Report of the
Comptroller and Auditor General of India
on
Social, Economic, Revenue and General Sectors

for the year 2015-16

GOVERNMENT OF TRIPURA

Report No. 3 of 2016

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PREFACE

1. This Report for the year ended March 2016 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, Revenue and General Sectors including the departments of Health & Family Welfare, Revenue, Public Works (Roads & Buildings), Industries and Commerce, Transport, Finance (Excise & Taxation) and Finance Department.

3. The cases mentioned in this Report are those which came to notice in the course of test audit during the year 2015-16 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 2015-16 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 six chapters. Chapters I to V deal with Social, Economic, State Public Sector Undertakings, Revenue and General Sectors. Chapter-VI deals with Follow up of Audit observations.

This Report contains 23 paragraphs including 12 general paragraphs, three Performance Audits, audits of Management of State Disaster Response Fund, Collection of Revenue from Outsourced Activities in Motor Vehicle Tax and IT Audit of Computerisation of Treasury Operation System and nine Compliance Audit paragraphs. According to the existing arrangements, copies of the draft paragraphs and draft Performance Audits were sent to the Principal Secretary/Secretary of the departments concerned with a request to furnish replies within six weeks. However, in respect of two Performance Audits and seven Compliance Audit paragraphs included in the Report, no replies were received till the time of finalisation of the Report (October 2016). A synopsis of the important findings contained in the Report is presented below:

SOCIAL SECTOR

Performance Audit

Implementation of National Rural Health Mission

The National Rural Health Mission (NRHM) was launched in April 2005 in the country with a view to provide accessible, affordable and quality health care to the rural population, especially the vulnerable sections of the society. The key strategy of NRHM was to support and supplement the efforts of the State for strengthening health system through the provision of financial and technical assistance**.**

The Department did not follow a ‘bottom-up’ approach to planning, as was envisaged by the Mission. Absence of perspective planning, non-conduct of household surveys and inadequate community involvement had resulted in failure to identify gaps in health facilities and areas of intervention.

Budget Estimates were not realistic as there was short release of ₹ 273.46 crore by Government of India due to non-utilisation of funds in the previous years and non-fulfilment of prescribed conditions. Financial management and coordination was poor as percentage of utilisation of available funds was in the range of 51 to 69 *per cent*.

The desired level of capacity building and strengthening of physical infrastructure had not been achieved. Existing number of Sub Centres (SCs), Primary Health Centres (PHCs) and Community Health Centres (CHCs) were short of the targets by 12, 47 and 56 *per cent* respectively. Many of the existing SCs lacked basic amenities and construction activities were delayed on account of various reasons. Shortages of specialists in District Hospitals and non-availability of specialists in CHCs and PHCs in the test checked districts were symptomatic of a wider trend, where access to health care in rural areas remained limited to primary health care due to non-availability of specialists. Adequate training was not being provided to the existing medical staff.

The effectiveness of the programmes under the Mission could not be fully vouched for as gaps had been found in their implementation. For instance, a third of pregnant women did not receive Tetanus Toxoid and 40 *per cent* did not receive the required Iron and Folic Acid tablets. In the last five years the Department could not track the fate of about 29 to 33 *per cent* of registered pregnant women for which no reasons were found on record.

Assessment and reporting of quality of health care in health centres were not done in the three test checked districts. Monitoring at the State level had been inadequate.

(Paragraph 1.3)

Management of State Disaster Response Fund

Ministry of Home Affairs, Government of India framed (September 2010) the guidelines on constitution and administration of State Disaster Response Fund (SDRF) for providing immediate relief to the victims of natural calamities. The guidelines became operative from 2010-11.

There was lack of adequate planning, monitoring and assessment in management of SDRF as evident by the fact that the fund was being administered in an adhoc manner without a State Disaster Management Plan over the years. Consequently, the Department did not prepare annual plans for management of the fund. The Department did not monitor the expenditure made out of SDRF. As a result, incorrect figures to the GoI were reported. The Department did not invest the unspent balances of SDRF prudently. The funds earmarked for providing assistance to the beneficiaries were diverted by the Sub Divisional Magistrates for purposes not admissible under the scheme guidelines.

(Paragraph 1.4)

Compliance Audit Paragraph

Failure to enforce the extant provisions regarding handling of Government money received by Government officials coupled with deficient monitoring of the collection and deposit by the Agartala Government Medical College and G.B. Pant Hospital, Agartala led to misappropriation of ₹ 3.72 lakh, apart from non-accounting of unascertained amount of Government revenue collected through 19 missing TR-5 Receipt books.

(Paragraph 1.5)

ECONOMIC SECTOR

Performance Audit

Pradhan Mantri Gram Sadak Yojana

Rural road connectivity is a key component of rural development as it provides access to economic and social services thereby generating increased agricultural income and productive employment opportunities leading to poverty alleviation. The Government of India, Ministry of Rural Development launched (December 2000) the Pradhan Mantri Gram Sadak Yojana (PMGSY) with the objective to provide all weather roads to all unconnected habitations having a population of above 1,000 by the year 2003 and those having population between 500- 999 (250 -999 for North East States except Assam) by the year 2007. Besides, upgradation of existing rural roads was also to be carried out under PMGSY.

The targets set for construction of roads/habitations coverage were not met mainly due to land disputes and slow progress of work. Absence of District Rural Road Plan led to 40 priority habitations remaining unconnected in the State even after lapse of more than eight years from the scheduled completion period *i.e.* by 2007. Project management was weak and there were unexpected delays. The authority did not initiate timely action for recovery of dues from defaulting contractors. There were instances of inflated measurements of works and consequential overpayment to contractors and short levy of liquidated damages for delays. Quality measures were deficient. Maintenance of roads was weak, funds were not utilised and many roads were found damaged. Action Taken Notes on the rectification of defects pointed out by the State Quality Monitor and National Quality Monitor were pending. The monitoring mechanism was weak as the State Level Standing Committee meetings were not held regularly. Impact assessment was not carried out as envisaged which indicated weak internal control mechanism.

(Paragraph 2.3)

Compliance Audit Paragraphs

The Executive Engineer, Kanchanpur Division rescinded the work due to slow progress and thereafter balance work was awarded to another contractor at higher rate. This resulted in extra expenditure of ₹ 19.65 crore which had not been recovered from the defaulting agency by invoking the risk and cost clause of the agreement.

(Paragraph 2.4)

Failure of the Department to include Bituminous work in the agreement resulted in re-execution of the same work subsequently through another contractor which led to wasteful expenditure of ₹ 1.81 crore.

(Paragraph 2.5)

Construction of Reinforced Concrete Cement bridge over river Khowai on the road from Seoratali to Paharmura remained incomplete even after a lapse of about five years due to suspension of work by the agency, thus rendering an expenditure of ₹ 75.14 lakh as idle and unfruitful. In addition, penalty on account of delay amounting to ₹ 1 crore which was leviable as per terms and conditions of contract was not levied by the Department.

(Paragraph 2.6)

Payment for repair of potholes on the basis of filling by Brick Aggregate rather than Stone Aggregate while upgrading a rural road resulted in inadmissible payment of ₹ 51.70 lakh besides cost overrun of ₹ 81.86 lakh.

(Paragraph 2.7)

Failure on the part of the divisional authorities to recover the value of store materials and non-deduction of statutory dues from the contractor's bill resulted in over payment of ₹ 0.81 crore to the contractor.

(Paragraph 2.8)

Award of similar nature of works under the same division at two different rate(s) in the same year led to extra expenditure of ₹ 59.68 lakh.

(Paragraph 2.9)

ECONOMIC SECTOR
(STATE PUBLIC SECTOR UNDERTAKINGS)

Performance Audit

Working of Tripura Small Industries Corporation Limited

The Tripura Small Industries Corporation Limited (Company) was incorporated in April 1965 with the aim to finance, protect and promote small enterprises in the State of Tripura. At present, the activities of the Company include production of bricks, blending and sale of rectified spirit, marketing of miscellaneous items, etc.

There were wide variations between annual turnover targets of the Company fixed under the Memorandum of Understandings (MoUs) entered between the Company and State Government and that mentioned in the Action Plan submitted by State Government to Government of India (Planning Commission). Besides, the turnover targets under the MoUs and the State Government's Action Plan were fixed without reference to previous year's achievements of the Company.

Losses had been incurred by 11 out of 13 branches of the Company in all five years covered in Audit. This was mainly due to high fixed costs and consequent high levels of break-even turnover of the Company. Among loss incurring branches, the production of bricks incurred the highest loss mainly on account of inadequate production of bricks, excess damage to green bricks, failure to ensure standard production of different classes of burnt bricks and limit consumption of coal.

The number of vendors enlisted with the Company was low as compared to total number of operational Micro, Small and Medium Enterprises (MSME) units (2,500 units) in the State as of March 2016. The Company failed to effectively monitor the performance of MSME vendors in absence of comprehensive database relating to enlistment, renewal, order position and performance evaluation of the vendors.

Steps were not taken to increase sales of country spirit by brand creation, improving packaging, introducing value added country spirit, etc. There was no consistency in the methodology adopted for fixation of selling prices of country spirit during 2012-16.

There were no delegation of powers, management information systems and operational manuals.

(Paragraph 3.2)

REVENUE SECTOR

Collection of Revenue from Outsourced Activities in Motor Vehicle Tax

Following the direction of the Supreme Court of India to implement the Scheme of High Security Registration Plates (HSRPs) as envisaged under the Central Motor Vehicle (1st Amendment) Rules, 2001, Transport Department, Government of Tripura resorted to outsourcing of services in the areas of "HSRP Project" for supply of HSRP including its affixation on all motorised road vehicles. "Smart Card Project" for issue of Driving Licenses (DLs) and the vehicle Registration Certificates (RCs) in smart cards commenced from 1st April 2006.

The extant instructions governing the outsourced activities had not been adhered to by the vendor. Despite this, there was no mechanism in existence in the Department to monitor and control the activities of the vendor. Non-submission of daily activity report for scrutiny by the registering authority, affixation of HSRP by vendor without formal authorisation, absence of periodical verification of vendor's activity, etc. reflected lack of transparency in the whole exercise being carried out by the vendor without the required intervention of the Department. The fact that 82 *per cent* of the existing vehicles are without HSRP even after a lapse of three years of the conversion deadline indicated lack of intent of the Department in project implementation. Neither the vendor nor the District Transport Officers maintained any records on actual issue of RCs/DLs in smart cards for pre and post smart card periods. As a result, the Department was not aware of the position of actual coverage of new vehicles on registration, conversion of paper based RCs of old vehicles, etc. Consequently, suitable action for ensuring compliance by the defaulting vehicles owners/licensees had also not been contemplated. There was short payment of ₹ 6.83 lakh, representing about 25 *per cent* of Government revenue derivable from space rent for HSRP project as also non-payment of ₹ 3.34 lakh due to less disclosure of Learner Licenses printed by the vendor. Thus, the Department seemed to have reduced its role to mere recipient of monthly revenue paid by the vendor without doing any related cross verification with its own records.

(Paragraph 4.2)

Compliance Audit Paragraphs

Concealment of turnover by the dealers which escaped notice of the assessing authorities resulted in short levy of tax of ₹ 24.32 lakh, non levy of interest of ₹ 6.80 lakh and penalty of ₹ 3.48 lakh.

(Paragraph 4.3)

Failure to impose penalty by the Assessing Authority on evaded tax resulted in loss of revenue of ₹ 10.99 lakh.

(Paragraph 4.4)

GENERAL SECTOR

IT audit on Computerisation of Treasury Operation System

The Government of Tripura initiated the Computerised Treasury Operation System (CTOS) in 1998, which was implemented in all the Treasuries and Sub-Treasuries by 2003-04 at a cost of ₹ 1.47 crore. Subsequently, in 2010, the State Government decided to upgrade the CTOS from Client Server Architecture to Web Based Online Treasury Operation System (WBOTOS) to achieve better financial management. Further, during 2014, it was decided to include budget module for preparation of budget and releasing of funds to departments through online system, integration of bank portal for direct online payment from treasury through e-payment and integration with Public Financial Management System (PFMS) to capture details of funds received from Government of India. These modules had not been developed.

Lack of adequate planning and assessment had resulted in piecemeal implementation of the project, where requirements of many modules were being firmed up only as the project was underway, with consequences on the completion of the system being developed.

The Department had failed to put in place the required technical staff at the directorate level for maintenance of application software. Therefore, it continued to rely entirely on the firm (RITES Ltd.) for maintenance of the software. The legacy data had not been fully imported into WBOTOS.

The application was being run in a poorly controlled environment with weak password policy, which in conjunction with lack of audit trails makes it extremely difficult to fix accountability/responsibility on those who had performed duties using the application software.

(Paragraph 5.3)

CHAPTER I: SOCIAL SECTOR

CHAPTER I: SOCIAL SECTOR

1.1 Introduction

This Chapter of the Audit Report for the year ended 31 March 2016 deals with the findings on audit of the State Government units under Social Sector.

The names of the State Government departments and the break-up of the total budget allocation and expenditure of the State Government under Social Sector during the year 2015-16 are given in the table below:

Table No: 1.1.1

(₹ in crore)

Name of the departments	Total budget allocation	Expenditure
Education (Higher) Department	190.04	126.91
Education (School) Department	1,548.49	1,400.45
Education (Social) Department	417.69	294.87
Education (Sports and Youth Programme) Department	93.28	49.50
Food, Civil Supplies and Consumer Affairs Department	113.21	84.26
Family Welfare and Preventive Medicine	432.30	218.43
Health Department	286.89	239.93
Labour Organisation	19.65	18.30
Panchayati Raj Department	368.07	210.49
Public Works (Drinking Water and Sanitation) Department	215.07	206.98
Relief and Rehabilitation Department	30.59	30.44
Rural Development Department	638.40	498.77
Tribal Welfare (Research) Department	2.68	2.45
Tribal Welfare Department	3,606.02	2,139.57
TRP and PVTG Department	22.70	22.21
Urban Development Department	355.61	183.62
Welfare for SC and OBC Department	1,490.66	789.34
Welfare of Minorities Department	98.47	33.84
Welfare of OBC	46.35	18.63
Total number of departments = 19	**9,976.17**	**6,568.99**

Source: Appropriation Accounts – 2015-16.

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 (IRs) 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 IRs. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations arising out of those IRs are processed for inclusion in the Audit Reports, which are submitted to the Governor of Tripura under Article 151 of the Constitution of India for being laid in the State Legislature.

The audits were conducted during 2015-16 involving test check of an expenditure of ₹ 9,347.18 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 "Implementation of National Rural Health Mission" relating to Health and Family Welfare Department, audit of "Management of State Disaster Response Fund" relating to the Revenue Department and one Compliance Audit paragraph.

HEALTH AND FAMILY WELFARE DEPARTMENT

1.3 Implementation of National Rural Health Mission

The National Rural Health Mission (NRHM) was launched in April 2005 in the country with a view to provide accessible, affordable and quality health care to the rural population, especially the vulnerable sections of the society. The key strategy of NRHM was to support and supplement the efforts of the State for strengthening health system through the provision of financial and technical assistance.

Highlights

The State Government did not conduct household surveys to identify the local needs of health care. Village Health Action Plans were not prepared.

{Paragraph 1.3.7.1(B)}

Lack of proper assessment by the State Health Society (SHS) led to short release of ₹ 273.46 crore by Government of India (GoI). Even out of the funds provided by GoI, SHS could utilise only 51 to 69 *per cent* during 2011-16. ₹ 1.51 crore advanced to 116 officials was lying outstanding.

(Paragraphs 1.3.7.3, 1.3.7.4 & 1.3.7.6)

The number of Sub Centres (SCs), Primary Health Centres (PHCs) and Community Health Centres (CHCs) were below the prescribed level by 12, 47 and 56 *per cent* respectively in the State. In the three test checked districts, there was a shortage of SCs, PHCs and CHCs by 11, 42 and 53 *per cent* respectively. 69.57 *per cent* test checked SCs were running without water supply and electricity and 34.78 *per cent* without toilets.

(Paragraph 1.3.7.8 & 1.3.7.9)

There were no specialists in CHCs and Sub Divisional Hospitals. In 279 SCs there was no Auxiliary Nursing Midwife/Female health worker. Four test checked CHCs did not have facilities for Caesarean Section delivery and none of the 23 test checked SCs had facilities for institutional delivery.

{Paragraphs 1.3.7.15(A) & (B) & 1.3.7.18 (A)}

Although there was a high prevalence rate of Anaemia amongst pregnant women (54.4 *per cent)* in the State, 36 *per cent* of pregnant women did not receive three Ante Natal check ups, and 40 *per cent* did not receive 100 Iron & Folic Acid tablets.

{(Paragraph 1.3.7.18(B)}

State Quality Assurance Committee had not met even once till June 2016. Internal assessment and patient satisfaction survey was not done in any of the test checked facilities. Health Management Information System lacks data integrity. Hence internal control, supervision and monitoring were inadequate.

(Paragraphs 1.3.7.24, 1.3.7.25, 1.3.7.26 & 1.3.7.27)

1.3.1 Introduction

The National Rural Health Mission (NRHM) was launched on 12 April 2005 throughout the country. The NRHM seeks to provide accessible, affordable and quality health care to the rural population. The State Government signed a Memorandum of Understanding (MoU) with Government of India (GoI) in January 2006 for implementation of NRHM in Tripura.

Components of NRHM

NRHM is an umbrella programme subsuming the existing programmes of health and family welfare and comprises of the following components:

- Reproductive and child health
- Emergency and trauma care
- Control of communicable diseases
- Non-communicable disease

Framework of Implementation

The Ministry of Health and Family Welfare in its 'Framework of Implementation (2005-2012 and 2012-2017)' had laid down some anticipated outcomes to be achieved by the end of XII Five Year Plan (2012-17). The three main expected outcomes to be achieved at the end of 31 March 2016 is indicated below (details in **Appendix-1.3.1**).

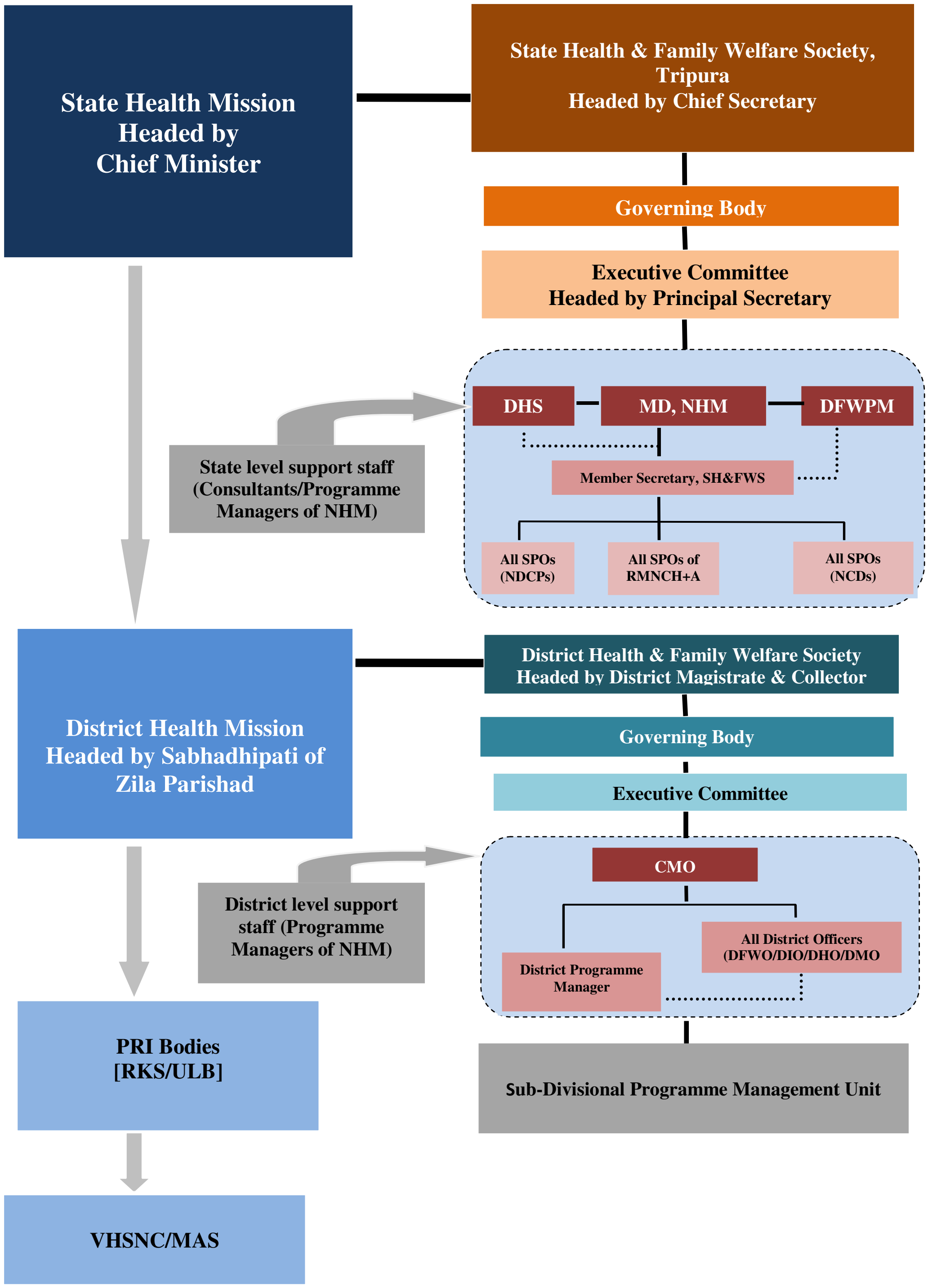
- Reduce Infant Mortality Rate (IMR) to 26/1,000 live births
- Reduce Maternal Mortality Ratio (MMR) to 100/1,00,000 live births
- Reduce Total Fertility Rate (TFR) to 2.1

1.3.2 Organisational structure

At the State level, there is a State Health Mission (SHM) headed by the Chief Minister. The activities of the SHM are carried out through the State Health Society (SHS) headed by the Chief Secretary. The Executive Committee of the Society is headed by the Principal Secretary, Health and Family Welfare Department. The State Programme Management Unit (SPMU) acts as the Secretariat to the SHM and is headed by the Mission Director.

At the District level, the District Health Mission (DHM) is headed by the *Sabhadipati* (President of Zila Parishad) and the District Health Societies (DHSs) are headed by the respective District Magistrate & Collectors. The Executive Committee is headed by the Executive Secretary (Chief Medical Officer). An organogram showing the organisational structure of NRHM in the State is shown below:

Organogram of NRHM



1.3.3 Scope of audit

A Performance Audit on implementation of NRHM in the State of Tripura was conducted during April-August 2016, covering the implementation of the programme for the period from 2011-12 to 2015-16 through test check of the records of the SHS, three[1] out of eight DHSs and District Hospitals (DHs), two blocks of each selected

[1] West Tripura, Dhalai and North Tripura District.

district, all six Sub-Divisional Hospitals (SDHs)/Community Health Centres (CHCs) under the sampled two blocks of each selected district, nine Primary Health Centres (PHCs) linked to the sampled blocks and 23 Sub Centres (SCs) linked to sampled PHCs. They were selected through statistical sampling using Simple Random Sampling Without Replacement (SRSWOR) method.

In addition, 69 Accredited Social Health Activists (ASHAs) and 230 beneficiaries[2], selected through SRSWOR method[3] under each selected SC[4] were interviewed. A list of selected units is available in **Appendix-1.3.2**.

Out of the outcome indicators specified in **Appendix-1.3.1** as per framework of implementation, we have selected Reproductive and Child Health (RCH) for analysis in this Report due to importance of these indicators in achievement of the Millenium Development Goals (2015). Further, out of the six National Disease Control Programmes, one item *i.e.* Intensified Malaria Control Project under National Vector Borne Disease Control Programme (NVBDCP) was also covered as Tripura is a Malaria prone zone.

1.3.4 Audit objectives

The Performance Audit was conducted to assess whether:

- planning was adequate, effective and in accordance with the requirements of the NRHM;
- the funds allotted were being utilised in an efficient and economic manner;
- the capacity building and strengthening of physical infrastructure and augmentation of human resources were achieved as planned and targeted;
- the performance indicators and targets fixed were achieved;
- the quality assurance, monitoring and reporting were effective.

1.3.5 Audit criteria

Audit findings were benchmarked against the following criteria:

- NRHM framework for implementation (2005-12 and 2012-17);
- NRHM operational guidelines for financial management;
- Indian Public Health Standard (IPHS) guidelines (2012) for PHCs, CHCs, SDHs and DHs;
- Operational guidelines for quality assurance in public health facilities, 2013;
- State Programme Implementation Plan (PIP) approved by National Programme Co-ordination Committee (NPCC).

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2 women who have given birth within the last 24 months.

3 SRSWOR is a method of selection of n units out of the N units one by one such that at any stage of selection, anyone of the remaining units have same chance of being selected, *i.e.* 1/ N.

4 Three ASHAs and 10 beneficiaries under each SC were selected through SRSWOR.

1.3.6 Audit methodology

The Performance Audit commenced with an entry conference on 12 April 2016 with the Principal Secretary to the Government of Tripura, Heath and Family Welfare Department, wherein the audit objectives, criteria and audit scope & methodologies were discussed. The draft Report was issued to the State Government in September 2016. The audit findings, conclusion and recommendations were discussed with the Principal Secretary in an exit conference held on 7 October 2016 and the views of the Department during exit conference have been duly incorporated in the report, where appropriate.

Audit findings

1.3.7.1 Planning

An overall perspective plan for five year period and PIP for each year were to be prepared on the basis of District Health Action Plan (DHAP). It envisaged a decentralised and participatory planning process from village level to the State level by carrying out household surveys, facility and baseline surveys.

(A) Perspective plan

According to NRHM framework, the districts would be expected to prepare Perspective Plans (PPs) for the entire Mission period outlining the year wise resource and activity needs of the district. The DHAP is the key strategy for integrated action under NRHM.

The PPs for the period under audit could not be produced to audit at the State level though called for repeatedly. The same could also not be produced in any of the test checked districts as the same were not prepared. This was confirmed by the test checked districts when asked specifically. Consequently, gaps in services, areas requiring intervention, probable investment in each area as well as requirement and availability of resources were not identified. Moreover, no baseline data had been determined against which improvements were to be benchmarked.

The absence of perspective planning had resulted in failure to effectively identify gaps in health facilities and areas of intervention.

(B) Programme Implementation Plan

Under NRHM, financing to the State is based on the State's PIPs. The annual State PIPs were to spell out key strategies, activities undertaken, budgetary requirements and key health outputs and outcomes.

According to the operational guidelines for financial management of NRHM, a 'bottom up' approach should be followed for planning and budgeting. The process should begin with the preparation of Village Health Action Plans (VHAPs) for ensuring access to health services at the village level. At the next level, Block Health Action Plans (BHAPs) were to be prepared based on village level plans. The BHAPs were to be aggregated to form an integrated DHAP which was to be sent to the State level. The DHAPs of all districts were to be compiled and aggregated at the State level for framing the State PIP.

Test check of records revealed the following:

(i) The State PIPs were being prepared by the directorate on the basis of DHAPs. However, DHAPs were not prepared on the basis of formal plans of the lower formations. None of the villages, PHCs and CHCs in the State had prepared health plans during 2011-16 pointing towards lack of participation/involvement of the community in preparation of plans. Thus, it could not be ensured whether State PIPs were need based and these adopted a participatory approach.

(ii) As per the framework, facility and household surveys were to be conducted to identify the core/deficient indicators in order to identify areas and improve health services in the State. The NRHM household surveys were to be conducted through ASHAs and Anganwadi Workers in order to allow effective convergent action. However, scrutiny by audit revealed that in Dhalai District (one of the three test checked districts) no health facility surveys were conducted. It was further noticed that habitation/village based household surveys were not conducted in any of the three test checked districts to identify the local needs and gaps in health care facility.

Thus, the underserved areas in the districts remained unidentified. Further, due to absence of household surveys, core/deficient indicators in the locality/villages were not identified.

It was further noticed that:

(i) PIPs (2011-16) did not mention the extent of utilisation of existing and new infrastructure which was required as per the guidelines. PIPs stated physical and financial achievements of previous years, however, there was no mention about the quality of interventions and their outcomes.

(ii) In all the PIPs, physical and financial progress of the previous year (upto December) was mentioned. However, reasons for shortfall in achievements and need, if any, to change strategies/interventions were not analysed. As a result, subsequent PIPs did not contain remedial measures.

(iii) In PIP 2015-16, proposals involving convergence with other departments to control Malaria and other vector borne diseases were made. However, it was noticed that the concerned PIP did not elaborate on data sharing, planning for physical and human resources, mechanism for joint monitoring, coordination, etc.

Thus, the state planning process was not comprehensive and it failed to put in place the horizontal and vertical linkages required for effective implementation of the scheme in the State.

The Department stated (October 2016) that VHSNCs were present in each Gram Panchayat (GP)/Autonomous District Council (ADC) village where Panchayati Raj Institutions (PRIs) representative was a member along with health staff. Any required activities were sent to PHC before incorporation in the district plan.

But the fact remained that the VHAPs were not prepared.

1.3.7.2 Utilisation of funds

The National Health Policy 2002 recommended that State Governments should allocate 8 *per cent* of the budget to the Health Sector by 2010. According to NRHM framework, the State Government should maintain a minimum of 10 *per cent* annual increase in budgetary outlay on Health Sector. The year wise details of total public spending during 2011-16 are as under:

Table No.1.3.1: Details of funding in Health Sector in the State

(₹ in crore)

Year	Expected population *(in lakh)*	Total spending including NRHM on Health Sector	GSDP[5]	Spending to GSDP on Health Sector	State spending on health care through budget (excluding CASP[6])	Total budget of the State	*Percentage* of spending on Health Sector on total budget	Yearly increase in State spending *(per cent)*	Per capita spending on Health Sector *(in ₹)*
2011-12	36.71	339.12	18795.53	1.80	296.54	7054.72	4.20	31.56	924
2012-13	37.25	311.62	21289.38	1.46	288.28	8282.37	3.48	-2.79	837
2013-14	37.80	408.83	25039.40	1.63	381.40	9642.30	3.96	32.30	1082
2014-15	38.36	646.43	29113.19	2.22	462.37	12399.45	3.73	21.23	1685
2015-16	38.92	610.33	33189.03	1.84	410.74	12993.10	3.16	-11.16	1568

(**Source:** Quarterly Review Report of the Finance Minister for the 3rd Quarter of 2015-16, Annual Financial Statement of 2012-13 to 2016-17, Budget at a Glance of 2011-12 to 2016-17 and Finance Accounts 2015-16)

It was observed that:

- During 2011-16, spending on health sector was in the range of 3.48 to 4.20 *per cent* of the State budget which was below the recommended 8 *per cent*.
- State spending on Health Sector showed a mixed trend. It decreased in 2012-13 by 2.79 *per cent*, showed an increasing trend in 2013-14 & 2014-15 and again decreased in 2015-16 by 11.16 *per cent*.

According to the Health and Family Welfare Statistics in India (2015)[7], every fifth resident of Tripura (20 *per cent*) does not use Government health facilities and prefers private medical sector. Among the various reasons mentioned in the publication brought out by the Ministry, nearly half (47.10 *per cent*) gave 'poor quality of care' as a major reason. Distance of the public sector facility (29.40 *per cent*), long waiting time (23.80 *per cent*) and inconvenient hours of operation (20.40 *per cent*) were other significant reasons cited. This shows that despite Government efforts, health facilities have not gained the confidence of a significant percentage of the population.

5 Gross State Domestic Product.
6 CASP-Central Assisted State Plan.
7 Published by Ministry of Health & Family Welfare, Government of India.

1.3.7.3 Availability of funds and expenditure

The details of availability of funds *vis-à-vis* expenditure and the contribution of Central and State share thereof under NRHM from 2011-12 to 2015-16 are shown in **Table No. 1.3.2.**

Table No. 1.3.2: Availability of funds and expenditure figure of State Health Mission

(₹ in crore)

Year	Opening balance	Funds received		Bank interest received	Total availability of funds	Expenditure incurred (*per cent* in bracket)		Refund to GoI	Closing balance
		GoI share transferred to SHM	State share						
2011-12	125.53	62.32	28.75	1.38	217.98	115.56	(53)	0	102.42
2012-13	102.42	75.38	0.33	1.33	179.46	123.78	(69)	0	55.68
2013-14	55.68	134.92	21.41	1.59	213.60	107.94	(51)	10.37	95.29
2014-15	95.29	109.77	14.17	2.05	221.28	133.58	(60)	0	87.70
2015-16	87.70	107.64	12.35	1.11	208.80	118.89	(57)	0	89.91
Total		**490.03**	**77.01**	**7.46**		**599.75**		**10.37**	

(**Source**: Information furnished by the State Health Society, NRHM)

During 2011-16, against total availability of ₹ 700.03 crore, actual utilisation was ₹ 599.75 crore with percentage of utilisation ranging from 51 to 69 *per cent*. Poor utilisation of funds was mainly noticed due to delay in procurement of medicine, equipment, construction and huge vacancies in human resources, which are discussed in ensuing paragraphs.

The Mission Director, NRHM accepted (August 2016) the audit findings.

1.3.7.4 Sanction and release of Central and State share

NRHM funds were to be provided by the Central and State Government in the ratio of 85:15 upto 2011-12 and thereafter in the ratio of 90:10. The outlays approved as per annual approved plans from 2011-12 to 2015-16 and proportionate share of Central and State Government are shown in **Chart Nos. 1.3.1 & 1.3.2** below:

Chart No. 1.3.1

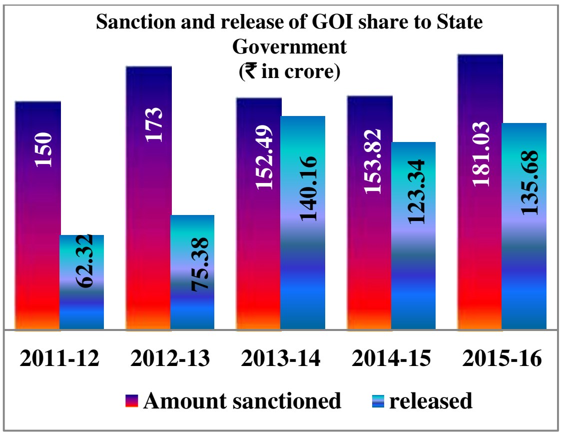
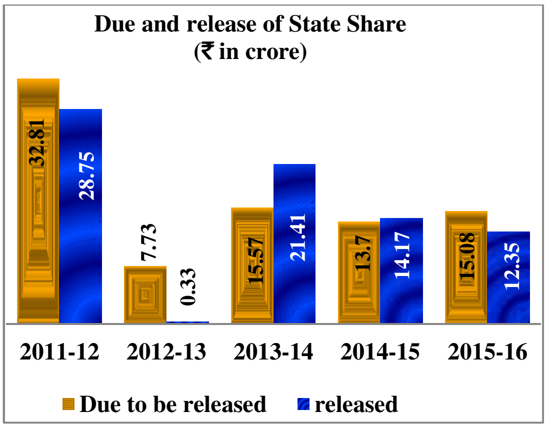


Chart No. 1.3.2



(**Note**: 1. State share due for the year 2011-12 is calculated taking due of ₹ 21.74 crore upto March 2011.
2. GoI share released to State Government during 2013-14, 2014-15 and 2015-16 is not matching with corresponding figures of data provided by SHM (**Table No. 1.3.2**) because of delay or non-release of some funds by State Government to SHM).
(**Source**: Information furnished by the State Health Society, NRHM)

Audit observed that during 2011-16, out of the total sanctioned amount of ₹ 895.23 crore, only ₹ 613.89 crore *i.e.* 68.57 *per cent* was released. Of the total sanctioned amount, the share of GoI was ₹ 810.34 crore out of which only ₹ 536.88 crore (66.25 *per cent*) was released resulting in short release of ₹ 273.46 crore (33.74 *per cent*). The reason was attributed entirely to non-utilisation of funds in the previous years. There was a short release of State share by ₹ 7.88 crore, the reason for which was not found on record.

Thus, it appears that during preparation of PIPs the capacity of the SHS to utilise the funds was not considered. As a result, despite availability of funds SHS could not utilise it due to shortage of resources. This is indicative of lack of proper assessment prior to implementation of the scheme and poor execution.

The Department stated (October 2016) that pending State share of ₹ 7.85 crore had been released by the Finance Department.

(A) Short release of funds (GoI share) by the State Finance Department to the Mission

Audit observed that in 2015-16, GoI released ₹ 135.68 crore[8] but against this amount Finance Department released only ₹ 130.43 crore resulting in short release of ₹ 5.25 crore to the SHS till July 2016. Reason for delay in release of the balance Central share was neither found on record nor stated to audit.

(B) Loss of interest due to delayed release of funds by the State Government.

It was noticed that there was delay in release of funds by the State Finance Department. During 2014-16, it took 50 to 100 days for release in 31 cases, 100 to 199 days in 98 cases, and 226 to 437 days in 18 cases. Reasons for delay in release of funds were not found on record.

[8] Cash - ₹ 125.58 crore and kind - ₹ 10.10 crore.

Further, it was noticed that due to delay in release of funds by the Finance Department, SHS suffered a loss of interest[9] of ₹ 2.55 crore during 2014-16.

1.3.7.5 Programme funds remained unutilised

(A) State level

During scrutiny of records, it was noticed that out of ₹ 89.91 crore remaining unspent as of March 2016, ₹ 67.15 crore was lying with the SHS and rest ₹ 22.76 crore was lying unspent with DHSs. The details of unutilised funds against major programmes at the close of last five years up to March 2016 are shown below:

Table No. 1.3.3: Unutilised funds against major programmes at the close of last five years up to March 2016

(₹in crore)

Sl. No.	Name of the programme	2011-12	2012-13	2013-14	2014-15	2015-16
1	RCH-II/RCH-Flexi Pool	33.72	24.06	33.63	42.46	46.19
2	Additionalities under NRHM	62.21	24.14	49.87	28.56	29.89
3	Immunisation					
	Routine Immunisation	0.62	0.16	0.06	(-) 1.60	(-) 0.8
	Pulse Polio Immunisation	0.72	0.26	0	(-) 1.08	(-) 0.37
4	NIDDCP					0.34
5	**National Disease Control Programme**					
	Integrated Disease Surveillance Project (IDSP)	0.19	0.02	(-) 0.09	(-) 0.24	(-) 0.13
	National Leprosy Eradication Programme (NLEP)	0.01	0.15	0.11	0.08	(-) 0.07
	National Vector Born Disease Control Programme (NVBDCP)	2.04	1.43	6.28	11.05	11.80
	Revised National Tuberculosis Programme (RNTCP)	0.06	0.19	0.28	(-) 0.39	(-) 0.34
6	**Non Communicable Disease Control Programme**					
	National Programme for Control of Blindness (NPCB)	0.95	4.06	0.33	1.38	(-) 0.07
	National Mental Health Programme(NMHP)	0.13	0.11	0.07	0.85	1.64
	National Programme for prevention and Control of Cancer, Diabetes, Cardiovascular Diseases and Stroke (NPCDCS)	-	-	2.01	2.00	3.28
	National Programme for Prevention and Control of Deafness (NPPCD)					0.22
	National Tobacco Control Programme(NTCP)	-	-	0.58	0.50	0.90
7	**Infrastructure Maintenance**	0.00	(-)1.47	0.60	(-) 0.87	(-)11.63
	Total	**100.65**	**53.11**	**93.73**	**82.70**	**80.85**

(**Source**: Information furnished by the State Health Society, NRHM)

The above table shows that most of the unspent balances were lying against RCH-Flexi Pool, Additionalities under NRHM and NVBDCP which reflects that there was a shortfall in implementation of these components.

(B) District level

During test check of three districts, it was noticed that at the end of each financial year huge balances were lying with the DHSs, as detailed below:

9 Interest was calculated taking interest on savings account at 4 *per cent* per annum.

Table No. 1.3.4: Details of balances lying with three test checked districts

(₹in crore)

Name of the district	2011-12	2012-13	2013-14	2014-15	2015-16
West Tripura	5.69	3.68	4.41	3.99	2.03
Dhalai	3.83	1.79	1.00	1.27	0.21
North Tripura	NA	0.81	1.28	1.57	2.22

(**Source**: Annual accounts of DHAPs and information furnished by the District Health Society, NRHM)

Moreover, unspent balances showed an increasing trend in North Tripura District over the period. Reasons for keeping huge unspent balances were lack of recruitment of human resources, shortfall in organising training for ASHAs, Auxiliary Nursing Midwives (ANMs), Lady Health Visitors (LHVs), Skilled Birth Attendant (SBA) services and shortfall in organising health camps.

The Mission Director, NRHM accepted (August 2016) the audit findings.

1.3.7.6 Outstanding advances

In Unakoti District, ₹ 1.62 crore was lying outstanding against 10 officials. Further, ₹ 1.18 crore was advanced by seven Chief Medical Officers during 2006-14 to the health facilities under its jurisdiction for implementation of various national health programmes approved under NRHM but no records were maintained as against whom the advances had been made. Details are in **Appendix-1.3.3 (A)** & **1.3.3 (B).** The Mission Director, NRHM lodged an FIR against these 17 officials with Kailashahar Police Station in April 2015. Present status of the case was not on record.

Similarly, it was noticed that ₹ 1.51 crore (**Appendix- 1.3.4**) was advanced to 116 officials for different purposes during June 2009 to November 2015 by the SHS and was lying outstanding till May 2016. It was neither on record nor stated to audit whether programmes for which advances given were actually implemented by the persons concerned.

Advances outstanding for such long periods is fraught with the risk of not utilising of funds for the purpose for which it was given and may lead to misappropriation of Government money.

The Department stated (October 2016) that out of advances of ₹ 1.51 crore, ₹ 1.03 crore had since been adjusted through submission of vouchers.

1.3.7.7 Outstanding loan

During test check of records, it was noticed that ₹ 7.25 crore transferred by the SHS to seven departments/societies as loan during September 2013 to June 2015 for running different project work/programmes were lying outstanding till August 2016. Authority under which loan was given and initiatives taken to adjust the outstanding loan was not found on record.

Scrutiny also revealed that loan amounting to ₹ 50.00 lakh was given to Revised National Tuberculosis Control Programme (RNTCP) in April 2014 which was outstanding as of March 2016. However, as per information furnished by the Mission, only ₹ 33.96 lakh was shown as loan against RNTCP. Reason for such discrepancy was not found on record.

On being pointed out in audit, Mission Director, NRHM stated (August 2016) that as per approval of the authority loan was given to take up the activities on emergency basis and ₹ 1.81 crore had since been refunded.

The fact remained that the records of refund of ₹ 1.81 crore were not produced to audit and the reply does not mention about the remaining outstanding amount of ₹ 5.44 crore. The discrepancy of ₹ 16.04 lakh in RNTCP was also not explained by the Department.

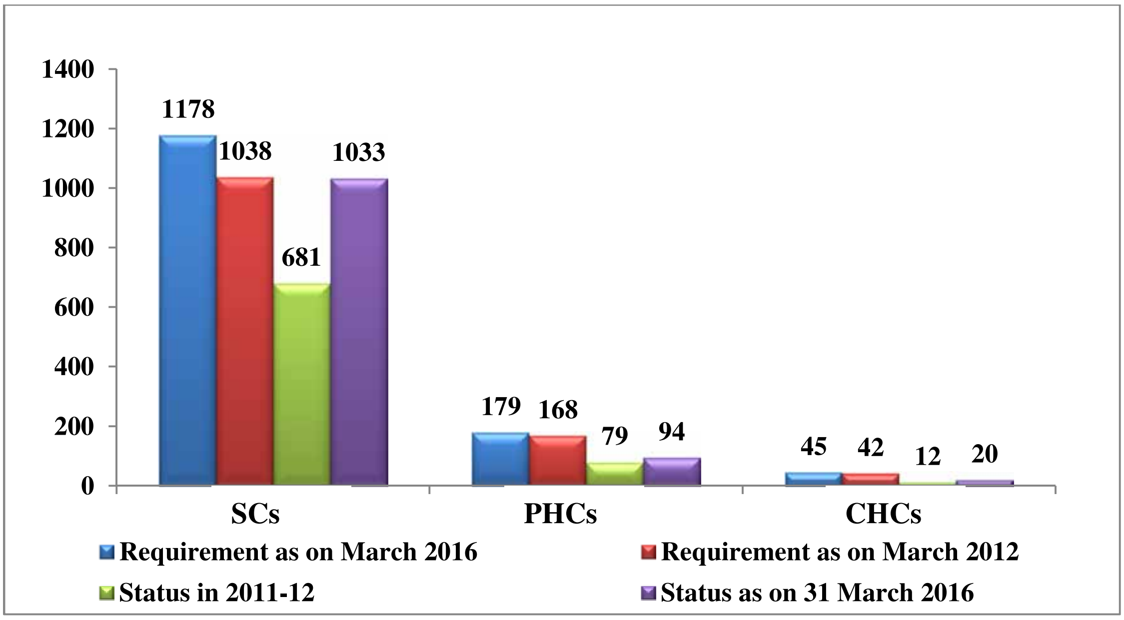
Capacity building and physical infrastructure

1.3.7.8 Failure to achieve targets

The health care infrastructure in rural areas has been developed as a three tier system *viz*., SC, PHC and CHC. As per decision of the State Government, every GP/ADC village should be covered by a SC. PHCs and CHCs were constructed following IPHS norms: one PHC per 30,000 population in general areas and one PHC per 20,000 population in difficult/tribal and hilly areas; one CHC per 1,20,000 population in general areas and one CHC per 80,000 population in difficult/tribal and hilly areas.

Status of health facilities as on 31 March 2016 are shown in **Chart No. 1.3.3**. It is seen that the number of SC, PHC and CHC in the State had increased from 681, 79 and 12 in 2011-12 to 1,033, 94 and 20 respectively in 2015-16. Yet, the existing number of SCs, PHCs and CHCs were short of their targets by 145, 85 and 25 (12, 47 and 56 *per cent)* respectively. Thus, despite improvement in the last few years, there existed a big gap between the requirement and the available health care infrastructure, particularly at the PHC and CHC level.

Chart No. 1.3.3: Status of SCs, PHCs and CHCs as of 2011-12 and 2015-16 against requirement



Source: Census 2011, Economic Review of Tripura and Departmental records.

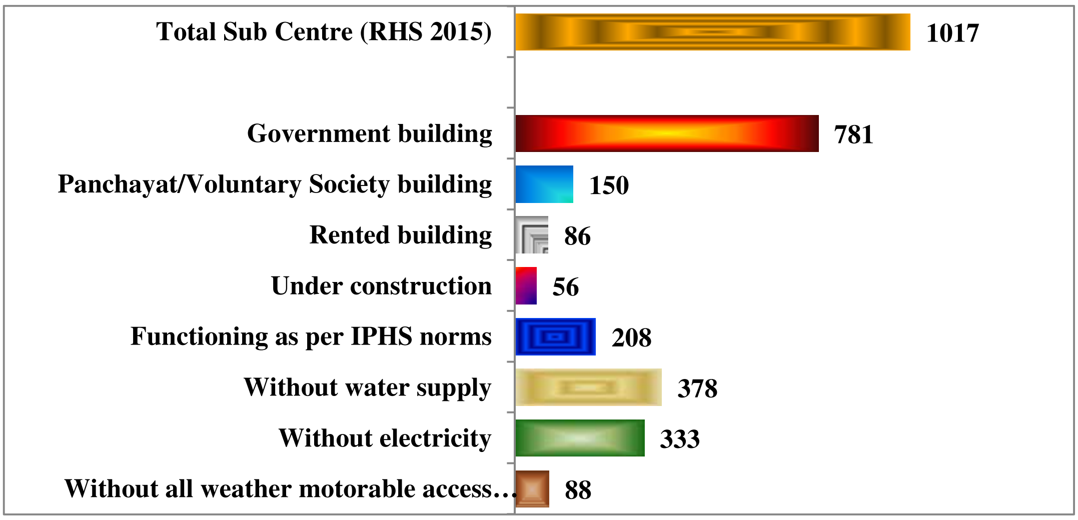
Test check of three districts revealed that there was a shortage of SCs, PHCs and CHCs by 11, 42 and 53 *per cent* respectively. North Tripura District was having 27 *per cent* shortages of SCs and Dhalai District 61 *per cent* shortages of CHCs.

The Department stated (October 2016) that phase wise implementation was going on to fill up the gap in infrastructure.

1.3.7.9 Quality of infrastructure

According to Rural Health Statistics (RHS) 2015, State-wise status of infrastructure in SCs is shown in **Chart No. 1.3.4.**

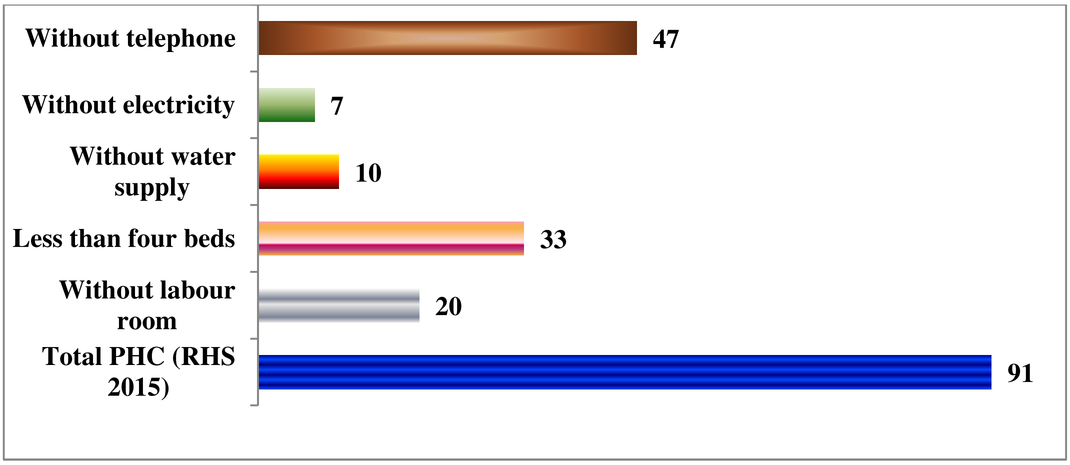
Chart No. 1.3.4: State statistics of SCs



(**Source**: Rural Health Statistics, 2015)

During physical verification of 23 SCs, it was noticed that 16 SCs (69.57 *per cent*) were running without water supply, 16 (69.57 *per cent*) without electricity , eight (34.78 *per cent*) without toilet, 22 (95.65 *per cent*) without telephone, and 19 (82.61 *per cent*) without ANM quarters. It was further noticed that though there were quarters for ANM in four SCs, they were unoccupied due to non-availability of water supply and dilapidated condition of the quarters. Details are shown in **Appendix-1.3.5**.

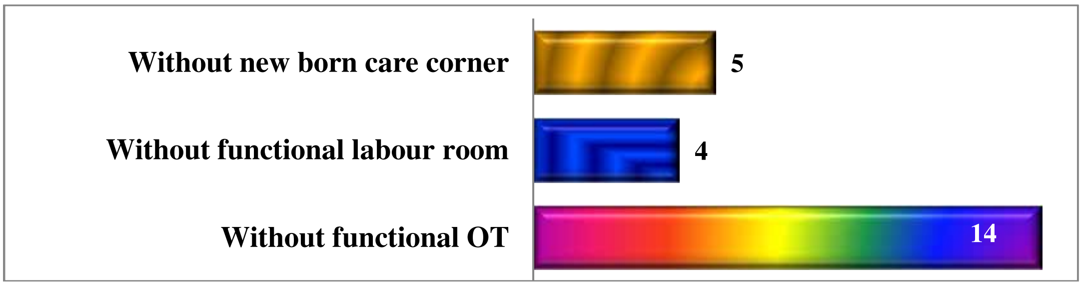
Chart No. 1.3.5: State statistics of PHCs



(**Source**: Rural Health Statistics, 2015)

Similarly, during physical verification of nine PHCs, it was noticed that two PHCs were functioning without electricity and eight PHCs without telephone. It was also noticed that labour room in three PHCs were not made operational due to non-availability of staff and lack of equipment *viz*., Radiant Warmer, Suction Machine, Steriliser, Normal Delivery Kit, etc. Details are shown in **Appendix-1.3.6**.

Chart No. 1.3.6: State statistics of CHCs



(**Source**: Rural Health Statistics, 2015)

Further, during physical verification of six SDHs/CHCs it was noticed that five CHCs/SDHs did not have Telephone, five CHCs/SDHs were not having Operation Theatre (OT), three CHCs/SDHs were without New Born Care Stabilisation Unit and four CHCs were without Blood storage facility. Though one SDH had Blood storage facility, it was not operational due to lack of manpower. Details are shown in **Appendix- 1.3.7**.

Thus, the existing infrastructure is devoid of even the basic amenities, and there had been under-utilisation of the resources.

It is evident that promotion of institutional deliveries was lacking as 22 *per cent* PHCs were running without labour room, 20 *per cent* CHCs without functional labour room and 70 *per cent* CHCs without functional OT in the State.

1.3.7.10 Development of infrastructure

NRHM aimed to bridge gaps in the existing capacity of the rural health infrastructure by establishing functional health facilities through revamp of existing physical infrastructure and fresh construction or renovation wherever required. In Tripura, NRHM framework allowed expenditure upto 33 *per cent* of the total outlay on construction to remove deficiencies in public health infrastructure.

During 2011-16, out of the total available amount of ₹ 700.03 crore, ₹ 232.06 crore was spent on civil works. However, during the entire Mission period, Mission Director executed 430 new works (406 SCs, 24 PHCs) by investing ₹ 141.52 crore. It upgraded 97 facilities (50 SCs, 19 PHCs, 18 CHCs, eight SDHs/First Referral Units & two DHs) to IPHS benchmarks by investing ₹ 72.78 crore, 76 renovation works at a cost of ₹ 6.49 crore and other 21 works at a cost of ₹ 11.27 crore were taken up through four executing agencies.[10]

During the course of audit the following was noticed:

(A) Delay in completion of works

₹ 35.79 lakh was placed with the Rural Development Department (RDD) during 2007-08 to 2011-12 for construction of three SCs[11] but the works had not been completed due to reasons such as site dispute and delay in taking up construction works.

(B) Blockage of funds amounting to ₹ 2.93 crore

During 2009-10 to 2013-14, SHS placed ₹ 2.93 crore[12] with the RDD for construction of 13 SCs, one Neonatal Intensive Care Unit (NICU) in Belonia SDH and renovation of Madhupur PHC. It was observed that the construction work of none of the SCs had commenced as of July 2016 due to not handing over of site to the implementing agency. Though the funds were placed with the RDD for renovation of Madhupur PHC, Mission could not take decision whether the work was to be carried out through RDD or Public Works Department. It was noticed that provision of NICU had already been made in the newly constructed building for SDH, Belonia. So separate building was not required for NICU. Neither NRHM asked RDD to refund the fund already placed for construction of NICU in Belonia SDH nor RDD refunded the said amount.

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10 Rural Development Department, Public Works Department, Tripura Housing and Construction Board and Engineering Cell of the NHM.

11 New Health Sub Centre in Fultali GP, Noorpur GP and Monacherra GP.

12 2009-10: ₹ 10.35 lakh; 2010-11: ₹ 4.00 lakh; 2011-12: ₹ 13.39 lakh; 2012-13: ₹ 100 lakh; 2013-14: ₹ 165 lakh.

Consequently, an amount of ₹ 2.93 crore had been blocked over the years due to poor coordination, absence of proper assessment and lack of holistic planning at the level of the SHS.

(C) Inadequate utilisation of constructed buildings

SHS did not maintain status of utilisation of existing and newly created health facilities. During course of audit it was noticed that construction of one CHC, one PHC along with staff quarters and one SC were completed at a total cost of ₹ 6.64 crore and taken over by the concerned medical officers but were not utilised.

- Director of Family Welfare and Preventive Medicine, Government of Tripura, decided in October 2005 for upgradation of Mohanpur CHC under NRHM and placed ₹ 0.98 crore with Block Development Officer, Mohanpur in six installments during December 2005 to September 2011. The work was completed and handed over to the Medical Officer (in charge), CHC, Mohanpur in November 2014.

- The building had not been made operational till July 2016 due to a number of problems such as construction defects, absence of water supply and power connection, lack of provision for dressing room, nurse changing room, rest room with toilets for Doctors and Nurse, etc. despite the fact that the building was meant to be a health centre. As a result, there had been an idle expenditure of ₹ 0.98 crore. While admitting the facts, Director of Family Welfare and Preventive Medicine stated (July 2016) that an estimate was being prepared for rectifying the defects and other requirements.

- The work "Construction of Bhandarima PHC along with Staff Quarters" in North Tripura District was completed by the Public Works Department (Roads & Building), Kanchanpur Division at a cost of ₹ 5.40 crore and handed over to the Sub Divisional Medical Officer, Kanchanpur in March 2015. It was noticed (June 2016) that one Out Patient Department (OPD) Clinic was being run in one room of the PHC building and another room was used by Bhandarima (West) SC for Maternal and Child Health Clinic. Other 15 rooms of the building and 10 staff quarters were lying vacant and were not utilised.

- It was noticed that the building constructed for Bhandarima (West) SC in North Tripura District at a total cost of ₹ 0.13 crore were illegally used by "anti-social elements." A complaint was lodged in December 2015 with Anandabazar Police Station by the Medical Officer, however, further action in this regard is pending.

- One building constructed in July 2011 at a total cost of ₹ 0.13 crore for Kachimcharra SC in Dhalai District was not operational. On being pointed out in audit, Director of Family Welfare and Preventive Medicine stated (July 2016) that the new SC building could not be operationailised due to dispute with the private land owner.

Thus, lack of planning and monitoring led to delays and non-utilisation of facilities despite incurring expenditure of ₹ 6.64 crore.

1.3.7.11 Mobile Medical Units

With a view to provide health care at the door step of residents of inaccessible areas, GoI sanctioned (July 2008) four Mobile Medical Units (MMUs) equipped with specialised facilities. Audit noticed that three of the MMUs were not functioning for want of major repairs and maintenance. In 2015-16, GoI suggested (May 2015) that non-functional MMUs be condemned and proposal for new MMUs be submitted. However, these MMUs were neither declared as condemned nor were any fresh proposal submitted to GoI till July 2016.

Thus, due to non-availability of MMU services, rural people were deprived of getting specialised services at their door step.

1.3.7.12 Emergency Response Service

To provide 24x7 health emergency services throughout the State and pre-hospitalisation care to patients enroute to hospitals, SHS proposed ₹ 6.69 crore for procurement of Global Positioning System (GPS) enabled ambulances, establishment of Call Centre, etc. in 2012-13. Based on the proposal, GoI sanctioned ₹ 6.69 crore for procurement of 62 Basic Life Support (BLS) Ambulances, three Advance Life Support (ALS) Ambulances and their operational cost, etc. under Emergency Response Service (ERS).

Accordingly, the SHS invited tender in May 2013 *inter-alia* for procurement of above ambulances. These could not be procured by SHS because of poor response to the tender of May 2013. In 2013-14, GoI revalidated ₹ 3.58 crore for 37 BLS and three ALS but SHS did not procure the ambulances and no proposal was initiated by the SHS for revalidation.

In December 2015, the State Government decided that since ambulance facilities had already been extended to almost all CHCs and PHCs, present proposal for procuring BLS and ALS was not required.

During physical verification of test checked CHCs and PHCs it was noticed in audit that ambulances provided in the CHCs and PHCs were not equipped with the life saving equipment.

The fact remained that the GoI sanctioned fund for ERS to the State in 2012-13. This could not be availed by the State and these facilities were still not available.

1.3.7.13 Delay in procurement of Baby Care Pack

To incentivise 48 hours stay at health institutions after delivery, SHS proposed, in PIP 2011-12, for providing gift pack[13] to every mother for staying 48 hours in health institutions (PHCs, CHCs and SDHs) after delivery. Accordingly GoI sanctioned ₹ 1.40 crore for procurement of 20,000 Baby Care Packs in May 2011.

[13] Two nos towel, two meter funnel cloth, one duck-back sheet, baby bed net, baby blanket.

Supply orders for supply of 12,000 Baby Care Packs could be issued only in November 2015 and accordingly Baby Care Packs could be distributed to all the eight districts only in March 2016 after a delay of more than four years from the date of sanctioning of funds by GoI.

It was also noticed that during 2011-16, 2.23 lakh institutional deliveries were recorded against which 1.12 lakh mothers were discharged within 48 hours of delivery compromising the objective of providing safe delivery and safe natal care.

1.3.7.14 Medicines

State Government had drawn up a comprehensive drug list for different levels of health facilities. Medicines[14] were to be supplied to SCs, PHCs, CHCs, SDHs and DHs as per the essential drug list.

In course of audit it was noticed that only 17 to 63 *per cent* medicines in PHCs, 22 to 59 *per cent* medicines in SDHs and 8 to 18 *per cent* medicines in DHs were available against the norms. This indicated that all types of medicines were not available in the facilities.

On the other hand, it was noticed that out of the total amount of ₹ 40.91 crore sanctioned by the GoI for drugs and medicines, only ₹ 21.76 crore was spent for the same.

On being pointed out in audit Mission Director, NRHM stated (August 2016) that procurement of medicines was a time consuming process. Most of the funds were kept as committed expenditure for next year and hence year wise expenditure was not uniform. Funds for procurement of medicines had been placed with Director of Health Services and Director of Family Welfare and Preventive Medicine but Utilisation Certificate had not been received.

However, during physical verification it was noticed that test checked facilities were running with shortage of medicines and patients were directed to purchase medicines from the market.

1.3.7.15 Human resource

Efficiency and quality of health services largely depends on adequate number of qualified Doctors, Nurses and other Para-Medical Staff. There were no separate norms of State Government for posting of Medical Officers, Nurses and other Para-Medical Staff in the SCs, PHCs and CHCs. The availability of key health personnel *vis-a-vis* the overall sanctioned strength was as follows:

[14] SC-36; PHC-139; CHC/SDH- 249; DH-310.

Table No. 1.3.5: Availability of key health personnel *vis-a-vis* the sanctioned strength for the State as a whole

(*in number*)

Category	Sanctioned strength			Staff in position			Vacancies (percentage)
	State	NRHM	Total	State	NRHM	Total	
Medical Officer (Allo)	1480	7	1487	953	0	953	534(36)
Medical Officer (Ayur)	58	229	376	49	156	254	122(32)
Medical Officer (Homeo)	89			49			
Medical Officer (Dental)	105	71	176	35	48	83	93(53)
Specialist	NA	NA	NA	130	0	130	NA
Auxiliary Nursing Midwife	691	210	901	673	6	679	222(24)
Multi-Purpose Worker (Male)	704	86	790	689	0	689	15(02)
Staff Nurse	2092	3	2095	1891	3	1894	201(10)

(**Source**: Departmental records)

It would be seen from the above table that vacancies ranged between 2 and 53 *per cent* as compared to sanctioned strength in eight categories of health personnel. Sanctioned strength of specialists was not furnished though called for.

(A) Specialists

In course of audit, the following were noticed:

- In two test checked DHs[15], Radiologists, Pathologists and Dietician were not available. There was one Medicine specialist and one Obstetrician & Gynecologist against norms of two in each category.
- In four CHCs and two SDHs[16] specialists like Physician/Medicine specialist, General Surgeon/Surgery specialist, Obstetrician & Gynaecologist, Paediatrician and Anesthetist were not posted during 2011-16.

Shortage of specialists in DHs and non-availability of specialists in CHCs & SDHs in the test checked districts are symptomatic of a wider trend, where access to healthcare in rural areas remains limited to primary healthcare due to non-availability of specialists.

