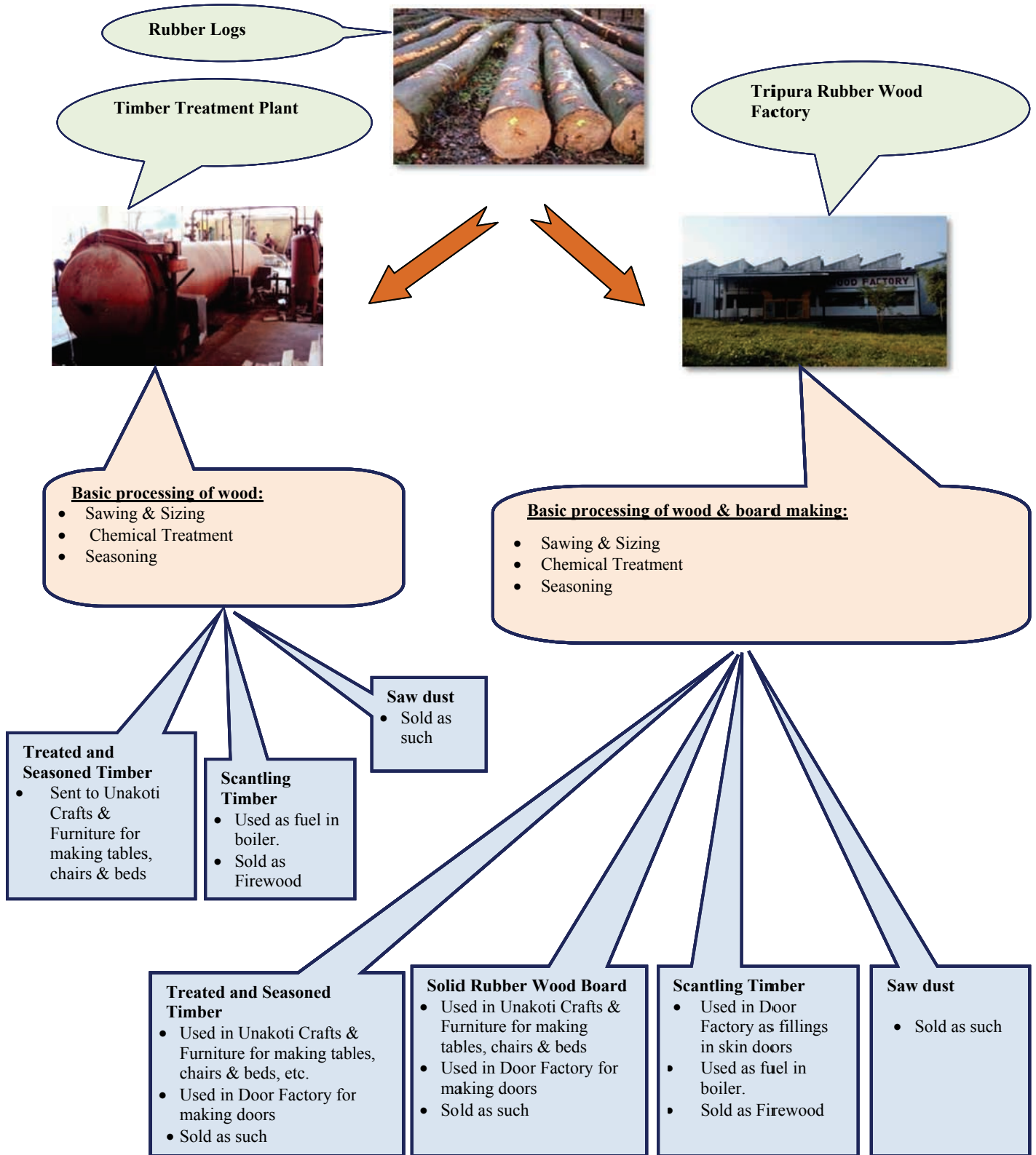
(Reference: Paragraph No. 3.2.11.1)

(*₹ in lakh*)

Year	2010-11	2011-12	2012-13	2013-14	2014-15 (Prov.)
Turnover	206.91	211.20	215.29	404.21	754.42
Operating expenses	356.01	337.07	408.99	523.60	731.29
Stock adjustment	36.62	10.93	0.16	(3.56)	(110.18)
Profit/(Loss)	(112.48)	(114.94)	(193.54)	(122.95)	(87.05)

Appendix - 3.2.11

Activity flowchart in Industrial Estate, Anandnagar  
 {Reference: Paragraph No. 3.2.11.1(a)}



**Appendix 3.2.12**  
**Statement showing loss of revenue due to low efficiency in operation of Centrifuging Factory of TFDPCCL**  
*{Reference: Paragraph No. 3.2.11.2(a)}*