(B) Auxiliary Nursing Midwife

There were 1,033 SCs in the State as of March 2016. As per IPHS norms, 2,066 ANMs were required to be posted in 1,033 SCs. However, only 901 posts were sanctioned of which only 679 ANMs were in position and 222 posts (25 *per cent*) remained vacant as of July 2016. In 279 SCs (27 *per cent*) no ANM/Female Health Worker was posted.

Scrutiny of records in the three test checked districts[17] revealed that in 167 SCs (42 *per cent*) there was no ANM/Female Health Worker. Vacancy in North Tripura

[15] Kulai DH, Dhalai and Dharmanagar DHs.

[16] Mohanpur, Jirania, Anandabazar, Panisagar CHCs and Gandacharra, Kanchanpur SDHs.

[17] West Tripura, Dhalai and North Tripura District.

and Dhalai Districts were to the extent of 61 and 60 *per cent* respectively while in West Tripura District it was 18 *per cent*. Thus, there was disparity in posting of ANM/Female Health Workers amongst the districts.

During physical verification of 23 SCs it was further noticed that there was no ANM in 14 SCs and only one ANM each in eight SCs against requirement of two in each SC.

Acute shortage of ANMs in SC level showed that even though health centres had been established in most parts of the State, the quality of service provided remained questionable due to shortage of human resources (Medical Personnel).

(C) Other medical staff

Scrutiny of records revealed that out of three test checked districts, six PHCs in Dhalai District were running without Laboratory Technician and one PHC without Pharmacist.

It was further noticed that during 2011-16, GoI sanctioned ₹ 93.82 crore for the purpose of salary of human resources against which only ₹ 55.46 crore (59 *per cent*) was spent by the SHS. Scrutiny of PIP, Record of Proceedings (RoPs), Annual Accounts and Financial Management Report for the period 2011-16 revealed that the SHS did not recruit Anaesthetist, Obstetrician & Gynaecologist specialist, Dietician, RMNCH/FP Counsellors, Nutritionist, Health Economist, Technical Officer, Statistical Assistant, Epidemiologist, Microbiologists at District Laboratory, etc. although sanctions were obtained from the GoI.

Reason for non-recruitment against the vacant posts even after the sanction was granted by the GoI was neither found on record nor stated to audit.

(D) Accredited Social Health Activist

NRHM framework envisages providing one ASHA in every village with a population of 1,000. Audit observed that there were 7,332 ASHAs against the requirement of 3,892 as per the NRHM framework. While there were seven ASHAs per SC on an average, yet audit observed various problems relating to capacity building and infrastructure as stated below:

During 2011-16, SHS did not provide any drug kits to ASHAs. The ASHAs were made to work without even being provided with the most basic requirement *i.e.* the drug kits.

Further, when 69 ASHAs were interviewed by audit, the following were the responses:

- Pregnancy kit was not available with 35 ASHAs (51 *per cent*).
- Disposable delivery kit was not available with 62 ASHAs (90 *per cent*) and three ASHAs (4 *per cent*) had disposable delivery kit but they were not aware of its use.

- Blood pressure monitor was not available with 63 ASHAs (91 *per cent*) and six ASHAs (9 *per cent*) had blood pressure monitor but they were not aware of its use.

Thus, it could be concluded that Tripura faced a unique contradiction. On the one hand, the number of ASHAs was more than requirement as per NRHM norms. On the other hand, the ASHAs had neither been equipped with the required kits nor quality training given. Therefore, capacity building remained a major issue with consequences on the efficiency and effectiveness of the Mission.

The Department stated (October 2016) that due to shortage of specialists and other technical staff, sufficient human resource support could not be provided to all health facilities. Phase wise recruitment was going on to fill up the gap.

1.3.7.16 Training

NRHM framework stipulates that the implementation teams, particularly at the district level and State level, should develop specific skills. Analysis of the training schedule revealed that;

During 2011-16, out of a total of 3,492 trainings planned, only 1,165 were conducted leading to a shortfall of 2,327 trainings and the percentage of shortfall ranged between 34 and 100 *per cent* in various categories of training. The position of training in respect of some of the categories is detailed below:

- During 2011-16, training for medical officers on Laparoscopic Ligation (LL), Aneasthesia/Life Saving Anaesthesia Skills (LSAS), No Scalpel Vasectomy (NSV), Post Partum Intra Uterine Contraceptive Device (PPIUCD) and Rashtriya Bal Swasthyo Karyakram (RBSK) were not conducted although planned for.
- SHS planned to provide training to 84 health personnel on facility based Integrated Management of Neonatal and Childhood Illness during 2011-12 to 2014-15 against which only nine persons were trained in 2011-12. No training was planned in 2015-16.
- Training on Emergency Obstetric Care was planned to train 10 Medical Officers but only three persons were trained. Basic Emergency Obstetric Care training was provided to 168 Medical Officers only against target of 315.
- Immunisation training was provided to 102 Medical Officers against target of 192.
- Training on Reproductive Tract Infection/Sexually Transmitted Infection was provided to 170 Medical Officers against target of 500. No training was provided in 2015-16.
- 621 ASHAs had not been trained on each module against the prescribed seven modules for them.

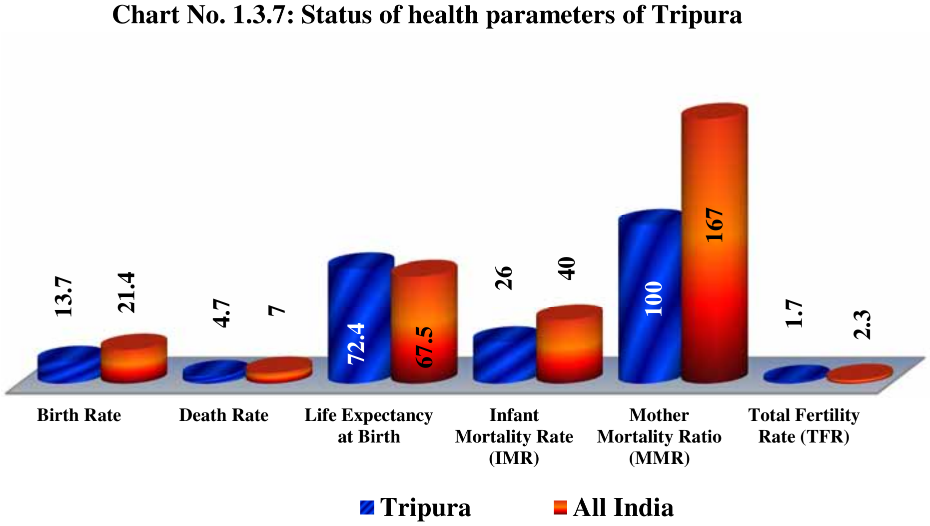
While no training programme was conducted in respect of LL, LSAS, NSV, PPIUCD and RBSK, the number of training programmes conducted in other modules as mentioned above fell short ranging from 34 to 89 *per cent*. Reasons for non-achievement of targets were neither found on record nor stated to audit. Thus, the State faces the twin problems of inadequate manpower and capacity building of the existing human resources.

Reproductive and Child Health Care, Immunisation and disease control programmes

1.3.7.17 Health indicators

Health indicators measure different aspects of health. When indicators are tracked over time, they allow us to see how the health of population is changing. A broad overview on Morbidity & Associated Mortality, Health Risks, Reproductive and Child Health in the State are shown in the chart below:

Chart No. 1.3.7: Status of health parameters of Tripura



(**Source**: Sample Registration System in India 2014; National Health Policy 2015; National Health and Family Welfare Statistics 2015; Programme Implementation Plan 2015-16)

From the above chart, it is seen that the Birth Rate in Tripura was 13.7 which was below the national average of 21.4. Similarly, the State performed better across various indicators such as Death Rate, IMR, MMR and TFR. Life Expectancy at Birth in Tripura was 72.4 while the national average was 67.5. Thus, health status indicators in Tripura under various parameters were better as compared to all India averages. However, a number of areas requiring improvements were noticed during audit.

1.3.7.18 Reproductive and Child Health programme

The RCH approach comprises critical components like informed choice of quality contraception, treatment of infertility, prenatal, natal and post-natal care for mother, etc. Some of the components of RCH and achievements there against are discussed below:

(A) Institutional deliveries

Maternal mortality and foetal losses could be reduced considerably if women undergo delivery under hygienic conditions under the supervision of trained health professionals.

Table No. 1.3.6: Details of home and institutional deliveries achieved during 2011-16

(in number)

Component	2011-12	2012-13	2013-14	2014-15	2015-16
No. of registered pregnant women	76,202	73,915	77,985	77,290	76,138
Total number of deliveries	51,277	52,191	52,424	51,514	50,847
Balance (untraced)	24,925 (33 %)	21,724 (29%)	25,561 (33%)	25,776 (33%)	25,291 (33%)
Institutional delivery	43,751	45,028	44,595	44,735	45,057
Home delivery	7,526	7,163	7,829	6,779	5,790
Percentage of institutional delivery	85	86	85	87	89
Percentage of home delivery	15	14	15	13	11

(**Source:** Departmental records)

Audit analysis revealed that:

- Institutional delivery showed an increasing trend, from 85 to 89 *per cent* during 2011-16 while home delivery decreased from 15 *per cent* in 2011-12 to 11 *per cent* in 2015-16.
- The Department could not track the fate of the balance registered pregnant women constituting about 29 to 33 *per cent* during the last five years for which no recorded reason was found. However, during test check of records at Anandanagar PHC three cases of duplication in registration of pregnant women was noticed.
- During 2013-16 only 2 *per cent* home deliveries were attended by Skilled Birth Attendants (SBAs). Thus, safe home deliveries were not ensured as number of home deliveries attended by SBAs was nominal. Reason stated for not attending home deliveries by the SBAs was shortage of trained SBAs since there were only 565 trained SBAs as of March 2016.
- During 2011-16, in the test checked districts institutional delivery ranged between 95 and 98 *per cent* in West Tripura District, between 84 and 87 *per cent* in Dhalai District while North Tripura District recorded the lowest institutional delivery ranging between 63 and 68 *per cent*.

In course of audit it was further noticed that-

- According to NRHM guidelines, Type-A SC may conduct normal delivery in case of need. But all 23 test checked SCs did not have the facility for institutional delivery.
- As per the guidelines, CHC should provide facilities for Obstetric Care and Emergency Obstetric Care including Surgical Interventions like Caesarean Sections. However, all four test checked CHCs did not have the facility of Caesarean Section delivery.

- The three selected districts showed a wide disparity in terms of percentage of institutional deliveries. At one extreme, North Tripura District registered low institutional deliveries ranging from 63 to 68 *per cent* due to less awareness among the beneficiaries, non-availability of transport facilities, etc. On the other extreme, in West Tripura District, institutional deliveries were in the range of 95 to 98 *per cent*.
- Out of 230 beneficiaries interviewed during Performance Audit, 194 were provided the facilities of institutional deliveries and 36 beneficiaries intimated that they preferred home delivery due to high institutional cost, non-availability of transportation, opinion of family members, etc. This indicated that the beneficiaries were not made aware of Janani Sishu Suraksha Karyakram (JSSK) under which pregnant women get free and cashless delivery and free transport.

Thus, while rate of institutional deliveries was high and increasing, yet the quality of the service provided was questionable due to lack of essential facilities and specialised medical persons. Further, there were pockets of the State where institutional deliveries were low thereby raising the question whether the programme had been effective across the State.

The Department stated (October 2016) that women prefer to be delivered by Medical Officer at PHC than delivery by ANM at SC. Due to lack of specialists, CHCs and SDHs were not strengthened.

(B) Ante Natal Care

As per norms, expecting mothers should receive two doses of Tetanus Toxoid (TT) vaccine, adequate amount of Iron and Folic Acid (IFA) tablets or syrup to prevent Anaemia. Pregnant women are expected to visit a health facility to have at least three Ante Natal check up for Blood and Urine Test and other procedures to detect pregnancy related complications.

Status of Ante Natal Care (ANC) coverage during 2011-16 was as under:

Table No. 1.3.7: Status of Ante Natal Care coverage during 2011-16

(in number)

Year	No. of pregnant women registered	No. of pregnant women who received three ANC check up	No. of pregnant women given 1st and 2nd TT immunisation	No. of pregnant women given100 IFA tablets
2011-12	76,202	42,646	50,730	60,245
2012-13	73,915	45,241	49,935	43,586
2013-14	77,985	48,026	50,716	29,850
2014-15	77,290	55,291	51,788	46,465
2015-16	76,138	51,776	50,899	49,069

(**Source**: Departmental records)

Scrutiny of the records revealed that:

- 36 *per cent* pregnant women did not receive three ANC check up during 2011-12 to 2015-16.

- 33 *per cent* pregnant women did not receive two doses of TT during 2011-12 to 2015-16.
- 40 *per cent* pregnant women did not receive 100 IFA tablets during 2011-12 to 2015-16. In course of audit it was noticed that there was a short supply of IFA tablets in the SCs which could be one of the reasons for short supply of IFA tablets to the pregnant women.

  The extent of ineffectiveness can be gauged from the fact that 54.4 *per cent* of pregnant women in Tripura suffer from Anaemia. Yet, 40 *per cent* of pregnant women did not receive the required 100 IFA tablets as per the norms.

In the test checked districts during 2011-16, shortfall in ANC check up was highest (44 *per cent*) in North Tripura District while shortfall in giving TT (60 *per cent*) and IFA tablets (56 *per cent*) was highest in West Tripura District.

From the findings mentioned above, it is evident that Information Education and Communications (IEC) activities *i.e.* awareness programmes were ineffective to a large extent. For instance, ASHAs could not motivate 36 *per cent* pregnant women to visit the facilities for taking preventive measures against risk of complications at the time of delivery.

The Department stated (October 2016) that micro plan for 100 *per cent* coverage had been taken up for remote villages and tea gardens. There was no short supply of IFA tablets but consumption by the mother was less due to its side effect *i.e.,* Gastric Irritation and Black Stool. However, extensive IEC was taken up.

The fact remains that inspite of extensive awareness programme, 36 *per cent* pregnant women did not receive three ANC check ups and 40 *per cent* pregnant women did not receive 100 IFA tablets during 2011-12 to 2015-16.

(C) Post Natal Care

The well-being of a mother and the newborn child depends not only on the care she receives during pregnancy and delivery, but also on the type of care the infant and the mother receives during the crucial first few weeks after delivery.

Scrutiny of records revealed that during 2011-16, against 2.23 lakh institutional deliveries 1.12 lakh women were discharged within 48 hours of delivery. It was observed that out of three tests checked districts, North Tripura District registered the highest percentage (72 *per cent*) of discharge within 48 hours of delivery during 2011-16, although reason for discharge was neither found on record nor stated to audit. However, test checked facilities reported that in case of normal deliveries women took discharge from the facilities at their own request.

The year wise status of post natal care coverage during 2011-16 is shown in **Chart No. 1.3.8.**

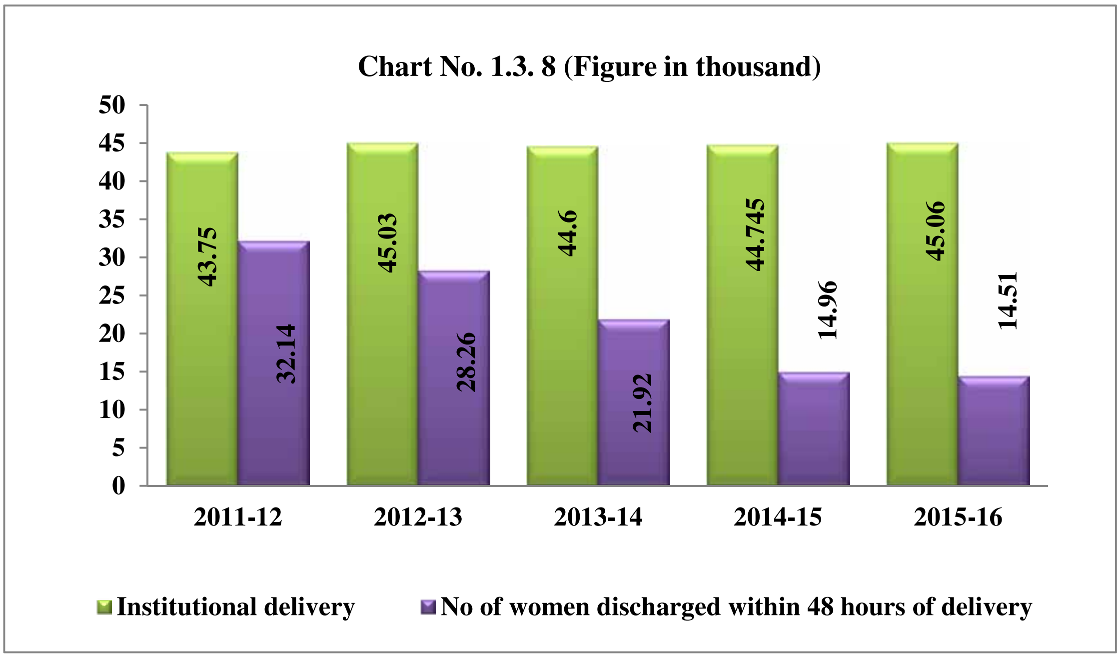


Table No. 1.3.8: Status of post natal care coverage during 2011-16

(in number)

Component	2011-12	2012-13	2013-14	2014-15	2015-16
Total number of deliveries	51,277	52,191	52,424	51,514	50,847
Women received post partum check up within 48 hours after delivery	NA	NA	43,672 (83%)	45,778 (89%)	44,110 (87%)

(**Source**: Departmental records)

During 2013-14 to 2015-16, 11 to 17 *per cent* women did not receive Post-Partum Check up within 48 hours of delivery. Thus, while all the programmes were being implemented across the State as per the guidelines, the coverage, the quality and effectiveness of the interventions cannot be assured.

1.3.7.19 Janani SurakshaYojana

The Janani Suraksha Yojana (JSY) was introduced in 2005-06 as a key intervention to enable and encourage women to access Institutional Delivery services and thereby effect reductions in MMR and IMR to 100/1,00,000 and 26/1,000 live births respectively by 2016. Status of MMR and IMR in Tripura was 100/1,00,000 and 26/1,000 live births and the target in the State of Tripura was achieved.

As an incentive to boost the goals stated, a financial package was provided through the JSY to all pregnant women. Below Poverty Line (BPL), Scheduled Castes and Scheduled Tribes pregnant women in rural areas of high focus States, who deliver in a health centres, were eligible for a cash incentive of ₹ 700 to meet both direct and indirect expenses incurred on delivery. The scheme also provides ₹ 500 to BPL women who prefer to deliver at home.

Targets and achievement during 2011-16 are shown below:

Table No.1.3.9: Target and achievement against JSY scheme during 2011-16

(in number)

Year	No. of pregnant women registered for ANC	No. of pregnant women registered under JSY	Target for payment	No. of beneficiaries received cash payment	Expenditure (₹ in crore)	No. of institutional deliveries	No. of home deliveries
2011-12	76,202	40,125	NA	39,088	3.51	43,751 (57%)	7,526
2012-13	73,915	40,785	NA	28,077	2.42	45,028 (61%)	7,163
2013-14	77,985	43,959	50,490	37,157	2.30	44,595 (57%)	7,829
2014-15	77,290	44,687	45,088	42,549	2.68	44,735 (58%)	6,779
2015-16	76,138	44,498	66,299	47,752	3.19	45,057(59%)	5,790

(**Source**: Target- RoP; Expenditure: Annual Accounts/Financial Management Rreport/Progress Report Registration: Health Management Information System data provided by Mission Director)

Scrutiny of records revealed that ₹ 14.10 crore was paid to the 1.95 lakh beneficiaries during 2011-16.

Under JSY, disbursement of cash incentive was to be made to the beneficiary immediately after delivery or at the time of discharge. However, during survey of beneficiaries, it was noticed that 46 *per cent* did not receive incentives and 44 *per cent* beneficiaries' intimated receipt of JSY incentives with a delay ranging from 8 days to 365 days.

Further, in two test checked facilities,[18] 1,722 beneficiaries did not receive incentives. Reason given for not disbursing the incentives was that the beneficiaries did not turn up to receive the incentives after discharging from the facilities or papers were not submitted by the beneficiaries.

While accepting audit observation, the Department stated (October 2016) that low coverage and delay in payment was due to Aadhaar based direct benefit transfer payment system.

1.3.7.20 Complete Immunisation not achieved

Immunisation of children against six preventable diseases, namely Diphtheria, Measles, Polio, Tetanus, Pertussis and Tuberculosis has been the cornerstone of routine immunisation under the universal immunisation programme.

The immunisation coverage during 2011-16 was as under:

Table No. 1.3.10: Target and coverage of children under routine immunisation during 2011-16

(in number)

Year	Target	Coverage of children up to one year (full immunisation)	Vitamin-A (1st dose) provided to the children
2011-12	55,686	44,119 (79)	22,906
2012-13	53,316	45,965 (86)	52,486
2013-14	52,586	47,315 (90)	44,174
2014-15	53,370	48,784 (91)	44,573
2015-16	53,379	47,013 (88)	39,162

Source: Departmental figures. (Figures in bracket indicate percentage)

[18] Kulai District Hospital, Dhalai; Ganganagar PHC.

The above table shows that during 2011-16, 79 to 91 *per cent* children upto one year were fully immunised. However, the 1st dose of Vitamin-A was also not provided to many of the children. It was further observed from records that birth dose of Oral Polio Vaccine (OPV) was administered only in 52 *per cent* cases, with Dhalai District recording the lowest (25 *per cent*).

Thus, complete immunisation was lacking and drop outs were substantial during the course of full vaccination period which was supposed to be completed by around nine months of child's age.

On being pointed out in audit Mission Director, NRHM stated (August 2016) that to prevent wastage of vaccine zero dose OPV was not administered in the facilities where number of deliveries per day varied from 0 to 10.

Thus, by not administering zero dose OPV, immunisation of the new born babies was compromised.

1.3.7.21 Janani Sishu Suraksha Karyakram

Janani Sishu Suraksha Karyakram (JSSK), introduced in 2011, is an initiative to eliminate out of pocket expenses for both pregnant women and sick neonates. The initiative entitles all pregnant women delivering in public health institutions to absolutely free and no expense delivery including in the case of a caesarean section.

According to National Family Health Survey (NFHS) number 4, average out of pocket expenditure per delivery in public health facility was ₹ 4,248 in rural areas in Tripura. Audit noticed that at the time of delivery, doctors directed pregnant women to purchase prescribed medicine and other consumables of their own from private medicine shop in violation of the JSSK scheme.

Thus, the objective of the scheme to provide free and cashless services to all pregnant women had not materialised.

While accepting audit observation, the Department stated (October 2016) that all the medicines may not be available at the facilities. In that cases patients had to buy from local shop which was reimbursed later on. Now all the required medicines are procured from State and supplied to facilities.

1.3.7.22 Family planning

The SHS procured 15 Laparoscopes at a cost of ₹ 1.04 crore in 2011 and distributed to different facilities.

Five Laparoscopes Machines (Kanchanpur SDH, Sabroom SDH, Dharmanagar DH and Kailasahar DH) valued ₹ 34.66 lakh were lying idle due to non-availability of trained Medical Officers and discontinuation of annual maintenance contract.

While accepting the audit observation, the Department stated (October 2016) that training of Medical Officers and continuation of annual maintenance contract would be taken up.

1.3.7.23 National Disease Control Programme

National Vector Borne Disease Control Programme (NVBDCP) for Malaria was one of the programmes under National Disease Control Programme (NDCP) which was test checked during the Performance Audit and the followings were observed.

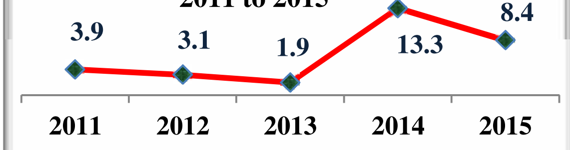
National Vector Borne Disease Control Programme

NVBDCP endeavours to control vector borne diseases by reducing Mortality and Morbidity due to Malaria, Filaria, Kala-azar, Dengue, Chikengunya and Acute Encephalitis Syndrome/Japanese Encephalitis in endemic areas.

Malaria

NVBDCP targeted achieving Annual Parasite Incidence (API) of less than one per thousand of population nationwide by 2017. It was noticed that during 2011-16 in the State, API ranged from 1.9 to 13.3, as shown in **Chart No. 1.3.9**, with Dhalai District having the highest API (52.4) in 2014.

Chart No. 1.3.9: Annual Parasite Incidence during 2011 to 2015



During 2011-16, 1.17 lakh Malaria positive cases were recorded in the State of which Plasmodium falciparum[19] cases were 1.11 lakh and 143 death cases were registered.

Scrutiny of records of Dhalai District with respect to sudden spurt of Malaria after 2013 revealed that:

- To prevent malaria, the Department was to conduct 1st round of DDT spray during February to April and 2nd round between May to July each year and distribute Long Lasting Insecticidal Treated Mosquito Nets (LLINs).

  In 2014, 1st round DDT spray took place in Dhalai during 30 May 2014 to 19 July 2014 and 2nd round between 1 August 2014 and 8 September 2014 instead of the scheduled time *i.e.* 1st round- February to April and 2nd round-May to July. Reasons for delay in DDT spray was neither found on record nor intimated to audit. Further, during the years 2012-13 and 2013-14, no LLINs were supplied.

- The Multi Purpose Worker (MPW)/ANMs were not visiting the interior areas of Dhalai District. ASHAs of the remote villages were staying in the town areas and they did not visit field regularly. Malaria screening done by ASHAs was also inadequate. It was further noticed that 18 ASHAs and six MPWs were absent from their duties for a long time. They neither stayed in the respective villages nor provided any information about the occurrence of Malaria/Fever cases within the time which ultimately led to nine deaths at Girendrachandra

[19] Plasmodium falciparum is a protozoan parasite, causing the most dangerous form of Malaria in human.

Para and Joychandra Para under Gandacherra Sub Division in May-June 2014.

- No review meeting had been held during the period of audit *i.e.* 2011-16. Reason for not conducting review meetings was neither found on record nor stated to audit.
- During 2013-14 as per NVBDCP guidelines, Artemisinin- based Combination Therapy[20] (Artesunate + Sulfadoxine-Pyrimethamine) {ACT (SP)} was replaced by Artemisinin- based Combination Therapy- Artemether- Lumefantrine (ACT-AL). In that period Rapid Diagnostic kit (bivalent) and ACT-AL were not supplied to the district resulting in acute shortage of diagnostic kits and Anti-Malarial drugs in the district. Thus, due to shortage of ACT-AL, patients suffering from Malaria could not be treated.

Mortality rates from Malaria continue to be high in the State. The Mission had been ineffective in addressing this due to systemic failure where the entire machinery from ASHAs to SHS seems to have been ineffectual due to reasons cited above.

Quality assurance

1.3.7.24 Setting up of organisational framework for quality assurance

State Quality Assurance Committee (SQAC) at the State had been constituted (August 2014) which was headed by the Principal Secretary, Health and Family Welfare Department. District Quality Assurance Committees (DQACs) at the district level had been constituted (August 2014) headed by the District Magistrate and Collector of the respective districts. The broad responsibility of the SQAC was to oversee the quality assurance of activities across the State and also ensure regular and accurate reporting of the various key indicators. However, the SQAC had not met till June 2016.

In 2015-16, State Quality Assurance Unit (SQAU[21]) visited 21 field units but tour records were not made available to audit. As a result, gaps identified by the SQAU and action taken report, if any, could not be analysed.

Scrutiny of records further revealed the following:

- Operational guidelines on quality assurance requires that the DQAC meet at least once in a quarter. But in three test checked districts, DQAC did not organise any meeting to oversee the quality assurance activities in the districts.
- According to the operational guidelines on quality assurance, in-charge of health facility should form an Internal Quality Assurance Team (IQAT), which should have representation from all departments, Nursing Staff, Laboratory and Support Staff. The team should meet periodically (more frequently initially) to

[20] Artemisinin-based combination therapy (ACT) is recommended for the treatment of Plasmodium falciparum malaria. Fast acting artemisinin-based compounds are combined with a drug from a different class.

[21] Operational and implementation arm of SQAC.

discuss the status of quality initiative in their area of work. But in none of the test checked facilities IQAT were constituted.

Thus, assessment and reporting of quality of health care in health centres had not been given adequate importance over the years.

1.3.7.25 Quality in health care

(A) Internal assessment

In three test checked districts, internal assessment was not done in any of the test checked facilities. Thus, due to absence of internal assessment at the facility level, gaps in the services provided by the facility could not be identified.

(B) Patient satisfaction survey

According to the operational guidelines on quality assurance, a quarterly feedback {OPD – 30 patients, and for In Patient Department (IPD) – 30 patients in a month, separately} should be taken on a structured format by the hospital manager. This feedback would be analysed to see which are the lowest performing attributes and further action would be planned accordingly.

In the test checked facilities, patient satisfaction survey was not conducted during 2011-16. As a result, quality of service provided to those facilities could not be ascertained. During physical verification it was noticed that cleanliness of premises, OPD, Wards and Toilets in most of the facilities were not up to the mark. The position of some of the facilities is shown in the following photographs:

Poor cleanliness-SDH, Gandacherra

Poor cleanliness -SDH, Gandacherra

Poor waste management-DH, Dharmanagar

Poor waste management-SDH, Kanchanpur

Dumping of waste inside the hospital premises, beside the kitchen- SDH, Gandacherra

Medicines were kept in floor flooded with water-Brajendranagar PHC

1.3.7.26 Health Management Information System

An updated and reliable health database is the foundation of decision making across all health system building blocks.

During scrutiny of Health Management Information System (HMIS) data uploaded in the website along with records maintained in the test checked facilities few parameters were cross checked wherein it was noticed that data fed in the HMIS differed by 18 to 109 *per cent* in SCs, 2 to 48 *per cent* in PHCs, 45 to 97 *per cent* in CHCs, 7 to 210 *per cent* in SDHs and 4 to 75 *per cent* in DHs. Details are shown in **Appendix- 1.3.8**.

Thus, audit observed that HMIS lacks data integrity and its data cannot be relied upon for making decisions.

1.3.7.27 Reporting and monitoring

- According to notification (July 2005) issued by the Health and Family Welfare Department, GoI, the State Rural Health Mission should meet at least once in every six months to review progress in implementation of NRHM and to assess inter-sectoral co-ordination, etc. However, no such meetings took place during 2011-16.

- According to the rules and regulations of the SHS, meeting of the Governing Body shall be held at least once in every six months. At the annual meeting, Income and Expenditure Account and the Balance Sheet for the past year, Annual Report of the Society, Budget for next year, Annual Action Plan and research work for the next year, etc. shall be brought before the members and discussed. However, it was noticed that Annual Accounts of the Society and related aspects were never discussed and approved in the Governing Body meetings during 2011-16.

While accepting audit observation, the Department stated (October 2016) that it would be strengthened as Information Technology based systems were initiated.

1.3.8 Conclusion

A 'bottom-up' approach to planning, as was envisaged by the Mission, was not followed. Absence of perspective planning, non-conduct of household surveys and inadequate community involvement had resulted in failure to identify gaps in health facilities and areas of intervention.

Budget estimates were not realistic. Financial management and coordination was poor as percentage of utilisation of available funds was in the range of 51 to 69 *per cent*. There was short release of ₹ 273.46 crore by GoI due to non-utilisation of funds in the previous years and non-fulfilment of prescribed conditions for release of funds.

The desired level of capacity building and strengthening of physical infrastructure had not been achieved. Existing number of SCs, PHCs and CHCs were short of the targets by 12, 47 and 56 *per cent* respectively. Many of the existing SCs lacked basic amenities and construction activities were delayed on account of various reasons. Shortages of specialists in DHs and non-availability of specialists in CHCs and PHCs in the test checked districts were symptomatic of a wider trend, where access to health care in rural areas remained limited to primary health care due to non-availability of specialists. Adequate training was not being provided to the existing medical staff.

The effectiveness of the programmes under the Mission could not be fully vouched for as gaps had been found in their implementation. For instance, a third of pregnant women did not receive TT and 40 *per cent* did not receive the required IFA tablets. In the last five years the Department could not track the fate of about 29 to 33 *per cent* of registered pregnant women for which no reasons were found on record.

Assessment and reporting of quality of health care in health centres were not done in the three test checked districts. Monitoring at the State level had been inadequate.

1.3.9 Recommendations

- Horizontal and vertical linkages should be identified and included in plans for effective implementation of the Mission. The mechanism for coordination between district, block and village levels should be strengthened.

- The financial management should be improved and steps should be taken to avoid accumulation of unspent balances by timely spending on various aspects of the programme and increasing the pace of implementation of the programme.
- Steps should be taken for speedy completion and utilisation of all the construction works undertaken and facilities available.
- Appropriate steps should be taken by the SHS for increasing the proportion of institutional deliveries, especially in tribal and remote areas of the state.
- Availability of human resource at various levels may be ensured through regular and/or contractual recruitment. Training courses, as per training need analysis, should be undertaken to harness the full potential of available human resources.
- Discrepancy between the HMIS data and field data should be assessed and minimised.

REVENUE DEPARTMENT

1.4 Management of State Disaster Response Fund

Ministry of Home Affairs (MHA), Government of India (GoI) framed[22] (September 2010) the guidelines on constitution and administration of State Disaster Response Fund (SDRF) for providing immediate relief to the victims of natural calamities[23]. The guidelines became operative from 2010-11. As per guidelines the provision for disaster preparedness, restoration, reconstruction and mitigation should not be a part of SDRF and such expenditure should be built into the State Plan funds. These were further revised in July 2015 on the recommendations of the XIV Finance Commission.

An audit was conducted during April-July 2016 through test check of records of the Disaster Management Cell[24] of the Revenue Department, two[25] districts out of eight districts of the State (including records of six Sub-Divisions [26] under their jurisdiction) and Relief, Rehabilitation and Disaster Management (RRDM) Directorate to ascertain whether the Department's management of the funds placed in SDRF was efficient. The following was observed:

1.4.1 Planning

Planning is an important element for the success of any activity. It is therefore, imperative that that the State should have their plans in place for management of SDRF. Analysis of planning showed that the State did not have a Disaster Management Plan till the year 2016 and therefore, also did not have concrete plans for management of SDRF which should have been built into the DM Plan as detailed below:

State and District Disaster Management Plan

The National Disaster Management Act (NDMA) had issued guidelines for preparation of the State Disaster Management Plan (SDMP) in July 2007 which would also include plans for management of SDRF. The State Disaster Management Authority (SDMA) however, brought out the SDMP only in May 2016 after a delay of about nine years from the date of issuing the guidelines by NDMA.

The Government replied (October 2016) that the SDMP was prepared through several consultations and process of fine-tuning the SDMP document took time.

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22 Based on Section 48 (1) of the Disaster Management Act, 2005 (DM Act) and recommendations of XIII Finance Commission.

23 Cyclone, drought, earthquake, fire, flood, tsunami, hailstorm, landslide, avalanche, cloud burst and pest attack (later on, frost and cold waves were also included w.e.f. 2015-16).

24 The Disaster Management Cell functioning under the Revenue Secretariat was set up mainly to coordinate various activities of different organs of the State Government towards disaster risk preparedness, mitigation and search, rescue and relief operations during and after disaster with particular reference to earthquake.

25 Two districts, Sepahijala and West Tripura; which received highest funding during 2011-16.

26 SDMs, Sadar, Jirania and Mahanpur under West Tripura District and SDMs, Jampuijala, Bishalgarh and Sonamura under Sepahijala District.

It was thus, evident that the financial arrangements for disaster management were outlined in the SDMP, which was brought out only in May 2016 and therefore, the management of the SDRF was being administered in an adhoc manner over the years without any annual plans.

The Revenue Department intimated (July 2016) that District Disaster Management Plan (DDMP) had been prepared by the districts and were being updated regularly as and when required. Despite the request made (June 2016) at the Secretary level, the copies of plans had not been furnished (October 2016).

Further, the DDMPs should be prepared by the DDMA, after consultation with the local authorities and having regard to the national plan and the State plan and should be approved by the SDMA. Therefore, questions arise over how the DDMPs were prepared when in fact the SDMP had not been prepared till May 2016.

In the exit conference, the Secretary, Revenue Department intimated (October 2016) that the DDMPs were finally approved by the SDMA in September 2016 and also assured that the approved DDMPs would be furnished to audit.

The Government replied (October 2016) that the DDMPs were prepared before issue of NDMA guidelines and were updated on annual basis. It further added that all the districts had updated and approved DDMPs for the year 2016-17.

1.4.2 Financial management

As per the guidelines of SDRF, the GoI would contribute 90 *per cent* of total annual allocation in the form of Non-plan grants in two instalments (June and December) each year and the balance 10 *per cent* would be contributed by the State Government.

The position of funds received, availability of funds, actual expenditure, closing balance and expenditure reported to GoI during 2010-11 to 2015-16 are given in the **Table No. 1.4.1** below:

Table No. 1.4.1

(₹in lakh)

Year	Opening balance	Funds due to be released as per recommendation of the XIII FC (for 2010-15) and XIV FC (for 2015-20)		Funds released by		Total availability of funds during the year	Expenditure (*per cent*)	Closing balance	Expenditure reported to the GoI
		GoI	State	GoI	State				
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
2010-11	6,287.71*	1,738.00	193.00	869.00	Nil	7,156.71	Nil	7,156.71	843.05
2011-12	7,156.71	1,825.00	203.00	2,694.00	396.00	10,246.71	3,029.52 (29.57)	7,217.19	804.62
2012-13	7,217.19	1,916.00	213.00	958.00	106.44	8,281.63	1,067.82 (12.89)	7,213.81	1,654.54
2013-14	7,213.81	2,012.00	223.00	2,970.00	218.06	10,401.87	317.50 (3.05)	10,084.37	450.00
2014-15	10,084.37	2,112.00	235.00	2,112.00	229.00	12,425.37	622.50 (5.01)	11,802.87	450.00
2015-16	11,802.87	2,800.00	300.00	2,790.00	272.50	14,865.37	1,284.37 (8.64)	12,581.00	1,149.36

Source: Departmental records and Finance Accounts of the State.

*Closing balance as on 31.03.2010 lying in the Calamity Relief Fund transferred to SDRF as per SDRF guidelines.

Discrepancies in figures reported to GoI

Analysis of the data showed that there were discrepancies between the expenditure figures reported to the GoI and the expenditure reflected in Finance Accounts of the State every year since 2010-11. In 2010-11, no expenditure was reflected in the Finance Accounts but it was reported to GoI that the Department had incurred an expenditure of ₹ 8.43 crore. During 2013-14, the expenditure figure in the Finance Accounts was ₹ 3.17 crore while it was reported to GoI as ₹ 4.50 crore. It indicated that the Revenue Department responsible for administering SDRF was not properly monitoring the expenditure incurred out of SDRF.

After the discrepancies were pointed out in audit (June 2016), the Department replied (July 2016) that the Finance Department had been consulted and the matter was under examination.

Delay in submission of certificate with regard to creation of SDRF

Secondly, as per the guidelines, the 1st installment of Central contribution to SDRF for 2010-11 was to be released by GoI unconditionally and the 2nd installment was to be released on receipt of certificate with regard to creation of the SDRF by October 2010. The State Government submitted the certificate regarding creation of SDRF to GoI in July 2011. GoI released the 1st installment of ₹ 8.69 crore in June 2010 unconditionally. However, the 2nd installment of ₹ 8.69 crore for 2010-11 was delayed and was released by GoI during 2011-12. Scrutiny of records by audit revealed that the delay was due to delay in submission of requisite certificate by the State Government.

Delay in contribution by State Government

Further, there have been delays on the part of the State Government to contribute its share. As per recommendation of XIII Finance Commission, the GoI released its contribution of ₹ 96.03 crore to State Government during 2010-15. The State Government released its share of ₹ 9.50 crore against recommendation of ₹ 10.67 crore during 2010-15. Thus, there was short release of State share of ₹ 1.17 crore. Similarly, during 2015-16, the GoI released its contribution of ₹ 27.90 crore. On the other hand, the State Government released only ₹ 1.55 crore against State share of ₹ 3.10 crore during the year. Thus, there was short release of ₹ 1.55 crore.

1.4.2.1 Loss of interest of ₹ 38 crore

As per the guidelines of SDRF, on receipt of the amounts of contribution from the Government of India and/or State Government, the SEC should invest the funds in one or more of the following instruments:

a) Central Government dated security;

b) Auctioned treasury bills and

c) Interest earning deposits and certificates of deposits with scheduled commercial banks.

It was observed that during 2010-11, the Department did not incur any expenditure from the available funds of ₹ 71.56 crore. During 2011-12 to 2014-15, annual expenditure under SDRF was maximum in 2011-12 (29.57 *per cent*) and minimum in 2013-14 (3.05 *per cent*) of available funds. In 2014-15, the percentage of utilisation of funds was only 5.01 *per cent*.

As a result, the unspent balances over the years had increased substantially from ₹ 71.56 crore in 2010-11 to ₹ 118.03 crore in 2014-15. Despite availability of huge balances at the end of each year, these were not invested in any of the prescribed instruments. It was only in March 2016 that the Department invested ₹ 73 crore in fixed deposits for a period of one year.

The Department, by not investing the unspent balances in interest bearing term deposits according to the guidelines, lost an opportunity to earn an interest of about ₹ 38 crore upto March 2016 as shown in **Table No. 1.4.2** below:

Table No. 1.4.2

(₹in crore)

Year	Unspent balance of funds as on 31 March	Period of investment	Rate of interest applicable for term deposit of one year *(in percentage)*	Amount of interest
2010-11	7,156.71	01.04.2011 to 31.03.2012	8.25	5.90
2011-12	7,217.19	01.04.2012 to 31.03.2013	9.25	6.68
2012-13	7,213.81	01.04.2013 to 31.03.2014	8.75	6.31
2013-14	10,084.37	01.04.2014 to 31.03.2015	9	9.08
2014-15	11,802.87	01.04.2015 to 31.03.2016	8.5	10.03

Thus, improper financial management led to loss of ₹ 38 crore to the State exchequer.

In reply, the Government stated (October 2016) that in addition to ₹ 73 crore, a sum of ₹ 27 crore was also invested (May 2016) in fixed deposit. It further added that the matter had been taken note for future guidance so that such instances could be avoided in future.

1.4.2.2 Diversion of ₹ 34.90 lakh

Guidelines of SDRF issued in September 2010 and July 2015 provide that funds should be used for meeting the expenditure required for providing immediate relief to the victims of cyclone, drought, earthquake, fire, flood, tsunami, hailstorm, landslide, avalanche, cloud burst and pest attack (later on, frost and cold waves were also included w.e.f. 2015-16). As per guidelines (September 2010) the provision for disaster preparedness, restoration, reconstruction and mitigation should not be a part of SDRF and such expenditure should be built into the State Plan funds. Revised guidelines of SDRF which became effective from July 2015, provide that 5 *per cent* of annual allocation of SDRF may be kept for capacity building activities related to disaster management. As per guidelines of SDRF (September 2010 and July 2015), the MHA, GoI would fix items and norms of expenditure from the SDRF from time to time.

Test check of records of one District Magistrate and Collector (DM & C) and four Sub Divisional Magistrate (SDMs) offices revealed that during 2011-16 an expenditure of ₹ 34.90 lakh was spent on the items which were not admissible as per norms fixed by the MHA, GoI under SDRF, as shown in the **TableNo. 1.4.3** below:

Table No. 1.4.3

Name of the office	Inadmissible item of works	Period of procurement	Amount utilised (*₹ in lakh*)
DM & C, Sepahijala	Purchase of generator set, payment of telephone bill, Misc. Expenses etc.	January 2013 & July 2014	8.78
SDM, Sadar	Repair of boat, financial assistance to the affected persons due to construction of drain by State Public Works Department, repair of shop, removal of illegal construction, etc.	April 2013 & September 2014	6.98
SDM, Mohanpur	Repair of Tehshil Kachari building, financial assistance to road accident victims, etc.	June 2012 and June 2015	2.13
SDM, Bishalgarh	Maintenance of security camp of State Police affected by cyclone, purchase of spun pipes to remove water logging, purchase of camera, construction of temporary drain etc.	May 2012 & October 2015	8.02
SDM, Sonamura	Construction of store room in SDM office, repair of boat, purchase of generator, etc.	October 2011 & February 2014	8.99
Total			**34.90**

Thus, it would be seen that the Department in violation of the guidelines/norm of assistance of SDRF diverted ₹ 34.90 lakh towards inadmissible items.

In reply, the Government stated (October 2016) that advertisement cost, awareness programme and procurement of search, rescue and evacuation equipment were admissible under SDRF. However, the fact remained that advertisement cost and awareness programme being a part of capacity building was admissible for financing under SDRF only from April 2015. Further, the expenditure incurred on capacity building, procurement of search, rescue and evacuation equipment from April 2015 onwards have not been included in the amount of □ 34.90 lakh objected upon.

1.4.2.3 Subsidiary accounts not maintained

As per the guidelines of SDRF, the accounts of the SDRF (approved calamity-wise) and the investment should be maintained by the Accountant General (AG) in charge of accounts of the State in the normal course. The SEC would maintain subsidiary accounts (calamity-wise) in such manner and details as may be considered necessary by the State Government in consultation with the AG.

It was noticed that subsidiary accounts were not maintained by the State Executive Committee. Thus, due to not maintaining of subsidiary accounts, the calamity-wise allocation of funds and expenditure incurred could not be examined in audit and in turn, the AG in charge of accounts of the State could not compile the accounts of the SDRF (approved calamity-wise) and the investment as envisaged in the guidelines of SDRF.

In response to an audit query made in June 2016, the Government informed (July 2016) that the matter was under consideration of the Government.

1.4.2.4 Monthly reports to GoI not submitted

The MHA, GoI is the nodal Ministry for overseeing the operation of SDRF and shall monitor compliance with the prescribed processes for SDRF. Manual on Administration of SDRF and National Disaster Relief Fund stipulate that the State Government was required to send details relating to monthly expenditure on the various eligible natural calamities out of SDRF to MHA as per the items and norms of expenditure from SDRF and as per the prescribed format on monthly basis by 15th of the following month to which the report pertains.

It was noticed that the State Government did not furnish any monthly report to the MHA up to the year 2015-16. Hence, in absence of monthly reports item-wise and calamity-wise expenditure under SDRF could not be analysed. Reason for non-furnishing of monthly reports was neither found on record nor furnished to audit even though called for (June 2016).

In reply, the Government stated (October 2016) that the reports were not prepared due to non-availability of item-wise data and GoI also never asked for the reports.

The above indicated that the Revenue Department being responsible for administering SDRF, did not monitor the expenditure made out of SDRF and also did not prepare subsidiary accounts as discussed in preceding paragraph. Non adherence to such a monitoring mechanism at all levels is a serious issue that needs to be resolved at the earliest.

1.4.3 Internal control

Rule 292 of General Financial Rules (GFR) provide that the Head of the Office may sanction advances to a Government servant for purchase of goods or services or any other special purpose needed for the management of the office, subject to condition that the Head of the Office should be responsible for timely recovery or adjustment of the advance. The adjustment bill, along with balance if any, shall be submitted by the Government servant within 15 days of the drawal of advance, failing which the advance or balance shall be recovered from his salary.

Test check of records of SDMs revealed that:

Adjustment of advances not monitored

- Advance payments were made out of SDRF during the years 2011-16 by the five SDMs[27] to the Government officials of SDM offices for disbursement of financial assistance in cash to the disaster victims. As per GFRs, the officials should submit adjustment of such advances made to them after distribution of financial assistance to the disaster victims. But, the SDMs did not maintain register of advance to monitor submission of adjustments against the advances so made to the officials in violation of the extant rules. As a result, position of outstanding advances could not be examined in audit.

Absence of database of beneficiaries

- The SDMs were responsible for disbursement of relief assistance to the disaster victims. But, consolidated record/data base indicating name of the beneficiaries from SDRF with the required details such as their location, Aadhaar or any other identity proof of the beneficiaries, amount given with dates, nature of disasters occurred with dates, etc. were not maintained by the SDMs.

Thus, non-observance of provisions of GFRs for not maintaining of database by the SDMs indicated lack of internal control in the system. The possibilities of malpractices including misappropriation of cash and duplicate payments to the beneficiaries could not be ruled out. Prevalence of such irregularities and violations of guidelines put into question the economy and effectiveness of the funds being released for disaster related purposes.

In reply, the Government stated (October 2016) that the matter would be taken up with the district authorities.

1.4.4 Conclusion and recommendations

Lack of adequate planning, monitoring and assessment in management of SDRF was evident by the fact that the fund was being administered in an adhoc manner without a SDMP over the years. Consequently, the Department did not prepare annual plans for management of the fund. The Department did not monitor the expenditure made out of SDRF. As a result, incorrect figures to the GoI were reported. The Department did not invest the unspent balances of SDRF prudently. The funds earmarked for providing assistance to the beneficiaries were diverted by the SDMs for purposes not admissible under the scheme guidelines.

Adequate and effective disaster plans should be put in place in each district to ensure a holistic approach to management of the fund.

The unspent balance of SDRF should be invested prudently to earn optimum interest on such investments as envisaged.

[27] Except, SDM, Sonamura under the jurisdiction of Sepahijala District.

HEALTH AND FAMILY WELFARE DEPARTMENT

1.5 Misappropriation of Government revenue

Failure to enforce the extant provisions regarding handling of Government money received by Government officials coupled with deficient monitoring of the collection and deposit led to misappropriation of ₹ 3.72 lakh, apart from non-accounting of unascertained amount of Government revenue collected through 19 missing TR-5 Receipt books.

According to the system prevailing in the Agartala Government Medical College (AGMC) and G.B. Pant Hospital, Agartala, user fees against hospital service delivery like X-ray, CT Scan, Ultrasonography, ICU/Cabin charges, Blood bank, etc. were collected from the patients in the Central Laboratory and the respective units/wards of the Hospital. The collections were made using TR-5 Receipt books being issued to all the collecting windows from the Hospital store section. The amount of cash so collected was then deposited by the collecting officials of the respective collecting windows to the Cashier regularly for onward deposit to the bank account of the Rogi Kalyan Samiti of AGMC and G.B. Pant Hospital.

In this context, Rule 7(1) of the GFR, may be referred to which *inter alia* provided that all moneys received by or tendered to Government officers on account of the revenues of the Government shall, without undue delay be paid in full into a treasury. Monies received as aforesaid shall not otherwise be kept apart from the accounts of the Government.

Examination of records (July-August, 2015) of the Medical Superintendent of AGMC and G.B. Pant Hospital, Agartala for the period from April 2012 to June 2015 revealed that out of ₹ 39.16 lakh collected through 187 TR-5 Receipt books from the patients on account of fees for the aforementioned services during May 2012 to June 2015, ₹ 35.44 lakh only was deposited by the collectors to the Cashier leaving a balance of ₹ 3.72 lakh[28] as detailed in **Appendix – 1.5.1 (A)** to **(D).** Thus, the balance amount of ₹ 3.72 lakh remained out of Government account as of September, 2016 and was suspected to be misappropriated.

Further examination of records of stock and issue of TR-5 Receipt books maintained in the Hospital store section revealed that 20[29] more TR-5 Receipt books containing 2000 pages (100 pages in each book) were used for collection of fees against service delivery in the Central Laboratory of the Hospital during the period between December, 2013 and June, 2015. However, neither the counterfoils of these used TR-5 Receipt books were traceable nor any amount of revenue against collection of fee using these TR-5 Receipts books found deposited to the Cashier.

[28] (Central Lab- ₹ 3.57 lakh, X-ray unit- ₹ 0.01 lakh and Blood Bank- ₹ 0.14 lakh).

[29] Book Nos:-18779, 18780, 18781, 18782, 18788, 18789, 18790, 18791, 18792, 18793, 18794, 18795, 19672, 19675, 19678, 19679, 19680, 19681, 22667, 23473.

The Medical Superintendent while admitting the lapse stated (April 2016) that out of aforementioned 20 untraced TR-5 Receipt books one book (Book No. 22667) had been retrieved which disclosed a total collection of fees of ₹ 0.24 lakh during the period between 23 December 2014 and 25 December 2014 and was deposited (March, 2015) to the Cashier.

Scrutiny of the prevailing system of collection of fees through multiple collection windows and their subsequent deposits to the Cashier disclosed that the misappropriation of revenues occurred due to inadequacy in the internal control system where the collectors deposited cash to the Cashier without any verification by any superior authority. Even the Cashier, while receiving the cash deposit from the collecting officials, simply issued a receipt indicating the amount of actual deposit without exercising any check with the counterfoils of TR-5 Receipt books or the totaling of the Collection Registers maintained in the receiving windows.

Thus, non-enforcement of the extant provisions regarding handling of Government money received by Government officials coupled with non-existent scrutiny mechanism on the collection and deposit of the amount of revenue led to misappropriation of Government revenues of ₹ 3.72 lakh, apart from non-accounting of undisclosed amount of Government revenue collected through 19 missing TR-5 Receipt books.

Medical Superintendent, while admitting misappropriation of ₹ 3.72 lakh, stated (April 2016) that a Committee had been formed to inquire into the matter. The enquiry report as well as the position of recovery of the misappropriated Government revenue had not been furnished as of October 2016.

The matter was reported to the Government (June 2016); reply had not been received (October 2016).

CHAPTER II: ECONOMIC SECTOR

CHAPTER II: ECONOMIC SECTOR

2.1 Introduction

This Chapter of the Audit Report for the year ended 31 March 2016 deals with the findings of audit on the State Government units under Economic Sector.

The names of the State Government departments and the break-up of the total budget allocation and expenditure of the State Government under Economic Sector during the year 2015-16 are given in the table below:

Table No. 2.1.1

(₹in crore)

Name of the departments	Total budget allocation	Expenditure
Agriculture Department	380.76	210.62
Animal Resource Development Department	78.57	67.53
Co-operation Department	29.47	25.93
Fisheries Department	46.26	39.61
Forest Department	104.02	88.80
Horticulture Department	104.62	68.08
Industries and Commerce (Handloom, Handicrafts and Sericulture) Department	35.03	21.47
Industries and Commerce Department	66.29	62.96
Information, Cultural Affairs and Tourism Department	28.05	22.52
Information Technology Department	15.77	3.72
Power Department	175.76	135.14
Public Works (Roads and Buildings) Department	958.99	820.99
Public Works (Water Resource) Department	215.24	104.12
Science Technology and Environment Department	17.52	11.28
Total number of departments = 14	**2,256.35**	**1,682.77**

Source: Appropriation Accounts – 2015-16.

Besides the above, the Central Government had transferred a sizeable amount of funds directly to the Implementing Agencies under the Economic Sector to different agencies in the State during the year 2015-16. The major transfers of funds (₹ 5 crore and above) to the State Implementing Agencies for implementation of flagship programmes of the Central Government are detailed in the table below:

Table No. 2.1.2
Funds transferred to State Implementing Agencies during 2015-16
(₹ 5 crore and above)

(₹in crore)

Name of the department	Name of the Scheme/Programme	Implementing Agency	Amount of funds transferred during the year
Science, Technology & Environment Department	Digital India Programme	Tripura State Computerisation Agency	12.29

Table No. 2.1.2 (contd.)
Funds transferred to State Implementing Agencies during 2015-16
(₹ 5 crore and above)

(₹ in crore)

Name of the department	Name of the Scheme/Programme	Implementing Agency	Amount of funds transferred during the year
Tourism Department	Swadesh Darshan Integrated Development of Theme Based Tourist Circuits	Tripura Tourism Development Corporation Limited	19.92
Industry and Commerce Department	NER Textile Promotion Scheme	Directorate of Handloom, Handicrafts & Sericulture	15.15
Total			**47.36**

Source: 'Public Financial Management System' portal in Controller General of Accounts' website

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 (IRs) 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 IRs. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations arising out of those IRs are processed for inclusion in the Audit Reports, which are submitted to the Governor of Tripura under Article 151 of the Constitution of India for being laid in the State Legislature.

The audits were conducted during 2015-16 involving test-check of an expenditure of ₹ 1,721.70 crore (including expenditure pertaining to the previous years audited during the year) of the State Government under Economic Sector. This Sector contains one Performance Audit on "Pradhan Mantri Gram Sadak Yojana" relating to the Public Works (Roads & Buildings) Department and six Compliance Audit paragraphs.

PUBLIC WORKS DEPARTMENT
(Roads and Buildings)

2.3 Pradhan Mantri Gram Sadak Yojana

Rural road connectivity is a key component of rural development as it provides access to economic and social services thereby generating increased agricultural income and productive employment opportunities leading to poverty alleviation. The Government of India (GoI), Ministry of Rural Development (MoRD) launched (December 2000) the Pradhan Mantri Gram Sadak Yojana (PMGSY) with the objective to provide all weather roads to all unconnected habitations having a population of above 1000 by the year 2003 and those having population between 500- 999 (250 -999 for North East States except Assam) by the year 2007. Besides, upgradation of existing rural roads was also to be carried out under PMGSY.

Since inception of this project, 2,813 Km of new road length was completed against a sanctioned length of 3,469 Km i.e. 81 per cent was achieved. In addition, 1,098 Km road length was upgraded against a sanctioned length of 1,779 Km. However, out of a total of 4,590 eligible habitations in Tripura, 1,050 (22.87 per cent) remained unconnected by all weather roads as of March 2016.

Not achieving of full objectives and coverage of all habitations even after lapse of 16 years since inception of PMGSY was indicative of slow progress. Apart from that, there were gaps in planning, inadequate Transect walks, non-availability of land, deficiencies in financial management, irregular execution of works in contravention of Rural Road Manual, delay in finalisation of tenders, non-maintenance of roads, inadequate monitoring and lack of quality control.

Highlights

Planning for implementation of PMGSY in the State was deficient as District Rural Road Plans were not prepared which led to 40 priority habitations remaining unconnected as of March 2016.

(Paragraph 2.3.4.1)

A walk along the proposed road to decide the alignment was not carried out in many works comprehensively which resulted in non-availability of land and eventually led to changes in alignment and delay in completion of works.

{Paragraph 2.3.6.1(iii)}

Project management was weak. Contracts were awarded with delays ranging from six to nine months thus adversely affecting the schedule of construction of PMGSY roads.

{Paragraph 2.3.6.2(B)}

Cases of departure from the prescribed design/specification/norms in execution of works were noticed.

{Paragraphs 2.3.6.1(iv) and 2.3.7.1}

Cases of undue benefit, excess/fraudulent payment to the contractors, doubtful execution of works involving ₹ 5.10 crore were also noticed.

(Paragraph 2.3.7.5)

PMGSY roads were lacking proper maintenance. Concerned authorities did not carry out periodic inspection of roads for prompt rectification by the contractors. 26 *per cent* of the selected completed roads were not covered under maintenance contracts for periods upto 60 months.

{Paragraph 2.3.7.8(ii)}

2.3.1 Introduction

Rural road connectivity and its sustained availability, is a key component of rural development as it assures continuing access to economic and social services and thereby generates sustained increase in agricultural income and productive employment opportunities. It is a vital component in ensuring sustainable poverty reduction and demands a permanent rural connectivity, encompassing a high level of quality of road construction followed by continuous post-construction maintenance of the road assets and of the entire network.

Pradhan Mantri Gram Sadak Yojana (PMGSY), announced on 25th December 2000, to provide all-weather access to eligible unconnected habitations as a prime strategy for poverty alleviation, is a 100 *per cent* centrally funded/sponsored programme. Up-gradation works are to be shared in 60:40 ratio by the Centre and the State. In addition, cost of maintenance works is to be borne entirely by the State.