Year	Latex input at 100 % DRC (Kg)	Cenex produced at 60 % DRC (Kg)	Cenex output converted into 100 % DRC (Kg) (3) x 60 ÷ 100	Centrifuging efficiency (in percentage)	Cenex to be produced as per norm (Kg)	Shortfall in production of Cenex (Kg)	Rate of Cenex at 100 per cent DRC (₹ per Kg)	Rate of Skim crepe at 100 per cent DRC (₹ per Kg)	Difference in rate (₹)	Loss of revenue (₹ in crore)
(1)	(2)	(3)	(4)	(5)=(4)/(2)	(6)=90 per cent of (2)	(7)=(6)-(4)	(8)	(9)	(10)=(9)-(8)	(11)=(7)×(10)
2010-11	3,48,700	4,99,890	2,99,934	86.01	3,13,830	13,896	207.2	130.42	76.78	0.11
2011-12	3,30,954	4,33,010	2,59,806	78.50	2,97,859	38,053	207.58	166.14	41.44	0.16
2012-13	4,19,319	4,21,990	2,53,194	60.38	3,77,387	1,24,193	188.23	115.04	73.19	0.91
2013-14	3,50,973	3,25,500	1,95,300	55.65	3,15,876	1,20,576	195.97	110.63	85.34	1.03
2014-15	3,12,289	4,09,260	2,45,556	78.63	2,81,060	35,504	140.4	70.57	69.83	0.25
<b>TOTAL</b>										
						<b>3,32,222</b>				<b>2.45</b>

**Appendix 3.2.13**

**Calculation of loss due to production of lower grade ISNR during 2014-15**

*(Reference: Paragraph No. 3.2.11.3)*

**Sale price of ISNR 20 realised during the year = ₹ 101.51/Kg**

Sl. No.	Particulars	ISNR (Off-grade)	ISNR50	Total
1	Quantity sold during the year (Kg)	35,000	47,000	82,000
2	Sale price realised (₹/Kg)	48.90	83.89	
3	Short realisation of sale price in comparison with ISNR20 price (₹/Kg) [₹ 101.51 – (2)]	52.61	17.62	
4	Amount of short realisation (₹ in lakh) [(1)×(3)]	18.41	8.28	26.69

### Appendix 3.2.14

#### Calculation showing approximate savings in labour cost for processing of sheet rubber by using electrical roller machine for the year 2014-15

(Reference: Paragraph No. 3.2.11.4)

Sl.No.	Particulars	Quantity/Amount
1.	Quantity of rubber processed in RPCs using manual roller machine (MT)	1,157.75
2.	Labour cost incurred in processing of above sheet rubber (₹)	1,18,39,787.00
3.	Equivalent mandays required for processing above quantity of rubber using electric roller machine (27 mandays per MT × 1,157.75 MT)	31,259.25
4.	Labour cost that would have been incurred for the above mandays @ ₹ 232.42 per manday (as incurred during the year 2014-15) (31,259.25 × 232.42)	72,65,275.00
5.	Savings in labour cost (₹) [(4) – (2)]	45,74,512.00
6.	Additional expenditure on account of electricity charges @ ₹ 972.00 per MT = [(1) × 972.00]	11,25,333.00
7.	Net savings (₹) [(5) – (6)]	34,49,179.00

### Appendix - 3.4.1

#### Comparative statement for procurement of 63 KVA Distribution Transformers after considering loss factors as per type test report

(Reference: Paragraph No. 3.4)

Name of the Bidder (1)	No load loss as per test report (₹/KW) (2)	Load loss as per test report (₹/KW) (3)	Initial cost per DT (in ₹) (4)	Capitalisation loss per DT (in ₹) (5)=(2) + (3)	Effective cost per DT (in ₹) (6)=(4) + (5)
M/s Eastern Transfo (Pvt) Ltd.	0.119 x 371577=44,217.66	1.163 x 49048 = 57,042.82	99,709 <sup>†</sup>	1,01,260.48	2,00,969.48
M/s Siliguri Electric Works	0.143 x 371577 = 53,135.51	1.128 x 49048 = 55,326.14	87,680	1,08,461.65	1,96,141.65

<sup>†</sup> Based on average of the two different prices (₹ 96,135 and ₹ 1,03,283) at which final supply order was placed on the supplier.



## Appendix-4.2.1

Statement showing revenue circle wise number of cases delayed in finalisation of mutation  
(Reference: Paragraph No. 4.2.8.3)