PMGSY envisaged providing all-weather roads to all unconnected habitations by the end of 2007. However even after lapse of more than eight years after the target year, the desired objectives could not be achieved in Tripura. The status of connectivity of habitations along with coverage of road length during audit period is given below:

Table No. 2.3.1: Status of habitation coverage during 2011-16

Total eligible habitations as of March 2001	Total connected habitations as on 01.04.2011	Total eligible (unconnected) habitations as on 01.04.2011	Habitations provided connectivity during 2011-16	Habitations remaining unconnected as of 01.04.16
4,590	2,264	2,326	1,276	1,050

Source :Information furnished by Tripura Rural Road Development Agency

Chart No. 2.3.1

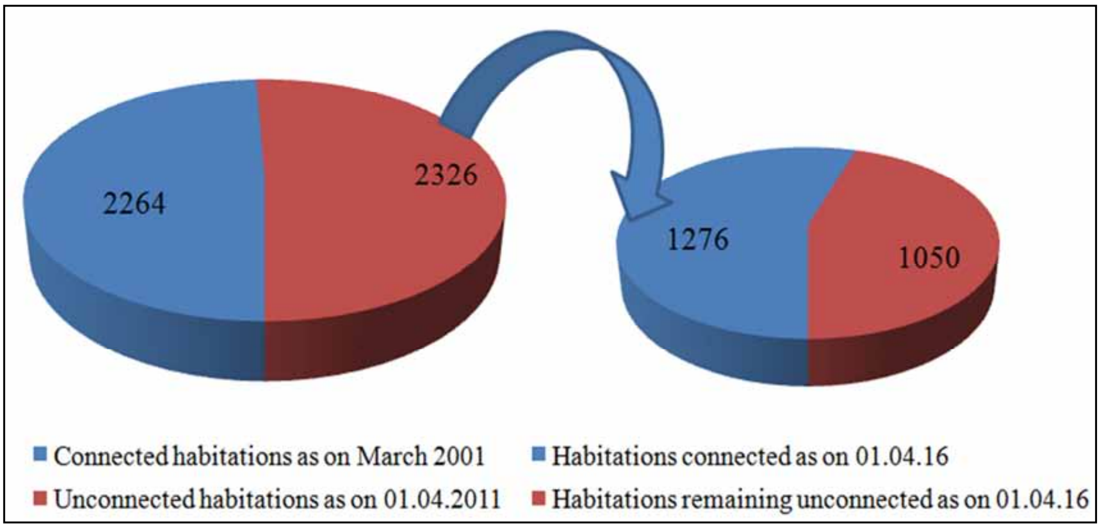
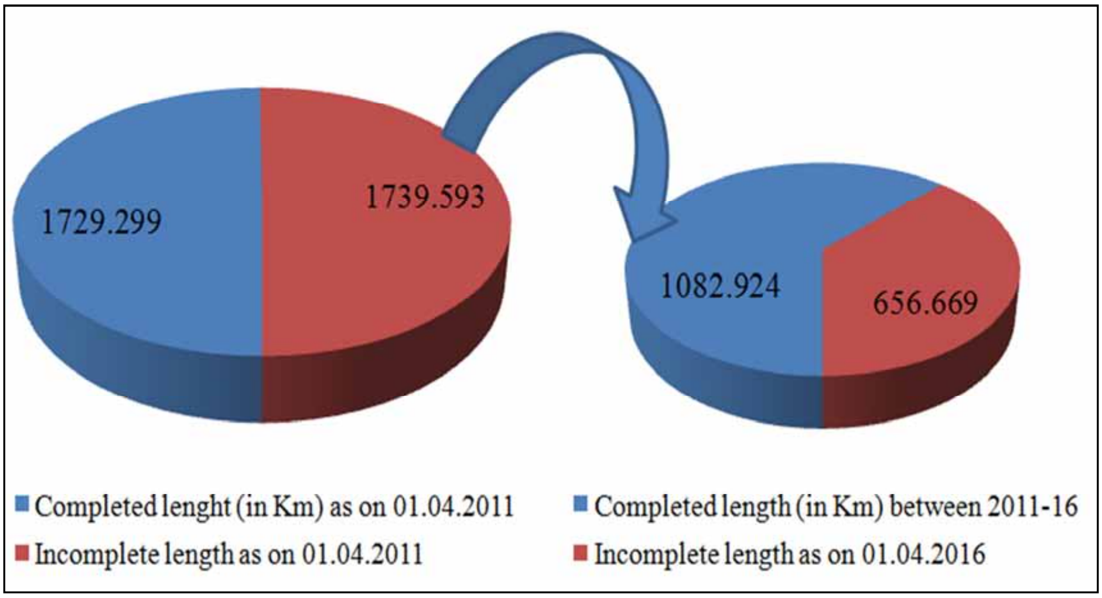


Table No. 2.3.2:Status of road length (New connectivity) coverage during 2011-16

New connectivity road length sanctioned(Km) till 01.04.2016	Total length covered as on 01.04.2011 (Km)	Total length covered during 2011-16 (Km)	Length not covered out of sanctioned length (Km)
3,468.892	1,729.299	1,082.924	656.669

Source : Utilisation Certificates submitted by Tripura Rural Road Development Agency

Chart No. 2.3.2



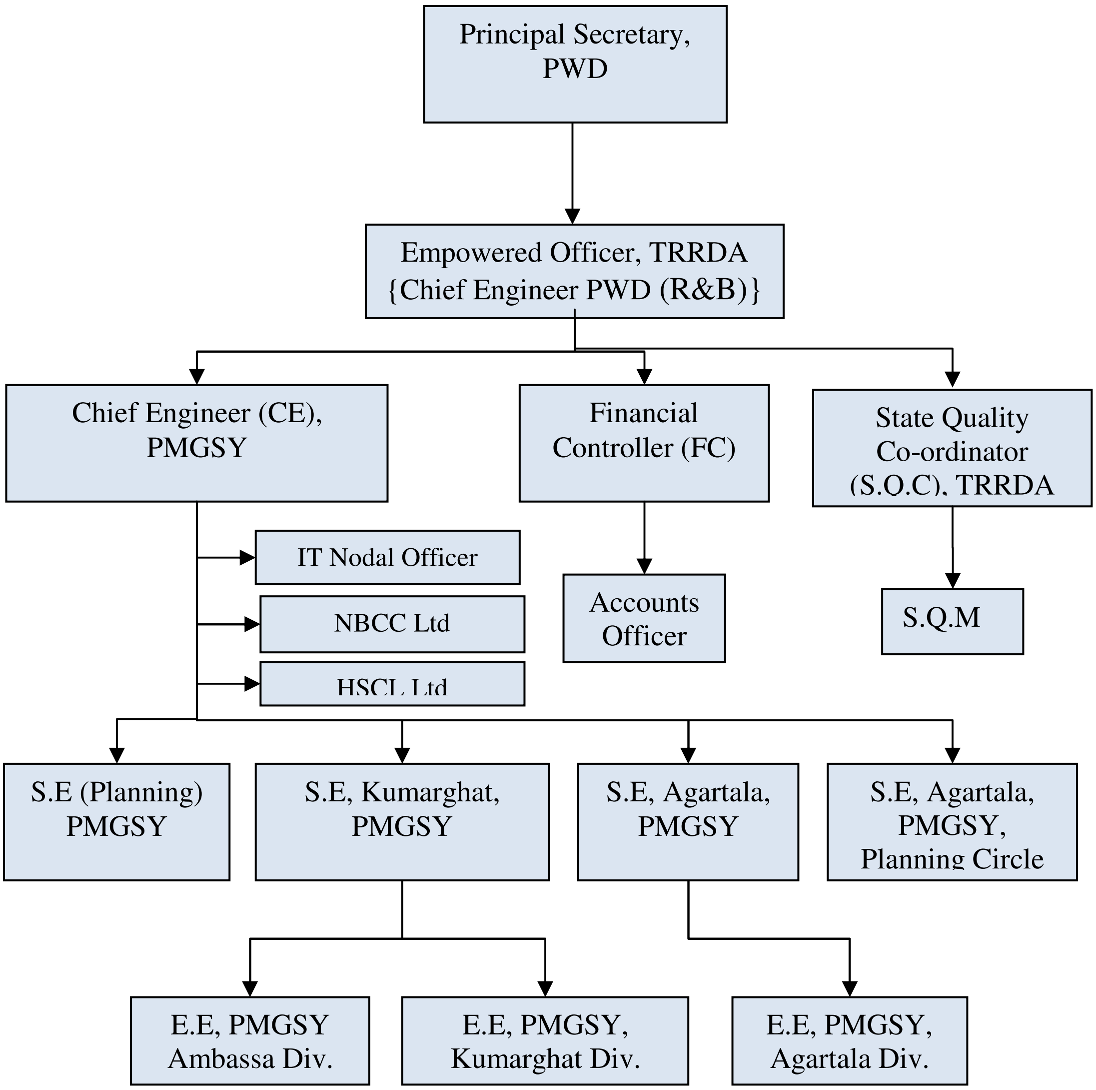
It can be seen from above that 22.88 *per cent* habitations as well as 18.93 *per cent* of the total length sanctioned for new connectivity remained to be covered under PMGSY at the end of March 2016.

2.3.2 Organisational set up

The Principal Secretary of Public Works Department (PWD) is responsible for implementation of the PMGSY in the State. The State Government formed Tripura Rural Road Development Agency (TRRDA), a body registered under the Cooperative Societies Act, 1860 in August 2003 to oversee and monitor the progress of works under the control of the PWD. The Chief Engineer, PWD (Roads and Buildings) is vested with executive responsibilities as the Empowered Officer for overseeing the TRRDA. The executing Public Works Divisions along with two Central Public Sector Undertakings (CPSUs) *i.e.* National Building Construction Corporation Limited (NBCCL) (in West and South Tripura District) and Hindustan Steel Works Construction Limited (HSCL) (in Dhalai and North Tripura District) are the Programme Implementation Units (PIUs) in Tripura.

The organisational set up for implementation of PMGSY programme in Tripura is given below**:**

Organogram for implementation of PMGSY programme



2.3.3 Audit approach

2.3.3.1 Audit objectives

The objectives of the Performance Audit were to ascertain whether:

- The systems and procedures in place for identification/preparation of Core Network (CNW) as well as District Rural Road Plan (DRRP) were adequate and conform to the programme guidelines;
- The allocation and release of funds under PMGSY were made in a timely manner to ensure optimum utilisation of funds;
- The road works were executed economically, efficiently and effectively;
- The existing monitoring system and quality control mechanism was adequate and effective for achieving the desired objectives.

2.3.3.2 Audit criteria

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

- Guidelines of PMGSY and subsequent amendments issued by the MoRD.
- Operations Manual, Accounts Manual, Rural Road Manual, etc. of PMGSY
- Annual Reports/Instructions/Guidelines issued by National Rural Roads Development Agency (NRRDA);
- Periodical Reports/Returns prescribed by State Government;
- Circulars/Instructions issued by the Union Ministry, Rural Development;
- Reports of National and State Quality Monitors and National Level Monitors;

2.3.3.3 Audit sample

In Tripura, there were four districts which were further bifurcated in 2012 into eight districts. For the purpose of Performance Audit, three districts out of the undivided four districts were selected on the basis of expenditure based stratified sampling; which correspond to five districts out of eight new districts formed in 2012.

A total of 310 packages were executed in selected districts during 2011-16, out of which 107 packages were selected randomly for audit scrutiny. Further, 71 packages out of 279 maintenance works were also selected.

Apart from scrutiny of records, physical inspection of roads along-with Departmental representatives were also conducted and photographic evidence taken where necessary to substantiate audit findings.

2.3.3.4 Audit scope and methodology

Performance Audit of PMGSY was carried out during April – June 2016 and covered assessment of rural road works undertaken during 2011-16. Audit methodology involved examination of records of Empowered Officer, TRRDA and nine PIUs[1] including two CPSUs. An entry conference was held on 4th April 2016 with the Principal Secretary, PWD wherein audit scope, objectives, criteria, methodology including conduct of joint site inspections were discussed and their inputs obtained. The draft Report was issued to the State Government on 1 September 2016. The replies were not received till October 2016. An exit conference was also held on 7th October 2016 with the Principal Secretary PWD wherein the audit findings were discussed and comments and replies were incorporated appropriately.

2.3.3.5 Acknowledgement

The office of the Accountant General (Audit), Tripura acknowledges the cooperation and assistance rendered by the State Government, TRRDA, NBCCL, HSCL and the officials of PWD in conducting the Performance Audit.

Audit findings

The audit findings are discussed in the following paragraphs

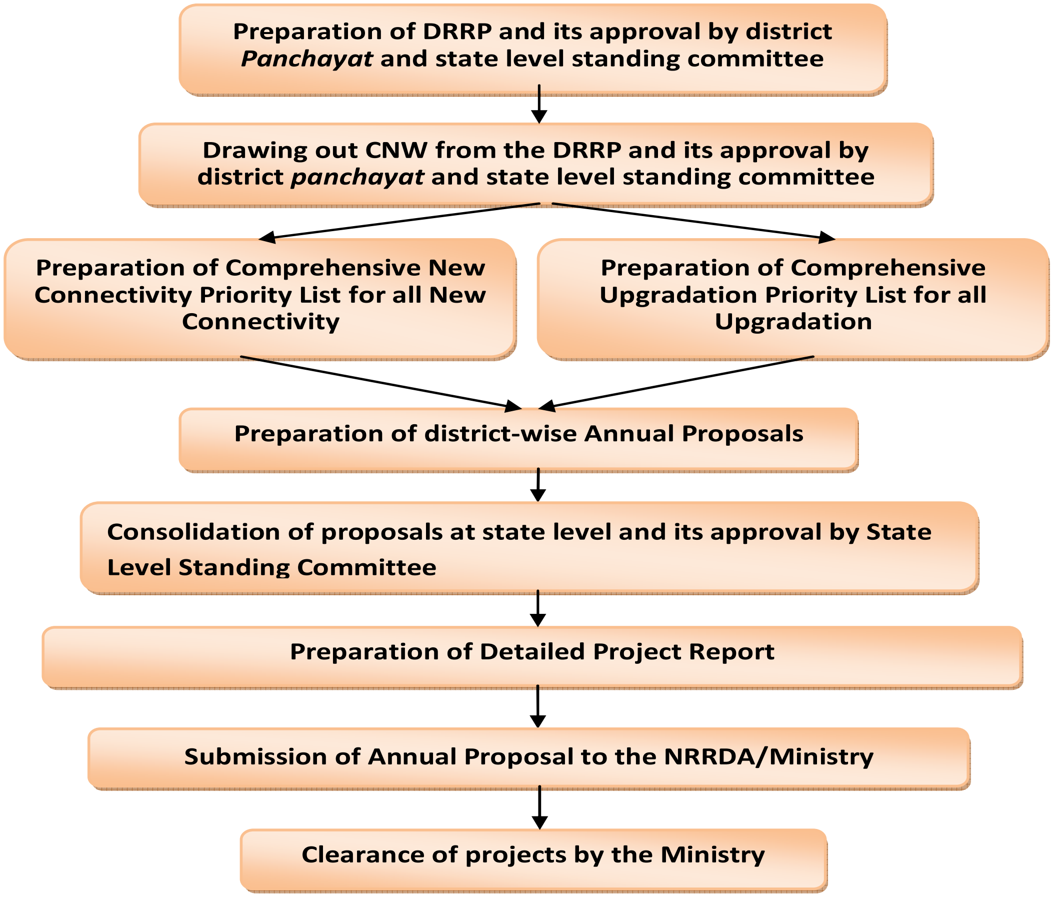
2.3.4 Planning: Identification and preparation of Core Network

2.3.4.1 Introduction

Proper planning is imperative to achieve the objectives of the programme in a systematic and cost effective manner. The programme had been implemented in the model of decentralised network planning for rural roads. States, after conducting a detailed survey were required to prepare a master plan for the rural roads called the DRRP. Based on the position of connectivity of habitations in the DRRP, the CNW indicating the shortest single connectivity was to be prepared. Comprehensive New Connectivity Priority List (CNCPL) for all new connectivity and a Comprehensive Upgradation Priority List (CUPL) for all upgradation works were to be drawn out from CNW. This planning exercise was to be carried out with full involvement of the public representatives. The DRRP and CNW were the basis for all planning exercise under the PMGSY. Identification and preparation of CNW is shown in **Chart No. 2.3.3**.

[1] NBCCL, HSCL, EE North, EE Udaipur, EE Sabroom, EE Santirbazar, EE Belonia, EE, LongtharaiValley and EE, Ambassa.

Chart No. 2.3.3



The DRRP was envisaged to be a compendium of the existing and proposed road network system in the district. The plan was supposed to clearly identify the proposed roads for connecting the habitations not connected with all weather roads in an economic and efficient manner.

It was also envisaged that the DRRP shall be prepared at two levels –block and district. Block-wise road plans shall be based on the priorities spelt out by the District Panchayat. After the block-wise master plans were approved by the Intermediate Level (block) Panchayat, they were to be forwarded to the District Planning Committee (DPC) for integration into the DRRP. This would be placed before the District Panchayat (or District Rural Development Agency-DRDA where the District Panchayats did not exist) for consideration and approval. The approved DRRP, thereafter was to be submitted to Nodal Department/TRRDA for the approval of the State Level Standing Committee (SLSC). The approved DRRP would form the basis for selection of road works under the PMGSY through the CNW.

District Rural Road Plans not prepared

Scrutiny of records of TRRDA revealed that DRRPs were not prepared in any of the four districts (later bifurcated into eight districts). Instead of that, CNW was prepared at the block level and programme was being implemented on the basis of

CNW. Based on the CNW, the CNCPL and CUPL were prepared for work implementation. Thus, in absence of DRRP, prioritisation amongst all the unconnected habitations in the respective districts could not take place. Instead, prioritisation happened at the block level only. As a result, the mechanism for prioritisation of unconnected habitations was not holistic as prioritisation would have been more effective if it covered wider geographical area *i.e*. at district level instead of block level. In the absence of DRRP, six priority habitations in the State with population of more than 1000 and 34 habitations in the State with population of more than 500 (500-999) remained unconnected at the end of March 2016 even though habitations with much lesser population were provided connectivity.

The Empowered Officer, TRRDA stated (April 2016) that instead of DRRP, block wise rural road plan named as 'Core Network Plan' was prepared. However, the fact remained that the TRRDA did not adhere to the guidelines and failed to prepare a comprehensive database in the form of DRRPs which led to gaps in prioritisation in taking up road works and leaving out 40 priority habitations as pointed out above.

2.3.4.2 Core Network

A CNW is a set of roads, extracted from DRRP to cover target habitation with single all-weather road connectivity. In the identification of the CNW, the priorities of elected public representatives are to be given full consideration. The CNW shall be approved by all levels *viz.* Intermediate Panchayat, District Panchayat and SLSC.

Not approving of Core Network by Intermediate Panchayat

Test check of records of CNWs revealed that during preparation of CNWs bottom-up approach was missing *i.e*. CNWs were prepared and approved by the concerned Sub Divisional Officers and Executive Engineers of PWD, while the major stakeholders such as Intermediate Panchayats were left out from the process. This resulted in number of road works being held up due to non-availability of land as discussed in **Paragraph Nos. 2.3.7.2** and **2.3.7.7**.

2.3.4.3 Preparation of Comprehensive New Connectivity Priority List/ Comprehensive Upgradation Priority List

Once the CNW was ready, the State was required to prepare CNCPL at block and district level of all proposed road links, grouping them in the order of priority based on population size *i.e*., 1000+ habitations first, 500+ habitations second and 250+ habitations last. Likewise, a CUPL was prepared for prioritising the upgradation of roads.

In order to manage the rural road network for upgradation and maintenance planning, the State had to carry out, every two years, a pavement condition survey of all through routes[2].In case through routes are not part of the rural roads, survey of the next lower category of main rural links was to be carried out. The survey would yield

[2] Through routes are the ones which collect traffic from several link roads or a long chain of habitations and lead to marketing centres either directly or through higher category roads.

a Pavement Condition Index (PCI) on a scale of one to five. Based on the PCI, a CUPL would be prepared. CUPL would be prepared in respect of those districts which were likely to complete new connectivity to eligible habitations within the next one year. The CUPL would be verified on sample basis through the State Technical Agencies (STA)[3] and the National Quality Monitor (NQM).

The CNCPL/CUPL was to be placed before the District Panchayat for its approval. The Members of Parliament (MP)/Member of Legislative Assembly (MLA) were to be given a copy of the CNCPL/CUPL and their suggestions and suggestions of lower level Panchayati Raj Institutions would be given the fullest consideration by the District Panchayat while according its approval.

Deficiencies in preparation of CUPL

The guidelines provide that the CUPL was to be prepared only in those districts where no new connectivity is required to be taken up in view of existing connectivity of the habitations.

However, audit observed that in violation of the provisions, 109 roads in test checked districts were sanctioned as of March 2016 for upgradation despite having 561 unconnected habitations in those test checked districts. Further, it was also noticed that no PCI survey was conducted either by TRRDA or by any of the PIUs. The PCI register was not maintained at all by TRRDA or PIUs. Therefore, in absence of PCI survey, the CUPL was prepared without assessing the actual status of the existing roads.

Thus, non-adoption of bottoms up approach for identification of CNW resulted in 40 priority habitations remaining unconnected as of March 2016. Further, upgradation works were undertaken without PCI survey.

2.3.5 Fund Management

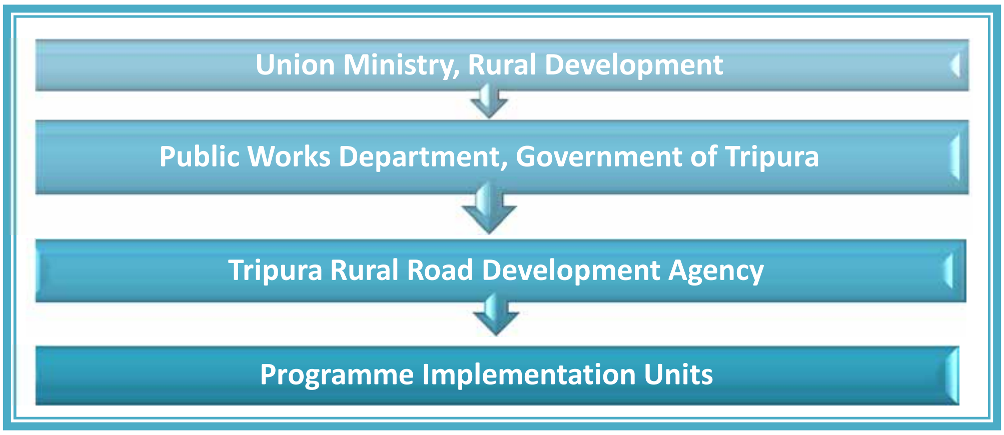
2.3.5.1 Introduction

The PMGSY is a 100 *per cent* Centrally Sponsored Scheme for providing new connectivity except that State Government was supposed to bear the tender premium over the cost estimate based on schedule of rates and for construction of long span bridges. In case of upgradation work, 60 *per cent* cost of work was funded by GoI and the balance 40 *per cent* was to be borne by State Government. The State Government was required to transfer the funds to TRRDA within three working days after the receipt of funds.

3 National Institute of Technology, Agartala.

The fund flow under PMGSY is given below:

Fund Flow



The TRRDA maintained three separate accounts for meeting programme expenditure, administrative expenditure and maintenance expenditure under PMGSY as detailed below:

- **Programme fund account**:

  The programme expenses related to construction of new connectivity and upgradation works were met through this account.

- **Administrative fund account**:

  The administrative and travel expenses of PIUs and TRRDA costs are met from this fund.

- **Maintenance Fund Account:**

  Maintenance fund for service contracts was budgeted by the State Government and placed at the disposal of the TRDDA under Maintenance Account within the stipulated time *i.e.* 50 *per cent* by 31 May and remaining 50 *per cent* by 30 November of each financial year.

During 2011-16, a total of ₹ 1,645.68 crore including interest and other receipts were received by TRRDA for implementation of PMGSY. Against that, TRRDA spent ₹ 1,580.13 crore *i.e.* 96 *per cent* funds were utilised.

Table No. 2.3.3: Financial performance under PMGSY (Programme fund) for the period 2011-16

(₹ in crore)

Financial year	Opening balance	Central share under PMGSY	State share released for long span bridge + State burden	State release for upgradation (40 *per cent*) work	Misc. receipts (Interest& Other)	Total funds available (2+3+4+5+6)	Expenditure incurred	Closing balance	Utilisation against available funds (*in per cent*)
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
2011-12	-21.54	206.39	0.00	13.43	0.41	198.69	211.94	-13.25	106.67
2012-13	-13.25	323.16	0.00	23.00	86.56	419.47	229.25	190.22	54.65
2013-14	190.22	73.83	20.00	40.00	49.53	373.58	305.62	67.96	81.81
2014-15	67.96	185.73	20.00	47.00	93.10	413.79	405.50	8.29	98.00
2015-16	8.29	264.54	26.00	35.00	138.00	471.83	427.82	44.01	90.67
Total		**1053.65**	**66.00**	**158.43**	**367.60**		**1580.13**		

(**Source**: Information furnished by TRRDA and bank account ledgers)

(**Note**: Negative opening balances in 2011-12 and 2012-13 were on account of excess expenditure in previous years which was met from security deposits from contractors)

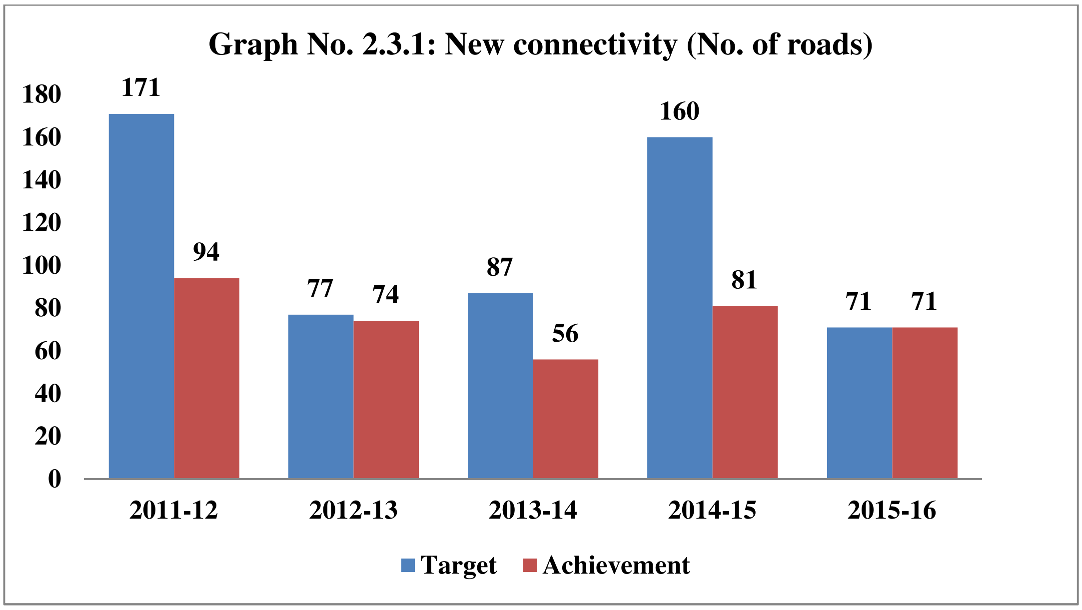
From the table above, it can be seen that during 2011-16, the utilisation of funds as shown by TRRDA ranged between 55 and 107[4] *per cent* of the total funds available under the programme. It was also observed that against the total receipt of ₹ 1,645.68 crore during 2011-16, an expenditure of ₹ 1,580.13 crore was incurred leaving an unspent balance of ₹ 44.01 crore as of March 2016. Although utilisation against available funds was more than 80 *per cent* in all the years except for 2012-13, the physical achievement during 2011-16 lagged behind the targets fixed. The details are discussed in **Paragraph No. 2.3.5.2**.

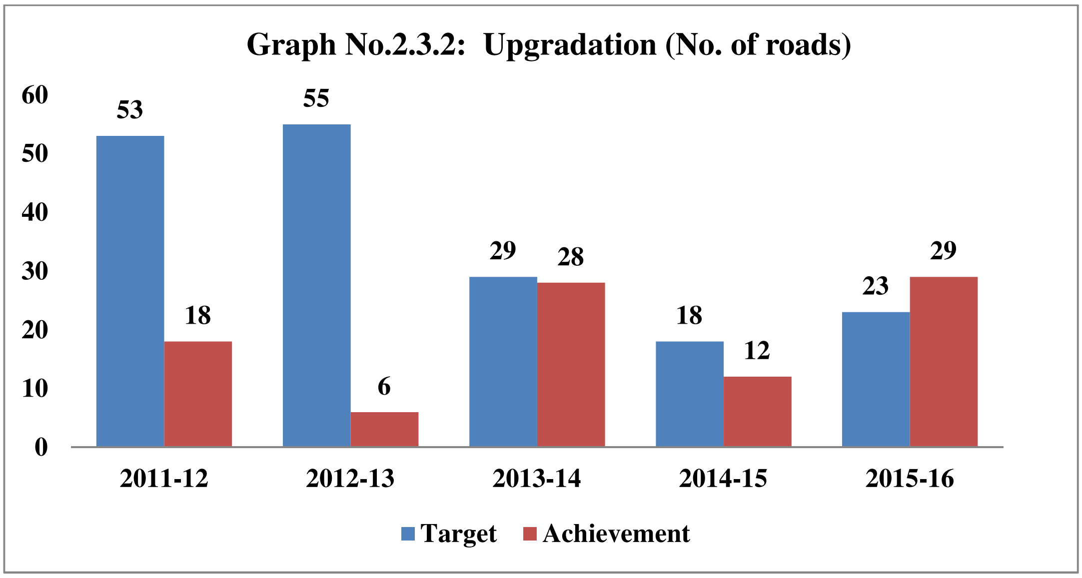
During exit conference (October 2016), the Principal Secretary stated that the funds were utilised for both completed as well as in-progress works.

2.3.5.2 Achievement during the last five years

At the end of March 2016, 1,198 roads covering 3,900.94 Km was completed against targeted 1,470 roads (length 5,247.94 Km) during the last 16 years (2,000-16). With coverage of 81 *per cent* in completion of road works, there was a shortfall of 272 roads (length 1347 Km). During 2011-16, against a target of 566 roads for new connectivity and 178 roads for upgradation, 376 new roads (66 *per cent*) were constructed and 93 (*52 per cent*) roads were upgraded by spending ₹ 1580.13 crore. A pictorial representation of physical progress *vis-à-vis* targets during 2011-16 is given in **Graph Nos. 2.3.1** and **2.3.2** below:

[4] The excess expenditure was incurred from the security deposits.





The physical outcome of the programme from 2011-12 to 2015-16 is as under:

Table No. 2.3.4: Physical achievement

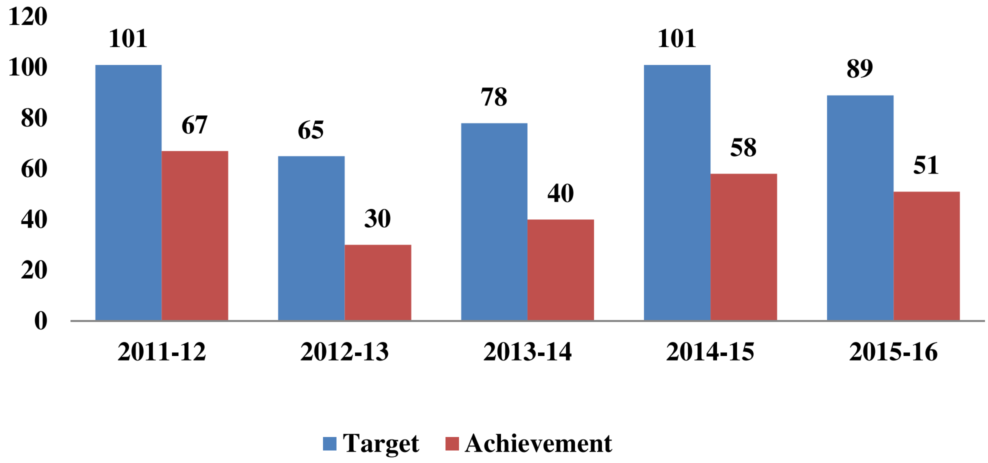
Year	Number of habitations		Length (in Km) (New connectivity and upgradation)		Percentage of achievement	
	Target	Achievement	Target	Achievement	Habitation coverage	Length completed
2011-12	665	48	1062.78	451.23	67	42
2012-13	403	214	708.38	269.95	53	38
2013-14	364	204	660.13	413.82	56	63
2014-15	473	236	708.58	300.76	50	42
2015-16	244	174	504.97	387.18	71	77

(**Source**: Information furnished by TRRDA)

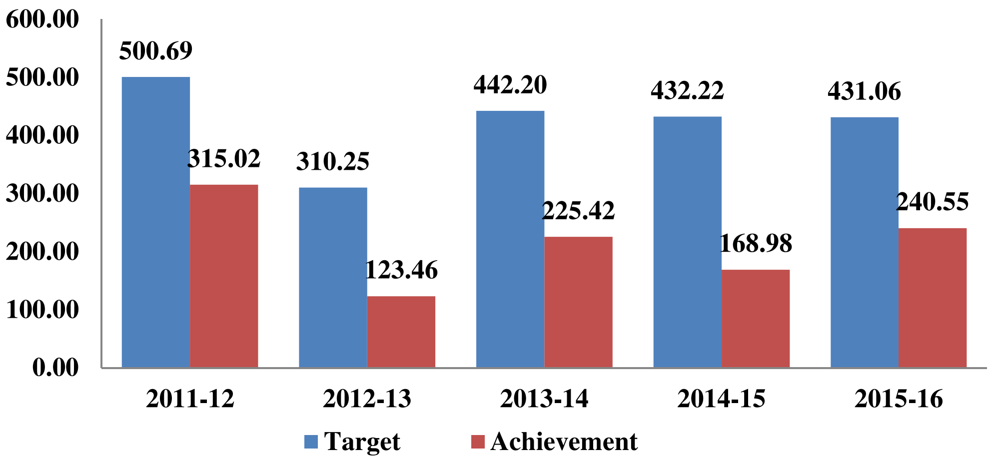
It can be seen from the table above that coverage of habitation connectivity ranged from 50 to 71 *per cent* while coverage of road length (for new connectivity as well as upgradation) ranged from 38 to 77 *per cent*. In the period 2011-16, though the utilisation of funds was more than 90 *per cent* except in 2012-13 and 2013-14, the effectiveness of programme implementation was not fully satisfactory as neither were all the eligible habitations covered nor road length targets for the individual years achieved.

It was observed in test checked districts that shortfall in achievement of physical progress for new construction and upgradation works during 2011-16 varied from 34 to 54 *per cent* for completion of road works and 37 to 61 *per cent* in construction of road length which were mainly due to non- availability of land and slow pace of work by the contractors as shown in the graphs below.

Graph No. 2.3.3: Target/Achievement of number of roads



Graph No. 2.3.4:Target/Achievement for construction of road length



2.3.5.3 Special allocation of funds not availed

Under PMGSY, a special allocation of upto 5 *per cent* of the annual allocation from the rural roads share of the Diesel Cess would be made available to districts sharing international borders. Audit observed that due to non-submission of proposals to avail additional funds for border sharing district roads to GoI, the benefits under Diesel Cess were not availed by the State though it was eligible to get an amount of ₹ 10.16 crore. This resulted in loss to the State Government to that extent.

2.3.5.4 Loss of interest due to fixation of high ceiling to convert unspent funds into fixed deposit

Para 13.1.5 of PMGSY Operations Manual provides that all the funds over and above ₹ 50 lakh in the programme and administrative expenses fund of the TRRDA shall be maintained by the bank as fixed deposit. Scrutiny of records revealed that the TRRDA, NRRDA and Bank entered into an agreement in July 2004, according to which any amount in excess of ₹ 2 crore (instead of ₹ 50 lakh) would be automatically invested in Fixed Deposits. It was further noticed that the anomaly was not corrected till February 2014 when TRRDA noted the same and advised the Bank accordingly after instructions were received from NRRDA in February 2014. After that, this limit came down from ₹ 2 crore to ₹ 50 lakh. It was observed in audit that during 2011-14, besides retention of funds of more than ₹ 50 lakh in Savings Accounts in different months, Corporate Limited Term Deposits (CLTD) was also not done where the balances in the account were in excess of ₹ 2 crore (ranging from ₹ 2.36 crore to ₹ 36.08 crore) in the Savings Account. However, after being instructed by GoI, the CLTD had been regularised from 2014 onwards.

Thus, retention of funds in excess of ₹ 50 lakh in Savings Account instead of transferring the same to Fixed Deposit led to loss of interest of ₹ 1.78 crore computed at 8 *per cent* rate of interest during 2011-14 as shown in **Appendix- 2.3.1.**

2.3.5.5 Income tax exemption not availed

Para 15.3 of the PMGSY Accounts Manual provides that the TRRDA is a non-profit making body and is eligible for exemption under Income Tax Act, 1961 for of Tax Deducted at Source (TDS) on interest income. Audit observed that no such exemption was obtained by the TRRDA from Income Tax Authorities and a sum of ₹ 15.16 crore was deducted (2012-16) as TDS from programme fund and deposited to Income Tax Authority. It was also noticed in audit that TRRDA had also paid ₹ 71.65 lakh to the Income Tax authority towards late fees and ₹ 0.91 lakh for late filing fees as of March 2015. Thus, lackadaisical management of funds by TRRDA resulted in uneconomic and ineffective utilisation of funds causing loss to Government to the extent of ₹ 15.89 crore.

During exit conference the Principal Secretary stated that necessary action would be taken for refund from the Income Tax Authorities.

2.3.5.6 Diversion of fund

Diversion of administrative funds towards maintenance account

Maintenance funds to service contracts is budgeted by the State Government in full and placed at the disposal of TRRDA in a separate Maintenance Account. Scrutiny of Annual Accounts of TRRDA revealed that out of ₹ 3.00 crore received for administrative expenses from GoI in August 2013, TRRDA diverted ₹ 2.54 crore to Maintenance Account in November 2013 without any approval from GoI, which was irregular.

2.3.5.7 Short release of State share

As per guidelines, State Government was to meet expenditure towards cost escalation and tender premium as well as cost of individual bridge works exceeding a length of 50 meters (75 meters in selected tribal and backward districts under Integrated Action Plan). Scrutiny of records of TRRDA revealed that against the dues of ₹ 145.45 crore for pro rata cost of long span bridge and tender premium as of March 2016, the State Government released only ₹ 40 crore which resulted in short release to the extent of ₹ 105.45 crore.

2.3.6 Programme Implementation

2.3.6.1 Detailed Project Reports

The Operations Manual lays down that PIUs after clearance of the project by the SLSC, will prepare Detailed Project Reports (DPRs) for each of the proposed road work in accordance with the rural road Manual, Indian Road Congress (IRC) specification and instructions issued from time to time. DPR shall be based on detailed survey and investigations, design and technology choice. It should ensure that the quantities and costs are accurate, and no cost over-run takes place due to changes in scope of work or quantities at the time of execution. However, there were deficiencies in preparing DPRs as discussed in the succeeding paragraphs.

(i) Preparation of Defective Detailed Project Reports

(A). Based on the approved (December 2012) DPR at the cost of ₹ 4.50 crore (excluding maintenance cost), the road work for new connectivity from DT road to Doctor Dowal Para under Package No TR-03-180 was awarded to a contractor at a cost of ₹ 4.11 crore (excluding maintenance cost) in January 2014 and was to be completed by June 2015. Test check of records of PIU, North Tripura District revealed that as per site conditions additional earth work was required beyond the scope of the original DPR and therefore, revised DPR valued at ₹ 5.64 crore was prepared (March 2015) after two years from the date of approval of first DPR. It was further observed in audit that initially the contractor to whom the work was awarded, expressed his inability to execute the enhanced quantity of earth work and therefore, work could not commence as of July 2016.

Thus, inadequate preparatory work and survey on the part of PIU led to extra expenditure of ₹ 1.14 crore beyond the sanctioned cost which had to be borne by the State Government. Besides, due to non-completion of roadwork, three habitations remained unconnected even after lapse of more than three years from the date of approval of DPR.

(B). In addition to above, it was further observed that due to change in alignment the road work from Gandacherra to Kalajhari (Extension Part-II) and Tuichakma to Ratanagar under two packages, extra earth work for erosion control and drainage was carried out for protection of the roads at a cost of ₹ 3.60 crore which was not included in the original DPR. This change in specification involved an extra expenditure of ₹ 3.60 crore.

(C). Based on the clearance (September 2011) made by STA, the DPR of road work from Damdai to Ditlang valued at ₹ 5.99 crore including 13 Cross Drainage (CD) structure including one Reinforced Concrete Cement (RCC) bridge valued at ₹ 3.21 crore was approved by GoI during 2011-12 to connect one habitation**.** Based on that DPR, work was awarded to the lowest tenderer in March 2012 with stipulated date of completion of 18 months. The work commenced in April 2012 and was still in progress. A total of 13 CD structures including one RCC bridge though included in the original DPR were actually not required as per site conditions. However, some additional CDs were also required at different chainages as per site conditions. Accordingly, proposal for modification in DPR was sent by the PIU, North Tripura District to Chief Engineer, PWD, PMGSY in May 2014 *i.e.* after lapse of six months from the stipulated contract period.

It was observed in audit that out of total length of 6.459 Km, the contractor had executed only 0.65 Km in all respect. In addition, formation work in full length, and Granular Sub Base (GSB) and Water Bound Macadam (WBM) were executed only for 4.65 Km and 2.705 Km leaving the balance portion unattended as of July 2016. The reason for not completing of work was mainly due to mismatch of DPR with the actual site condition. It was also observed that proposal for modification of DPR was initiated by the PIU (May 2014) which had not been approved. Thus, due to defective DPR, the road remained incomplete. The road after 0.65 Km was in dilapidated condition. Besides, the targeted habitation could not be provided with an all weather road connectivity.



Poor condition of roads from Damdai to Ditlang (North Tripura District)

(D). Further, non inclusion of damaged sub base layer (WBM) and road side *pucca* drain in the DPR enhanced the cost of construction by ₹ 2.84 crore for upgradation of road from Vaisam to Kampui – III (Part I and Part II). The work was approved by GoI during 2013-14 at a cost of ₹ 12.18 crore and awarded to a single tenderer at the tendered value of ₹ 17.69 crore, which was in violation of Para 8.15 of the Operations Manual of PMGSY. The work commenced in August 2015 and was in progress. The contractor was paid ₹ 0.74 crore and ₹ 4.30 crore against the total value of work done of ₹ 1.27crore and ₹ 4.30 crore respectively. It was noticed from the tentative deviation statement prepared by the Department that against the tendered value of ₹ 17.69 crore the construction of road work would be completed at a cost of ₹ 20.53 crore with higher side deviation of ₹ 2.84 crore due to damage of Sub base layer (WBM) and also non-inclusion of road side pucca drain in the DPR. This indicates that DPR was not prepared based on actual site condition with the consequence that State would have to bear an extra burden of ₹ 2.84 crore in near future.

(ii) Non/less construction of cross drainages and bridges

The primary focus of the PMGSY is to provide all-weather road connectivity, which is negotiable in all the seasons of the year. This implies that the roadbed shall be drained effectively by adequate CD structures such as Culverts, Minor Bridges and Causeways.

In Dhalai and North Tripura Districts, in six DPRs[5] of selected packages, the GoI sanctioned ₹ 12.54 crore for construction of 14 bridges but these bridges were not constructed on those roads. Ten RCC bridges were not required as per site conditions and balance one RCC bridge and three bailey bridges were replaced by RCC box culverts. This indicated that adequate diligence was not done while preparing the DPRs.

[5] TR-03-110, TR-04-143, TR-04-161, TR-04-35 (UG), TR-04-160, and TR-04-32(UG).

(iii) Inadequate Transect Walk

While deciding the alignments of the proposed roads, PIUs were to conduct Transect Walks[6] with Panchayat Pradhan and officials of Revenue and Forest Department. Local people who would be affected by the alignment of the roads were also to be provided opportunity to put forth their views.

Scrutiny revealed that 29 packages out of 107 selected packages of the sampled districts were initiated without comprehensive Transect Walks. Consequently, non execution/replacement of cross bridges (six packages), curtailment of road length (four packages) and delay in completion of works (seventeen packages), change in alignment of the road (two cases) were noticed (**Appendix – 2.3.2**).

Case study

Road from AA road to Sikaribari in Dhalai District with a length of 1.113 Km was taken up (May 2011) at a contract value of ₹ 0.72 crore for providing connectivity to six habitations *viz.* Khagendra Roaja Para, Tilak Kr Para, Brinda Kr Roaja Para, Budhiram Para, Dhansing Para and Sambhunath Para comprising a population of 1,815. The work was completed at a cost of ₹ 0.50 crore in April 2014. During joint physical verification with the representative of PIU, Dhalai District, it was observed that there were no habitations in the entire stretch of road under this package. This indicated that project was finalised without proper Transect Walks.

(iv) Existing crust thickness not measured

Para 5.10.3 (vii) of the PMGSY Operations Manual prescribes that while preparing DPR for upgradation of existing roads, existing thickness of pavement should be ascertained. Lower thickness of the crust of an existing road would require correspondingly higher thickness of overlaying for ensuring appropriate strengthening of the road.

Scrutiny of records of two packages[7] in South Tripura District disclosed that PIU, South Tripura District prepared DPRs for upgradation of roads from Raibahadur Para to Surjaham Para and Amarpur to Sarbang taking the existing thickness of crust as 0 mm, though the existing crust (WBM) thickness of 75 mm were already present on the roads. Thickness of 150 mm was not needed as the crust thickness of existing road was 75 mm. It was, however, observed in audit that non-bituminous base course of 150 mm valued at ₹ 41 lakh was executed on those roads (WBM-2: 75 mm and WBM-3: 75 mm).

This indicated that the process of preparation of DPR was lacking with regard to ascertaining the existing thickness of crust, with the risk of incurring excess/fraudulent expenditure in overlaying by providing additional layers of sub base course without requirements.

6 A walk to be conducted along the proposed road to decide the alignment.
7 TR-02-182 and TR-02-184.

2.3.6.2 Tendering process

(A) Irregularities in award of contract

Para 8.15 of PMGSY Operations Manual envisages that, if no bids are received or in the opinion of the TRRDA adequate competition is not generated or if the technical evaluation indicates that no party possesses the requisite qualification or an inadequate number of bidders have qualified, the tendering process shall be repeated. Further, as per NRRDA directions (May 2013), if in first invitation/call, single bid is received, the TRRDA or authority inviting the tenders/bids is required to re-invite the bids and accept single tender in second or subsequent invitations/calls. In all cases of single bids and eventual single bids shall be placed by TRRDA with due justification before the SLSC for approval.

Test check of selected sample districts[8] revealed that eight packages[9] were awarded to a single bidder in the first call without obtaining the approval from SLSC.

Further, test check of records of two selected packages[10] in Dhalai District revealed irregularities in award of contract for the road Gandacherra to Kalajhari. It was observed that the unbalanced performance security on account of less experience amounting to ₹ 0.67 crore as worked out by the evaluation committee was not submitted by the contractor. Yet, the work was awarded.

Audit also observed that unbalanced performance security was also not evaluated for the road from Manikpur to Hazirai (Dhalai District) and work was awarded without imposition of any additional performance security though the agency had no experience in construction of bridges. Thus, due to not-imposing the unbalanced performance security and giving work to inexperienced contractor, the Department failed to ensure proper execution of the works resulting in both the works remaining incomplete as of March 2016.

Therefore, unbalanced performance security was not taken in two works amounting to ₹ 0.67 crore and in one work the unbalanced performance security was neither evaluated nor imposed. These works have not been completed even though a delay of 29 to 39 months had occurred.

(B) Delay in award of work

According to Operations Manual of the scheme, works after being sanctioned by GoI are to be awarded and commence within three months from the date of sanction after completing the prescribed tendering process.

Scrutiny of records of TRRDA revealed that 406 (cost: ₹ 1459.67 crore) of 453 contracts executed in the State during 2011-16, were awarded with delays ranging from six to more than nine months from the date of sanction. This included 224

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[8] South Tripura District, Dhalai and North Tripura District.
[9] TR 04 121, 162, 163, 165, TR 03 21, TR 02 68, 223 and 231.
[10] TR 04 163 and TR 04 162.

contracts in the sample districts in which contracts were executed with delays ranging from 180 to more than 270 days.

Scrutiny of records revealed that in 110 of 120 packages in two sampled districts (information of which was made available to audit), even notices for inviting tenders were issued with delays of 679 days from the date of sanction of works due to delay in preparation of Draft Notice Inviting Tender (DNIT) and necessary approval for call of tender which adversely affected the timely completion of work.

2.3.7 Execution of works

2.3.7.1 Incorrect technical specification leading to extra expenditure

The rural roads constructed under the programme were required to meet the technical specification and geometric design standards given in the rural roads Manual of the IRC.

In Dhalai District the work Kamalpur to Kachucherra (Part-I) was taken up for Upgradation of road under Package No. TR-04-35(UG). As per survey, the average daily traffic on this road was 18 Commercial Vehicles Per Day (CVPD). Therefore, projected traffic after design period was 34[11] CVPD considering the annual traffic growth rate at 6 *per cent*. Accordingly, the design pavement with composition of granular sub base course and WBM as base course over which, Premix Carpeting (PMC) was to be laid. There was no provision to execute the higher specification Bituminous Macadam (BM) course when the CVPD was 34. However, the Department executed higher specifications by including BM at the entire width of the road resulting in an extra expenditure of ₹ 1.57 crore.

2.3.7.2 Delay in execution of work

According to para 13.1 of the guidelines, the road projects sanctioned were to be executed by PIUs and completed within a period of 12 months from the date of issue of the work order which includes rainy season. In case the period for execution is likely to be adversely affected by monsoon or other seasonal factors, the time period for execution may be suitably determined while approving the work programme, but shall not exceed 12 calendar months in any case.

Audit examination of sampled packages in three districts revealed that in contravention of the PMGSY guidelines, 31 packages of 107 test checked were completed with delays. The delay in completion of works ranged from three to 52 months as shown in table below:

Table No. 2.3.5

Delay in months	3 to 17	20 to 34	37 to 52
Number of works	16	9	6

[11] Computation of design traffic $A = P\ (1+r)^{n+x}$.
A = No of CVPD for design, P = No. of CVPD at last count, r = annual growth rate of commercial traffic, n = No. of years between last count and year of completion of construction, x = design life in years.

The reasons for delay in completion of works (**Appendix-2.3.3**) were mainly due to lack of availability of clear land.

In addition, 14 packages out of 107 packages were in progress with delay ranging from 03 to 76 months as shown in table below:

Table No. 2.3.6

Delay in months as of March 2016	Upto 03	07 to 10	24 to 34	More than 76
Number of works	5	3	5	1

The main reasons attributed for non completion of works were land problem, delay in shifting of utility services, late sanction in change of carriage width, slow pace of work, etc. **(Appendix-2.3.4)**.

2.3.7.3 Slow progress of work

Scrutiny of nine out of 35 selected packages comprising nine road works in North Tripura District revealed that though the works were awarded between August 2008 and March 2012 with stipulated date of completion by February 2010 and October 2013, none of the works were completed even after a lapse of more than two to six years from the respective completion dates. Meanwhile, an expenditure of ₹ 33.27 crore for execution of the said works had already been incurred as of July 2016. The reasons for failure to complete the works were mainly due to slow progress of work by the agencies and delay in handing over of clear site. Thus, due to not completing of above nine roads, 22 habitations were deprived of all-weather road and therefore, expenditure incurred of ₹ 33.27 crore (**Appendix-2.3.5**) remained unfruitful as of March 2016.

(i) Cost overrun due to rescinding of work

Six packages in two districts were either terminated or rescinded due to slow progress of works. Subsequent award of balance works at higher rates from 4 to 31 *per cent* led to excess expenditure of ₹ 1.59 crore and extra liability of ₹5.35 crore as mentioned below:

- The works of three packages[12] in Dhalai District were awarded to the contractor at a cost of ₹ 6.51 crore in September 2008 and rescinded in June 2012 at risk and cost of contractor after payment of ₹ 3.47 crore. The balance work was awarded at much higher rates resulting in extra expenditure of ₹ 1.59 crore.
- In three packages[13] the works were terminated due to slow progress after execution of work valued ₹ 14.55 crore against the original award cost of ₹ 26.20 crore. The balance work was retendered for ₹ 16.99 crore resulting in extra liability of ₹ 5.34 crore on the Department.

[12] TR 04 63, TR-04-126, TR-04-128.
[13] TR 03 19 and TR- 03- 05 (UG) for construction and maintenance and TR 04 36 (UG) for maintenance only.

However, in both the cases the Department had not taken any action to recover the same from the defaulting contractors as of August 2016.

(ii) Cost overrun due to departmental lapses

Construction of three[14] road works in three packages approved during 2006 to 2008 in Dhalai and North Tripura Districts did not commence due to clear sites not being handed over to the contractor due to land problem. The works were again awarded at 3 to 11 *per cent* above the initial awarded rates and one was completed at a cost of ₹ 1.33 crore. The other two works were in progress with upto date value of work done of ₹ 1.05 crore and ₹ 1.54 crore respectively. Thus, due to not handing over of clear site, the Department incurred an extra expenditure of ₹ 0.39[15] crore.

In South Tripura District, it was observed in respect of four packages[16] awarded between 2006 and 2008 under renewal works, only three works could be completed and that too with a delay ranging from 15 months to 60 months. Thus, due to time overrun, the store material were issued to the contractors after stipulated completion periods at higher rates than the stipulated recovery rate as mentioned in the agreement resulting in cost overrun of ₹ 34.95 lakh **(Appendix-2.3.6).**

(iii) Wasteful/extra expenditure

(A). In the road Bairathal to Jagannathpur (Part-II) in North Tripura District, the work was awarded (August 2008) to agency 'A' at a cost of ₹ 6.34 crore. The contract was rescinded after execution of work valued at ₹ 2.44 crore (including GSB, WBM-II, WBM-III, Tack coat and Bituminous Macadam works) which was paid in December 2011. Thereafter, the balance work was awarded to agency 'B' for a total cost of ₹ 3.89 crore. The work commenced in June 2012 and construction of work was completed in April 2013 at a total cost of ₹ 3.90 crore. It was observed in audit that though the item GSB, WBM were already executed by agency 'A' (from chainage 12,300 meter to 22,200 meter), the second contractor again executed the same for the same chainages rendering wasteful expenditure to the tune of ₹ 42.89 lakh.

(B). Further, the roads work under two packages[17] in North Tripura District (from Jalebassa to Kanchanpur and Churaibari to Dharmanagar) were awarded to contractor 'A' (August 2008) at a cost of ₹ 12.49 crore. The contracts were terminated (October 2011) after execution of work valued at ₹ 2.28 crore and ₹ 3.86 crore respectively which included WBM-II and WBM-III works. The balance works were awarded to agency 'B' in June 2012 at a cost of ₹ 2.50 crore and ₹ 3.87 crore respectively. The works commenced in August 2012 and November

[14] Mendi to Malakarbasti (TR 04 143), AA Road to Chnadrakha Para (TR 03 87), AA Road to Chitagang basti(TR 03 88).
[15] Extra cost TR 03 87 – ₹ 11.16 lakh, TR 03 88 – ₹ 16.32 lakh and TR-04-143 – ₹ 12 lakh.
[16] TR -02- 13, TR -02- 18, TR -02 -11, TR- 02 -15.
[17] TR-03-08 (UG) and TR-03-01(UG).

2012. Out of these, one road was completed in March 2013 at a cost of ₹ 3.06 crore and other was in progress with value of work done of ₹ 1.84 crore.

Scrutiny of records revealed that the unprotected WBM layers were damaged as the work had been discontinued for a long time by the previous contractor in both the cases. Therefore, WBM layer were re-executed in both occasions. Thus, due to discontinuation of work and also delay in timely action to terminate the contract, the Department incurred an extra expenditure of ₹ 0.58 crore[18].

2.3.7.4 Last mile connectivity not achieved

The intended benefit of the programme can only be achieved if the targeted habitations are provided with last mile connectivity by way of an all-weather road with necessary Culverts/CD/Bridges to make it operational throughout the year. Audit noticed that this was not achieved in 27 cases. Some case studies are given below:

Case study – 1

The road Ompi to Rabanpara was awarded in two parts under Package No. TR 02 153 and TR 02 180 by the PIU South Tripura District in May 2008 and June 2014 respectively. The works were stipulated to be completed by April 2010 and October 2015 respectively at an awarded cost of ₹ 12.62 crore and ₹ 4.27 crore, to connect the 12 habitations through all weather road. However, the roads were not completed due to inadequate transect walk and non-ensuring land availability by the Department before taking up of work. It was observed that 9.00 Km out of 18.775 Km road was completed in all respect for Package No. TR 02 153 and for Package No. TR 02 180, 5.33 Km road work was completed without execution of any bituminous work.

Package No. of works	Length (in Km)	Executed (in Km)	Delay in months
TR 02 153	18.775	9	72
TR 02 180	6	5.33*	6
* without execution of bituminous layers			

Thus, due to non-completion of the roads the 12 habitations remained devoid of all weather road even after lapse of eight years from award of work.

Case study – 2

The DPR for construction of AA Road to Khadaban Para (TR-04-64) (District Dhalai) of 4.371 Km for coverage of two habitations *viz.* Satya Ram Para and Surendra Reang Para was prepared (December 2006) by PIU at a cost of ₹ 4.08 crore including bridge work of ₹ 2.18 crore. The GoI accorded only ₹ 2.56 crore and the rest was to be borne by the State Government. The work was awarded in November 2007 at a cost of ₹ 4.24 crore *i.e.* 9.36 *per cent* above the estimated cost.

[18] {(₹ 2.28 crore + ₹ 3.86 crore + ₹ 3.06 crore + ₹ 3.87 crore) *minus* (₹ 12.49 crore)} = (₹ 13.07 crore *minus* ₹ 12.49 crore) = ₹ 0.58 crore.

Test check of records revealed that the work commenced in October 2007 *i.e.* before award of the work. The road was completed only upto 3.50 Km *i.e.* 80 *per cent* physical progress. Against this, contractor was paid ₹ 2.96 crore *i.e.* 73 *per cent* financial progress was made till March 2011. The work was rescinded at the risk and cost of the contractor in June 2013 due to slow progress of work by the contractor but no recovery was made from the contractor. It was also noticed that the DPR for 2.427 Km road length was prepared (July 2014) by the respective PIU at a cost of ₹ 1.21 crore. Work was re-awarded at a cost of ₹ 1.27 crore in September 2015. It was observed that as of March 2016 total value of work done was ₹ 0.47 crore upto 2nd RA bill and was in progress. Thus, due to non-completion of road for the entire stretch, the targeted habitations were not provided with all weather connectivity even after lapse of more than eight years from date of sanction.

Case study – 3

In Dhalai District, DPR for road connectivity Hazirai village included an RCC bridge.

The work Manikpur to Hazirai (TR 04 165) comprising 20.359 Km road and one major RCC bridge was awarded to the single tenderer in February 2012 at a cost of ₹ 19.38 crore including five years' maintenance cost. The work commenced in February 2012 and was in progress. Total value of work done was ₹ 10.92 crore till March 2014 including bridge cost of ₹ 1.70 crore constructed at Chainage 18.20 Km.

However, the alignment of road beyond 17.925 Km was proposed for change after resolution (March 2015) with public representatives and technical advisor of PIU. Accordingly, the proposal was sent to TRRDA for approval in March 2015, which was accorded in November 2015. As per the revised layout, the bridge was not a part of the new alignment as opined by the technical advisor of the PIU though it was part of the original alignment. Therefore, expenditure incurred for construction of RCC bridge at a cost of ₹ 1.70 crore turned wasteful after modified alignment without yielding any benefit to the targeted habitations. Furthermore, the work for remaining length of 2.008 Km was incomplete though approval came in November 2015.

Case study – 4

In PIU South Tripura District, the road from Manu Ghat Para to Kaki Mog Para (TR 02 120) was completed in March 2012. However, at the starting portion of the road the link was to be completed by joining the road with RCC bridge at 0 Km. It was seen that even after more than 5 years of commencement only the substructure of the bridge was completed. The balance work of entire superstructure remained unexecuted due to land problem. The entire expenditure of ₹ 2.53 crore incurred for the bridge work turned idle and the last mile connectivity remained unachieved.


Incomplete bridge at US Road-Manu Ghat Para to Kaki Mog Para

Case study – 5

The upgradation of road from Kailasahar-Moticherra to Golakpur (North Tripura District) was awarded in August 2008 at a cost of ₹ 4.55 crore. However, due to non- commencement of the work by the agency, the work was terminated (October 2011) and re-awarded to another agency in December 2011 at a cost of ₹ 5.36 crore. The work commenced in January 2012 and work was again terminated (December 2013) due to slow progress of work. Before, termination of work, the contractor was paid ₹ 1.69 crore. During physical verification it was observed that road surface was severely damaged as the agency left the work unattended for a considerable time, *i.e.* from June 2013 to May 2016 and the bituminous layers were not executed as of July 2016 as evident from the pictures shown below.


Kailashahar-Moticherra to Golakpur {TR 03 19(UG)}

2.3.7.5 Payment without execution/inflated measurement of works

Scrutiny of selected packages revealed that ₹ 5.10 crore was paid to contractors in 09 packages without execution of work or with inflated measurement of works as tabulated below:

Payment of ₹ 3.97 crore was made without measurement resulting in undue benefit to the contractors in six works under four packages as shown in table below:

Table No. 2.3.7

Package (s)	Observations	Amount involved (₹ in crore)
AA road to Khadaban para (Package No. TR-04-64) and Baibuncherra to Alendra Para (Package No. TR-04-128) and KA road to Balaram (Package No. TR-04-158)	Inflated measurement of execution of sub base and base course which was noticed from the measurement books and related correspondence of the PIU leading to excess payment of ₹ 0.44 crore to the contractor.	0.44
Gandacherra – Kalajhari under Package No. TR 04 163	Up to 4th RA bill, ₹ 4.12 crore was paid to the contractor. However, during joint verification (May 2015) made by PIU, Dhalai District, it was observed that only ₹ 2.29 crore value of work was done. Thus, acceptance of contractor's claim and payment made without actual execution of work as well as without measurement resulted in undue benefit of ₹ 1.83 crore to the contractor.	1.83
Gandacherra – Kalajhari (extension Part I) under Package No. TR -04-162	Up to 3rd RA bill, ₹ 1.90 crore was paid to the contractor. However, during joint verification (May 2015) made by PIU, Dhalai District, it was observed that only ₹ 0.31 crore value of work was done. Thus, acceptance of contractor's claim and payment made without actual execution of work as well as without measurement resulted in undue benefit of ₹ 1.59 crore to the contractor.	1.59
Tuichakma to Bhudamandir under	Up to 14th RA bill, ₹ 9.62 crore was paid to the contractor. However, in 15th	0.11

Package (s)	Observations	Amount involved (₹ in crore)
Package No. TR 04 161	running and final bill the value of work came down to ₹ 9.51 crore. Thus, acceptance of contractor's claim and payment made without actual execution of work as well as without proper measurement resulted in undue benefit of ₹ 0.11 crore to the contractor.	
Total		**3.97**

Payment of ₹ 0.54 crore was made to the contractor in two works under two packages where the work had been executed by the first contractor as detailed in table below:

Table No. 2.3.8

Package (s)	Observations	Amount involved (₹ in crore)
Road work from Chawmanu to Arunda (2.891 Km) under Package No. TR-04 - 126)	On re-awarding of work, second contractor executed WBM work of full length (2.75 Km) while the same had already been executed by the first contractor up to 2.49 Km for which payment had already been made.	0.20
Kamalpur to Kachucherra (Part-I) under Package No. TR 04 35 (UG)	Three items of works *viz.* clearance of site and setting out, protection work and sub base & base course (without bituminous) were executed by the second contractor without provision in the estimates as these works were already executed by first contractor for which payment had already been made.	0.34
Total		**0.54**

In addition to above it was also observed that two roads under two packages in North Tripura District {TR 03 05 (UG) Jalebassa to Bhandarima (Part-II) and TR 03 02 (UG) Dharmanagar (DRBS) to Satsangam}, the total value of work done was ₹ 7.10 crore whereas the contractors were paid ₹ 9.58 crore resulting in overpayment of ₹ 2.48 crore.

Accordingly, ₹ 0.59 crore performance guarantee was encashed by PIU North Tripura District. Besides, ₹ 1.30 crore security deposit was also retained by the PIU. However, an overpayment of ₹ 0.59 crore remained to be recovered from the agency.

Case study

The DPR for the work Sermun I and II to Mitrajoy Para (North Tripura District) under Package No. TR 03 78 was approved by GoI in 2011-12 at a cost of ₹ 9.66 crore (including CD work for ₹ 0.76 crore and ₹ 4.76 crore for earthwork). Scrutiny of the package revealed the following:

- Tender was invited under DNIT and agency 'A' stood lowest by quoting 22 *per cent* above the estimated cost.
- During negotiation, the concerned agency itself stated that earthwork for formation of road amounting to ₹ 4.5 crore to ₹ 5 crore was already executed by other agency
- Total upto date value of work executed by the agency was ₹ 6.83 crore upto 8th RA bill (paid in October 2015) which was inclusive of ₹ 4.84 crore for earth work.

Thus, the earthwork for formation shown executed by the agency for an amount of ₹ 4.84 crore remained doubtful as the earthwork had already been executed prior to commencement of the work.

2.3.7.6 Liquidated damages not levied

As per para 9.10 of the Operations Manual and agreement conditions, if milestones stipulated in agreement conditions are not achieved by the contractor, he shall be liable for payment of liquidated damages.

Test check in audit disclosed that the recovery of liquidated damages aggregating ₹ 7.36 crore calculated as of March 2016 was not effected in respect of 10 packages[19] (**Appendix-2.3.7**) in three (three districts post 2012) sampled districts though it was evident that delay was on the part of the contractor.

2.3.7.7 Extra expenditure due to damage of works

Test check of records of PIU of South Tripura District revealed that under package number TR 02 153, the DPR for road work was prepared without any provision for retaining wall and accordingly, work was taken up in May 2008. Audit observed that due to land problem in subsequent stretches the work was suspended after execution of WBM layer upto 17.75 Km. Though the work was only executed upto WBM level, the road remained open for traffic. The work could only be resumed after 24 months and due to absence of the bituminous layers the road was damaged. Accordingly, an expenditure of ₹ 77.55 lakh was incurred by PIU, South Tripura District for restoration of road resulting in extra expenditure to that extant.

[19] TR-04- 64, TR-04-63. TR-02-120, TR-02-(250-499) 06, TR-04 130, TR-04-163, TR-04-121, TR-03-84, TR-03-104, TR-03-180.

2.3.7.8 Maintenance of PMGSY roads

The rural roads constructed or upgraded under the programme were to be maintained by the concerned Panchayati Raj Institutions (PRIs). The guidelines provided that each State Government, while submitting the project proposal for approval, should identify a suitable PRI (District Panchayat/Intermediate Panchayat) for undertaking the maintenance of the entire CNW and particularly the roads constructed/upgraded under the programme, besides furnishing an undertaking for necessary budget provision and the release of maintenance costs. The roads constructed under the programme were not required to undergo major repairs for at least five years after their completion. For this purpose, the State Government was required to obtain a bank guarantee for 10 *per cent* of the value of the work from the contractor which remains valid for five years. The rural roads were required to be handed over by the PIUs on completion of the maintenance period of five years to the designated PRIs for regular maintenance.

Test check of sampled districts as well as TRRDA revealed the following:

(i) Maintenance funds not utilised by State

Guidelines provide that the maintenance of PMGSY roads for a period of five years were to be done by contractor after completion of road as per contract with the Department every year. Funds for maintenance purpose were to be provided by State Government from its own resources and placed at disposal of TRRDA in a separate Maintenance Account.

Scrutiny revealed that TRRDA received ₹ 82.82 crore for routine maintenance of roads against which TRRDA could utilise only ₹ 39.35 crore during 2011-16 resulting in short utilisation of funds of ₹ 43.47 crore as tabled below.

Table No. 2.3.9: Details of fund release and expenditure incurred under maintenance account

(₹in crore)

Year	Maintenance fund required	Actual release to TRRDA	Expenditure incurred	Percentage of expenditure against funds released
2011-12	8.37	14.87	2.15	14.46
2012-13	13.05	10.78	4.44	41.19
2013-14	18.81	20.00	8.28	41.40
2014-15	18.58	20.00	14.17	70.85
2015-16	17.17	17.17	10.31	60.05
Total	**75.98**	**82.82**	**39.35**	**47.51**

(**Source**: Information furnished by TRRDA)

It was also observed that TRRDA diverted ₹ 30 crore to the programme fund from maintenance fund during 2014-15.

(ii) Poor maintenance of PMGSY road

Test check of 69 selected packages involving 114 works for maintenance packages of completed roads in the selected districts revealed that there was lack of proper maintenance of the roads leading to probable damage to the road surfaces as detailed below:

- Maintenance of 30 works (26 *per cent*) was not done after completion of the roads.
- 17 completed road works were due for maintenance for one or more years. However, maintenance for only one of the years was carried out, seven roads only for two years and 29 out of balance 58 roads were maintained for the full five year period.
- In one of the roads in South Tripura District AT Road to Thalibari, it was observed that no maintenance was carried out even after four years of completion. This resulted in damage of Premix Carpeting and potholes in various chainages. Furthermore, both the approaches of the Bailey Bridge were damaged as a result of which, vehicle movement was badly hampered.
- Another road from KA Road to Balaram in Dhalai District was taken up (April 2008) for providing connectivity to four habitations *viz*. Jitendeb Para, Shashipal Para, Das Para and Deb Para. Work was completed in January 2011 at a cost of ₹ 2.54 crore. Scrutiny revealed that after completion of work no maintenance work was taken up by the agency and work terminated in February 2014 at risk and cost of the contractor. The Department had not even encashed the security deposit. During joint physical verification it was observed that the pavement of the road was damaged including CD structure.

Road damaged due to non- maintenance

Non rectifiable damaged CD

The road KA Road to Balaram in Dhalai District

A repair work was awarded (January 2015) to another contractor at a cost of ₹ 37.90 lakh. However, work could not commence till date of audit (May 2016). Further, from the inspection conducted by NQM in April 2011 (*i.e*. after completion of road) the following defects were noticed in the original work which had not been attended till May 2016.

- Approach of Box Cell Culvert was damaged at Chainage 5.00 Km,
- Wing wall of Box Cell Culvert at Chainage 3.95 Km was damaged and had already fallen down due to erosion.
- Inadequate compaction of earthwork
- WBM aggregate not conforming to specification and inadequate compaction.

The main reason for disturbance of grading was due to use of brick aggregates for construction of pavement instead of screening materials.

Thus, due to not rectifying the defects the entire expenditure incurred towards the works remained largely unfruitful even after lapse of more than six years from the date of completion of work.

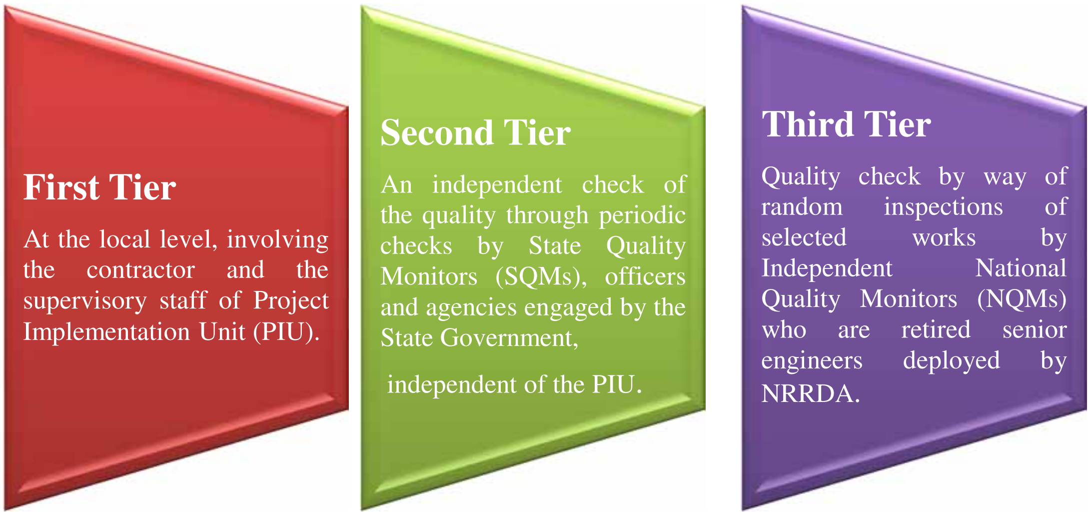
(iii) Absence of zonal maintenance contract

For ensuring adequate maintenance, all PMGSY roads were covered by five years maintenance contract, to be entered into along with the construction contract, with the same contractor in accordance with the standard bidding document. The State Government was also required to prepare annual maintenance plan following sound asset management practices for ensuring maintenance of PMGSY roads after the five years contract period. On expiry of five years post construction maintenance, PMGSY roads were required to be placed under zonal maintenance contracts consisting of five year maintenance including renewal as per cycle. The State Government was to make the necessary budget provision and place the funds to service the zonal maintenance contracts at the disposal of the TRRDA in the Maintenance Account.

The XIII Finance Commission had also allocated ₹ 1,137 crore to the North Eastern States towards maintenance of rural roads including PMGSY roads for the year 2011-12 to 2014-15. However, it was noticed in audit that State Government did not envisage or prepare any zonal maintenance contracts as of March 2016.

2.3.8 Quality control

Quality control refers to the practice of checking the quality of a product by testing samples. Since large investments are being made in the rural roads, it is desirable that good quality roads meeting the laid-down standards and specifications for durable assets shall be constructed. Online Management, Monitoring and Accounting System (OMMAS) developed for the PMGSY is the chief mechanism for monitoring the programme. A three-tier quality mechanism was institutionalised under the PMGSY for maintaining high standard of roads as shown below:



2.3.8.1 Failure to set up field laboratory

Para 15.1 of the programme guidelines envisage that a site Quality Control Laboratory (QCL) will be set up by the contractor for each package. Para 9.4(a) of the PMGSY Operations Manual provides that as per Clause 9 of general conditions of contract, the contractor was required to employ the technical personnel and records in support of tests.

It was observed that no separate field laboratory was set up by the agencies. The samples were tested using the mobile labs and for detailed analysis they were sent to the private registered laboratories.

2.3.8.2 Non/Improper maintenance of Quality Control Registers

The guidelines for quality control for PMGSY provides that Quality Control Registers (QCRs) shall invariably be maintained for each of the road works under the programme. Payment shall not be made to the contractors unless the mandatory tests prescribed in Rural Roads Manual and the Quality Control Handbooks have been conducted and results have been found in accordance with the specifications. QCRs will be maintained in two parts. The first part will be QCR - Record of Tests and the second part will be the Record of Abstract of Tests and Non-conformance Reports.

Test check of the QCRs for two sampled districts revealed the following:

- In two packages (TR 04 35 UG) (Dhalai District) and TR-02-(250-499)-06 (South Tripura District) discrepancies were noted in the Non-conformance Reports. However, the remedial action taken for the correction of defects were not updated in either of the QCRs till June 2016.
- It was also observed in 72 packages test checked in Dhalai and South Tripura District that the test coverage status was not maintained *i.e.* it was not mentioned how many tests were conducted against the prescribed norms.

- Out of the selected 72 packages, the thickness of GSB layer as per prescribed guidelines was 150 mm. However, it was observed that for 9 works, while testing for GSB layer the thickness ranged from 116 mm to 75 mm.
- Abstract of tests for various parameters ranging from earthwork to bituminous construction was not maintained for 14 packages.
- Aggregate impact value test gives an indication of aggregate's toughness property (*i.e.* Property of a material to resist impact). It was observed that Atterberg Test for WBM/GSB was not conducted in 03[20] packages.

Apart from these non-testing of sieve analysis, test for drainage layer, data for compaction, etc. were observed only in respect of 10 packages.

Thus, the maintenance of QCRs *vis-à-vis* the award and execution of the works against the prescribed norms was improper and ineffective.

2.3.8.3 Second tier/third tier quality mechanism

(i) Shortfall in inspections

Test check of two out of three sampled districts revealed that out of 203 completed roads during 2011-16, only 110 roads were inspected. Out of 110, only 11 roads *i.e.* 5.42 *per cent* of the total completed roads were inspected at GoI level and 99 out of 203 roads *i.e.* only 48.77 *per cent* were inspected by the State Quality Monitors (SQM) and 93 balance roads were not inspected as of March 2016.

(ii) Deficiency noticed by State Quality Monitors

Test check of the selected packages of the three districts inspected by the SQM revealed that the following parameters were found Unsatisfactory(US)/Required Improvement (RI):

Table No. 2.3.10: Deficiencies in quality parameter reported by SQM

Number of roads found US/RI	Deficiency in quality (in number) of roads as pointed out in SQM reports									
	Setting out	Site clearance	Quality /arrangement	Sub base	Base course	Shoulders	PMC	Road furnishings	CD works	Side drain
43	10	03	02	05	06	22	05	14	05	03

(**Source**: OMMS data)

Out of 107 selected packages, 87 packages were inspected by the SQM of which 43 (49 *per cent*) were marked as US/RI.

Further, out of the selected packages only 26 roads were inspected by NQMs, of which 15 (57.69 *per cent*) roads were marked as US/RI. The following parameters were found US/RI during the NQM inspections:

[20] Tuichakma Ratannagar to Budhamandir ,Gandacherra to Kalajhari Part-I and Ichacherra to Madhyapara.

Table No. 2.3.11: Deficiencies in quality parameter reported by NQM

Number of roads found US/RI	Deficiency in quality (in number) of roads as pointed out in NQM reports										
	Geometrics	Quality/ Arrangement	Earth work	Sub base	Base course	Bituminous layers	CD works	Shoulders	Side drain	Road furnishings	Side drain
15	06	11	01	06	08	01	05	01	01	01	01

(**Source**: OMMS data)

Thus, due to improper execution of work on the above roads the roads remained deficient in absolute quality parameters.

(iii) Pendency of Action Taken Notes

Para 11.6.1 of the Operations Manual envisages that PIU will not wait for the grading of work to be communicated by NRRDA or SQC but start taking action based on inspection reports furnished by the NQM immediately, unless it disagrees with the recommendations.

The details of Action Taken Notes (ATNs) to be submitted for the sampled districts against which necessary ATNs had been submitted are mentioned below:

Table No. 2.3.12: Number of ATNs pending against NQMs inspection

Year	Number of Inspection Reports furnished by NQM where ATN was required	Number of ATN submitted
2011-12	7	6
2012-13	9	3
2013-14	15	14
2014-15	10	7
2015-16	10	5
Total	**51**	**35**

(**Source**: Information furnished by PIUs)

Test check of the sampled districts revealed that in between 2011-16, 51 ATNs was to be submitted as of March 2016. Against that, only 35 ATNs were submitted by the PIUs and 16 ATNs had not been submitted as of June 2016.

2.3.8.4 Performance of State Level Standing Committee and District Level Vigilance and Monitoring Committee

According to Para 2.4 of Operations Manual, a SLSC shall be setup preferably under the chairmanship of Chief Secretary for close and effective monitoring of the programme and to oversee timely and proper execution of works.

Although the SLSC was constituted by the State Government in July 2003 and reconstituted in September 2008 with Chief Secretary as the Chairman of the Committee, audit observed that except for vetting of the CNCPL and CUPL list, the

SLSC had not performed other designated activities[21] as of March 2015. In the period from 2010-15, no SLSC meeting had taken place. It was only in the year 2015-16 that two meetings were held by SLSC. Therefore, involvement of SLSC in monitoring the work was not adequate.

As per para 16.5 of the programme guidelines, District Level Vigilance and Monitoring Committee (DLVMC) to be set up by the GoI will monitor progress and exercise vigilance in respect of the PMGSY. Meetings of VMC at each level was to be held at least once every quarter after giving sufficient notice to the MPs/MLAs and all other members.

It was observed in audit that against the mandated four meetings every year, the DLVMC met twice every year during 2011-15 and only once in 2015-16, resulting in shortfall by 50 *per cent*.

2.3.9 Impact assessment

As per programme guidelines, NRRDA will provide 100 *per cent* assistance for independent studies to establish impact of new rural connectivity in a district from time to time. Audit however, observed that no such studies were conducted in respect of any of the test checked districts.

2.3.10 Physical verification

To assess the implementation of the PMGSY, joint physical verifications of eight roads in two districts were carried out by audit teams in the presence of staff of the implementing agencies. For this purpose, roads completed during 2011-16 in each selected district were selected randomly. The verification covers execution of work as per laid down specifications, work abandoned mid-way, connectivity to the targeted habitation, maintenance of the road, installation of citizen information boards, PMGSY logo, planting of fruit bearing trees, etc.

Summary of findings of joint physical verification

(i) The road from Tribal Para to Das Para was completed in September 2010 at a cost of ₹ 1.54 crore. Though the road was completed and periodic maintenance was done and the contract was in its fifth year of maintenance, the road remained in dilapidated condition towards the end stretches as shown below.

[21] Clearance of annual project proposal, Quarterly review of progress of ongoing works, quality control, capacity building and training, etc.

Tribal Para to Das Para Road

(ii) During joint physical verification of road from DK road to Unakoti Deb Barmapara in North Tripura District, it was observed that the carpeting[22] at various stretches was damaged due to non-availability of surface drains. It was further observed that rain cuts had developed in the road thereby making the road hazardous for plying as evident from the pictures below:

DK to Unokoti Debbarma Para Road

(iii) In a similar case, the Jharjhari-Muhuripur to Brindaban Roaja Para road was completed in December 2013 at a cost of ₹ 1.51 crore. During joint physical verification, it was seen that the road was badly damaged at Chainage 510 meter to 545 meter, and partially damaged upto 1673 meter due to movement of heavy vehicles of ONGC. The road was retained by making temporary arrangements to hold up the road at Chainage 510 to 545 meter as shown in picture below. A proposal for rectification at a cost of ₹ 19.77 lakh was prepared (May 2016) by the PIU and sent for approval. The road was found damaged during physical verification.

[22] Black layer of bitumen on top of the road.

Jharjhari-Muhuripur Road to Brindaban Roaja Para

(iv) The road Jalabassa to Kanchanpur (TR 03-08) was awarded in April 2008 for ₹ 4.78 Crore. The work commenced in August 2008 and was terminated in April 2012 after partial execution of work valued at ₹ 2.28 crore. The balance work was awarded (January 2012) to another contractor at a cost of ₹ 3.19 crore. The work commenced in November 2012 and was completed in March 2013 at a cost of ₹ 3.06 crore. During joint verification (July 2016), it was observed that the road was badly damaged after Chainage 3.5 Km onwards and was non-pliable as evident from pictures shown below:

Chainage 0.00 Km

Chainage 3.5 Km

Chainage 6.4 Km

Jalabassa to Kanchanpur Road (TR-03-08)

2.3.11 Maintenance of good quality roads

During the joint verification of eight roads, it was observed that two roads were not only completed (one in March 2011 and the other in June 2016) in all respects but were also in good condition as shown in the photographs below:

Manuvalley to Samrucherra

Jalebassa to Ramdurlav

2.3.12 Conclusion

The targets set for construction of roads/habitations coverage were not met mainly due to land disputes and slow progress of work. Absence of DRRP led to 40 priority habitations remaining unconnected in the State even after lapse of more than eight years from the scheduled completion period *i.e.* by 2007. Project management was weak and there were unexpected delays. The authority did not initiate timely action for recovery of dues from defaulting contractors. There were instances of inflated measurements of works and consequential overpayment to contractors and short levy of liquidated damages for delays. Quality measures were deficient. Maintenance of roads was weak, funds were not utilised and many roads were found damaged. Action Taken Notes on the rectification of defects pointed out by the SQM and NQM were pending. The monitoring mechanism was weak as the SLSC meetings were not held regularly. Impact assessment was not carried out as envisaged which indicated weak internal control mechanism.

2.3.13 Recommendations

- The Department should take immediate steps to connect the 40 priority habitations.
- The programme implementing authorities should be made accountable for cases involving undue advantage to the contractor and prolonged delay in completion of works.
- The quality control mechanism should be strengthened at each and every stage with periodic inspections for both the in-progress and completed works.
- An impact assessment study should be undertaken to assess the rural connectivity in the State.

PUBLIC WORKS DEPARTMENT
(ROADS AND BUILDINGS)

2.4 Extra expenditure

The Executive Engineer, Kanchanpur Division rescinded the work due to slow progress and thereafter balance work was awarded to another contractor at higher rate. This resulted in extra expenditure of ₹ 19.65 crore which had not been recovered from the defaulting agency by invoking the risk and cost clause of the agreement.

With the approval of Works Advisory Board, the construction and improvement of Dharmanagar-Tilthai-Damcherra-Khedacherra road in Tripura was awarded (December 2007) to the single tenderer, M/s Coal Mines Associated Traders at their negotiated tendered value of ₹ 89.65 crore which was 74.06 *per cent* above the estimated cost of ₹ 51.50 crore based on Tripura Schedule of Rates (TSR) 2002. The work commenced in December, 2007 and was rescinded in April, 2013 after execution of work valued at ₹ 53.24 crore including extra item of ₹ 14.89 crore. The agency was paid ₹ 52.78 crore as of January 2016.

Clause 17 (c) & (d) of the agreement, as mentioned in the termination letter, read with clause 3 (a), (b) and (c) of CPWD Works Manual provide that if the expenditure incurred by the Department for completion of the balance work through other contractor is in excess of the sum which would have been paid to the original contractor if the whole work had been executed by him in terms of the agreement, the difference shall be borne and paid by the original contractor under risk and cost clause of the agreement.

Test-check of records (January 2016) of Executive Engineer, Kanchanpur Division revealed that the work was originally awarded to single tenderer in 2007 through restricted tender. It was observed in audit that from the very beginning the progress of work was very slow and before closure of the agreement, the agency had completed only 16.40 Km of the road work in all respect (upto Premix Carpeting) out of total length of 54 Km including 4 bridges *i.e.* only 30 *per cent* physical achievement was made after a lapse of more than five years from the date of issue of work order. No hindrance register[23] was produced to audit, though called for. The balance estimate of ₹ 35.98 crore based on TSR 2002 alongwith Draft Notice Inviting Tender was approved by the Chief Engineer in June 2013 and awarded to another agency at his negotiated tender value of ₹ 68.47 crore (90.28 *per cent* above the estimated cost) in December 2013 with stipulated completion time of 24 months. The work commenced in December 2013 and was almost complete except for box culverts as of January 2016. The contractor was paid ₹ 38.73 crore against the total value of work done of ₹ 41.66 crore upto 8th RA bill including extra item of ₹ 0.78 crore.

[23] Register to record the reasons for delay/stoppage of work.

As revealed from the item wise rate comparison between original and balance work, there was an extra expenditure of ₹ 19.91 crore which had already been incurred by the Department to execute the balance work following closure of the original work as shown in **Appendix – 2.4.1**.

Thus, due to termination of original contract for slow progress of work, the extra expenditure of ₹ 19.65 crore[24] incurred (as of January 2016) stands recoverable from the defaulting agency by invoking the risk and cost clause of the agreement.

The matter was reported to the Government (June 2016); reply had not been received (October 2016).

2.5 Wasteful expenditure

Failure of the Department to include Bituminous work in the agreement resulted in re-execution of the same work subsequently through another contractor which led to wasteful expenditure of ₹ 1.81 crore.

Administrative Approval and Expenditure Sanction for ₹ 9.56 crore for construction of "Manu – Chawmanu – Gobinadabari Road/Portion from Chainage 43.46 Km to 58.76 Km (15.30 Km) was accorded by the North Eastern Council (NEC) in May 2004. GoI released ₹ 7.70 crore during the period from March 2004 to March 2006 for execution of the above road work. Approval for Technical Sanction and detailed estimate of ₹ 8.98 crore was accorded (April 2005) by the Chief Engineer, Public Works Department (Roads & Buildings). The road-work comprised of pavement work (15.30 Km) of brick soling (flat brick on edge) for 3.66 meter width carriageway, one layer of Water Bound Macadam (WBM), 20 mm thick Premix Carpeting (PMC) and sand seal coat and retaining wall. However, while inviting tender, the Department did not include WBM, PMC and sand seal coating work for pavement work in the Draft Notice Inviting Tender.

With the approval of Work Advisory Board, the work was awarded (June 2005) to the lowest tenderer at a negotiated tendered value of ₹ 3.47 crore against the estimated cost of ₹ 3.73 crore (22 June 2005). The work actually commenced in February 2006 and was closed in May 2013 due to suspension (April 2009) of work by the contractor. The contractor was paid ₹ 4.93 crore (till May 2009) against the value of work done for ₹5.12 crore as per 9th RA bill.

Scrutiny (July 2015) of records of the Executive Engineer, Longtharai Valley revealed that as of July 2009 *i.e.* before closure of the agreement, the contractor had completed formation work for the full length. The contractor also executed 3,67,748.59 cum earth work for widening and levelling of road for which ₹ 1.24 crore was paid (till May 2009). In addition, the contractor had executed the work of

[24] ₹ 19.91 crore – (Total payment due to original contractor – Recovery to be made from original contractor) ₹ 19.91 crore – (₹ 3.11 crore – ₹ 2.85 crore) = ₹ 19.91 crore – ₹ 0.26 crore = ₹ 19.65 crore.

preparation of sub grade (renamed as Granular Sub Base) and flat brick soling and was paid ₹ 57 lakh against total value of work for ₹ 59.14 lakh on these two items..

Although the work was abandoned by the original contractor in 2009, it was closed in 2013 and work recommenced in 2014 after a considerable delay of five years. During the entire period, the executed work remained un-protected due to non-execution of bituminous layers. It was also observed that risk and cost clause was not invoked by the Department on the original contractor for non-execution of the work.

In the meantime, a revised estimate for the balance work was prepared (April 2009) by the Department at an estimated cost of ₹ 14.88 crore [25] which was approved by GoI in October 2012. Tender for the balance work was invited in January 2013. The work was awarded (July 2013) to another contractor (lowest tenderer) at his quoted rate of ₹ 6.87 crore against the estimated cost of ₹ 7.33 crore. The stipulated time for completion of the work was 12 months. The work commenced in January 2014 and was in progress (July 2015). The contractor was paid (till October 2015) ₹ 6.35 crore against total value of work done for ₹ 6.58 crore (upto 4th RA bill).

Scrutiny in audit revealed the following:

- Though there was no provision for earth work in the revised estimate, earth work for ₹ 2.29 crore was re-executed in the same stretch of road by the second contractor. The first contractor was already paid ₹ 1.24 crore for the earth work which had been executed earlier.
- Though Granular Sub Base (GSB) work for only 8.22 Km (from Chainage 50.24 Km to 58.46 Km) stretch was included in the revised estimate, the same was executed by the second contractor for the entire stretch of 15.30 Km (from Chainage 43.46 Km to 58.76 Km). The first contractor was already paid ₹ 57 lakh for the GSB work executed earlier.

Thus due to non-execution of bituminous layers, earth work and GSB had to be re-executed on the same stretch of road. This led to wasteful expenditure of ₹ 1.81 crore (₹ 1.24 crore + ₹ 0.57 crore).

While admitting the fact, the Executive Engineer stated (July 2015) that the earlier GSB work was completely damaged, and hence, the work had to be executed again from the formation level for the entire stretch of the road.

The fact however, remained that non-inclusion of WBM and Bituminous work in the original agreement led to damage of formation level and GSB work and consequent wasteful expenditure.

The matter was reported to the Government (June 2016); reply had not been received (October 2016).

[25] Estimate cost enhanced from ₹ 9.56 crore to ₹ 14.88 crore.

2.6 Idle and unfruitful expenditure

Construction of RCC bridge over river Khowai on the road from Seoratali to Paharmura remained incomplete even after a lapse of about five years due to suspension of work by the agency, thus rendering an expenditure of ₹ 75.14 lakh as idle and unfruitful. In addition, penalty on account of delay amounting to ₹ 1 crore which was leviable as per terms and conditions of contract was not levied by the Department.

The work for 'Construction of RCC bridge over river Khowai at Chainage: 0.75 Km on the road from Seoratali to Paharmura under Khowai Block included preliminary survey, preparation of preliminary drawing, detailed survey and sub soil investigation, preparation of detailed drawings along with structural drawings, preparation of detailed project report, technical supervision, etc. to be done by the agency.

The work was awarded (July 2009) to M/s Simplex Project Limited at their tendered value of ₹ 10 crore against an estimated cost of ₹ 6.76 crore. The stipulated time for completion was 24 months. The agreement was signed with the Executive Engineer, Teliamura Division as part of a package for construction of five bridges.

As per MoU, mobilisation advance in two equal instalments equivalent to 5 *per cent* of the contract value would be considered for necessary mobilisation of labour/machinery and equipment/materials, etc. at site of work against an unconditional bank guarantee of any scheduled bank. Recovery shall be made from the running account bills of the contractor @ 10 *per cent* of the amount paid as mobilisation advance.

Test-check of records of the Executive Engineer, Public Works Department (Roads & Buildings), Khowai Division along with cross check of records of Executive Engineer, Teliamura Division (February 2016) revealed that:

(i) An amount of ₹ 50.05 lakh was given to the agency in two equal instalments as mobilisation advance in January 2011 and June 2013 respectively and only ₹ 5 lakh was recovered from the agency leaving the balance amount of ₹ 45.05 lakh unrecovered as of February 2016. It was also observed in audit that the work commenced in September 2010; however, as of February 2016, total value of work done was only ₹ 30.09 lakh and the same was paid in June 2013

(ii) After execution of work value of ₹ 30.09 lakh, the work remained suspended from July 2011 without any valid reasons. No hindrance register was produced to audit and therefore, the actual reason for delay in execution of work could not be ascertained in audit. Thus, due to non-completion of bridge even after a lapse of five years from the stipulated time of completion, the expenditure incurred of ₹ 75.13 lakh[26] turned idle and unfruitful defeating the objective of the work.

[26] Mobilisation Advance outstanding ₹ 45.04 lakh + Payment made against this bridge ₹ 30.09 lakh.

(iii) Liquidated damages amounting to 10 *per cent* of the contract value of ₹ 10 crore *i.e.* ₹ 1 crore was leviable on account of delay for 5 years but no steps have been initiated by Executive Engineer, Teliamura Division for levying liquidated damages in accordance with the said provision of penalty and incentives (Para 12) of the agreement.

During discussion the Executive Engineer, Khowai Division stated (December 2014) that the work would be started very soon. However, the bridge work had not started as of October 2016.

The matter was reported to the Government (June 2016); reply had not been received (October 2016).

2.7 Inadmissible payment to contractor

Payment for repair of potholes on the basis of filling by Brick Aggregate rather than Stone Aggregate while upgrading a rural road resulted in inadmissible payment of ₹ 51.70 lakh besides cost overrun of ₹ 81.86 lakh.

Administrative Approval and Expenditure Sanction of ₹ 5.17 crore for "Up-gradation of Office Tilla to Nabasantiganj road" under Bharat Nirman Programme (Length - 10.44 Km) was accorded by the State Government in August 2007. The corresponding Technically Sanctioned detailed estimate of ₹ 5.17 crore alongwith Draft Notice Inviting Tender was approved by the Chief Engineer, Public Works Department (Roads & Buildings) in August 2008.

As per Detailed Project Report, provision for pothole repairing was kept for up-gradation of the rural road. After repair of potholes, BM[27], Premix Carpeting and Sand Seal Coating was to be made on the entire carriage width of the road stretch. Though the DPR was silent about usage of BM or WBM[28] for pothole filling, the financial estimate considered for use of stone aggregate with Bitumen *i.e.,* BM for pothole filling.

Section 500 (1) (3) (a) of PMGSY Quality Assurance Handbook Vol-I provides that layers below the level of bituminous construction should be replaced using material of equivalent specification to the original construction and degree of compaction. Further Para 14.5.1 of routine maintenance of PMGSY guidelines provides that potholes are to be filled up through WBM with Black Top over it. Therefore, use of BM for pothole repairs was not necessary and instead WBM was appropriate.

The above work was awarded to the lowest tenderer at his negotiated tendered value of ₹ 5.63 crore in December 2008. The work commenced in December 2008 and

[27] BM = It is a mixture of stone aggregates and bitumen. This is provided below the visible black top surface of the road and over the WBM to provide extra durability in cases where the traffic load is heavy/estimated to be heavy.

[28] WBM= WBM base course is constructed with brick aggregate in two or three layers as per the design.

was completed in December 2014. Total value of work done was ₹ 5.69 crore against which ₹ 5.61 crore was paid as of March 2014.

Audit scrutiny revealed that:

(i) The entries in the Measurement Book showed that brick aggregate instead of stone aggregate was actually used for pothole repairs and filling. However, the payment for pothole repairs was made on the basis of calculations made in the estimate which accounted for using stone aggregate alongwith Bitumen.

The contractor was paid (November 2015) ₹ 68.48 lakh for repairs of 844.96 cum pothole using BM (Stone Aggregate + Bitumen) despite the fact that the contractor used Brick Aggregate and not Stone Aggregate.

Thus, expenditure incurred to the tune of ₹ 51.70[29] lakh was an inadmissible payment made to the contractor since the contractor had actually used Brick Aggregate, payments as per BM rates were irregular.

(ii) Against an estimated quantity of 120.50 cum for pothole correction, the contractor executed 844.96 cum pothole repairing valued at ₹ 68.48 lakh *i.e.* seven times of the estimated quantity. When enquired about excess work to the tune of seven times as compared with estimates, the Executive Engineer replied that potholes had developed in the period between preparation of original estimate and actual commencement of work. It was also stated that work was suspended for nearly 1½ years after commencement due to land dispute. The reply was not tenable as the work executed was more than seven times the estimate which was irregular and point towards preparation of erroneous estimate or inflated measurements.

(iii) The work was stipulated to be completed within 12 months from the date of issue of work order *i.e.* by December 2009. But due to land dispute the work completion was delayed by five years. It was observed in audit that store materials were issued to the contractor as per provisions of the agreement in between September 2010 and March 2013 *i.e,* after the stipulated time of completion was over. Though the rate of the store materials increased considerably in between 2009 to 2013, the recovery rate charged from the contractor was as per the initial rate of ₹ 27,346 per MT. This resulted in extra payment with cost overrun of ₹ 81.86 lakh as shown in **Appendix – 2.7.1** along with time overrun by five years.

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Particulars	BM (Stone) *(in ₹)*	WBM (Brick) *(in ₹)*	Difference *(in ₹)*	Total quantity executed	Total extra involvement *(in ₹)*
Rate offered by the contractor	8,104.37 per cum	2,490.49 per cum	5,613.88 per cum	844.96 cum	47,43,504
	Add: 9 *per cent* over TSR as per agreement				4,26,915
	Total				**51,70,419**

Thus, the contractor was paid an inadmissible payment which resulted in extra payment of ₹ 51.70 lakh with cost overrun of ₹ 81.86 lakh.

The matter was reported to the Government (June 2016); reply had not been received (October 2016).

2.8 Over payment

Failure on the part of the divisional authorities to recover the value of store materials and non-deduction of statutory dues from the contractor's bill resulted in over payment of ₹ 0.81 crore to the contractor.

With the approval (October 2007) of Work Advisory Board, the 'Construction of two RCC bridges over Tributary of River Manu' was awarded (November 2007) to contractor 'Ashes Deb' at his tendered value of ₹ 10.58 crore with the stipulation to complete it by April 2010. The work commenced in January 2008 and was completed in September 2014. The contractor was paid ₹ 12.85 crore against the value of work done for ₹ 14.17 crore upto 10th RA and final bill.

As per provisions of agreement as well as Government order of May 2008, the store materials were to be supplied by the Department for which suitable recovery would be made from the contractor. Further, Para 32.15.2 of CPWD Works Manual 2007 provided that the recovery would be made at double the issue rate if any excess quantity of material issued over the quantity utilised remained in contractor's custody.

Test-check (July 2015) of records of Executive Engineer, Longtharai Valley Division for the period from February 2014 to June 2015 revealed that the Division had issued store materials (Steel & Bitumen) valued at ₹ 2.19 crore[30] to the contractor upto 10th RA & Final bill. Against that, store materials valued at ₹ 1.91 crore[31] were utilised till completion of the work and store materials for 86.495 MT valued ₹ 0.28 crore remained unutilised with the contractor.

Hence, the division was to recover ₹ 1.91 crore against utilised store materials. Further, ₹ 0.57 crore was also to be recovered from the contractor for not returning the unutilised store materials as per provisions of CPWD Works Manual. In addition, VAT @ 6 *per cent* and IT-TDS @ 1 *per cent* amounting to ₹ 0.09 crore was to be recovered from the gross final amount of ₹ 14.17 crore instead of the net figure of ₹ 12.85 crore.

Scrutiny further revealed that the division had recovered a total of ₹ 0.44 crore only from the contractor (from 3rd RA & 4th RA bills) out of total recoverable amount of ₹ 2.57 crore.

Therefore, due to not recovering the value of store materials and non-deduction of statutory dues resulted in over payment of ₹ 0.81 crore as detailed below:

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[30] Bitumen 23.651 MT @ ₹ 26,537/- = ₹ 6,27,627; Steel below 20 mm = 210.936 MT @ ₹ 33,623/- = ₹ 70,92,301 and above 20 mm dia steel 437.177 MT @ ₹ 32,492/- = ₹ 1,42,04,765/-

[31] Bitumen = 23.651 MT, Steel below 20 mm = 187.273 MT and Steel above 20 mm = 374.345 MT.

Table No. 2.8.1

(₹ in crore)

Total value of work done	**14.17**
Less – Payment made upto 10th RA & Final bill	12.85
Total balance to be paid to the contractor	**(A) 1.32**
Less – Deductions	
Cost of materials (Bitumen) required to be deducted from the final bill	(1.91 - 0.44) = 1.47
Cost of materials (Steel) at double the issue rate	0.57
VAT @ 6 *per cent* on (A)	0.08
IT @ 1 *per cent* on (A)	0.01
Total recovery to be made from the contractor	**(B) 2.13**
Over payment made to the contractor (B – A)	**0.81**

Cross check of records also revealed that the division had released full security money amounting to ₹ 73.74 lakh to the contractor in January 2015 without deducting unadjusted value of store materials and other statutory dues.

Thus, failure on the part of the divisional authorities to recover the value of store materials and non-deduction of statutory dues from the contractor's bill resulted in over payment of ₹ 0.81 crore to the contractor.

The matter was reported to the Government (June 2016); reply had not been received (October 2016).

2.9 Extra expenditure due to award of work at higher rate

Award of similar nature of works under the same division at two different rate(s) in the same year led to extra expenditure of ₹ 59.68 lakh.

To augment the North Tripura District (Now Unakoti District) Hospital at Kailashahar, the Health and Family Welfare Department, Government of Tripura decided to construct 40 Nos. Staff Quarters in premises of North District Hospital. Tenders were invited (November 2011) in two stages, *i.e.* Technical bid and financial bid. In the first call only one tenderer, M/s Hindustan Steel Works and Construction Ltd. (M/s HSCL) submitted the bid and was technically qualified. After that, price bid was opened in January 2012. The rate of single tenderer was 20.50 *per cent* above the Estimated Cost (EC) based on Schedule of Rates (SOR) 2008.

Test check of records (December 2015) of the Executive Engineer, Kailashahar Division, Public Works Department (Roads & Buildings) revealed that the rate quoted by the single tenderer M/s HSCL was on the higher side as evident from the remarks of Executive Engineer in the Comparative Statement. Further, while forwarding the case to the higher authorities for acceptance, the Superintendent Engineer also pointed out that the rate quoted by M/s HSCL was on the higher side in consideration of the prevailing market rate for such types of major works. However, after negotiation, the new quote of 19.50 *per cent* above the EC was accepted (February 2012) by the Chief Engineer, Public Works Department (Roads & Buildings). With the approval of Work Advisory Board, the work was awarded (March 2012) to M/s HSCL at their negotiated tendered value of ₹ 7.22 crore *i.e.* @ 19.50 *per cent* above the estimated cost of ₹ 6.04 crore based on SOR 2008 with stipulated completion time of 15 months. The work commenced in April 2012 and was under progress. The contractor was paid ₹ 6.57 crore against the total value of work done of ₹ 6.59 crore till 7th RA bill including extra items of ₹ 1.73 lakh.

Examination of another similar nature of work, *i.e* "Construction of 10 bedded Primary Health Centre at Bhaterbazar (Bhadrapally), Kailashahar, North Tripura including construction of staff quarters" revealed that the work was awarded (December 2012) to contractor 'A' at his tendered value of ₹ 5.38 crore @ 8.65 *per cent* above the estimated cost of ₹ 4.95 crore based on SOR 2008 with stipulated completion time of 24 months. The work commenced in January 2013 and was under progress (December 2015).

From the above, it was clear that two similar nature of works were awarded at two different rates in the same year under the same division *i.e.* in the first instance the rate was 19.50 *per cent* above the SOR 2008 while in the second occasion it was only 8.65 *per cent* above. Hence, there was a difference of 10.85 *per cent* (19.50–8.65) above the EC.

Thus, due to acceptance of single tender at a much higher rate in the first occasion in comparison with the similar nature of work awarded much later at a lesser rate under the jurisdiction of the same division, the Department incurred an extra expenditure of ₹ 59.68 lakh (10.85 *per cent*) against the total value of work done *i.e.* ₹ 6.57 crore[32] by M/s HSCL till 7th RA bill (August 2015).

The Department should have gone for retendering of the work when it was well known and documented by division's officials that the rates offered by the single tenderer were on the higher side. Especially in view of the similar works tender accepted in November 2011 @ 4.7 *per cent* above EC and later on @ 8.65 *per cent* above EC in December 2012, the rates offered by M/s HSCL were certainly on the higher side and not justified. To that extent an extra expenditure of ₹ 59.68 lakh[33] was unjustifiable.

The matter was reported to the Government (June 2016); reply had not been received (October 2016).

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[32] Estimated cost as per agreement + Contractor's profit
= ₹ 5.50 crore + 19.50 *per cent* of ₹ 5.50 crore
= ₹ 5.50 crore + ₹ 1.07 crore= ₹ 6.57crore.

[33] Estimated cost against value of work done by M/s HSCL = ₹ 6.57 crore x 100/119.50 = ₹ 5.50 crore;
Difference of accepted rates = (19.50 - 8.65) *per cent* x ₹ 5.50 crore
= 10.85 *per cent* x ₹ 5.50 crore = ₹ 59.68 lakh.

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 to occupy an important place in the State economy. As on 31 March 2016, there were 14 SPSUs in Tripura. None of these SPSUs was listed on the Stock exchange. During the year 2015-16, no new SPSU was incorporated and none was closed down. The details of the SPSUs in Tripura as on 31 March 2016 are given in table below.

Table No. 3.1.1: Total number of SPSUs as on 31 March 2016

Type of SPSUs	Working SPSUs	Non-working SPSUs[1]	Total
Government Companies[2]	12	1	13
Statutory Corporations	1	-	1
Total	**13**	**1**	**14**

The working SPSUs registered a turnover of ₹ 706.39 crore as per their latest finalised accounts as of September 2016. This turnover was equal to 2.13 *per cent* of the Gross State Domestic Product (GSDP) of ₹ 33,189.03 crore[3] for 2015-16, which was higher by 7.33 *per cent* as compared to the GSDP for 2014-15. The working SPSUs incurred an aggregate loss of ₹ 139.05 crore as per their latest finalised accounts as of September 2016, as compared to the aggregate loss of ₹ 126.63 crore incurred by the working SPSUs during 2014-15. The overall losses of working SPSUs were mainly on account of heavy loss (₹ 106.73 crore) incurred by the power sector SPSU {*viz.,* Tripura State Electricity Corporation Limited (TSECL)} as discussed under **Paragraph No. 3.1.15**. The SPSUs had employed 7,642[4] employees as at the end of March 2016.

As on 31 March 2016, there was one non-working SPSU, which was existing for the last 45 years and having investment of ₹ 4 lakh. This was a critical area as the investment in the non-working SPSU did not contribute to the economic growth of the State.

[1] Non-working SPSUs are those which have ceased to carry on their operations.
[2] Government companies include Other Companies referred to in Section 139(5) and 139(7) of the Companies Act 2013.
[3] GSDP figures taken as per Quarterly Review Report of the Finance Minister, Government of Tripura for the 3rd quarter of 2015-16.
[4] As per the details provided by working SPSUs.

Accountability framework

3.1.2 The audit of the financial statements of a Company in respect of financial years commencing on or after 1st 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 1st 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 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 the 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) then the provisions of Section 19A of the CAG’s (Duties, Powers and Conditions of Service) Act, 1971 (CAG’s DPC Act) shall apply to the report of such test audit.

Audit of Statutory Corporations is governed by their respective legislations. The CAG is the sole auditor for the only Statutory Corporation in the State, *viz.,* Tripura Road Transport Corporation (TRTC).

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 of the SPSUs are appointed by the State Government.

The State Legislature also monitors the accounting and utilisation of State 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 (SARs) issued by the CAG 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 the CAG are submitted to the Government under Section 19A of the CAG's DPC Act.

Stake of State Government of Tripura

3.1.5 The State Government has a large 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 2016, the investment (capital and long-term loans) in 14 SPSUs was ₹ 1,431.63 crore[5] as per details given in table below.

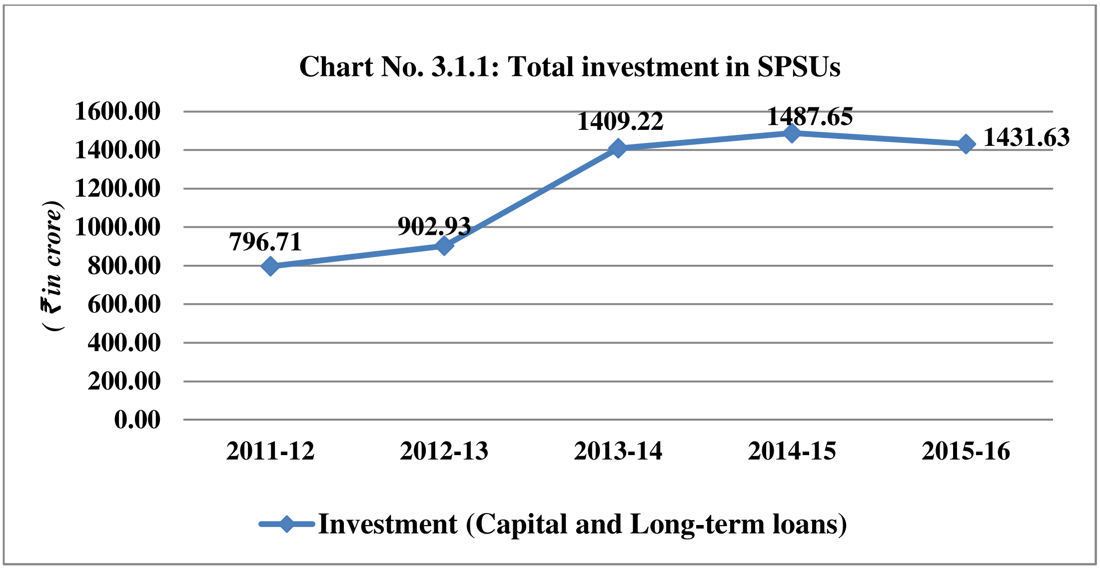
Table No. 3.1.2: Total investment in SPSUs

(₹in crore)

Type of SPSUs	Government Companies			Statutory Corporations			Grand total
	Capital	Long term loans	Total	Capital	Long term loans	Total	
Working SPSUs	1,131.27	140.31	1,271.58	159.76	0.25	160.01	1,431.59
Non-working SPSUs	0.04	0.00	0.04	0.00	0.00	0.00	0.04
Total	**1,131.31**	**140.31**	**1,271.62**	**159.76**	**0.25**	**160.01**	**1,431.63**

Out of the total investment of ₹ 1,431.63 crore in SPSUs as on 31 March 2016, 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 90.18 *per cent* towards capital and 9.82 *per cent* in long-term loans. The investment has grown by 79.69 *per cent* from ₹ 796.71 crore (2011-12) to ₹ 1,431.63crore (2015-16) as shown in the **Chart No. 3.1.1**.

[5] 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 2015-16.



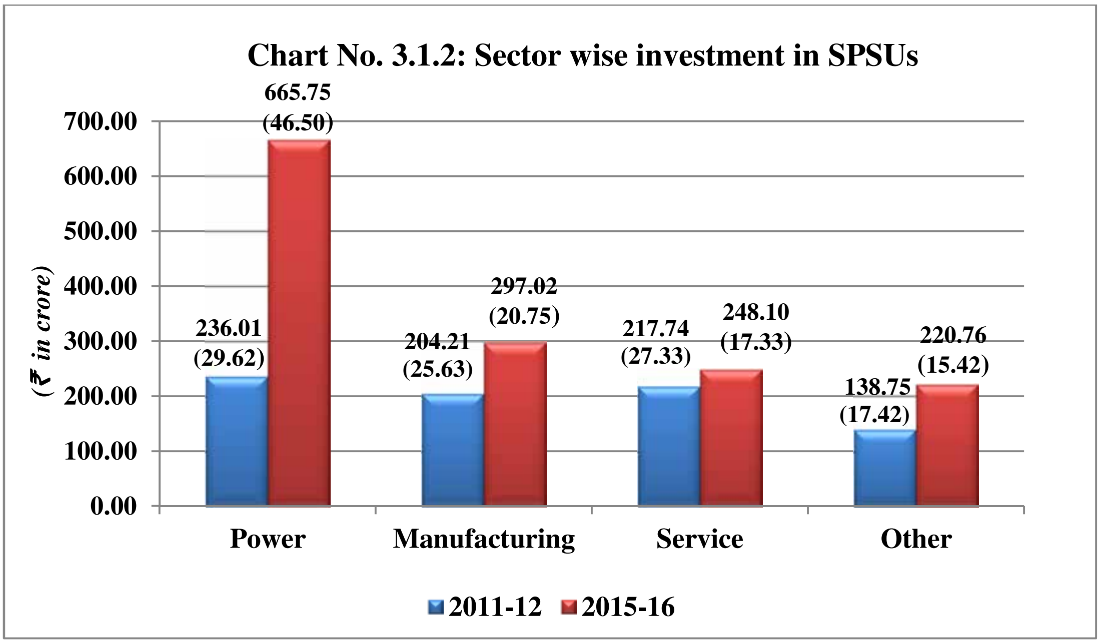
3.1.7 The sector wise summary of investments in the SPSUs as on 31 March 2016 is given in table below:

Table No. 3.1.3: Sector-wise investment in SPSUs

Name of Sector	Government / Other[6] Companies		Statutory Corporations	Total	Investment
	Working	Non-Working	Working		*(₹in crore)*
Power	1	0	0	1	665.75
Manufacturing	2	0	0	2	297.02
Finance	1	1	0	2	144.62
Miscellaneous	1	0	0	1	14.77
Service	3	0	1	4	248.10
Agriculture & Allied	4	0	0	4	61.37
Total	**12**	**1**	**1**	**14**	**1431.63**

The investment in four significant sectors and percentage thereof at the end of 31 March 2012 and 31 March 2016 are indicated in the **Chart No. 3.1.2**. The thrust of investment in SPSUs was mainly in power sector which increased from 29.62 *per cent* to 46.50 *per cent* during 2011-12 to 2015-16.

6 '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 2011-12, investments have increased in all the sectors as of 2015-16. Major increase in investment was in the power sector by ₹ 429.74 crore (182.09 *per cent*) which was mainly due to conversion of capital reserve[7] amounting to ₹ 545.46 crore into equity and issuing of share capital there against by TSECL in favour of the State Government during the year 2012-13.

The increase of investment (45.45 *per cent*) under manufacturing sector was mainly due to equity contribution of ₹ 92.81 crore extended by the State Government to Tripura Jute Mills Limited (₹ 79.19 crore) and Tripura Small Industries Corporation Limited (₹ 13.62 crore) during the period 2011-16.

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 SPSUs are given in table below for three years ended 2015-16.

[7] This represents the value of assets transferred by State Government (Power Department) to TSECL (Company) when the activities in power sector were transferred (2007) to the Company.

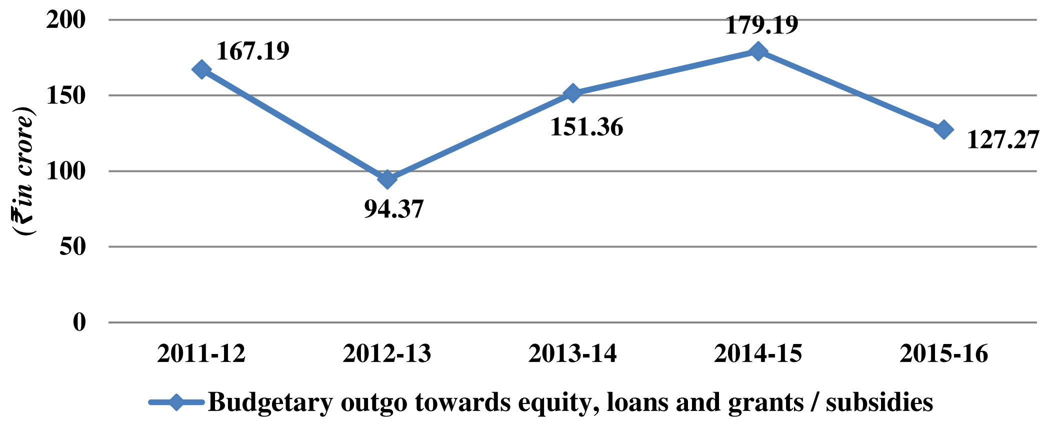
Table No. 3.1.4: Details regarding budgetary support to SPSUs

(₹ in crore)

Sl. No.	Particulars	2013-14		2014-15		2015-16	
		No. of SPSUs	Amount	No. of SPSUs	Amount	No. of SPSUs	Amount
1.	Equity capital outgo from budget	7	41.27	6	38.88	6	38.48
2.	Loans given from budget	-	0.00	1	12.00	-	-
3.	Grants/subsidy from budget	5	110.09	6	128.31	5	88.79
4.	**Total Outgo (1+2+3)[8]**	**9**	**151.36**	**11**	**179.19**	**10**	**127.27**
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 the graph below.

Chart No. 3.1.3: Budgetary outgo towards equity, loans and grants/subsidies



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 2011-12 to 2015-16. The budgetary outgo to SPSUs was at the peak in five years during 2014-15 at ₹ 179.19 crore and lowest during 2012-13 at ₹ 94.37 crore. During 2015-16, however, the budgetary outgo to SPSUs (₹ 127.27 crore) was significantly low (by 28.97 *per cent*) as compared to the budgetary outgo (₹ 179.19 crore) extended during 2014-15. The major beneficiaries of budgetary outgo during 2015-16 were TSECL (grant/subsidy: ₹ 69.00 crore), Tripura Jute Mills Limited (equity: ₹ 20.00 crore), TRTC (grants: ₹ 17.69 crore) and Tripura Handloom and Handicrafts Development Corporation Limited (equity: ₹ 10.00 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

[8] Actual number of SPSUs, which received equity, loans, grants/subsidies from the State Government.

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 2016 is stated in the table below.

Table No. 3.1.5: Equity, loans, guarantees outstanding as per the Finance Accounts *vis-à-vis* records of SPSUs

(₹ in crore)

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of SPSUs	Difference
Equity	1217.60	1285.85	68.25
Loans	43.50[9]	129.46	85.96
Guarantee	-	-	-

Audit observed that the differences occurred in respect of 11[10] SPSUs. During 2015-16, the differences in the figures of equity and loans were to the tune of ₹ 68.25 crore and ₹ 85.96 crore respectively. Corresponding differences in the figures of equity and loans during the year 2014-15 were to the tune of ₹ 54.96 crore and ₹ 85.69 crore respectively. Thus, the unreconciled differences in investment of State Government in equity of SPSUs had increased by ₹ 13.49 crore (24 *per cent*), while the same for loans decreased by ₹ 0.27 crore (0.32 *per cent*) during the year 2015-16. The State Government and the SPSUs 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 *viz.,* 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 2016.

Table No. 3.1.6: Position relating to finalisation of Accounts of working SPSUs

Sl. No.	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
1.	Number of working PSUs	13	13	13	13	13
2.	Number of Accounts finalised during the year	22	19	12	11	16
3.	Number of Accounts in arrears	26	20	21	23	20
4.	Number of Working PSUs with arrears in Accounts	13	10	11	12	12
5.	Extent of arrears (number in years)	1 to 6 years	1 to 3 years	1 to 5 years	1 to 6 years	1 to 2 years

9 Loans represents State Government loan to TSECL for power projects.
10 SPSUs at Sl. Nos. A.1, A.2 and A.4 to A.11 and B.1 of **Appendix 3.1.2.**

From the table, it could be observed that the number of accounts in arrears has decreased from 26 (2011-12) to 20 (2015-16). As on 30 September 2016, only one[11] out of 13 working SPSUs had prepared the upto date accounts and the accounts of remaining 12 working SPSUs had a backlog of 20 accounts for periods ranging from one to two years. The arrear of 20 accounts during 2015-16 included backlog of two accounts each in respect of seven Companies and one Statutory Corporation, and one accounts each in respect of four Companies 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 the SPSUs within the stipulated period. During the period 2015-16 (upto September 2016), the Ministries/departments concerned were informed (December 2015 and July 2016) regularly of the arrears in finalisation of accounts by these SPSUs. In addition, the Accountant General had also taken up (February 2016) the matter with the Chief Secretary, 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 2016 stood at 20 accounts in respect of 12 working SPSUs.

3.1.11 The State Government had invested ₹ 208.99 crore in 10 SPSUs {equity: ₹ 56.36 crore (eight SPSUs) and grants ₹ 152.63 crore (five SPSUs)} during the years for which these SPSUs have not 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 State 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 SARs issued by the CAG (up to 30 September 2016) on the accounts of the only Statutory Corporation in the State 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	2011-12	Nil	

The SARs issued by the CAG on the accounts of TRTC for the years upto 2011-12 were placed in the State Legislature by the Government. The audit of the accounts of the Corporation for the subsequent two years (*viz.*, 2012-13 and 2013-14) was completed and SARs were also issued (November 2016).

11 Tripura Natural Gas Company Limited.

Impact of non-finalisation of accounts

3.1.13 As pointed out above (**Paragraph Nos. 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 GSDP for the year 2015-16 could not be ascertained and their contribution to State exchequer was also not reported to the State Legislature.

It is, therefore, recommended that:

- **The State Government may set up a cell to oversee the clearance of arrears and set the targets for individual SPSUs, which would be monitored by the cell.**
- **The State Government may ensure that existing vacancies in the accounts department of SPSUs 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 State Government Companies and the only Statutory Corporation are detailed in **Appendix- 3.1.2**. A ratio of SPSU turnover to GSDP shows the extent of SPSU activities in the State economy. The table below provides the details of working SPSU turnover and GSDP for a period of five years ending 2015-16.

Table No. 3.1.8: Details of working SPSUs turnover *vis-à-vis* GSDP

(₹ in crore)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Turnover[12]	419.52	466.52	539.43	548.84	706.39
GSDP[13]	18795.53	21289.38	25039.40	29113.19 (P)	33189.03 (A)
Percentage of Turnover to GSDP	2.23	2.19	2.15	1.88	2.13

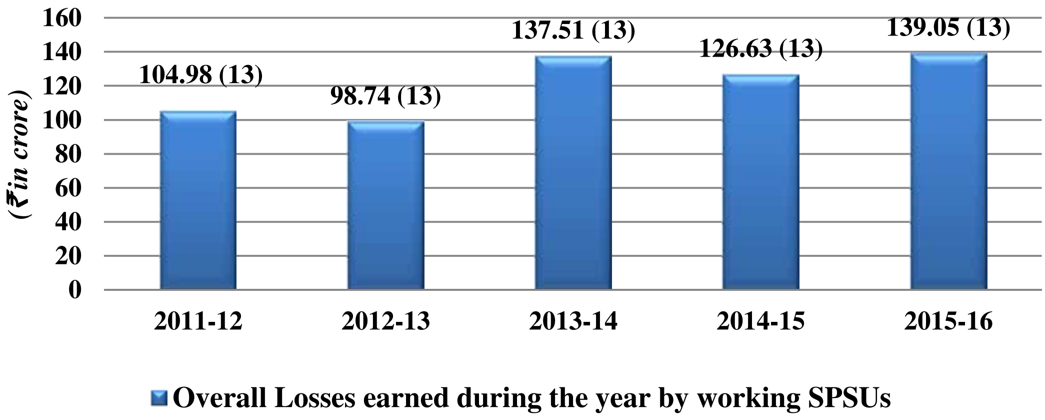
As can be noticed from the table, the turnover of the working SPSUs showed a continuous growth during 2011-12 to 2015-16. The overall contribution of SPSU turnover to GSDP in terms of year-wise percentage of turnover to the GSDP however had shown a decreasing trend during four years from 2011-12 to 2014-15. This was indicative of the fact that the growth in the turnover of the SPSUs during 2011-15 was not very encouraging as compared to the year wise growth in the GSDP figures during these years. The percentage of SPSU turnover over GSDP during 2015-16, however, had increased to 2.13 *per cent* from 1.88 *per cent* (2014-15) due to increase of 28.70 *per cent* (₹ 157.55 crore) in SPSU turnover during 2015-16. The increase in SPSU turnover was mainly due to significant increase of 45 *per cent* (₹ 160.68 crore) in the turnover of the power sector Company (*viz.*, TSECL) during 2015-16.

[12] Turnover as per the latest finalised accounts of SPSUs as on September 2016.

[13] GSDP figures taken as per Quarterly Review Report of the Finance Minister for the 3rd quarter of 2015-16; (P)=Provisional, (A)=Advance.

3.1.15 Overall losses[14] incurred by 13 working SPSUs during 2011-12 to 2015-16 are given below in **Chart No. 3.1.4**

Chart No. 3.1.4: Losses of working SPSUs (No. of working PSUs)



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

From the chart above, it can be seen that the working SPSUs incurred losses in all the five years during 2011-12 to 2015-16. Significant overall losses incurred by working SPSUs during 2011-12 to 2015-16 were mainly due to heavy losses incurred by the power sector SPSU *viz.,* TSECL.

During the year 2015-16, out of 13 working SPSUs, five SPSUs earned aggregate profit of ₹ 16.00 crore, while eight SPSUs incurred loss of ₹ 155.05 crore. Major contributors to profit of SPSUs were Tripura Natural Gas Company Limited (₹ 9.36 crore) and Tripura Forest Development & Plantation Corporation Limited (₹ 4.61 crore). Heavy losses were incurred by TSECL (₹ 106.73 crore), Tripura Jute Mills Limited (₹ 19.44 crore), Tripura Industrial Development Corporation Limited (₹ 11.66 crore) and Tripura Handloom and Handicrafts Development Corporation Limited (₹ 10.39 crore).

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 in table below.

Table No. 3.1.9: Key parameters of State PSUs

(₹in crore)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Return on total Capital Employed (*per cent*)	Negative	Negative	Negative	Negative	Negative
Debt	203.77	276.20	205.91	245.46	140.56
Turnover[15]	419.52	466.52	539.43	548.84	706.39
Debt/Turnover Ratio	0.49:1	0.59:1	0.38:1	0.45:1	0.20:1
Interest Payments	9.37	10.33	10.50	10.54	0.69
Accumulated losses	348.01	348.03	489.43	634.48	762.48

[14] As per the latest finalised accounts of working SPSUs as on 30 September of the respective year.
[15] Turnover of working SPSUs as per their latest finalised accounts as of 30 September of the respective year.

From the **Table No. 3.1.9** it can be noticed that during 2011-16 the overall debt position of the SPSUs showed a mixed trend. The outstanding debt of SPSUs during 2015-16 mainly consisted of the borrowings (₹ 128.41 crore) of one SPSU, *viz.,* Tripura Industrial Development Corporation Limited. The accumulated losses of SPSUs had increased by 45.64 *per cent* during 2011-16 from ₹ 348.01 crore (2011-12) to ₹ 762.48 crore (2015-16). The accumulated losses of SPSUs had increased significantly by ₹ 414.45 crore (102 *per cent*) after 2012-13 mainly due to the aggregate losses of ₹ 214.17 crore incurred by the power sector SPSU (*viz.,* TSECL) as per its accounts finalised during 2014-15and 2015-16. The return on total capital employed during last five years from 2011-16 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 2016, five SPSUs earned an aggregate profit of ₹ 16.00 crore. None of these SPSUs however, had declared any dividend during the year 2015-16.

Winding up of non-working SPSUs

3.1.18 As on 31 March 2016, there was only one non-working SPSU (*viz.,* Tripura State Bank Limited) 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 State Government may expedite the process of winding up of the non-working SPSU.

Accounts Comments

3.1.19 Nine working Companies had forwarded 14 accounts to the Accountant General, Tripura during the year 2015-16 (October 2015 to September 2016). All these 14 accounts of nine Companies were selected for Supplementary Audit. The audit reports of Statutory Auditors appointed by the CAG and the Supplementary Audit conducted by the CAG indicate that the quality of maintenance of SPSU accounts needs to be improved substantially. The details of aggregate money value of comments of Statutory Auditors are given in table below.

Table No. 3.1.10: Impact of audit comments on working Companies

(₹ in crore)

Sl. No.	Particulars	2013-14		2014-15		2015-16	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	1	1.93	2	1.13	5	6.32
2.	Increase in loss	7	8.39	2	6.98	6	7.16
3.	Non-disclosure of material facts	2	102.61	-	-	1	16.39
4.	Errors of classification	1	0.95	-	-	6	16.79

During the year, the Statutory Auditors had given qualified certificates on all 14 accounts. The compliance of Companies with the Accounting Standards (AS) remained poor as there were 15 instances of non-compliance with the Accounting Standards in 11 accounts during the year. The audit comments were based mainly on the non-compliance with the Accounting Standards *viz.,* AS-1 (Disclosure of Accounting Policies), AS-5 (Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies), AS-6 (Depreciation Accounting), AS-10 (Accounting for Fixed Assets), AS-12 (Accounting for grants), AS-15 (Employee Benefits), AS-16 (Borrowing Costs), AS-20 (Earnings Per Share), AS-22 (Accounting for Taxes on Income)and AS-26 (Intangible Assets).

Similarly, the only working Statutory Corporation in the State (*viz.,* Tripura Road Transport Corporation) for which the CAG is the sole auditor, had forwarded two accounts to Accountant General, Tripura during the year 2015-16. The audit of the accounts forwarded by the Corporation had been completed and qualified audit certificates on both the accounts were issued (November 2016).

Response of the State Government to Audit

Performance Audits and Paragraphs

3.1.20 For the Economic Sector (PSUs) Chapter of the Report of the CAG for the year ended 31 March 2016, one Performance Audit report on "Working of Tripura Small Industries Corporation Limited", Agartala functioning under the administrative control of Industries and Commerce Department, Government of Tripura was issued (September 2016) to the Principal Secretary of the Department. The replies of the State Government to the Performance Audit report were received in November 2016.