Sl. No.	District	Revenue circle	Delay more than				Grand Total
			One month	Two month	Three month	Four month	
1	Dhalai	Ambassa	420	210	118	263	1,011
2	Dhalai	Chamanu	27	5		20	52
3	Dhalai	Gandacherra	29	1	4	19	53
4	Dhalai	Kamalpur	1,072	601	428	1,499	3,600
5	Dhalai	Manu	63	17	7	13	100
6	Dhalai	Salema	490	496	321	1,070	2,377
<b>Total of Dhalai</b>			<b>2,101</b>	<b>1,330</b>	<b>878</b>	<b>2,884</b>	<b>7,193</b>
7	Gomati	Amarpur	97	72	30	517	716
8	Gomati	Ampi	41	27	17	85	170
9	Gomati	Kakraban	958	811	739	6,171	8,679
10	Gomati	Karbook	24	21	15	49	109
11	Gomati	Killa	434	478	330	2,137	3,379
12	Gomati	Silachari	2	3	3	2	10
13	Gomati	Udaipur	1,281	1,143	1,115	7,844	11,383
<b>Total of Gomati</b>			<b>2,837</b>	<b>2,555</b>	<b>2,249</b>	<b>16,805</b>	<b>24,446</b>
14	Khowai	Kalayanpur	520	86	78	248	932
15	Khowai	Khowai	954	645	481	2,548	4,628
16	Khowai	Maharanipur	309	66	53	104	532
17	Khowai	Teliamura	765	422	286	1,078	2,551
<b>Total of Khowai</b>			<b>2,548</b>	<b>1,219</b>	<b>898</b>	<b>3,978</b>	<b>8,643</b>
18	North Tripura	Ananda Bazar	65	7	8	24	104
19	North Tripura	Bhangmun	2		1		3
20	North Tripura	Dhamcherra	81	35	47	60	223
21	North Tripura	Dharmanagar	3,947	2,318	1,427	6,426	14,118
22	North Tripura	Kadamtala	1,597	1,557	815	4,308	8,277
23	North Tripura	Kanchanpur	120	30	25	91	266
24	North Tripura	Panisagar	641	293	265	1,286	2,485
<b>Total of North Tripura</b>			<b>6,453</b>	<b>4,240</b>	<b>2,588</b>	<b>12,195</b>	<b>25,476</b>

Appendix-4.2.1 (Contd.)

Statement showing revenue circle wise number of cases delayed in finalisation of mutation  
(Reference: Paragraph No. 4.2.8.3)

Sl. No.	District	Revenue circle	Delay more than				Grand Total
			One month	Two month	Three month	Four month	
25	Sepahijala	Bishalgarh	1,059	785	769	6,544	9,157
26	Sepahijala	Bishramganj	595	400	256	3,235	4,486
27	Sepahijala	Dhanpur	168	25	8	208	409
28	Sepahijala	Melaghar	577	313	193	955	2,038
29	Sepahijala	Sonamura	228	63	80	232	603
30	Sepahijala	Takarjala	144	87	78	270	579
<b>Total of Sepahijala</b>			<b>2,771</b>	<b>1,673</b>	<b>1,384</b>	<b>11,444</b>	<b>17,272</b>
31	South Tripura	Belonia	2,912	1,443	831	3,545	8,731
32	South Tripura	Jolaibari	912	590	380	958	2,840
33	South Tripura	Manubazar	207	149	106	756	1,218
34	South Tripura	Rajnagar	708	417	228	1,742	3,095
35	South Tripura	Sabroom	820	532	307	1,161	2,820
36	South Tripura	SantirBazar	832	712	411	1,018	2,973
<b>Total of South Tripura</b>			<b>6,391</b>	<b>3,843</b>	<b>2,263</b>	<b>9,180</b>	<b>21,677</b>
37	Unakoti	Kailasahar	785	258	414	916	2,373
38	Unakoti	Kumarghat	833	280	209	759	2,081
39	Unakoti	Pecharthal	90	67	21	166	344
<b>Total of Unakoti</b>			<b>1,708</b>	<b>605</b>	<b>644</b>	<b>1,841</b>	<b>4,798</b>
40	West Tripura	Agartala	2,189	1,258	814	2,287	6,548
41	West Tripura	Agartala East	2,494	1,488	1,185	2,252	7,419
42	West Tripura	Dukli	3,281	1,541	1,082	6,078	11,982
43	West Tripura	Jirania	1,644	1,424	978	1,358	5,404
44	West Tripura	Mohanpur	2,313	1,404	939	3,131	7,787
<b>Total of West Tripura</b>			<b>11,921</b>	<b>7,115</b>	<b>4,998</b>	<b>15,106</b>	<b>39,140</b>
<b>Grand Total</b>			<b>36,730</b>	<b>22,580</b>	<b>15,902</b>	<b>73,433</b>	<b>148,645</b>

## Appendix-4.2.2

Statement showing revenue circle wise number of mutation cases pending  
(Reference: Paragraph No. 4.2.8.3)