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 department concerned is given in table below:

Table No. 3.1.11: Explanatory notes not received (as on 30 September 2016)

Year of the Audit Report (Commercial/ SPSU)	Date of placement of Audit Report in the State Legislature	Total performance audits and paragraphs in the Audit Report		Number of performance audits/paragraphs for which explanatory notes were not received	
		Performance audits	Paragraphs	Performance audits	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
2013-14	10-08-2015	1	3	1	3
2014-15	23-03-2016	1	2	1	2
Total		**5**	**13**	**3**	**12**

From the above, it could be seen that out of 18 paragraphs/performance audits, explanatory notes to 15 paragraphs/performance audits in respect of four departments, which were commented upon, were awaited (September 2016).

Discussion of Audit Reports by COPU

3.1.22 The status as on 30 September 2016 of performance audits and paragraphs relating to SPSUs that appeared in the SARs and discussed by the COPU was as given in table below.

Table No. 3.1.12: Performance audits/paras appeared in State Audit Reports *vis-à-vis* discussed by COPU as on 30 September 2016

Period of Audit Report	Number of performance audits/paragraphs			
	Appeared in Audit Report		Paras discussed	
	Performance audits	Paragraphs	Performance audits	Paragraphs
2007-08	2	4	2	4
2008-09	1	4	1	4
2009-10	1	2	1	2
2010-11	1	2	Nil	2
2011-12	1	3	Nil	Nil
2012-13	1	3	Nil	Nil
2013-14	1	3	Nil	Nil
2014-15	1	2	Nil	Nil
Total	**9**	**23**	**4**	**12**

Compliance to Reports of the COPU

3.1.23 Action Taken Notes (ATNs) to 50 recommendations pertaining to nine reports of the COPU presented to the State Legislature between November 2010 and February 2015 had not been received (September 2016) as indicated in table 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	4	22	13
2011-12	3	14	14
2012-13	Nil	Nil	Nil
2013-14	1	10	10
2014-15	1	4	4
2015-16	Nil	Nil	Nil
Total	**9**	**50**	**41**

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 for the years 1989-90 to 2008-09.

It is recommended that the State 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.

Coverage of this report

3.1.24 This report contains one Performance Audit *viz.,* “Working of Tripura Small Industries Corporation Limited” involving financial effect of ₹ 1.95 crore.

Disinvestment, restructuring and privatisation of SPSUs

3.1.25 No disinvestment, privatisation or restructuring of SPSUs occurred in the State of Tripura during the year 2015-16.

INDUSTRIES AND COMMERCE DEPARTMENT

(Tripura Small Industries Corporation Limited)

3.2 Working of Tripura Small Industries Corporation Limited

The Tripura Small Industries Corporation Limited was incorporated in April 1965 with the aim to finance, protect and promote small enterprises in the State of Tripura. At present, the activities of the Company include production of bricks, blending and sale of rectified spirit, marketing of miscellaneous items, etc. The Performance Audit was taken up to assess the performance of the Company covering the period of five years from 2011-12 to 2015-16 with focus on economy, efficiency and effectiveness of its operations.

Highlights

The Company's turnover shrunk from ₹ 25.94 crore in 2011-12 to ₹ 14.69 crore in 2015-16. Only two branches *viz.,* Country Spirit and Marketing earned profits during 2011-12 to 2014-15 but the same were not enough to meet the total expenses of the Company during these years.

(Paragraph 3.2.9)

The Company had not prepared action plan to overcome the problems of shortage in working capital, excess manpower and dependence on the Government of Tripura (State Government). The State Government provided (2011-16) financial assistance (₹ 15.62 crore) to the Company as per the commitment made in the Memorandum of Understandings (MoUs) signed between the Company and the State Government. However, the financial assistance was not even sufficient to absorb cash loss (₹ 16.87 crore) of the Company during 2011-16. Turnover targets under MoUs were fixed without reference to actual performance of the Company.

(Paragraph 3.2.10, 3.2.12)

The Company did not maintain complete and up-to-date database of Micro, Small and Medium Enterprises (MSME) vendors enlisted during the past five years for supply of various items to State Government departments/agencies, leaving scope for defaults in supply.

(Paragraph 3.2.17)

The Company had neither prescribed any method or periodicity of price revision for wooden and steel furniture nor had cross checked the rates submitted by vendors with reference to the prevailing rates/indices obtained from various Government sources. As a result the Government buyers ended up paying higher prices.

(Paragraph 3.2.19)

The Company incurred loss on production of bricks during the period 2011-15. The reasons for loss were inadequate production of bricks, damage to green bricks and production of sub-standard bricks beyond norms and excess consumption of coal, etc.

(Paragraphs 3.2.22, 3.2.23, 3.2.25 & 3.2.27)

The Company had not complied with the statutory requirements in respect of several brickfields. Further, the Company approached Tripura State Pollution Control Board (TSPCB) for obtaining "consent to establish" the Country Spirit blending and packing plant at the Bonded warehouse in Badharghat only in September 2014 although the Company had been in the business of blending the rectified spirit into country spirit since 1990.

(Paragraphs 3.2.32& 3.2.33)

There were no manuals in existence for various functional areas like accounts, establishment, etc. No internal audit had been conducted by the Company during 2011-16.

(Paragraph 3.2.34)

Introduction

3.2.1 The Tripura Small Industries Corporation Limited (Company) was incorporated (April 1965) as a wholly-owned State Government Company with the aim to finance, protect and promote small enterprises in the State of Tripura. The main objectives of the Company were:

- to provide small industries in Tripura with capital, credit, means, resources and technical/managerial assistance;
- to enter into contracts with State Government as well as their agencies for manufacture/supply of goods by sub-contracting;
- to promote and operate schemes for development of small industries in Tripura;
- to manufacture, buy, sell or deal in materials, goods of any description.

3.2.2 At present, the activities of the Company include production of bricks, blending and sale of rectified spirit to licensed vendors as country spirits, marketing of wooden/steel furniture, trading of miscellaneous items like stationery, computers, etc., disposal of building/metal scrap, sale of auto spares, repairing of furniture at the State Secretariat and operation of electronic weighbridge. These activities are under separate business verticals referred to as branches.

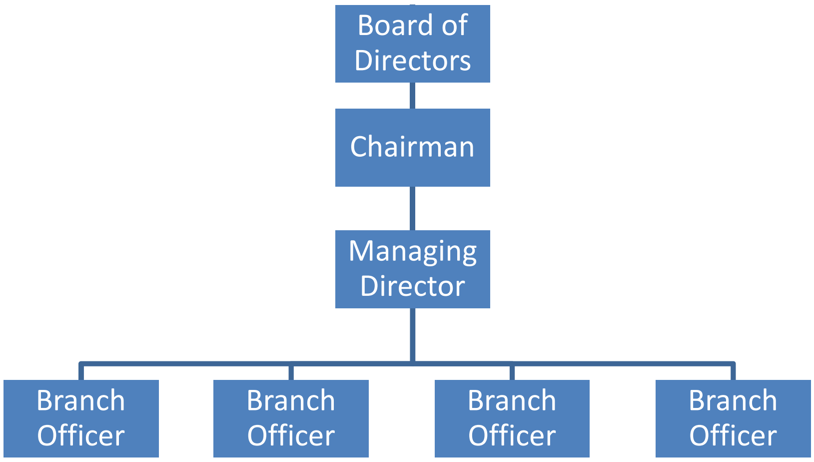
Organisational set-up

3.2.3 The Company operates under the administrative control of Industries and Commerce Department, Government of Tripura. The Management of the Company is vested in a Board of Directors (BoDs). As of March 2016, the BoDs consisted of five Directors including the Chairman and the Managing Director (MD), all appointed by

State Government. The MD is the Chief Executive and is assisted by four Branch Officers in charge of the Company's functions/operations.

As of 31 March 2016, the Company was having four divisional units called business verticals or branches. Each branch was headed by a Branch Officer.

Chart No. 3.2.1: Organisational Chart



Scope of audit

3.2.4 The performance of the Company covering the period of five years (1992-93 to 1996-97) was featured in the Report of the CAG for the year ended 31 March 1997, Government of Tripura. The Report was discussed (January 2002) by the Committee on Public Undertakings (COPU) and its recommendations were placed (18 January 2006) in the Tripura Legislative Assembly (TLA).

3.2.5 The present status on the compliance by the Company to the recommendations of COPU has been discussed under **Paragraph No. 3.2.35.**

The audit was conducted between May and August 2016 and covered the activities of the Company for the period of five years from 2011-12 to 2015-16. Out of total 13 branches of the Company, only seven branches were functional as of March 2016. Out of these seven functional branches, three branches (*viz.,* Bricks, Jirania branch; Country Spirits, AD Nagar branch and Marketing at Head Office) representing 95 *per cent* of total turnover of the Company during 2011-16, were selected as sample for detailed examination based on 'Judgmental Sampling method'.

Audit objectives

3.2.6 The present PA was carried out to assess whether:

- an adequate planning mechanism existed for promoting and developing small industries in the State and also for suitably addressing the shortcomings, if any, in achievement of goals;

- the Company was able to achieve the objectives envisaged in the MoU with the State Government;
- the activities taken up by the Company were in sync with it's objectives and executed in an efficient, economic and effective manner;
- an effective internal control and monitoring mechanism was in place to ensure achievement of the Company's objectives.

Audit criteria and methodology

3.2.7 The following audit criteria were adopted to evaluate the performance of the Company:

- Industrial policy of State Government;
- Directions of State Government issued from time to time;
- Micro, Small and Medium Enterprises (MSME) Development Act 2006 and other relevant Acts;
- Annual targets set by State Government under the MoUs entered with the Company;
- Agenda and minutes of meetings of BoDs of the Company;
- Policies, procedures, circulars and other instructions issued by the Company from time to time;
- Best industrial practices;
- Standard practices relating to Corporate Governance and internal control.

3.2.8 An entry conference was held (6 May 2016), wherein the audit objectives, scope and methodology were explained to the Management of the Company. The draft report was issued to the State Government in August 2016. An exit conference was held with the Special Secretary, Industries and Commerce Department on 18 October 2016. During discussion, the Special Secretary, Industries and Commerce Department while accepting the audit findings had assured to take appropriate remedial action on the deficiencies pointed out in the Report. The replies submitted (November 2016) by the State Government/Company to the draft Audit Report have been suitably considered while finalising the Report. Audit acknowledges the co-operation extended by the State Government/Company during the course of the audit.

Audit findings

Financial performance

3.2.9 As of September 2016, the Company had finalised its annual accounts upto 2013-14 and its accounts for two years (*viz.,* 2014-15 and 2015-16) were in arrears. The working results of the Company for the five years from 2011-12 to 2015-16 are given in **Table No. 3.2.1**.

Table No. 3.2.1: Working results, contribution and loss from 2011-12 to 2015-16

(₹in crore)

Sl. No.	Particulars	2011-12	2012-13	2013-14	2014-15 (P)	2015-16 (P)
1	No. of functional branches (total branches)	11 (13)	10 (13)	8 (13)	8 (13)	7 (13)
2	Revenue from operations (Turnover)	25.94	22.96	18.74	17.41	14.69
3	Variable cost	24.67	22.21	16.65	16.81	13.88
4	Contribution (2-3)	1.27	0.75	2.09	0.60	0.81
5	Profit Volume (P/V) Ratio (Percentage) (4/2)x100	4.90	3.27	11.15	3.45	5.51
	Fixed Costs					
6	Employee Benefits Expense	3.49	3.18	5.19	3.72	4.11
7	Depreciation &Amortisation	0.22	0.11	0.13	0.16	0.15
8	Other Expenditure	2.14	1.87	0.73	0.73	0.84
9	**Total Fixed Costs (6+7+8)**	**5.85**	**5.16**	**6.05**	**4.61**	**5.10**
10	Other Income	1.35	0.71	0.77	0.50	0.28
11	Total fixed cost to be recovered from contribution (9-10)	4.50	4.45	5.28	4.11	4.82
12	Loss for the year (4-9+10)	3.23	3.70	3.19	3.51	4.01
13	**Break-even revenue from operations* (11/(4/2))**	**91.91**	**136.23**	**47.34**	**119.26**	**87.41**
14	Break even revenue to actual revenue for the year (No. of times) (13/2)	3.54	5.93	2.53	6.85	5.95

Source: Annual Accounts for 2011-12 to 2015-16; (P – Provisional)

* Break-even revenue = (Total fixed costs to be recovered from contribution/PV ratio)

It can be seen from the table that -

- The number of functional branches of the Company had reduced from 11 (2011-12) to 7 (2015-16) with corresponding reduction in the turnover by 43.37 *per cent* from ₹ 25.94 crore (2011-12) to ₹ 14.69 crore (2015-16). The downward trend in the turnover of the Company was mainly attributable to its dependence on the work/supply orders from the State Government as discussed under **Paragraph No. 3.2.16**.

- The Company's break-even turnover was very high during the years from 2011-12 to 2015-16 and increased from 3.54 (2011-12) to 5.95 (2015-16) times of actual turnover. The main reason for this high level of 'break-even' was high level of fixed costs (mainly the employee related expenses) and low contribution[16] ranging between 3.27 *per cent* (2012-13) and 11.15 *per cent* (2013-14) of the turnover, which was insufficient to recover the fixed costs in all five years under reference. The profitability analysis of the branches of the Company

[16] Contribution represents the revenue earned by the Company after meeting the variable costs *i.e.*, cost of materials and labour.

further revealed that only two branches (*viz.,* Country Spirit and Marketing) of 13 had earned profits during the four years from 2011-12 to 2014-15. During the year 2015-16, however, the Country Spirit had incurred a loss (₹ 9.21 lakh) while the figures of the Marketing branch for 2015-16 were not available. The profits earned by the branches during 2011-12 to 2014-15 were however, inadequate to meet the total expenses of the Company during these years.

Inadequate planning to promote and develop small industries in the State

Planning for fulfilment of objectives

3.2.10 The Tripura Industrial Investment Promotion Policy 2007 (TIIPP) stipulated that the main functions of the Company would be to aid and promote small industries in the State and also to render marketing assistance to MSMEs in the State. The Company was, however, facing the problems of working capital shortage, excess manpower and dependence on equity support from State Government for maintaining its regular activities. To overcome these problems, the Company as per the stipulations made in TIIPP was required to prepare a five-year action plan to reduce its financial dependence on State Government by reducing equity support by 10 *per cent* annually. This was to be achieved by increasing the Company's business activities and by restructuring the organisation structure. It was observed that despite clear stipulations in this regard under TIIPP, the Company did not prepare any action plan till March/December 2015. On insistence by the Chief Secretary of the State and Directorate of Industries and Commerce Department, Government of Tripura, the Company finally submitted (August/December 2015) three year action plans for two consecutive terms (2015-18 and 2018-19) to State Government**.**

Further, during the years 2011-12 to 2014-15, the State Government had also submitted[17] Annual Plans at the request of the erstwhile Planning Commission, Government of India (GoI). These plans specified consolidated physical and financial targets for different activities of State Government including the annual turnover targets to be met by the Company. As the GoI had disbanded the Planning Commission from 1 January 2015, there was no request for Annual Plan 2015-16. Since the disbursement of funds by GoI was no longer tied to submission of an Annual State Plan, State Government did not prepare Annual Plans from 2015-16 onwards.

Scrutiny of records of the Company revealed that it had never prepared any action plan, perspective plan or vision statement to attain the annual turnover targets.

It was also observed that to promote industrial development in small scale sector and also to improve the performance of the Company, State Government annually entered into MoU with the Company from the XIth Five Years Plan period beginning in April 2007. These MoUs laid down annual objectives/specified criteria to be attained each year by the Company as well as the corresponding role/responsibilities of State Government in facilitating the Company to attain the said objectives. The performance

[17] 2011-12: 12 October 2010, 2012-13: 25 November 2011, 2013-14: 4 January 2013, 2014-15: 2 December 2013.

of the Company was to be reviewed on annual basis by the Industries and Commerce Department, Government of Tripura against the criteria fixed for operating manufacturing units, etc. on quarterly basis.

During scrutiny of records of the Company, it was noticed that as per the MoUs for the period 2011-16 State Government was to provide financial assistance, in the form of equity to the Company. As against the Company's aggregate cash loss (excluding depreciation and amortisation) of ₹ 16.87[18] crore incurred by the Company during the period 2011-16 State Government released ₹ 15.62 crore only (92.59 *per cent*) during the period of five years under reference. Thus, the financial assistance provided by State Government was not sufficient to the extent of ₹ 1.25 crore in covering even the cash loss of the Company for five years, which was against the spirit of the MoUs.

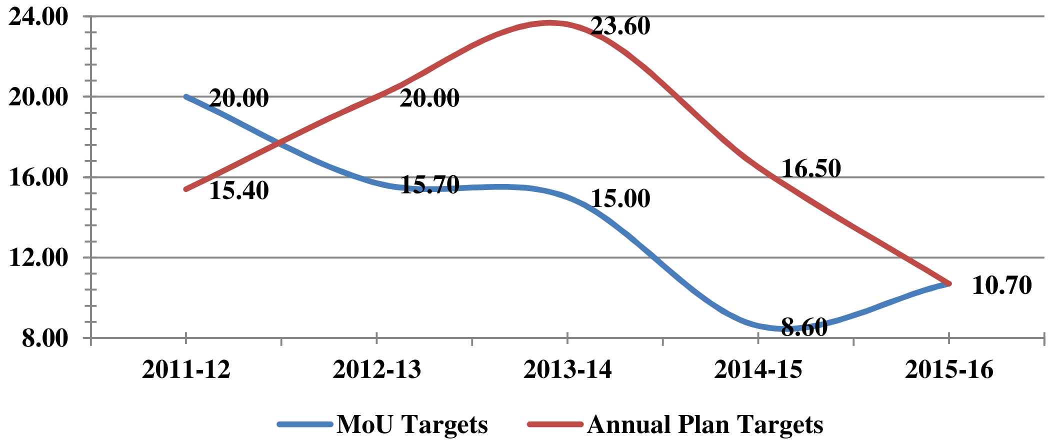
Further, as per the directions (July/August 2014) issued by State Government, the Company was required to discontinue the production of bricks with effect from 2015-16. It was noticed that the above directions of State Government were not in line with the recommendations (January 2006) of COPU regarding increasing the production of bricks by the Company as discussed under **Paragraph Nos. 3.2.5** and **3.2.35**. The MoU for 2015-16, however, continued to include the targets for manufacturing of bricks, ignoring the State Government's directions (July/August 2014) in the MoU entered for 2015-16.

Achievement against the objectives envisaged in the Memorandum of Understandings

3.2.11 Scrutiny of records of the Company revealed that there was variance between the annual consolidated turnover targets of the Company fixed under the MoUs entered with the State Government and that mentioned in the Annual Plans prepared and submitted by State Government to the Planning Commission, GoI for the years 2011-12 to 2015-16 (excepting for the year 2015-16) ranging between ₹ 4.30 crore (2012-13) and ₹ 8.60 crore (2013-14) as depicted in the **Chart No.3.2.2** below:

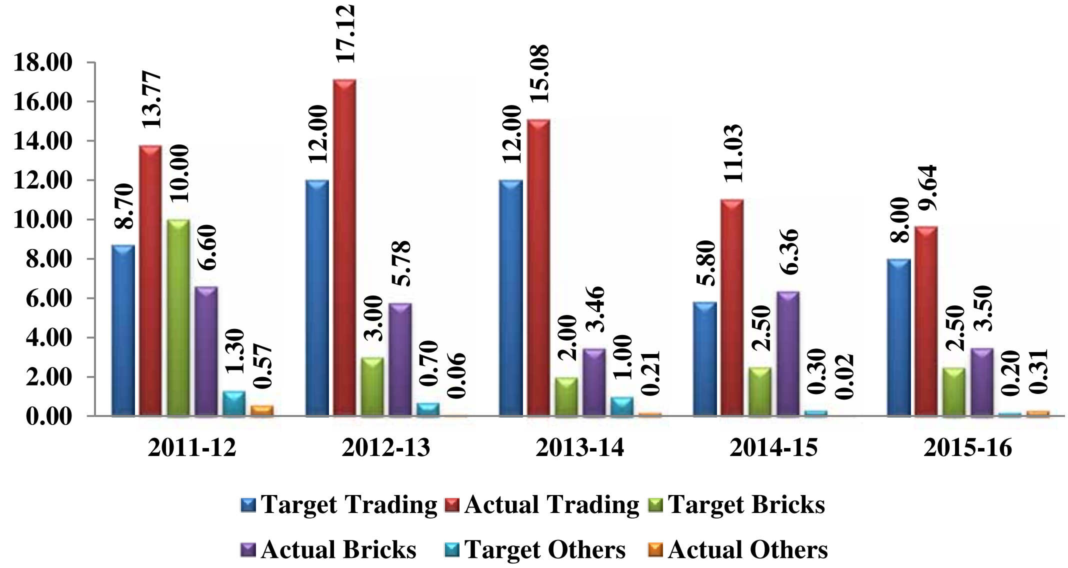
[18] Total cash loss ₹ 16.87 crore -2011-12 (₹ 3.01 crore), 2012-13 (₹ 3.59 crore), 2013-14 (₹ 3.06 crore), 2014-15 (₹ 3.35 crore), 2015-16 (₹ 3.86 crore).

Chart No.3.2.2: Annual turnover targets of the Company as per GoT plans vis-a-vis MoU targets (₹*in crore*)



3.2.12 The activity-wise turnover[19] of the Company *vis-à-vis* MoU targets for each of the five years from 2011-16 is depicted in **Chart No. 3.2.3** below:

Chart No. 3.2.3: Activity-wise turnover targets as per MoU and achievements (₹*in crore*)



Source: MoU, Accounts of the Company
Note: Actual turnover for 2014-15 is provisional and for 2015-16 estimated

The performance of the Company with reference to the consolidated turnover targets fixed under the Annual Plans submitted to Planning Commission (GoI) for the years 2011-16[20] was also examined. Summarised position of annual turnover of the Company *vis-à-vis* the annual turnover targets fixed in the annual plans of State Government for the years from 2011-16 is depicted in **Chart No. 3.2.4**.

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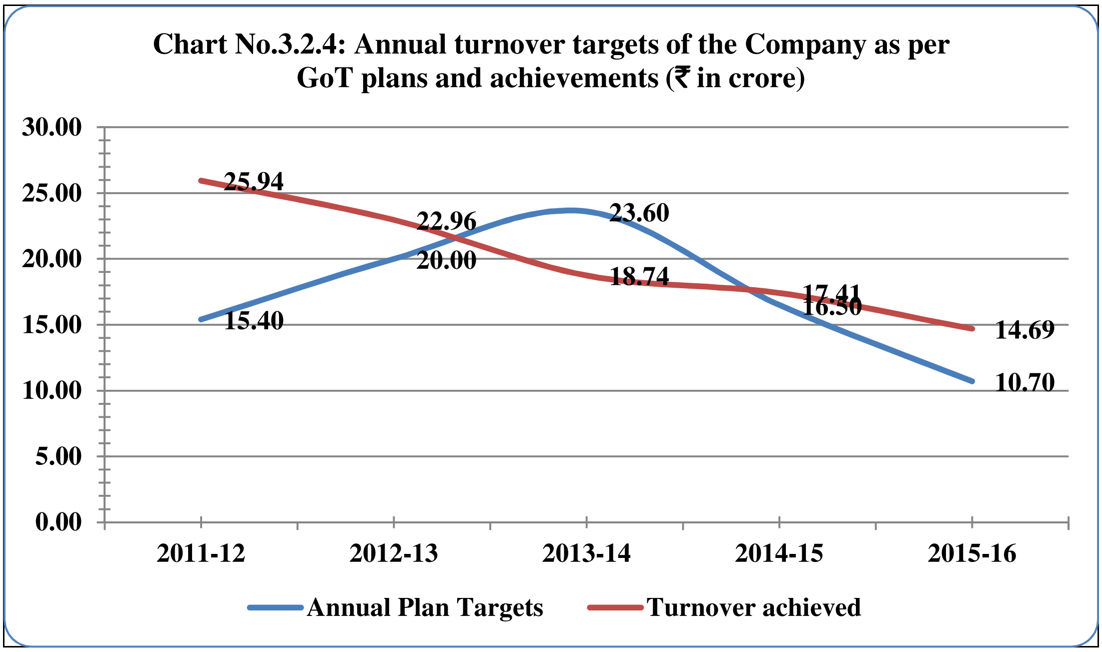
[19] The activities of the Company are classified into three indicators viz. Trading, Bricks and Others.
[20] Targets for 2015-16 adopted from the three year Action Plan (2015-18) submitted to State Chief Secretary & DIC.



Source: Annual Plans of State Government /Company, Company Accounts
Note: Actual turnover for 2014-15 is provisional and for 2015-16 estimated

The above charts show that there were wide variations between the targets fixed under the MoUs/annual plans of State Government and achievements there against in all the five years under reference. In most cases, the targets of subsequent years had been fixed substantially below the actual achievements during immediately preceding year. This indicated that the turnover targets under MoUs were fixed without reference to actual performances in previous years leading to unrealistic assessment of the Company's prospects.

Activities of the Company

3.2.13 No criteria were fixed by the State Government and the Company to assess the performance of the Company with regard to the objectives of the Company. As per the primary objective, the Company was to promote MSME in the State by providing marketing support to small entrepreneurs. The MoUs entered between the Company and State Government also provided that the Company had to **(i)** participate in and promote industrial development of MSME sector in Tripura by providing backward and forward linkages while maintaining commercial viability of all operations and **(ii)** provide raw materials for MSME as well as marketing link for products of MSME.

Further, the primary objectives of the Company also included financing the MSMEs in the State with capital, credit, means, etc. It was however, noticed that the Company did not provide any financial assistance or industrial infrastructure to the MSMEs ignoring the basic objective of its formation. It was further noticed that the MoUs entered between State Government and the Company had no stipulations regarding the targeted activity against this vital objective of the Company. This indicated inadequate planning and focus of the Company/State Government in promotion and development of MSMEs in the State.

Business branches

3.2.14 As on 1 April 2011, the Company had total 13 branches (including 11 working). The number of operational branches, however, reduced from 11 (2011-12) to seven (2015-16) mainly due to operational losses, lack of sufficient orders from State Government, etc. During the five years (2011-16) covered under audit, nine out of 11 operational branches incurred losses, while only two branches (*viz.,* Country Spirits and Marketing)[21] had made aggregate profits of ₹ 0.66 crore (during these five years) and ₹ 3.51 crore (during four years from 2011-12 to 2014-15) respectively. Among loss incurring branches, Bricks branch incurred the highest loss aggregating ₹ 4.88 crore (during four years from 2011-12 to 2014-15[22]) after meeting all direct expenses.

Three branches (*viz.,* Marketing, Bricks and Country Spirits) out of 11 operational branches representing 95 *per cent* of the total turnover of the Company were selected for detailed examination in the present audit. The broad audit observations emerged have been discussed in the succeeding paragraphs.

Marketing activities

3.2.15 Providing marketing support to MSMEs was one of the primary role of the Company in promoting MSMEs in the State as per its laid down objective. Marketing development assistance of the Company comprises the purchase of furniture (steel and wooden), foodstuff, chemicals and other miscellaneous items such as stationery, office consumables, computers, peripherals, office duplication equipment, scientific/musical equipment, materials for public works, etc. from the MSME vendors enlisted with it for onward supply to various State Government departments and agencies.

While reiterating their earlier instructions (October 1985, March 1991 and March 1995) State Government directed (July 1997) all State Government departments and agencies to route their purchases of steel and wooden furniture, automobile spare parts, tyres and tubes, lubricants, etc. only through the Company and to avoid direct purchases from traders.

The Company enlisted MSME vendors for supply of different products in three categories *viz.,* wooden furniture, steel furniture and miscellaneous items. The BoD of the Company decided (June 2008) that the prevailing system of prioritising those enlisted MSME vendors who had collected the supply orders (in the Company's name) from various State Government departments/agencies would be continued. In addition, supply orders coming directly from State Government departments/agencies would be distributed amongst all enlisted vendors by rotation. It was however, observed that the Company had not taken steps to secure orders directly from State Government departments and agencies and instead depended on enlisted MSME vendors for collection of orders on behalf of the Company.

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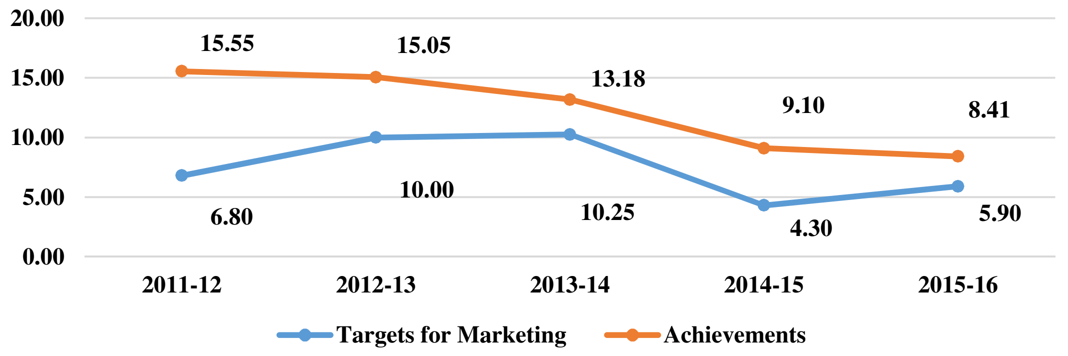
[21] Profit/loss figures of Marketing branch for 2015-16 not available.
[22] Profit/loss figures of Bricks branch for 2015-16 not available.

Targets and turnover

3.2.16 The summarised trading performance of the Marketing branch with reference to the annual targets fixed under MoUs for the five years from 2011-16 has been depicted in **Chart No. 3.2.5**.

Chart No. 3.2.5: MoU targets vis-à-vis achievements of Marketing branch for the five year from 2011-12 to 2015-16 (*₹in crore)*



Source: Information furnished by the Company, Annual Accounts, MoU, etc. Achievements for 2014-15 and 2015-16 are provisional.

It would be seen from the chart that –

- The Company had exceeded the targets fixed under the MoUs entered with State Government in all five years by 28.59 (2013-14) to 128.68 *per cent* (2011-12). This was indicative of the fact that the annual targets fixed were not realistic.

- The targets had been fixed without reference to previous year's performance of the Marketing branch. The Company had adopted this approach on the plea of its being entirely dependent on different departments/agencies of the State Government for supply orders. The unrealistic fixation of targets was proving the entire exercise of planning and fixing of targets to be unfruitful.

- Turnover had declined by 46 *per cent* from ₹ 15.55 crore in 2011-12 to ₹ 8.41 crore in 2015-16. This substantial downfall in the performance of Marketing branch was mainly attributable to the mandatory directions issued (September 2012) by State Government that marketing activities of the Company should facilitate selling of products produced by local industries. The directions of State Government also stipulated that the Company should make purchases only from manufacturers at competitive rates determined through tenders and not from local retailers at maximum retail price. The above directions of the State Government were issued with a view to promote the small industries in the State in line with the laid down objectives of the Company. Consequently, the Company had kept in abeyance marketing of miscellaneous products since October 2012. Ultimately, it had resumed sales of miscellaneous items based on the decision of BoD in October 2014 as discussed under **Paragraph No. 3.2.20**.

Enlistment of vendors

3.2.17 The Company enlisted[23] MSME vendors for supply of steel/wooden furniture as well as miscellaneous items like food grain, chemical and others. The BoD of the Company enhanced (April 2013) the enlistment fee from ₹ 300 to ₹ 2,000. It also decided that enlisted vendors should renew their registration every three years on payment of renewal fee of ₹ 1,000. For the purpose of enlisting the MSME firms with the Company, the vendors were required to furnish various details relating to their status (manufacturer/local retailer/reseller), trade license, Tripura Value Added Tax (TVAT) registration, PAN, registration as a MSME, TSPCB clearance and forest trade license, etc.

The BoDs of the Company had emphasised (June 2008) on maintaining the quality of material and goods supplied by enlisted MSME vendors to various State Government departments/agencies. To ensure the supply of quality goods/material, the BoD had also emphasised on the need for inspection of stock of the MSME vendors before their supply to the indenting departments/agencies. Contrary to the essence behind the above instructions of the BoD, however, it was observed that the Company had not maintained the complete and updated database of vendors enlisted with the Company during the past five years, MSME vendors renewing their enlistment, related category of products (other than steel and wooden furniture) for each enlisted vendor, the quantum of orders obtained by each vendor, the position of execution of orders and performance evaluation/rating of each vendor so as to ensure timely and quality supply of goods. Further, there was nothing on record to indicate that at the time of renewal, the Company had verified the fulfilment of enlistment criteria by the enlisted vendors, etc. Reasons for non-maintenance of the above details relating to the vendors, which were very vital to ensure the quality of supplies were not on record.

Hence, in view of the deficiencies discussed above, the Company failed to effectively monitor the performance of vendors or assisted MSMEs. As a result the possibility of vendors getting enlisted despite defaults in supply, supply of sub-standard goods, etc. could not be ruled out.

Supply orders distributed between few vendors

3.2.18 The Company enlisted MSMEs as vendors for supply of wooden/steel furniture. A summarised position of the total number of furniture vendors enlisted with the Company, number of vendors on whom the orders were placed and value of such orders for the five years from 2011-16, as per the records of the Company has been depicted in **Table No. 3.2.2** below:

[23] The Company enrolls the MSME firms for supply of wooden/steel furniture and miscellaneous items to the different Government departments/undertakings.

Table No. 3.2.2: Statement of enlisted vendors, number of orders placed during 2011-16

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16	Total
Wooden Furniture						
Number of enlisted suppliers	18	12	13	15	18	-
Number of suppliers on whom orders placed	8	7	9	14	10	19*
Total value of supply orders (₹ in lakh)	52.56	253.38	202.37	131.83	252.94	893.08
Average value per supplier (₹ in lakh)	6.57	36.20	22.49	9.42	25.29	47.00
Steel Furniture						
Number of enlisted suppliers	34	33	32	22	25	-
Number of suppliers on whom orders placed	28	23	21	18	20	34*
Total value of supply orders (₹ in lakh)	340.44	449.72	287.77	444.91	168.25	1,691.09
Average value per supplier (₹ in lakh)	12.16	19.55	13.70	24.72	8.41	49.74

Source: Order registers for Wooden Furniture and Steel furniture for the period 2011-16
* Actual number of suppliers on whom the orders were placed during 2011-16

As per the Census 2007 conducted by the Ministry of MSMEs, GoI, total number of working enterprises in Tripura, as at March 2007, was 1.10 lakh, of which 1,253 units were registered while remaining 1.09 lakh were unregistered. As of March 2016, total number of registered MSME units increased to 3,423 units, which included total 2,500 operational units.

Analysis of data given in **Table No. 3.2.2** revealed that the total number of vendors enlisted with the Company during 2011-16 for supply of wooden and steel furniture ranged from 12 to 18 vendors (wooden) and 22 to 34 vendors (steel) respectively. The number of vendors enlisted with the Company was, however, low as compared to total number of operational MSME units (2,500 units) in the State as of March 2016.

Scrutiny of records of the Company relating to allocation of supply orders further revealed that major supply orders placed during the five years under reference were distributed between only a few vendors as per the details given in **Table No. 3.2.3** below:

Table No. 3.2.3: Concentration of supply orders

Particulars	No. of suppliers	Aggregate value of supply orders (₹ in lakh)	Percentage of total orders
Wooden furniture	3	626.00	70.09
Steel furniture	3	1,235.66	73.07

Source: Order registers for wooden furniture and steel furniture for the period 2011-16

It can be observed from the above table that only three vendors had received the major share of total orders *viz.,* 70 and 73 *per cent* for wooden and steel furniture respectively in the last five years (2011-16).

It was further observed that the Company had occasionally procured and supplied furniture manufactured by the vendors[24] other than MSMEs for supply to various State Government departments. However, as the complete and vendor-wise details of supply orders placed had not been maintained by the Company separately, the total volume of such supplies was not quantifiable. This had defeated the basic objective of the Company to promote the MSMEs by ensuring supply of goods to the State Government departments/agencies through MSME units only.

The Government/Company in their reply (November 2016) accepted the above audit observations.

Arbitrary revision of price lists

3.2.19 The Company had not prescribed various components of costs (direct and indirect costs *viz.,* manufacturing costs, selling/distribution, profit margin, etc.) for determination of final purchase price of various products/goods to be procured from the enlisted vendors. The Company had also not laid down the method and periodicity of price revision for wooden and steel furniture. The Company, however, had revised (September 2012 and November 2015) the price lists on two occasions, during 2011-16 based on inputs received from the enlisted vendors.

A comparative analysis of the rates adopted by the Company for wooden and steel furniture with reference to the prevailing rates/indices obtained from various GoI/ State Government sources[25] was carried out and results depicted in the **Table No. 3.2.4** below.

Table No. 3.2.4: Percentage increases in the price of input material for furniture

	Particulars	Percentage increases considered by the Company		Prevailing percentage increases/ (decrease) according to Government sources[26]	
		September 2012	November 2015	September 2012	November 2015
A)	**Wooden**				
1)	Chair	40	40	11.16	9.83
2)	Other furniture	30	30	15.19	3.43
i)	Processed wood	25	20	16.11	6.45
ii)	Carpenter wages per day	50	50	21	83
B)	**Steel**				
1)	Chair	20	20	7.81	9.94
2)	Other furniture	15	15		
i)	Angles	17	11	25.94	(17.17)
ii)	Sheets			11.85	(11.00)
iii)	Labour rate	67	42	14.10	24.16

It can be seen from the table that -

[24] Furniture items were procured from M/s Godrej and M/s OTOBI which were not MMSE/MSE units. As the details were not maintained distinctly, the quantum of such supplies was not quantifiable.

[25] viz., Labour Bureau, Ministry of Labour & Employment; Economic Advisor, Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Government of India (GoI) and Tripura Forest Development Corporation Limited (TFDCL).

[26] Percentages at serial Nos. A 2(ii) and B 2(iii) taken from Labour Bureau, percentages at serial Nos. A(1), A(2), A (2) (i), B(1), B(2), B (2) (i) and B (2) (ii) from TFDPCL.

- The percentage increase in the prices of input material (excepting angles) as considered by the Company was significantly higher than the percentage increase in the prevailing prices of material as obtained from Government sources during September 2012 and November 2015.
- On both occasions, the Company had approved (September 2012/November 2015) the same percentages of increases for wooden chairs (40 *per cent*), other wooden furniture (30 *per cent*), steel chairs (20 *per cent*) and other steel furniture (15 *per cent*). The corresponding increase according to Government sources was significantly lower and ranged between 3.43[27] and 15.19[28] *per cent* only.

As is evident from the above, the Company had not cross checked the rates and increases submitted by vendors with available Government data for their reliability and justification. While the vendors were the ultimate beneficiaries of inflated list prices, the Company also gained through higher service charges. The Government buyers, however, ended up paying higher prices.

The Government/Company in their reply (November 2016) stated that the Company constituted a committee (based on joint application of vendors in April 2015) to examine enhancement of the prices of steel and wooden furniture. The BoD decided accordingly to increase the prices with effect from January 2016.

The reply was, however, silent about the quantum of enhancements in the prices.

Marketing of miscellaneous items

3.2.20 The Company had been in the business of marketing miscellaneous items. The Company acted as a commission agent, in so far as the enlisted MSME vendors brought in the orders, executed supply and collected payment on behalf of the Company. The Company claimed service charges of 4 and 5 *per cent* on foodstuff and other items respectively.

State Government had expressed (September 2012) concern that many distortions had crept into the manner in which the Company had carried out its trading/marketing activities which, *inter-alia*; included,

- Supply of products purchased from the local market to the State Government departments/agencies above their Maximum Retail Price (MRP) specified by the manufacturers;
- Non-observance of tender and codal provisions in procurement of products;
- Failure to source products from their manufacturers, which was not in line with the Company's mandate to deal with industries;
- No value addition or service by the Company to justify the service charges collected;
- Abetting the State Government departments/agencies in bypassing tender procedures.

[27] Other Wooden Furniture (September 2015 over August 2012).
[28] Other Wooden Furniture (August 2012 over July 2010).

Consequently, the business of marketing miscellaneous items by the Company was kept in abeyance since October 2012. In August 2013, the Company formed a committee to examine the feasibility of recommencement of the business of marketing miscellaneous items. The report of the committee on the issue was however, not made available to Audit.

Scrutiny of records of the Company revealed that contrary to the above directions (September 2012) issued by the State Government, the BoDs of the Company approved (October 2014) resumption of the business by levying 5 *per cent* service charge over and above the MRP. In addition, 5 *per cent* carrying charge was also decided to be imposed for supply beyond the Municipality limits.

The above decision (October 2014) of the Company was contrary to the core principles of public procurement as it failed to ensure competitiveness and sound procurement practices for supply of goods or services in a fair, transparent and cost effective manner.

In reply, the Government/Company accepted the facts and assured (November 2016) that an appropriate mechanism would be devised to ensure competitiveness and sound procurement practices in execution of supply orders.

Production of bricks

Capacity creation and utilisation

3.2.21 As of April 2011, the Company owned four brickfields and had taken eight more on lease. As mentioned under **Paragraph No. 3.2.5** *supra*, the COPU in its 35th Report placed (January 2006) in the State Assembly had sought the details of the steps taken by the Company to increase production of bricks. In response, the Industries and Commerce Department, Government of Tripura had informed (November 2009) that the Company had taken specific drive to increase production of bricks by constructing more brick kilns at Shivbari and Karbook. Examination of records of the Company, however, revealed that no brickfield at Karbook was operational during the period of PA (2011-16). As of April 2011, out of 12 brick fields owned/taken on lease by the Company, only 1 was operational. In November 2011, State Government had directed the Company to return the land taken on lease in respect of those brick kilns which have been closed. Accordingly, the Company sold out (January 2013/July 2015) three[29] leased brickfields.

The year-wise position with regard to the number of brickfields available with the Company *vis-à-vis* the brickfields operational during the five years from 2011-16 has been summarised in **Table No. 3.2.5** below:

[29] Shivbari, Santir Bazar and South Maharani.

Table No. 3.2.5: Number of brickfields owned, leased and operated during 2011-16

Year	No. of brickfields operated			
	Owned	Leased	Total	Operational
2011-12	4	8	12	1 (leased)
2012-13	4	8	12	2 (both leased)
2013-14	4	6	10	5 (3 leased, 2 own)
2014-15	4	6	10	2 (1 leased, 1 own)
2015-16	4	5	9	3 (All leased)

As of March 2016, the Company retained nine brickfields. The position regarding the operations of these nine brick fields was as below:

- Only one brick field (Jirania) was operated in all five years;
- Three brickfields were operated (Mainama, Sonaichari and Ambassa) only for two years each during 2011-16;
- Two brick fields (Kukicharra and Kanchanpur) were operated for one year each;
- Three brick fields (Rowabazar, Valuarchar and Gandacherra) were not operated in any of the five years (2011-16).

The status of the operations of brickfields of the Company during 2011-16 was not encouraging considering the fact that during the five years ending 2015-16, the number of operational brickfields in the State had grown from 298 to 358 *viz.,* growth of 20 *per cent*.

Thus, State Government and the Company had not been consistent in their approach with regard to capacity creation and its effective utilisation.

Working results

3.2.22 The working results, contribution and losses incurred on the production of bricks during 2011-15 have been summarised in **Appendix – 3.2.1**.

As can be observed from the appendix the Company incurred losses on production of bricks in all the four years. The reasons for losses as analysed in audit mainly related to failure of the Company to fulfill adequate production of bricks, inability to achieve norms for damage of green bricks, production of sub-standard bricks in excess of the prescribed norms, excess consumption of coal, etc. as discussed in succeeding paragraphs.

Targets and production of burnt bricks

3.2.23 During 2011-16, the Company produced total 3.21 crore of burnt bricks against target of 3.96 crore leading to a shortfall of almost 19 *per cent* as summarized in **Appendix – 3.2.2**. Analysis of the production performance of various brick fields further revealed that none of the 12 brickfields operated by the Company (excepting Sonaichari in 2014-15) had met the production targets during 2011-16. The shortfall in production during this period ranged from 2 *per cent* (Jirania 2014-15) to 35.28 *per cent* (Kukicherra 2013-14). The Company, however, had not taken corrective steps to enhance production of bricks so as to bring down the cost of production and make the loss units viable for operations.

The Government/Company in their reply (November 2016) stated that non-fulfilment of production targets was due to shortage of migrant labour and skilled local labour. It was also stated that production was hampered due to rain.

The reply is not tenable in view of the fact that the Company had been in the business of bricks since long (1979) and as such, it was well aware of these seasonal constraints and should have either fixed the targets keeping in view the constraints or planned for overcoming them. Thus, the Company could have managed the situation with better production planning.

Operation of brickfields

3.2.24 Production of bricks is seasonal and undertaken from October to April of the following year. During the period of five years from 2011-16, the Company had operated 13 production cycles at six brickfields out of a possible 45[30] production cycles at nine brickfields (*viz.,* 29 *per cent*). As observed in audit, the low operation of brickfields were linked with ineffective marketing of product by the Company leading to lack of adequate supply orders for the product.

Damage of green bricks

3.2.25 The process of brick production commences in July with construction of sheds for labour and arranging adequate quantities of earth for manufacture of bricks. Earth is excavated, mixed with water, sand, etc. and manually moulded into green bricks for drying before burning. Burning of these green bricks starts at the end of November or early December and continues till March/April. Drying sheds are, however, essential for drying of green bricks and also to protect them from rain, as rain damages green bricks. Besides, proper handling of green bricks was equally important to minimise the damages to green fields. As per the norms fixed by the Company, damage of green bricks was admissible to the extent of 5 *per cent* only.

It was noticed in audit that:

- During the last five years 2011-16, total 36.91 lakh of green bricks were damaged out of total production of 375.65 lakh bricks of the six[31] brickfields during the said period *i.e.* an overall damage of 9.83 *per cent* which was more than the admissible norms of 5 *per cent*;
- The damage of green bricks ranged from 5.76 *per cent* to 24.55 *per cent* of the total green bricks produced. The high percentage of damages to green bricks was mainly on account of absence of adequate drying sheds at all brickfields to protect the green bricks from rainfall (61.74 *per cent*) and improper handling by labourers (38.26 *per cent*);

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[30] Considering one production cycle per year for each brickfield, total no. of production cycles for nine brickfields in five years would be 45 production cycles.

[31] One brickfield (Jirania) operated in all five years; three brickfields (Mainama, Sonaichari, Ambassa) operated for two years each and two brick fields (Kukicharra and Kanchanpur) operated for one year each.

- The percentage of damaged green bricks was within the admissible 5 *per cent*, ranging from 1.81 *per cent* to 4.03 *per cent* in four[32] brickfields. The Company could restrict the loss within admissible 5 *per cent*, mainly by controlling the damages on account of handling of green bricks.

The Government/Company in their reply (November 2016) accepted the audit observation and stated that the damage of green bricks beyond the admissible percentage of 5 *per cent* was due to heavy rainfall/handling damages. Drying sheds were necessary in case of mechanised brick fields only.

Reply is not acceptable as the drying sheds are equally important even in the case of non-mechanised brick fields to prevent damage due to rainfall.

Production of first class and picked bricks below norm

3.2.26 Bricks produced by the Company were classified into four classes *viz.,* 'first class' bricks, 'picked' bricks, 'second class' bricks and bats. 'First class' bricks were of perfect size and shape suitable for precision work while 'picked bricks' were the first class bricks which were slightly burnt with not so perfect size and shape. 'Second class' bricks were not as uniform as 'first class' bricks and same were usable for brick work wherever subsequent plastering was done. 'Bats' were over-burnt and out of shape bricks generally fusing together to form lumps.

The 'first class' and 'picked' bricks were the highest price fetching product of the Company's brick fields while the 'second class' and 'bats' had very low sales value in the market. The standard of production of various classes of fired bricks as adopted by the Company was 60 *per cent* for 'first class' bricks, 10 *per cent* for 'picked' bricks, 15 *per cent* for 'second class' bricks and 15 *per cent* as 'bats'. It was noticed from the production data of bricks in six[33] brickfields operated during the last five years that -

- The standard of 60 *per cent* production of 'first class' bricks in overall production was attained by only one out of six brickfields and in one out of total 13 production cycles operated during 2011-16 (Jirania in 2012-13).
- The standard of 10 *per cent* 'picked' bricks was not attained in four[34] out of the total 13 production cycles operated during 2011-16.
- The norm of 15 *per cent* prescribed for 'second class' bricks was attained in seven production cycles out of total 13 production cycles operated during 2011-16.

As 'first class' and 'picked' bricks fetch the highest prices, their higher production would have led to improved realisations and profit margins. The loss in production of bricks during four years (2011-15) occurred due to inadequate production of quality product at prescribed level of 60 *per cent*.

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[32] Jirania (2.72 *per cent* in 2011-12); Mainama (1.81 *per cent* in 2012-13); Ambassa (4.03 *per cent* in 2013-14); Kukicherra (3.52 *per cent* in 2013-14).

[33] One brickfield (Jirania) operated in all five years; three brickfields (Mainama, Sonaichari, Ambassa) operated for two years each and two brick fields (Kukicharra and Kanchanpur) operated for one year each.

[34] Sonaichari, Kukicherra & Ambassa in 2013-14 and Sonaichari in 2014-15.

The Government/Company in their reply (November 2016) stated that the classification of bricks depend fully on the quality of earth which vary depending on the place and the labour engaged for burning of bricks.

The reply is not acceptable as the standard has been adopted by the Company which has ample experience in the business of bricks and it should have ensured the quality of earth while acquiring the brick fields for the production.

Excess consumption of coal

3.2.27 The Company had been in the business of bricks since 1979, however, it had not fixed the norms for consumption of coal in production of bricks. According to a study[35], however, standard consumption of coal for brick kilns in Tripura was 20 MT of coal against per lakh production of bricks. Further, in its 50th Report, the COPU had mentioned that the Company had an average coal consumption of 21.80 MT against per lakh bricks produced. During 2011-12 to 2015-16, actual consumption of coal ranged from 16.23 MT (Kanchanpur 2015-16) to 31.09 MT against per lakh of bricks produced (Jirania 2012-13). The aggregate extra expenditure incurred on coal consumption in excess of the average consumption[36] (*viz.,* 21.80 MT per lakh bricks) during the period of four year (2011-15) worked out to ₹ 46.64 lakh.

Considering consumption of 21.80 MT of coal against per lakh bricks produced as a benchmark, following observations are made on the performance of nine brick fields of the Company during the five years 2011-16.

- At Ambassa (2013-14), Sonaichari (2014-15) and Ambassa (2015-16) coal consumption was within 20 MT per lakh bricks. This showed that the Company was capable of restricting coal consumption within 20 MT.
- At Mainama (2012-13), Sonaichari (2013-14) and Jirania (2015-16) coal consumed was within the average consumption (21.80 MT) of the Company. The In-charge of Jirania brickfield had, however, intimated (January 2016) that the coal supplied to the brickfield was of inferior quality due to which burning of bricks was adversely affected. No record shown to audit indicated that any remedial action was taken by the Company to ensure the credentials of the suppliers before availing supply of coal.
- At Jirania (2011-15), Mainama (2013-14), Kukicherra (2013-14) and Ambassa (2015-16) coal consumed was in excess of 21.80 MT.

The high consumption of coal was mainly attributable to not specifying the quality parameters of coal to be supplied in the supply tenders, not ensuring the qualitative checks of coal procured, absence of an effective system to verify the credentials of suppliers, etc.

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[35] "Prospects and problems of brick industry" by Pallab Kanti Ghoshal (Mittal Publication, First Edition 2008).

[36] For assessing the efficiency in consumption of coal, average consumption of coal (21.80 MT) as per COPU's Report has been considered instead of the industry standard (20 MT), on a conservative basis.

The Government/Company in their reply (November 2016) stated that coal consumption of different brick kilns are not same due to shortage of green bricks. It was also stated that coal consumption was on higher side during rainy days and depended on expertise of fire staff.

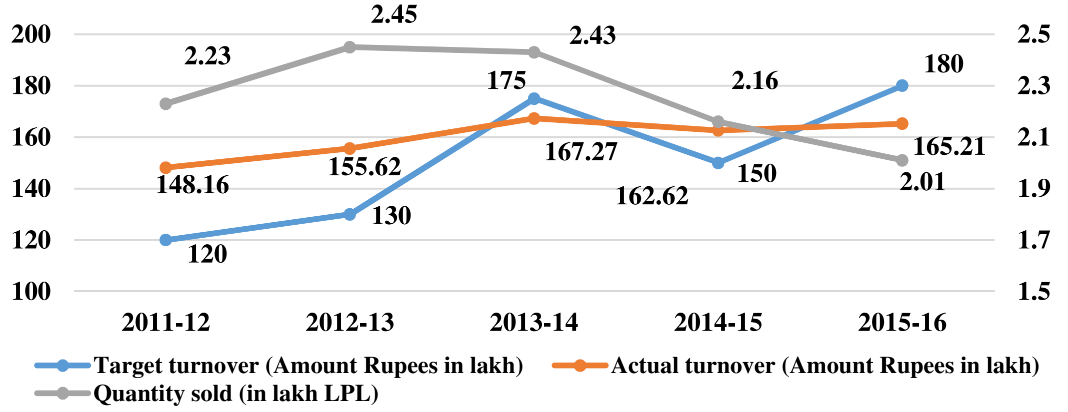
The reply was indicative of deficiencies in planning for production of green bricks. Further, the consumption of coal during rainy season could be managed within the norms by hiring skilled fire staff as per requirement. The reply was, however, silent about the quality parameters in procurement of coal by the Company.

Sales of country spirits

3.2.28 The Company was the sole authorised seller of country spirits in Tripura. With the view to restrict illegal consumption of country spirit, the Company entered (1990) into the business of blending of Rectified Spirit[37] (RS) (imported from distilleries outside Tripura) for sale as country spirit within the State.

During 2011-16, the Company sold 11.29 lakh London Proof Litres[38] (LPL) of country spirits. The annual targets fixed for sale of country spirit under the MoUs entered between the Company and State Government *vis-à-vis* the actual turnover achieved there against in physical and financial terms during the five years from 2011-16 have been depicted in **Chart No. 3.2.6** below:

Chart No. 3.2.6: Annual targets fixed in MoU and turnover achieved (₹ in crore) with quantity sold (in lakh LPL)



Source: Country Spirit stock register, Annual Profit and Loss Account, orders of the Commissioner of Excise, information furnished by the Company, etc. Turnover for 2014-15 and 2015-16 is provisional.

It was seen from the chart that –

- In two out of five years, turnover was below the targets by 4.42 *per cent* (2013-14) and 8.22 *per cent* (2015-16).
- The sales volume peaked in 2012-13 and thereafter showed a declining trend.

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[37] Defined under Rule 3(t) of the Tripura Excise Rules 1990 as plain spirit of a strength of not less than forty degrees above proof.

[38] 'London Proof' Litre is a mixture of 570 ml of ethyl alcohol and 467 ml of water at 10.5^{0}Celsius. The resultant is 1,000 ml due to contraction of volume.

- The turnover during 2013-14 had increased by ₹ 11.65 lakh despite reduction in the sales volume by 0.02 lakh LPL as compared to 2012-13. This was mainly due to upward revision of excise duty from ₹ 19.20 per LPL to ₹ 30.00 per LPL and TVAT from 20 *per cent* to 35 *per cent* during 2013.
- Similar inconsistency between the trend of sales turnover and sales volume was noticed during 2015-16 mainly due to upward variation in the selling price of the country liquor.

It was, however, noticed that the Company had not analysed the reasons for the shortfall in achievement of targets during 2013-14 and 2015-16 or decline in quantities sold after 2012-13. The Company also failed to take steps to increase sales and revenue by brand creation, improving packaging, introducing value added country spirit, etc.

In reply, the Government/Company have not offered (November 2016) any specific comments on the issue.

Working results and profitability analysis

3.2.29 The working results of the Country Spirits branch for the period 2011-16 have been summarised in **Appendix - 3.2.3.** It may be seen from the appendix that the Country Spirit branch had earned profits during the four years from 2011-12 to 2014-15 ranging between 5.74 *per cent* (2012-13) and 29.54 *per cent* (2011-12) while during 2015-16, it had incurred a loss of 5.27 *per cent* of aggregate cost.

Scrutiny of the records of the Company has further revealed the following:

- The net profit during 2012-13 was lowest in four years (2011-15) at 5.74 *per cent* of aggregate cost, which was even below the margin of 8 *per cent* allowed by State Government. The low profitability during 2012-13 was attributable mainly to low selling price of the product as well as high cost of material and labour.
- During 2015-16, the Country Spirit branch had incurred a loss of ₹ 9.21 lakh as against the profit of ₹ 15.33 lakh earned during 2014-15 mainly due to increase of 44 *per cent* in the licence fee by the excise authorities during 2015-16. Since the selling price of country spirit were fixed in advance for each year by factoring all statutory dues (including licence fee) on estimation basis, the abnormal hike in the licence fee during the course of the year remained unrecovered from the selling price of the product.
- During 2011-12, the Company had recovered an amount of ₹ 75.30[39] lakh towards costs of four consignments of the rectified spirit destroyed[40] (April 2011) by the Company through fixation of the selling price of the country spirit. The actual

[39] Including ₹ 3.80 lakh on modernisation and shed rent against which no expenditure had been accounted for.

[40] Since the stock was declared not fit for human consumption, the Company had to destroy the same and the loss was absorbed in the selling price of the product during 2011-12.

expenditure there against was, however, ₹ 50[41] lakh only which led to excess recovery of cost by ₹ 25.30 lakh. Consequently, the profit for the year (2011-12) was abnormally higher than subsequent years.

- The Company had computed estimated selling prices for 2012-13 based on average sales quantity of three years. It was, however, observed that estimated selling prices for subsequent years *viz.,* 2013-14, 2014-15 and 2015-16 were computed by the Company based on average sales quantity of four, five and eight years respectively. If the calculations had been done for 2013-14, 2014-15 and 2015-16 consistently based on average sales in the preceding three years only, the selling prices of country spirit in these years would have been lower by ₹ 2.74, ₹ 5.73 and ₹ 6.39 per LPL respectively. Thus, inconsistency in the methodology adopted for fixation of selling price of country spirit had led to excess realisation of cost aggregating to ₹ 31.87 lakh during the three years from 2013-14 to 2015-16.

The Government/Company in their reply (November 2016) stated that the Company followed conservative approach in pricing to ensure zero level risk, as the statutory dues of excise authority like license fee and establishment cost were paid during the previous year.

The reply is not acceptable as the Company needs to follow a consistent methodology for pricing the country spirit. Further, after significant increase in the licence fee during 2015-16, the Company should have moved the State Government for corresponding increase in the selling price of the product so as to avoid incurring of additional costs on this account.

Blending of rectified spirit

3.2.30 During the period of five years from 2011-16, the Company had received 7.17 lakh bulk litres of RS from distilleries in Uttar Pradesh in 36 consignments. Each consignment was required to be accompanied by a transit pass giving various details of the consignment concerned such as, date and quantity of RS despatched, strength of alcohol at the time of loading onto tankers, etc. The Company, however, had made available to Audit the copies of the transit passes in respect of 12 out of 36 consignments only.

Since 2011-12, the Company had been testing each consignment of RS at the State Drugs Testing Laboratory. These test reports indicated compliance with the prescribed standards and content of ethyl alcohol by volume at a temperature of 15^{0}Celsius. The test reports in respect of only 28 out of 36 consignments for the period 2012-16 were made available to Audit. It was observed that the details of the test reports in respect of remaining eight consignments relating to 2011-12 had not been maintained or recorded in the Country Spirit Bonded Warehouse stock register.

[41] Towards license fee (₹ 20.02 lakh), establishment cost of excise (₹ 4.51 lakh), Company's employee costs (₹ 23.74 lakh), miscellaneous expenses (₹ 1.74 lakh), etc.

Audit observed that the multiplying factor[42] for blending RS to country spirit was valid at 10.5^0 Celsius only. Scrutiny of the test reports relating to above mentioned 28 consignments, however, revealed that the Company had converted the strength by applying higher multiplying factor (ranging between 15^0 Celsius and 10.5^0 Celsius) than prescribed (10.5^0Celsius). Due to this, during 2012-16, the Company had blended 5.57 lakh litres of RS into 9.19 lakh LPL of country spirits instead of 9.37 lakh LPL. This led to short-conversion of 0.18 lakh LPL (1.94 *per cent*) with consequential loss of revenue of ₹ 23.21 lakh (Company: ₹ 13.16 lakh; State exchequer: ₹ 10.05 lakh towards excise duty and TVAT).

In reply, the Government/Company did not offer (November 2016) any comments on this issue.

Transport of rectified spirit

3.2.31 Audit analysis of the transit passes relating to 12 out of 36 consignments of RS as provided by the Company for verification revealed that -

- Transit loss[43] of 1.5 *per cent* of RS at loading point was admissible for transit time of 10 to 17 days in case of transportation in steel vessels (tanker Lorries).
- The transit permits issued for transportation of RS mention volume of RS, its strength (at 15^0 Celsius) and equivalent volume of pure ethyl alcohol at the time of despatch. During transportation of RS, variation occurred between the volume and strength of RS despatched and that actually received. It was, however, observed that the Company had been calculating the 'transit losses' on the volume of RS received and not the actual loss in terms of the volume of ethyl alcohol. This led to variations in the loss percentages as worked out by the Company (ranging from 0.46 to 0.81 *per cent*) *vis-à-vis* the actual loss/gains percentage (ranging from 2.56 *per cent* (loss) to 1.10 *per cent* (gains)) occurred during transportation.
- Out of total 36 consignments received during 2012-16, in 4 consignments, transit loss ranged from 1.58 *per cent* to 2.56 *per cent* which had exceeded State Government's statutory norm (1.5 *per cent*).

Since the Company had not provided the copies of transit passes in respect of remaining 24 consignments for verification by audit, no comments are offered in respect of said 24 consignments.

In reply, the Government/Company did not offer (November 2016) any comments on this issue.

[42] "Report on Study and Review of the Existing system of Measurement of Spirits in West Bengal" of the Department of Biotechnology, IIT-KGP prepared in August 2014.

[43] Under Rule 77 of the Tripura Excise Rules 1990, for journey duration exceeding nine days but not exceeding eighteen days.

Environmental issues

Non-compliance with pollution control requirements in respect of Bricks branch

3.2.32 The Tripura State Pollution Control Board (TSPCB) had classified[44] (July 2013) brickfields under "Orange" category industries, which required both 'Consent to Establish' and annual renewal of 'Consent to Operate' from TSPCB. The National Green Tribunal, Eastern Zone Bench, Kolkata (NGT) directed (May 2016) TSPCB to prepare a status report on brick kilns including categorisation of non-compliant brick kilns into two groups *viz.,*

- Industrial units, which had the requisite 'consents to operate' at some point of time but continued to operate even after expiry of their validity; and
- Industrial units, which never had consent to establish or operate in any of the years.
- A penalty of ₹ 1.00 lakh and ₹ 1.50 lakh was leviable on the Brickfields in the first and second categories respectively.

In this connection, following observations are made:

- During the period of five years (2011-16), total nine brickfields of the Company were operated. It was noticed that the Company had never applied for 'consent to establish' in respect of two brickfields (Kanchanpur and Jirania) out of the said nine brickfields.
- As the Kanchanpur brickfield had operated (October 2015 to March 2016) without the 'consent to establish', TSPCB had levied (July 2016) penalty of ₹ 1.50 lakh on Kanchanpur brickfield. Besides, the Company had operated Jirania brickfield in all the five years during 2011-16 without the 'consent to establish'. Though TSPCB, had not yet imposed the penalty (August 2016), this was a statutory obligation of the Company.
- The 'consent to operate' in respect of Ambassa brickfield was valid till December 2015. The Company had applied (February 2016) for renewal of the 'consent certificate' belatedly after more than two months of its expiry. While the issue of certificate by TSPCB was pending (July 2016), the Company continued to operate the brickfield beyond December 2015 without requisite consent (September 2016).Though TSPCB, had not yet imposed the penalty, this was a statutory obligation of the Company.
- The Company had submitted (April 2015) the renewal application for 'consent to operate' in respect of Mainama brickfield. The approval was however, awaited pending clearances of land diversion issues (September 2016).Though TSPCB, had not yet imposed the penalty, this was a statutory obligation of the Company.
- The Company had operated Sonaichari brickfield during 2013-14 and 2014-15 without requisite consents.

[44] Notification No. 17 (1)/TSPCB/Corrs./2009-10/3954-64 dated 06 July 2013.

The reasons for operating brickfields without requisite permissions were not on record.

The Government/Company in their reply (November 2016) stated that it was decided to operate only three brick fields at Ambassa, Mainama and Kanchanpur in the year 2016-17. It was also stated that the required pollution certificate in respect of Ambassa brick field was obtained and it had applied for the same in respect of Mainama and Kanchanpur brick fields.

The reply is not acceptable as the Company should have applied for the statutory consents/certificates well in time so as to avoid any violation to statutory requirements on environmental issues.

Pollution control clearances in respect of Country Spirit branch

3.2.33 The Company had been in the business of blending the RS into country spirits since 1990 at the Country Spirits Bonded Warehouse in Bandharghat. According to TSPCB guidelines, blending of ethyl alcohol (RS) into country spirit required both 'consent to establish' as well as annual renewal of 'consent to operate' from TSPCB. Contrary to this, however, the Company had approached TSPCB for according the 'consent to establish' the country spirit blending and packing plant only in September 2014. Although, based on the request of the Company, TSPCB had granted (September 2014) the 'consent to establish' the plant, the Company had never approached TSPCB for renewal of consent (due for renewal in September 2015) to operate the blending process of country spirit (September 2016) in violation of TSPCB guidelines.

Effectiveness of internal control system and monitoring mechanism of the Company

Internal control and monitoring

3.2.34 A reliable system of internal control and monitoring is a pre-requisite to minimise the risks of errors and irregularities. Failure to set out or non-compliance with the prescribed systems and procedures impair internal controls. Absence of an effective supervision at appropriate levels adversely impact compliance to various statutory requirements besides exposing the organisation against possibility of errors, frauds and other irregularities. The deficiencies noticed in the internal control and monitoring system of the Company noticed during the conduct of audit are discussed below:

- The Company had not prepared and approved formal delegation of administrative and residual financial powers to the managerial and supervisory employees of the Company. As a result, most of the financial/administrative decisions were taken centrally at the level of Managing Director.

- The Company had not prescribed an appropriate management information system to monitor performance of its business branches. The BoD had directed (April 2010) the Managing Director to hold monthly meetings with the Branch

Officers on a fixed day to review works of each branch on the basis of action plan and apprise the Chairman about the outcome. The Chairman would hold quarterly meetings with Branch Officers and submit report to the BoD at the next meeting. It was, however, observed that no such meetings were held by the Managing Director/Chairman during the period of five years (2011-16) for reasons not on record.

- The Company had not prescribed manuals for various functional areas like accounts, establishment, etc. resulting in absence of standardised functioning and guidance.
- The accounts of the Company were in arrears from 2014-15 onwards. It was further noticed that the collections against trade receivables were not linked to invoices raised by the Company. Further, there was no system in existence for periodic reconciliation of dues receivable from customers and the dues payable to suppliers by the Company.
- The Company had not prepared bank reconciliation statements on regular basis. Further, no balance confirmation statements were obtained from the banks concerned and their branches. Consequently, non-existent bank balances aggregating to ₹ 13.44 lakh in respect of 10 closed/defunct bank accounts appeared in the financial statements.
- Although there was an internal audit officer and an internal audit branch existed since January 1992, no internal audit had been conducted or even planned by the Company during the period of five years (2011-16) reviewed by Audit.

The deficiencies brought out above, indicate absence of an effective internal control and monitoring system in the Company with regard to several important areas mentioned above.

The Government/Company accepted (November 2016) the facts and assured to take corrective action.

Compliance to the recommendations of Committee on Public Undertakings

3.2.35 COPU had made recommendations in its 35^{th} Report in the light of audit observations in the CAG's Audit Report 1996-97. Compliance to these recommendations was examined in audit given in table below.

Table No. 3.2.6: COPU recommendations and non-compliance by the Company

Audit Report	Para No.	COPU recommendations	Status of compliance by the Company
COPU had sought feedback/information on the following:			
1996-97	8.2.7.1	Whether the Company has taken active steps to revive the pharmaceutical unit and what are those?	The Company closed the pharmaceutical unit (2011-12).
	8.2.7.2	Whether the Company was considering selling of lime burnt clay pozzolona mixture plant and machinery and the latest position of related assets?	The unit is not working. Though efforts were made by the Company to dispose the assets, but the efforts did not yield any results (October 2016).

Audit Report	Para No.	COPU recommendations	Status of compliance by the Company
	8.2.7.4	What steps had been taken to increase the production of bricks to meet rising demand of bricks in the State?	State Government as well as the Company were not consistent in their approach with regard to capacity creation and its effective utilisation as discussed in **Paragraph No. 3.2.21**.
	8.2.7.5	Had the Company modernised the fruit canning factory and present position in this regard?	Fruit canning factory was not modernised (September 2016). Initially the factory was sub-leased for three years and later the Company closed (2011-12) the unit.

Conclusion

3.2.36 Action plan/perspective plan of five years was not prepared by the Company to promote and develop the MSMEs in the State and also to overcome the problems of working capital shortage, excess manpower and dependence on equity support from State Government despite the stipulations made in the TIIPP.

There were wide variations between annual turnover targets of the Company fixed under the MoUs entered between the Company and State Government and that mentioned in the Action Plan submitted by State Government to GoI (Planning Commission). Besides, the turnover targets under the MoUs and the State Government's Action Plan were fixed without reference to previous year's achievements of the Company.

Losses had been incurred by 11 out of 13 branches of the Company in all five years covered in Audit. This was mainly due to high fixed costs and consequent high levels of break-even turnover of the Company. Among loss incurring branches, the production of bricks incurred the highest loss mainly on account of inadequate production of bricks, excess damage to green bricks, failure to ensure standard production of different classes of burnt bricks and limit consumption of coal.

The number of vendors enlisted with the Company was low as compared to total number of operational MSME units (2,500 units) in the State as of March 2016. The Company failed to effectively monitor the performance of MSME vendors in absence of comprehensive database relating to enlistment, renewal, order position and performance evaluation of the vendors.

Steps were not taken to increase sales of country spirit by brand creation, improving packaging, introducing value added country spirit, etc. There was no consistency in the methodology adopted for fixation of selling prices of country spirit during 2012-16.

There were no delegation of powers, management information systems and operational manuals.

Recommendations

3.2.37 It is recommended that State Government and the Company may -

- Draw up a five year perspective plan to include measures to promote and develop the MSME sector in line with the Company's mandate, overcome the problems of working capital shortage, control costs and losses and reduce financial dependence on State Government;
- Incorporate realistic turnover targets in the MoUs based on the prevalent demand and past performance, take appropriate steps to restrict fixed costs at acceptable level and ensure production of standard bricks at the optimum level so as to improve the performance of the Company;
- Streamline the system to enlist MSME vendors for effective control over the supplies executed through them;
- Put in place an effective internal control and monitoring system to ensure compliance to various statutory requirements and avoid possibility of errors, frauds and other irregularities.

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 Government of Tripura during the year 2015-16, the net proceeds of State's Share of Union Taxes and Duties assigned to the State and Grants-in-aid received from the Government of India (GoI) during the year and the corresponding figures for the preceding four years are mentioned in the following table:

Table No. 4.1.1: Trend of revenue receipts

(₹in crore)

Sl. No.	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
I.	**Revenue raised by the State Government**					
	Tax Revenue	858.02	1,004.65	1,073.91	1,174.26	1,332.25
	Non-tax Revenue	214.22	178.75	246.52	195.64	262.60
	Total	**1,072.24**	**1,183.40**	**1,320.43**	**1,369.90**	**1,594.85**
	Increase over previous year (%)	***42.18***	***10.37***	***11.58***	***3.75***	***16.42***
II.	**Receipts from the GoI**					
	Net proceeds of State Share of Union Taxes and Duties	1,307.56	1,493.18	1,630.25	1,730.13	3,266.02
	Grants-in-aid	4,097.10	4,373.72	4,699.50	6,139.70	4,565.87
	Total	**5,404.66**	**5,866.90**	**6,329.75**	**7,869.83**	**7,831.89**
III.	**Total Revenue Receipts of the State Government (I and II)**	**6,476.90**	**7,050.30**	**7,650.18**	**9,239.73**	**9,426.74**
IV.	**Percentage of I to III**	**17**	**17**	**17**	**15**	**17**

Source: Finance Accounts,

The above table indicates that during the year 2015-16, the revenue raised by the State Government was ₹ 1,594.85 crore which was 17 *per cent* of the total Revenue Receipts. The balance 83 *per cent* of the receipts during 2015-16 was from the GoI. The growth of revenue raised by the State Government during 2015-16 was 16.42 *per cent* (₹ 224.95 crore) as compared to 3.75 *per cent* during 2014-15. Consequent upon the implementation of the XIV Finance Commission recommendations, Grants-in-aid from GoI decreased by 25.63 *per cent* and net proceeds of State's Share of Union Taxes and Duties increased by 88.77 *per cent* from ₹ 1,730.13 crore to ₹ 3,266.02 crore during 2015-16. Total Revenue Receipts from GoI decreased by ₹ 37.93 crore (0.48 *per cent*) from ₹ 7,869.83 crore to ₹ 7,831.90 crore. The total Revenue Receipts of the State Government increased by ₹ 187.02 crore (2 *per cent*) in 2015-16 as compared to 2014-15.

4.1.1(a) Tax Revenue: The details of the Tax Revenue raised during the period 2011-12 to 2015-16 are given in the following table:

Table No. 4.1.2: Details of Tax Revenue raised

(₹ in crore)

Sl. No.	Head of revenue	2011-12		2012-13		2013-14	
		BE	Actual	BE	Actual	BE	Actual
1	Sales Tax/Value Added Tax (VAT)	598.00	666.32	670.00	763.07	914.15	837.09
2	State Excise	82.50	94.68	100.00	114.00	128.70	115.18
3	Stamps and Registration Fees	19.97	30.73	30.00	36.71	37.00	39.24
4	Taxes on Vehicles	44.57	25.18	40.00	30.73	36.11	36.79
5	Other Taxes on Income and Expenditure[1]	31.50	30.27	32.00	32.16	34.00	35.03
6	Land Revenue	5.82	9.33	20.00	26.44	30.00	8.07
7	Other Taxes and Duties on Commodities and Services	1.09	1.42	1.37	1.36	3.82	1.64
8	Others	0.03	0.09	0.07	0.18	0.22	0.87
Total :		**783.48**	**858.02**	**893.44**	**1,004.65**	**1,184.00**	**1,073.91**

Table No. 4.1.2: Details of Tax Revenue raised (cont.)

(₹ in crore)

Sl. No	Head of revenue	2014-15		2015-16		Percentage of increase (+) or decrease (-) in 2015-16 over 2014-15	
		BE	Actual	BE	Actual	BE	Actual
1	Sales Tax/VAT	950.00	909.81	980.00	1058.48	(+) 3.16	(+) 16.34
2	State Excise	179.46	138.96	180.00	143.57	(+) 0.30	(+) 3.32
3	Stamps and Registration Fees	42.54	37.56	45.00	42.49	(+) 5.78	(+) 13.13
4	Taxes on Vehicles	40.00	36.09	45.00	37.62	(+) 12.50	(+) 4.24
5	Other Taxes on Income and Expenditure[1]	37.00	38.93	40.00	39.67	(+) 8.11	(+) 1.90
6	Land Revenue	24.87	10.76	25.00	5.97	(+) 0.52	(-) 44.52
7	Other Taxes and Duties on Commodities and Services	4.25	1.87	4.72	4.29	(+) 11.06	(+) 129.41
8	Others	0.25	0.28	0.28	0.16	(+) 12.00	(-) 42.86
Total:		**1278.37**	**1174.26**	**1320.00**	**1332.25**	(+) 3.26	(+)13.45

Source: Annual Financial Statement and Finance Accounts.

The Finance (Excise & Taxation) Department furnished the following reasons for increase in revenue in 2015-16 as compared to 2014-15.

Taxes on sales, trade, etc.: The increase in collection of Sales Tax/Value Added Tax (VAT) (16.34 *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 (3.32 *per cent)* was due to increase in sale and lifting of Indian Made Foreign Liquor (IMFL) & Beer in comparison to the year 2014-15.

The other departments (indicated in preceding table), despite being requested (July 2016), did not furnish the reasons for variations in Tax Receipts with respect to the previous year (October 2016).

4.1.1(b) Non-tax Revenue: The details of the Non-tax Revenue raised during the period 2011-12 to 2015-16 are indicated in the following table:

[1] Includes taxes on profession, trades, calling and employment.

Table No. 4.1.3: Details of Non-tax Revenue raised

(₹ in crore)

Sl. No.	Head of revenue	2011-12		2012-13		2013-14	
		BE	Actual	BE	Actual	BE	Actual
1	Interest Receipts	26.25	50.66	30.00	67.88	35.00	86.47
2	Industries	13.10	39.80	35.00	41.20	50.44	59.91
3	Police	20.00	37.33	20.00	28.48	48.00	33.95
4	Public Works	10.00	7.84	15.00	5.56	15.00	8.54
5	Forestry and Wildlife	6.91	6.98	1.20	6.56	10.05	7.70
6	Water Supply and Sanitation	1.00	1.26	2.15	1.68	1.52	7.32
7	Miscellaneous General Services	22.25	11.60	11.93	0.80	-	21.24
8	Other Administrative Services	15.65	5.45	22.35	5.36	8.00	4.52
9	Medical and Public Health	5.37	5.14	8.00	6.95	9.00	2.84
10	Crop Husbandry	1.68	1.93	2.70	1.97	2.66	2.48
11	Animal Husbandry	1.30	1.32	2.15	1.49	2.13	2.13
12	Housing	1.00	1.73	2.15	1.71	3.28	1.80
13	Education, Sports, Art and Culture	1.65	2.06	2.00	0.68	3.00	1.32
14	Stationery and Printing	1.50	1.40	1.75	1.28	1.80	1.29
15	Others	9.44	39.72	21.93	7.15	30.12	5.01
Total:		**137.10**	**214.22**	**178.31**	**178.75**	**220.00**	**246.52**

Table No. 4.1.3: Details of Non-tax Revenue raised (cont.)

(₹ in crore)

Sl No.	Head of revenue	2014-15		2015-16		Percentage of increase (+) or decrease (-) in 2015-16 over 2014-15	
		BE	Actual	BE	Actual	BE	Actual
1	Interest Receipts	80.00	46.02	84.00	55.24	(+) 5.00	(+) 20.03
2	Industries	85.00	65.01	90.00	96.41	(+) 5.88	(+) 48.30
3	Police	50.00	34.34	55.00	40.50	(+) 10.00	(+) 17.94
4	Public Works	25.00	8.92	25.00	8.15	-	(-) 8.63
5	Forest	8.00	9.83	9.00	11.86	(+) 12.50	(+) 20.65
6	Water Supply and Sanitation	1.07	1.92	1.21	1.76	(+) 13.08	(-) 8.33
7	Miscellaneous General Services	-	5.27	-	6.48	-	(+) 22.96
8	Other Administrative Services	5.56	6.28	6.28	6.84	(+) 12.95	(+) 8.92
9	Medical and Public Health	3.75	3.00	3.70	6.01	(-) 1.33	(+) 100.33
10	Crop Husbandry	2.50	2.79	2.80	3.61	(+) 12.00	(+) 29.39
11	Animal Husbandry	1.47	2.47	1.66	2.42	(+) 12.93	(-) 2.02
12	Housing	2.28	1.84	2.57	1.82	(+) 12.72	(-) 1.09
13	Education, Sports, Art and Culture	3.00	1.45	3.00	2.30	-	(+) 58.62
14	Stationery and Printing	1.50	1.83	1.50	1.16	-	(-) 36.61
15	Others	20.87	4.67	24.28	18.04	(+) 16.34	(+) 286.30
Total:		**290.00**	**195.64**	**310.00**	**262.60**	**(+) 6.90**	**(+) 34.23**

Source: Annual Financial Statement and Finance Accounts.

The respective departments attributed the following reasons for increase in revenue during 2015-16 as compared to 2014-15.

Crop Husbandry: The reasons attributed by the Agriculture Department for increase in collection of taxes in Crop Husbandry (29.39 *per cent*) were increase of Non-tax Revenue from cold storages, auction of wooden materials, Bricks, GCI sheets, etc. and selling of tender forms.

Education, Sports, Art & Culture: The reason for increase in collection of Non-tax Revenue (58.62 *per cent*) attributed by the Department was increase in booking of swimming pool for coaching and training to the swimmers in 2015-16 compared to previous year.

The other departments (indicated in preceding table), despite being requested (July 2016), did not furnish the reasons for variations in Non-tax Receipts with respect to the previous year (October 2016).

4.1.2 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2016 on some principal heads of revenue amounted to ₹ 65.06 crore of which ₹ 17.16 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		Amount outstanding for more than five years as on 31 March		Replies of department
		2015	2016	2015	2016	
1	Taxes/VAT.	67.12	64.47	14.16	17.16	-
2	Other Taxes on Income & Expenditure (Tax on profession, Trades, Callings & Employment)	-	0.48	-	-	-
3	Other Taxes & Duties on Commodities & Services	-	0.11	-	-	-
Total:		**67.12**	**65.06**	**14.16**	**17.16**	**-**

Source: Finance (Excise& Taxation) Department.

It would be seen from the above table that arrear of revenue decreased from ₹ 67.12 crore at the end of March 2015 to ₹ 64.47 crore at the end of March 2016, though the arrear of revenue outstanding for more than five years increased from ₹ 14.16 crore to ₹ 17.16 crore during the same period.

4.1.3 Arrears in assessments

The details of taxes on agricultural income assessment cases pending at the beginning of the year 2015-16, 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 2015-16 as furnished by the Joint Commissioner of Taxes & Excise are mentioned in the following table:

Table No. 4.1.5: Arrears in assessments

Head of revenue	Opening balance	New cases due for assessment during 2015-16	Total assessments due	Cases disposed of during 2015-16	Balance at the end of the year
1	*2*	*3*	*4*	*5*	*6*
Taxes on Agricultural income	534	10	544	-	544

Source: Finance (Excise & Taxation) Department

Arrears in assessment increased from 534 to 544 cases with the addition of another 10 cases which became due for assessment during the year 2015-16 and no cases have been disposed of during the year. Steps may be taken for timely and periodical assessment of cases.

Other departments did not furnish information relating to arrears in assessments, though called for.

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 2015	Cases detected during 2015-16	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 2016
					No. of cases	(₹ *in crore*)	
1	Sales tax/ VAT	1,071	465	1,536	486	1.84	1,050

Source: Finance (Excise & Taxation) Department

As on 31 March 2015, 1,071 cases of evasion of tax were outstanding. 465 cases of evasion of tax had been detected and reported during 2015-16 taking the total of pending cases to 1,536. Of these pending cases, 486 number (31.64 *per cent*) of cases assessments/investigation were completed and additional demand including penalty, etc., amounting to ₹ 1.84 crore was raised during the year 2015-16. Consequently, 1,050 cases were pending as on 31 March 2016.

It would be seen from the above table that the number of cases pending at the end of the year had slightly decreased 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 2015-16, claims received during the year, refunds allowed during the year and the cases pending at the close of the year 2015-16 as reported by the Department is given in the following table:

Table No. 4.1.7: Details of pendency of refund cases

(₹incrore)

Sl. No.	Particulars	Sales tax / VAT	
		No. of cases	Amount
1	Claims outstanding at the beginning of the year	05	0.03
2	Claims received during the year	08	8.57
3	Refunds made during the year	04	0.14
4	Balance outstanding at the end of year	09	8.46

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 ₹ 8.57 crore involving eight cases have been reported during 2015-16, refund made during the year was ₹ 0.14 crore involving four cases and outstanding amount of ₹ 8.46 crore involving nine cases have not yet been settled (September 2016).

4.1.6 Response of the Government/ departments towards audit

The Accountant General (Audit) {AG (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.

IRs issued upto 31 March 2016 disclosed that 427 paragraphs involving ₹ 69 crore relating to 119 IRs remained outstanding at the end of June 2016 as mentioned in the following table, along with the corresponding figures for the preceding two years.

Table No. 4.1.8: Details of pending IRs

	June 2014	June 2015	June 2016
Number of IRs pending for settlement	149	156	119
Number of outstanding audit observations	428	467	427
Amount of revenue involved (*₹ in crore*)	71.28	61.63	69.00

4.1.6.1 The department-wise details of the IRs and audit observations outstanding as on 30 June 2016 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	58	247	15.80
		Professional Tax	07	09	0.08
		Agricultural Income Tax	-	-	-
		Amusement Tax	03	08	0.77
		Luxury Tax	-	-	-
2.	Industries and Commerce	Mines and Minerals	-	-	-
3.	Revenue	Stamp Duty and Registration Fees	19	34	0.74
4.	Excise	State Excise	18	56	18.36
5.	Transport	Taxes on Vehicles/Taxes on Goods and Passengers	14	73	33.25
Total:			**119**	**427**	**69.00**

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 2015-16. 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 take suitable steps to install an effective procedure for prompt and appropriate response to audit observations as well as take 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 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 (CAG) are forwarded by the AG (Audit) 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.

Two draft paragraphs and a draft Report on audit of “Collection of Revenue from Outsourced Activities in Motor Vehicle Tax” were sent to the Principal Secretaries/Secretaries of the respective departments by name (August & September 2016). The Government replies (October 2016) have been suitably incorporated in the Report.

4.1.6.3 Follow up on the Audit Reports-summarised position

The internal working system of the Public Accounts Committee (PAC), notified in December 2002, laid down that after the presentation of the Report of the CAG in the Legislative Assembly, the departments shall initiate action on the audit paragraphs and the *suo motu* reply thereon should be submitted by the Government within three months of tabling the Report, for consideration of the Committee. Inspite of these provisions, the *suo motu* reply on audit paragraphs of the Reports were being delayed inordinately. 15 paragraphs (including four performance audit) included in the Reports of the CAG on the Revenue Sector, Government of Tripura for the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 were placed before the State Legislative Assembly between March 2012 and March 2016. The reply from the concerned departments on 11 paragraphs were received late with delay ranging from 2 to 30 months. The reply in respect of four paragraphs from two departments (Transport: 2, Revenue: 2) had not been received for the Audit Reports for the years ended 31 March 2010-11 to 2014-15 (September 2016).

The PAC discussed (17 April 2012) five[2] selected paragraphs during the year from 2011-12 to 2015-16 and made 25 recommendations[3] on the five paragraphs which were incorporated in its 112th Report (September 2012). The Action Taken Notes (ATNs) on the 112th PAC Report have been discussed in the PAC in July 2013 in which the committee had made 22 recommendations[4] which were incorporated in the 114th PAC Report (March 2014). However, ATNs on the 114th PAC Report have not yet been received (September 2016) from the department concerned as mentioned in the following table:

Table No. 4.1.10

Year	Name of department	Para No	No. of PAC recommendation	ATN received	ATN awaited
2007-08	Finance (Excise & Taxation) Department	6.15	9	Nil	9
2008-09		4.5	1	Nil	1
2009-10		4.4	12	Nil	12
Total:		**3**	**22**	**Nil**	**22**

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 IRs/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 2006-07 to 2015-16.

4.1.7.1 Position of Inspection Reports

The summarised position of the IRs issued during the last ten years, paragraphs included in these reports and their status as on 30 June 2016 in respect of Finance (Excise & Taxation) Department are tabulated in the following table:

[2] Para 6.15 of AR 2007-08, Para 4.5 of AR 2008-09 and Paras 4.2, 4.3 and 4.4 of AR 2009-10.

[3] Para 6.15 of AR 2007-08: 11, Para 4.5 of AR 2008-09: 1 and Para 4.2: Nil, Para 4.3: Nil and Para 4.4: 13 of AR 2009-10.

[4] Para 6.15 of AR 2007-08: 9, Para 4.5 of AR 2008-09: 1 and Para 4.4 of AR 2009-10: 12.

Table No. 4.1.11: Position of IRs

(₹ 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
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
2015-16	80	290	27.93	17	80	11.35	14	58	5.04	83	312	34.24

The Government arranges *ad-hoc* committee meetings between the department and AG (Audit) office to settle the old paragraphs. It would be evident from the above table that against 24 outstanding IRs with 63 paragraphs as at the end of June 2007, the number of outstanding IRs increased to 83 with 312 paragraphs at the end of June 2016. 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. 4.1.12

(₹ 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 September 2016
2005-06	1	0.05	1	0.05	-	-
2006-07	1[5]	0.06	-	-	-	-
2007-08	1	0.34	1	0.34	-	0.22
2008-09	3[6]	6.76	3	6.76	0.00[7]	0.11
2009-10	3	1.74	2	1.16	Nil	0.60
2010-11	3[8]	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[9]	11.17	3	6.06	Nil	0.04
2014-15	2	0.39	2	0.39	0.23	0.28
Total:	**19**	**26.01**	**17**	**20.26**	**0.30**	**1.90**

5 1 Para (Para No. 6.15) has been referred to the State Government.
6 Including one Performance Audit.
7 Negligible figure amounting to ₹ 3,280 only.
8 Including one Performance Audit.
9 Including one Performance Audit.

It is evident from the above table that the progress of recovery even in accepted cases was very slow. During the last ten years, 19 paragraphs involving ₹ 26.01 crore featured in the Audit Reports, of which 17 paragraphs involving ₹ 20.26 crore had been accepted by the State Government, out of which ₹ 1.90 crore (7.30 *per cent*) had been recovered (September 2016). Thus, the recovery of accepted cases needs to be pursued as arrears and recovered from the concerned parties.

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 conducted by the AG (Audit) are forwarded to the concerned department/Government for their information with a request to furnish their replies. These performance audits are also discussed in exit conference and the department's/Government's views are incorporated/considered while finalising the Audit Report.

The following performance audits on the Finance (Excise & Taxation) Department and Transport Department featured in the Reports of the last five years from 2010-11 to 2014-15. The number of recommendations and their status is given in the following table:

Table No. 4.1.13

Year of Report	Name of the performance audit	No. of recomme-ndations	Status (as on September 2016)
2010-11	Performance Audit on 'Cross verification of declaration forms used in inter-State trade'.	5	Government reply had been received but did not address any of the recommendations. The Performance Audit is yet to be discussed by PAC.
2011-12	Computerisation of Transport Department in Tripura.	7	So far reply had not been received. The Performance Audit is yet to be discussed by PAC.
2013-14	Computerisation of Value Added Tax (VAT) Systems in Tripura.	4	So far reply had not been received. The Performance Audit is yet to be discussed by PAC.
2014-15	IT Audit on Computerisation of Land Records.	3	So far reply had not been received. The Performance Audit is yet to be discussed by 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 2015-16, there were 33 auditable units, of which 20 units were planned and 21 units had been audited, which is 63.64 *per cent* of the total auditable units.

Besides the compliance audit mentioned above, audit of "Collection of Revenue from Outsourced Activities in Motor Vehicle Tax" was taken up during 2016-17 for inclusion in Revenue Sector of the Report of CAG for the year 2015-16.

4.1.10 Results of audit

Position of local audit conducted during the year

Test-check of the records of 21 units of Sales Tax/VAT, State Excise, Registration, Motor Vehicles and other departmental offices conducted during the year 2015-16 showed under assessment/short levy/loss of revenue/non-realisation of outstanding revenue aggregating to ₹ 15.79 crore in 84 cases. During the year 2015-16, the departments concerned accepted underassessment and other deficiencies of ₹ 6.23 crore involved in 24 cases which were pointed out in audit. Of these,the departments recovered ₹ 0.90 crore involving five cases.

4.1.11 Coverage of this report

This Sector contains Audit Report on "Collection of Revenue from Outsourced Activities in Motor Vehicle Tax" and two Compliance Audit Paragraphs involving financial effect of ₹ 63.34 lakh in respect of which the departments/Government have accepted audit observations.

TRANSPORT DEPARTMENT

4.2 Collection of Revenue from Outsourced Activities in Motor Vehicle Tax

4.2.1 Introduction

In compliance with the direction of the Supreme Court of India to implement the Scheme of High Security Registration Plates (HSRPs) as envisaged under the Central Motor vehicle (1st Amendment) Rules, 2001, Transport Department, Government of Tripura resorted to outsourcing of services in the areas of "HSRP Project" for supply including affixation of HSRP on all motorised road vehicles and also for "Smart Card Project" for issue of Driving Licenses (DLs) and the vehicle Registration Certificates (RCs) in smart cards.

HSRP is a secure number plate carrying unique details aimed to establish a uniform pattern of displaying registration marks across the country to prevent incidence of vehicle thefts and related crimes and for maintaining database of all kinds of vehicles. The objective behind introducing smart cards (having information stored securely on a chip) for issue of RCs and the DLs was to enable inter-operability across the country, eliminating their fake re-productions and monitoring tax collection, etc. The HSRP Project was introduced in the State on 30th July 2012, while the Smart Card Project commenced from 1st April 2006.

Apart from significant revenue earnings of the Government, the area of services under these projects involved certain mandatory compliance of rules by the vehicle owners as well as the license seekers. There are apparent risks involved in outsourcing of these services e.g. illegal issue of RCs to unverified/non-entitled vehicles and also issue of DLs to ineligible/unauthorised persons, besides short-charge of Government revenue derivable from issue of RCs/DLs, etc. In view of this, an audit on "Collection of Revenue from Outsourced Activities in Motor Vehicle Tax" was taken up.

4.2.2 Audit objectives

Audit was undertaken to ascertain whether:

- the extant instructions governing the outsourced activities were adhered to by the vendors;
- the services envisaged under the projects were satisfactorily provided; and
- adequate safeguards were in place in the Department to control vendor's activity and prevent leakage of revenue.

4.2.3 Organisational set up

The Department is headed by the Principal Secretary/Secretary, who is assisted by one Joint Transport Commissioner (JTC) at the State level and District Transport Officers (DTOs) in all the eight districts in the State. Senior Motor Vehicle Inspectors/Motor

Vehicle Inspectors (MVI) assists the DTOs in their day to day activities in the Districts.

4.2.4 Scope of audit and methodology

The audit was conducted between April-May 2016 in the Offices of JTC, Agartala and four[10] DTOs (out of eight) covering the period from 1st April 2011 to March 2016. An entry conference was held with the Secretary, Transport Department on 8th April 2016. The draft report was issued to the State Government in July 2016. An exit conference was held with the Principal Secretary, Transport Department on 18th October 2016, where audit findings were discussed. The views expressed by the Government/department were suitably incorporated in the report.

4.2.5 Project on HSRPs

The Ministry of Road Transport and Highways mandated (August, 2001) that HSRP should be affixed in all categories of new and in-use motor vehicles. Accordingly, the State Government had made fixation of HSRP compulsory in the State with effect from 30th July 2012 in respect of all new vehicles registered on and after that day, whereas the existing vehicles had been given a timeframe of two years to comply. For this purpose, an agency namely "Ackruti Safeguard Systems Private Limited (ASSPL)" was engaged by the Department, through tender, for five years commencing from 1st April 2012. The agreement to supply including fitting/fixing of HSRP on motor vehicles was signed with ASSPL on 13th March 2012.

Scrutiny of the working of the vendor (ASSPL) for the period from 30th July 2012 to 31st March 2016, based on reports furnished by ASSPL in the test checked units, revealed a number of deficiencies, which are described in succeeding paragraphs.

4.2.5.1 Non-compliance of extant instructions and procedures

(i) Unauthorised issue and affixation of HSRP on vehicles

As per Para 4(xi) of the GoI order dated 22nd August 2001[11] and Clause 12 of the Agreement, Registration Plates shall be supplied to vehicle owners by the vendor only against proper authorisation in prescribed form issued by the Departmental officers. The HSRP was to be affixed in motor vehicles inside the DTO premises in front of an authorised Departmental officer. It was, however, seen that no authorisation was issued by the Department or obtained by the vendor before affixation of HSRP in vehicles. There was no record to substantiate that the affixation was done in front of any designated Departmental authority either. Thus, the lackadaisical approach of the Department towards implementation of HSRP project compromised the security aspect of the project leaving ample scope for irregularity on the part of the vendor in issuing HSRP to vehicles.

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[10] North Tripura, Unokoti, Gomati and Dhalai.

[11] Notifying the process required to be complied with by a manufacturer or vendor for manufacturing or supplying of new high security registration plates.

The Department while admitting the lapse stated (August 2016) that for streamlining Departmental monitoring mechanism, a designated officer has since been assigned. The fact remains that HSRP has been issued to vehicles without the mandatory check defeating the purpose of introduction of the scheme. The Government needs to ensure compliance to these mandatory requirements.

(ii) Lack of Departmental control over vendor's activity

Para 4 (xi) of the GoI order dated 22nd August, 2001 requires that a proper record of the Registration Plates issued by the vendor as well as authorised by the Government, should be maintained on a daily basis and tallied periodically with the records of the transport authority. It was, however, seen that the authority had neither maintained any such record nor was the daily report of the vendor, if any, called for scrutiny. As a result, activities of the vendor remained unverified.

Further, Clause 16 (ix and x) of the Agreement provides that the stock of laser coded HSRP blanks[12] and HSRP embossed[13] prior to supply and affixation on vehicles are to be kept in secured storage. Any theft or pilferage of HSRP should be brought to the notice of the Government by the vendor within seven days for delisting[14]. It was, however, seen that the Department had never verified vendor's account of the receipts and issue of the stock of HSRPs. Apart from the above, the report on damage of 2,425 HSRPs in store (reported by the vendor to audit on specific query) had not been brought to the knowledge of the Department. Consequently, neither the reported damage was authenticated by the Department nor delisting of the damaged plates was notified by the Government leaving enough scope for unauthorised use of these plates.

The Department replied (October 2016) that the vendor would henceforth be subjected to furnish daily report for tallying with the office records. The reply also stated that a committee had been formed to verify status of damaged stock of HSRPs.

(iii) Submission of incomplete report/returns

Clause 2 (b) of Annexure-C of the Agreement provides that the vendor should furnish monthly statement along with a copy of the Report in respect of each registration number. However, no such monthly statements had been furnished by the vendor or insisted upon by the Department for scrutiny. The DTOs also did not maintain any record to keep track of actual achievement in case of old and new vehicles and other relevant information to monitor the activities of the vendor.

The Department while admitting the lapse stated (October 2016) that the vendor was asked to furnish complete reports/returns to enable the DTOs to tally with their office records.

12 Standard laser coded numbered HSRPs without vehicle registration number embossed.
13 HSRPs after embossing vehicle registration numbers.
14 Removing the laser numbered stolen or damaged plates from the vendor's central database to ensure that such laser numbered plates are not used for embossing HSRP to any vehicle.

(iv) Permanent registration numbers and HSRPs to vehicles at dealer's point before delivery not assigned

Government (August 2012) directed the registering authority to ensure that no delivery of motor vehicle was to be made to a purchaser without permanent registration number and affixation of HSRP from dealers' point. Scrutiny of records, however, disclosed that such a system had not been introduced as of date (June 2016). Further, no special drive on non-compliance in this regard, by the traffic police was reported to the Department.

The Department stated (October 2016) that instruction had been issued to the dealers to ensure fitment of HSRP on new vehicles at the delivery point.

4.2.5.2 Project implementation

(i) Targets in HSRP affixation not achieved

The Department made (vide notification dated 19th July 2012) HSRP compulsory in the State *w.e.f* 30thJuly 2012 in respect of all new vehicles. In case of vehicles registered earlier, HSRPs were to be fixed within two years from the date of implementation of the scheme.

As of 31st March 2016, only 1,37,073 vehicles (39.49 *per cent*) of the total 3,47,073 vehicles registered in the State had been affixed with HSRP. There was no system in place in the Department to ascertain the number of vehicles actually turning up for HSRP fitment to tally with the vendor's report as the Department had to rely on the information sent by vendor relating to affixation of HSRP. Further, there was also no evidence to substantiate that the Department had taken adequate measures to bring erring vehicle owners to report for HSRP fitment.

(ii) Non-affixation of HSRP on new registered vehicles

Out of the total 26,596 new vehicles registered during the first year of HSRP implementation (July 2012 to June 2013), 13,547 vehicles (more than 50 *per cent*) had not reported for HSRP fittings (**Appendix-4.2.1**). Further, information on HSRP fittings from July 2013 onwards could not be furnished by either the registering authority or the vendor. Therefore, there was no way to ascertain whether all the new vehicles registered since July 2013 had affixed HSRP.

The Department while admitting the lapse stated (October 2016) that fitment of HSRP on new vehicles at the delivery point was being ensured.

(iii) Affixation of HSRP to old vehicles

In respect of old vehicles registered prior to 30th July 2012, State Government (11thMarch 2013) had set 31stMay 2013 as the deadline for HSRP affixation. However, as of 31stMarch 2016, about 82 *per cent* (1,84,831 vehicles) of the total 2,25,436 registered vehicles in pre HSRP implementation period remained without HSRP. Reasons for non-compliance by the vehicle owners were neither ascertained nor any concrete action for compelling the owners contemplated by the Department.

The Department did not even insist on the Government vehicles to comply with the requirement. None of the Government vehicles registered prior to HSRP introduction period (30th July 2012) had been affixed with HSRP.

The Department while admitting the shortfall in affixation of HSRP to old vehicles stated (October 2016) that adequate steps were being initiated in consultation with the Government.

(iv) Discrepancy between activities in vendor's report and actual position at DTO level.

Cross verification of the position of HSRP fitment in test checked DTOs with that of the State report[15] gathered from the vendor for the period from 30th July 2012 to 31st March 2016 revealed that there was a discrepancy of 1,566 vehicles in the four test checked districts, as shown in the following table:

Table No. 4.2.1

Test checked districts	Total HSRP fitment as per vendor's consolidated State Report	Total HSRP fitment noticed in the test checked districts	Shortfall in State Report
Dhalai	4,410	4,414	4
Gomati	8,405	8,421	16
North Tripura	12,303	12,412	109
Unakoti	6,908	8,345	1,437
Total	**32,026**	**33,592**	**1,566**

The discrepancy was noteworthy as all four districts have international border with Bangladesh. Thus, the possibility of fitment of HSRP in stolen/smuggled vehicles in these districts could not be ruled out, with consequences on national security.

The Department stated (October 2016) that necessary action would be taken against the vendor after verification. The verification as well as action taken report had not been furnished.

4.2.5.3 Position of revenue collection

Clause 10 of the Agreement provides that on receipt of authorisation for affixation of HSRP from the registering authority, the vendor shall levy and collect HSRP sale price from vehicle owners at rates[16] fixed under agreement and pay Government royalty calculated @ 5 *per cent* of the HSRP sale price (excluding VAT and other local taxes). Clause 1 (l) further provides that an additional 5 *per cent* of the HSRP sale price shall also become payable to Government as user charge (space rent) for being accommodated in the DTO premises.

[15] Consolidated monthly report of the entire State (District-wise) furnished to the Department by the vendor.

[16] 2-Wheeler: ₹ 340.00; 3-Wheeler: ₹ 440.00 and 4-Wheeler Light/Medium/Heavy Motor Vehicle: ₹ 590.00 (excluding VAT and other local taxes).

Table No. 4.2.2

(₹ in lakh)

Year	Total HSRP sale price collected (excluding VAT)	Revenue deposited by the vendor			
		Royalty	User charge	VAT	Total
2012-13	38.01	1.90	1.23	4.14	7.27
2013-14	206.75	10.34	2.67	23.25	36.26
2014-15	143.17	7.16	3.24	16.74	27.14
2015-16	160.18	8.01	13.44*	18.73	40.18
Total	**548.11**	**27.41**	**20.58**	**62.86**	**110.85**

* includes ₹ 7.97 lakh being arrears of unpaid user charges pertaining to period from August 2012 to October 2015 paid at the instance of audit.

It was observed that vendor had made payment of ₹ 20.58 lakh only as user charge as against the payable amount of ₹ 27.41 lakh. Thus, there was a short payment of ₹ 6.83 lakh.

The Department stated (October 2016) that demand for the discrepant amount of revenue had been raised.

4.2.5.4 Internal audit

Para 4 (xiv) of GoI notification, dated 22nd August 2001, requires periodic audit to be carried out by the testing agency[17] to ensure compliance of requirements of the HSRP affixation. However, no audit had ever been conducted by any testing agency since the beginning of the project.

The Department stated (October 2016) that the vendor was asked to arrange required audit at the earliest.

4.2.5.5 Inadequate monitoring and lack of compliance by the vendor

There was no mechanism in existence in the Department to ensure proper implementation of the project and to monitor and control the activities of the vendor. Although the extant instructions governing the outsourced activity were not adhered to by the vendor, requisite Departmental intervention was totally absent. Lack of Departmental initiatives resulted in more than 60 *per cent* of the existing vehicles remaining without HSRP. This status was prevailing despite the Supreme Court Judgment (February 2012) that all States "are mandated to fully implement the scheme of fixation of HSRP in their entire State[18]".

4.2.6 Smart card project

With the objective to issue RCs and the DLs in smart card, the 'Smart Card Project' was introduced in the State by outsourcing the services to Webel Technology Limited (WTL), a Government of West Bengal undertakings, for five years commencing from 1st April 2006. The contract was renewed for another five years from 1st April 2011 with stipulation to pay 10 *per cent* of the gross collection of charges to the State

[17] The agencies notified by the Central Government to test the manufactured HSRPs and give type approval certificate to vendor for being eligible to be engaged as service provider by the State Governments.

[18] Maninderjit Singh Bitta Vs. Union of India & Ors., Writ Petition (Civil) No.510 of 2005, dated 7th February 2012.

Government on monthly basis as revenue share. Scrutiny of the working of the service provider (WTL) for the period from 1st April 2011 to 31st March 2016, based on information furnished by WTL through the JTC and the test checked DTOs[19] revealed the following discrepancies:

4.2.6.1 Project implementation

(i) Targets for issue of smart cards not achieved

The State Government extended (April 2011) the 'Smart Card Project' to cover all old paper based RCs/DLs with the target to complete the process by 28th February 2012. As of 31st March 2016, there were 3,47,073 vehicles registered in Tripura. However, RCs in smart cards were issued to only 2,13,348 vehicles, thereby showing a huge shortfall in this regard. Further, audit could not ascertain the percentage of the old and new vehicles separately, which were issued smart cards because neither the Department nor the vendor had maintained such classification of records. The Department while admitting the lapse stated that the vendor would be asked to maintain suitable records with immediate effect.

The Department admitted (October 2016) shortfall in this area despite several unsuccessful initiatives being taken earlier. The Department also stated that further action was being contemplated in consultation with the Government.

(ii) Discrepancy between activities in vendor's report and actual position at DTO level.

Cross verification of the position of issue of smart cards for RC, DL and Learner License (LL) in test checked DTOs and reported activities by the vendor in its consolidated State report (April 2011 to March 2016) disclosed that the vendor had concealed report of printing of 123 DLs, 673 RCs and 19,802 LLs in the four tests checked districts, as shown in the following table:

Table No. 4.2.3

(Figures denote number of vehicles)

Name of the DTO Offices	Driving License			Registration Certificate			Learner License		
	State report[20]	District report[21]	Difference	State report	District report	Difference	State report	District report	Difference
Dhalai	18,025	18,025	Nil	6,799	6,799	Nil	5047	11,334	6287
Gomati	40,658	40,658	Nil	33,107	33,108	1	19020	25094	6074
North Tripura	19922	19974	52	17213	17708	495	6845	14,293	7,448
Unakoti	21942	22,013	71	13993	14170	177	7,575	7,568	-7
Total	**1,00,547**	**1,00,670**	**123**	**71,112**	**71,785**	**673**	**38,487**	**58,289**	**19,802**

In the absence of any specific details, the discrepant issue of 673 RCs in smart cards for stolen/smuggled vehicles as well as 123 DLs for fake users in these districts could not be ruled out.

19 West Tripura, North Tripura, Dhalai, Unokoti and Gomati.
20 Furnished by the vendor.
21 Furnished by the DTOs.

The Department stated (October 2016) that necessary action would be taken against the vendor after verification of the discrepancies. The verification as well as action taken report had not been received.

(iii) Hand Held Terminals/smart card readers not activated

Clause 16 of the agreement provides for supply of required number of Hand Held Terminals (HHTs) *i.e.* smart card readers by the vendor to the Department to keep on road surveillance on the user of DL/RC in smart cards. In order to operate the HHTs, compatible software duly certified by the National Informatics Centre (NIC) was to be developed and supplied by the agency. Scrutiny revealed that, as of June 2016, although 25 HHTs were supplied (2012-13) to the Department, the requisite software delivered by the vendor had not been approved by the NIC. As a result, the HHTs (hardware) remained idle and their warranty expired even before they were put to use.

The smart cards being issued for DL/RC were required to be electronically activated through the process of Key Management System (KMS) by the State transport authority so as to make the cards security proof. However, the smart cards in circulation in the State were without activation and thus, the cards did not have any security feature.

(iv) Training to Transport staff not imparted

Clause 6 of the Agreement provides that the vendor shall impart training to the staff of the Department engaged in the 'Smart Card Project' on a regular basis at no extra cost to build in-house technical competence. For this purpose separate set of hardware shall also be provided by the vendor for exclusive use in training.

It was, however, noticed that neither any training of staff was conducted by the vendor nor was hardware provided for training purposes even after a lapse of more than five years of signing the agreement. Thus, in the absence of training to the staff, the Department failed to put in place dedicated workforce to take over the project and continued to rely entirely on the outsourced agency.

The Department while admitting the lapse stated (October 2016) that the vendor was asked to provide necessary training to staff, failing which action would be initiated.

4.2.6.2 Position of revenue collection.

(i) Short payment of revenue share of the Government

Clause 11 and 12 of the agreement provide that the vendor shall collect charges at rates fixed for each service from the service recipients and pay to Government a revenue share calculated @ 10 *per cent* of the total charges so realised. The details of cash charges collected by the vendor and Government share are given in the following table:

Table No. 4.2.4

(₹ in lakh)

Year	Total amount of charges collected	Government share due @10 *per cent* of charges	Government share paid	Short payment
2011-12	168.98	16.90	16.09	0.81
2012-13	171.98	17.20	16.65	0.55
2013-14	211.54	21.15	21.12	0.03
2014-15	220.61	22.06	22.01	0.05
2015-16	255.35	25.54	25.41	0.13
Total	**1,028.46**	**102.85**	**101.28**	**1.57**

Scrutiny of cash receipts details of the vendor (WTL) revealed that the total collection of charges on smart card services for the five years (2011-16) was ₹ 1,028.46 lakh, of which Government was to be paid ₹ 102.85 lakh (10 *per cent* of ₹ 1,028.46 lakh). The agency, however, paid ₹ 101.28 lakh resulting in shortfall in payment of Government revenue to the extent of ₹ 1.57 lakh**.**

The Department stated (October 2016) that demand for the said amount of revenue has since been raised.

(ii) Printing of cards not proportionate to charges realised.

The vendor receives in advance prescribed fee for smart cards from applicants requiring DL before authorisation by the competent authority. If the applicants do not pass the eligibility test, DL is denied by the licensing authority. However, even in such cases where DL is not required to be printed and issued, the outsourced agency retained the money. During the audit period (April 2011 to March 2016), it was seen that the vendor had received cash for printing charges in respect of 5,250 DLs which were not actually issued. Thus, the vendor had neither refunded the collected amount of ₹ 5, 25,000 (5,250 x ₹ 100) back to the payee nor credited the money to Government, although the required services were not provided. The position is given in the following table:

Table No. 4.2.5

(₹ in lakh)

Year	Cash received for number of DLs	Actual printing of number of DLs	Cash receipts excess (+) less (-) than actual number of printing
2011-12	38,569	37,071	(+) 1.50
2012-13	39,605	40,610	(-) 1.01
2013-14	45,542	44,864	(+) 0.68
2014-15	46,480	43,735	(+) 2.75
2015-16	56,923	55,589	(+) 1.33
Total	**2,27,119**	**2,21,869**	**(+)5.25**

Similarly, in the last five years, an excess of 6,013 RCs were printed and issued over the number for which fee was realised and paid to Government of its share. Reason for excess printing over the disclosed receipts of charges had not been stated.

The details of RCs printed in excess and corresponding short realisation of prescribed fee are given in the following table:

Table No. 4.2.6

(₹ in lakh)

Year	Cash receipts for number of RCs	Number of RCs printed and issued	Cash receipts excess (+) less (-) than actual number of printing
2011-12	33,804	34,992	(-)1.19
2012-13	34,409	37,689	(-) 3.28
2013-14	43,012	45,774	(-) 2.76
2014-15	44,914	45,100	(-) 0.18
2015-16	51,196	49,793	(+) 1.40
Total	**2,07,335**	**2,13,348**	**(-)6.01**

The Department stated (October 2016) that suitable action would be taken against the vendor after verification of the discrepancies**.**

(iii) Short accounting of Learner Licenses than actual issue leading to not paying of Government dues of ₹ 3.34 lakh.

Clause 11(a) of the agreement with the vendor provided that the vendor shall be entitled to charge and receive ₹ 20 each directly from the customers for printing of LL on good quality paper. As seen in the following Table, there was a difference of 1,67,116 numbers between actual issue of LLs and those claimed to be printed by the vendor. Issue of printed LL is made only on paper provided by the vendor upon realisation of due printing charges from the customer. Thus, there was no possibility of difference in figures of LLs actually issued and LLs shown to be issued by the vendor.

Table No. 4.2.7

(Figures denote number)

Year	LL issued as per Departmental records	LL issued as per vendor's records	Short disclosure of printing of LLs by the vendor
2011-12	41,469	18,227	23,242
2012-13	44,375	16,722	27,653
2013-14	57,953	23,531	34,422
2014-15	69,588	28,537	41,051
2015-16	72,934	32,186	40,748
Total	**2,86,319**	**1,19,203**	**1,67,116**

Thus, non-accounting of the printing of 1,67,116 LLs led to not paying of Government dues of ₹ 3.34 lakh (10 *per cent* of the total collection of charges of ₹ 33.42 lakh *i.e.* 1,67,116 LL x ₹ 20 per LL) by the vendor.

The Department stated (October 2016) that demand for the short paid amount of Government revenue had been raised against the vendor.

4.2.6.3 Monitoring and Control

The monitoring mechanism on 'Smart Card Project' was deficient in the Department in the following ways:

- The DTOs did not maintain any records of actual authorisation issued for printing of RCs/DLs to enable them to verify and tally the reports of actual printing done by the vendor.

- Neither the vendor nor the DTOs maintained any records on actual issue of RCs/DLs in smart cards for pre and post smart card periods.
- Against the target to complete the process of conversion of paper based RCs in smart cards by 28th February 2012, about 39 *per cent* (1,33,725 vehicles) of the total existing vehicles (3,47,073) remained outside smart card cover as of 31st March 2016.

4.2.7 Conclusion

The extant instructions governing the outsourced activities had not been adhered to by the vendor. Despite this, there was no mechanism in existence in the Department to monitor and control the activities of the vendor. Non-submission of daily activity report for scrutiny by the registering authority, affixation of HSRP by vendor without formal authorisation, absence of periodical verification of vendor's activity, etc. reflected lack of transparency in the whole exercise being carried out by the vendor without the required intervention of the Department. The fact that 82 *per cent* of the existing vehicles are without HSRP even after a lapse of three years of the conversion deadline indicated lack of intent of the Department in project implementation. Neither the vendor nor the DTOs maintained any records on actual issue of RCs/DLs in smart cards for pre and post smart card periods. As a result, the Department was not aware of the position of actual coverage of new vehicles on registration, conversion of paper based RCs of old vehicles, etc. Consequently, suitable action for ensuring compliance by the defaulting vehicles owners/licensees had also not been contemplated. There was short payment of ₹ 6.83 lakh, representing about 25 *per cent* of Government revenue derivable from space rent for HSRP project and also non-payment of ₹ 3.34 lakh due to less disclosure of LLs printed by the vendor. Thus, the Department seemed to have reduced its role to mere recipient of monthly revenue paid by the vendor without doing any related cross verification with its own records.

4.2.8 Recommendations

It is recommended that the Department should:

- Prepare a plan to implement the project in a transparent and time bound manner;
- Ensure that the vendors follow the extant rules governing the outsourcing activity and maintain and furnish all required reports/returns for Departmental scrutiny.
- The daily reports of vendors should be obtained and tallied with DTO's records to prevent any discrepancy in issuance of smart cards and safeguard the interest of Government revenue.
- DTOs should be vested with proper authority to exercise control over the activities of vendors and a dedicated cell headed by a responsible officer in all the DTOs should be established to maintain projects related records and to keep proper vigil over the activities of the vendor on a regular basis.

FINANCE (EXCISE & TAXATION) DEPARTMENT

4.3 Short levy of tax

Concealment of turnover by the dealers which escaped notice of the assessing authorities resulted in short levy of tax of ₹ 24.32 lakh, non levy of interest of ₹ 6.80 lakh and penalty of ₹ 3.48 lakh.

Section 31 of Tripura Value Added Tax (TVAT) Act, 2004 and rules framed thereunder provide that where the Commissioner is not satisfied with the correctness of any return filed under Section 24 or the 'bona fides' of any claim of exemption, deduction, concession, input tax credit or genuineness of any declaration, or evidence furnished by a registered dealer in support thereof, the Commissioner may serve on such dealer a notice to produce the books of account and all evidence on which the dealer relies in support of his returns including tax invoice. The Commissioner, after giving reasonable opportunity of being heard, shall assess to the best of his judgment the amount of tax due from such dealer.

Further, Section 25(1) of the TVAT Act, 2004 provides that such dealer shall also be liable to pay interest in respect of the amount of tax payable on such assessments at the rate of one and half *per cent* per month from the date the tax payable had become due.

Section 31(5) of the TVAT Act, 2004 also provides that if the Commissioner is satisfied that the dealer tried to evade or avoid payment of tax in any way, he shall, after giving the dealer a reasonable opportunity of being heard, direct him to pay in addition to tax and interest payable by him, a penalty not exceeding one and a half times of the tax due, which shall not be less than 10 *per cent* of that amount.

Audit of the records between January 2015 and December 2015 of six Superintendents of Taxes[22] revealed that in 12 assessment cases pertaining to 11 dealers for the period 2009-10 to 2013-14 finalised during the financial years 2013-14 and 2014-15, there was concealment of turnover by the dealers which escaped notice of the assessing authorities and thus resulted in short levy of tax of ₹ 24.32 lakh (VAT) (**Appendix-4.3.1**), leviable interest of ₹ 6.80 lakh (**Appendix-4.3.2**) and penalty of ₹ 3.48 lakh (**Appendix-4.3.1**).

The Government stated (October 2016) that in cases of six[23] dealers the matters were listed for hearing, in three[24] cases the matters were disposed of in the court of the

[22] (1) The Superintendent of Taxes, Charge IV, Agartala (2) The Superintendent of Taxes, Charge V, Agartala, (3) The Superintendent of Taxes, Charge VII, Agartala (4) The Superintendent of Taxes, Charge VIII, Agartala, (5) The Superintendent of Taxes, Bishalgarh (6) The Superintendent of Taxes, Belonia.

[23] M/s B.B. Electronic, Subhash Chandra Datta, M/s J.K. Motors, M/s Haralal Das, M/s Laxmimata Enterprise and M/s Shree Durga Agencies.

[24] M/s SML ISUZU, M/s Paritosh Debnath and M/s Dharampal Agarwal and Sons.

Revisional Authority and in two[25] cases the matters were taken for review, and added that the result would be intimated in due course. In respect of three cases in which the matters were disposed of, the status of demands raised/action taken was not apprised by the Department.

4.4 Loss of revenue

Failure to impose penalty by the Assessing Authority on evaded tax resulted in loss of revenue of ₹ 10.99 lakh.

Section 31(5) of the Tripura Value Added Tax (TVAT) Act, 2004 provides that if the Commissioner is satisfied that the dealer in order to evade or avoid payment of tax has furnished incomplete and incorrect returns, availed himself of tax credit to which he is not entitled to or has followed such method of accounting which does not enable proper assessment of the tax due, he may, after giving the dealer reasonable opportunity of being heard, direct him to pay in addition to the due 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 10 *per cent* of that amount.

Accordingly, in order to ensure that uniform practices are followed throughout the State by different Assessing Authority (AA), the Commissioner of Taxes issued (December 1987) a memorandum prescribing guidelines for imposition of penalty on the concealed tax (between the wide ranging discretion of 10-150 *per cent* provided under the Act) based on percentage tax evasion and average delay.

Scrutiny (April 2015) of the assessment records[26] of a registered contractor[27], liable to pay VAT on goods transferred to works in execution of works contract for the assessment year 2009-10 revealed that the AA while rejecting the books of accounts and returns furnished by the dealer as being incomplete and unreal, assessed total taxable turnover at ₹ 6.40 crore against the dealer's returned turnover of ₹ 3.88 crore. The concealment of the taxable turnover of ₹ 2.52 crore (₹ 1.38 crore taxable @ 4 *per cent* and ₹ 1.14 crore taxable @ 12.5 *per cent*), as detected by the AA, comprised mainly of concealed value of materials actually transferred to works, non-disclosure of departmentally supplied materials to works, non-disclosure of profit on the value of taxable materials used or transferred to works and incommensurate adjustment of Input Tax Credit (ITC) with the domestic purchase made during the year.

The AA accordingly assessed the total tax liability of the dealer at ₹ 56.91 lakh against his actual payment of ₹ 38.60 lakh {Tax Deducted at Source (TDS) certificates: ₹ 36.28 lakh and ITC adjustment on locally purchased goods: ₹ 2.32 lakh} based on incorrect returns, leaving an amount of ₹ 18.31 lakh as tax evaded on concealed turnover. Thus, under the statutory provision *ibid*, the dealer was liable to be charged

25 M/s Computer Link and M/s Shiv Rubber.
26 Superintendent of Tax, Charge-V, Agartala.
27 M/s Jaypee Projects Limited, assessed in March, 2015.

penalty as per direction of the Commissioner of Taxes issued in the context of the provision of the Act.

It was, however, seen that the AA though brought the amount of concealed turnover (₹ 2.52 crore) under assessment, but refrained from levying penalty under Section 31(5) of TVAT Act, 2004 stating that there was no evasion of tax as the dealer had not collected VAT and he had produced TDS certificates issued by the Drawing and Disbursing Officers against work contract tax. The contention of the AA was not tenable as the works bills received by the dealer constituted the gross contract value of the works done including taxes and duties after deduction of lump sum work contract tax at source. Thus, the TDS certificates (₹ 36.28 lakh) produced were related to work contract tax @ 4 *per cent* (provisional in nature subject to adjustment with the output tax payable along with dealers monthly/quarterly returns) on the gross works bills value of ₹ 9.07 crore received during the year and not the entire tax due against the total assessable turnover of the dealer for the relevant year.

Thus, it was beyond doubt that the submission of incorrect returns was a deliberate act on the part of the dealer with the end motive of evading tax which eventually delayed payment of Government revenue. The dealer was, therefore, liable to be levied penalty @ 60 *per cent*[28] of the concealed tax (₹ 18.31 lakh) representing more than 32 *per cent* of his total tax liability (₹ 56.91 lakh), which remained unpaid for a period of five years.

Thus, concealment of actual turnover by the dealer and subsequent undue exemption granted by the AA in levying penalty resulted in loss of Government revenue to the tune of ₹ 10.99 lakh (@ 60 *per cent* of the evaded tax of ₹ 18.31 lakh).

The Government stated (October 2016) that the case had been re-assessed, but remained silent on the core issue of not imposing penalty.

[28] As per Commissioner of Taxes, Government of Tripura, Memorandum no F.I-7(II)-Tax/87/9726-35, Dated: 26 December 1987.

CHAPTER V: GENERAL SECTOR

CHAPTER V: GENERAL SECTOR

5.1 Introduction

This Chapter of the Audit Report for the year ended 31 March 2016 deals with the findings on audit of the State Government units under General Sector.

The names of the State Government departments and the break-up of the total budget allocation and expenditure of the State Government under General Sector during the year 2015-16 are given in the table below:

Table No. 5.1.1

(₹ in crore)

Name of the departments	Total budget allocation	Expenditure
Chief Minister Secretariat	0.92	0.66
Civil Defence Department	0.43	0.24
Department of Parliamentary Affairs	21.78	15.38
Election Department	14.86	12.19
Employment	4.71	4.56
Factories and Boilers Organisation	1.99	1.94
Finance Department	2,190.17	2,041.54
Fire Service Organisation	71.73	50.62
General Administration (P & T) TPSC Department	6.81	4.45
General Administration (Political) Department	2.23	2.05
General Administration (AR) Department	3.22	2.52
General Administration, Printing and Stationery	16.01	11.77
General Administration (SA) Department	53.27	46.76
Governors Secretariat	3.74	3.77
High Court	13.68	12.69
Home (FSL, PAC and Prosecution Cell)	4.20	3.00
Home (Jail) Department	36.39	28.04
Home (Police) Department	1,049.65	904.36
Institutional Finance Department	2.92	2.67
Law Department	116.11	51.01
Planning and Coordination Department	441.67	10.30
Statistical Department	7.63	6.18
Treasuries	6.91	5.29
Total number of departments = 23	**4,071.03**	**3,221.99**

Source: Appropriation Accounts – 2015-16.

Besides the above, the Central Government had transferred a sizeable amount of funds directly to the implementing agencies under the General Sector in the State during the year 2015-16.

Table No. 5.1.2
Funds transferred to State implementing agencies during 2015-16
(₹ 5 crore and above)

(₹in crore)

Name of the department	Name of the scheme/programme	Implementing agency	Amount of funds transferred during the year
Planning and Co-ordination	MPLADS	District Magistrate & Collector, West Tripura	10.10
		District Magistrate & Collector, Dhalai	15.00
Total			**25.10**

Source: 'Public Financial Management System' portal in Controller General of Accounts' website.

5.2 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 (IRs) 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 IRs. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations arising out of those IRs are processed for inclusion in the Audit Reports, which are submitted to the Governor of Tripura under Article 151 of the Constitution of India for being laid in the State Legislature.

The audits were conducted during 2015-16 involving test-check of an expenditure of ₹ 353.32 crore (including expenditure pertaining to the previous years audited during the year) of the State Government under General Sector. This sector contains one IT audit report on "Computerisation of Treasury Operation System" relating to the Finance Department.

FINANCE DEPARTMENT

5.3 IT audit of Computerisation of Treasury Operation System

The Government of Tripura initiated the Computerisation of Treasuries Operation System (CTOS) in 1998, which was implemented in all the Treasuries and Sub-Treasuries by 2003-04 at a cost of ₹ 1.47 crore. Subsequently, in 2010, the State Government decided to upgrade the CTOS from Client Server Architecture to Web Based Online Treasury Operation System (WBOTOS) to achieve better financial management. Further, during 2014, it was decided to include additional three modules namely budget preparation and funds management, integration of Public Financial Management System (PFMS) and integration with bank portal for direct payment from treasury through e-payment.

The online system was developed using Oracle 11 g Relational Database Management System under Dot Net Architecture and implemented in all the treasuries and sub treasuries in 2015-16. However, the budget module, integration with bank portal and integration with PFMS had not been developed/achieved. Audit of WBOTOS was conducted to evaluate the efficiency and effectiveness of the system as well as the adequacy of the controls in terms of the stated objectives of the system.