Sl. No.	District	Revenue circle	Delay more than			Grand Total
			One month	Two month	Three month	
1	Dhalai	Ambassa	13	13	327	353
2	Dhalai	Chamanu			4	4
3	Dhalai	Gandacherra		6	17	23
4	Dhalai	Ganganagar		6		6
5	Dhalai	Kamalpur	204	22	1,441	1,667
6	Dhalai	Manu	3	1	16	20
7	Dhalai	Salema	69	6	1,034	1,109
<b>Total of Dhalai</b>			<b>289</b>	<b>54</b>	<b>2,839</b>	<b>3,182</b>
8	Gomati	Amarpur	2	29	179	210
9	Gomati	Ampi	19	45	59	123
10	Gomati	Kakraban	157	95	4,493	4,745
11	Gomati	Karbook		10	40	50
12	Gomati	Killa	146	26	2,522	2,694
13	Gomati	Silachari		2	13	15
14	Gomati	Udaipur	111	85	7,254	7,450
<b>Total of Gomati</b>			<b>435</b>	<b>292</b>	<b>14,560</b>	<b>15,287</b>
15	Khowai	Kalayanpur		11	378	389
16	Khowai	Khowai		333	1,315	1,648
17	Khowai	Maharanipur			279	279
18	Khowai	Teliamura		43	1,262	1,305
<b>Total of Khowai</b>				<b>387</b>	<b>3,234</b>	<b>3,621</b>
19	North Tripura	Ananda Bazar	8	1	23	32
20	North Tripura	Bhangmun			3	3
21	North Tripura	Dhamcherra	1		90	91
22	North Tripura	Dharmanagar	439	395	3,671	4,505
23	North Tripura	Kadamtala	286	256	3,871	4,413
24	North Tripura	Kanchanpur		7	127	134
25	North Tripura	Panisagar	170	55	979	1,204
<b>Total of North Tripura</b>			<b>904</b>	<b>714</b>	<b>8,764</b>	<b>10,382</b>

**Appendix-4.2.2 (Concl.)**

**Statement showing revenue circle wise numbers of mutation cases pending**  
(Reference: Paragraph No. 4.2.8.3)

Sl. No.	District	Revenue circle	Delay more than			Grand Total
			One month	Two month	Three month	
26	Sepahijala	Bishalgarh	1	213	6,948	7,162
27	Sepahijala	Bishramganj		29	5,128	5,157
28	Sepahijala	Dhanpur	43	8	193	244
29	Sepahijala	Melaghar	133	246	1,483	1,862
30	Sepahijala	Sonamura	43	5	453	501
31	Sepahijala	Takarjala	1	41	293	335
<b>Total of Sepahijala</b>			<b>221</b>	<b>542</b>	<b>14,498</b>	<b>15,261</b>
32	South Tripura	Belonia	131	60	4,294	4,485
33	South Tripura	Jolaibari	34	42	1,621	1,697
34	South Tripura	Manubazar	47	20	105	172
35	South Tripura	Rajnagar	29	83	1,754	1,866
36	South Tripura	Sabroom	9	45	65	119
37	South Tripura	SantirBazar	54	26	1,537	1,617
<b>Total of South Tripura</b>			<b>304</b>	<b>276</b>	<b>9,376</b>	<b>9,956</b>
38	Unakoti	Kailasahar	235	45	1,078	1,358
39	Unakoti	Kumarghat	111	25	1,292	1,428
40	Unakoti	Pecharthal			146	146
<b>Total of Unakoti</b>			<b>346</b>	<b>70</b>	<b>2,516</b>	<b>2,932</b>
41	West Tripura	Agartala	819	281	2,999	4,099
42	West Tripura	Agartala East	564	316	3,573	4,453
43	West Tripura	Dukli	856	72	12,788	13,716
44	West Tripura	Jirania	373	176	1,544	2,093
45	West Tripura	Mohanpur	6	175	3,812	3,993
<b>Total of West Tripura</b>			<b>2,618</b>	<b>1,020</b>	<b>24,716</b>	<b>28,354</b>
<b>Grand Total</b>			<b>5,117</b>	<b>3,355</b>	<b>80,503</b>	<b>88,975</b>

## Appendix-4.2.3

## Statement showing numbers of cases delayed in registration

(Reference: Paragraph No. 4.2.8.4)

Sl. No.	Name of District / Sub-Registry Office	Delay more than				Grand Total
		One month	Two month	Three month	Four month	
<b>Dhalai</b>						
1	SRO Gandacherra	3	11		3	17
2	Sub-Registry Office, Jawaharnagar	88	30	20	5	143
3	Sub-Registry Office, Kamalpur	129	15	5	2	151
4	Sub-Registry Office, Longtharai Valley	45	3	3		51
<b>Total of Dhalai District</b>		<b>265</b>	<b>59</b>	<b>28</b>	<b>10</b>	<b>362</b>
<b>Gomati</b>						
5	Sub-Registry Office, Amarpur	125	24	3	1	153
6	Sub-Registry Office, Udaipur	366	59	19	1	445
<b>Total of Gomati District</b>		<b>491</b>	<b>83</b>	<b>22</b>	<b>2</b>	<b>598</b>
<b>Khowai</b>						
7	Sub-Registry Office, Khowai	403	17	7	157	584
<b>Total of Khowai District</b>		<b>403</b>	<b>17</b>	<b>7</b>	<b>157</b>	<b>584</b>
<b>North Tripura District</b>						
8	Sub-Registry Office, Dharmanagar	1,454	1,855	1,010	63	4,382
9	Sub-Registry Office, Kanchanpur	19	7	2	17	45
<b>Total of North Tripura District</b>		<b>1,473</b>	<b>1,862</b>	<b>1,012</b>	<b>80</b>	<b>4,427</b>
<b>Sepahijala</b>						
10	Sub-Registry Office, Bishalgarh	263	76	21	30	390
11	Sub-Registry Office, Sonamura	1,080	800	394	944	3,218
<b>Total of Sepahijala District</b>		<b>1,343</b>	<b>876</b>	<b>415</b>	<b>974</b>	<b>3,608</b>
<b>South Tripura</b>						
12	Sub-Registry Office, Belonia	1,510	431	62	9	2,012
13	Sub-Registry Office, Sabroom	82	20			102
<b>Total of South Tripura District</b>		<b>1,592</b>	<b>451</b>	<b>62</b>	<b>9</b>	<b>2,114</b>
<b>Unakoti District</b>						
14	Sub-Registry Office, Kailashahar	869	708	329	664	2,570
<b>Total of Unakoti District</b>		<b>869</b>	<b>708</b>	<b>329</b>	<b>664</b>	<b>2,570</b>
<b>West Tripura</b>						
15	District Sub-Registry Office	412	79	31	64	586
<b>Total of West Tripura District</b>		<b>412</b>	<b>79</b>	<b>31</b>	<b>64</b>	<b>586</b>
<b>Grand Total</b>		<b>6,848</b>	<b>4,135</b>	<b>1,906</b>	<b>1,960</b>	<b>14,849</b>