Highlights

Implementation of WBOSTOS was not fully completed. Integration with PFMS had not been achieved.

(Paragraph 5.3.7)

There was no provision in the system to capture the data relating to submission of Detailed Countersigned Contingent Bills so that the treasury officer could generate reports to ensure that no Abstract Contingent Bills was pending for adjustment beyond prescribed periods.

(Paragraph 5.3.9.2)

The computerised system was not maintaining the balances under 8443-Civil Deposit head. This led to inability of the system in facilitating the checking of balances under Civil Deposits while passing the relevant bills.

(Paragraph 5.3.9.4)

Non-activation of audit trail and weak logical access controls rendered the system vulnerable to unauthorised access.

(Paragraphs 5.3.10.1 and 5.3.10.2)

5.3.1 Introduction

The Government of Tripura initiated the project Treasury Operation System (TOS) in 1998 to computerise all the Treasuries and Sub-Treasuries. The Computerised Treasury Operation System (CTOS) was implemented in all the treasuries and sub treasuries in 2003-04 at a cost of ₹ 1.47 crore. The computerised system was Client Server Architecture based. Subsequently, in 2010 the State Government decided to upgrade the CTOS from Client Server Architecture to Web Based Environment. The online system was developed using Oracle 11 g Relational Database Management System (RDBMS) under Dot Net Architecture and implemented in all the treasuries and sub treasuries by 2015-16. The database was maintained centrally at State data centre.

Further, in September 2014 it was decided to include budget module for preparation of budget and releasing of funds to departments through online system, integration of bank portal for direct online payment from treasury through e-payment and integration with Public Financial Management System (PFMS) to capture details of funds received from Government of India. These modules had not been developed.

5.3.2 Expenditure on Web Based Online Treasury Operation System

The expenditure for implementation of modified Web Based Online Treasury Operation System (WBOTOS) was financed from the State budget. The Finance Department incurred an expenditure of ₹ 68.34 lakh on software and ₹ 36.43 lakh on hardware and its maintenance during the period from 2007-08 to 2015-16.

5.3.3 Organisational set up

The Principal Secretary, Finance Department is responsible for implementation of the computerisation of treasury operations. The Principal Secretary is assisted by a Director of Treasuries, Finance Department and an Additional Director at State level. There are 16 treasuries/sub-treasuries in the State, which are under the administrative control of the District Magistrates and Collectors (DM & Cs) and Sub-Divisional Magistrates respectively.

5.3.4 Audit objectives

The objectives of the audit were to evaluate:

- Whether the planning and implementation of WBOTOS achieved the objectives;
- Whether policy regarding human resources was effective and in place;
- Whether there was integration of legacy data and a system in place to ensure data quality; and
- Whether reliable controls were in place to ensure data security and necessary audit trails have been incorporated in the system.

5.3.5 Scope of audit and methodology

The data and records relating to the WBOTOS were analysed with the help of Interactive Data Extraction and Analysis (IDEA) tool. As the data of old system was not migrated into the new system, the data analysis covered the period from the date of implementation of the WBOTOS, *i.e.* data entered into the system from August 2015 to July 2016.

Audit covered Directorate of Treasury, Finance Department, five treasury offices[1] out of 16 treasuries/sub treasuries, five Controlling Officers[2] of user departments selected randomly and five DDOs each of the directorate offices of selected departments.

Entry conference was held in April 2016 where the audit objectives and audit criteria were discussed with the Principal Secretary, Finance Department. The draft report was sent to the State Government in September 2016. The exit conference was held on 03 November 2016. The results of the discussion and replies given (October 2016) by the Joint Director of Treasuries had been incorporated wherever applicable.

Audit of WBOTOS was conducted during May-August 2016 to evaluate the efficiency and effectiveness of the system as well as the adequacy of the controls in terms of the stated objectives of the system.

The audit findings are discussed in succeeding paragraphs.

5.3.6 Audit criteria

Application packages developed and implemented in the treasuries were evaluated with respect to Request for Proposal document, treasury rules, planning of computerisation project, methodology of development of application packages, data management and monitoring mechanism.

Audit findings

Planning and implementation of Web Based Online Treasury Operation System

5.3.7 Planning and monitoring

With a view to establish online connectivity for transferring/sharing of data among all treasuries/sub treasuries, Finance Department had taken an initiative to migrate the treasury operation system from Client Server Architecture to Web Based Environment in 2010.

For any project development, the organisation needs to document the requirements and segment them into phases as per requirement of the project. The Department did not prepare Detailed Project Report (DPR) and Comprehensive User Requirement Specifications (URS) for implementation of WBOTOS which led to delayed implementation and deficiencies in application controls.

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1 Agartala-I and Agartala-II, Udaipur, Ambassa and Dharmanagar.

2 Agriculture, Health Services, Family Welfare and Preventive Medicines, Higher Education and School Education.

The vendor (RITES Ltd.) which had developed the original software for implementation of CTOS was requested (May 2010) by the Department to submit a proposal for migration of TOS from Client Server Architecture to Web Based Environment. The proposal indicating scope of work and rates as proposed by the firm (RITES Ltd.) was accepted by the Department and work was awarded in December 2010 at a cost of ₹ 49.50 lakh with a stipulation to complete the works within 44 weeks *i.e.* by November 2011. It was, however, completed after a delay of almost four years *i.e.* in August-December 2015.

In September 2014, the Department decided to add a budget module for preparation of budget estimates, release of funds to departments, revised estimates, re-appropriation of fund, supplementary demand for grants, generation of budgetary documents, online release of funds to departments and integration of bank portal for direct online payment from treasury through e-payment. In addition, integration of PFMS to capture funds received from the GoI was to be achieved. Accordingly, the work was awarded (October 2014) to the same firm at an additional cost of ₹ 45.30 lakh (as proposed by the firm) with a stipulation to complete the work within five months, *i.e.* by the end of April 2015. The work had not been completed as of October 2016.

In order to monitor the progress made in development of new web based system, a Technical Committee consisting of officials from Finance Department and IT Department was formed (May 2011) to review the progress from time to time and submit their report on the progress of the project to the Finance Department. However, the Committee met only once in July 2011 to examine the system design documents submitted by the firm. Thereafter, the Committee did neither review the progress of the development/implementation of WBOTOS nor submitted any progress reports to the Finance Department.

This resulted in little or no monitoring of the progress of works by the technical committee and the Finance Department. As a consequence, the implementation of WBOTOS was not fully completed even after lapse of more than five years from its initiation.

During exit conference the Director of Treasuries stated (November 2016) that the inadequacy in planning and the delay in implementation was mainly due to non-availability of adequate IT personnel with the Department.

5.3.7.1 Procurement and utilisation of hardware

The online system was developed using Oracle 11g RDBMS and Dot Net Architecture. The database had been maintained centrally at State data centre. The computer hardware including printers, UPS, etc. procured prior to 2007-08 were utilised for implementation of WBOTOS. In addition, ₹ 15.81 lakh was spent during 2010-11 for procurement of computer hardware and peripherals. Though the procurement was done centrally at the Directorate of Treasuries, Finance Department, records like installation reports, details of model/brand name, serial number of machines (CPU, monitor, printer, scanner and UPS) and names of treasury where installed, etc. were neither maintained at the directorate nor made available to audit by the treasury officers of five test checked treasuries. Apparently, no inventory/asset register of IT assets created under CTOS was maintained either in the Directorate of Treasury, Finance Department or in test checked treasuries. 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 never done as of July 2016.

The Joint Director of Treasuries replied (October 2016) that as the system is functional at treasury/sub treasury level the inventory/asset register were being maintained at treasury/sub treasury level. The reply is not tenable to audit as a consolidated record of the assets of all treasuries and sub treasuries were required to be maintained at the Directorate of the Treasuries as well as treasury/sub treasury level which was not available either in the test checked treasuries/sub treasuries or at the Directorate of Treasuries. Besides, the objectives of the computerisation did not envisage maintenance of inventory/asset register in the system.

5.3.8 Human resource management

The Department must ensure that it has competent and trustworthy data management personnel. Existing staff should be equipped with the technical know-how in order to cope with the transition to a new system.

5.3.8.1 Manpower management

The existing staff of treasuries, Controlling Officers and DDOs were provided in-house training for operating the computer systems. Further, 25 persons having knowledge in computer application had been appointed at treasury level for looking after the computerised system. However, the picture is different at the directorate level. Not a single IT managerial staff had been deployed at the State level (Directorate of Treasury) for maintenance of application software. The Department failed to put in place required technical workforce and continued to rely entirely on the firm for maintenance of application software.

During exit conference the Director of Treasuries stated (November 2016) that the Tripura Public Service Commission was requested to fill up the newly created IT posts at the directorate level.

5.3.8.2 Training

Scrutiny of records showed that for smooth operation of WBOTOS, the Department planned to provide one-time training to all the staff connected with the IT system in a phased manner. Accordingly, 38 personnel posted at different treasuries/sub treasuries were provided four days in-house training in October 2015 as master trainers who were to be utilised for providing training to the DDOs and their staff.

It was however, seen that no training programme was organised for the DDOs and their staff in respect of Kailashahar Treasury and Kanchanpur Sub Treasury. In respect of Khowai Sub Treasury, while the user training was imparted as planned, only nine persons out of 130 nominated had attended the training programme in November 2015.

The Joint Director of Treasuries replied (October 2016) that several refresher training are being conducted by the Directorate of Treasuries to keep them update with recent knowledge to handle new technology and system.

Integration of legacy data and a system in place to ensure data quality

5.3.9 Application controls

Application controls ensure that the data received for processing are complete, accurate and the transactions are processed according to the rules and regulations governing them. The following deficiencies were noticed as regards application controls:

5.3.9.1 Errors in data capture of bill types

(i) While entering the details of bills, the data entry operators are tasked to select the relevant bill type e.g. contingent bill, medical bill, etc. The drop down menu giving list of bill types is not configured so as to restrict the bill type according to object head involved. In fact, all the 40 bill types are available in the drop down menu at data entry stage. It was observed in audit that in 217 cases, bill type was erroneously entered as 'Group Insurance' while these bills pertained to other bill types e.g. Grants-in-aid. Similarly, validation checks were not devised in the application to restrict the transaction in a particular object head with its respective bill type. Say, if a bill is passed under Object Head 'Wages' then the bill type should be 'Wages', but in the database different bill types like LTC bill, Medical bill were found to exist under same object head 'wages'. In the case of Object Head 'scholarship/stipend', the bill type should also be scholarship/stipend. But in the database the bill type was reflected as stamp advance bill, contingency bill, others, etc. Errors in bill type would lead to incorrect Management Information System (MIS) reports related to expenditure analysis.

(ii) In WBOTOS, there is a master data file that had been designed for bill types with a link in the front end for capturing the types of bills presented by the DDOs for monitoring bill type-wise expenditure.

It was noticed that the bill type code 19, 23 and 24 which were maintained for Personal Ledger Account, April Salary/Wages bill and Salary in Grant-in-aid bills in the old computerised system had been changed to 33, 24 and 25 respectively in the new master table of WBOTOS due to which no time series analysis of data would be possible. This would limit the usefulness of data for MIS purposes.

5.3.9.2 Non linkage of Detailed Countersign Contingent Bills with corresponding Abstract Contingent Bills

During examination of application system, audit observed that there was no provision in the computerised system to capture the data relating to submission of Detailed Countersign Contingent (DCC) Bills either by the DDOs or by the Controlling Officers so that the treasury officer could generate reports to ensure that no Abstract Contingent (AC) Bill was pending for adjustment beyond prescribed period.

As per Delegation of Financial Power Rules of Tripura, the total outstanding unadjusted AC Bills amount should not exceed ten times of the ceiling of individual bills in each case at any point of time. As there was no provision in the software for comparing the AC Bills with the DCC Bills, the receipt of DCC Bills and previous AC Bills pending for adjustment could not be monitored in the system at the time of passing the subsequent AC Bills.

During exit conference (November 2016) the Joint Director of Treasuries stated that the matter would be consulted with technical persons to overcome the shortcomings as pointed out by audit.

5.3.9.3 Non migration of data from old system

As per scope of work for development and implementation of WBOTOS, the vendor (RITES Ltd.) was to import the data of old system into the WBOSTOS. However, analysis of the database of WBOSTOS revealed that only few master tables like head of accounts, treasury code, demand number and department, DDO directory, etc. were migrated in the WBOSTOS but the data in two primary tables *viz*. receipt table and voucher table which contained all the details of receipts and payments of the Government made by the DDOs was not imported into the new system.

5.3.9.4 Lack of processing controls for making payments from Major Head-8443

The Major Head 8443-Civil Deposit is maintained for deposits like security deposits from contractors, etc. However, due to non-importing/non-migration of the old data of receipt and payment master table in the new system, the treasury officers could not generate any report during passing of any bill under 8443-Civil Deposit head to ensure the bill amount was not exceeding the deposit balance lying against concerned DDO. As a result, the treasury officers had to depend on the DDOs for getting evidence about the balance amount lying under civil deposit head against that DDO at the time of passing of bills.

This indicated that the application system was not useful in ensuring that no payment under 8443-Civil Deposit was made to a DDO unless money was available under the same head against that particular DDO.

During exit conference (November 2016) the Joint Director of Treasuries stated that the matter would be consulted with technical persons to overcome the shortcomings as pointed out by audit.

5.3.9.5 Master code changed for Drawing and Disbursing Officer

In computerised system, there is a master data file which had been designed for capturing the data about operational DDOs for monitoring the DDO-wise budget and expenditure. The Department had not laid down any procedure to link the DDO codes if any DDO code was changed subsequently on account of merger/demerger of treasuries/sub-treasuries. In the absence of a laid down procedure, as and when a new treasury/sub-treasury is created, the DDOs which come under the jurisdiction of a new treasury/sub-treasury, their DDO codes were also changed in accordance with the new treasury code.

Thus, due to changing of DDO codes, the time series analysis of data is not possible for generation of any reports on transactions made with previous DDO codes. In the absence of a link between old and new DDO code, there were limitations on the usefulness of data for MIS purposes.

Data Security

5.3.10 IT security

The Directorate of Treasury, Finance Department had not formulated and documented any IT security policy regarding the security of IT assets, software and data security even after 12 years of implementation of CTOS. Further, security of features as provided by the system was inadequate as detailed below:

5.3.10.1 Audit trail not incorporated

Audit trail is required to be incorporated into an IT System for tracing an item from input through its final stage and depicts the flow of transaction at every point of processing upto the output stage. For effective monitoring and control over the system, maintenance of log files and audit trail are essential.

Scrutiny of software disclosed that the Directorate of Treasury, Finance Department did not enable the audit trail options for tracing the details of terminal logon, start up time, activities of users, etc. Due to not incorporating audit trail in the software, the Directorate of Treasury was not in a position to carry out a periodic review of audit trail to watch deviations in access trends and to ensure compliance of instructions relating to system security.

Analysis of electronic data revealed that log out time was missing in 58 *per cent* (3,06,652 out of 5,29,875) cases. In 66 cases, login time was same for logging into the system by the same user from different IP addresses. It was further noticed that the gap between login and log out time was found ranging from 12 hours to 24 hours in 437 cases and in 4,033 cases the gap between login and logout time was even more than 24 hours.

It was also noticed that the provision for automatic terminal shut down after 3-5 unsuccessful log in attempts to restrict unauthorised attempts for login was not enabled in the system. Thus, possibility of unauthorised access to the system could not be ruled out, which poses serious consequences on the security and integrity of the system.

During exit conference (November 2016) the Joint Director of Treasuries stated that the matter would be consulted with technical persons to overcome the shortcomings as pointed out by audit.

5.3.10.2 Logical access controls

Logical access controls are aimed at protecting computer resources (data, programs and terminals) against unauthorised access attempts. passwords are an important aspect of computer security. The Department did not have adequate password policy for maintaining IT security which is evident from the following shortcomings:

- Normal password control procedures like restriction on unsuccessful login attempts by the users or automatic lapse of password after a predefined period and system enforced periodical change of passwords after a certain period were not in existence. Moreover, the system did not generate any logs to record the number of failed login attempts.
- The date of changing password was not stored in the system due to which the Directorate of Treasury could not monitor the changing of password. Moreover, passwords in respect of 221 users were not stored in the database in encrypted form.
- User IDs were not deactivated immediately after transfer of the concerned users or when no longer required for use.
- Further, during examination of application system for creation of user ID, it was noticed that as and when the system administrator created an user ID, the system automatically generated a temporary password for newly created user ID. However, the system generated password was mandatory to be changed immediately after login in the newly created user ID. But, as soon as the system generated password is changed, the password of all existing user IDs containing combination of the characters of that ID are automatically changed which pose risk for unauthorised access or hacking of the system for manipulation or corruption of the data changed *i.e.* if a user ID is created like 'AD' and when the auto generated password is changed, the password of all other user IDs containing 'AD' like 'AD01', '0ADC2', etc. would be automatically changed to the password of 'AD'. This was risk prone for unauthorised access or hacking of the system for manipulation or corruption of the data.

As a result of the failure to ensure logical access controls as evident by a number of loopholes pointed out, the system is left exposed and vulnerable to unauthorised access and possible manipulation.

During exit conference (November 2016) the Joint Director of Treasuries stated that the matter would be consulted with technical persons to overcome the shortcomings as pointed out by audit.

5.3.11 Inadequate documentation

The Department had not documented the 'User Requirement Specification'. The system analysis and system design report prepared by RITES are available with Directorate of Treasuries, Finance Department but other documentation like user manual, operation manual, IT security and backup policy, etc. were not prepared by the Department (July 2016).

5.3.12 Conclusion

- Lack of adequate planning and assessment had resulted in piecemeal implementation of the project, where requirements of many modules were being firmed up only as the project was underway, with consequences on the completion of the system being developed.
- The Department had failed to put in place the required technical staff at the directorate level for maintenance of application software. Therefore, it continued to rely entirely on the firm for maintenance of the software.
- The legacy data had not been fully imported into WBOTOS.
- The application was being run in a poorly controlled environment with weak password policy, which in conjunction with lack of audit trails makes it extremely difficult to fix accountability/responsibility on those who had performed duties using the application software.

5.3.13 Recommendations

- A holistic plan taking into consideration all the required modules should be firmed up at the earliest.
- IT managerial staff should be deployed at the State level (Directorate of Treasury) for maintenance of application software.
- The legacy data should be imported at the earliest into WBOTOS.
- The Department should formulate a well-defined IT security policy.

CHAPTER VI: FOLLOW UP OF AUDIT OBSERVATIONS

CHAPTER – VI

FOLLOW UP OF AUDIT OBSERVATIONS

6.1 Follow-up-Action on earlier Audit Reports

6.1.1 Explanatory notes not submitted

Serious irregularities noticed in audit are included in the Report of the Comptroller and Auditor General of India (CAG) 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

As of September 2016, 14 departments did not submit explanatory notes on 40 paragraphs and 17 performance audits included in the Audit Reports from the years 2001-02 to 2014-15. The position of *suo motu* replies on paragraphs/performance audits awaiting discussion by Public Accounts Committee (PAC) during the last five years is shown in the chart below:

Chart No. 6.1: Position of pending *suo motu* replies paragraphs/performance audits of Audit Reports awaiting discussion by PAC

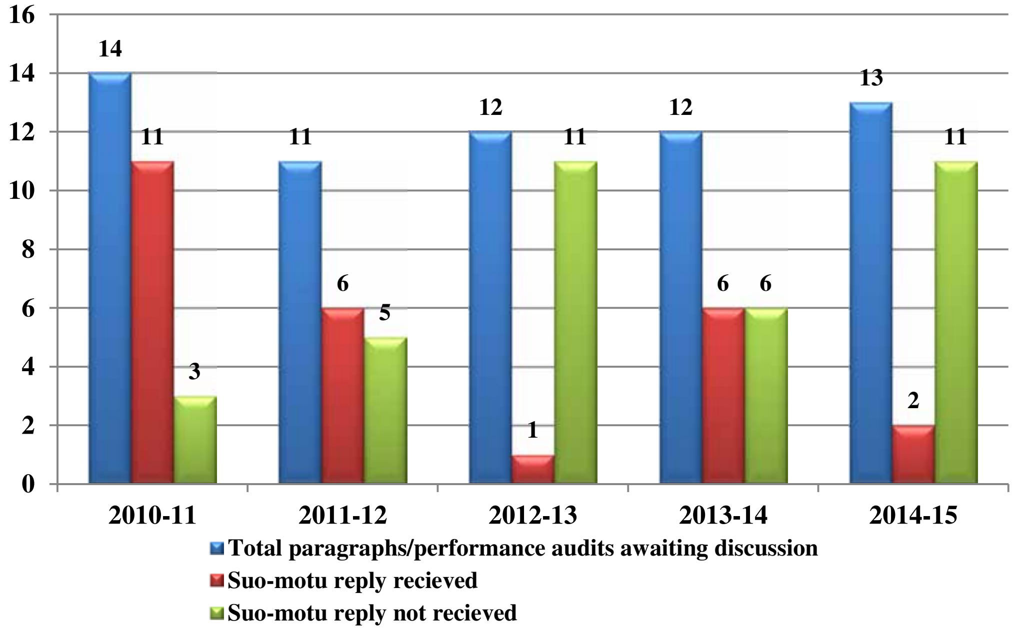


Chart No. 6.1 represents the position of *suo motu* replies received/not received pertaining to paragraphs/performance audits of Audit Reports pending discussion by PAC for the period from 2010-11 to 2014-15. The departments largely responsible for not submitting explanatory notes were Public Works (Roads & Buildings) Department (12), Rural Development Department (5), Revenue Department (4), Transport

Department (3), Public Works (Water Resource) Department (3), Education (School) Department (3) and Agriculture Department (3) amongst others.

(b) Committee on Public Undertakings

As of September 2016, three departments did not submit explanatory notes on eight paragraphs (Power Department: 7 and Information, Cultural Affairs & Tourism Department: 1) and one Performance Audit (Industries & Commerce Department) included in the Audit Reports for the years 2010-11 to 2014-15.

6.1.2 Response of the departments to the recommendations of the Public Accounts Committee/Committee on Public Undertakings

Finance Department, Government of Tripura issued (July 1993) instructions to all departments to submit Action Taken Notes (ATNs) on various suggestions, observations and recommendations made by PAC/Committee on Public Undertakings (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 ATNs.

(a) Public Accounts Committee

As of September 2016, out of 63 recommendations of the PAC made between 2010-11 and 2015-16, 13 ATNs were submitted which had been discussed by the PAC. ATNs for 50 recommendations pertaining to 15[1] departments had not been received.

(b) Committee on Public Undertakings

As of September 2016, ATNs on 28 recommendations of the COPU made between 2011-12 and 2015-16 were awaited from the concerned administrative departments of which 13 pertained to Power Department (Tripura State Electricity Corporation Limited), 10 to Industries and Commerce Department (Tripura Jute Mills Limited: 6, Tripura Small Industries Corporation Limited: 4), three to Forest Department (Tripura Forest Development & Plantation Corporation Limited) and one each to Transport Department (Tripura Road Transport Corporation) and Tribal Welfare (Tribal Rehabilitation in Plantation & Particularly Vulnerable Tribal Group) Department.

[1] (i) Public Works (R&B) Department: 7, (ii) Industries and Commerce Department: 6, (iii) Urban Development Department: 6, (iv) Health and Family Welfare Department: 5, (v) Education (Higher) Department: 4, (vi) Fisheries Department: 4 (vii)) Science Technology and Environment Department: 3, (viii) Power Department: 3, (ix) Finance (Excise and Taxation) Department: 3, (x) Public Works (DWS) Department: 3, (xi) Home (Police) Department: 2, (xii) Public Works (WR) Department: 1, (xiii) Planning and Co-ordination Department: 1, (xiv) Agriculture Department : 1 and (xv) Co-operation Department : 1.

6.2 FOLLOW-UP OF PERFORMANCE AUDIT REPORTS

Agriculture Department

6.2.1 Introduction

In order to examine the corrective action the audited entity had taken on the basis of the results of previous performance audits, after allowing sufficient time for the remedial process, a follow-up audit on selected performance audits 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.

6.2.2 Scope of audit

Two Performance Audits namely "Technology Mission for Integrated Development of Horticulture in Tripura" and "Integrated Audit of the Agriculture Department" which featured in the Reports of the CAG for the years 2006-07 and 2007-08 respectively were taken up to assess and evaluate the Department's performance and improvements in programme management through proper implementation of the audit recommendations.

6.2.3 Audit methodology

The follow-up of performance audit 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 with 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.

6.2.4 Audit findings

The results of the follow-up of performance audits on implementation of the audit recommendations by the entities are discussed below:

6.2.4.1 Technology Mission for Integrated Development of Horticulture in Tripura.

[Para 3.1 of AR 2006-07]

The Centrally Sponsored Scheme (CSS) - Technology Mission for Integrated Development of Horticulture in North-Eastern States was launched in the State in 2001-02 for implementation during the Xth Five Year Plan period. The mission comprised four Mini Missions, of which Mini Mission II was to be implemented by the State Government and in respect of other three Mini Missions the State Government was responsible for consolidating and sending its requirement to other Implementing Agencies through specific proposals. The missions mainly aimed at area expansion, water management, production of planting materials, transfer of technology through farmers training, promotion of organic farming, post-harvest management, marketing, export, etc.

The performance audit of the technology mission for Integrated Development of Horticulture in Tripura was conducted during January-April 2007 covering the period from 2001-02 to 2006-07 to evaluate the efficiency, economy and effectiveness of the planning and implementation of Mini Mission II by the State as also of the State's responsibilities in respect of Mini Missions I, III and IV. Audit *inter-alia* noticed that the implementation of the mission was affected by the delays in release of funds, both by Union Ministry of Agriculture and Tripura Small Farmers Agri-business Consortium, as well as diversion and under-utilisation of available funds. There were poor physical achievements in respect of fruits, spices, flowers, etc. due to failure of the centralised procurement for planting materials. Transfer of technology through farmers training was affected by non-establishment of training centres and non-operationalisation of the training centres established. Audit also noticed that linkages with other missions for post harvest management and fruit processing needed strengthening for optimal benefits from the mini mission to flow. Monitoring mechanism was not effective and no evaluation of the impact of the programme had been made.

The Performance Audit Report contained seven recommendations. Out of these only two recommendations were implemented, two were partially implemented while the remaining three recommendations were not implemented.

The status of implementation of the recommendations as enumerated in the table below are based on Government reply on the Performance Audits, reply to questionnaires issued to Department during the course of follow-up audit and also test check of the action taken reports:

Audit recommendations	Replies of the Department	Status of implementation
A well-defined master plan should be formulated for implementation of all the missions in the State and the nodal Department must show more commitment for the implementation and success of various schemes for over all development of the State.	The Department stated (June 2016) that: • Project proposals were maintained at district level and approval of State Level Sanctioning Committee was always taken for the project proposals.	The recommendation was implemented. Annual Action Plan indicating district wise breakup had been prepared every year and circulated at the beginning of each financial year (May) to all the implementing authorities after obtaining approval from State Level Sanctioning Committee.
Setting up of 'Centre of Excellence' for Horticulture Mission Programme in each	The Department stated (June 2016) that: • Centre of Excellence (vegetables) was under	The recommendation was partially implemented. The setting up of Centre of Excellence at Jumerdhepa

Audit recommendations	Replies of the Department	Status of implementation
district should be aggressively pursued.	implementation at Jumerdhepa under Sepahijala district. • Proposal had been initiated during 2016-17 for Centre of Excellence (flowers) in West Tripura district.	was not completed. Besides, feasibility study for setting up of Centre of Excellence in other districts was not undertaken by the Department as of May 2016.
The potential for fruit processing and viability of setting up such units should be aggressively pursued and initiative may be taken for establishing "Agri Export Zones" to provide farmers with adequate export facilities.	The Department stated (June 2016) that: • The State had not achieved self-sufficiency in the production of fruits and flowers. As such, initiative had not been taken for establishment of Agri Export Zone as the current production levels were not even self-sufficient for the State of Tripura. • Since the State could not achieve the self-sufficiency in production of horticulture crops, no Agri Export Zones were established.	The recommendation was not implemented as evident from the reply of the Department.
Activities undertaken under the mission should be aggressively spread amongst the farming community to make them aware of the benefits of the mission components and how it will improve their economic lives.	The Department stated (June 2016) that: • For farm mechanisation, 2000 power tillers were distributed among the beneficiaries during 2015-16.	The recommendation was partially implemented. Though the farm mechanisation activities were taken up but centralised information about the beneficiaries and extent of benefits received by them was not maintained by the Department. The records of organising awareness programme were also not maintained.
To minimise overall dependence on the States for procurement of planting materials,	The Department stated (June 2016) that: • As regards planting materials, except Khasi	The recommendation was implemented. Multi crop nurseries had been established at Government

Audit recommendations	Replies of the Department	Status of implementation
time bound programme may be taken up for multiplication of Mother Plants of Horti crops suitable for the State through establishment of multi crop nurseries under the guidance of Indian Council of Agriculture Research.	Mandarin, Kinnow (Citrus plant), the State is self-dependent in most of the planting materials (Mango, Mosambi, Lime/Lemon, Banana, Pineapple, etc.). • Apart from Government orchards, 19 private nurseries also produce planting materials relating to above mentioned crops.	orchards under different Agri sub divisional offices in the State and the farmers were getting planting materials from these orchards.
Management Information System should be set up giving two way information on project implementation, assistance to beneficiaries given under various schemes and feedback/follow-up.	The Department, while admitting the non-maintenance of centralised information on assistance given to beneficiaries under various schemes and feedback, stated (June 2016) that provision for technical support team under mission management have been kept from 2016-17 in order to have a centralised information regarding the beneficiaries and the extent of benefits received by them or the impact of the mission in terms of production and productivity of horticulture crops.	The recommendation was not implemented as evident from the reply of the Department that the provision for Management Information System have been kept only from 2016-17.
It should be ensured that rules are complied with before and during execution of works.	No reply was furnished.	Test check of records revealed instances of non-compliances of financial rules during execution of works.

Conclusion

The recommendations were not implemented fully except for establishment of multi crop nurseries in Government orchards for benefit of the farmers. The setting-up of centre of excellence, establishment of Agri Export Zones, and maintenance of centralised information about the beneficiaries had not been established/implemented.

Non-compliance of financial rules during execution of works persisted in the Department.

6.2.4.2 Integrated Audit of the Agriculture Department

[Para 5.1 of AR 2007-08]

The Agriculture Department plays a vital role in the socio-economic development of a State. The main objectives of the Department are to minimise the gap between the requirement and production of food grains and other crops, provide food security and improve the economic conditions of the people by augmentation of agriculture production through expansion of cultivable area and use of improved agricultural inputs and training. To achieve these objectives, the Department implements various State Plan Schemes, CSS including schemes under Macro Management Mode and North Eastern Council (NEC) funded schemes. Integrated audit of Agriculture Department for the period from 2003-04 to 2007-08 was taken up during 2008-09 to evaluate the performance of the Department in financial management, planning and project management, human resources management, material management and monitoring and internal audit arrangement. Audit noticed persistent savings ranging between 36 and 57 *per cent* during 2003-08 on Capital Account indicating poor implementation of capital programmes. Twenty eight Drawing and Disbursing Officers had accumulated cash balance of ₹ 25.86 crore in their bank accounts pertaining to various schemes and programmes. During 2003-04 to 2007-08 the distribution of certified seeds fell short by 2 to 40 *per cent* in oil seeds, 40 to 67 *per cent* in hybrid paddy seeds and 64 to 82 *per cent* in pulses. Inadequate training to Agri-Assistants, Agri-Inspectors, Plant Protection Operators, etc. resulted in delay in awareness and ability to use modern techniques in cultivation of crops by the farmers.

The Performance Audit Report contained six recommendations. Out of these only one recommendation was implemented while four were partially implemented and one recommendation was not implemented. The status of implementation of the recommendations as enumerated in the table below are based on Government reply on the Performance Audit, reply to questionnaires issued to Department during the course of follow-up audit and also test check of the action taken reports:

Audit recommendations	Replies of the Department	Status of implementation
Budget and financial controls should be improved to ensure preparation of realistic Budget Estimates linked to programme implementation	The Department stated (May 2016) that: • The persistent savings were due to the provision kept in the Budget according to the provision of the scheme required to be implemented both for CSS/State plan. But, the actual expenditure was made on the basis of availability of funds and status of project on actual	The recommendation was not implemented. Budget Estimates continue to be unrealistic. A substantial savings over the Budget Estimates had occurred till the year 2015-16. The savings under Revenue and Capital

<table>
<tr><th>Audit recommendations</th><th>Replies of the Department</th><th>Status of implementation</th></tr>
<tr><td></td><td>implementation.
Substantial savings in Capital Accounts were due to non-completion of projects which was delayed for several reasons.
The provision for requirement of funds were kept in the Budget generally during the month of January while revised estimates was finalised in anticipation of funds from different sources as well as programme to be achieved, but the actual expenditure was incurred according to funds released by the Finance Department and actual achievement of different schemes/programme.</td><td>Heads during last six years is shown in Appendix-6.2.1.</td></tr>
<tr><td>Annual plans should flow from the perspective plan and the activities to be taken up during the year should be publicised to improve awareness, ensure accountability and public scrutiny</td><td>The Department stated (May 2016) that:
Annual Plans were prepared and circulated to all the implementing staff encompassing entire programme for successful implementation in the field which may take some time in some cases, but it does not affect in implementation of the programme as targeted.
Annual target for production of food grains was fixed on the basis of actual requirement for estimated population of the State.
After finalisation of annual target, it has been well circulated/publicised among the officials, representative of Panchayati Raj Institution bodies, etc.
Necessary awareness among the</td><td>The recommendation was partially implemented. The perspective plans had been prepared only for two years, 2010-11 and 2011-12. Thereafter, no perspective plan was prepared by the Department. The gap between production of food grains and targets fixed for each year had not improved as shown below:<table><tr><th>Year</th><th>Percentage of shortfall</th></tr><tr><td>2010-11</td><td>5</td></tr><tr><td>2011-12</td><td>15</td></tr><tr><td>2012-13</td><td>7</td></tr><tr><td>2013-14</td><td>11</td></tr><tr><td>2014-15</td><td>11</td></tr><tr><td>2015-16</td><td>8</td></tr></table></td></tr>
</table>

Audit recommendations	Replies of the Department	Status of implementation
	farmers through organising different awareness/training programmes which are continuous process of the Department. • Wide circulation about different Government programmes among the farmers/public representative, etc. was also a common programme of the Department.	
Effective controls should be instituted for procurement and distribution of quality fertilisers to the farmers in respect of both Government and private channels.	The Department stated (May 2016) that: • No fertiliser manufacturing unit exists in Tripura. • The availability of fertiliser also depends on availability of Railway rakes in time and timely supply by the companies. • Since the Railway facility had been extended up to Agartala, the timely procurement and supply of fertilisers may be assured to a greater extent and procurement quantity in all these fertilisers had been increased significantly. • To ensure distribution of quality fertiliser to the farmers, the State has a Fertiliser Quality Control Laboratory. • Fertiliser samples of Government and private channels were drawn in time and test report was also getting generated in time within a month. Hence, quality fertilisers distribution to the farmer was being assured to a greater extent. • Fertiliser Inspectors at district and sub-division level were also monitoring and inspecting different	The recommendation was partially implemented. There was wide gap between requirement and availability of chemical fertilisers. The percentage of shortage of different chemical fertilisers against the requirement during 2013-16 is shown in **Appendix-6.2.2**.

Audit recommendations	Replies of the Department	Status of implementation
	private outlets to ensure quality fertiliser distribution to the farmers of Tripura.	
A computerised database of projects with critical milestones should be maintained in the directorate with online updating facility to ensure monitoring at Sector/sub-division/ district/ State level.	While admitting the non-maintenance of database for all the farmers the Department stated (May 2016) that: • Maintenance of database for all the farmers is essential. But constraints in availability of manpower, inadequate infrastructure support in Information and Communication Technology application, involvement of huge number of beneficiaries under different schemes and the need for all time alertness of the field staff for distribution of inputs, etc. do not allow scope, time and funds to accomplish the desired work. • The information about implementation of different schemes like Rastriya Krishi Vikas Yojana, Soil Health Card, etc. was uploaded from time to time in GoI's website.	The recommendation was not implemented. The Department did not maintain any database of the projects for monitoring at sector/sub-division/district/State level. Further, the data about implementation of different schemes like Rastriya Krishi Vikas Yojana, Soil Health Card, etc. uploaded from time to time in GoI's website could be utilised for monitoring at State level only.
Training needs of technical and supporting staff and farmers should be addressed.	The Department stated (May 2016) that: • The funds (₹ 104.40 lakh) sanctioned by the NEC for strengthening of Gram Sevak training centre at Lembuchera was utilised for the purpose for which it was sanctioned. • The officials like Agri Assistants were being trained in the said training centre. • Besides, this centre was considered as the institute for imparting	The recommendation was partially implemented. Though the training centre was established for imparting training to the staff as well as to the farmers and other stakeholders of Agriculture and Allied Activities for awareness in the use of modern Agriculture Technology only the Agri Assistants (35-40 trainees) were

Audit recommendations	Replies of the Department	Status of implementation
	training to the farmers and other stakeholders in Agriculture and Allied Activities, to generate awareness in the use of modern agriculture technology.	imparted training annually. No training was found to be imparted to the farmers.
Quality assurance institutes should be made functional	The Department stated (May 2016) that: • To ensure distribution of quality fertiliser to the farmers, the State has a notified Fertiliser Quality Control Laboratory. Hence, quality fertiliser distribution to the farmer was being assured to a greater extent. • The Department had a State Seed Testing Laboratory. So, to ensure the quality of seed, testing was being done at State Seed Testing Laboratory.	The recommendation was implemented. chemical fertilisers distributed from the Government and from private sectors were being tested in the Fertiliser Testing Laboratory regularly.

Conclusion

The Budget Estimates continue to be unrealistic and financial control was not improved. Savings under different heads were observed. There was wide gap between requirement and availability of chemical fertilisers and the gap between targets fixed and production of food grains for each year had not improved. Perspective plan had not been prepared after 2011-12. The Department had not maintained database in respect of projects for monitoring at Sector/Sub-division/District/State level.

6.3 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 2015-16 though called for (July 2016) had not been furnished (October 2016).

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 2015-16 though called for (July 2016) had not been furnished (October 2016).

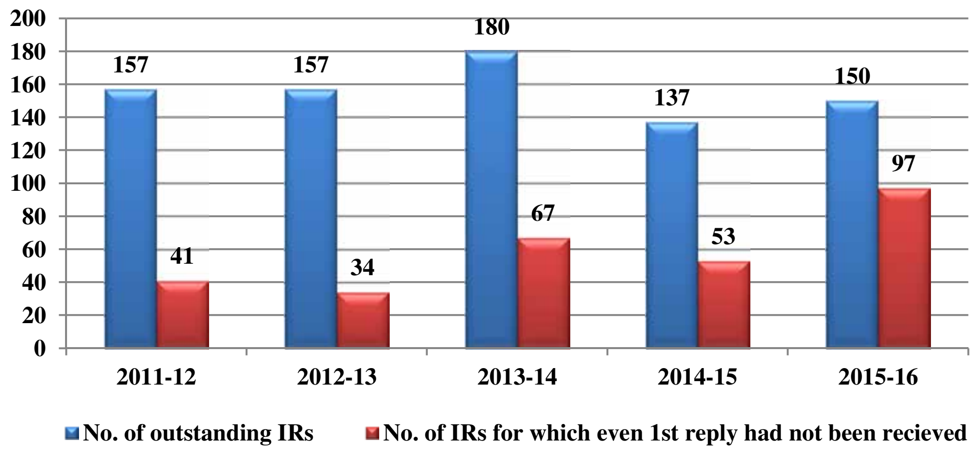
6.4 Outstanding Inspection Reports

First reply for 292 out of 781 Inspection Reports issued upto 2015-16 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 IRs showed that 4,194 paragraphs included in 781 IRs issued during the last five years upto 2015-16 were pending for settlement as of September 2016. Of these, even the first reply had not been received in respect of 292 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:

Chart No. 6.2: Position of outstanding IRs



As a result, the following important irregularities commented upon in those IRs had not been addressed as of October 2016.

Table No. 6.3.1

Nature of irregularities	Number of cases	Amount involved (₹ *in crore*)
Excess/Irregular/Avoidable/Unfruitful/ Wasteful/Unauthorised/Idle expenditure	298	203.31
Blocking of funds	504	759.47
Non-recovery of excess payments/ overpayments	268	128.03
Under Assessment	151	32.37
Loss of Revenue	55	49.09
Others	2,697	1,763.53
Total:	**3,973**	**2,935.80**

It is evident from the above table that 3,973 number of cases for ₹ 2,935.80 crore involving observations on loss of revenue, overpayments, excess payments, underassessment, etc. remained to be addressed by the concerned departments.

(R. K. Goel)
Accountant General (Audit), Tripura

Agartala
The

Countersigned

(SHASHI KANT SHARMA)
Comptroller and Auditor General of India

New Delhi
The

APPENDICES

Appendix -1.3.1

Targets fixed under NHM and Millenium Development Goals and expected outcomes by the end of 31 March 2016

(Reference: Paragraph No. 1.3.1)

Framework of Implementation (2005-2012)		Framework of Implementation (2012-17)		Expected outcomes by the end of 31 March 2016	Millenium Development Goals (2015)
1)	Infant Mortality Ratio (IMR) reduced to 30/1000 per 1000 live births by 2012	1)	Reduce IMR to 25/1000 live births	Reduce IMR to 26/1000 live births	Reduce IMR to 27/1000 live births
2)	Maternal Mortality Ratio (MMR) reduced to 100 per 1,00,000 live births by 2012	2)	Reduce MMR to 100/100,000 live births	Reduce MMR to 100/100,000 live births	Reduce MMR to 109/100,000 live births
3)	Total Fertility Rate (TFR) to 2.1 by 2012	3)	Reduce TFR to 2.1	Reduce TFR to 2.1	
4)	Kala Azar Mortality Reduction Rate – 100 per cent by 2010 and sustaining elimination until 2012.	4)	Kala Azar elimination by 2015, <1 case per 10000 population in all block		
5)	Malaria Mortality Reduction Rate – 50 per cent upto 2010, additional 10 per cent by 2012.	5)	Annual malaria incidence to be <1/1000		
6)	Filaria/Microfilaria Reduction Rate – 70 per cent by 2010, 80 per cent by 2012 and elimination by 2015. Dengue Mortality Reduction Rate – 50 per cent by 2010 and sustaining at that level until 2012	6)	Less than 1 per cent microfilaria prevalence in all districts		
7)	Cataract operations – increasing to 46 lakh until 2012.	7)	Prevention reduction of anaemia in women aged 15-49 years		
8)	Leprosy Prevalence Rate reduced from 1.8 per 10,000 in 2005 to less than 1 per 10,000 thereafter.	8)	Reduce prevalence of Leprosy to <1/10000 population and incidence to zero in all districts		
9)	Tuberculosis DOTS series – maintain 85 per cent cure rate through entire Mission Period and also sustain planned case detection rate.	9)	Reduce annual incidence and mortality from Tuberculosis by half		
10)	Upgrading all Community Health Centres to Indian Public Health Standards.	10)	Prevent and reduce mortality and morbidity from communicable, non-communicable, injuries and emerging diseases		
11)	Increase utilisation of First Referral units from bed occupancy by referred cases of less than 20 *per cent* to over 75 *per cent*.	11)	Reduce household out-of-pocket expenditure on total health care expenditure		
12)	Engaging 4,00,000 female Accredited Social Health Activists (ASHAs).				

Appendix-1.3.2

List of units selected through SRSWOR for PA on NRHM

(Reference: Paragraph No. 1.3.3)

1. State : Tripura

i) Mission Director, NRHM
ii) State Health and Family Welfare Society
iii) GBP Hospital.

2. District: West Tripura

DHS	CHC	PHC	SC
i) District Health and Family Welfare Society, West Tripura	i)Community Health Centre,Jirania ii)Community Health Centre, Mohanpur	i)Primary Health Centre, Anandanagar ii)Primary Health Centre, Bamutia	i)Anandanagar Sub Centre ii)Dukli Sub Centre iii)East Jarulbachai Sub Centre iv)Fatikcharra Sub Centre v)Laxmilunga Sub Centre vi)Taltala Sub Centre

3. District: Dhalai

DHS	DH	SDH	PHC	SC
i) District Health and Family Welfare Society, Dhalai	i)District Hospital, Ambassa, Dhalai	i)Sub Divisional Hospital, Gandacherra	i)Primary Health Centre, Ambassa ii)Primary Health Centre, Ganganagar iii)Primary Health Centre, Jagabandhu Para iv)Primary Health Centre, Dalapati	i)Durbajoy Chowdhury Para Sub Centre ii)Ruhidapara Sub Centre iii)Kalabari Sub Centre iv)Karnamanipara Sub Centre v)Krishnajoy Para Sub Centre vi)Harinchara Sub Centre vii)Jaharnagar Sub Centre viii)Kachimcherra Sub Centre

4. District: North Tripura

DHS	DH	SDH	CHC	PHC	SC
i) District Health and Family Welfare Society, North Tripura	i)District Hospital, Dharmanagar, North Tripura	i)Sub Divisional Hospital, Kanchanpur	i)Community Health Centre, Panisagar ii) Community Health Centre, Anandabajar	i)Primary Health Centre, Brajendranagar ii)Primary Health Centre, Bungnung iii)Primary Health Centre, Bhandarima	i)Bokboki Sub Centre ii_Ranibari Sub Centre iii) Satsangam Sub Centre iv)Balidhum Sub Centre v)Baruakandi Para Sub Centre vi)Haflong Sub Centre vii)Gochirampara Sub Centre viii)Kalapani Sub Centre ix) S K Sermun Sub Centre

Appendix- 1.3.3 (A)

Statement showing list of officials against which FIR was lodged for outstanding advances

(Reference: Paragraph No. 1.3.7.6)

(₹ in lakh)

Sl. No.	Name of the In-Charge	Name of the Health Facility	Amount pending adjustment	Total
1	Dr. Subrata Roy	Kanchanpur SDH	34.70	39.67
		Pecharthal PHC	4.97	
2	Dr. Debashish Tarafdar	R.G.M. Hospital	21.73	21.73
3	Dr. Indrajit Mahishya Das	Khedacherra PHC	13.77	15.91
		Upthakali PHC	2.14	
4	Dr. Chaittanya Reang	Anandabazar PHC	14.25	14.75
		Kanchanpur SDH	0.50	
5	Dr. Harendra Reang	Damcherra PHC	14.05	14.05
6	Dr. Dipak Halder	Fatikroy PHC	12.87	12.87
7	Dr. Hirak Chowdhury	Upthakali PHC	11.38	11.38
8	Dr. Pulak Barua	Kadamtala PHC	11.18	11.18
9	Dr. Anindita Chakma	Pecharthal PHC	10.49	10.49
10	Dr. Sirsendu Chakma	Jampui PHC	10.33	10.33
Total			**162.36**	**162.36**

Appendix- 1.3.3 (B)

Statement showing list of CMOs who were given advances

(Reference: Paragraph No. 1.3.7.6)

(₹ in lakh)

Sl. No.	Name of the In-Charge	Name of Office	Amount pending adjustment
1	Dr. S. Choudhuri	O/o The CMO, Kailashahar	15.14
2	Dr. R. K. Das		4.14
3	Dr. Subrata Das		26.59
4	Dr. Bibekananda Das		0.68
5	Dr. M. K. malakar		41.68
6	Dr. D. K. Das		23.94
7	Dr. Alak Dewan		5.97
Total			**118.14**

Appendix- 1.3.4

Statement showing outstanding advances as on 31 March 2016

(Reference: Paragraph No. 1.3.7.6)

(in ₹)

Sl No.	Name of Implementing Agency	Name of component	Cheque No.	Date	Amount	Adjustment received during 2015-16	Refunded	Balance as on 31 March 2016
1	K. Sanamatam	Meeting	431390	27-Sep-10	4500			4500
2	Surajit Paul, FM, AYUSH	Statutory Audit	4613	22-Sep-12	10000			10000
3	Officials	Office Expenses (RCH)	Cash	18-Oct-12	37500			37500
4	Officials	Office Expenses (RCH)	Cash	25-Oct-12	4500			4500
5	Sanjay Malakar	Office Expenses (RCH)	5860	18-Dec-12	5200			5200
6	Officials	Office Expenses (RCH)	Cash	27-Dec-12	28000			28000
7	Officials	Office Expenses (RCH)	10607	18-Feb-13	4500			4500
8	Officials	Office Expenses (RCH)	Cash	18-Feb-13	29000	5661		23339
9	Officials	Office Expenses (RCH)	Cash	14-Mar-13	20000			20000
10	Officials	Office Expenses (RCH)	Cash	28-Mar-13	45100		21219	23881
11	Sanjay Malakar	Office Expenses (RCH)	13340	09-Apr-13	3500			3500
12	Dr. Madhusudhan Chowdhury	TA & DA Advance	19547	19-Sep-13	25000			25000
13	Dr.Sandeep R.Rathod,MD	TA & DA Advance	19624	23-Oct-13	35000			35000
14	Dr.Sandeep R.Rathod,MD	TA & DA Advance	26246	13-Jan-14	25000			25000
15	Ramanuj Dasgupta	TA & DA		21-02-2011	10000			10000
16	Dr. Sanjib kumar Debbarma		36842	20-12-2014	30000			30000
17	Amit Dey	Office Expenses (RCH)	Cash	31-Mar-15	7300			7300
18	Ashis Dey	Office Expenses (RCH)	Cash	31-Mar-15	700			700
19	Bidhan Saha	Office Expenses (RCH)	Cash	31-Mar-15	5554			5554
20	Ganash Ch. Das	Office Expenses (RCH)	Cash	31-Mar-15	1800			1800
21	Officials	Office Expenses (RCH)	Cash	31-Mar-15	470			470
22	Nandan Das	Office Expenses (RCH)	Cash	31-Mar-15	500			500
23	Jayadrata Roy	Office Expenses (RCH)	Cash	31-Mar-15	3900	500		3400
24	Khokan Shill	Office Expenses (RCH)	Cash	31-Mar-15	1200			1200
25	Ramanuj Dasgupta	Office Expenses (RCH)	Cash	31-Mar-15	4400			4400

Appendix- 1.3.4 (contd…)

Statement showing outstanding advances as on 31 March 2016

(Reference: Paragraph No. 1.3.7.6)

(in ₹)

Sl No.	Name of Implementing Agency	Name of component	Cheque No.	Date	Amount	Adjustment received during 2015-16	Refunded	Balance as on 31 March 2016
26	Sajal Debbarma	Office Expenses (RCH)	Cash	31-Mar-15	31000			31000
27	Shiba Prasad Bardan	Office Expenses (RCH)	Cash	31-Mar-15	4000	2000		2000
28	Sudip Deb	Office Expenses (RCH)	Cash	31-Mar-15	3500			3500
29	Tapan Saha	Office Expenses (RCH)	Cash	31-Mar-15	9573			9573
30	Mridul Debroy	Office Expenses (RCH)	Cash	31-Mar-15	17310	6014	3200	8096
31	Karnajit Debnath	Office Expenses (RCH)	Cash	31-Mar-15	100			100
32	K Sanamatum	Office Expenses (RCH)	Cash	31-Mar-15	100			100
33	Surekha Roy	Office Expenses (RCH)	Cash	31-Mar-15	500			500
34	Asso. Of surgeon of india	NSV camp at TSDH	79850	03-Jun-10	15000			15000
35	Arindam Saha	Screening cum Evaluation camp on Healt diseases under RBSK	40461	05-01-2015	68800			68800
36	Mridul Debroy	Camp under RBSK	38789	20-Feb-15	158000			158000
37	Joydeep Datta	Holding of State Level Workshop	11874	12-Jul-13	11307			11307
38	Dr. Pranadish Das	TA/DA	36785	11-02-2015	12000			12000
39	Kanak Kanti Mandal	LSAS Training at Silchar M.C.	429529	19-Nov-10	18000			18000
40	Arindam Saha,SF, RRC	Training of Mobile Health Team under RBSK	27261	05-Mar-14	275625			275625
41	Arindam Saha,SF, RRC	Training on RBSK	27283	15-Mar-14	152000			152000
42	Santanu Saha	Training on supply chain Management system	36784	11-Feb-15	12000			12000
43	Santanu Saha	Assurance internal process Training	25746	12-Mar-15	95220			95220
44	Santanu Saha	RKSK Training	25772	18-Mar-15	130000			130000
45	Rajib Ghosh, SAPM	ASHA Training	12306	31-Mar-13	13000			13000
46	Rajib Ghosh, SAPM	ASHA Meeting	12311	31-Mar-13	3800			3800
47	Rajib Ghosh, SAPM	State ASHA group Meeting	29882	15-May-14	18992			18992

Appendix- 1.3.4 (contd…)

Statement showing outstanding advances as on 31 March 2016

(Reference: Paragraph No. 1.3.7.6)

(in ₹)

Sl No.	Name of Implementing Agency	Name of component	Cheque No.	Date	Amount	Adjustment received during 2015-16	Refunded	Balance as on 31 March 2016
48	Rajib Ghosh, SAPM	ASHA Support System	6037	08-Nov-12	3000			3000
49	Tapash Saha	TA & DA	29815	20-05-2014	20000			20000
50	Ashish Dey	TA & DA	29816	20-05-2014	20000			20000
51	Tapas Saha	Training of HMIS	79811	17-May-10	3750			3750
52	Sudip Deb, SPM	DAP Advance	543126	01-06-2011	7500			7500
53	Programme Officer AYUSH	AYUSH	530075	10-Jun-09	673634			673634
54	B.O.-AUSH	Advance for AYUSH	914726	12-Feb-15	6511000	1231892		5279108
55	Programme Officer AYUSH	AYUSH	712957	16-12-2009	1013200			1013200
56	Programme Officer AYUSH	AYUSH	711792	26-11-2009	765601			765601
57	B.O.-AUSH	Contingency Purpose for AYUSH Cell	9737	22-Feb-13	21066			21066
58	B.O.-AUSH	Promotion of Yoga(Therapeutic Yoga)	47779	20-Nov-15	1802000			1802000
59	B.O.-AUSH	Training of MO, Pharmacists, ANMs, Massur	19453	29-Nov-13	348483	264287		84196
60	B.O.-AUSH	AYUSH (Training on Mos, Pharmacist, ANM)	93937	21-Dec-11	1054320			1054320
61	B.O.-AUSH	PMU Cost -AYUSH	543198	28-Jan-11	1309708			1309708
62	B.O.-AUSH	Audit purpose	9738	22-Feb-13	175280			175280
63	Rajib Ghosh	Immunization Meeting		02-10-2011	17000			17000
64	Nishikanta Roy	P.Oil for Vehicle	10086	01-Oct-13	5000			5000
65	Amit Kr. Dey	Training	10053	24-Apr-13	4800			4800
66	Santanu Saha	Purchasing of Training Materials for NCCMIS Training	23609	03-Mar-14	10000			10000
67	Kores India Ltd.	PPI	544252	17-02-2011	137816			137816
68	Sudip Deb, SPM	NRHM Meeting	431311	23-Aug-10	8750			8750
69	Dr.S. Debbarma	NRHM Meeting	431322	30-Aug-10	9675			9675

Appendix- 1.3.4 (contd…)

Statement showing outstanding advances as on 31 March 2016

(Reference: Paragraph No. 1.3.7.6)

(in ₹)

Sl No.	Name of Implementing Agency	Name of component	Cheque No.	Date	Amount	Adjustment received during 2015-16	Refunded	Balance as on 31 March 2016
70	Dinesh Debnath	EMoC Training	93155	02-Nov-11	10000			10000
71	Sajal D/barma	Cold Chain maintenance	93719	21-Nov-11	6000			6000
72	Saikat Dey, IEC Officer	Printing of IEC	93736	21-Nov-11	8268			8268
73	Sajal D/barma	Cold Chain maintenance	1910	06-Jun-12	10000			10000
74	Dr. S.N.Choudhury	TA & DA	6100	12-Oct-12	24000			24000
75	Dr.S.N.Chowdhury	PPI	10063	28-May-13	16000			16000
76	Rajib Ghosh	Capacity Dev. Training	15474	21-Aug-13	11100			11100
77	Rajib Ghosh	State Level Quaterly Meeting	15476	30-Aug-13	4320			4320
78	Dr.S.N.Chowdhury	PPI	10087	01-Oct-13	1850			1850
79	Sudip Deb, SPM	Office Expenses (RCH)	19605	10-Oct-13	9500			9500
80	Mridul Debroy	School Health	22153	16-Nov-13	2600			2600
81	Asish Dey	HMIS Training	3769	28-Nov-13	61550			61550
82	Tapas Saha	HMIS/MCTS Training	19476	20-Dec-13	27700			27700
83	Buddhi Ch. D/barma	PPI	3773	07-Jan-14	2500			2500
84	Buddhi Ch. D/barma	PPI	23605	12-Feb-14	1000			1000
85	Dr. Madhusudhan Chowdhury	TA & DA Advance	23726	25-Feb-14	5000			5000
86	Asish Dey	National Workshop on MCTS	27270	12-Mar-14	20000			20000
87	Tapas Saha	National Workshop on MCTS	27271	12-Mar-14	20000			20000
88	Sudip Deb (SPM)		29804	19-05-2014	3200			3200
89	Prasenjit Saha	State Level Monthly Meeting	29817	21-05-2014	7100			7100
90	Prasenjit Saha	State Level Monthly Meeting	30716	21-06-2014	7800			7800
91	Rakhi Debbarma	TA & DA	30819	14-08-2014	32000			32000
92	Dr.M.S.Choudhury	Immunization Review Meeting	23645	19-Aug-14	61			61
93	Dr.B.K.Sen	RBSK(Review Meeting Delhi)	29145	25-08-2014	21000			21000

Appendix- 1.3.4 (contd…)

Statement showing outstanding advances as on 31 March 2016

(Reference: Paragraph No. 1.3.7.6)

(in ₹)

Sl No.	Name of Implementing Agency	Name of component	Cheque No.	Date	Amount	Adjustment received during 2015-16	Refunded	Balance as on 31 March 2016
94	Dr.Kalipada Chaudhuri	TA & DA	32859	22-09-2014	20000			20000
95	Dr.Sanjib Kumar Debbarma	Travelling cost to attend for TOT under RKSK	36337	18-10-2014	100000			100000
96	Dr.Basudeb Roy	TA/DA (Work shop on NDD in Children)	36365	29-11-2014	25000			25000
97	Rajib Ghosh, SAPM	WorkShop Asha Nodal Officer Capacity Development Trainning & ASHA TOT	36935-9	11-Dec-14	221670			221670
98	Sribash Debnath	State Level Workshop	38351	17-Jan-15	40000			40000
99	Dr. Debasish Saha	TA/DA	40498	17-01-2015	30000			30000
100	Rajib Ghosh	TA/DA	38875	09-Feb-15	8000			8000
101	Narayan Goswami	TA/DA	36786	12-02-2015	12000			12000
102	Dr.Kamal Reang	TA/DA to attend CRM discussion in New Delhi	36791-2	13-02-2015	90000			90000
103	Asish Dey	State level review meeting on Imm. 3rd Qtr. 2014-15	22035	26-Feb-15	25000			25000
104	Rajib Ghosh	TA/DA	25783	05-Mar-15	40000			40000
105	Tapash Saha	TA/DA	25753	13-03-2015	20000			20000
106	Nabanita Dey	TA/DA (NPCC Meeting Purpose)	25773	18-03-2015	20000			20000
107	Mridul Debroy	TA/DA (ARSH TOT)	44156	21-03-2015	140000			140000
108	Dr. Pranadish Das	TA/DA	44179	27-03-2015	24000			24000
109	Dr. Joydeep Chakraborty	TA/DA	44180	27-03-2015	30000			30000
110	Dr.Kamal Reang	TA/DA (NPCC Meeting Purpose)	44151	20-08-2015	100000			100000
111	Dr. Sandeep N. Mahatme	TA/DA (NPCC Meeting Purpose)	44152	20-08-2015	35000			35000

Appendix- 1.3.4 (concld.)

Statement showing outstanding advances as on 31 March 2016

(Reference: Paragraph No. 1.3.7.6)

(in ₹)

Sl No.	Name of Implementing Agency	Name of component	Cheque No.	Date	Amount	Adjustment received during 2015-16	Refunded	Balance as on 31 March 2016
112	Dr. Madhusudhan Choudhury	TA/DA (NPCC Meeting Purpose)	44153	20-08-2015	25000			25000
113	Officials	Cash Advance	Cash	2013-14	83935	73100		10835
114	Dr. A.K.Ghosh	AYUSH			3814			3814
115	S. Paul Majumder	AYUSH			5000			5000
116	A. Chakraborty	AYUSH			5000			5000
Total								**15122129**

Appendix- 1.3.5

Statement showing availability of facilities at test checked Sub Centres

(Reference: Paragraph No. 1.3.7.9)

Sl. No.	Name of the SC	Name of PHC	Name of district	Type of SC	Availability of facility					
					Water Supply	Electricity (hours per day)	Functional Toilets	Telephone available and functional	Is ANM quarter attached to the SCs?	Is the ANM residing in the quarter?
1	Harincherra	Ambassa	Dhalai	Type-A	Unavailable	3 hours	Separate Male & Female Toilets	Unavailable	no ANM quarter	Not applicable
2	Ambassa	Ambassa	Dhalai	Type-A	Well	4 hours	Available but not separate toilets	Unavailable	Quarter available	ANM not residing
3	Kachimcherra	Ambassa	Dhalai	Type-A	Unavailable	no current supply	no toilets available	Unavailable	no ANM quarter	Not applicable
4	Karnamoani Para	Ganganagar	Dhalai	Type-A	Well	24 hours	Available but not separate toilets	Unavailable	no ANM quarter	Not applicable
5	Krishnajoy Para	Ganganagar	Dhalai	Type-A	Unavailable	no current supply	Available but not separate toilets	Unavailable	no ANM quarter	Not applicable
6	Kalabari	Ganganagar	Dhalai	Type-A	Unavailable	no current supply	Available but not separate toilets	Unavailable	no ANM quarter	Not applicable
7	Ruhida Para	Jagabandhu Para	Dhalai	Type-A	Unavailable	no current supply	Available but not separate toilets	Unavailable	no ANM quarter	Not applicable
8	Durba Joy Choudhury Para	Jagabandhu Para	Dhalai	Type-A	Bore well	1 hours	Available but not separate toilets	Unavailable	no ANM quarter	Not applicable
9	Haflong	Bungnung	North Tripura	Type-A	Unavailable	3 hours	no toilets available	Unavailable	no ANM quarter	Not applicable
10	Barua Kandi	Bungnung	North Tripura	Type-A	Unavailable	no current supply	Available but not separate toilets	Unavailable	no ANM quarter	Not applicable
11	Kalapani	Anandabajar	North Tripura	Type-A	Unavailable	no current supply	no toilets available	Unavailable	no ANM quarter	Not applicable
12	Gachiram para	Anandabajar	North Tripura	Type-A	Unavailable	no current supply	Available but not separate toilets	Unavailable	no ANM quarter	Not applicable
13	S K Rerhmun	Anandabajar	North Tripura	Type-A	Unavailable	no current supply	no toilets available	Unavailable	no ANM quarter	Not applicable

Appendix- 1.3.5

Statement showing availability of facilities at test checked SCs

(Reference: Paragraph No. 1.3.7.9)

Sl. No.	Name of the SC	Name of PHC	Name of district	Type of SC	Availability of facility					
					Water Supply	Electricity (hours per day)	Functional Toilets	Telephone available and functional	Is ANM quarter attached to the SCs?	Is the ANM residing in the quarter?
14	Ranibari	Brajendra nagar	North Tripura	Type-A	Unavailable	no current supply	Available but not separate toilets	Unavailable	Quarter available	ANM not residing
15	Balidhum	Bungnung	North Tripura	Type-A	Unavailable	no current supply	no toilets available	Unavailable	no ANM quarter	Not applicable
16	Satsangam	Brajendra nagar	North Tripura	Type-A	Well	7 hours	Available but not separate toilets	Unavailable	no ANM quarter	Not applicable
17	Bakabaki	Brajendra nagar	North Tripura	Type-A	Unavailable	no current supply	no toilets available	Available	Quarter available	ANM not residing
18	Fatikcharra	Bamutia	West Tripura	Type-A	Unavailable	no current supply	Available but not separate toilets	Unavailable	no ANM quarter	Not applicable
19	Laxmilunga	Bamutia	West Tripura	Type-A	Piped	3 hours	Available but not separate toilets	Unavailable	no ANM quarter	Not applicable
20	Taltala	Bamutia	West Tripura	Type-A	Unavailable	no current supply	no toilets available	Unavailable	no ANM quarter	Not applicable
21	East Dukli	Ananda nagar	West Tripura	Type-A	Bore well	no current supply	Available but not separate toilets	Unavailable	Quarter available	ANM not residing
22	East Jarulbachaai	Ananda nagar	West Tripura	Type-A	Piped	no current supply	Available but not separate toilets	Unavailable	no ANM quarter	Not applicable
23	Anandanagar	Ananda nagar	West Tripura	Type-A	Unavailable	no current supply	no toilets available	Unavailable	no ANM quarter	Not applicable

Appendix- 1.3.6

Statement showing availability of facilities at test checked PHCs

(Reference: Paragraph No. 1.3.7.9)

Sl. No.	Name of PHC	Name of district	Availability of facility			
			Type of PHC	Electricity (hours per day)	Telephone available and functional	Labour room available
1	Ambassa	Dhalai	Type-A	7 hours	Not available	Available but not in use
2	Ganganagar	Dhalai	Type-B	20 hours	Not available	Available and in use
3	Jagabandhu Para	Dhalai	Type-A	5 hours	Not available	Available but not in use
4	Dalapati	Dhalai	Type-A	No current supply	Not available	Not available
5	Brajendranagar	Tripura North	Type-B	6 hours	Not available	Available and in use
6	Bungnung	Tripura North	Type-B	16 hours	Not available	Available and in use
7	Bhandarima	Tripura North	Type-A	No current supply	Not available	Available but not in use
8	Bamutia	West Tripura	Type-B	24 hours	Not available	Available and in use
9	Anandanagar	West Tripura	Type-B	24 hours	Available	Available and in use

Appendix- 1.3.7

Statement showing availability of facilities at test checked CHCs/SDHs

(Reference: Paragraph No. 1.3.7.9)

Sl. No.	Name of facility	Name of district	Availability of facility			
			Telephone available and functional	Operation Theatre available	New Born Care Stabilization Unit?	Blood storage facility
1	CHC, Anand Bazar	Tripura North	Not available	Not available	Available	Not available
2	CHC, Panisagar	Tripura North	Not available	Not available	Available	Not available
3	Mohanpur CHC	West	Available	Not available	Not Available	Not available
4	Jirania CHC	West	Not available	Available but not in use	Available	Not available
5	Gandacherra SDH	Dhalai	Not available	Not available	Not Available	Available but not functional
6	Kanchanpur SDH	Tripura North	Not available	Not available	Not Available	Available & Functional

Appendix- 1.3.8

Statement showing differences in data uploaded on website and physical records

(Reference: Paragraph No. 1.3.7.26)

Sl No.	Parameters	SC				PHC				CHC			
		2011-16				2011-16				2011-16			
		Data fed in HMIS	Data provided by SC	Difference	Percentage	Data fed in HMIS	Data provided by PHC	Difference	Percentage	Data fed in HMIS	Data provided by CHC	Difference	Percentage
1	Total number of pregnant women Registered for ANC	8194	6951	1243	18	4597	5562	965	17	1601	21491	19890	93
2	New women registered underJanani Suraksha Yogna					2764	3185	421	13	173	5980	5807	97
3	Number of pregnant women received 3 ANC check ups	4919	2355	2564	109	2284	3766	1482	39	270	8272	8002	97
4	Total number of pregnant women given 100 IFA tablets	4355	3270	1085	33	2982	4199	1217	29	1106	8061	6955	86
5	Deliveries conducted at facility (Including C-Sections)					1649	1657	8	0	5529	5509	20	0
6	Out of 8, Number discharged under 48 hours of delivery					983	714	269	38	2798	1926	872	45
7	Number of new IUCD Insertions at facility					855	835	20	2				
8	Number of Oral Pills cycles distributed	8702	4876	3826	78	3760	2539	1221	48	320	5509	5189	94
9	Number of Condom pieces distributed	30591	18025	12566	70	16437	18822	2385	13	2463	31220	28757	92

Appendix- 1.3.8 (concld.)

Statement showing difference in data uploaded in website and physical records

(Reference: Paragraph No. 1.3.7.27)

Sl. No.	Parameters	SDH				DH			
		2011-16				2011-16			
		Data fed in HMIS	Data provided by SDH	Difference	Percentage	Data fed in HMIS	Data provided by DH	Difference	Percentage
1	Total number of pregnant women Registered for ANC	4106	3827	279	7	2998	2998	0	0
2	New women registered underJanani Suraksha Yogna	2573	3544	971	27	806	2017	1211	60
3	Number of pregnant women received 3 ANC check ups	2845	1467	1378	94	1226	1226	0	0
4	Total number of pregnant women given 100 IFA tablets	3167	3167	0	0	503	503	0	0
5	Deliveries conducted at facility (Including C-Sections)	6061	6033	28	0	6987	7269	282	4
6	Out of 8, Number discharged under 48 hours of delivery	3993	3995	2	0	3732	3732	0	0
7	Number of new IUCD Insertions at facility	87	87	0	0	150	132	18	14
8	Number of Oral Pills cycles distributed	2672	2672	0	0	3411	13577	10166	75
9	Number of Condom pieces distributed	17082	5519	11563	210	10200	31966	21766	68

Appendix – 1.5.1 (A)

Details of shortfall of receipts under TR-5 (Central Lab) as verified by audit (Book wise and date wise)

(Reference: Paragraph No. 1.5)

Book No	Date		Amount *(in ₹)*		Shortfall *(in ₹)*
	From	To	Collected	Deposited	
17026 to 17030	06/02/13	22/02/13	93,480.00	91,750.00	1,730.00
17030,17031	22/02/13	01/03/13	40,855.00	40,765.00	90.00
17730 to 17742	02/09/13	15/09/13	1,26,285.00	1,36,835.00	(-) 10,550.00)
17959 to 17978,18119	15/09/13	13/10/13	2,92,985.00	1,18,620.00	1,74,365.00
18120 to 18123	13/10/13	20/10/13	85,630.00	1,06,700.00	(-) 21,070.00)
18124 to 18129	20/10/13	01/11/13	1,47,275.00	1,75,555.00	(-) 28,280.00)
18130 to 18136	01/11/13	14/11/13	1,84,875.00	1,35,880.00	48,995.00
18137,18138,18147,18148	14/11/13	22/11/13	1,02,375.00	97,755.00	4,620.00
18149 to 18153	22/11/13	02/12/13	1,25,945.00	1,23,655.00	2,290.00
18154 to 18160	02/12/13	16/12/13	1,80,690.00	1,56,520.00	24,170.00
18161 to 18165	16/12/13	26/12/13	1,21,050.00	1,08,055.00	12,995.00
18166,18188	26/12/13	30/12/13	54,455.00	1,00,125.00	(-) 45,670.00)
18796 to 18801	10/04/14	22/04/14	1,38,105.00	1,34,955.00	3,150.00
19673,19674,19676,19677	08/05/14	13/05/14	95,190.00	95,340.00	(-)150.00)
19746,19747, 19748	01/06/14	07/06/14	65,930.00	65,775.00	155.00
19740,19741,19742	12/06/14	18/06/14	66,595.00	66,325.00	270.00
19739,19738,19812,19813, 19814	18/06/14	21/06/14	1,12,140.00	1,02,395.00	9,745.00
19820	21/06/14	23/06/14	20,985.00	24,550.00	(-) 3,565.00)
19815,19816,19823,19824	28/06/14	01/07/14	95,765.00	77,570.00	18,195.00
19846,19847,19848,19849, 19850,19851,19852	19/07/14	31/07/14	1,72,655.00	1,67,540.00	5,115.00
19853,19854,19855,19856, 19857,19858,19859	31/07/14	13/08/14	1,72,310.00	1,77,555.00	(-) 5,245.00)
19872, 19873, 19874, 19875, 19876	26/08/14	04/09/14	1,32,400.00	1,04,680.00	27,720.00
19877, 19878, 19879	04/09/14	09/09/14	81,960.00	83,340.00	(-) 1,380.00)
19880, 19888, 19889, 19890, 19891	09/09/14	16/09/14	1,36,410.00	1,35,105.00	1,305.00
19892, 19893, 19894, 19895, 19896, 19897, 19898, 19899, 19900, 19901, 19916, 19917	16/09/14	08/10/14	3,23,430.00	1,88,705.00	1,34,725.00
19918, 19919, 19920	08/10/14	12/10/14	83,800.00	82,200.00	1,600.00
14294 to 14298, 14300, 14301, 21772	06/11/14	19/11/14	2,26,165.00	2,24,245.00	1,920.00
Total			**34,79,740.00**	**31,22,495.00**	**3,57,245.00**

Note: (-) = Amount deposited in excess of collection

Appendix - 1.5.1 (B)

Details of TR-5 (Blood Bank) as verified by audit (Book wise)

(Reference: Paragraph No. 1.5)

Book No	TR-5 Slip No.		Amount *(in ₹)*		Shortfall *(in ₹)*
	From	To	Collected	Deposited	
14076	All 100 slips		8,450.00	8,400.00	50.00
14096	-Do-		25,750.00	24,250.00	1,500.00
14099	-Do-		16,600.00	16,100.00	500.00
14100	-Do-		23,800.00	21,800.00	2,000.00
14109	-Do-		28,100.00	26,650.00	1,450.00
14110	-Do-		17,300.00	15,250.00	2,050.00
16404	-Do-		28,000.00	27,800.00	200.00
16406	-Do-		13,950.00	13,800.00	150.00
16407	-Do-		30,750.00	28,950.00	1,800.00
16408	-Do-		26,550.00	26,450.00	100.00
16413	-Do-		24,900.00	24,700.00	200.00
16424	-Do-		10,950.00	9,850.00	1,100.00
16441	-Do-		6,900.00	6,700.00	200.00
16996	-Do-		7,550.00	7,400.00	150.00
17016	-Do-		5,950.00	5,990.00	(-) 40.00)
17324	-Do-		10,850.00	10,300.00	550.00
17624	-Do-		7,850.00	7,150.00	700.00
17625	-Do-		9,950.00	9,150.00	800.00
17971	-Do-		5,150.00	5,100.00	50.00
Total			**3,09,300.00**	**2,95,790.00**	**13,510.00**

Note: (-) = Amount deposited in excess of collection

Appendix - 1.5.1 (C)

Details of TR-5 (ICU) as verified by audit (Date wise)

(Reference: Paragraph No. 1.5)

Date	TR-5 Book No	TR-5 Slip No		Amount *(in ₹)*		Shortfall *(in ₹)*
		From	To	Collected	Deposited	
03/07/201 to 17/07/14	18184	different		45,710.00	45,510.00	200.00
30/09/2014 to 10/10/14	18185	different		27,055.00	26,985.00	70.00
Total				**72,765.00**	**72,495.00**	**270.00**

Appendix – 1.5.1 (D)

Details of TR-5 (of X-Ray) as verified by audit (Date wise)

(Reference: Paragraph No. 1.5)

Date	Book No	TR-5 Slip No.		Amount *(in ₹)*		Shortfall *(in ₹)*
		From	To	Collected	Deposited	
03/05/2012	13866	1386526	1386550	1,550.00	1,500.00	50.00
17/10/2012	16418	1641776	1641800	1,910.00	1,660.00	250.00
03/06/2013	17491 and 17492	1749076	1749125	4,200.00	3,900.00	300.00
01/10/2013	17724	1772301	1772350	4,700.00	4,650.00	50.00
25/06/2014	19756	1975501	1975550	7,400.00	7,200.00	200.00
04/12/2014	19915	1991401	1991450	7,850.00	7,800.00	50.00
25/05/2015	22680	2267951	2268000	7,750.00	7,700.00	50.00
15/06/2015	23297	2329651	2329700	8,650.00	8,550.00	100.00
22/06/2015	23298	2329751	2329800	10,200.00	10,150.00	50.00
Total				**54,210.00**	**53,110.00**	**1,100.00**

Appendix-2.3.1

Loss of interest due to fixation of excess ceiling of fixed deposit

(Reference: paragraph No. 2.3.5.4)

Months	Minimum balalance *(in ₹)*	Minimum balance to be kept in A/S *(in ₹)*	Balance kept after min balance *(in ₹)* if auto swept was done	Balance swept to CLTD *(in ₹)* unit @ 25 lakh to be given	Loss of interest *(in ₹)*	Period of investment	Rate of interest (@ 4% below ₹ 1 crore and 8% for above ₹ 1 crore)
Apr-11	23,578,711.28	5,000,000.00	18,578,711.28	17,500,000.00	116,666.67	30 days	8% p.a
May-11	17,899,851.28	5,000,000.00	12,899,851.28	12,500,000.00	83,333.33	30 days	8% p.a
Jun-11	9,848,519.28	5,000,000.00	4,848,519.28	2,500,000.00	8,333.33	30 days	4% p.a
Sep-11	9,360,415.28	5,000,000.00	4,360,415.28	2,500,000.00	8,333.33	30 days	4% p.a
Nov-11	22,900,423.28	5,000,000.00	17,900,423.28	17,500,000.00	116,666.67	30 days	8% p.a
Jul-12	270,791,512.28	5,000,000.00	265,791,512.28	265,000,000.00	1,766,666.67	30 days	8% p.a
Aug-12	254,433,665.00	5,000,000.00	249,433,665.00	247,500,000.00	1,650,000.00	30 days	8% p.a
Sep-12	252,914,742.28	5,000,000.00	247,914,742.28	247,500,000.00	1,650,000.00	30 days	8% p.a
Oct-12	246,646,225.00	5,000,000.00	241,646,225.00	240,000,000.00	1,600,000.00	30 days	8% p.a
Nov-12	245,632,258.00	5,000,000.00	240,632,258.00	240,000,000.00	1,600,000.00	30 days	8% p.a
Dec-12	15,967,880.28	5,000,000.00	10,967,880.28	10,000,000.00	66,666.67	30 days	8% p.a
Apr-13	333,569,871.28	5,000,000.00	328,569,871.28	327,500,000.00	2,183,333.33	30 days	8% p.a
May-13	330,993,908.28	5,000,000.00	325,993,908.28	325,000,000.00	2,166,666.67	30 days	8% p.a
Jun-13	303,971,380.28	5,000,000.00	298,971,380.28	297,500,000.00	1,983,333.33	30 days	8% p.a
Jul-13	25,099,159.28	5,000,000.00	20,099,159.28	20,000,000.00	133,333.33	30 days	8% p.a
Aug-13	24,435,776.28	5,000,000.00	19,435,776.28	17,500,000.00	116,666.67	30 days	8% p.a
Sep-13	360,767,324.28	5,000,000.00	355,767,324.28	355,000,000.00	2,366,666.67	30 days	8% p.a
Oct-13	24,697,502.28	5,000,000.00	19,697,502.28	17,500,000.00	116,666.67	30 days	8% p.a
Nov-13	20,790,254.28	5,000,000.00	15,790,254.28	15,000,000.00	100,000.00	30 days	8% p.a
Total					**1,78,33,333.34**		

Appendix-2.3.2

Inadequate Transect Walks

{Reference: Paragraph No. 2.3.6.1 (iii)}

Package No.	Name of Road	Particulars
TR-02-68	Tulamura to Kerani Khamar	Delay in completion
TR-02-74	Maitholong to Chaimarua	Delay in completion
TR-02-86	UK Main Road to Gumati River	Delay in completion
TR-02-118	US Main Road to Madhya Para	Delay in completion
TR-02-120	T 03 (US road to Manughat Para) to Kakimog Para	Delay in completion
TR-02-121	Killa to Dakbari	Delay in completion
TR-02-129	T 02 MP Road to Taikamoni Para	Delay in completion
TR-02-156	Asha Ch. Para to Data Chandra	Delay in completion
TR-02-173	US Road (Manu Bazar) to Manughat Para	Delay in completion
TR-02-213	Tuibaklai to Kaklai	Delay in completion
TR-02-214	AT Road to Thalibari	Delay in completion
TR-02-207	Belonia Barapathari Road (T-04) to UBC Nagar	Delay in completion
TR-02-215	Dulanbari to Mandaibari	Delay in completion
TR-02-223	T-01 (US Road) to Sonai Dhan Para	Delay in completion
TR-02-231	T-01 (Jharjhari-Muhuripur Road) to Brindaban R. Para	Delay in completion
TR-02-(250-499)-32	T-05 (Jolaibari - Kowaifung Road) to Harachandra Para	Delay in completion
TR-04-32 (UG)	Manu to Bairathal	Delay in completion
TR 04 165	Manikpur to Hazirai	Change in alignment
TR 03 78	Sermun I and II to Mitrajoy Para	Change in alignment
TR 04 143	Jayantibazar to Dhupicherra	Curtailment of Bridge (01 No.)
TR 04 161	Tuichakma to Budhamandir	Curtailment of Bridge (02 Nos)
TR 04 35 (UG)	KMA Road to Kachucherra - I	Curtailment of Bridge (02 Nos)
TR 04 160	Jagabandhu market to Bharigat Para	Curtailment of Bridge (02 Nos)
TR 04 32 (UG)	Manu to Bairathal	Curtailment of Bridge (04 Nos)
TR 03 110	Machmara to Karaicherra	Curtailment of Bridge (03 Nos)
TR 02 207	Belonia Barapathari road to UBC Nagar	Shorter length
TR 02 52	NH44 to Kumari Tilla via Master Para	Shorter length
TR 02 86	UK Main Road to Gumati River	Shorter length
TR 02 74	Maitholong to Chairmura	Shorter length

Appendix – 2.3.3

Delay in completion of work

(Reference: Paragraph No. 2.3.7.2)

Sl. No	Package No.	Name of Road	Date of work order	Stipulated date of completion	Actual date of completion	Delay in completion (in months)	Reason for delay
1	TR-02-68	Tulamura to Kerani Khamar	29-02-2012	08-10-2013	31-12-2013	3	Land problem
2	TR-02-74	Maitholong to Chaimarua	05-08-2007	19-08-2007	31-11-2011	52	Land problem
3	TR-02-86	UK Main Road to Gumati River	29-02-2012	08-10-2013	31-03-2014	6	Land problem
4	TR-02-118	US Main Road to Madhya Para	07-10-2008	21-04-2009	31-08-2010	17	Land problem
5	TR-02-120	T 03 (US road to Manughat Para) to Kakimog Para	21-03-2010	04-10-2011	20-03-2012	6	Land problem
6	TR-02-121	Killa to Dakbari	30-03-2010	03-11-2011	30-04-2012	6	Land problem
7	TR-02-129	T 02 MP Road to Taikamoni Para	18-04-2008	02-11-2009	15-06-2011	20	Land problem
8	TR-02-156	Asha Ch. Para to Data Chandra	07-09-2008	16-04-2010	30-06-2012	27	Land problem
9	TR-02-173	US Road (Manu Bazar) to Manughat Para	14-11-2009	28-05-2011	29-02-2012	9	Land problem
10	TR-02-213	Tuibaklai to Kaklai	21-02-2010	15-09-2011	31-03-2012	7	Land problem
11	TR-02-214	AT Road to Thalibari	01-03-2010	15-09-2011	31-03-2012	7	Land problem
12	TR-02-207	Belonia Barapathari Road (T-04) to UBC Nagar	21-11-2009	05-06-2011	31-12-2011	7	Land problem
13	TR-02-215	Dulanbari to Mandaibari	21-02-2010	15-09-2011	31-03-2012	7	Land problem
14	TR-02-223	T-01 (US Road) to Sonai Dhan Para	23-03-2012	06-10-2013	31-03-2014	6	Land problem
15	TR-02-231	T-01 (Jharjhari-Muhuripur Road) to Brindaban R. Para	23-03-2012	06-10-2013	31-12-2013	3	Land problem
16	TR-02-(250-499)-32	T-05 (Jolaibari - Kowaifung Road) to Harachandra Para	23-12-2013	06-07-2015	19-03-2016	9	Land problem
17	TR-04-32 (UG)	Manu to Bairathal	14-11-2011	29-11-2012	31-01-2014	14	Due to execution of higher length
18	TR-03-27	TD Road to Halam Basti	04-03-2010	02-09-2011	31-03-2012	6	Delay in execution by agency

Appendix – 2.3.3 (concld.)

Delay in completion of work

(Reference: Paragraph No. 2.3.7.2)

Sl. No	Package No.	Name of Road	Date of work order	Stipulated date of completion	Actual date of completion	Delay in completion (in months)	Reason for delay
19	TR-03-108	Machmara Karaicherra to Laxmanpur	07-10-2007	06-10-2008	31-03-2012	41	Delay in execution by agency
20	TR-03-40	Kadamtala to Lalcherra Shibbari	28-10-2007	27-10-2008	31-01-2012	39	Delay in execution by agency
21	TR-03-33	Balidhum to Lalsadhu Para	28-12-2007	27-12-2008	31-03-2012	39	Delay in execution by agency
22	TR-03-99	Irani to Kachergul	06-01-2012	06-07-2013	31-03-2015	20	Delay in execution by agency
23	TR-03-87	AA Road to Chandrakha Para	06-01-2012	06-07-2013	31-05-2014	10	Delay in execution by agency
24	TR-03-88	AA Road to Chitagang Basti	06-01-2012	06-07-2013	31-03-2016	32	Delay in execution by agency
25	TR-03-71	Adhibarighat to Brikhashatal	30-07-2008	28-01-2010	31-03-2012	26	Delay in execution by agency
26	TR-03-107	Pecharthal to Laljuri	01-01-2009	02-07-2010	31-03-2012	20	Delay in execution by agency
27	TR-03-110	Machmara Karaicherra to Laljuri	01-01-2009	02-07-2010	31-03-2012	20	Delay in execution by agency
28	TR-03-109	Andhercherra to Panisagar Kaipaya Para	01-01-2009	02-07-2010	31-04-2013	33	Delay in execution by agency
29	TR-03-10 (UG)	Bairathal to Jagganathpur Part II	05-09-2008	04-03-2010	30-04-2013	37	Retendering
30	TR-03-08 (UG)	Jalebassa to Kanchanpur (Part)	05-09-2008	04-03-2010	31-03-2013	34	Retendering
31	TR-03-02 (UG)	Dharmanagar (DRBS) to Satsangam	15-03-2011	14-09-2012	31-03-2016	42	Retendering

Appendix – 2.3.4

Incomplete works

(Reference: Paragraph No. 2.3.7.2)

Sl. No.	Package No.	Name of Road	Actual date of commencement	Stipulated date of completion	Actual date of completion	Habitation	Population
1	TR-02-120	T 03 (US road to Manughat Para) to Kakimog Para	28-06-2011	27-06-2013	Bridge still in Progress	3	1086
2	TR-02-153	Ompi to Raban Para	10-12-2008	09-12-2009	In progress	5	1398
3	TR-02-170	Harina Ailmara Bazar Main Road (T-01) to Ailmara Bazar	09-08-2014	08-02-2016	In progress	21	5169
4	TR-02-182	Amarpur to Sarbang (L-039)	29-11-2014	14-03-2016	In progress	5	1511
5	TR-02-180	Ompi to Raban Para (L-028)	29-11-2014	14-03-2016	In progress	7	1918
6	TR-02-184	Raibahadur Para to Surjahum Para (L-046)	29-11-2014	14-03-2016	In progress	3	821
7	TR-02-194	Kakraban (via Mirza & Tulamura) to Dhuptali (T-04)	22-07-2014	21-01-2016	In progress	12	4528
8	TR-02-(250-499)-06	Tulamura to Samukcherra via Damdama	07-01-2014	06-07-2015	In progress	3	593
9	TR-02-(250-499)-06	Ichacherra to Madhyapara	07-01-2014	06-07-2015	In progress	1	322
10	TR-04-130	Barendra Roaja Para to Sarat KB	10-06-2012	13-10-2013	In Progress	1	541
11	TR-04-160	Jagabandhu Market to Bhaghirath Para II (Pt.-III)	26-11-2012	10-06-2015	In Progress	4	1160
12	TR-04-161	Tuichakma Buddhamandir to Ratannagar	01-09-2012	08-03-2014	In Progress	7	2436
13	TR-04-163	Gandacherra to Kalajhari (Pt.-III)	06-04-2012	20-09-2013	In Progress	5	945
14	TR-04-121	Gandacherra to Kalajhari (Pt.-I)	22-08-2012	26-02-2014	In progress	14	3899
Total						**91**	**26327**

Appendix – 2.3.5

Statement showing slow progress of works

(Reference: Paragraph No. 2.3.7.3)

Sl. No.	Package No.	Name of the Road	Date of award of work	Date of commencement	Stipulated date of completion	Total value of work done (*₹ in Crore*)	Status of the work
1.	TR 03 104	K.K. road to East Jalai	06-12-2008	17-12-2008	20-06-2010	2.06	In progress
2.	TR 03 101	D. K road to Unakoti Debbarma Para	06-12-2008	16-12-2008	20-06-2010	1.38	In progress
3.	TR 03 84	J. K. road to Kukinala	01-12-2011	20-01-2012	15-06-2013	1.38	In progress
4.	TR 03 78	Sermun I & II to Mitrajoy Para (Part I & II)	29-03-2012	12-04-2012	12-10-2013	6.83	In progress
5.	TR 03 04 (UG)	Jalabassa to Bhandarima (Part-I)	28-02-2011	28-02-2011	12-07-2013	4.18	In progress
6.	TR 03 05 (UG)	Jalabassa to Bhandarima (Part-II)	21-08-2008	NA	05-03-2010	8.36	In progress
7.	TR 03 180	D.T. Road to Brajalal Para	06-01-2014	06-01-2014	20-07-2015	1.71	In progress
8.	TR 03 176	Machmara Karaicherra to Laxmanpur	29-11-2013	18-10-2013	12-06-2015	1.67	In progress
9.	TR 03 01	Dharmanagar to Churaibari	21-08-2008	21-08-2008	05-03-2010	5.70	In progress
Delay ranging from					**08 to 72 months**	**33.27**	

Appendix – 2.3.6

Statement showing details of cost overrun

{Reference: Paragraph No. 2.3.7.3(ii)}

(in ₹)

Name of the work	Date of issue of work order	Stipulated time for completion	Stipulated date commencement	Actual date of commencement	Stipulated date of completion	Actual date of completion	Agreement rate of the store materials	Date of issue of materials	Enhance rate of store materials	Difference	Quantity issued after stipulated period	Total excess amount involved
Up-gradation of T 13 Jolaibari to Muhuripur road under 40 % renewal **(TR-02 13)**	26/5/08	12 months	13/06/08	10/6/2008	12/06/09	In progress	39088	02-10 to 02-11	44009	4921	208.9275	1028132
								Dec-15	63020	23932	9.703	232212
Up-gradation of T 13 Jolaibari to Muhuripur road under 40 % renewal **(TR-02 18)**	20/2/09	12 months	06/03/09	6/3/2009	5/3/10	9/2/15	37585	08-09 to 01-11	44009	6424	46.4805	298590
Upgradation of Chayagharya to Belonia road under 40 % renewal **(TR-02 11)**	27/2/09	12 months	14/03/09	14/5/2009	13/3/10	7/6/11	36593	04-10 to 12-10	44009	7417	219.8825	1630869
Upgradation of UK Road to School Tilla via Palatanabari under 40 % renewal **(TR-02 15)**	27/9/08	12 months	12/10/08	5/2/09	11/10/09	15/6/12	39088	Jan-10	44009	4921	61.8175	304844
Total												**3494647**

Appendix-2.3.7

Non recovery of liquidated damages

(Reference: Paragraph No. 2.3.7.6)

(₹ in crore)

District	Packages No.	Phase	Date of award of work	No. of works	Tendered value	Delay	Amount of liquidated damages (LD) not imposed
Dhalai	TR-04-64	V(A)	05-11-2007	01	4.25	66 months	0.42
	TR-04-63	VI	02-09-2013	01	2.70	12 months	0.27
	TR-04-130	VIII	18-02-2012	01	4.67	29 months	0.46
	TR-04-163	VIII	22-03-2012	01	13.43	27 months	1.34
	TR-04-121	VIII	13-08-2012	01	25.98	25 months	2.60
South	TR-02-120	VIII	03-06-2011	01	6.98	29 months	0.69
	TR-02(250-499)-06	IX-I	13-12-2013	01	3.10	09 months	0.31
North	TR-03-84	VI	01-12-2011	01	5.44	33 months	0.54
	TR-03-104	VI	06.12.2008	01	3.23	69 months	0.32
	TR-03-180	IX-I	06.01.2014	01	4.11	08 months	0.41
Total				**10**			**7.36**

Appendix – 2.4.1

Recoverable amount from the defaulting agency due to rescission of work

(Reference: Paragraph No. 2.4)

Sl. No. of item in estimate for balance work	Unit	Balance quantity as per estimate	Rate offered by the 2nd contractor for execution of balance work	Rate offered by the 1st contractor	Quantity actually executed by 2nd contractor	Rate difference between 2nd and 1st contractor (*in* ₹)	Extra amount involved
6	per 100 sqm	51,002.87	4.00	15.00	74,218.17	-11.00	-8,16,399.87
7	Sqm	1,13,184.00	0.06	10.00	34,549.49	-9.94	-3,43,421.93
8	Cum	21,585.01	3,480.00	1,650.00	11,394.72	1,830.00	2,08,52,337.60
9	Cum	16,606.59	494.00	300.00	7,879.27	194.00	15,28,578.38
10	Cum	46,682.13	3,690.00	1,800.00	33,685.57	1,890.00	6,36,65,727.30
11	Cum	36,018.42	595.00	300.00	23,854.98	295.00	70,37,219.10
12	Cum	7251.33	14,590.00	7,500.00	8,499.85	7,090.00	6,02,63,936.50
13	Cum	1,86,047.42	378.00	180.00	1,84,394.18	198.00	3,65,10,047.64
14	Cum	1,86,063.01	75.00	30.00	1,84,394.18	45.00	82,97,738.10
25	Cum	9,473.46	90.00	100.00	4.41	-10.00	-44.10
27	cum	0.00	4,700.00	3,500.00	2,172.36	1,200.00	26,06,832.00
28	cum	9,838.03	4,700.00	2,800.00	0.00	1,900.00	0.00
30	cum	0.00	9,500.00	5,500.00	46.98	4,000.00	1,87,920.00
31 a	sqm	1,053.46	250.00	200.00	113.62	50.00	5,681.00
b	sqm	1,332.00	300.00	300.00	11.28	0.00	0.00
33	R.M	1,192.74	100.00	100.00	517.36	0.00	0.00
36	cum	2,144.38	8,900.00	6,695.00	295.97	2,205.00	6,52,613.85
37	cum	578.00	10,000.00	6,695.00	35.75	3,305.00	1,18,153.75
38	per mtr	470.45	900.00	2,575.00	164.10	-1,675.00	-2,74,867.50

Appendix – 2.7.1

Cost overrun due to delay in completion of work

(Reference: Paragraphs No.2.7)

Particulars	Date of issue of indent for materials	Revised issue rate (inclusive 4 *per cent* TST) *(in ₹)*	Recovery rate as per agreement *(in ₹)*	Difference *(in ₹)*	Quantity of material issued *(in MT)*	Total amount *(in ₹)*
1	*2*	*3*	*4*	*5*	*6*	*7 (5 × 6)*
Bitumen	21-09-2010	44,009	27,346	16,663	50.080	8,34,483
	29-09-2011	52,247	27,346	25,001 × 294.064 MT	40.064	73,51,882
	19-12-2012				20.032	
	02-01-2013				45.072	
	07-01-2013				50.080	
	19-02-2013				50.080	
	04-03-2013				50.080	
	26-03-2013				38.656	
TOTAL					**344.144**	**81,86,365**

Appendix - 3.1.1

Statement showing investments made by State Government in SPSUs whose accounts are in arrears

(Reference: paragraph No. 3.1.11)

(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)
A	**Working Government Companies**						
1	Tripura Forest Development & Plantation Corporation Limited	2014-15	9.20	2015-16	0.00	0.00	0.00
2	Tripura Horticulture Corporation Limited	2013-14	4.04	2014-15	3.90	0.00	0.00
				2015-16	1.08	0.00	0.00
3	Tripura Tea Development Corporation Limited	2013-14	32.77	2014-15	2.80	0.00	0.00
				2015-16	3.00	0.00	0.50
4	Tripura Rehabilitation Plantation Corporation Limited	2013-14	4.58	2014-15	0.00	0.00	4.92
				2015-16	0.00	0.00	1.35
5	Tripura Industrial Development Corporation Limited	2014-15	16.17	2015-16	0.00	0.00	0.00
6	Tripura Jute Mills Limited	2014-15	220.91	2015-16	20.00	0.00	0.00
7	Tripura Small Industries Corporation Limited	2013-14	47.56	2014-15	4.00	0.00	0.00
				2015-16	3.50	0.00	0.00
8	Tripura State Electricity Corporation Limited	2013-14	659.75	2014-15	6.00	0.00	44.90
				2015-16	0.00	0.00	69.00
9	Tripura Handloom and Handicrafts Development Corporation Limited	2013-14	76.09	2014-15	0.00	0.00	0.00
				2015-16	10.00	0.00	0.00

Appendix - 3.1.1 (concld.)

Statement showing investments made by State Government in SPSUs whose accounts are in arrears

(Reference: paragraph No. 3.1.11)

(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)
10	Tripura Urban Transport Company Limited	2013-14	0.60	2014-15	0.00	0.00	0.30
				2015-16	0.00	0.00	0.25
11	Tripura Tourism Development Corporation Limited	2014-15	0.20	2015-16	0.90	0.00	0.00
	Total A (Working Government Companies)		**1,071.87**		**55.18**	**0.00**	**121.22**
B	**Working Statutory corporations**						
1	Tripura Road Transport Corporation	2013-14	159.76	2014-15	1.18	0.00	13.72
				2015-16	0.00	0.00	17.69
	Total B (Working Statutory Corporations)		**159.76**		**1.18**	**0.00**	**31.41**
	Grand Total (A + B)		**1,231.63**		**56.36**	**0.00**	**152.63**

Appendix - 3.1.2

Summarised financial position and working results of Government companies and Statutory Corporations as per their latest finalised financial statements

(Reference: Paragraph No.3.1.10 &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
A. Working Government Companies													
AGRICULTURE & ALLIED													
1	Tripura Forest Development & Plantation Corporation Limited	2014-15	2016-17	9.20	0.00	145.77	40.88	4.61	-3.06	157.56	4.61	2.93	201
2	Tripura Horticulture Corporation Limited	2013-14	2016-17	4.04	0.00	-3.44	8.71	-1.01	0.11	0.60	-1.01	-	87
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	-	650
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	176
Sector wise total				**50.59**	**0.00**	**144.88**	**86.86**	**2.69**	**-3.65**	**201.54**	**2.69**	**1.33**	**1114**
FINANCING													
5	Tripura Industrial Development Corporation Limited	2014-15	2016-17	16.17	128.41	-10.04	4.11	-11.66	-4.61	136.56	-11.66	-	43
Sector wise total				**16.17**	**128.41**	**-10.04**	**4.11**	**-11.66**	**-4.61**	**136.56**	**-11.66**	**-**	**43**
MANUFACTURING													
6	Tripura Jute Mills Limited	2014-15	2016-17	220.91	1.05	-214.25	5.33	-19.44	-0.40	10.28	-19.44	-	803
7	Tripura Small Industries Corporation Limited	2013-14	2016-17	47.56	0.00	-33.11	18.74	-3.19	-0.62	14.71	-3.19	-	178
Sector wise total				**268.47**	**1.05**	**-247.36**	**24.07**	**-22.63**	**-1.02**	**24.99**	**-22.63**	**-**	**981**

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.3.1.10 &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
POWER													
8	Tripura State Electricity Corporation Limited	2013-14	2016-17	659.75	0.00	-336.85	520.46	-106.73	39.17	550.60	-106.73	-	4793
Sector wise total				**659.75**	**0.00**	**-336.85**	**520.46**	**-106.73**	**39.17**	**550.60**	**-106.73**	**-**	**4793**
SERVICES													
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	-	322
10	Tripura Urban Transport Company Limited	2013-14	2016-17	0.60	0.00	0.32	0.34	0.09	-4.75	0.92	0.09	9.78	8
11	Tripura Tourism Development Corporation Limited	2014-15	2015-16	0.20	0.00	-0.18	2.02	0.68	0.52	10.04	0.68	6.77	16
Sector wise total				**76.89**	**0.00**	**-89.32**	**6.31**	**-9.62**	**- 4.23**	**3.43**	**-9.62**	**-**	**346**
MISCELLANEOUS													
12	Tripura Natural Gas Company Limited	2015-16	2016-17	3.92	10.85	48.61	62.00	9.36	5.50	78.98	9.36	11.85	17
Sector wise total				**3.92**	**10.85**	**48.61**	**62.00**	**9.36**	**5.50**	**78.98**	**9.36**	**11.85**	**17**
Total A (All sector wise working Government companies)				**1075.79**	**140.31**	**-490.08**	**703.81**	**-138.59**	**31.16**	**996.10**	**-138.59**	**-**	**7294**

Appendix - 3.1.2 (concld.)

Summarised financial position and working results of Government companies and Statutory Corporations as per their latest finalised financial statements/accounts

(Reference: Paragraph No.3.1.10 &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. Working Statutory corporation													
SERVICES													
1	Tripura Road Transport Corporation	2013-14	2016-17	159.76	0.25	-272.40	2.58	-0.46	0.00	-112.39	-0.46	-	348
Sector wise total				**159.76**	**0.25**	**-272.40**	**2.58**	**-0.46**	**0.00**	**-112.39**	**-0.46**	**-**	**348**
Total B (All sector wise working Statutory Corporation)				**159.76**	**0.25**	**-272.40**	**2.58**	**-0.46**	**0.00**	**-112.39**	**-0.46**	**-**	**348**
Grand Total (A+B)				**1235.55**	**140.56**	**-762.48**	**706.39**	**-139.05**	**31.16**	**883.71**	**-139.05**	**0.00**	**7642**
C. Non working Government companies													
FINANCING													
1	Tripura State Bank Limited	Non functional and in the process of liquidation.											
Sector wise total				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	0
Total C (All sector wise non working Government company)				**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**-**	**0**
Grand Total (A+B+C)				**1235.55**	**140.48**	**-762.39**	**706.05**	**-139.05**	**31.16**	**883.71**	**-139.05**	**0.00**	**7642**

@ Paid up capital includes share suspense/ application money

Appendix – 3.2.1

Working results for Bricks branch

(Reference: Paragraph No.3.2.22)

(₹in lakh)

Sl. No.	Particulars	2011-12	2012-13	2013-14	2014-15 (P)
1	Revenue from operations (Turnover)	660.35	578.19	346.06	635.63
2	Cost of materials & direct labour	799.47	597.46	319.54	565.41
3	Contribution (1-2)	(139.12)	(19.27)	26.52	70.22
4	P/V Ratio (in *percent*) (3/1)x100	(21.07)	(3.33)	7.66	11.05
5	**Fixed Costs**				
6	Employee Benefits Expense	23.36	24.01	170.15	170.79
7	Depreciation &Amortisation	20.30	8.77	11.11	7.77
8	Other Expenditure	0.29	0.16	0.24	1.00
9	**Total Fixed Costs (6+7+8)**	**43.95**	**32.94**	**181.50**	**179.56**
10	Other Income	1.70	1.70	2.26	6.40
11	Total fixed cost to be recovered through contribution (9-10)	42.25	31.24	179.24	173.16
12	Loss (3-9)+10	(181.37)	(50.51)	(152.72)	(102.94)

Source: Annual Accounts figures for 2014-15 are provisional and 2015-16 figures are not available

Appendix – 3.2.2

Targets *vis-à-vis* production of Bricks branch

(Reference: Paragraph No.3.2.23)

(Figures in lakh)

Year	Name of Brickfield	Production Target	Actual Bricks Production	Excess/ (shortfall)	Percentage of excess (+)/ shortfall (-)
2011-12	Jirania	36.00	29.99	(6.01)	(16.69)
2012-13	Jirania	30.00	20.04	(9.96)	(33.20)
	Mainama	25.00	19.48	(5.52)	(22.08)
2013-14	Jirania	30.00	23.15	(6.85)	(22.83)
	Ambassa	30.00	22.39	(7.61)	(25.37)
	Mainama	30.00	26.16	(3.84)	(12.80)
	Kukicherra	25.00	16.18	(8.82)	(35.28)
	Sonaichari	37.00	25.80	(11.20)	(30.27)
2014-15	Jirania	30.00	29.40	(0.60)	(2.00)
	Sonaichari	37.00	37.23	0.23	0.62
2015-16	Jirania	36.00	33.08	(2.92)	(8.11)
	Ambassa	20.00	13.15	(6.85)	(34.25)
	Kanchanpur	30.00	25.07	(4.93)	(16.43)
Grand Total	**12**	**396.00**	**321.12**	**(74.88)**	**(18.91)**

Source: Annual targets fixed by TSICL and production statement thereon

Appendix - 3.2.3

Working results of Country Spirits from 2011-12 to 2015-16

(Reference: Paragraph No.3.2.29)

(₹ in lakh)

	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
1	Revenue from operations	148.16	155.62	167.27	162.62	165.21
2	Cost of materials and direct labour	72.07	101.35	87.39	81.27	83.62
3	Contribution (1-2)	76.09	54.27	79.88	81.35	81.59
4	P/V Ratio (in *per cent*) (3/1)x100	51.36	34.87	47.76	50.02	49.39
	Fixed Costs					
5	Employee Benefits Expense	17.90	23.74	33.93	33.78	32.54
6	Depreciation &Amortisation	0.42	0.48	0.43	0.43	0.36
7	Other Expenditure	23.98	21.76	27.68	31.81	58.12
8	**Total Fixed Costs (5+6+7)**	**42.30**	**45.98**	**62.04**	**66.02**	**91.02**
9	Other Income	0.00	0.16	0.02	0.00	0.22
10	Total fixed cost to be recovered through contribution (8-9)	42.30	45.82	62.02	66.02	90.80
11	Profit for the year (3-8)+9	33.79	8.45	17.86	15.33	(9.21)
12	Percentage of profit on aggregate cost 11/(2+8)x100	29.54	5.74	11.95	10.41	(5.27)
13	**Break-even revenue from operations (10/(3/1))**	**82.37**	**131.39**	**129.87**	**131.98**	**183.86**

Source: Annual Accounts figures for 2014-15 & 2015-16 are provisional

Appendix-4.2.1

Number of vehicles registered at various JTC/DTO offices which did not turn up for fitment of HSRP

w.e.f August 2012 to June 2013

{Reference: Paragraph No. 4.2.5.2(ii)}

Month	Registered at JTC Agartala	Vehicles fitted with HSRP at JTC Agartala	Registered at DTO Udaipur	Vehicles fitted with HSRP at DTO Udaipur	Registered at DTO Ambassa	Vehicles fitted with HSRP at DTO Ambassa	Registered at DTO Dharmanagar	Vehicles fitted with HSRP at DTO Dharmanagar	Registered at DTO Kailashahar	Vehicles fitted with HSRP at DTO Kailashahar
Aug-12	1,626	176	406	142	98	57	225	125	144	43
Sep-12	1,471	151	425	238	121	41	218	127	124	34
Oct-12	1,667	254	386	92	114	59	197	46	116	20
Nov-12	2,013	697	726	357	185	65	271	284	144	133
Dec-12	1,549	834	483	175	125	107	180	219	116	138
Jan-13	1,555	930	545	608	118	96	200	286	143	270
Feb-13	1,068	624	240	71	86	67	194	118	99	68
Mar-13	1,438	719	455	152	118	92	202	224	102	115
Apr-13	1,511	554	475	120	186	114	288	287	176	56
May-13	1,444	613	499	244	165	184	195	240	165	141
jun-13	949	683	312	259	122	123	218	230	198	147
Total	**16,291**	**6,235**	**4,952**	**2,458**	**1,438**	**1,005**	**2,388**	**2,186**	**1,527**	**1,165**
Vehicles not fitted with HSRP	10,056		2,494		433		202		362	
Total number of vehicles registered during the period= 26,596 Total number of Vehicles not turning up for fitment of HSRP =13,547										

Appendix- 4.3.1

Statement showing short levy of VAT, interest and penalty due to concealment/escapement of turnover by the dealers and erroneous calculation made by the Assessing Authority

(Reference: Paragraph No 4.3)

(₹ in lakh)

Sl. No.	Name of the dealer	Tin	Period of assessment	Date of assessment	Amount of concealment/escapement of turnover and erroneous calculation	Short levy			Total	Remarks
						VAT	Interest	Penalty		
The Superintendent of Taxes, Charge IV, Agartala										
1	M/s B.B. Electronic	16040040036	2009-10	12.02.2015	7.27 (12.5 %)	0.91	0.80	0.10	1.81	AA has stated that the cases were forwarded to the Commissioner of Taxes with request to take up the cases for review u/s 70(1) of the TVAT Act, 2004. Accordingly case was taken up by the Commissioner of Taxes for review. The cases were listed for hearing on 26.08.2016 in the court of the Ld. Revisional Authority in Rev. Case No. 15/CH-IV/2016. The result in this regard will be intimated in due course.
						[0.51]	0.26[1]	0	0.26	
Sub Total						**0.91**	**1.06**	**0.10**	**2.07**	
The Superintendent of Taxes, Charge V, Agartala										
2	M/s Computer Link.	16050120053	2009-10	25.02.2015	12.61 (4 %)	0.50	0.44	0.05	0.99	AA has stated that the cases were required to be re-assessed but as under the existing provisions of the TVAT Act, 2004 he has no power for making re-assessment, the cases were forwarded to the Commissioner of Taxes with a request to take up the cases for review u/s 70(1) of the TVAT Act, 2004. The result in this regard will be intimated in due course.
						[0.07]	0.05[2]	0	0.05	
Sub Total						**0.50**	**0.49**	**0.05**	**1.04**	

Note: 1 Interest calculated @ 1.5 *per cent* pm of VAT not deposited.

2 Figure in […] indicates VAT already realised, but calculation of interest due to late payment of VAT assessed by AA were incorrect/not imposed. Therefore, figure in […] are not accounted for in the total of short levy in VAT column.

[1] Short levy of interest of 34 months instead of 59 month on assessed tax ₹ 0.51 lakh

[2] Short levy of interest of 46 months on assessed tax ₹ 0.07 lakh

Appendix- 4.3.1 (contd...)

Statement showing short levy of VAT, interest and penalty due to concealment/escapement of turnover by the dealers and erroneous calculation made by the Assessing Authority

(Reference: Paragraph No. 4.3)

(₹ in lakh)

Sl. No.	Name of the dealer	Tin	Period of assessment	Date of assessment	Amount of concealment/escapement of turnover and erroneous calculation	Short levy			Total	Remarks
						VAT	Interest	Penalty		
The Superintendent of Taxes, Charge VII, Agartala										
3	Subhash Chandra Datta	16040551005	2010-11	08.09.2014	4.02 (12.5 %)	0.50	0.31	0.05	0.86	AA has stated that the cases were required to be re-assessed but as under the existing provisions of the TVAT Act, 2004 he has no power for making re-assessment, the cases were forwarded to the Commissioner of Taxes with a request to take up the cases for review u/s 70(1) of the TVAT Act, 2004. The case is listed for hearing on 28.09.2016 in the court of the Ld. Revisional Authority in Rev. Case No. 02/CH-VII/2016. The result will be intimated in due course.
						[1.40]	0.61[3]	0.14	0.75	
4	M/s Shiv Rubber	16170045092	2013-14	25.11.2014	30.17 (5 %)	1.51	0.16	0.30	1.97	AA has stated that the cases were required to be re-assessed but as under the existing provisions of the TVAT Act, 2004 he has no power for making re-assessment, the cases were forwarded to the Commissioner of Taxes with a request to take up the cases for review u/s 70(1) of the TVAT Act, 2004. The process is being started for consideration of review of the cases u/s 70(1) of the TVAT. The result will be intimated in due course.
Sub Total						**2.01**	**1.08**	**0.49**	**3.58**	

Note: 1 Interest calculated @ 1.5 *per cent* pm of VAT not deposited.

2 Figure in […] indicates VAT already realized, but calculation of interest due to late payment of VAT assessed by AA were incorrect/not imposed. Therefore, figure in […] are not accounted for in the total of short levy in VAT column.

[3]Short levy of interest of 29 months and penalty on assessed tax ₹ 1.40 lakh

Appendix-4.3.1 (contd...)

Statement showing short levy of VAT, interest and penalty due to concealment/escapement of turnover by the dealers and erroneous calculation made by the Assessing Authority

(Reference: Paragraph No. 4.3)

(₹ in lakh)

Sl. No.	Name of the dealer	Tin	Period of assessment	Date of assessment	Amount of concealment/escapement of turnover and erroneous calculation	Short levy			Total	Remarks
						VAT	Interest	Penalty		
The Superintendent of Taxes, Charge VIII, Agartala										
5	M/s J. K. Motors	16020084005	2012-13	30.12.2013	19.95 (13.5 %)	2.69	0.32	0.41	3.42	AA has stated that the cases were required to be re-assessed but as under the existing provisions of the TVAT Act, 2004 he has no power for making re-assessment, the cases were forwarded to the Commissioner of Taxes with a request to take up the cases for review u/s 70(1) of the TVAT Act, 2004. The process is being started for consideration of review of the cases u/s 70(1) of the TVAT 2004. The case is listed for hearing on 18.08.2016 in the court of the Ld. RevisionalAuthority in Rev. Case No. 01/CH-VIII/2016. The result will be intimated in due course.
6	M/s SML ISUZU	16180214029	2012-13	15.01.2014	16.16 (13.5 %)	2.18	0.29	0.33	2.80	AA has stated that the cases were required to be re-assessed but as under the existing provisions of the TVAT Act, 2004 he has no power for making re-assessment, the cases were forwarded to the Commissioner of Taxes with a request to take up the cases for review u/s 70(1) of the TVAT Act, 2004. The case is disposed off on 19.07.2016 in the court of the Ld. Revisional Authority in Rev. Case No. 06/CH-VIII/2016. The result will be intimated in due course.

Note: 1 Interest calculated @ 1.5 *per cent* pm of VAT not deposited.

Appendix-4.3.1 (contd...)

Statement showing short levy of VAT, interest and penalty due to concealment/escapement of turnover by the dealers and erroneous calculation made by the Assessing Authority

(Reference: Paragraph No. 4.3)

(₹in lakh)

Sl. No.	Name of the dealer	Tin	Period of assessment	Date of assessment	Amount of concealment/escapement of turnover and erroneous calculation	Short levy			Total	Remarks
						VAT	Interest	Penalty		
The Superintendent of Taxes, Charge VIII, Agartala										
7	M/s Paritosh Debnath	16012136065	2011-12	09.07.2014	12.02 (13.5 %)	1.62	0.63	0.25	2.50	AA has stated that the cases were required to be re-assessed but as under the existing provisions of the TVAT Act, 2004 he has no power for making re-assessment, the cases were forwarded to the Commissioner of Taxes with a request to take up the cases for review u/s 70(1) of the TVAT Act, 2004. The case is disposed off on 19.07.2016 in the court of the Ld. Revisional Authority in Rev. Case No. 05/CH-VIII/2016. The result will be intimated in due course.
8	M/s Dharampal Agarwal and Sons	1618476131	2013-14	22.12.2014	56.21 (5 %)	2.81	0.34	0.42	3.57	AA has stated that the cases were required to be re-assessed but as under the existing provisions of the TVAT Act, 2004 he has no power for making re-assessment, the cases were forwarded to the Commissioner of Taxes with a request to take up the cases for review u/s 70(1) of the TVAT Act, 2004. The case is disposed off on 03.08.2016 in the court of the Ld. Revisional Authority in Rev. Case No. 07/CH-VIII/2016. The result will be intimated in due course.

Note: 1 Interest calculated @ 1.5 *per cent* pm of VAT not deposited.

Appendix-4.3.1 (contd...)

Statement showing short levy of VAT, interest and penalty due to concealment/escapement of turnover by the dealers and erroneous calculation made by the Assessing Authority

(Reference: Paragraph No. 4.3)

(₹ in lakh)

Sl. No.	Name of the dealer	Tin	Period of assessment	Date of assessment	Amount of concealment/escapement of turnover and erroneous calculation	Short levy			Total	Remarks
						VAT	Interest	Penalty		
The Superintendent of Taxes, Charge VIII, Agartala										
9	M/s Haralal Das	1011666021	2009-10	06.02.2014	1.09 (12.5 %)	0.14	0.09	0.02	0.25	AA has stated that the cases were required to be re-assessed but as under the existing provisions of the TVAT Act, 2004 he has no power for making re-assessment, the cases were forwarded to the Commissioner of Taxes with a request to take up the cases for review u/s 70(1) of the TVAT Act, 2004. The process is being started for consideration of review of the cases u/s 70(1) of the TVAT 2004. The case is listed for hearing on 30.08.2016 in the court of the Ld. Revisional Authority in Rev. Case No. 03/CH-VIII/2016. The result will be intimated in due course.
			2010-11		3.85 (12.5 %)	0.48	0.25	0.07	0.80	
						0.52[4]	0.27	0.08	0.87	
Sub Total						**10.44**	**2.19**	**1.58**	**14.21**	

Note: 1 Interest calculated @ 1.5 *per cent* pm of VAT not deposited.

[4]Short levy of VAT of ₹ 0.52 lakh due to error in calculation (i.e, ₹ 8.88 - ₹ 8.36)

Appendix-4.3.1 (contd...)

Statement showing short levy of VAT, interest and penalty due to concealment/escapement of turnover by the dealers and erroneous calculation made by the Assessing Authority

(Reference: Paragraph No. 4.3)

(₹ in lakh)

<table>
<tr><th rowspan="2">Sl. No.</th><th rowspan="2">Name of the dealer</th><th rowspan="2">Tin</th><th rowspan="2">Period of assessment</th><th rowspan="2">Date of assessment</th><th rowspan="2">Amount of concealment/escapement of turnover and erroneous calculation</th><th colspan="3">Short levy</th><th rowspan="2">Total</th><th rowspan="2">Remarks</th></tr>
<tr><th>VAT</th><th>Interest</th><th>Penalty</th></tr>
<tr><td colspan="11">The Superintendent of Taxes, Bishalgarh</td></tr>
<tr><td rowspan="2">10</td><td rowspan="2">M/s Laxmimata Enterprise</td><td rowspan="2">16050730042</td><td rowspan="2">2013-14</td><td rowspan="2">12/01/2015</td><td rowspan="2">15.68(5 %), -0.75(13.5 %) 62.38(14.5 %)</td><td>9.73</td><td>1.31</td><td>0.97</td><td>12.01</td><td rowspan="3">AA has stated that the cases were required to be re-assessed but as under the existing provisions of the TVAT Act, 2004 he has no power for making re-assessment, the cases were forwarded to the Commissioner of Taxes with a request to take up the cases for review u/s 70(1) of the TVAT Act, 2004. The process is being started for consideration of review of the cases u/s 70(1) of the TVAT 2004. The case is listed for hearing on 24.08.2016 in the court of the Ld. Revisional Authority in Rev. Case No. 05/BLG/2016. The result will be intimated in due course.</td></tr>
<tr><td>[0.13]</td><td>0.02[5]</td><td>0</td><td>0.02</td></tr>
<tr><td colspan="6">Sub Total</td><td>9.73</td><td>1.33</td><td>0.97</td><td>12.03</td></tr>
</table>

Note: 1 Interest calculated @ 1.5 *per cent* pm of VAT not deposited.

2 Figure in […] indicates VAT already realised, but calculation of interest due to late payment of VAT assessed by AA were incorrect/not imposed. Therefore, figure in […] are not accounted for in the total of short levy in VAT column.

[5] Short levy of interest of 9 months on assessed tax ₹ 0.13 lakh

Appendix-4.3.1 (concld.)

Statement showing short levy of VAT, interest and penalty due to concealment/escapement of turnover by the dealers and erroneous calculation made by the Assessing Authority

(Reference: Paragraph No. 4.3)

(₹in lakh)

Sl. No.	Name of the dealer	Tin	Period of assessment	Date of assessment	Amount of concealment/escapement of turnover and erroneous calculation	Short levy			Total	Remarks
						VAT	Interest	Penalty		
The Superintendent of Taxes, Belonia										
11	M/s Shree Durga Agencies	16080850057	2010-11	10.03.2015	5.85 (12.5 %)	0.73	0.51	0.27	1.51	AA has stated that the cases were required to be re-assessed but as under the existing provisions of the TVAT Act, 2004 he has no power for making re-assessment, the cases were forwarded to the Commissioner of Taxes with a request to take up the cases for review u/s 70(1) of the TVAT Act, 2004. The process is being started for consideration of review of the cases u/s 70(1) of the TVAT 2004. The case is listed for hearing on 26.08.2016 in the court of the Ld. Revisional Authority in Rev. Case No. 03/BLN/2016. The result will be intimated in due course.
						[0.19]	0.14[6]	0.02	0.16	
Sub Total						**0.73**	**0.65**	**0.29**	**1.67**	
Grand total						**24.32**	**6.80**	**3.48**	**34.60**	

Note: 1 Interest calculated @ 1.5 *per cent* pm of VAT not deposited.

2 Figure in […] indicates VAT already realised, but calculation of interest due to late payment of VAT assessed by AA were incorrect/not imposed. Therefore, figure in […] are not accounted for in the total of short levy in VAT column.

[6] Short levy of interest of 47 months and penalty on assessed tax ₹ 0.19 lakh

Appendix-4.3.2

Statement showing calculation of interest

(Reference: Paragraph No. 4.3)

(₹ in lakh)

Sl No.	Name of dealer	Tax payable	Under Section	Due from	Date of assessment/ (date of audit)	Total period (in month)	Interest levied by AA for month	Balance interest (month)
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*
The Superintendent of Taxes, Charge IV, Agartala								
1	M/s B. B. Electronic	0.91	45 (4)	5/10	12.02.2015	59	Nil	0.80 (59)
		[0.51]				59	25	0.26[7] (34)
The Superintendent of Taxes, Charge V, Agartala								
2	M/s Computer Link	0.50	25 (1)	5/10	25.02.2015	58	Nil	0.44 (58)
		[0.07]				58	12	0.05[8] (46)
The Superintendent of Taxes, Charge VII, Agartala								
3	Subhash Chandra Datta	0.50	25 (1)	5/11	08.09.2014	41	Nil	0.31 (41)
		[1.40]				41	12	0.61[9] (29)
4	M/s Shiv Rubber	1.51	45 (4)	5/14	25.11.2014	7	Nil	0.16 (7)
The Superintendent of Taxes, Charge VIII, Agartala								
5	M/s J. K. Motors	2.69	25 (1)	5/13	30.12.2013	8	Nil	0.32 (8)
6	M/s SML ISUZU	2.18		5/13	15.01.2014	9	Nil	0.29 (9)
7	M/s ParitoshDebnath	1.62		5/12	09.7.2014	26	Nil	0.63 (26)
8	M/s DharampalAgarwal and Sons	2.81		5/14	22.12.2014	8	Nil	0.34 (8)

Note: 1 Interest calculated @ 1.5 *per cent* pm of VAT not deposited.

2 Figure in […] indicates VAT already realised, but calculation of interest due to late payment of VAT assessed by AA were incorrect/not imposed. Therefore, figure in […] are not accounted for in the total of short levy in VAT column.

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[7] Difference of interest on assessed amount (₹ 0.51 × 0.015 × 59) = ₹ 0.45 - ₹ 0.19 = ₹ 0.26

[8] Difference of interest on assessed amount (₹ 0.07 × 0.015 × 58) = ₹ 0.06 - ₹ 0.01 = ₹ 0.05

[9] Difference of interest on assessed amount (₹ 1.40 × 0.015 × 41) = ₹ 0.86 - ₹ 0.25 = ₹ 0.61

Appendix-4.3.2 (concld.)
Statement showing calculation of interest
(Reference: Paragraph No. 4.3)

(₹in lakh)

Sl No.	Name of dealer	Tax payable	Under Section	Due from	Date of assessment/ (date of audit)	Total period (in month)	Interest levied by AA for month	Balance interest (month)
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
9	M/s Haralal Das	0.14	25 (1)	5/10	06.2.2014	46	Nil	0.09 (46)
		0.48		5/11	06.02.2014	34	Nil	0.25 (34)
		0.52		5/11	06.02.2014	34	Nil	0.27 (34)
The Superintendent of Taxes, Bishalgarh								
10	M/s Laxmimata Enterprise	9.73	25 (1)	5/14	12.01.2015	9	Nil	1.31 (9)
		[0.13]				9	Nil	0.02[10] (9)
The Superintendent of Taxes, Belonia								
11	M/s Shree Durga Agencies	0.73	25 (1)	5/11	10.03.2015	47	Nil	0.51 (47)
		[0.19]				47	Nil	0.14[11] (47)
	Total	**26.19**						**6.80**

Note: 1 Interest calculated @ 1.5 *per cent* pm of VAT not deposited.
2 Figure in […] indicates VAT already realised, but calculation of interest due to late payment of VAT assessed by AA were incorrect/not imposed. Therefore, figure in […] are not accounted for in the total of short levy in VAT column.

[10] Interest on assessed amount (₹0.13 × 0.015× 9) =₹0.02
[11] Interest on assessed amount (₹0.19 × 0.015 × 47) =₹0.14

Appendix-6.2.1

Statement showing savings under Revenue and Capital Heads during last six years

(Reference: Paragraph No. 6.2.4.2)

(₹in crore)

Year	Revenue/ Capital	Revised estimates	Expenditure	Savings (+)/Excess (-)
2010-11	Revenue	112.45	103.81	8.64
	Capital	88.37	28.42	59.95
2011-12	Revenue	207.20	106.21	100.99
	Capital	109.73	22.74	86.99
2012-13	Revenue	173.90	104.38	69.52
	Capital	122.26	39.39	82.87
2013-14	Revenue	152.65	127.87	24.78
	Capital	115.93	36.14	79.79
2014-15	Revenue	169.38	159.57	9.81
	Capital	148.42	40.40	108.02
2015-16	Revenue	188.14	162.66[#]	15.48
	Capital	38.44	47.96[#]	(-) 9.52

Source: Annual Financial Statement and Appropriation Accounts

Appendix-6.2.2

Statement showing percentage of shortage of chemical fertilisers against the requirement during 2013-16

(Reference: Paragraph No. 6.2.4.2)

(in MT)

Year	Requirement	Quantity available	Shortfall (*in percentage*)
UREA			
2013-14	53,185.000	24,167.451	55
2014-15	50,423.145	25,344.185	50
2015-16	50,060.776	30,124.393	40
SSP			
2013-14	54,693.750	35,054.355	36
2014-15	56,279.625	22,962.468	59
2015-16	53,992.000	26,160.638	52
MOP			
2013-14	14,563.180	11,234.055	23
2014-15	16,336.519	7,579.859	54
2015-16	15,907.648	8,368.501	47

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