Appendix-4.2.4(a)

Statement showing the cases of more area shown in database against plot (in comparison with manual survey data maintained at Tehasils)

(Reference: Paragraph No. 4.2.10.1)

(Area in acre)

Sl. No.	Revenue circle	No. of revenue mouja	Total area of land as per survey report	Total area of land as per database	Excess area reflected in the database
1(a)	Agartala	10	4,625.27	4,647.48	22.21
1(b)	Agartala East	16	7,197.48	7,197.92	0.44
2	Belonia	21	56,595.30	58,209.97	1,614.67
3	Dukli	9	23,690.25	25,108.29	1,418.04
4	Dharmanagar	18	38,929.28	42,690.07	3,760.79
5	Jirania	26	66,445.89	67,947.30	1,501.41
6	Kanchanpur	4	12,574.42	15,838.82	3,264.40
7	Khowai	37	90,778.27	92,735.29	1,957.02
8	Mohanpur	30	86,721.30	87,978.86	1,257.56
9	Panisagar	10	26,167.10	26,340.36	173.26
10	Sabroom	20	38,084.24	39,852.03	1,767.79
11	SantirBazar	8	16,234.52	16,766.80	532.28
12	Teliamura	15	87,285.84	87,667.78	381.94
	<b>Total</b>	<b>224</b>	<b>555,329.16</b>	<b>572,980.97</b>	<b>17,651.81</b>

## Appendix-4.2.4(b)

Statement showing the cases of less area shown in database against plot (in comparison with manual survey data maintained at Tehasils)

(Reference: Paragraph No. 4.2.10.1)

(Area in acre)

Sl. No.	Revenue circle	No. of revenue mouja	Total area of land as per survey report	Total area of land as per database	Less area reflected in the database
1(a)	Agartala	3	405.88	405.84	0.04
1(b)	Agartala East	1	155.80	155.79	0.01
2	Belonia	3	5,924.22	5,910.54	13.68
3	Dukli	3	5,354.36	5,311.17	43.19
4	Jirania	6	19,970.03	19,956.63	13.40
5	Kanchanpur	5	33,728.15	33,699.75	28.40
6	Khowai	10	22,953.01	22,919.58	33.43
7	Mohanpur	5	11,457.14	11,410.37	46.77
8	Sabroom	9	15,517.62	15,357.07	160.55
9	SantirBazar	10	25,521.07	25,319.65	201.42
10	Teliamura	2	6,561.52	6,556.52	5.00
	<b>Total</b>	<b>57</b>	<b>147,548.8</b>	<b>147,002.91</b>	<b>545.89</b>



**Appendix-4.2.5**

**Statement showing Revenue circle wise numbers of cases having duplicate plot number**

*(Reference: Paragraph No. 4.2.10.2)*

Sl. No.	Revenue circle	No. of mouja involved	No. of cases	Sl. No.	Revenue circle	No. of mouja involved	No. of cases
1	Agartala	1	1	22	Kamalpur	28	871
2	Amarpur	15	284	23	Kanchanpur	4	29
3	Ambassa	15	250	24	Karbook	7	33
4	Ampi	25	1,160	25	Khowai	40	1,166
5	Ananda Bazar	5	142	26	Killa	23	635
6	Belonia	26	1,378	27	Kumarghat	20	2,256
7	Bhangmun	2	8	28	Manubazar	18	418
8	Bishalgarh	14	375	29	Maharanipur	5	319
9	Bishramganj	15	551	30	Manu	21	481
10	Chamanu	1	1	31	Melaghar	23	622
11	Dukli	7	11	32	Mohanpur	33	2,197
12	Dhamcherra	5	78	33	Panisagar	9	257
13	Dhanpur	16	196	34	Pecharthal	12	360
14	Dharmanagar	18	684	35	Rajnagar	23	504
15	Gandacherra	27	404	36	Sabroom	19	339
16	Jirania	23	372	37	Salema	16	307
17	Jolaibari	19	580	38	SantirBazar	16	504
18	Kadamtala	15	854	39	Sonamura	19	230
19	Kailasahar	38	1,140	40	Takarjala	25	606
20	Kakraban	19	644	41	Teliamura	17	435
21	Kalayanpur	6	456	42	Udaipur	18	809
<b>Total</b>							<b>22,947</b>

## Appendix-4.2.6

## Statement showing revenue circle wise area of land as “zero” or negative value

(Reference: Paragraph No. 4.2.10.2)

Sl. No.	Revenue circle	No. of cases	Sl. No.	Revenue circle	No. of cases
1	Agartala	2	22	Kamalpur	15
2	Agartala East	7	23	Kanchanpur	22
3	Amarpur	9	24	Karbook	3
4	Ambassa	19	25	Khowai	28
5	Ampi	30	26	Killa	29
6	Ananda Bazar	2	27	Kumarghat	16
7	Belonia	25	28	Manubazar	10
8	Bishalgarh	13	29	Maharanipur	17
9	Bishramganj	24	30	Manu	11
10	Chamanu	2	31	Melaghar	11
11	Dukli	22	32	Mohanpur	213
12	Dhamcherra	27	33	Panisagar	11
13	Dhanpur	4	34	Pecharthal	3
14	Dharmanagar	9	35	Rajnagar	5
15	Gandacherra	16	36	Sabroom	11
16	Jirania	3	37	Salema	7
17	Jolaibari	7	38	SantirBazar	5
18	Kadamtala	12	39	Sonamura	8
19	Kailasahar	10	40	Takarjala	52
20	Kakraban	21	41	Teliamura	20
21	Kalayanpur	7	42	Udaipur	5
<b>Total</b>					<b>773</b>

**Appendix-4.2.7**

**Statement showing revenue circle wise number of cases where landowner's status left blank or wrong**

(Reference: Paragraph No. 4.2.10.2)

Sl. No.	District	Revenue circle	Status code left blank	Wrong status code	Sl. No.	District	Revenue circle	Status code left blank
1	Dhalai	Ambassa	2,088	16	24	North Tripura	Kanchanpur	2,326
2	Dhalai	Chamanu	970	0	25	North Tripura	Panisagar	1,233
3	Dhalai	Gandacherra	1,989	1	26	Sepahijala	Bishalgarh	5,242
4	Dhalai	Ganganagar	311	0	27	Sepahijala	Bishramganj	3,650
5	Dhalai	Kamalpur	2,905	5	28	Sepahijala	Dhanpur	3,781
6	Dhalai	Manu	3,335	0	29	Sepahijala	Melaghar	5,868
7	Dhalai	Salema	2,175	4	30	Sepahijala	Sonamura	3,311
8	Gomati	Amarpur	3,034	0	31	Sepahijala	Takarjala	5,780
9	Gomati	Ampi	2,534	3	32	South Tripura	Belonia	6,948
10	Gomati	Kakraban	3,525	0	33	South Tripura	Jolaibari	4,124
11	Gomati	Karbook	2,140	0	34	South Tripura	Manubazar	3,214
12	Gomati	Killa	3,289	0	35	South Tripura	Rajnagar	3,906
13	Gomati	Silachari	785	0	36	South Tripura	Sabroom	4,194
14	Gomati	Udaipur	3,851	0	37	South Tripura	SantirBazar	4,392
15	Khowai	Kalayanpur	1,935	0	38	Unakoti	Kailasahar	4,541
16	Khowai	Khowai	12,069	8	39	Unakoti	Kumarghat	2,864
17	Khowai	Maharanipur	2,104	1	40	Unakoti	Pecharthal	1,519
18	Khowai	Teliamura	3,783	4	41	West Tripura	Agartala	2,583
19	North Tripura	Ananda Bazar	3,438	1	42	West Tripura	Agartala East	2,847
20	North Tripura	Bhangmun	171	0	43	West Tripura	Dukli	7,107
21	North Tripura	Dhamcherra	902	0	44	West Tripura	Jirania	15,598
22	North Tripura	Dharmanagar	2,892	126	45	West Tripura	Mohanpur	11,109
23	North Tripura	Kadamtala	2,690	55				
<b>Total</b>								<b>1,69,052</b>

Appendix -4.3.1

Statement showing short levy of VAT, interest and penalty due to concealment/escape of turnover by the dealers

(Reference: Paragraph No. 4.3)

(₹ in lakh)

Sl. No.	Name of the dealer	TIN	Period of assessment	Date of assessment	Amount of concealment/escape of turnover	Short levy			Total	Remarks
						VAT	Interest	Penalty		
1	2	3	4	5	6	7	8	9	10	11
<b>1. Superintendent of Sales Taxes, Charge-I, Agartala</b>										
1.	M/s J. J. Electricals	16010039047	2012-13	07-02-2014	8.59 (13.5%)	1.16	0.17	0.12	1.45	AA has stated that cash discount was allowed as because as per provision u/s 2(26) of the TVAT Act, the dealer determined his sale price on the sale of any good less any sum allowed as cash discount according to the practice normally prevailing in the trade but the reply is not tenable because as per Government of Tripura memorandum No.F.1-5(4)-TAX/86(P)/8854-67 dated 26.5.2001 dealer is eligible to get cash discount when the dealer pass on the discount to the customer but in this case assessee had failed to produce any documentary evidence justifying extension of the cash discount to the customer.
<b>Sub Total</b>						<b>1.16</b>	<b>0.17</b>	<b>0.12</b>	<b>1.45</b>	
<b>2. Superintendent of Sales Taxes, Charge-II, Agartala</b>										
2.	M/s A. B. Traders	16021640045	2008-09 2010-11	12-08-2014	5.49 (4%) 11.77 (12.5%)	0.22 1.47	0.21 0.88	0.04 0.22	0.47 2.57	AA has stated that the entire amount was recovered in June 2015.
3.	M/s Adrita Trading	16050968094	2012-13	25-07-2013	1.87 (13.5%)	0.25	0.01	0.04	0.30	
<b>Sub Total</b>						<b>1.94</b>	<b>1.10</b>	<b>0.30</b>	<b>3.34</b>	
<b>3. Superintendent of Taxes, Bishalgarh</b>										
4.	M/s Minu Enterprise	16060880080	2011-12	15-07-2013	6.15 (13.5%)	0.83	1.16	0.08	2.07	AA has stated that the ₹ one lakh was recovered in August 2015. And rest amount will be recovered in due course.
<b>Sub Total</b>						<b>0.83</b>	<b>1.16</b>	<b>0.08</b>	<b>2.07</b>	

Appendix -4.3.1 (concld..)

Statement showing short levy of VAT, interest and penalty due to concealment/escape of turnover by the dealers

(Reference: Paragraph No. 4.3)

Sl. No.	Name of the dealer	TIN	Period of assessment	Date of assessment	Amount of concealment/ escape of turnover	Short levy			Total	Remarks
						VAT	Interest	Penalty		
1	2	3	5	6	7	8	9	10	11	12
<b>4. Superintendent of Taxes, Belonia</b>										
5.	M/s Bhagabati Enterprise	16080255024	2008-09	16-10-2012	3.96 (12.5%)	0.50	0.31	0.05	0.86	AA has proposed for review the case by the Commissioner of Taxes.
<b>Sub Total</b>						<b>0.50</b>	<b>0.31</b>	<b>0.05</b>	<b>0.86</b>	
<b>5. Superintendent of Taxes, Kailashahar</b>										
6.	M/s Manindra Sikder	160400181046	2008-09	05-06-2013	1.88 (12.5%)	0.23	0.18	0.21	0.62	-Do-
			2009-10		9.97 (12.5%)	1.25	0.71	0.21	2.17	
<b>Sub Total</b>						<b>1.48</b>	<b>0.89</b>	<b>0.42</b>	<b>2.79</b>	
<b>Total</b>						<b>5.91</b>	<b>3.63</b>	<b>0.97</b>	<b>10.51</b>	

## Appendix –4.3.1 (I)

## Statement showing levy of penalty

(Reference: Paragraph No. 4.3)

(₹ in lakh)

Sl. No.	Name of the dealer	TIN	Period of assessment	Date of assessment	Penalty	Remarks
1	2	3	4	5	6	7
<b>Superintendent of Taxes, Udaipur</b>						
1	M/s Loknath Hotel	NA	2011-12	01-02-2013	0.78	AA has stated that noticed were issued to the dealer to appear to the purpose of depositing of short levy of tax.
			2012-13		0.71	
2	M/s Pradip Biswas	NA	2010-11	06-09-2013	0.64	
<b>Sub Total:</b>					<b>2.13</b>	
<b>Superintendent of Taxes, Kailashahar</b>						
3	M/s Md. Zamal Uddin	NA	2008-09	29-06-2013	0.12	AA has proposed for review the case by the Commissioner of Taxes.
			2009-10		0.28	
			2010-11		1.94	
			2011-12		1.79	
			2012-13		0.09	
<b>Sub Total:</b>					<b>4.22</b>	
<b>Total:</b>					<b>6.35</b>	

## Appendix –4.3.1 (II)

## Calculation of Penalty

(Reference: Paragraph No. 4.3)

Sl. No.	Particulars/ Dealers	TIN	U/S (Year)	Date of assessment	Amount in ₹	₹ in lakh	Remarks	
<b>Superintendent of Taxes, Kailashahar</b>								
1.	M/s Manindra Sikder	160400181046	25(4) (d) (2007-08)	05-06-2013	-	10,000	0.10	AA has proposed for review the case by the Commissioner of Taxes.
			53 (3) (2010-11)		0.1% × (47,89,000 + 49,75,000)	9,764	0.10	
			25 (4) (d) (2011-12)		-	10,000	0.10	
			53 (3) (2011-12)		0.1% × (23,75,000 + 43,44,000 + 5,57,200 + 58,20,000)	13,096	0.13	
<b>Total</b>					<b>42,860</b>	<b>0.43</b>		

**Appendix- 4.3.3**

**Statement showing calculation of interest payable on the difference of taxable return as calculated by Assessing Authority and Audit**

(Reference: Paragraph No. 4.3)

(₹ in lakh)

Sl. No.	Name of the dealer	Tax payable (U/S)	Due from	Date of assessment	Total period (in months)	Total interest payable
1	M/s J. J. Electricals	1.16	05/2013	02/2014	10	0.17
2	M/s A. B. Traders	0.22	05/2009	08/2014	64	0.21
		1.47	05/2011	08/2014	40	0.88
3	M/s Adrita Trading	0.25	05/2013	07/2013	03	0.01
4	M/s Minu Enterprise	0.83	05/2012	07/2013	15	1.16
5	M/s Bhagabati Enterprise	0.50	05/2009	10/2012	42	0.31
6	M/s Manindra Sikder	0.23	05/2009	06/2013	50	0.18
		1.25	05/2010	06/2013	38	0.71
<b>Total:</b>						<b>3.63</b>

**Note:** Interest calculated @ 1.50 per cent per month payable on the balance amount of tax due after one.



**Appendix – 4.4.1**  
**Statement showing position of closing stock of Indian Made Foreign Liquor (IMFL) and Beer in Bonded Warehouses**  
*(Reference: Paragraph No. 4.4)*

Name of bonded warehouse	Closing stock as on 06-11-2013 (bulk litre)		Qty. on which import fee levied or leviable at revised rate (bulk litre)	Residual amount of import fee not paid to Government (₹ per bulk litre)	Total amount remaining unpaid (in ₹)	Amount recovered (as on June 2015)	Balance (in ₹)	
	Domestic	Outside						Total
1	2	3	4	5	6	7	8	9
M/s Tripura Bonded Warehouse	12,318,290	50,032,000	62,350,290	50,032,000	3.00	1,50,096.00	2,73,355.00	20,953.00
	NIL	72,106,000	72,106,000	72,106,000	2.00	1,44,212.00		
<b>Total</b>	<b>12,318,290</b>	<b>1,22,138,000</b>	<b>13,44,562,290</b>	<b>1,22,138,000</b>		<b>2,94,308.00</b>	<b>2,73,355.00</b>	<b>20,953.00</b>
M/s Rajdhani Bonded Warehouse	12,677,655	91,149,008	1,03,826,663	91,149,008	3.00	2,73,447.02	1,34,306.00	1,34,306.00
	NIL	25,506,550	25,506,550	25,506,550	2.00	51,013.10		
<b>Total</b>	<b>12,677,655</b>	<b>1,16,655,558</b>	<b>1,29,333,213</b>	<b>1,16,655,558</b>		<b>3,24,460.12</b>	<b>1,34,306.00</b>	<b>1,90,154.12</b>
M/s Kumarghat Bonded Warehouse	1,02,567,350	1,63,869,475	2,66,436,825	1,63,869,475	3.00	4,91,608.43	9,11,166.00	
	NIL	2,50,467,850	2,50,467,850	2,50,467,850	2.00	5,00,935.70		
<b>Total</b>	<b>1,02,567,350</b>	<b>4,14,337,325</b>	<b>5,16,904,675</b>	<b>4,14,337,325</b>		<b>9,92,544.13</b>	<b>9,11,166.00</b>	<b>81,378.13</b>
M/s Udaipur Bonded Warehouse	70,249,908	1,40,590,632	2,10,840,540	1,40,590,632	3.00	4,21,771.90	5,85,353.00	29.90
	NIL	81,805,500	81,805,500	81,805,500	2.00	1,63,611.00		
<b>Total</b>	<b>70,249,908</b>	<b>2,22,396,132</b>	<b>2,92,646,040</b>	<b>2,22,396,132</b>		<b>5,85,382.90</b>	<b>5,85,353.00</b>	<b>29.90</b>
<b>Sub-total</b>	<b>1,97,813,203</b>	<b>4,45,641,115</b>	<b>6,43,454,318</b>	<b>4,45,641,115</b>	<b>3.00</b>	<b>13,36,923.35</b>	<b>19,04,180.00</b>	<b>2,92,515.15</b>
	NIL	4,29,885,900	4,29,885,900	4,29,885,900	2.00	8,59,771.80		
<b>Grand Total</b>	<b>1,97,813,203</b>	<b>8,75,527,015</b>	<b>10,73,340,218</b>	<b>8,75,527,015</b>		<b>21,96,695.15</b>	<b>19,04,180.00</b>	<b>2,92,515.15</b>

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